



External Relations Department

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Warehouse Receipt Financing can turnaround Pakistan's agriculture sector: Saeed Ahmad- Deputy Governor, SBP

The Deputy Governor State Bank of Pakistan (SBP) Mr. Saeed Ahmad has said that Warehouse Receipt Financing was one of the most important initiatives in terms of promoting post harvest agricultural finance in the country. He was addressing leadership workshop on "Warehouse Receipt Financing in Pakistan" organized jointly by SBP and Food and Agriculture Organization (FAO) in Karachi.

While addressing the senior executives from banking, insurance and development organizations, Mr. Saeed Ahmad highlighted that in Pakistan, post harvest losses were estimated to be around 25-35% of crops and horticulture irrespective of the fact that a big part of our population remained malnourished.

He said that Pakistan is one of the leading agricultural producing countries in the world. However, shortage of warehousing & storage facilities, lack of standardization, non existence of independent collateral verification, lower access to financing and non-availability of transaction data has hampered the development of an efficient commodity trading market. This in turn has led to excessive produce wastages, high price volatility, and lower levels of farmers' access to finance. He termed Warehouse Receipt Financing as an initiative which could turn around the country's agricultural landscape.

Deputy Governor informed the participants that SBP has been collaborating with SECP for formulating a regulatory framework for establishment of commodity Warehouse Receipt Financing mechanism. He appreciated the role of Pakistan Mercantile Exchange (PMEX), banks, insurance companies, FAO, and other stakeholders and their joint efforts for scaling up of this financing system in the country.

He expressed his resolve and encouraged the participants to join in the efforts for the development of a system to provide physical commodity storage, marketing, and Warehouse Receipt Financing mechanisms in Pakistan. He assured that State Bank will continue to play its active role in this regard.

The event was also addressed by Syed Samar Hasnain- Executive Director SBP, Mr. Francisco Gamarro- Deputy Representative FAO Pakistan, Mr. Krassimir Kiriakov- Expert Warehouse Receipt Financing Voca Consultant UK, Mr. Fahadullah Khan- CEO ACE Global Depository Services Pakistan, and Mr. Hasan Mahmood- Head of Research, Product Development & Risk Pakistan Mercantile Exchange (PMEX).

Around 130 senior executives of banks, insurance companies, SECP, FAO, PMEX and other stakeholders attended the event which was followed by a two day Training of Trainers (ToT) session for around 50 participants from banks and other stakeholders.