

SECTION VII DEATH/DISABILITY CLAIMS & REMITTANCES

Death and Disability Claims by Emigrants during FY 2015-16

There is compulsory insurance Scheme for Pakistanis proceeding abroad for employment introduced since February 1982. The Scheme is being implemented by Bureau of Emigration and Overseas Employment under Rule 22-A of Emigration Rules 1979 through State Life Insurance Corporation.

Under the scheme every intending emigrant is insured for Rs.10,00,000/- (one million) against one time premium of Rs.2000/- for the period of two years, with disability coverage where applicable. Insurance Coverage is renewable for another period of 2 years on payment of Premium of Rs.2000 if an emigrant desires.

The Premium is collected directly by the State Life insurance Corporation of Pakistan and a fund is created named “State Life Emigrant Insurance Fund” (SLEIF).The operations, regulation and expenditure from SLEIF are governed through SLEIF Expenditure Rules 2007. As per directions of the Federal Ombudsman it was decided that Insurance Coverage period will be enhanced from 2 to 5 Years with a slight increase in premium from Rs. 2,000 to Rs. 2,500.

Table : (Death and Disability Claims paid from 2008-16)

Year	Death	Death Claims Paid (in Millions)	Disability	Disability Claims Paid (in Millions)
2008	313	93.9	49	4.74
2009	378	113.4	64	13.11
2010	379	113.7	46	5.03
2011	403	133.45	51	7.06
2012	329	296.8	60	17.39
2013	455	400.8	54	31.39
2014	702	710.41	78	29.03

2015	566	557.08	84	29.63
2016	804	797.78	120	58.14
Total	4329	3217.32	606	195.52

The table reflects the death and disability claims paid to the Pakistani migrant workers since 2008 to 2016. During 2016, Rs.797.78 million was paid against 804 death claims. Similarly, Rs. 58.14 million paid against the disability claims.

Foreign Remittances

Foreign remittances play a major role to stabilize the economy because they make up half of the import bill and are an important source to cover up the trade deficit of the country. Remittances constitute one of the largest and more resilient sources of foreign exchange earnings for developing countries including Pakistan.

The flow of workers' remittances to Pakistan has grown steadily over the past years rising from 8905 million dollars in 2009-10 to 19,954 million dollars in 2015-16. Foreign remittances in Pakistan continued to exhibit a rising trend over the last one decade. The contribution of remittances in Pakistan's economic development has been widespread. It has helped revive economic activity; created employment opportunities; reduced poverty; improved the living standards of the recipient families; prevented the balance of payment crisis; built foreign exchange reserves; provided stability in exchange rate and improved the country's credit rating.

Table:

YEAR	US \$ IN MILLIONS
2009-10	8905.95
2010-11	11200.9
2011-12	13186.58
2012-13	13920.26
2013-14	15832.25
2014-15	18,454.04
2015-16	19,954.96
2016-17 (Upto December)	9,458.66

During the first six months (July-December) of FY 2016-17, overseas Pakistanis sent 9.46 billion US dollars remittances down 2.27% compared to 9.68 billion dollars the country received during the same period in preceding year. Pakistan's remittances decreased like many other countries due to global economic slowdown especially the slumping oil prices.

According to the World Bank's "Migration and Remittances Fact book 2016", Pakistan is one of the top five emigration countries in South Asia.

Table:

Item	December 2016	November 2016	December 2015	Jul-Dec				
				Amount			YoY growth (percent)	
				FY17	FY16*	FY15	FY17	FY16
Cash	1,584.17	1,616.43	1,616.13	9,458.66	9,688.34	9,162.16	-2.37	5.74
1. USA	182.17	193.98	208.05	1,163.54	1,304.81	1,409.52	-10.83	-7.43
2. U.K.	181.85	192.80	190.57	1,094.46	1,251.42	1,212.51	-12.54	3.21
3. Saudi Arabia	475.75	465.19	501.99	2,734.93	2,895.55	2,649.83	-5.55	9.27
4. UAE	339.93	362.71	339.53	2,117.81	2,172.54	1,986.75	-2.52	9.35
Dubai	216.65	224.95	217.84	1,322.40	1,466.29	1,032.84	-9.81	41.97
Abu Dhabi	119.36	132.78	116.20	768.87	670.30	920.81	14.71	-27.21
Sharjah	3.48	4.34	5.26	23.07	35.07	32.54	-34.22	7.78
Other	0.44	0.64	0.23	3.47	0.88	0.56	294.32	57.14
5. Other GCC Countries	203.63	193.12	209.50	1,154.22	1,172.00	1,050.59	-1.52	11.56
Bahrain	37.03	35.35	40.73	196.98	236.34	177.30	-16.65	33.30
Kuwait	63.41	64.06	68.55	386.49	364.86	378.42	5.93	-3.58
Qatar	35.66	29.98	33.01	184.69	179.90	164.53	2.66	9.34
Oman	67.53	63.73	67.21	386.06	390.90	330.34	-1.24	18.33
6. EU Countries	35.08	37.03	35.25	230.30	192.03	198.09	19.93	-3.06
Germany	6.89	7.16	7.58	45.08	40.08	42.50	12.48	-5.69
France	3.92	3.92	2.74	24.44	14.57	15.05	67.74	-3.19
Netherlands	0.4	0.48	0.42	2.60	2.22	1.71	17.12	29.82
Spain	2.76	2.79	4.30	20.76	25.20	27.70	-17.62	-9.03
Italy	4.11	4.32	3.28	29.11	18.89	16.98	54.10	11.25
Greece	1.74	1.71	0.72	11.10	2.26	8.20	391.15	-72.44
Sweden	1.31	1.40	1.48	8.54	6.61	6.51	29.20	1.54
Denmark	0.9	0.79	0.70	5.97	4.71	8.76	26.75	-46.23
Ireland	12.31	13.73	13.45	78.34	74.06	67.51	5.78	9.70
Belgium	0.74	0.73	0.58	4.36	3.43	3.17	27.11	8.20
7. Norway	3.06	3.60	3.11	20.96	14.36	15.67	45.96	-8.36
8. Switzerland	2.09	2.18	2.29	12.14	11.35	15.88	6.96	-28.53
9. Australia	15.41	16.71	16.97	97.10	91.63	91.05	5.97	0.64
10. Canada	14.96	15.19	13.68	87.81	78.67	100.55	11.62	-21.76
11. Japan	0.92	1.33	1.11	7.26	5.37	3.83	35.20	40.21
12. Other Countries	129.32	132.59	94.08	738.13	498.61	427.89	48.04	16.53
II Pak.Rs. of Foreign Exchange	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	1,584.17	1,616.43	1,616.13	9,458.66	9,688.34	9,162.16	-2.37	5.74

(Source State Bank of Pakistan 2016)

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The table above illustrates that inflows from Saudi Arabia were the largest source of remittances in November, December which amounted to 475.75 million \$ down from 501.99 million \$ during the preceding fiscal last year. On the other hand in UAE, remittances increased in December as compared to the same month in previous year. Remittances from UK and USA also decreased from 1251 million \$ and 1304 million \$ to 1094 million \$ and 1163 million \$ respectively during first 6 months of FY 2017 as compared to FY 2016. In other GCC countries remittances declined about 1.52 in FY 2017 as compared to same period in previous year. Moreover, flow of remittances increased from different EU countries. But in first half of FY 2017, remittances declined about 2.37 percent comparing to the same period of previous year.