



## External Relations Department

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### **Amidst emerging positive economic trends, SBP is committed to promote SME finance: Governor Baqir**

Governor State Bank of Pakistan, Dr. Reza Baqir, and other senior officials of the Bank met with senior representatives of FPCCI in Lahore on 7<sup>th</sup> September, 2019 at the invitation of FPCCI Regional Office. SBP apprised the FPCCI members of its views on the economy and SBP's facilities and efforts to promote access to SME finance. SBP also listened to the issues being experienced by members of the FPCCI in accessing SME finance.

'The purpose of economic reforms is to definitively address the problems accumulated from previous years, to bring stability in the economy, and provide the foundations for sustainable growth that is shared amongst the citizens,' said the Governor SBP in his introductory remarks. Adding further, he said that achieving these goals requires a partnership between the private and public sectors. Elaborating his views, the Governor remarked 'Early results from the reforms are promising: the current account deficit, which was one of the principal causes of our economic problems, has halved, export volumes have been growing, non-borrowed reserves have stopped falling and in fact begun to grow, and inflation is projected to start falling from the second half of the current fiscal year. Governor Baqir emphasized that sustaining policy reforms and continuing a focus on growth friendly policies is the key priority going forward.

On addressing SME finance issues, SBP officials explained that its key role in this space is to provide an enabling regulatory environment through supportive prudential regulations and to support market development by promoting risk mitigation mechanisms. They also explained the key pillars of SBP's Policy for Promotion of SME Finance to the business community (<http://www.sbp.org.pk/sme/d/PolicyPromotionSME-Finance.pdf>). Main features of State Bank's refinance facilities for SMEs and exporters were also explained in the meeting. During the meeting, Dr. Reza Baqir highlighted that credit to SMEs increased from Rs.288 billion in 2014 to Rs.513 billion in 2018. At the same time, he noted, that there is tremendous potential to expand SME finance and that the relevant stakeholders need to work together to achieve this goal.

Governor SBP also responded to questions of senior representatives of FPCCI and various chambers of commerce. Mr. Iftikhar Ali Mailk, Senior Vice President SAARC CCI and Mr. Abdul Rauf Mukhtar, Regional Chairman & Vice President FPCCI thanked Governor and other officials of SBP for visiting FPCCI Lahore.

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