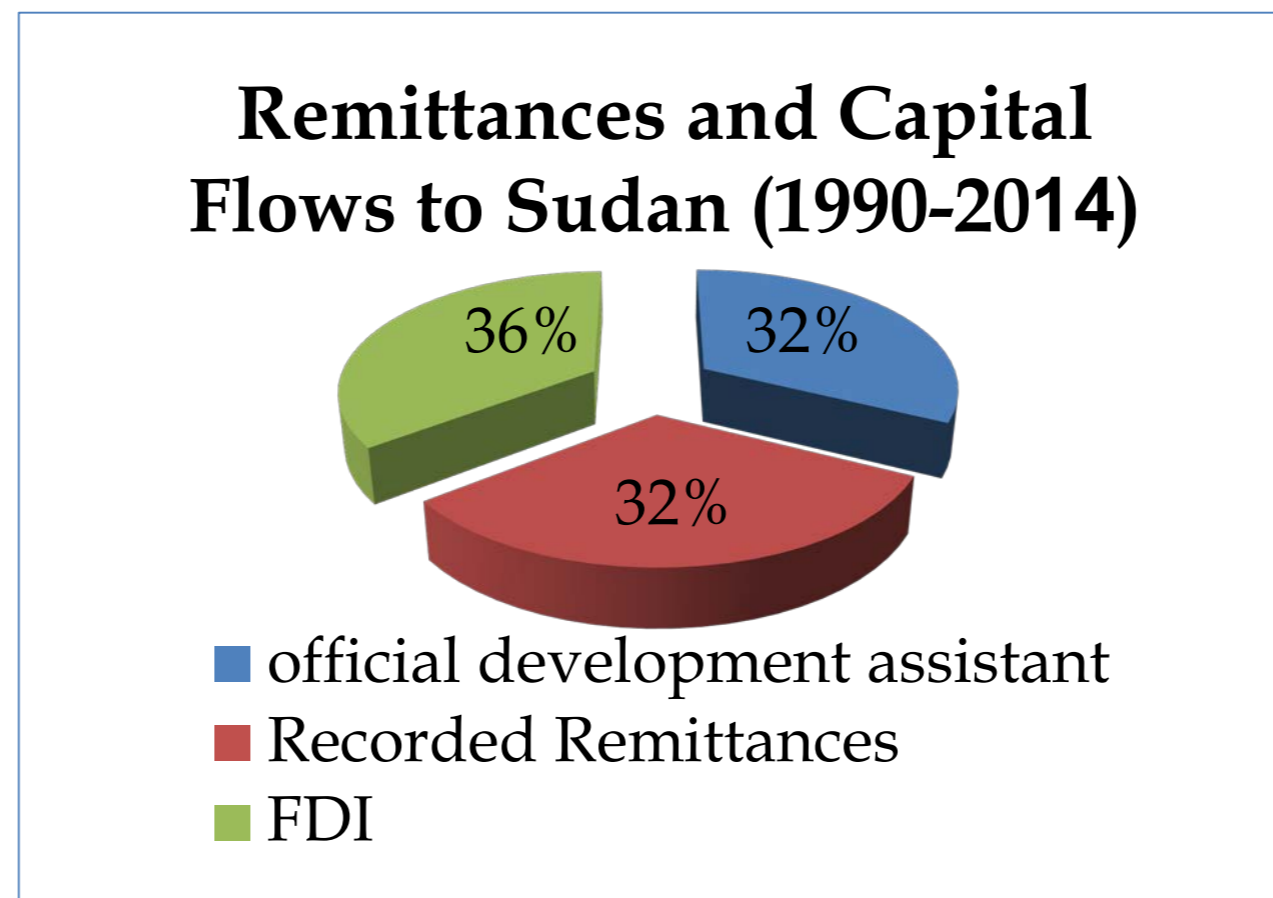


Migrants Remittances in Sudan at a Glance

▶ The number of Sudanese emigrants represents a considerable portion of population in Sudan (about four millions).

▶ Most of the migrants live in the Gulf oil-exported countries with limited numbers live in the neighboring African countries, East Asia and Europe and North America.

▶ This research aims at studying the role of macroeconomic environment in Sudanese immigrants for work purposes by host countries in the period (2008-2013).

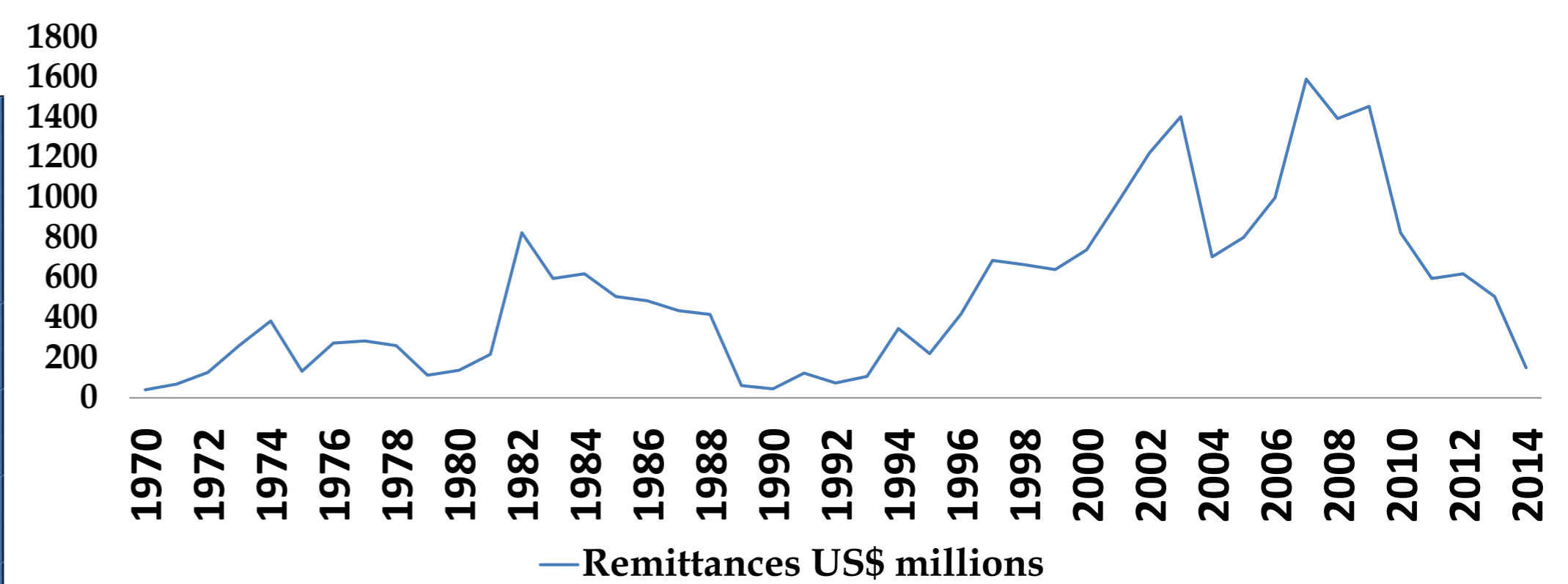


▶ The current socioeconomic developments prompted by the secession of Southern Sudan, which resulted in loss of 75% of oil revenues, suggest that the economy is expected to rely even more on the workers' remittance as a vital source of foreign exchange.

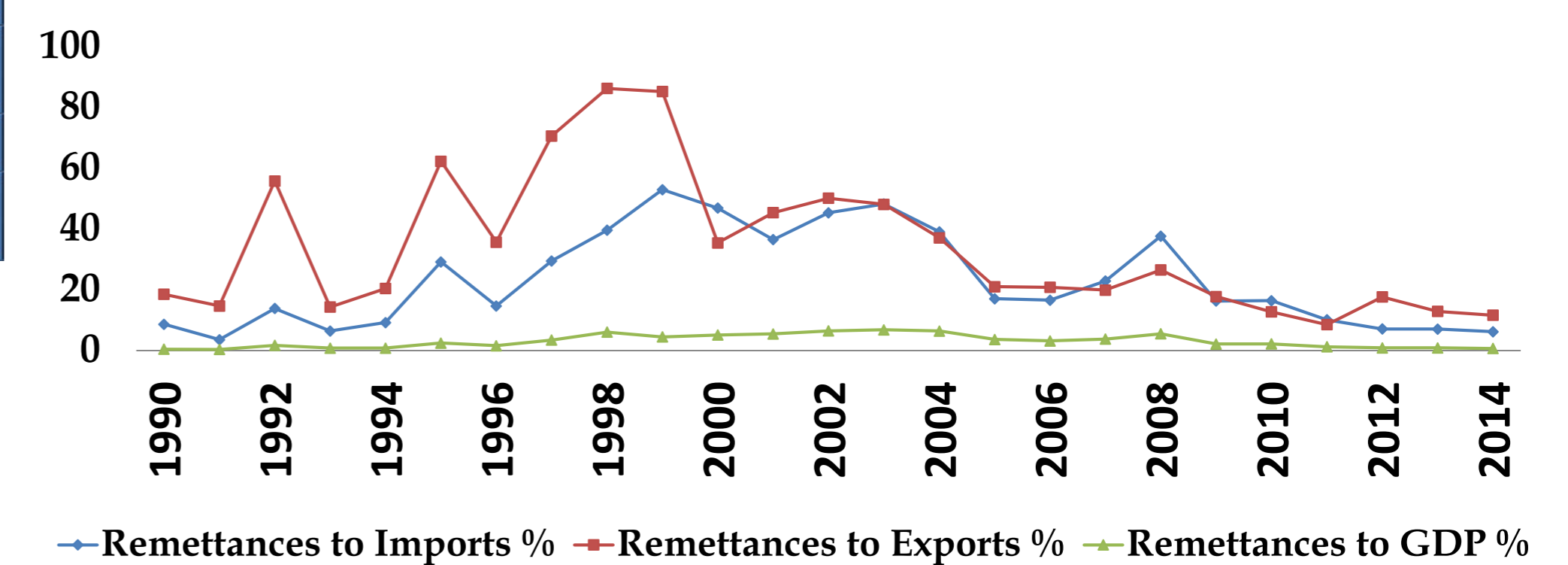
▶ Recent estimates show the volume of remittances transferred via official channels is quite low (about 23%).

Trend of remittances flowing to Sudan's economy during the period 1970-2014.

Countries	KSA	UAE	Qatar	Kuw.	Oman	Libya	Other	Total
2008	8093	1088	575	182	60	-	24	10032
2009	19444	1811	951	322	121	-	73	22722
2010	28535	1637	1135	327	139	-	106	31879
2011	28762	573	722	722	157	-	57	30993
2012	84967	1333	1371	1514	263	983	1505	91936
2013	85273	1934	2200	2796	408	12577	247	105435
Total	255074	8376	6954	5863	1148	13560	2022	292997
% of total	87.1	2.9	2.4	2.0	0.4	4.6	0.7	



Share of Remittances to GDP, Exports and Imports (1990-2014)



Methodology

the study used the bound test or autoregressive distributed lag (ARDL) technique to cointegration developed by Pesaran (1997).

Model Specification: $REM_t = \beta_0 + \beta_1 DY_t + \beta_2 INF_t + \beta_3 PRM_t + \beta_4 OPN_t + \beta_5 FD_t + \beta_6 FY_t + \alpha_t$

The Results of Estimated Short-Run Error Correction Model

ARDL (2,1,0,0,0,0) selected based on (AIC). Dependent variable is lnREM (ratio of remittances to GDP)			
Regressor	Coefficient	T-Ratio	P-Value
$\Delta \ln REM_{(t-1)}$	0.282**	2.522	0.016
$\Delta \ln DY$	-0.709	-0.711	0.482
$\Delta \ln INF$	-0.137	-1.156	0.256
$\Delta \ln PRM$	-0.671**	-2.686	0.011
$\Delta \ln OPN$	0.206**	2.337	0.025
$\Delta \ln FD$	-0.039	-0.567	0.574
$\Delta \ln FY$	0.242*	1.996	0.054
$\Delta \text{Constant}$	-8.372	-1.294	0.204
$ECT_{(t-1)}$	-0.778***	-5.154	0.000
Adjusted R square	0.57	DW-statistic	2.06
F-statistics	4.473[.001]		

Estimated Long Run Coefficients using the ARDL Approach

ARDL (2,1,0,0,0,0) selected based on (AIC): Dependent variable is lnREM (the ratio of remittances to GDP)			
Regressor	Coefficient	T-Ratio	P-Value
lnDY (GDP- per capita)	-0.816	-0.892	0.379
lnINF (inflation rate)	-0.177*	-2.006	0.053
lnPRM (exchange rate premium)	-0.862***	-3.097	0.004
lnOPN (trade openness)	0.264*	1.920	0.063
lnFD (financial development)	-0.050	-0.305	0.762
lnFY (foreign income)	0.311**	2.262	0.030
constant	-10.759**	-2.328	0.026
Adjusted R square	0.67	F- statistics	9.084 [0.000]
DW-statistic	2.06		

Conclusion and Policy Recommendations

- Expatriates remittances play vital role in the Sudanese economy
- Macroeconomic policy variables are proved to be very important factors affecting the flow of remittances via the official channels.
- Important policy variables affecting remittances are found to be black market premium, inflation and trade openness.
- Government spending needs to be rationalized in order to reduce inflationary pressures and stimulate investment. However, this objective seems to unachievable given the prevailing violent conflicts in the Darfur, Blue Nile and South Kordofan.
- Economic embargo and mounting external debts represent a real challenge for any policy interventions aiming at attracting remittances.

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