

## Incentives in the offing to boost foreign remittances

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ISLAMABAD: The government has chalked out a comprehensive plan to boost flow of foreign remittances in the country by incentivising the Pakistani expatriates for using legal channels to send money back homes, a top official said on Tuesday.

The move was aimed at promoting legal means among Pakistani expatriates for the transfer of remittances and discouraging the use of hawala/hundi, a top official of Bureau of Emigration and Overseas Employment (BEOE) told the media persons.

The official said the idea was worked out by a committee on remittances chaired by the Adviser to the Prime Minister on Finance and Revenue Hafeez Sheikh. During a recent meeting, he said the ministry of overseas Pakistanis and human resource development agreed to facilitate the emigrants in opening new bank accounts. So the BEOE has been directed to facilitate every outgoing emigrant for opening a new account “so that a card like debit/credit card will be issued to them by the banks for different kind of incentives,” the official said.

The official said the user would amass some points on swiping the card for transfer of remittances from abroad. After implementation of the plan, Pakistani expats will get incentives like concession in air tickets and permission for bringing a bit more luggage against the approved weight and two mobiles.

The cardholders’ families might be given some packages on purchasing edible items from the utility stores, he added. The official said the foreign exchange remittance card, being issued by the Overseas Pakistanis Foundation, would be abolished. To a query, the official said the incentives had been worked out by keeping in mind the demands of expats and their families.

At present, he said banks in Pakistan laid less focus on boosting transfer of remittances through legal ways due to certain reasons, while the process of transacting money from the Middle East through illegal channels is easy and cost-effective.

A Pakistani expat can send \$200 or above in one transaction without any fee, against which the bank is supposed to pay 16 Saudi Riyals to the foreign exchange companies abroad.

The official said the ministry of overseas Pakistanis requested the government for giving banks 20 Riyals against the transaction of at least \$100. The clearance of the banks’ dues would now be done within six months which earlier took one year, he added.

The government was also advised to allocate budget for sensitisation of expats to promote use of legal channels for remittances. Remittances stood at \$22 billion last year and now the government intended to take it to \$24 billion in the current fiscal year.