

December 23, 2011

## **Bilateral Currency Swap Arrangement signed between the central banks of Pakistan and China.**

A landmark bilateral Currency Swap Arrangement (CSA) has been signed between State Bank of Pakistan (SBP) and the People's Bank of China (PBC) in a ceremony held on 23 Dec.2011 in Islamabad, Pakistan by Governor SBP Yaseen Anwar and Deputy Governor PBC Mr. DU Jinfu.

The bilateral CSA has been concluded in Chinese Yuan CNY 10 billion and Pakistan Rupee PKR 140 billion for the purpose of promoting bilateral trade and investment and strengthening financial cooperation. The currency swap would expire in three years, but could be extended with mutual consent.

We expect that bi-lateral Trade and investment will grow between Pakistan and China as a result of this agreement, further augmenting the economic ties of the two countries. This agreement will make a significant contribution in further strengthening the close and special relationship between the two countries.

Announcement of the Currency Swap Agreement between the two Central Banks will give positive signal to the market on the availability of liquidity of the other country's currency on the onshore market. As a result it will promote bi-lateral trade denominated in Chinese Yuan and Pakistan Rupee.

\*\*\*\*\*