



COVID-19 Pandemic in the SAARC Countries Policy Responses and its Impact – The Case of Pakistan

June 22, 2021

**SAARCFINANCE Database Seminar and Working Group Meeting
State Bank of Pakistan**

Countering COVID-19: Measures by Central Bank of Pakistan



Countering COVID-19: Measures by State Bank of Pakistan



Covid-19: Monetary Policy
SBP reduces policy rate by a cumulative 625 bps



Covid-19: Investment
Facilitating New Investment - TERF



Covid-19: Loans
Loan Extension and Restructuring Package



Covid-19: Health
Supporting the Health Sector to Combat the Virus - RFCC



Covid-19: Employments
SBP Rozgar Scheme

Other Measures

Since 27th Mar 2021	As of 16th Apr 2021	As of 13th Nov 2020	As of 20th May 2021	As of 17th May 2021		
625 bps	657 bn	253.6 bn	238 bn	12.4 bn	436 bn	97%
Policy Rate Reduced	Loans Deferred	Loans Restructured	Loans Approved for Wages	Loans Approved for Hospitals	Loans Approved for Investment	ATMs Available

SBP schemes are playing an important role in improving cash flows of businesses and households, preventing unemployment and facilitating investments



SBP's Economic Policy Support Measures

Billion rupees & as % of est. GDP, updated as of 24th March 2021

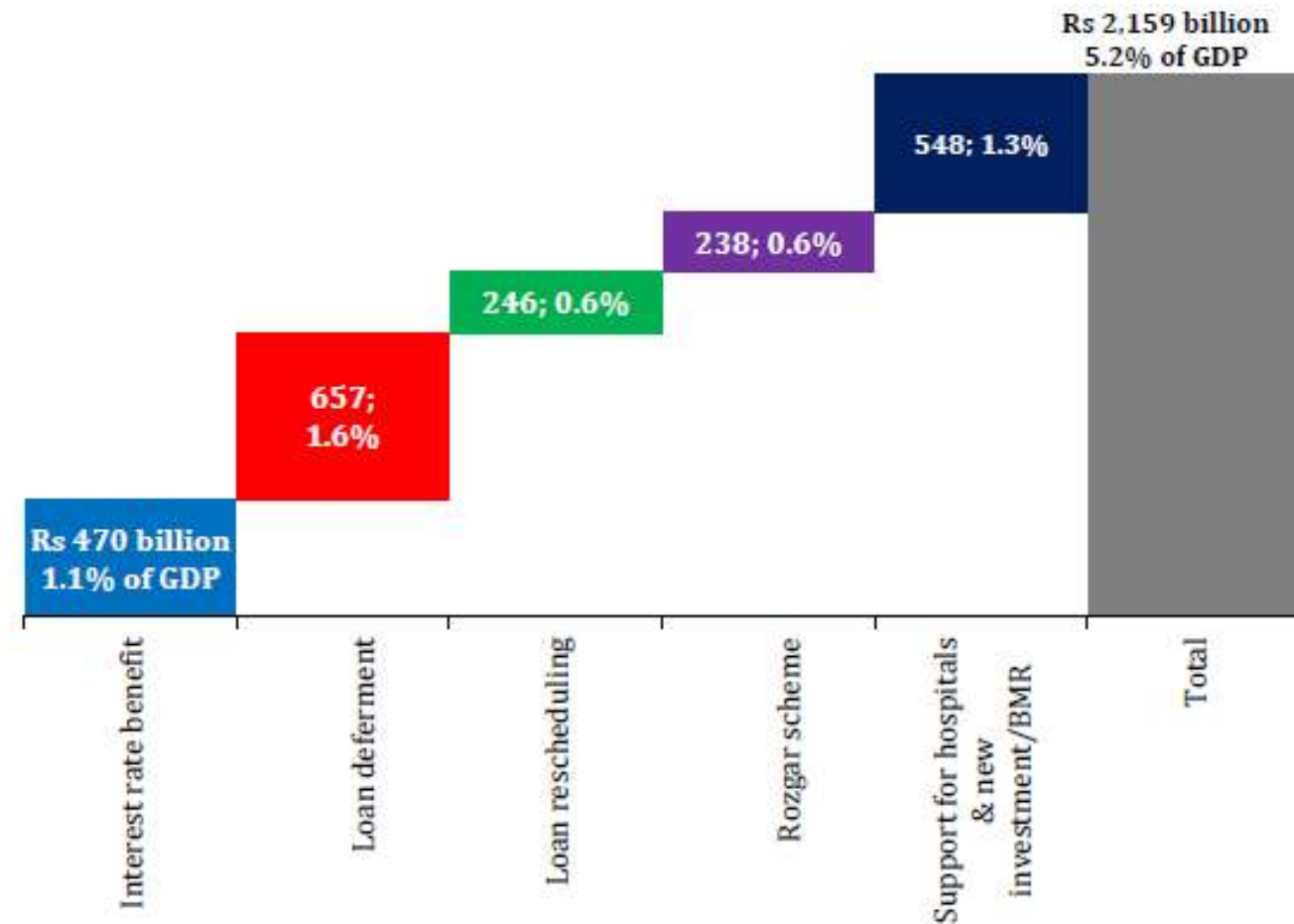
Time bound refinance facility for hospitals and new investments introduced

Introduced a Rozgar scheme to prevent layoffs by financing wages and salaries of employees

Provided relief for loan restructuring to borrowers to combat economic disruptions

Introduced loan deferment policy to ease cash constraints of borrowers

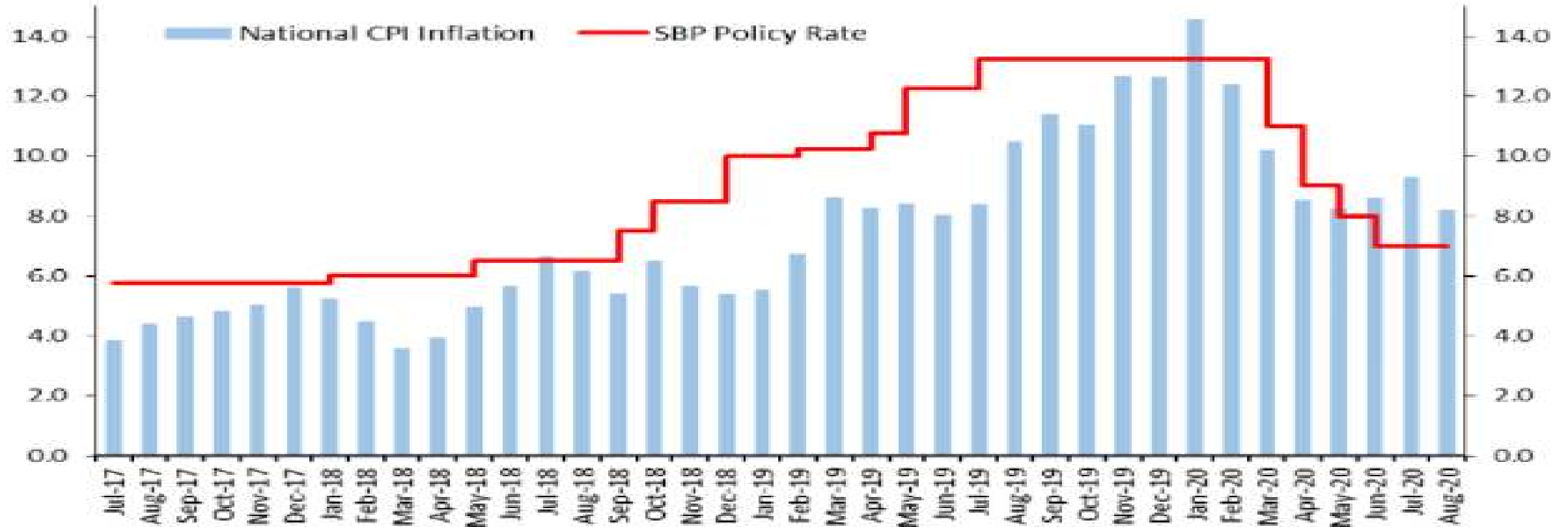
SBP reduced the policy rate by 625 basis points in a short span of time



COVID-19: Monetary Policy (SBP reduces policy rate by a cumulative 625 bps)

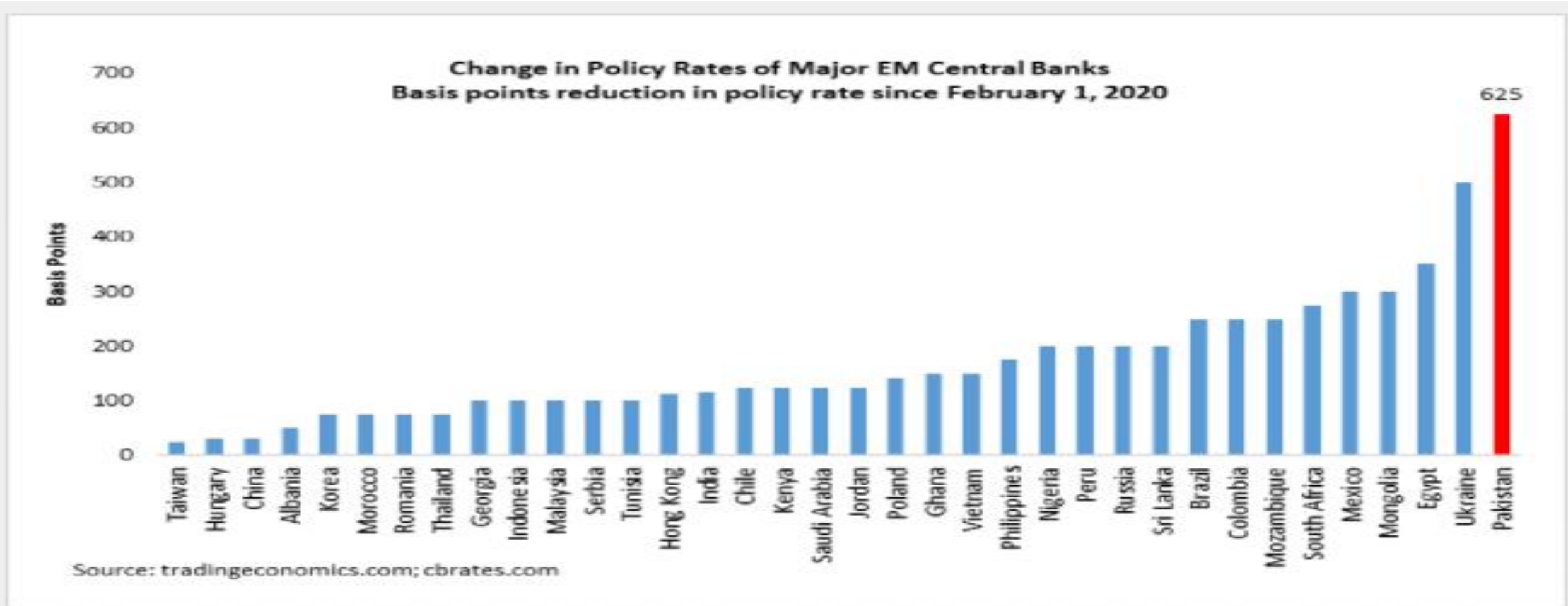


% y/y inflation, policy rate % per annum



In response to falling inflation and domestic demand, SBP has proactively eased monetary policy to support growth and employment

COVID-19: Monetary Policy (SBP reduces policy rate by a cumulative 625 bps)



Pakistan has undertaken one of the fastest and largest policy rate cut among the selected emerging markets

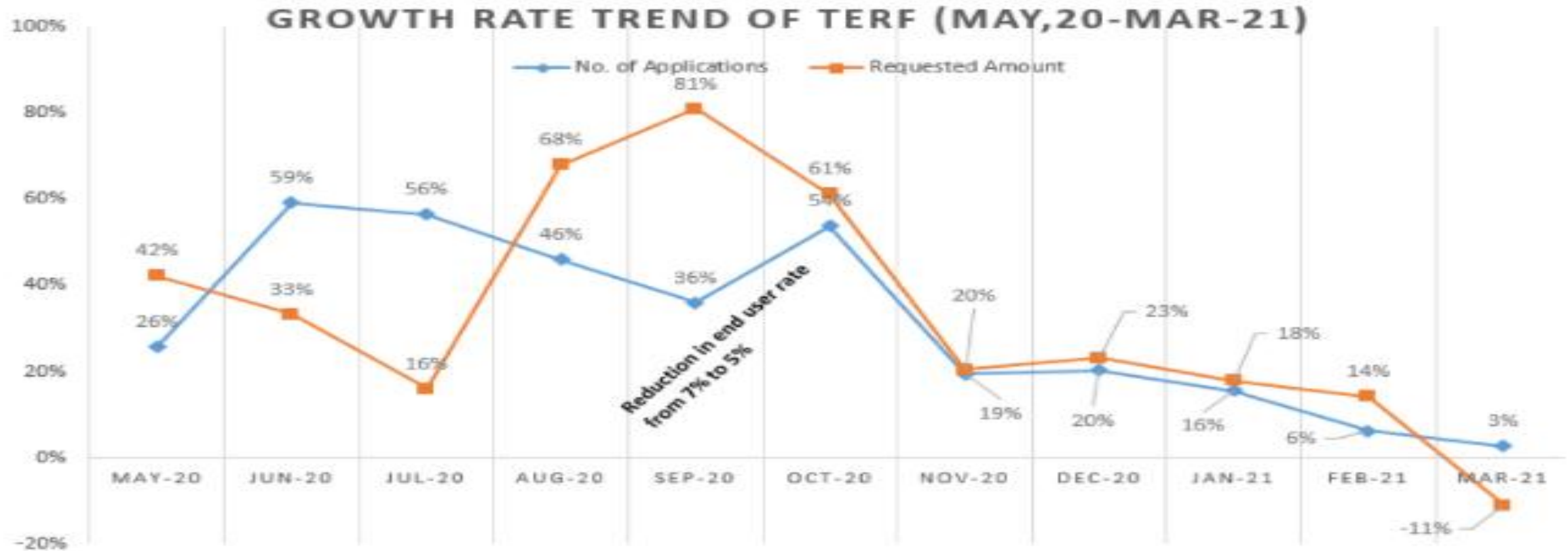
COVID-19: Investment (Facilitating new investments)



(Temporary Economic Refinance Facility (TERF))



COVID-19: Investment (Facilitating new investments)



COVID-19: Loans (Extension and Restructuring package)



Debt Relief Scheme

Loan Category	No. of Applications Received	Particulars of Approved Applications		
		No. of Applications Accepted	% of Accepted Applications	Amount Approved
Corporate / Commercial	3,172	2,878	90.73	717.853
SME	10,835	10,406	96.04	27.632
Consumer Finance	100,519	65,161	64.82	22.359
Housing Finance	2,959	2,140	72.32	10.082
Agriculture Financing	29,954	27,216	90.86	11.574
Microfinancing	1,736,113	1,717,665	98.94%	121.280
Total	1,883,552	1,825,466	96.92%	910.781

As of April 16, 2021
(Amount of principal deferred and loans restructured in PKR Billions)

COVID-19: Loans (Extension and Restructuring package)

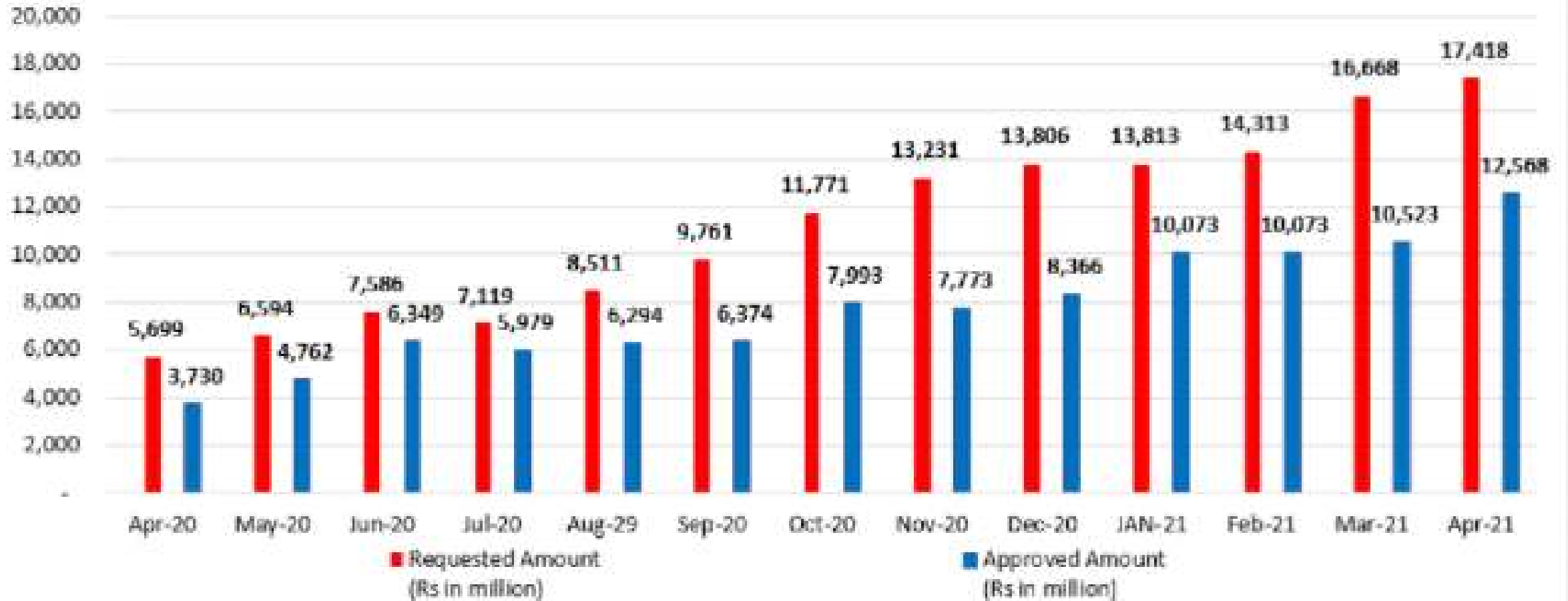


(As of April 16, 2021)

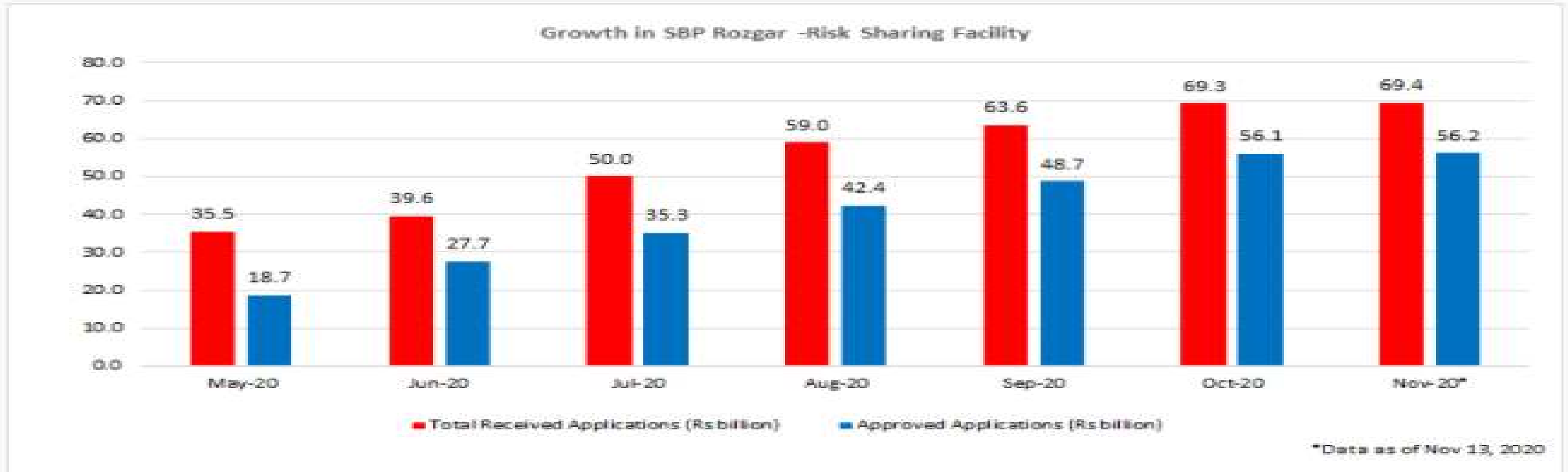
COVID-19: Health (Supporting the health sector to combat the virus-RFCC)



RFCC Growth during Apr,2020-Apr,2021

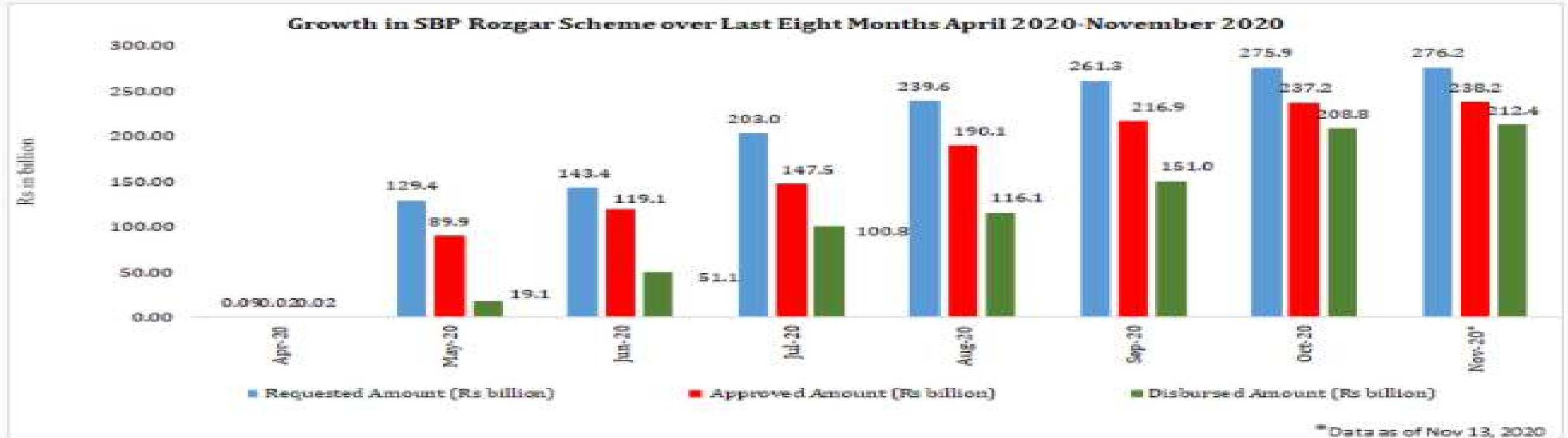


COVID-19: Employment (SBP Rozgar Scheme)



Since the introduction of Risk Sharing Facility (RSF) in Rozgar Scheme in May 2020 to Nov 13, 2020, 2603 SMEs and Small corporates with sales turnover up to Rs 2 billion have applied for financing of Rs 69.4 billion against which Rs 56.2 billion have been approved.

COVID-19: Employment (SBP Rozgar Scheme)



Significant growth in SBP Rozgar Scheme is reflected through increase in amount under all three categories i.e. requested amount, approved amount and disbursed amount. Requested amount has increased from less than Rs 1 billion by end April, 2020 to more than Rs 276 billion by November 13, 2020 while over this period approved amount and disbursed amount have increased to Rs 238.2 billion and Rs 212.4 billion from Rs 24 million and Rs 23 million, respectively.

Q/A

Thank you