



External Relations Department

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Finance Minister visits SBP and addresses Banks Presidents

Senator Muhammad Ishaq Dar, Federal Minister for Finance, Revenue, Economic Affairs, Statistics & Privatization, has stated that economic parameters have recorded significant improvement over the last three years and it is time to accelerate the growth momentum of the economy. He was addressing the Presidents of Banks in a meeting held at State Bank of Pakistan, Karachi. He highlighted that the foreign exchange reserve position of the country has improved significantly over the last three years and appreciated the role of SBP and banks in this improvement.

He mentioned further that going further reserves will improve further and by the end of the fiscal year may touch US dollar 23 billion. "We are expecting another US\$ 1 billion from IFIs in the coming week," he said. Appreciating the contribution of home remittances, the Minister lauded the role of banks in it. He disclosed that with respect to the reimbursement of TT changes, the government will release Rs 3 billion from the budgeted allocation of 2015-16.

The Finance Minister stated that it is the first time Pakistan will complete IMF Macro-economic Stabilization Program. Despite several hurdles it is the first time in the history of Pakistan that the country has completed maximum reforms under the program, he said. Adding further he said that Pakistan is not intending to go to another IMF program.

While elaborating the fiscal improvements, he stated that the budget deficit has improved to 4.3% from 8.8% three years ago without compromising on development budget. The process of fiscal consolidation continues to lower the deficit going forward. "As a consequence government's borrowing requirements from the banking system are reduced and therefore creating space for the banks to lend to the private sector, the Finance Minister remarked.

He urged banks to take advantage of this space and increase credit to the private sector particularly to the SME and microfinance sectors as well as to the housing sector. To promote mortgage financing in the country, he stressed importance of having foreclosure law and said that without such laws housing finance could not be promoted.

FM lauded SBP efforts in the financial sector. He said monetary policy has played a great role in achieving economic turnaround. Further, he said SBP efforts with regard to financial inclusion have earned international recognition.

Earlier, the Governor SBP, Ashraf Mahmood Wathra welcomed the Finance Minister. "We are grateful that you took time out of your busy schedule, as we all know that Dar sb. has been shouldering various other responsibilities besides his own portfolio in recent times.
