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**STATE BANK ISSUES GUIDELINES FOR FISHERIES
FINANCING TO BANKS/FINANCIAL INSTITUTIONS**

The State Bank of Pakistan today issued 'Guidelines for Fisheries Financing' to facilitate and encourage the banks/financial institutions (FIs) to enhance the flow of credit to the fisheries sector.

These guidelines, which have been developed in consultation with key stakeholders including fisheries departments, fishermen cooperative societies, chambers of agriculture, farmers' associations, agriculture research institutions, banks/financial institutions and Ministry of Food, Agriculture and Livestock (MINFAL), cover all areas of fisheries financing business.

The guidelines are part of SBP's initiatives to increase the flow of credit to agriculture sector with a view to supplement government's efforts to develop this sector for poverty alleviation and to create an enabling environment for the banks to adopt agriculture credit as viable business line.

These policy initiatives, inter alia, include: Standardized and Simplified Agricultural Credit Documents, Revolving Credit Scheme for Agricultural Production Loans, Prudential Regulations for Agricultural Financing, Capacity Building of Banks through Training & Special Outreach Programs, Revision of Report for Estimation of Agricultural Credit Requirements, issuance of Guidelines for Livestock Financing etc.

Banks may adopt the guidelines in the present form or with some adjustments to suit their organizational & operational needs and market characteristics, subject to compliance with SBP Prudential Regulations for Agriculture Financing. Banks are also encouraged to develop new products and mechanism like target market analysis, development of financing products, procedures for product marketing, delivery & monitoring mechanism, follow-up & recovery and monitoring growth trends.

It may be pointed out that Pakistan, with a coastline of more than 1000 km and a total area of approximately 0.25 million sq. km of marine and 0.08 million sq. km of inland waters, has great potential for the development of fisheries that can play a significant role in the national economy by contributing towards food security of the country, reducing pressure on demand for mutton, beef and poultry.

It may be added here that the fisheries sector is providing direct employment to about 379,000 fishermen and 400,000 people are employed in ancillary industries. It has a domestic consumption potential of one million metric tons and export of US\$1 billion, annually. However, the flow of bank credit to this sector is negligible i.e. 0.4% of the total agricultural credit disbursement.

Complete Guidelines for Fisheries Financing are available at SBP website: www.sbp.org.pk

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