

Foundation Alert

Economy: November remittances clocked in at US\$2.1bn

Event

- State Bank of Pakistan (SBP) released Nov'22 remittances which came in at US\$2.1bn, down 14/5% YoY/MoM.

Impact

- In Nov'22, remittances decreased by 14% YoY to US\$2.1bn. Sequentially, inflows declined by 5% MoM in Nov'22.
- On YoY basis, across the board decline was observed of 20/20/16/14/8/6/5% from Saudi Arabia/UAE/Others/Other GCC/EU/USA/UK.
- On MoM basis, remittances declined by 13/12/9% from Saudi Arabia/UAE/USA. Whereas, increased by 7/5/3/0% from UK/EU/Others/Other GCC.
- During 5MFY23, remittances decreased by 10% YoY to US\$12.0bn. Inflows decreased by 14/13/11/11/8/8% from Others/Saudi Arabia/UAE/EU/UK/Other GCC. Whereas, they increased from USA by 4% YoY.

Outlook

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

Fig 1: November 2022 Remittances

US\$ Mn	Nov-22	Nov-21	YoY	Oct-22	MoM	5MFY23	5MFY22	YoY
KSA	498	622	-20%	570	-13%	2,957	3,407	-13%
U.K	299	314	-5%	279	7%	1,667	1,806	-8%
USA	229	244	-6%	253	-9%	1,299	1,245	4%
UAE	378	475	-20%	427	-12%	2,267	2,555	-11%
Other GCC	257	298	-14%	258	0%	1,393	1,508	-8%
EU	245	267	-8%	233	5%	1,307	1,460	-11%
Others	201	240	-16%	195	3%	1,119	1,304	-14%
Total	2,108	2,460	-14%	2,216	-5%	12,009	13,287	-10%

Source: SBP, Foundation Research, December 2022

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