

**Government of Pakistan**  
**Planning Commission**  
**Ministry of Planning, Development and Special Initiatives**  
(International Trade & Finance Section)

**Update on Workers Remittances for Jul-Jan FY21**

**(February-2021)**

Inflow of remittances grew by around 24 percent during Jul-Jan FY21 in comparison with Jul-Jan FY20 and surpassed total export receipts of the country during the period. Share of remittances from Saudi Arabia, USA, UK and EU countries in total inflows increased whereas this share in total remittances declined from Malaysia and Abu Dhabi.

During Jul-Jan FY21, workers' remittances recorded inflows of US\$ 16.5 billion against US\$ 13.3 billion in the same period last fiscal year, registering an increase of around 24 percent. During the month of January 2021, this inflow witnessed an increase of more than 19 percent, at US\$ 2.3 billion compared to US\$ 1.9 billion in the corresponding month of FY20.

**Table1: Position of Workers Remittances (US\$ Million)**

Country	January		Percentage Change	Jul-Jan		Percentage Change
	2020	2021		FY20	FY21	
<b>Saudi Arabia</b>	531.6	553.6	4.1	3,705.8	4,508.8	21.7
<b>UAE</b>	463.5	492.5	6.3	3,240.1	3,448.5	6.4
<b>USA</b>	148.8	203.2	36.6	965.6	1,407.7	45.8
<b>U.K.</b>	201.5	303.0	50.4	1,439.0	2,180.1	51.5
<b>EU Countries</b>	142.0	228.8	61.1	1,038.3	1,498.7	44.3
<b>Others</b>	419.6	492.5	17.4	2,890.4	3,432.8	18.8
<b>Total</b>	<b>1,907.0</b>	<b>2,273.6</b>	<b>19.2</b>	<b>13,279.2</b>	<b>16,476.7</b>	<b>24.1</b>

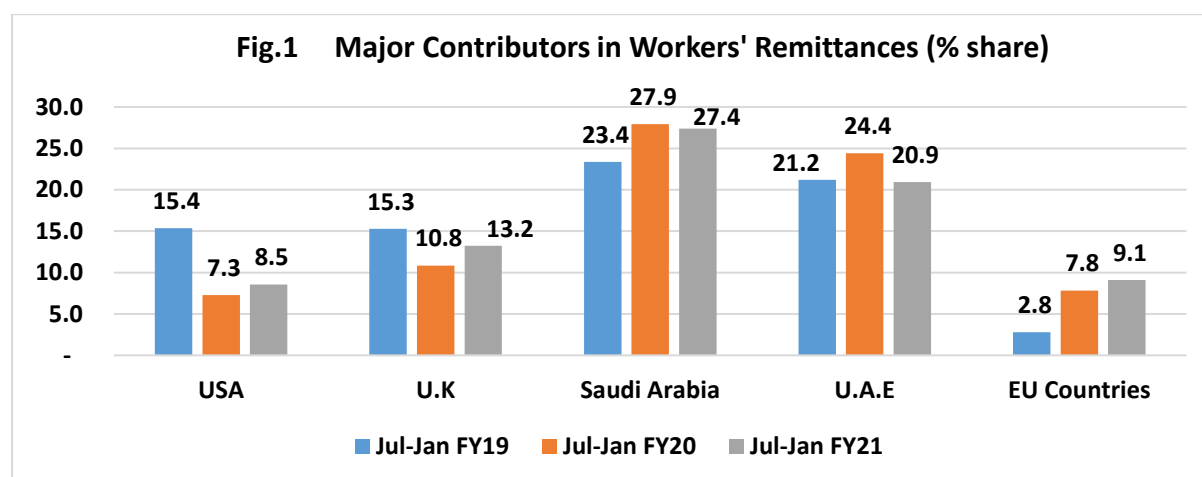
*Source: State Bank of Pakistan*

Country specific remittances source analysis shows that during Jul-Jan FY21:

- Workers in Saudi Arabia contributed the largest portion worth US\$ 4.5 billion, up by 21.7 percent over the receipts from KSA during the same period of FY20. This contribution was 27.4 percent of the total remittances.
- Remittances from UAE, the second largest contribution, remained at US\$ 3.5 billion, up by 6.4 percent over the last year. This contribution was around 21 percent of total remittances.
- Remittances from UK, the third largest contributor with inflows of US\$ 2.2 billion, increased by 51.5 percent over last year. UK's share in total inflows remained 13.2 percent.
- Inflows from USA stood at US\$ 1.4 billion with a rise of 45.8 percent and share of 8.5 percent in the total remittance's receipts.

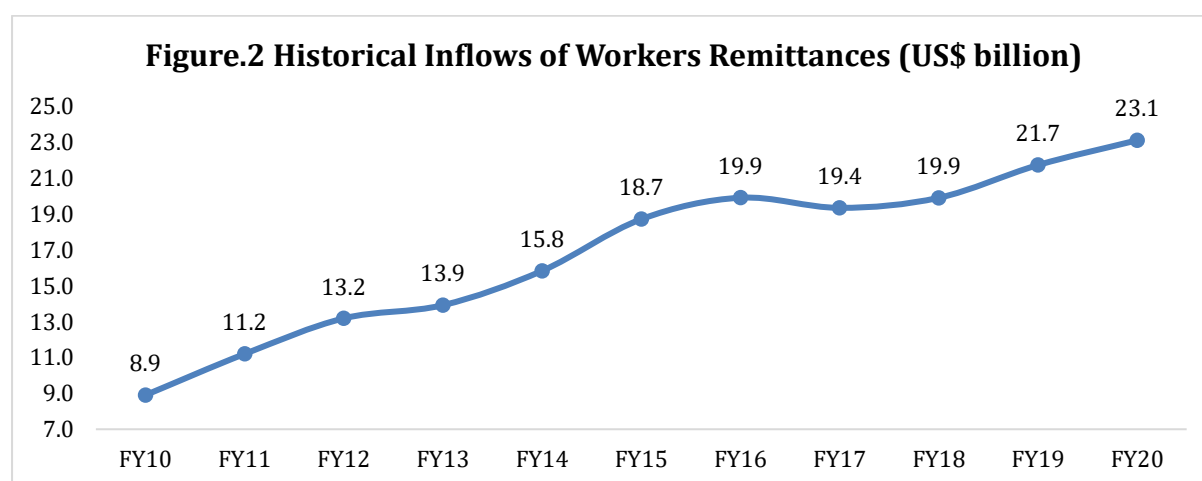
- During the period, the inflow of remittances from EU countries registered a growth of 44.3 percent, and stood at US\$ 1.5 billion. EU's share in total inflows remained 9.1 percent.

The extensive upsurge in remittance inflows from all major corridors indicate that the increase in remittances is broad based. The percentage share of major contributors in total workers' remittances is reflected in Figure 1.



Source: State Bank of Pakistan

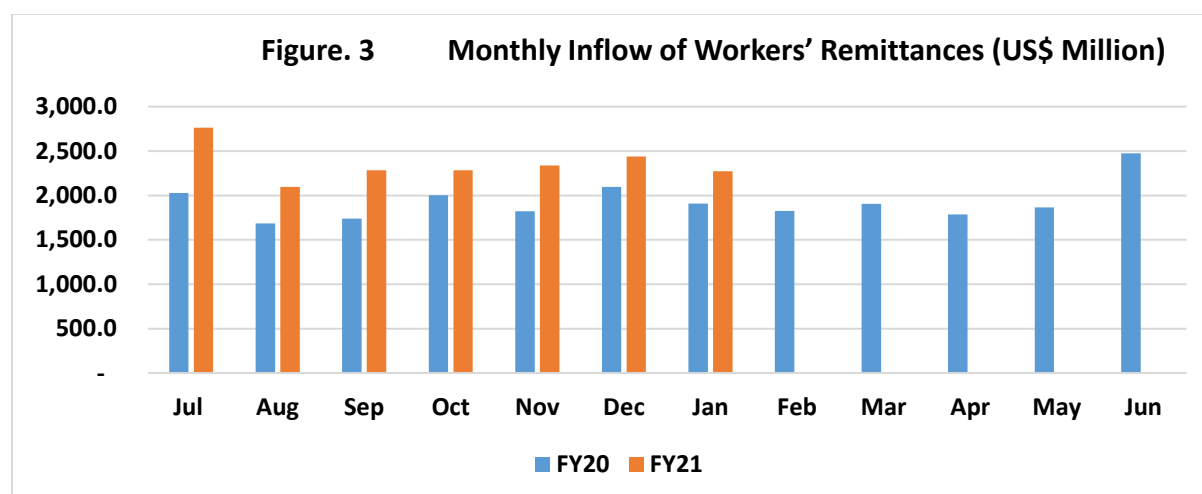
Inflow of remittances consistently showed an upward trend during the last decade with the exception of FY17 which registered a marginal decline due to global economic slowdown (Figure 2). Since then, the remittance inflow has rebounded. Factors behind upward trend include diplomatic efforts by the Government, provision of incentives to banks for facilitating inflows through formal channels and increase in the number of workers for overseas employment through Bureau of Emigration & Overseas Employment (BEOE) to Saudi Arabia, UAE, USA, UK etc.



Source: State Bank of Pakistan

Monthly comparative pattern of remittances inflows, depicted in Figure 3, illustrates that

monthly inflows of remittances during January FY21 stood significantly above the remittance inflows in January FY20. The highest historical inflows were recorded during the month of July FY21.



Source: State Bank of Pakistan

### Conclusion:

During Jul-Jan FY21, workers' remittances recorded considerable inflows. The significant increase in remittances inflows can be attributed to;

- Discouraging informal channels in compliance of FATF action plan have contributed to diversion from informal to formal channels.
- Supportive government policies to promote transfer of remittances through formal channels.
- Suspension of international flights due to Covid-19 forcing expatriates to send foreign exchange through banking channels.

For sustaining accelerated growth in workers' remittances, Government needs to focus on:

- exploring new markets and new avenues in existing markets for Pakistani human resource using the support of Community Welfare Attaches.
- diplomatic efforts in Saudi Arabia, UAE and other GCC countries to convince them to accommodate more human resource from Pakistan.
- use of social media to disseminate latest practical information about new products for transfer of remittances through formal channels.
- explore foreign markets where Pakistani workers may enter and identify the required skill development requirements.