

Foundation Alert

Economy: Record remittances of US\$2.8bn in March

Event

- State Bank of Pakistan (SBP) released Mar'22 remittances which came in at US\$2.8bn, up 3% YoY. This cumulated into remittances of US\$23.0bn during 9MFY22, up by 7% YoY.

Impact

- In Mar'22, remittances increased by 3% YoY to US\$2.8bn. This is the highest ever monthly level for workers' remittances which continued their unprecedented run of remaining above US\$2bn since Jun'20. On sequential basis, inflows jumped up by 28% MoM in Mar'22.
- During 9MFY22, remittances at US\$23.0bn were up by 7% YoY compared to US\$21.4bn in 9MFY21.
- On YoY basis, remittances increased by 19/18/15/9/7% from EU/Others/USA/Other GCC/UK respectively. While remittances from UAE/Saudi Arabia declined by 13/2% YoY in Mar'22.
- On MoM basis, significantly higher remittances were recorded from USA/Others/UAE/Other GCC/UK/Saudi Arabia/EU, up by 43/35/33/31/26/21/18%.
- During 9MFY22, remittances increased from EU/US/Others/UK/Other GCC/Saudi Arabia by 28/21/13/10/8/1% YoY. Whereas, decline of 5% was recorded from UAE.

Outlook

- We believe FY22 remittances would remain elevated and exceed the level seen in FY21 despite easing of travel restrictions amid mass COVID vaccinations.

Fig 1: March 2022 Remittances

US\$ Mn	Mar-22	Mar-21	YoY	Feb-22	MoM	9MFY22	9MFY21	YoY
KSA	678	694	-2%	558	21%	5,810	5,739	1%
U.K	401	376	7%	319	26%	3,187	2,906	10%
USA	300	262	15%	210	43%	2,211	1,830	21%
UAE	515	591	-13%	387	33%	4,284	4,525	-5%
Other GCC	343	316	9%	261	31%	2,666	2,462	8%
EU	280	236	19%	237	18%	2,505	1,952	28%
Others	293	248	18%	218	35%	2,289	2,023	13%
Total	2,810	2,723	3%	2,190	28%	22,952	21,436	7%

Source: SBP, Foundation Research, April 2022

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If	
Expected return >+10%	Outperform.
Expected return from -10% to +10%	Neutral.
Expected return <-10%	Underperform.