



**Governor's Speech**

**Share Purchase Agreement with the Consortium of Chinese Exchanges**

**January 20<sup>th</sup>, 2017**

Bismillah

Hon'ble Senator Muhammad Ishaq Dar, Finance Minister of Pakistan

Mr. Zafar Hijazi, Chairman SECP

Mr. Munir Kamal, Chairman, Pakistan Stock Exchange

Ambassador Peoples Republic of China

Distinguished Guests,

Ladies and Gentlemen,

*Assalam-o-Alaikum and Good Morning!*

I am very thankful to Pakistan Stock Exchange to invite me today at this historic occasion in our economic history. Can a single word be used to describe the prosperity of developed countries in the past few decades? If I were to answer this question, I would say **collaboration**. In this global world, it is not possible for economies to grow in isolation. Hence, it should not come as a surprise to anyone that the most successful countries are the one that work in tandem with their neighbors and/or trading partners. Pakistan and China are taking that exact path beyond which a great future awaits!

Before I move any forward, please allow me to take you to a short visit down the memory lane when Pakistan economy was challenged with multiple headwinds. Be it war on terror that led to lower than desired security situation in the country, energy shortfalls, insufficient foreign exchange reserves, or lack of foreign investment; we have rebounded strongly than what was anticipated of us. With adequate economic policies and the assistance of international agencies, we have firmed up our feet on the ground. However, we did not stop there; we continued with our efforts to take our economic growth and public well-being to a higher level. To achieve those goals, Pakistan required the necessary impetus in the form of capital investment and opportunities. This is where the role of our closest friend and ally China has been instrumental!



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It is an applaudable step of a country like China to get integrated with the rest of the world. For this purpose, the country has rightly focused on the strategic location of Pakistan. The investment of China in Pakistan as just one route of its corridor has now begun a string of partnerships that would further strengthen the bond between the two countries. Ladies and gentlemen, one of the outcomes of those efforts is the reason that we have gathered here.

The signing ceremony of share purchase agreement by the consortium of Chinese exchanges and local financial institutions is a surely a landmark event for the Asian capital market. The investment of the consortium will not only enhance the credibility of Pakistan Stock Exchange – which let me remind you has been the best performer of Asia in 2017, but will also make it accessible and desirable to a host of investors across the world. To further add, the technological improvement would be a further boost for trading within and outside the country. I am sure that the partnership of Pakistan Stock exchange with China will bear fruits by developing competitive and profitable securities and derivative products.

The local financial institutions in this consortium have an important role to play as well. With the thorough understanding of the domestic markets and well-poised to assist their foreign counterparts, the consortium would be instrumental in raising productive capital from both within and outside Pakistan. This capital would play a critical role for the corporate sector at a time when the China-Pakistan Economic Corridor is in full swing.

This is just the tip of the iceberg, ladies and gentlemen. With proper planning and execution, such future collaborations could be game turners for all the stakeholders. Not only would this help raising the economic growth of the country, but will also unlock the business-to-business and person-to-person barriers, and may be a good avenue to learn from each other in various fields such as banking, engineering, transportation, telecommunication, energy, and many more. To sum up, the possibilities are limitless.

The key, ladies and gentlemen, would be to have an open mind and learn from the experiences of such co-ordinations in other parts of the world like the Trans-African Highway network, Pan-American and Pan-European corridors.

Our year on year LSM growth in Nov 2016 is 8.1% compared with 4.5% in Nov 2015. Private sector credit expanded by Rs. 376 billion and is broad based in



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July-Dec FY 17 compared with Rs 283 billion in corresponding period 2016. Such good news will contribute to PSX and the investors sentiments.

In the end, I would like to thank you all for your time, and congratulate you for making this step a success. God Bless!