

SBP, IFC study to help Increase Lending to Small and Medium Enterprises

The State Bank of Pakistan (SBP) and the International Finance Corporation (IFC), a member of the World Bank Group, have launched a series of publications to help Pakistani banking sector expand access to finance for the small and medium enterprises (SMEs) that drive job creation and growth in the country.

SBP and IFC have produced a series of booklets about the ways banks can increase lending to small and medium enterprises. These booklets, which cover ten sectors including agriculture, education and logistics, are aimed at helping the banks in creating better and low-cost product programs that will enable small businesses to obtain more financing and expand their operations.

These booklets (available at <http://www.sbp.org.pk/departments/ihfd-ifc.htm>) follow a study conducted by SBP and IFC in Pakistan that included the participation of top 16 commercial banks and over 300 interviews of small businesses in 10 sectors. Each booklet includes an industry overview and chapters on market assessment, risk assessment, financial benchmarking, proposed banking products for the sector, and guidance on how these products could be channeled and distributed.

At the completion of the survey, SBP and IFC held a dissemination workshop for banks at Karachi wherein the surveying consultants shared key features and findings of the Project with the participating banks.

The Deputy Governor, State Bank of Pakistan, Mr. Yaseen Anwar, who presided over the workshop, while stressing the importance and significance of the exercise emphasized upon the banks to make maximum use of the findings of the survey. He also stressed upon the banks that while defining their competitive positioning and designing profitable SME strategies, they should provide better and improved services to the SMEs.

Mr. Kaiser Naseem, IFC's Head of Bank Advisory Services for Middle East & North America (MENA), said: "IFC works to help small businesses obtain financing to grow and create jobs. Our work in Pakistan will encourage banks to lend money to new markets, encouraging economic growth."

Such workshops will also be held in other important SME centres of the country, in order to disseminate the Study's findings to a larger group of stakeholders, especially the finance providers.
