

Government of Pakistan  
Finance Division

\*\*\*\*

Islamabad, the 15<sup>th</sup> June, 2008CLARIFICATIONSubject: GOVERNMENT NOT TO REDUCE LIQUIDITY OF BANKING SECTOR

The spokesman of the Ministry of Finance while referring to a news item titled "*Five banks face near-collapse*" appearing in *Daily Dawn* of June 15, 2008 speculating withdrawal of deposits of Government agencies in the banking sector has clarified that the Government does not plan any measures which could adversely affect the banking sector of the country. He emphasized that the Government will not take any steps which would impact the available liquidity of the banking sector. However, the Government would like to optimize the returns on government funds and ensure that they are utilized for the purpose for which they are allocated. The government is very conscious that sufficient liquidity must remain available with banking industry to meet the requirements of private sector and to finance economic activities of the country.

---