

‘Timely efforts eased COVID-19 impacts on remittances’

ISLAMABAD: Secretary Finance Naveed Kamran Baloch on Thursday said timely action and coordinated efforts by the government and the country’s banks helped restrict the adverse impacts of COVID-19 on the flow of remittances into Pakistan.

Remittances to Pakistan declined 4.3 percent year-on-year during March–May period of the year 2020 compared with World Bank’s forecast of 23 percent for 2020.

“The decline in case of Bangladesh is 16.7 percent during March–May 2020 the only comparable regional data available,” he said while addressing a webinar arranged by DFID-UKAid to mark the Call to Action and the International Day of Family Remittances Action.

Baloch informed the participants the initial assessment in Pakistan suggested a sharp decline in remittances from April 2020 onwards due to COVID-19 pandemic.

“However, the government adopted timely measures to mitigate these adverse impacts by asking the banks to conduct aggressive awareness campaigns to inform the senders and recipient of remittances about available digital/online channels for sending and receiving remittances,” he said.

The finance secretary said the banks were also asked to conduct similar campaigns with their overseas correspondents and further advised to ensure availability of cash in remittance rich areas to cater to the needs of recipient of cash remittances.

He explained the government instructed the banks to rationalise’ compliance checks with respect to both recipient and sender to ensure swift delivery of remittances adding the banks were also requested to promote remittances through

different marketing activities and incentive schemes (through gifts and lucky draws etc); and enhance their limit for cash over counter.

The central bank’s team of experts on AML/CFT had communicated the message and explained true spirit of AML/CFT regime to banks.

The secretary said in response to the measures suggested by the government, the banks augmented their efforts through this period by enhancing their marketing efforts through a record number of TV commercials of individual banks and a joint TV commercial by 6 large banks aired on domestic TV Channels and their international transmissions during May-June 2020 with particular focus on awareness regarding digital channels for sending and receiving payments.

Baloch was of the opinion that an active support of the Government of Pakistan to promote remittances proved a shock absorber during COVID-19.