

INITIATIVES IN HOME REMITTANCE THROUGH LEGAL CHANNELS PLANS TO ATTRACT INVESTMENT FROM OVERSEAS PAKISTANIS

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National Bank of Pakistan NBP spearheading in the two major economic segments including Home remittances and Credit to agriculture sector by initiating innovative products to support the two major areas to the economy.

Khalid Bin Shaheen, SEVP / Group Chief & Chairman NBP Exchange Company Limited at a briefing regarding Home Remittances by overseas Pakistanis said that although Pakistan has successfully tapped global marked of remittances, which lends a strong support of over \$14 billion a year yet some 60 percent of the remittances still arriving through Hawala or Hundi. However, efforts are underway to bring the remaining remittances into legal channels.

Replying to a question regarding attracting a huge amount of foreign funds with overseas Pakistanis through incentives by introducing schemes like regularizing out of customs vehicles, he disclosed that such schemes are under consideration to attract investment from overseas Pakistanis by offering them incentives.

It may be noted that India which is largest recipient of Home Remittances to the tune of \$69 billion a year of which only 35 percent are workers remittances while remaining flow of funds is remitted by Indians settled abroad. National Bank under the guidelines of the State Bank is also considering to attract funds of Pakistanis in the investment schemes in Pakistan.

In order to streamline home remittances, completely revamped NBP's remittances processing setup resultantly, beneficiaries can receive their remittances in minutes from across the globe.

Keeping in mind the requirements of overseas Pakistanis, NBP has launched 'NBP Foree Cash' a remittance product, which allows overseas remitters to visit at any of NBP overseas correspondent banks /exchange companies and remit to their loved one in Pakistan free of charge with convenience and reliability of the National Bank. This remittance is immediately available to beneficiaries in Pakistan for collection at any of NBP's 1,294 branches nationwide without having the need of maintaining account. NBP has also launched 'NBP Foree Transfer' remittance service, which provides equal convenience, security, reliability for beneficiaries having account in Pakistan. This service is also free of charge.

NBP has aggressively extended its remittance correspondence base across the globe with aim to facilitate overseas

Pakistanis at their doorsteps. The added convenience is aimed to discourage the use of illegal Hawala/Hundi channel. Today, NBP has over 30 leading overseas remitting partners extending NBP's 'Foree Remittance Services' to remitters in their respective countries. While another 30 important international tie-ups are in the final stages and will extend NBP's Foree Remittance services shortly, NBP has established the first dedicated, extensive and efficient compliant handling system to address queries and grievances of remitters as well as beneficiaries in Pakistan.

NBP's Global Home Remittances Management Group was established under the leadership of Khalid Bin Shaheen who is a seasoned banker with in-depth knowledge of the dynamics home remittance business through his extensive local as well as international experience.

Resultantly, in a very short span of time, NBP made massive changes in systems, setup and procedures, which brought about a cultural change not just in NBP but across the banking industry in Pakistan as other banks by observing NBP, also realized the importance of home remittances as the second largest source of foreign exchange for the country and followed suit.

Since joining NBP Mr. Khalid Bin Shaheen through his charismatic leadership brought about major improvement and achieved important milestones, which established NBP as a major Player in the home remittances business.

Elaborating NBP efforts to facilitate farming sector, Sheharyar Qaiserani Head of Agriculture Division of NBP said the actual need for agriculture sector in Pakistan is estimated as Rs750 billion while nearly Rs300 billion are disbursed through formal Banking Channels, leaving behind a gap of Rs.450 billion, which is being filled by informal channel charging high mark up rates. Realizing the fact, NBP started playing its due role by utilizing its human resources and infrastructure, to reach out remote areas, which were previously deprived of bank financing. Bank has also deployed qualified agriculture field officer, to identify, guide, provide technical assistance and get finances extended accordingly to their needs. To help out farmers and agri-industry, SBP is assigning indicative targets to each Bank, they also introduced schemes at lower rates for farming community i.e. Credit Guarantee and Refinance Schemes.

Consequent upon posting of Dr.Asif A. Brohi, as Group Chief C&RBG in April 2010, actual upsurge was observed in all aspect of

NBP Agriculture finance. Outstanding as of December 2010 Rs.27.606 billion, which ascended to Rs.46.296 billion in December 2012 projecting an increase by 67.7 percent in comparison to all commercial banks which all had below 15 percent increase in their outstanding.

He said that not only targets are surpassed by wide margins but disbursement remained for above than all commercial banks, which indicates un-paralleled interest and drive. Dr. Asif A. Brohi, presently holding honor of president National Bank of Pakistan NPLs not only outstanding & disbursement was improved during aegis and patron ship of Dr. Asif A. Brohi, simultaneously fall in NPLs was also observed, NPLs of NBP stands at 5.8 percent as against industry average of 13.1 percent.

Under the leadership of Dr. Asif A. Borhi, NBP surpassed a milestone of outstanding of Rs.50 billion, which an historical hallmark. Parallely, after identifying needs of farmers and agriculture related community. NBP came up with wide range of products catering farm, nonfarm, corporate, live stocks & agri-allied needs. NBP, aims to provide every farmer a hassle-free loan in time. Both working capital and long term loans are being extended to farming and non-farming communities. Going along with SBP, NBP have devised various schemes, which cater to needs of various farming and non-farming communities, related handouts and formats are being developed according to needs and queries of various agri-communities as to bring in required ease.

Moreover, a series of field programs/seminars, cultural Haari melas were also organized to let agri-community understand latest trends and developments.