



External Relations Department

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SBP calls meeting of Bank Presidents on Naya Pakistan Housing Program

Governor State Bank of Pakistan (SBP) Dr. Reza Baqir called a meeting of Banks today for deliberations on the measures proposed by Naya Pakistan Housing and Development Authority (NAPHDA) and identify way forward to ensure sustainable market-led financing of housing projects and mortgages. The meeting was chaired by the Governor SBP, Dr. Reza Baqir, and attended by Chairman NAPHDA, Lt. General Anwar Ali Haider, and members of the think tank formed by the government including Mr. Shaukat Tareen, Mr. Arif Habib and Mr. Aqeel Karim Dhedhi among others. Banks were represented by their respective presidents. Governor Baqir at the outset praised the work of Lt. General Anwar Ali Haider and NAPHDA for its significant potential contribution in meeting the shortage of housing in the country and accelerating economic activity in the country.

Governor Baqir said that housing finance has not only remained under-developed in Pakistan as compared with other emerging economies but seen little progress over time. In this regard, therefore, this initiative is of great national interest. He emphasized that the construction and housing sectors have strong linkages with the rest of the economic sectors and offer a commercially viable and long term business proposition for banks. He also stressed that supporting economic activity in these sectors would support economic growth and particularly employment in current times of economic stress. He encouraged banks to view housing and construction finance as an opportunity to broaden their balance sheet and cater to the huge financing needs of the sector. Governor Baqir reiterated central bank's commitment to play a facilitative and supportive role while also supporting a healthy credit culture in the country.

Chairman NAPHDA made a presentation to the banks on the key features of Naya Pakistan Housing Program. He shared the details of the underlying development model for the successful implementation of the initiative. Complementing the presentation, Mr. Shaukat Tarin, member of the government's think tank, presented a financial model and elaborated the incentives being offered by the government and emphasized that these will make the financing of developers and mortgages commercially attractive for banks.

The presidents of banks in their deliberations appreciated the Naya Pakistan Housing Program and expressed their readiness for participating in this initiative of national importance. They also made queries and suggestions in this regard. It was decided that banks, NAPHDA, and SBP would work together to prepare an overall roadmap and execution plans with support from the relevant sub-committees of Pakistan Banks Association.
