

## **State Bank's Clarification**

The State Bank of Pakistan (SBP) has categorically denied reports appearing in a section of the press today (January 20, 2012) which stated that it (SBP) opposed the debt swap deal with commercial banks.

The State Bank Spokesman today said that the issue of debt swap deal with commercial banks was not discussed in the meeting of Monetary and Fiscal Coordination Board, which was held under the chairmanship of the Federal Finance Minister, Dr Abdul Hafeez Shaikh in Islamabad yesterday. Therefore, the question of SBP Governor, Mr. Yaseen Anwar conveying his reservations about the government's move to strike a deal with commercial banks to swap Rs163 billion debt with them does not arise.

The Spokesman regretted the linkage of the reports between the so-called SBP comments and the Prime Minister's policy statement in the Parliament yesterday in which Syed Yousuf Raza Gillani presented the proposed debt swap deal as a solution to the circular debt. The SBP Spokesman said that since the matter regarding the debt swap deal was never discussed in the meeting of Monetary and Fiscal Coordination Board, its linkage with the Prime Minister's policy statement is un-called for and highly mischievous.

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