



## External Relations Department

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### **State Bank Announces Measures to Facilitate Export-Oriented Sectors and Manufacturing Concerns**

In an effort to further facilitate the exporters as well as the manufacturing sectors, SBP has allowed exporters to directly dispatch the shipping documents of their exports' consignment to their foreign buyers without any limit, subject to condition that the exporter's export over-dues are less than one percent and the exporter has exports of at least USD 5 million during the previous three years. Earlier, exporters could dispatch the shipping documents directly to their foreign buyers for export consignments of up to USD 100,000/, or equivalent in other currencies. This limit was in place since 2017.

Moreover, SBP has enhanced the existing limit of USD 10,000/, or equivalent in other currencies, per invoice allowed to banks to make advance payment on behalf of manufacturing & industrial concerns and commercial importers for import of raw material, spare parts and machinery, to USD 25,000/.

These measures are in continuation of facilitating export-oriented industries and manufacturing concerns in the backdrop of ease of doing business and promoting exports' growth and will further contribute in improving economic outlook of the country.

It is pertinent to mention here that in January 2020, SBP had taken certain measures to facilitate export-oriented industries and manufacturing concerns. These included:

1. Extending the facility to make advance payment up to USD 10,000/, or equivalent in other currencies, per invoice, for import of raw material, spare parts and machinery to commercial importers as well in addition to manufacturing & industrial concerns, allowed earlier.
2. Allowing Authorized Dealers to effect import advance payment against irrevocable letter of credit, up to 100% of the value of letter of credit, for import of plant, machinery, spare parts and raw material etc. on behalf of manufacturing concerns for their own use only.
3. Extending the facility allowed to manufacturing & industrial concerns for import of raw materials and spare parts on open account basis to commercial importers as well.

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