

Foundation Alert

Economy: Remittances crossed US\$3bn mark for the first time

Event

- State Bank of Pakistan (SBP) released Apr'22 remittances which came in at US\$3.1bn, up 12% YoY. This cumulated into remittances of US\$26.1bn during 10MFY22, up by 8% YoY.

Impact

- In Apr'22, remittances increased by 12% YoY to US\$3.1bn. 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 11% MoM in Apr'22.
- During 10MFY22, remittances at US\$26.1bn were up by 8% YoY compared to US\$24.2bn in 10MFY21.
- On YoY basis, remittances increased by 20/18/17/14/11% from Other GCC/USA/EU/Others/UK respectively. Moreover remittances from UAE/Saudi Arabia increased by 10/5% YoY in Apr'22.
- On MoM basis, significantly higher remittances were recorded from UK/UAE/USA, up by 21/19/15%.
- During 10MFY22, remittances increased from EU/USA/Others/UK/Other GCC/Saudi Arabia by 27/20/13/10/10/2% YoY. Whereas, decline of 4% was recorded from UAE.

Outlook

- We believe FY22 remittances would remain elevated despite easing of travel restrictions amid mass COVID vaccinations.

Fig 1: April 2022 Remittances

US\$ Mn	Apr-22	Apr-21	YoY	Mar-22	MoM	10MFY22	10MFY21	YoY
KSA	707	673	5%	678	4%	6,517	6,412	2%
U.K	484	435	11%	401	21%	3,671	3,341	10%
USA	346	294	18%	300	15%	2,557	2,124	20%
UAE	614	558	10%	515	19%	4,898	5,083	-4%
Other GCC	359	300	20%	343	5%	3,024	2,762	10%
EU	298	254	17%	280	6%	2,803	2,206	27%
Others	317	278	14%	293	8%	2,606	2,301	13%
Total	3,125	2,793	12%	2,810	11%	26,077	24,229	8%

Source: SBP, Foundation Research, May 2022

Analyst

Zeeshan Azhar
+92 21 3561 2290-94

zeeshan@fs.com.pk
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Important disclosures:

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Recommendations definitions

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