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Remittances jump 5.4pc

KARACHI: Remittances sent by overseas Pakistanis came in at $15.127 billion during the first eight months of this fiscal year, rising by 5.37 per cent, compared to $14.356bn in corresponding period of 2018-19, reported the State Bank of Pakistan on Tuesday.

While the inflows continued to move up year-on-year in 8MFY20, the rate of increase slowed down as against 10.44pc in same period of FY19.

During February, remittances jumped 16.47pc year-on-year to $1.824bn compared to $1.581bn in same period of 2019 while declining by 4.35pc month-on-month over $1.901bn in the outgoing Janaury.

This corresponded to an average monthly inflow of $1.891bn, up from the mean value of $1.82bn the year before.

Saudi Arabia remained the biggest source of inflows as remittances from the Kingdom clocked in at $3.474bn during July-February 2019-20, edging up 3.95pc over $3.341bn in same period last year. The United Arab Emirates came in second, accounting for inflows worth $3.132bn in 8MFY20, inching up by 3.22pc over $3.034bn in corresponding months of the previous year. The same figure for February rose by 15pc year-on-year to $387 million, from $336m in same period of 2019.

Meanwhile, remittances from the United States surged 13.9pc to $2.558bn in the eight-month period, from $2.246bn in 8MFY19. Similarly, the amount from the United Kingdom was reported at $2.306bn, up 5.5pc as against $2.195bn.

Pakistanis in the other Gulf Cooperation Council also sent $1.454bn to the country during July-February, increasing by 5.75pc over $1.375bn in corresponding months of the previous year.

A modest $431m was also recorded from the European Union countries , which represented an increase of 9.57pc over $393.5m in 8MFY19.

Malaysia, which posted stellar growth of 44.5pc in 8MFY19, had a more muted performance as remittances from the Southeast Asian country egded up by 2.36pc to $1.041bn during July-February, from $1.017bn in same period the year before.

With current deficit already having plunged by 73pc in 7MFY20, the increase in workers' inflows further eases the trouble of government trying to tame the external balance. As State Bank's foreign reserves are already on a sustained upward trajectory, thanks in part to the inflows in market treasury bills, some improvement in the export performance would go a long way in the economic stabilisiation programme.