



External Relations Department

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Workers' Remittances rise to record monthly high in July 2020

1. In July, workers' remittances rose to US \$ 2,768.1 million. This is the highest ever level of remittances in a single month in Pakistan.
2. In terms of growth, remittances increased by 36.5 percent over July 2019 (y/y) and 12.2 percent over June 2020 (m/m). Given the impact of Covid-19 globally, this increase in worker's remittances is encouraging.
3. In July, sizeable amounts of workers' remittances were received from Saudi Arabia (US \$ 821.6 million), UAE (US \$ 538.2 million), UK (US \$ 393.9 million) and USA (US \$ 250.6 million).
4. The growth rate in remittances compared to the same month in the previous year is around twice as high as the Eid-ul-Adha related seasonality typically experienced over the last decade.
5. Several factors have likely supported the growth in remittances to date, including orderly exchange rate conditions and policy steps taken by the State Bank and the Federal Government under the Pakistan Remittance Initiative. These steps include reducing the threshold for eligible transactions from USD 200 to USD 100 under the Reimbursement of Telegraphic Transfer (TT) Charges Scheme, an increased push towards adoption of digital channels, and targeted marketing campaigns to promote formal channels for sending remittances.

To improve data quality and better capture the source country of the remitter, the compilation methodology for 'country wise' workers' remittances has been strengthened from this month. Therefore, country-by-country trends will be available on a consistent basis from August 2020 onwards. Importantly, the new data collection method does not affect the reporting of the level of remittances arriving into Pakistan. Further information on the improvement in the data reporting is available at the following link: <http://www.sbp.org.pk/ecodata/Homeremit.pdf>

<http://www.sbp.org.pk/ecodata/Homeremit.xls>

6. Importantly, the revised country shares under the improved data do not necessarily imply that remittances from one country have increased over another. Instead they demonstrate that the source country of remittances is being recorded more accurately now.
