



External Relations Department

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SBP rejects estimates of US\$4.9 billion remittances from Pakistan to India

State Bank of Pakistan has taken note of a report suggesting an outflow of US\$ 4.9 billion from Pakistan to India as remittances. This number is given in Migration and Remittances Factbook 2016 prepared by the Global Knowledge Partnership on Migration and Development (KNOMAD).

At the outset, it must be noted that the Factbook data on bilateral remittance flows are estimates (not the actual flows), which are based on a number of assumptions about migrant stock, per worker income, etc. The methodology used to estimate these numbers is based on a World Bank's Working Paper by Ratha, Dilip, and William Shaw (South-South migration and remittances. No. 102. World Bank Publications, 2007). This methodology has serious issues, particularly in case of Pakistan, as also acknowledged by the authors themselves stating that "Interpreting the meaning of migrant stocks also presents some difficulties. Pakistanis in India and Russians in Ukraine became migrants following partition of the original country." Thus the study is clearly flawed as the migrants at the time of Indo-Pak partition in 1947 had become citizens of Pakistan. Therefore, SBP categorically rejects such estimates as these are contrary to facts and do not make sense.

The actual Balance of Payments data shows that outflow of workers' remittances from Pakistan to India were US\$ 116 thousands in FY16 and the inflows from India to Pakistan were US\$ 329 thousands. The value of Pakistan's exports to India was US\$425 million, while imports from India amounted to US\$ 1,415 million, during FY16 .