

EXPORT REFINANCE SCHEME

Export Refinance Scheme was introduced with an aim to boost exports of non-traditional items in Pakistan. The scheme is bifurcated in two parts i.e. Part I & Part II. Under Part-I, the finance is given on pre as well as post shipment basis for export of eligible commodities. This facility is provided on a case-to-case basis. Under Part-II, an exporter may avail the export finance limit, based on his last year's export performance in respect of eligible commodities.

The process of disbursement of credit through export refinance schemes is operationally carried out through the field offices of the Bank. These offices have meaningfully contributed towards disbursement of export finance at industrial centers of the country through commercial banks. The various sectors of business facilitated by this scheme include textile, carpets, telecommunication, IT, electronics, leather, frozen seafood etc.

11.1 ISLAMIC EXPORT REFINANCE SCHEME

The State Bank has all along been striving to ensure that the credit requirements of the genuine exporters from the banking system are not effected. In order to ensure smooth flow of credit to the genuine exporters the SBP has already put in place necessary mechanism under its Export Finance Scheme (EFS), which has been in operations since long. The recent developments relating to introduction of the specialized Islamic banking institutions have made it imperative for us to formulate a Scheme to enable the newly established Islamic Commercial Banks to avail refinancing facilities from State Bank against financing provided by them to the exporters for eligible commodities. Accordingly SBP have designed a new Scheme styled as Islamic Export refinance (the scheme). The said Scheme shall also be utilized by the dedicated branches of the commercial banks that would work as stand alone branches for providing the Islamic Banking Products and Services, for availing refinance against financing facilities provided by them to exporters for eligible commodities.

11.2 INSPECTION OF BANKS

The BSC offices have to keep regular checks on banks through various physical verification in order to ensure the proper utilization of disbursed funds. This not only ensures the smooth functioning of EFS but also provides corrective measure more efficiently in the form of the Irregularities Mitigation Program (IMP). In order to develop expertise in this area, adequate training has been imparted to the concerned monitoring staff. Also, various seminars have been organized at the field offices.

The graphical presentation below is detailed information of Export Refinance facility provided during the period, since the inception of the Bank at different field offices;

