

July 8, 2006

PSMA DELEGATION MEETS THE STATE BANK GOVERNOR

An eleven-member delegation of Pakistan Sugar Mills Association, led by its Vice Chairman, Mr. Iskander Khan met the Governor, State Bank of Pakistan, Dr. Shamshad Akhtar at State Bank of Pakistan, Islamabad today.

The delegation apprised the Governor of the difficulties the sugar mills are facing in view of the instructions issued by the State Bank to banks to adjust all previous advances against the securities of sugar Stocks by 31st July, 2006 and imposition of 50 % cash margin requirement.

The delegation pointed out to the Governor that as per normal cycle, loans against sugar are generally repaid by October every year and any attempt to liquidate these loans earlier would have adverse implications on the supply of sugar.

The SBP Governor assured the delegation that the State Bank will look into the problems pointed by the delegation after getting more information from banks and the association about the stocks of sugar and the advances their-against. The delegation appreciated the assurance given by the Governor. She told the delegation that she will hold another meeting with the PSMA delegation shortly to resolve the issue. "We should be fair to the public, banks, sugar mills and all other stake holders." Dr. Akhtar Added.

The meeting was attended, among others, by Mr. Mansur-ur-Rehman Khan, Deputy Governor and Mr. Muhammad Kamran Shehzad, Executive Director of the State Bank of Pakistan.
