

August 15, 2008

Dr Akhtar tells banks to expedite
repatriation of export proceeds

Dr Shamshad Akhtar, Governor State Bank of Pakistan, today advised all commercial banks to ensure repatriation of overdue export proceeds.

Addressing a meeting of heads of commercial banks held at State Bank of Pakistan, Karachi, Dr Akhtar expressed concern over inability of banks to realize export proceeds within the stipulated period of 180 days.

She recommended that banks should concentrate on encouraging exporters to bring back over-due export proceeds, which are held-up for less than a year. "Banks have to really act fast to ensure realization of approximately \$200 - \$220 million overdue proceeds on which the State Bank staff will be working closely with them."

SBP Governor underscored the need to devise a mechanism to segregate between those exporters who have genuine problems and those who are not bringing back export proceeds willfully. The State Bank and banks are to conduct analysis of reasons for delays in export proceeds beyond one year and work out linkage between held up export proceeds and Export Refinance. She also said that banks and the State Bank should also develop a database of export proceeds region wise/customer wise in order to expedite repatriation of the held up proceeds.

Representatives of the commercial banks assured the central bank that they will make utmost efforts towards realization of export proceeds. They also agreed to have another meeting with the Governor SBP after 15 days to report the progress in this regard.
