

## **Finance Minister Meets Financial Sector Players, Corporate Leaders, and Representative of Exchange Companies**

The Finance Minister Senator Muhammad Ishaq Dar held a meeting with chief executives of local and foreign banks, corporate leaders, and representatives of Exchange Companies today at SBP Karachi. The Governor SBP was also present on the occasion. The Finance Minister said the focus of the present government was to secure financial discipline which had been diluted over the previous years, and focus on real economy which is agriculture and industry. He was appreciative of the lower differential between the inter-bank and open market rates and urged the Exchange Companies to play their due role in maintaining stability in the market and curbing speculative sentiments.

Giving an overview of the state of the economy Finance Minister listed the measures taken by the government to stabilize the economy and address macroeconomic imbalances. He said the fiscal figures released a few days back on June 30, 2013 are a testimony that as a result of strict financial discipline the fiscal deficit which was projected at 8.8% was brought down to 8.2%. The passage of budget, program with the IMF, clearance of circular debt, and introduction of reforms in the tax sector were all aimed to reset the economy and give it a right direction.

The Finance Minister said that international banks and financial institutions which were hitherto hesitant were now prepared to do business with Pakistan as a result of measures taken by the government.

The Finance Minister said that despite strict discipline on expenditures the budget allocated for social safety net and public sector development program would be protected. The clearance of circular debt, addition of 1700 MW to the national grid and a robust plan of constructing new power plants including 969MW Neelum-Jhelum hydropower project, 425MW Nandipur power plant, 2117MW Karachi coastal power plant, 6600 MW coal thermal power plant at Gaddani, 1200MW coal plant at Jamshoro and others have now set a direction towards resolution of the energy crisis. The Finance Minister disclosed that an agreement was recently reached with Karachi Electric Supply Corporation to ensure regular supply of power to Karachi.

Talking about the IMF program the Finance Minister assured that PML (N) government had entered into the program in line with its manifesto and in the best national interest. He said there is now no question of any default as we have entered into commitments which shall take care of our international obligations for the next three years.

The Finance Minister said that the PML (N) government had a clear roadmap and was confident that with the cooperation of businesses and industry the economy would make a turn around. The Finance Minister said that the banking sector in Pakistan was performing well and urged them to come up with innovative ideas so that financial markets can play their role in revival of the economy. The banks requested a separate meeting to streamline process of recovery of their over dues.

Representatives of exchange companies welcomed the measures taken by the current government to improve the country's balance of payments, and promised their full support for the betterment of the country's economy. In this regard they sought the Finance Minister's intervention in resolving some of their issues. The Finance Minister assured Exchange Companies of his support in resolving their legitimate problems.

The Finance Minister also held a meeting on the Pakistan Remittance Initiative. After discussions, he appreciated the progress made since the previous meeting on future strategy, and promised his support to the PRI in their endeavor to substantially further increase home remittances into the country. ###