

# 11 ROLE OF LOCAL CREDIT ADVISORY COMMITTEES

## 11.1 Overview

Local Credit Advisory Committee (LCAC) is a forum available at field offices of BSC to provide an opportunity to bankers, traders and representatives of farming community to sit together and discuss the business issues and problems being faced by them and propose solution for these problems. The committee consists of representatives of commercial banks, government departments, traders' associations, chambers of commerce and industries of the region. The Chief Manager of BSC field office acts as Chairman of the Committee. Each LCAC has a sub-committee on agriculture which deliberates on the issues relating to agriculture particularly matters concerning agricultural credit. Meetings of these committees are held at regular intervals at all field offices of BSC to seek feedback from the participants regarding policies formulated by the SBP. LCAC forum provides input to SBP for taking suitable remedial measures and formulation of future policies.

## 11.2 Meetings of the Local Credit Advisory Committee

During FY06, a total of 61 meetings of LCAC / Sub Committee were held under the chairmanship of Chief Managers of field offices with the representatives of business / trade associations, farmer associations and Chambers of Commerce and Industry as compared to 56 meetings last year. In addition 27 small towns were visited by Chief Managers as compared to 23 in the preceding year. Through the forum of LCAC, Chief Managers of BSC updated the stakeholders of SBP regarding various schemes, policies and financial services of SBP.

S #	Office	2004 - 05		2005 -06	
		Meeting	Visits	Meeting	Visits
1	Bahawalpur	8	1	8	4
2	D. I. Khan	3	-	4	1
3	Faisalabad	3	3	5	9
4	Gujranwala	3	1	2	-
5	Hyderabad	2	-	4	1
6	Islamabad	3	2	3	3
7	Karachi	5	-	5	-
8	Lahore	6	5	5	2
9	Multan	3	-	5	2
10	Muzaffarabad	5	-	3	-
11	Peshawar	4	2	7	3
12	Quetta	1	2	1	-
13	Rawalpindi	2	-	2	2
14	Sialkot	6	3	4	-
15	Sukkur	2	4	3	-
<b>Total</b>		<b>56</b>	<b>23</b>	<b>61</b>	<b>27</b>

## 11.3 Problems of Stakeholders

LCAC continued to play its role in resolving the problems of the stakeholders at the local level. During LCAC meetings, the Chief Managers of the field offices explained / clarified rules and instructions issued by the State Bank for various financial services / facilities being provided to stakeholders. The issues discussed during these meetings were mainly related to the disbursement of agriculture credit to the farming community; need to introduce latest technology in the agriculture, rate of mark up, matters relating to currency management system at field offices of BSC and non cooperative attitude of the

employees of the commercial banks and financial institutions etc. Participants also put forward different proposals to overcome their grievances which were thoroughly discussed and genuine grievances were communicated to concerned departments of the SBP for their consideration through the LCAC Cell working at BSC Head Office, Karachi. Some of the problems were settled locally in accordance with the rules and regulations of the State Bank. The main issues discussed in the LCAC meetings are given in the Annexure of the report.

### 11.4 Workshops & Seminars Arranged Under LCAC

The forum of LCAC is also used to disseminate information relating to the modifications in the existing policies, rules and regulations as well as new policies and instructions of the SBP on various schemes relating to Agriculture Credit Scheme, Export Finance Scheme, Clean Note Policy, distribution of currency notes, security features of the newly issued currency notes of Rs.10/- and 5,000/- denomination etc.

During the period under review, LCACs have also arranged workshops, seminars and specialized trainings in their jurisdiction in collaboration with different departments of SBP and outside agencies. The topics selected for these workshops included the Agricultural Credit, SME Financing (Issues & Products etc) and Currency Management. The main purpose of these seminars / workshops is to explain and update the stakeholders of SBP with the policies, procedures and initiatives taken by the Bank.

S #	Office	2004 - 05		2005 - 06	
		No. of Seminar	Topic	No. of Seminar	Topic
1	Gujranwala	1	SME Financing	1	Issues in SMEs
2	Lahore	-	-	1	Currency Management
3	Sukkur	-	-	1	Issues in SMEs
4	Peshawar	-	-	1	Issues in SMEs
5	Sialkot	-	-	1	Issues in SMEs
6	Hyderabad	1	SME Financing	1	Issues in SMEs
<b>Total</b>		<b>2</b>	<b>-</b>	<b>6</b>	<b>-</b>

S #	Office	2004 - 05		2005 - 06	
		No. of Workshop	Topic	No. of Workshop	Topic
1	Bahawalpur	1	Agricultural Credit	1	Agriculture Credit Outreach & Training Program
2	Islamabad	1	Agricultural Credit	-	-
3	Faisalabad	1	Agricultural Credit	1	Agriculture Credit Outreach & Training Program
4	Hyderabad	1	Agricultural Credit	1	Agriculture Credit Outreach & Training Program
5	Lahore	1	Agricultural Credit	-	-
6	Peshawar	1	Agricultural Credit	2	Agriculture Credit Outreach & Training Program
7	Sukkur	1	Agricultural Credit	1	Agriculture Credit Outreach & Training Program
8	Quetta	1	Agricultural Credit	-	-
9	Multan	1	Agricultural Credit	1	Agriculture Credit Outreach & Training Program
<b>Total</b>		<b>9</b>	<b>-</b>	<b>7</b>	<b>-</b>