

KARACHI: Remittances from overseas Pakistani workers reached \$ 13.92 billion in fiscal year 2012-13 - their highest levels ever, the State Bank of Pakistan reported on Wednesday.

The SBP said that Pakistani expatriates from different countries sent the above mentioned amount in July-June FY13, depicting a growth of 5.56 percent compared with \$13.18 billion during the last fiscal year 2011-12. The amount of remittances is mostly in line with the projection of the SBP for the same year. The central bank forecast that remittances will be in the range of \$14 to \$15 billion in fiscal 2012-13.

The remittances will be not sufficient for financing the twin deficits (current and fiscal) as the trade deficit is expected to be in the range of \$16 to \$16.6 billion for the FY13. Therefore there is a gap of \$2 billion in the balance of payments numbers of the FY13.

Analysts said that the actual amount of money that foreign Pakistanis sent to their households and relatives in country this year might be higher. That's because of the decline in the value of rupee many transactions go unrecorded or happen via informal channels due to widening of forex spread-a rupee value difference between interbank and open markets.

However, they said the Pakistan Remittance Initiative (PRI) program as the major factor that had contributed a lot towards channeling remittances inflows through official sources.

Though it is positive sign for the country's external current account, but the growth in the remittances has turned into single digits from double digits in past few years, said Sayem Ali an economist at international commercial bank.

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The reasons for the decline in the growth in inward remittances might be reduction in the incomes of the overseas workers and lowering interest rates in Pakistan, he said. According to the SBP's statistics, last month (June 2013), an amount of \$1.16 billion was sent home by overseas Pakistanis, up by 4.23 percent, compared with \$1.11 billion received in the same month of 2012.

The inflow of remittances during July-June 2013 from Saudi Arabia, UAE, USA, UK, GCC countries (including Bahrain, Kuwait, Qatar and Oman) and EU countries amounted to \$4,104.73 million, \$2,750.17 million, \$2,186.21 million, \$1,946.01 million, \$1,607.88 million and \$357.37 million respectively.

Remittances received from Norway, Switzerland, Australia, Canada, Japan and other countries during the last fiscal year (July-June 2013) amounted to \$967.79 million.

In June 2013, the inflow of remittances from Saudi Arabia, UAE, USA, UK, GCC countries (including Bahrain, Kuwait, Qatar and Oman) and EU countries amounted to \$353.18 million, \$218.60 million, \$179.93 million, \$171.94 million, \$138.18 million and \$31.03 million respectively.

The monthly average remittances for July-June 2013 period comes out to \$1.16 billion compared to \$1.09 billion during the corresponding period of the last fiscal year.

Out of the total remittances from Pakistani workers, the Gulf region

