Sectoral Credit Allocation

Facilities Extended by Banks and Credit Institutions to the Non-public Sector

Before the implementation of the 4th FYDP Law, the share of economic sectors out of increase in the outstanding facilities extended by public banks to the non-public sector was set annually by the Money and Credit Council (MCC) and approved by the President.

According to Article 106, 3rd FYDP Law, the government is authorized to allocate at least 25 percent of banking facilities to "water and agriculture sector" during the course of the 3rd Plan. Since the beginning of the 3rd Plan, banks were vested with 20, 25, 25, 35 and 45 percent at maximum of these resources, free from allocations approved by the MCC each year. This was to reduce pressure on banks' creditory resources, pave the ground for free banks' resources and enhance competition. These shares are to be used in productive and high-yielding sectors, on the basis of banks' discretion.

Performance of facilities extended by banks to the non-public sector during the 3rd Plan is shown in the following table:

	TO THE NON-PUBLIC SECTOR BY ECONOMIC SECTORS								(percent)	
	1379		1380		1381		1382		1383	
	Approved	Performance	Approved	Performance	Approved	Performance	Approved	Performance	Approved	Performance
Agriculture	20.0	18.3	18.8	19.0	18.8	21.8	25.0	16.3	25.0	16.7
Manufacturing and mining	26.8	28.9	25.1	38.9	24.7	38.0	17.6	39.6	17.6	37.0
Construction and housing	23.2	28.2	21.8	26.3	21.4	29.2	15.2	20.0	15.4	16.7
Exports	6.4	7.9	6.0	1.8	7.1	-3.7	5.1	2.2	6.1	3.0
Trade, services and miscellaneous	3.6	16.7	3.4	14.0	3.0	14.7	2.1	21.9	2.2	26.6
Free uses	20.0	—	25.0	_	25.0	-	35.0	—	33.7	
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

CHANGES IN OUTSTANDING FACILITIES EXTENDED BY PUBLIC BANKS TO THE NON-PUBLIC SECTOR BY ECONOMIC SECTORS