

Remittances record a slight drop in January | Forex, Pakistan

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KARACHI: Overseas Pakistanis in January 2013 remitted \$1.09 billion, down \$21 million or 2% if compared to the \$1.111 billion remitted in the corresponding period of fiscal 2012 (FY12), the State Bank of Pakistan said on Monday. However, the country received overall remittances of \$8,206.39 million in the first seven months (July-January) of the current fiscal year (FY13), depicting a growth of 10.36% or \$770.41 million when compared with the \$7,435.98 million received during the first seven months of the preceding fiscal year. Since the country has been continuously receiving more remittances in the current fiscal year, as compared to the previous year, average monthly remittances from July to January 2013 stood at \$1,172.3 million as compared to \$1,062.2 million in the previous year. Emerging Economics Research Managing Director Muzammil Aslam says that the rise in remittances would continue in the coming months owing to a significant outflow of skilled and unskilled labour from Pakistan in the last few years. Analysts have observed that the strong inflow of remittances into the country has been supporting the Pakistani rupee against the US dollar in the currency market. Apart from professionals like doctors and bankers, many businesspersons have also opted to shift some or entire businesses out of Pakistan, Aslam said; adding that this would further add to the increase in remittances. On the current depreciation of the rupee against the dollar, Aslam said that speculators are active in the open market and they want to further increase the difference between the open market and interbank dollar rates. The official inter-bank rate for the dollar is Rs98, while the dollar is being traded around Rs100 to a dollar. ♦The difference of Rs2 rupees is too much ♦ it should not be more than 50 paisas, ♦ he added. On Monday, Pakistan repaid \$146 million in the 9th instalment of an International Monetary Fund (IMF) loan, the central bank spokesperson said. Analysts count this as another reason why the rupee is under constant pressure against the dollar in the open market. The country has to repay an amount worth 258.425 Special Drawing Rights (worth around \$390-395 million) on February 26, 2013, to the IMF. ♦

Courtesy: Tribune