

# **Remittances and Poverty Linkages in Pakistan: Evidence and Some Suggestions for Further Analysis**

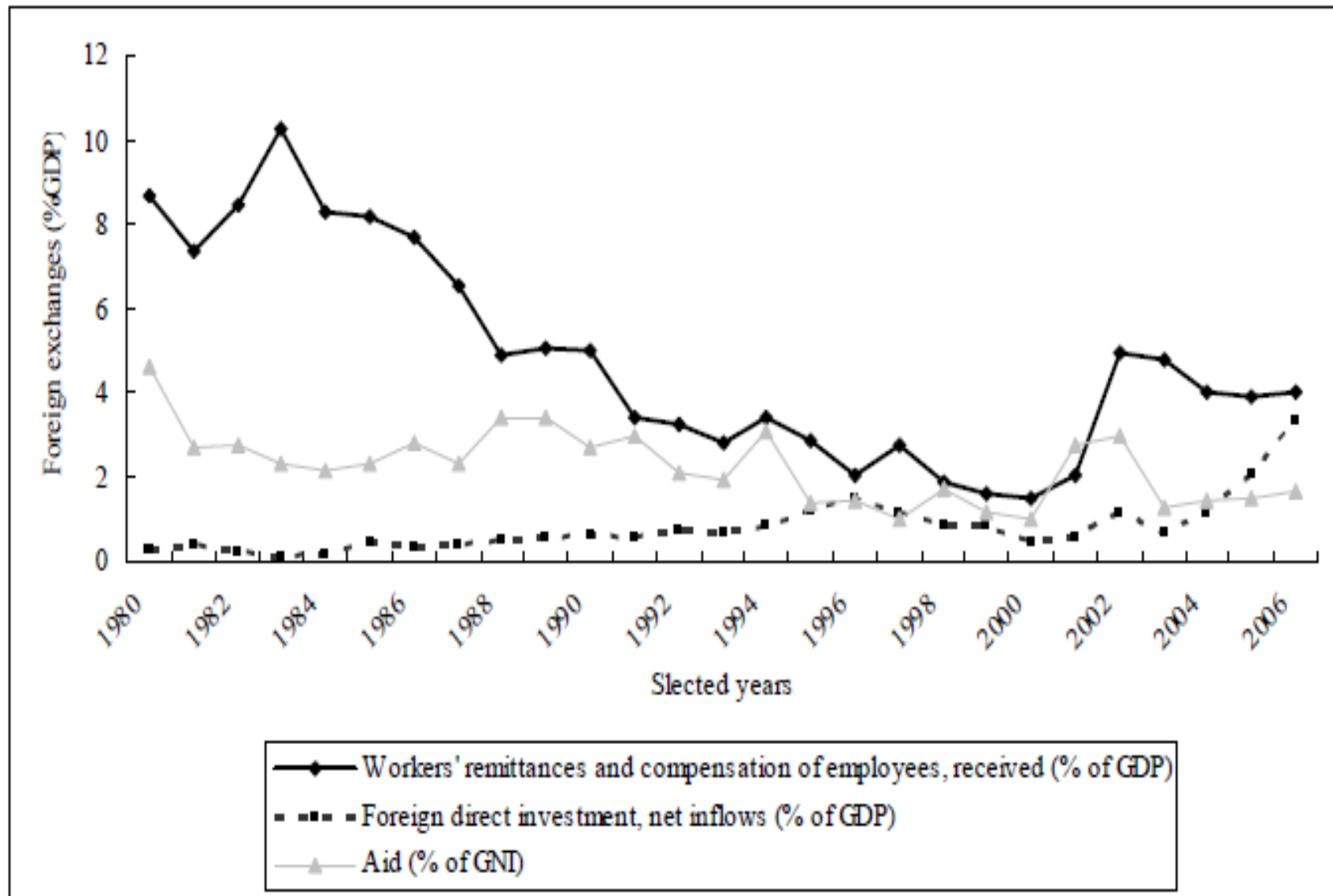
# Remittances Inflows

(US\$ million)

	1976	1980	1990	2002	2009	2010 (estimated)
World	11740	36696	68384	169243	415977	440077
High Income countries	7417	18930	37510	58266	108890	114611
Developing Countries	4323	17766	30874	111018	307088	325466
South Asia	1086	5295	5571	24137	74850	82585
East Asia	47	1047	3089	27018	85686	91160

Source: World Bank Staff Estimates

# Selected Sources of Foreign Exchange for Pakistan



Source: World Bank (2010)

## Foreign Remittances based on Household Income & Expenditure Survey for Different Years.

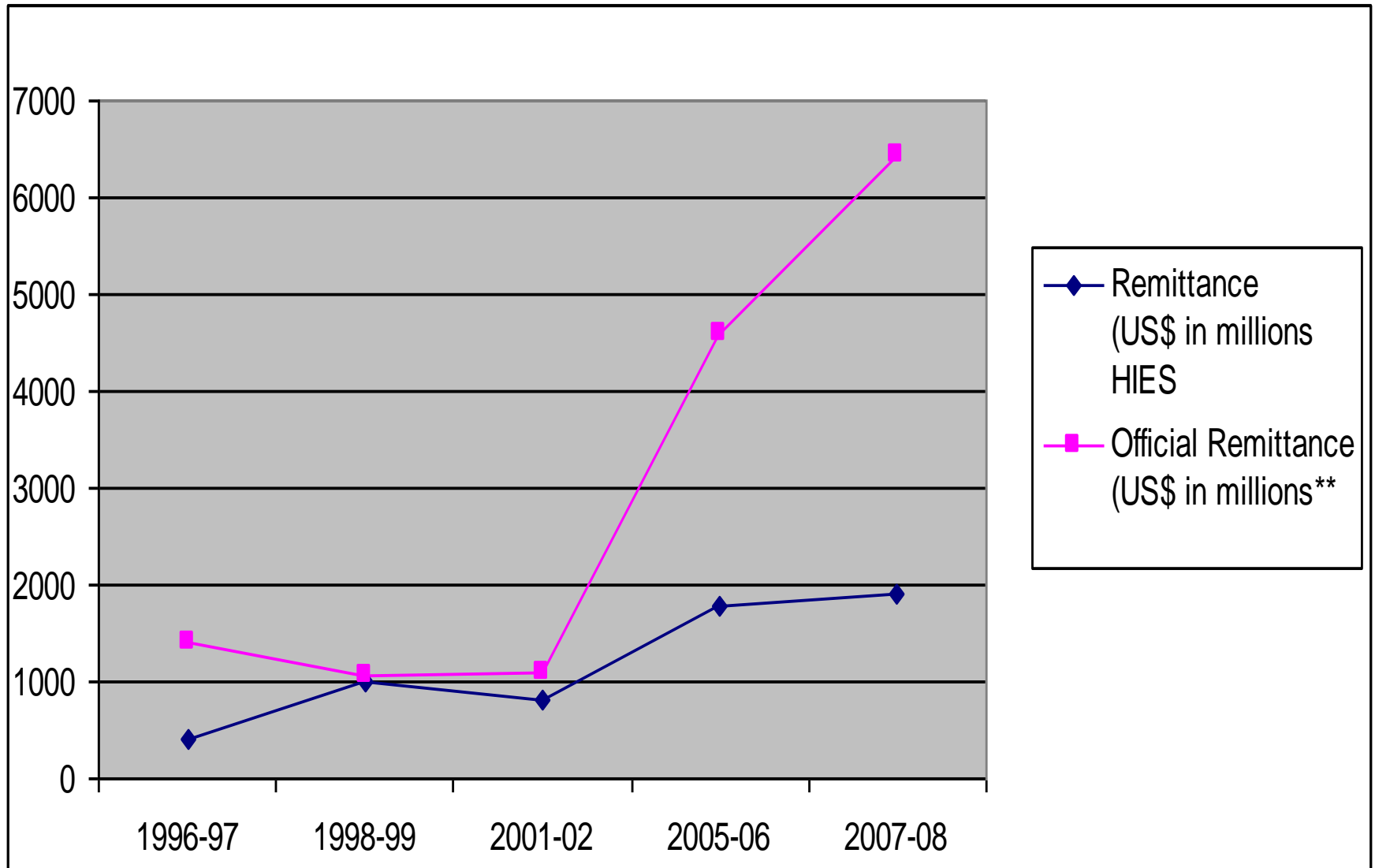
Years	% of Households Receiving Foreign Remittances	% Remittance amount as of total Household Income**	Foreign Remittance* (Rs in million)	Exchange Rates** (Rs / US\$)	Remittance (US\$ in million) (HIES)	Official Remittance (US\$ in million)**
1996-97	3.1	2.3	15946.4	38.99	409.01	1409
1998-99	4.4	5.4	46968.6	46.79	1003.8	1060
2001-02	4.1	5.7	49755.1	61.42	810.1	2389
2005-06	5.5	6.9	107374.5	59.85	1794.1	4600
2007-08	5.0	5.3	118970.5	62.54	1902.3	6451

Notes: \* Survey based weighted sum of foreign remittance adjusted by the ratio of total population of Pakistan to the weighted population of Survey.

\*\* Pakistan Economic Survey 2009/10.

Source: Household Income & Expenditure Survey and PSLMS for relevant years. (Estimates based on household level data).

# Comparison of Official and HIES Remittances



**Percentage Distribution of Foreign Remittances through Banks and Recipient by Pakistan, Rural/Urban and Provinces — 2007/08**

	<b>Foreign Remittances (%)</b>	<b>Recipients (%)</b>
Pakistan	45.4	40
Urban	62.3	55
Rural	39.0	35
Punjab	57.2	55
Sindh	90.0	83
Khyber Pakhtunkhwa	13.6	9
Balochistan	34.3	34

Source: PSLMS 2007/08.

## Average Remittances/Recipient Households – Rural-Urban and Provinces.

(Pak Rs. Per Year)

Years	1996/97	1998/99	2001/02	2005/06	2007/08
Pakistan	48674 (100)	69568 (100)	74952 (100)	132626 (100)	151794 (100)
Urban	65141 (50.7)	81440 (43.5)	84657 (40.8)	137242 (33.7)	177336 (27.6)
Rural	38631 (49.1)	62555 (56.5)	69456 (59.2)	118901 (66.3)	143910 (72.4)
Punjab	51895 (62.5)	66727 (58.3)	75048 (61.8)	131477 (68.0)	167104 (67.6)
Sindh	61761 (11.5)	81594 (7.8)	93343 (7.3)	107836 (4.5)	172165 (2.5)
Khyber Pakhtunkhwa	39288 (20.0)	72681 (1.6)	71254 (28.1)	113147 (26.4)	123084 (28.6)
Balochistan	61737 (2.6)	89310 (2.4)	73370 (2.7)	101165 (1.1)	176503 (1.3)

Note: Figures in parenthesis denote the percentage distribution of foreign remittances.

Source: HIES and PSLMS for relevant years

**Quintile Distribution of Foreign Remittances and Recipient Households:  
1996/97 and 2007/08 (Percentages)**

<b>House hold Income</b>	<b>1996/97</b>		<b>2001/02</b>		<b>2005/06</b>		<b>2007/08</b>	
	<b>FR</b>	<b>N</b>	<b>FR</b>	<b>N</b>	<b>FR</b>	<b>N</b>	<b>FR</b>	<b>N</b>
Q1	3.5	9.1	1.4	4.9	2.0	5.0	2.0	5.1
Q2	5.1	10.3	3.0	7.6	3.3	7.8	3.7	8.7
Q3	10.5	15.6	7.8	14.8	7.9	14.9	9.9	15.3
Q4	24.0	25.4	21.2	25.0	21.5	27.9	20.0	29.6
Q5	57.5	40.1	66.0	48.0	65.0	44.5	64.5	41.3