

19th January, 2007

**STATE BANK RESTRUCTURES & RENAMES NCCC AS
PRIVATE SECTOR CREDIT ADVISORY COUNCIL (PSCAC)**

The State Bank of Pakistan has decided to restructure and rename the National Credit Consultative Council (NCCC) as Private Sector Credit Advisory Council (PSCAC). This has been done with a view to make the role of the new body more effective and meaningful, consistent with the forces of free market economy.

The main objective of PSCAC will be to suggest ways and means to widen the private sector's access to credit with a view to promote economic development in Pakistan. PSCAC will also review the developments related to credit availability to private sector and suggest workable proposals to promote sectoral finance on sustainable basis.

The PSCAC will not only identify impediments in credit availability and disbursement for various purposes, including project finance, working capital finance, infrastructure & housing finance, consumer finance, SME finance, microfinance, trade finance, Islamic finance and other sectors but will also review the proposals of the Agricultural Credit Advisory Committee (ACAC) relating to agricultural credit.

The Governor, State Bank of Pakistan, Dr. Shamshad Akhtar will be the Chairperson of PSCAC while its members will include representatives from banks, private sector chambers/associations/trade bodies and concerned Government ministries/institutions.

Adviser, Development Finance (SBP) will serve as Secretary of PSCAC. The PSCAC will meet in April and October every year as the private sector credit cycle usually begins in September-October and ends in March-April.

The representatives of the private sector and banks may be invited to PSCAC meetings for presentations on issues relating to availability of credit and credit disbursement respectively. The State Bank will issue a press release at the conclusion of every meeting of PSCAC.

It may be recalled that the NCCC was constituted in September 1972 with the mandate to draw up annual Credit Plan and to ensure optimal utilization of bank credit through the process of directed credit to various sectors of the economy. However, following the abolition of the system of credit ceiling and directed credit, the role of NCCC was changed from regulatory or planning body to consultative/advisory body with more focus on issues related to private sector credit. This necessitated the restructuring and renaming of NCCC.
