

## Banks urged to adopt effective tools for galvanizing home remittances

Dr Farooq Sattar, Federal Minister for Overseas Pakistanis, today urged upon commercial banks and other stakeholders to adopt various cost-effective and technologically advanced delivery channels that would help achieve two-fold increase in the quantum of home remittances within a year.

During a meeting, which was jointly chaired by Dr Sattar and Syed Salim Raza, Governor, State Bank of Pakistan, held at SBP Karachi, the Minister for Overseas Pakistanis said effective delivery channels would help in incremental growth of home remittances. "It may be an ambitious target but not an impossible one," Dr Sattar added. He hoped that every stakeholder will work in a coordinated manner to achieve the goal.

The meeting discussed in detail issues related to transmission of funds from overseas Pakistanis to their families back home. Both Mr Raza and Dr Sattar underscored the need to facilitate remitters so they could be encouraged to use official channels for transmission of remittances as movement of funds through informal channels represents both a loss of revenue and a welfare loss for remitters who are forced to send money home via undocumented channels.

Mr Raza said that the State Bank would take the initiative in consultation with the Ministry for Overseas Pakistani and other stakeholders in developing a mechanism to enhance flow of inward remittances and for better investment prospects. He said that special emphasis will be given to reduction in cost of sending remittances and delivery time involved, which are some of the major hurdles in mobilizing remittances through formal channels.

The participants of the meeting were given a brief presentation by the State Bank on recent international efforts and practices being followed by banks in various developing countries to facilitate the flow of remittances. Heads of various commercial banks and other stakeholder apprised the meeting about their initiatives and the products they are offering to their customers.

The meeting was attended, among others, by heads of commercial banks, representatives from NADRA, Central Directorate of National Savings and other stakeholders, besides senior officials of the State Bank and Ministry for Overseas Pakistanis.

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