

Foundation Alert

Economy: September remittances clocked in at US\$2.4bn

Event

- State Bank of Pakistan (SBP) released Sept'22 remittances which came in at US\$2.4bn, down 12/11% YoY/MoM.

Impact

- In Sept'22, remittances decreased by 12% YoY to US\$2.4bn. Sequentially, inflows declined by 11% MoM in Sept'22.
- On YoY basis, remittances decreased by 25/19/14/14/10/7% from Others/UK/EU/Saudi Arabia/UAE/Other GCC. Whereas, remittances from USA increased by 7% YoY in Sept'22.
- On MoM basis, across the board decline was recorded with Others/UK/Saudi Arabia/UAE/USA/EU/Other GCC down by 18/17/11/11/9/6/2%.
- During 1QFY23, remittances decreased by 6% YoY to US\$7.7bn. Inflows decreased by 10/9/9/8/4/4% from Saudi Arabia/UAE/Others/EU/Other GCC/UK. Whereas, they increased from USA by 7% YoY.

Outlook

- We believe FY23 remittances would decline slightly due to easing of travel restrictions and slowdown in developed economies amid higher interest rates despite benefit of higher oil prices in OPEC countries.

Fig 1: September 2022 Remittances

US\$ Mn	Sep-22	Sep-21	YoY	Aug-22	MoM	1QFY23	1QFY22	YoY
KSA	617	720	-14%	692	-11%	1,889	2,095	-10%
U.K	308	380	-19%	370	-17%	1,089	1,137	-4%
USA	268	250	7%	294	-9%	817	763	7%
UAE	474	525	-10%	531	-11%	1,462	1,601	-9%
Other GCC	296	317	-7%	301	-2%	877	914	-4%
EU	260	302	-14%	275	-6%	829	898	-8%
Others	215	285	-25%	261	-18%	722	790	-9%
Total	2,437	2,780	-12%	2,724	-11%	7,685	8,199	-6%

Source: SBP, Foundation Research, October 2022

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