

By Shahid Iqbal

### **Six-month remittances rise to \$11.4bn**

KARACHI: Remittances received by the country edged up 3.3 per cent to \$11.394 billion during the first half of 2019-20 as compared to \$11.03bn in the same period last year, the State Bank of Pakistan reported on Saturday.

Inflows during December showed a healthier trend as they surged 19.89pc year-on-year to \$2.097bn, from \$1.748bn in corresponding period last year and 15pc month-on-month from \$1.819bn in November 2019.

Almost all the origin countries showed positive growth, helping the SBP build its foreign exchange reserves which reached \$11.5bn last week a 30-month high.

Country-wise details show the highest remittances came from Saudi Arabia at \$2.168bn during July-Dec FY20, inching up 1.97pc over \$2.567bn in corresponding period last year.

Meanwhile, the United Arab Emirates came in second with \$2.349bn in inflows, showing a negligible growth of 0.04pc, as against \$2.348bn in 1H FY19.

The United States was the third most important source as remittances from the country jumped 9.08pc the highest rate of increase from a major partner to \$1.889bn in the first six months of FY20, from \$1.732bn in corresponding half last year. Another \$1.089bn came from the Gulf Cooperation Council countries with a growth of 3.17pc over \$1.055bn in 6M FY19.

The United Kingdom also posted a healthy increase of 6.4pc as inflows rose to \$1.753bn during July-December FY20, versus \$1.647bn in same half last year.

Malaysia has also lately become a significant contributor to the remittances. Though it failed to register much growth, inflows from the country rose to \$798 million, from \$787m.

Inflows from the European Union, on the other hand, posted increase of 8.4pc to \$339.24m during 1H FY20, from \$312.88m. Given the six-month remittances figures at \$11.4bn, the country can possibly receive around \$22-23bn in inflows by the end of the fiscal year, assuming the same growth trajectory continues.

With current account deficit shrinking rapidly, remittances are essential more than ever to help build SBP's foreign exchange buffer, which rose to its 30-month high at \$11.5bn last week.