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Press Release

Bilateral Currency Swap Arrangement signed between the central banks of Pakistan and Turkey

A bilateral Currency Swap Arrangement (CSA) has been signed between State Bank of Pakistan (SBP) and the Central Bank of the Republic of Turkey (CBRT) in a ceremony held on 01 November, 2011 in Istanbul, Turkey by Governor SBP Yaseen Anwar and Governor CBRT Erdem Başçı in presence of the President of Pakistan H.E. Asif Ali Zardari and President of Turkey H.E. Abdullah Gul.

The bilateral CSA has been concluded in Pakistan Rupee / Turkish Lira with size amounting to US\$ 1 billion in equivalent local currencies. Tenor of the agreement will be for 3 years. Core objective of the Currency Swap Arrangement is to finance bilateral trade in respective local currencies of the two countries.

This is a 'Landmark' transaction executed between the two central banks; and is the first time either country has executed such an arrangement. We expect that bi-lateral Trade will grow between Pakistan and Turkey 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 Turkish Lira and PKR.
