

Labor Migration and Workers Remittance



Department of Manpower and Employment
Ministry of Labour and Foreign Employment
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INTRODUCTION

What is Migration and Remittances?

When migrants send home part of their earnings in the form of either cash or goods to support their families, these transfers are known as workers' or migrant remittances. They have been growing rapidly in the past few years and now represent the largest source of foreign income for many developing countries.

IMPORTANTS OF FOREIGN REMITTANCES TO SRI LANKA

Workers' remittances have been a key pillar of Sri Lanka's foreign currency earnings providing a substantial cushion against the widening trade deficit and thereby enhancing the external sector resilience of the country. Being a major source of foreign exchange earnings, workers' remittances have covered around 80 per cent of the annual trade deficit, on average, over the past two decades. Workers' remittances are non-debt creating forex inflows to the country and unlike many merchandise export categories, there is no import content involved in this source of foreign exchange earnings.

Moreover, unlike many merchandise export categories, there is no import content involved in this source of foreign exchange earnings. Therefore, strengthening remittance inflows to the country brings several macroeconomic and socioeconomic benefits, mainly narrowing of the current account deficit of Balance of Payments (BOP), support economic growth, improve for liquidity in the banking system, alleviation of poverty, income disparities and regional disparities, and, reducing the fiscal burden on social security payments.

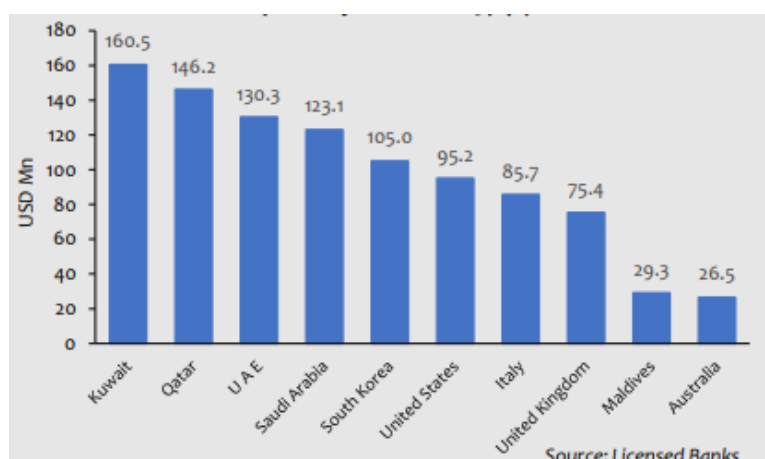
SOURCE: CENTRAL BANK REPORT

HIGHLIGHTS.....

- Total workers' remittances stood at USD 3,789.4 million during the year 2022. Data showed that a total of 311,269 have left the country for foreign employment in 2022 with a monthly average of 25,939, and destination of 84.7% of the total migrant worker departures was to the Middle East, 6.3% to Asia (excluding South Asia) and 4% to the European Union.
- More than 152,000 Sri Lankan workers have left the country since the beginning of the year, with over 112,000 of them going to the Gulf Cooperation Council region, opting first for Saudi Arabia, followed by Kuwait, Qatar, and the UAE.(Ada Derana News.(July 11, 2023)).
- Sri Lanka's workers' remittances in the month of June 2023 were recorded at USD 475.7 million, according to the latest figures from the Central Bank of Sri Lanka (CBSL).
- Accordingly, the cumulative figure for the first six months of the year (Jan - June 2023) is USD 2,822.6 million, which is an increase of 75.3% from the corresponding period of the previous year.
- In the Q1 of 2023, the total number of people migrating for jobs has increased. Monthly average recorded as 25,366.
- The highest amount of remittances was received from Kuwait followed by Qatar and UAE in Q1 of 2023. (Source: Central Bank Report – Quarter 1, 2023)

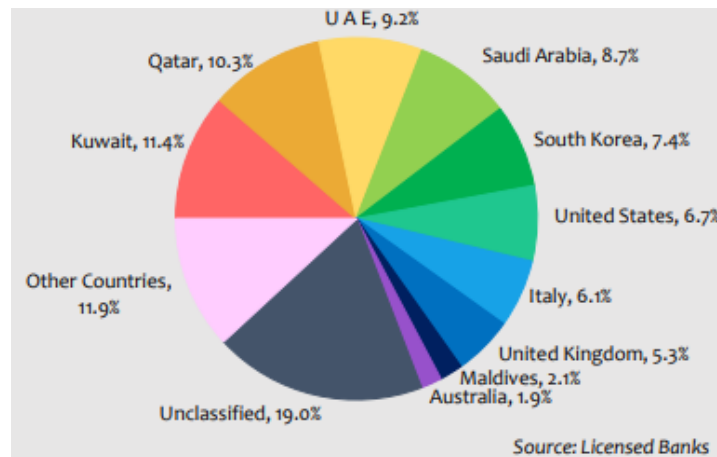
1. Developments in Workers' Remittance Inflows

Figure 01: Workers' Remittance Inflows by Country



Source: Central Bank of Sri Lanka

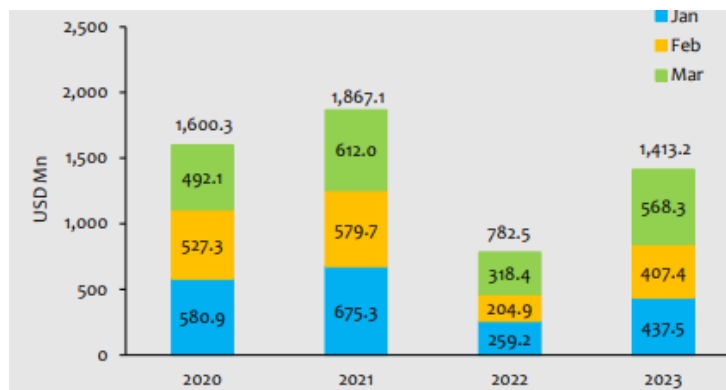
Figure 02: Distribution of Workers' Remittance Inflows



Source: Central Bank of Sri Lanka

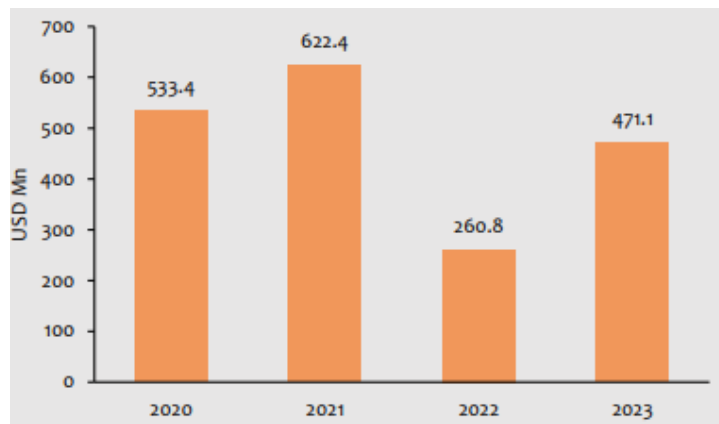
- The highest volume of remittances was received from Kuwait, Qatar, UAE and Saudi Arabia.
- USD 167.7 million received through other countries and USD 268.4 million remittances received through some of the Global remittance channels, Apps and other channels are not included in country-wise remittances. (Unclassified Sectors - Foreign direct investment, Retail Shopping like Drop Shopping, E-bay)

Figure 03: Cumulative Inward Workers' Remittances Jan - March (2020 - 2023)



Source: Central Bank of Sri Lanka

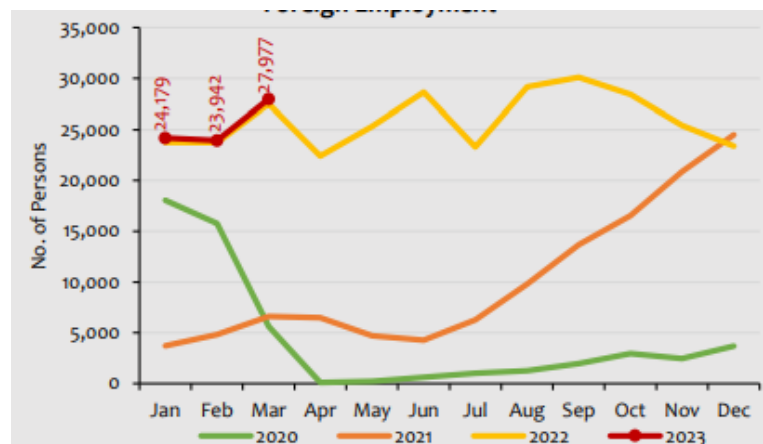
Figure 04: Monthly Average of Worker’s Remittances for Jan - March (2020 - 2023)



Source: Central Bank of Sri Lanka

2. Developments in Labour Migration

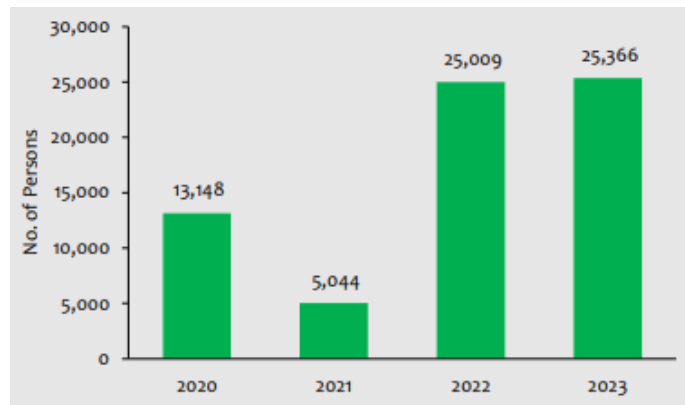
Figure 05: Monthly Movement of Departures for Foreign Employment



Source: Central Bank Of Sri Lanka

- The departure for foreign employment in Sri Lanka in 2022 has approximately tripled in comparison to the statistics of the previous year (2021) due to the economic crisis that erupted due to the dwindled dollar reserves, the Central Bank Annual Report shows.
- The Central Bank of Sri Lanka (CBSL) Annual Report for 2022 indicated more Sri Lankans have departed for foreign employment while a mere amount of people have migrated for labour in 2021.
- The total departures for foreign employment in the Q1 of 2023 remained mostly similar to that in the first quarter of 2022.

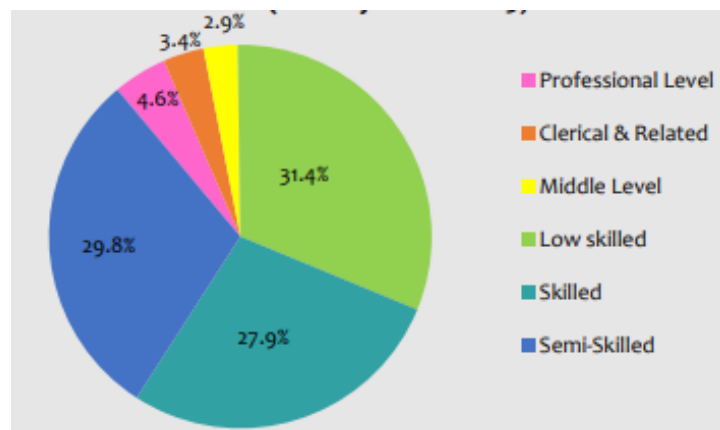
Figure 05: Annual Average of Monthly Departures for Jan - Dec (2020 - 2023)



Source: Central Bank of Sri Lanka

3. Departure for Foreign Employment by Manpower Level – 2023

Figure 06: Composition of Total Employment by Manpower Level (Jan-Mar 2023)

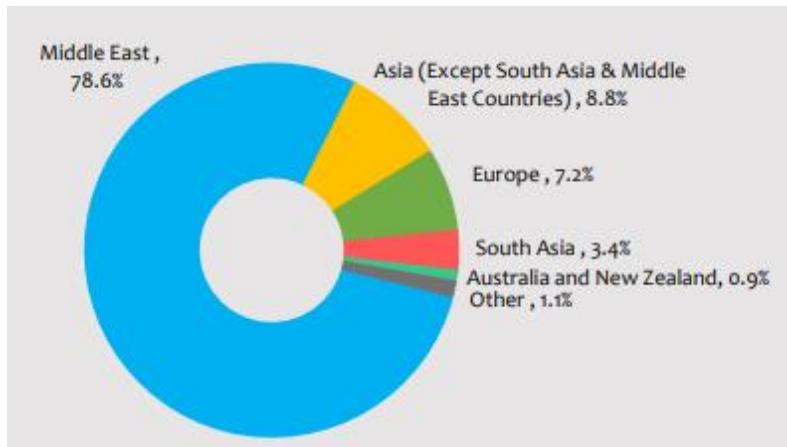


Source: Central Bank of Sri Lanka

- Nearly 60% of total participation (male and female) of foreign employment is concentrated in the semi-skilled and low skilled categories.

4. Departures for Foreign Employment by Country & Region - 2023

Figure 07: Departures by Region of Destination (Jan-Mar)

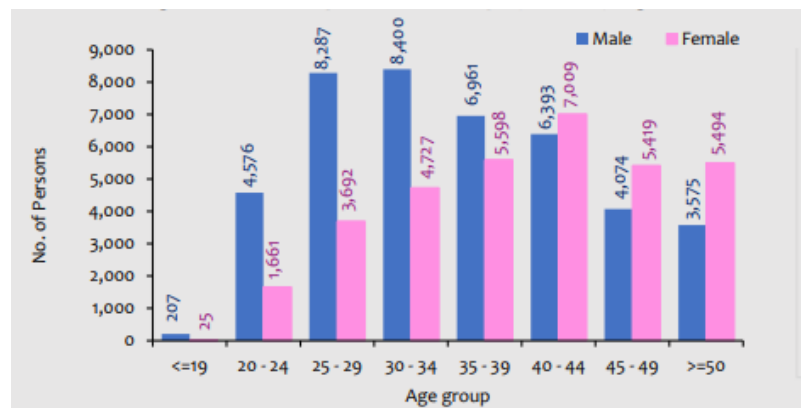


Source: Central Bank of Sri Lanka

- Majority of the migrant workers (78.6%) are employed in the Middle Eastern countries.

5. Total Departures for Foreign Employment by Age Group and Gender (Jan- Mar 2023)

Figure 08: Total departures for employment by age

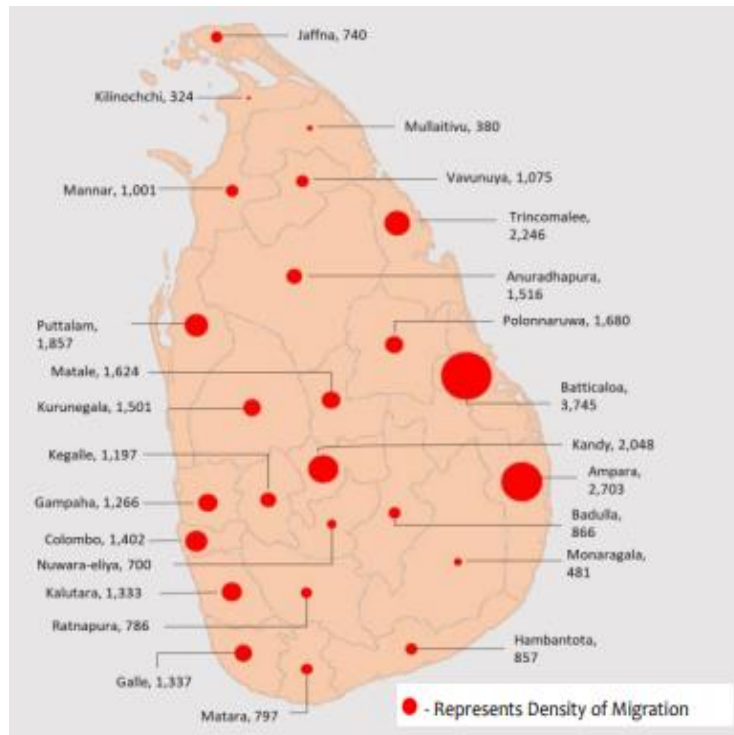


Source: Central Bank of Sri Lanka

Highest percentage of male migrant workers (20%) is in the age group of 30 - 34 years, whereas most of the female workers (21%) are in age group of 40 - 44 years. (Economic Opportunities, Family Financial Support, Career Growth and Advancement, Global Demand for Skilled Workers, Career Growth and Advancement, Escape from Gender Bias and Age Discrimination, Better Working Conditions, Higher Education Opportunities for Children are the reasons for increasing working women 40 and 50 years.)

6. Density of Migrant Worker Departures

Figure 09: Departures for foreign employments per 100,000 populations by district.

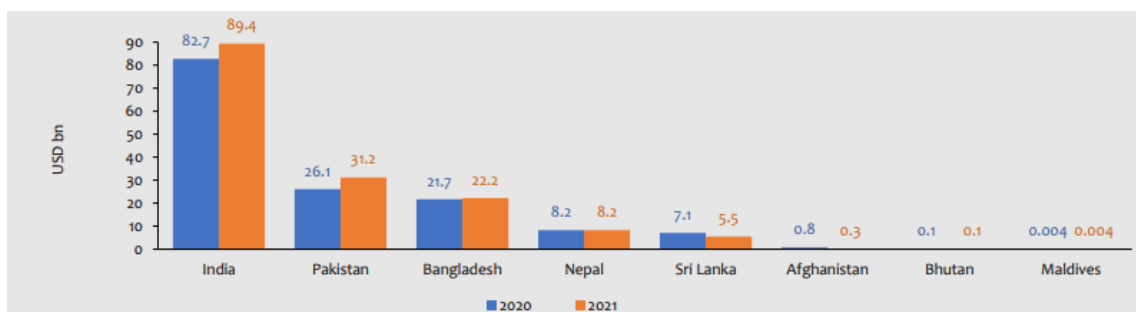


Source: Central Bank of Sri Lanka

- The highest percentage of migration in comparison to the population of each district was reported from Batticaloa in 2021 and 2022. (Due to the following reasons, it can be seen that more workers will go abroad in the North-Eastern Province. Reason Limited Job Opportunities, Economic disparities, Urbanization and Industrialization, Education and Skill Enhancement, Family and Social Connection, Seasonal and Temporary Work, International Job Opportunities, Conflict and Displacement,)

7. Global Comparison

Figure 10: Inflow of Workers' Remittances in selected South Asian Countries - 2020 & 2021



Source: Central Bank of Sri Lanka

8. Flow of Foreign Remittances to Sri Lanka 2015 – 2022

Figure 11:

	USD Mn.							
	2015	2016	2017	2018	2019	2020	2021	2022
January	523.5	563.4	670.3	729.4	545.3	580.9	675.3	259.2
February	511.6	554.2	598.1	571.5	500.5	527.3	579.7	204.9
March	644.3	675.7	643.1	677.7	571.4	492.1	612	318.4
April	585.9	578	487.9	541.2	553.7	375	518.8	248.9
May	537.7	597.2	600.7	580.4	562.1	431.8	460.1	304.1
June	629.6	644.5	590.9	523.6	536.6	572.5	478.4	274.3
July	599.3	572.8	629.3	619.3	625.7	702.1	453.3	279.5
August	566	618.3	599.9	534.2	518.2	664.5	446.6	325.4
September	584.2	577.9	537.8	499.6	516.3	702.7	353.2	359.3
October	605.1	607.5	546.3	599.1	607	630.7	317	355.4
November	574.5	567.4	588.4	555	515.3	611.7	271.4	384.4
December	618.5	684.6	671.4	584.5	665	812.7	325.2	475.6
Total	6,980.30	7,241.50	7,164.00	7,015.40	6,717.20	7,103.90	5,491.10	3,789.40

Source: Central Bank of Sri Lanka

RECENT MEASURES ON LABOUR MIGRATION AND WORKERS' REMITTANCES

- The Central Bank of Sri Lanka (CBSL) has announced a new incentive scheme for forex remitted by Sri Lankan migrant workers. Accordingly, Rs. 1,000 incentive will be given for remitted forex of migrant workers equivalent to Rs. 20,000 or more in a single transaction. (Introduce an incentive scheme on 01st February 2022.)
- Cabinet of Ministers approved a proposal to provide an additional duty free allowance for migrant workers based on the quantum of forex they remitted to Sri Lanka on 08th August 2022.
- A circular was issued on granting permits/ licenses to import fully electric vehicle for Sri Lankans employed abroad on 31st August 2022.
- A special pension scheme namely "Manusavi" for expatriate workers was introduced jointly by Sri Lankan Social Security Board and Sri Lanka Bureau of Foreign Employment (SLBFE) on 26th September 2022.
- The Cabinet of Ministers decided to exempt women who have children of two (02) years of age or above from the compulsory requirement to submit a Family Background Report when going abroad for employment on 27th June 2022.
- Established a special entrance "HOPE GATE" by SLBFE at the departure lobby of the Bandaranayake International Airport, to provide more facilities to Sri Lankan migrant workers at the airport on 01st September 2022. (*Source: Central Bank Report*)

**Statistics on Job Vacancies Received in the 2nd Quarter of 2023
(Except Domestic Sector, Labour, Cleaner, Helper, Driver)
Highly Demanded Job Categories (Received Vacancies more than 100)**

No	Job Sector	Job Category	Manpower Level	Country	Vacancies	Salary (USD)	
						Minimum	Maximum
1	Textile and Apparel Industry	Operator - Machine (Garment Factory)	Skilled	Jordan	273	176	184
2	Mechanical / Manufacturing	Operator - Machine	Skilled	Mauritius	100	189	189
3	Construction (Road / Building/Landscaping)	Carpenter	Skilled	Maldives	151	260	700
4	Hotel /Leisure and Hospitality	Waiter - General	Un Skilled /Low Skilled	Kuwait	175	261	489
5	Construction (Road / Building/Landscaping)	Welder - General	Skilled	Qatar	121	274	439
6	Hotel /Leisure and Hospitality	Worker - Restaurant	Un Skilled /Low Skilled	U A E	120	286	327
7	Hotel /Leisure and Hospitality	Rider - Motor Bike	Skilled	Kuwait	1050	293	424
8	Construction (Road / Building/Landscaping)	Plumber	Skilled	Qatar	112	302	494
9	Construction (Road / Building/Landscaping)	Fixer - Steel	Skilled	Qatar	107	302	329
10	Construction (Road / Building/Landscaping)	Mason - General	Skilled	Qatar	101	302	412
11	Logistics Mgt Services/Janitorial Building/Road/Gardening/ Security Services	Security Guard	Un Skilled /Low Skilled	U A E	161	327	490
12	Electric / Electronics	Electrician - General	Skilled	Qatar	197	329	549
13	Hotel /Leisure and Hospitality	Trolley Boy	Un Skilled /Low Skilled	Qatar	125	329	329
14	Logistics Mgt Services/Janitorial Building/Road/Gardening/ Security Services	Technician - General	Skilled	Qatar	158	329	823
15	Hotel /Leisure and Hospitality	Worker - Restaurant	Un Skilled /Low Skilled	Malaysia	124	334	334
16	Forestry, Agriculture and Animal Husbandry	Worker - Farmer	Un Skilled /Low Skilled	Jordan	100	367	367
17	Mechanical / Manufacturing	Worker - Factory	Un Skilled /Low Skilled	U A E	105	381	436
18	Textile and Apparel Industry	Tailor - Garment	Skilled	Russia	267	388	388
19	Human Resource Management /Administrative / Office Management	Agent - Guest Relations	Skilled	Kuwait	100	391	391
20	Textile and Apparel Industry	Tailor - Garment	Skilled	Russia	100	400	400
21	Health and care Services	Nurses - Female	Skilled	U A E	436	408	926
22	Logistics Mgt Services/Janitorial Building/Road/Gardening/ Security Services	Supervisor	11 Middle Level	Qatar	107	412	604

23	Sales / Marketing / Insurance / Retail Services	Specialist Marketing	Middle Level	Qatar	150	412	412
24	Construction (Road / Building/Landscaping)	Worker - Construction	Skilled	Singapore	100	427	505
25	Health and care Services	Nurses - Female	Skilled	Qatar	132	439	768
26	Construction (Road / Building/Landscaping)	Welder - General	Skilled	Romania	212	450	1041
27	Mechanical / Manufacturing	Worker - Factory	Un Skilled /Low Skilled	Romania	105	450	600
28	Non Domestic -Other	Housekeeper - Non Domestic	Un Skilled /Low Skilled	Romania	165	450	892
29	Construction (Road / Building/Landscaping)	Mason - General	Skilled	Romania	227	500	720
30	Construction (Road / Building/Landscaping)	Carpenter	Skilled	Romania	158	500	800
31	Construction (Road / Building/Landscaping)	Worker - Construction	Skilled	Romania	127	500	929
32	Hotel /Leisure and Hospitality	Rider - Motor Bike	Skilled	Romania	187	500	800
33	Hotel /Leisure and Hospitality	Waiter - General	Un Skilled /Low Skilled	Romania	128	500	600
34	Logistics Mgt Services/Janitorial Building/Road/Gardening/ Security Services	Delivery Boy	Un Skilled /Low Skilled	Romania	175	500	550
35	Hotel /Leisure and Hospitality	Rider - Motor Bike	Skilled	Romania	221	543	760
36	Construction (Road / Building/Landscaping)	Plumber	Skilled	Romania	121	550	929
37	Construction (Road / Building/Landscaping)	Tiler	Skilled	Romania	103	550	650
38	Electric / Electronics	Electrician - General	Skilled	Romania	118	550	1041
39	Hotel /Leisure and Hospitality	Chef	Skilled	Romania	127	550	1200
40	Logistics Mgt Services/Janitorial Building/Road/Gardening/ Security Services	Delivery Boy	Un Skilled /Low Skilled	Romania	200	597	651
41	Industries	Technical Intern Trainee	Skilled	Japan	320	677	1299
42	Health and care Services	Nurse - Staff	Middle Level	Qatar	138	741	823
43	Health and care Services	Nurse - General Duty	Middle Level	Kuwait	152	750	750
44	Health and care Services	Nurse - Professional	Middle Level	Kuwait	100	750	880
45	Health and care Services	Specified Skilled Worker (SSW) - Nursing Care	Skilled	Japan	355	753	1471
46	Logistics Mgt Services/Janitorial Building/Road/Gardening/ Security Services	Searcher	Skilled	Kuwait	100	994	994

47	Health and care Services	Nurse - Staff	Middle Level	Oman	100	1026	1026
48	Construction (Road / Building/Landscaping)	Welder - General	Skilled	South Korea	100	1436	2016
49	Ship Building and Maintenance	Welder - Ship	Skilled	South Korea	395	1501	1852

(This report is generated according to the available data as at 03/08/2023 and Dollar rate is 313.25 (2023.05.15))



