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Circular to members # 75/2026-27
November 10, 2026

Export Finance Scheme
Govt allocates Rs300bn for SMEs

BUSINESS RECORDER The government has allocated Rs300 billion exclusively for small and medium enterprises (SMEs) exporting under the Export Finance Scheme (EFS). The move aims to improve SMEs' access to concessional financing, reduce their cost of doing business and strengthen the country's export competitiveness.

Khurram Schehzad, Adviser to the Finance Minister, announced the initiative, saying that the entire Rs300 billion financing allocation, equivalent to around USD1.1 billion, would now be dedicated to eligible SME exporters through the Pakistan Export-Import Bank (Pak EXIM).

He said the allocation had previously been shared with other categories of borrowers but had now been exclusively earmarked for SMEs to facilitate their access to export financing.

The initiative is part of the government's broader agenda to expand access to finance for SMEs and promote export-led economic growth.

According to the announcement, the dedicated financing facility will be complemented by tax relief measures introduced in the federal budget for FY2026-27, including reductions in export-related taxes and Super Tax, to ease the financial burden on exporters.

Pak EXIM has also directed participating banks to ensure the effective implementation and utilisation of the dedicated allocation, Schehzad said.

The move is expected to provide SMEs with improved access to working capital, enable them to fulfil export orders, expand production capacity and explore new international markets.

SMEs constitute a significant segment of Pakistan's business sector but continue to face constraints in accessing affordable credit, particularly for working capital and export expansion.

The government believes that ring-fencing the financing allocation for SME exporters, alongside tax concessions, will help improve their competitiveness and encourage greater participation in international trade.

The initiative is being pursued under the Prime Minister's vision and the Finance Minister's leadership as part of the Ministry of Finance's broader agenda to improve access to finance and promote export-led growth.

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