

Press Release

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Strong regulatory environment needed for Corporatization of economy: SECP Chairman

ISLAMABAD, October 25: There is strong need for strengthening of regulatory environment in Pakistan for the development of a modern corporate sector, Chairman, Security and Exchange Commission of Pakistan (SECP) Muhammad Ali said.

He was addressing the participants of a workshop "Economic Reporting on Financial Development Index", organized by the SECP here Thursday. AGAHI and CIME were the collaborating partners for the event.

The workshop aimed at briefing the business journalists regarding ways and methods to analysis the various economic indicators. Mr Amir Jhangir, CEO Mishal, Mrs Puruesh Chaudhary, CIME Ambassador to Pakistan. Senior journalists Amir Zia and Ehtisham-ul-Haq gave their presentations on reportage of economy.

Briefing the journalists on financial market reforms and regulatory framework of the SECP, Muhammad Ali said that the Secp has been establishing high standard of governance across the capital market to generate greater investor confidences.

Muhammad Ali said that in past the government's attitude has been to not allow small and medium sized companies and risky ventures which resulted in accumulation of assets with banks and national savings. He pointed out that in Pakistan, banking sector and National Savings have 90 per cent of total assets of the financial sector. Oftentimes, entrepreneurs are not entertained by our banking –centric financial system and it is not possible to raise money from other sources.

In a bid to enhance access to finance and develop a debt capital market, the Secp has introduced various new concepts like SME exchanges, pension's schemes, micro-insurance for crops and livestock and commodity trading facility to mutual funds, where the small investors would utilized their savings.

He emphasized on need for raising people awareness and education regarding capital market and mentioned that during last one decade the

return percentage was 20 per cent in gold and it was 30 per cent for investments made in stock market. The other areas, where the SECP has been focusing are access to capital, widening of product portfolio in stock exchanges, good governance and reforms and improving the standards of human resources of capital market.

Mr Amir Jhangir, CEO Mishal briefed the participants about the procedure adopted by the World Economic Forum in the development of Financial Development Index. Amir said that the Index assembles a vast amount of data to create an assessment of the different aspects of complex financial systems, including the institutional environment, the business environment, financial stability, banks, capital markets, and overall capital availability and access.

Senior Journalist Amir Zia encouraged the journalist to use social media to report their news. He said that the Pakistan has lost its position in World Financial Index in past years and journalists should report on reasons that contributing in decline in Pakistan's ranking in Global Financial Index.

The interactive session covered various subjects including editorial balance and content evaluation, scope of business reporting in Pakistan and economic reforms.

Recently, the Global Competitiveness Report (2012-13) issued by the World Economic Forum has appreciated the performance of the Securities and Exchange Commission of Pakistan (SECP) as the SECP has been ranked 55th in 2012-13, as compared to 70th in 2011-12.

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