

### **Remittances grow to \$13.3bln in July-January**

KARACHI: Workers' remittances rose 4.13 percent to \$13.3 billion in the first seven months of the current fiscal year of 2019/20 as the government's initiatives to encourage inflows from banking channels are yielding positive results.

The State Bank of Pakistan's (SBP) data on Wednesday showed that workers' remittances amounted to \$12.7 billion in the corresponding period a year earlier.

Remittances to Pakistan totaled \$1.9 billion in January compared to \$1.7 billion in the corresponding month a year ago. The inflows were, however, down from \$2.097 billion in December 2019. The government has formulated a comprehensive plan to boost the inflows of workers' remittances through formal banking channels into Pakistan. Concessions on transfer fees are one of the attractions gradually diverting people from traditionally popular hundi and hawala means of fund transmission from abroad.

Likewise, the ministry of overseas Pakistanis and human resource development increases facilitation works to open bank accounts for expatriates. A special debit/credit card is also in the offing to be issued by the banks to expatriates for remitting money. The user would accumulate some cashable points on swiping the card for transfer of remittances.

The major increases in workers' remittances, in terms of percentage points, were witnessed from the United States of America, the United Kingdom and the European Union (EU) countries. However, remittances from the Middle East, which is the main destination of overseas workers, posted a slight growth in the period under review.

The SBP's data showed that Pakistani workers living in Saudi Arabia sent home \$3.1 billion in July-January FY2020 compared to \$2.9 billion sent in the corresponding period of FY2019. Remittances from the United Arab Emirates stood at \$2.7 billion in July-January FY2020 compared with \$2.6 billion last year. Pakistani workers living in other Gulf Cooperation Council (GCC) countries sent home \$1.2 billion remittances, which were 4.32 percent higher when compared with the last year. Remittance from the US rose 10.9 percent to \$2.2 billion in the July-January FY2020 from \$2 billion a year ago. Pakistan attracted \$2 billion from the UK during the seven-month period compared to \$1.9 billion a year earlier. Remittances from the EU-member countries rose 8.6 percent to \$386.4 million in July-January period.

The central bank's data further showed that there was a straight decline in remittances from all major destinations in January 2020 over December 2019. Remittances from EU fell 16 percent, followed by GCCs (10pc), UAE (8pc), Saudi Arab (8pc), UK (8pc), and US (6pc).