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State Bank of Pakistan advises banks to extend loans under PMYBL Programme

State Bank of Pakistan (SBP) held an Orientation Workshop on Prime Minister's Youth Business Loans (PMYBL) Programme at SBP, Karachi on September 10, 2014. Mr. Abid Qamar, Director Infrastructure Housing &SME Finance Department presided over the proceedings of the workshop which was attended by representatives from SBP, SMEDA, Business Heads and Product Development Heads of commercial banks.

On the occasion, Mr. Abid Qamar highlighted the importance of the SME sector for spurring economic growth, employment generation and export earnings. He lamented that despite significant contribution of SME sector in country's GDP, the sector is not getting its due share of financing from the banking system and the share of SME Financing in banks' total financing has declined from 17% to 6% during the last 5 years. He said that SBP is aware of the situation and has undertaken various initiatives for increasing the size of credit by the banks to the SME sector. "Considering that PM Youth Business Loans Programme can play a very effective role in promotion of Small Enterprises and thus job creation for the youth in the country, SBP is providing full support to the Government and the Banks working as Executing Agencies for successful implementation of the Programme," he added.

During the workshop, Mr. Irtiza Kazmi, EVP, and Mr. Zubair Mirza, SVP National Bank of Pakistan briefed the participants about NBP's PMYBL Product and explained in detail various operational aspects of their financing under the Programme. Questions raised about PMYBL Programme were elaborately answered by the SBP and NBP representatives. Mr. Irtiza Kazmi said that NBP is determined to support the government initiative of providing youth with opportunities of financial independence through self-employment under the PMYBL Programme. Mr. Kazmi commented that the youth of Pakistan though highly enterprising, generally lack entrepreneurial skills and broadly remain credit constrained. PMYBL Programme is designed to give them the opportunity to learn and excel in various business segments thereby bringing prosperity to Pakistan.

Participants from commercial banks took keen interest in the PMYBL Programme and appreciated the role of SBP in arranging such an informative workshop for them which will greatly facilitate them in designing their own financing products for extending financing under the Programme. While concluding the session, Mr. Abid Qamar acknowledged the interest of banks for their active participation in the workshop and appreciated banks' resolve for extending loans under PMYBL purely on merit.
