



External Relations Department

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Harnessing technology platforms is the way forward for enhancing agricultural productivity- Governor SBP

“I would urge the stakeholders including banks, federal and provincial governments to harness technology platforms for enhancing agricultural productivity”, said Tariq Bajwa, Governor State Bank of Pakistan while presiding the mid-term review meeting of Agricultural Credit Advisory Committee (ACAC) held in Hyderabad on 7th February, 2019.

“Holding ACAC meetings at various locations shows our commitment for promoting agricultural financing in all regions, especially in underserved areas. While, previous meetings were held in Baluchistan and AJK, we are convening this meeting for the first time in Hyderabad to provide impetus for agricultural finance in the region”, expressed Governor in his inaugural remarks. While reviewing the progress on agricultural credit during July-December 2018, the Governor appreciated the efforts of banks in promoting agricultural finance. The Governor shared that during the first half of FY 2018-19, banks have disbursed Rs. 527.3 billion, which is 42.2% of the total assigned target for FY 2018-19, and 22% higher than the disbursement made during the same period last year. The outstanding portfolio of agri. credit also increased to Rs. 521 billion at end December 2018 from Rs. 442 billion last year, witnessing a growth of 17.9%. Moreover, the number of outstanding borrowers also increased to 3.90 million at end December 2018 from 3.46 million last year, with a growth of 12.8%. The Chair also appreciated the efforts of microfinance banks and institutions in providing financing to small and marginalized farmers.

Governor Bajwa, pointed out that despite witnessing reasonable progress during FY 2018-19, the industry still faces various demand and supply side challenges. In particular, he highlighted the geographical disparities in provision of agri. credit as the disbursements in KPK, Balochistan and GB which still remain far from their respective targets. Like-wise, banks were advised to pay special focus on production loans for small farmers. He also emphasized banks to enhance their outreach in terms of agricultural infrastructure by hiring agriculture credit officers. The Governor also highlighted the efforts of Islamic banks in achieving a growth of 80% in disbursement during July-December 2018 compared to the same period last year, however, their share in total disbursement still remains less than 3% in overall agri. credit.



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The Governor urged banks to address these issues by adopting a more focused approach especially towards the underserved areas for achieving Rs. 1,250 billion agri. credit target for FY 2018-19 while bringing a qualitative shift in agri. financing. He also urged Islamic banks and Islamic windows of commercial banks to play an active role in expanding outreach in potential areas particularly to faith sensitive farming community.

The inaugural remarks of the Governor were followed by a detailed presentation wherein the performance of banks on agri. financing during the first half of FY 2018-19 was reviewed against their targets and potential areas of concerns were also highlighted. The committee was also apprised by renowned agri. professionals and representatives of banks on various innovative initiatives in agri. financing including (i) adoption of land record management information system for agri. financing in Punjab, (ii) promotion of high value crops, (iii) developing E-platform for provision of quality agri. Inputs, and (iv) women empowerment through value chain financing for livestock/dairy in Gilgit Baltistan.

The meeting was attended by senior officials of SBP, presidents & senior executives from commercial, specialized, Islamic, and microfinance banks & institutions, representatives of federal & provincial governments, and provincial chambers of agriculture.
