

Foundation Alert

Economy: FY22 Remittances clock in at US\$31.2bn

Event

- State Bank of Pakistan (SBP) released Jun'22 remittances which came in at US\$2.8bn, up 2% YoY. This cumulated into record remittances of US\$31.2bn during FY22, up by 6% YoY.

Impact

- In Jun'22, remittances increased by 2% YoY to US\$2.8bn which continued their unprecedented run of remaining above US\$2bn since Jun'20. On sequential basis, inflows jumped up by 18% MoM in Jun'22.
- During FY22, remittances at US\$31.2bn were up by 6% YoY compared to US\$29.5bn in FY21.
- On YoY basis, remittances increased by 19/16/6/3% from Other UK/USA/Other GCC/EU respectively. Moreover remittances from UAE/Others/Saudi Arabia declined by 11/4/3% YoY in Jun'22.
- On MoM basis, significantly higher remittances were recorded from UK/KSA/USA/Other GCC/UAE, up by 28/23/22/20/14%.
- During FY22, remittances increased from EU/USA/UK/Others/Other GCC by 23/19/10/10/9% YoY. Whereas, remained unchanged from Saudi Arabia and declined by 5% from UAE.

Outlook

- We believe FY23 remittances would remain slightly elevated despite easing of travel restrictions.

Fig 1: June 2022 Remittances

US\$ Mn	Jun-22	Jun-21	YoY	May-22	MoM	FY22	FY21	YoY
KSA	666	686	-3%	542	23%	7,743	7,726	0%
U.K	455	381	19%	354	28%	4,487	4,091	10%
USA	285	246	16%	233	22%	3,082	2,600	19%
UAE	495	557	-11%	435	14%	5,842	6,165	-5%
Other GCC	323	304	6%	269	20%	3,622	3,332	9%
EU	284	276	3%	270	5%	3,361	2,729	23%
Others	253	263	-4%	229	10%	3,100	2,808	10%
Total	2,761	2,714	2%	2,333	18%	31,237	29,450	6%

Source: SBP, Foundation Research, July 2022

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