

# Media Coverage



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## The Middle East Conflict and Its Implications for Pakistani Migrant Workers



Author

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<https://tribune.com.pk/story/2597990/me-conflict-may-reduce-remittances-by-3-4b>

**Business Recorder**

<https://www.brecorder.com/news/40411934>

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**Nation**

<https://www.nation.com.pk/17-Mar-2026/war-may-block-0-5m-new-workers-migrating-2026-warns-pide>

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**MM News**

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**Bloom Pakistan**

<https://bloompakistan.com/middle-east-tensions-threaten-pakistans-34b-remittances/>

# ME conflict may reduce remittances by \$3-4b

PIDE report warns 500,000 Pakistani workers may not be able to go to Gulf countries

OUR CORRESPONDENT  
ISLAMABAD

Rising tensions in the Middle East may negatively affect Pakistan's economy as well as overseas Pakistanis and the annual inflow of remittances could decline by \$3-4 billion.

There was a likelihood of reduced overseas employment opportunities and a decline in the arrival of remittances, said the Pakistan Institute of Development Economics (PIDE) while sug-

gesting expanding job opportunities in new countries.

These concerns were expressed in a report issued by PIDE. Officials stated that the report warned that tensions in the Middle East posed risks to Pakistan's economy and overseas workforce as nearly six million Pakistanis were currently working in the region.

Every year, around 700,000 to 800,000 Pakistanis travel to Gulf countries for employment. If the conflict continues, about 500,000 Pakistani expatriates may not be able to go abroad for work in 2026.

According to officials, there are also fears that an additional 500,000 Pakistanis may return

from these countries. Such an influx could increase pressure on Pakistan's domestic job market.

The report also notes that excessive reliance on Gulf countries poses risks for the economy as the Middle East conflict could affect Pakistan's economic recovery.

Officials said that the report highlighted that remittances accounted for nearly 10% of Pakistan's economy, while Saudi Arabia and the United Arab Emirates (UAE) remained the major labour markets for Pakistani workers. PIDE, therefore, recommended increasing employment opportunities in new countries.

March 17, 2026

## 'Gulf conflict may disrupt jobs for Pakistani workers'

**Rasheed Khalid**

Islamabad

Pakistan Institute of Development Economics (PIDE) in a policy brief has warned of potential economic and labour market consequences of the ongoing Middle East conflict for Pakistan.

Dr Shujaat Farooq, Dean of Research, PIDE, in her study "The Middle East conflict and its implications for Pakistani migrant workers," cautioned that prolonged instability in the region could significantly disrupt overseas employment opportunities and remittance inflows that are vital to Pakistan's economy.

According to the policy brief, Pakistan's economic stability is closely tied to the Middle East labour market, which hosts approximately six million Pakistani workers and accounts for more than half of the country's total remittances.

Each year, nearly 700,000 to 800,000 Pakistanis migrate to the region for employment. However, escalating geopolitical tensions could reduce labour outflows and trigger large-scale return migration, placing additional pressure on Pakistan's already strained domestic labour market.

The study estimates that if the conflict persists, around half a million new workers

may not be able to migrate to the Middle East in 2026, while a similar number of existing migrants could be forced to return home.

Such a scenario would significantly impact labour markets, particularly in provinces like Khyber-Pakhtunkhwa and Punjab, where overseas migration traditionally absorbs a substantial share of new labour entrants.

Remittances, which currently contribute nearly 10 percent to Pakistan's GDP and grew from about \$1 billion two decades ago to nearly \$40 billion today, could also face a decline of \$3-4 billion annually if the conflict continues.

A reduction of this magnitude could put pressure on Pakistan's exchange rate, widen the current account deficit and weaken the country's overall economic stability.

The brief also highlights the broader economic risks associated with prolonged conflict in the Middle East including rising energy prices, disruptions in trade routes and increased inflationary pressures. Approximately 11 percent of Pakistan's exports are destined for Middle Eastern markets and regional instability could further complicate Pakistan's external sector performance.

It emphasises that while overseas migration histori-

cally provided relief to Pakistan's labour market by absorbing a significant portion of new workers entering the labour force, excessive reliance on a limited number of destination countries exposes the economy to external shocks.

Over the past decade, nearly 90 percent of officially documented Pakistani migrant workers were employed in Gulf Cooperation Council (GCC) countries, with Saudi Arabia and the United Arab Emirates serving as the primary destinations.

To mitigate potential risks, PIDE study recommends immediate policy measures to support Pakistani workers in the Middle East and to prepare for possible return migration. These include strengthening diplomatic engagement with Gulf countries to safeguard workers' rights, establishing dedicated support portals for overseas Pakistanis, and developing comprehensive reintegration programs to assist returning migrants in finding employment or starting businesses.

In the longer term, PIDE underscores the importance of diversifying Pakistan's overseas labour destinations beyond the Middle East like East Asia, Australia, alongside investing in globally competitive skills development programmes.



THE NATION

March 17, 2026

## War may block 0.5m new workers from migrating to ME in 2026, warns PIDE

FAWAD YOUSAFZAI  
ISLAMABAD

Ongoing US-Israel-Iran conflict may block 0.5 million new workers from migrating to the Middle East during 2026, and will force existing Pakistani migrants to return from there which could result in decline of \$3-4 billion in the country's remittances.

The Pakistan Institute of Development Economics (PIDE) has released a new policy brief highlighting the potential economic and labour market consequences of the ongoing Middle East conflict for Pakistan. The study, titled "The Middle East Conflict and Its Implications for Pakistani Migrant Workers," warned that prolonged instability in the region could significantly disrupt overseas employment opportunities and remittance inflows that are vital to Pakistan's economy.

According to the policy brief, Pakistan's economic stability is closely tied to the Middle East labour market, which hosts approximately six million Pakistani workers and accounts for more than half of the country's total remittances. Each year, nearly 700,000 to 800,000 Pakistanis migrate to the region for employment. However, escalating geopolitical tensions could reduce labour outflows and trigger large-scale return migration, placing additional pressure on Pakistan's already strained domestic labour market. The study estimated that if the conflict persists, around half a million new workers

may not be able to migrate to the Middle East in 2026, while a similar number of existing migrants could be forced to return home. Such a scenario would significantly impact labour markets, particularly in provinces like Khyber Pakhtunkhwa and Punjab, where overseas migration traditionally absorbs a substantial share of new labour entrants.

Remittances, which currently contribute nearly 10 percent to Pakistan's GDP and have grown from about \$1 billion two decades ago to nearly \$40 billion today, could also face a decline of \$3-4 billion annually if the conflict continues. A reduction of this magnitude could put pressure on Pakistan's exchange rate, widen the current account deficit, and weaken the country's overall economic stability.

The policy brief also highlighted the broader economic risks associated with prolonged conflict in the Middle East, including rising energy prices, disruptions in trade routes, and increased inflationary pressures. Approximately 11 percent of Pakistan's exports are destined for Middle Eastern markets and regional instability could further complicate Pakistan's external sector performance. PIDE emphasized that while overseas migration has historically provided relief to Pakistan's labour market by absorbing a significant portion of new workers entering the labour force, excessive reliance on a limited number of destination countries exposes the economy to external shocks.

## Middle East conflict could disrupt remittances

■ DNA  
ISLAMABAD

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The study, titled "The Middle East Conflict and Its Implications for Pakistani Migrant Workers," authored by Dr. Shujaat Farooq, Professor of Economics and Dean of Research at PIDE, warns that prolonged instability in the region could significantly disrupt overseas employment opportunities and remittance inflows that are vital to Pakistan's economy.

According to the policy brief, Pakistan's economic stability is closely tied to the Middle East labour market, which hosts approximately six million Pakistani workers and accounts for more than half of the country's total remittances. Each year, nearly 700,000 to 800,000 Pakistanis

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PIDE emphasizes that while overseas migration has historically provided relief to Pakistan's labour market by absorbing a significant portion of new workers entering the labour force, excessive reliance on a limited number of destination countries exposes the economy to external shocks. Over the past decade, nearly 90 percent of officially documented Pakistani migrant workers have been employed in Gulf Cooperation Council (GCC) countries, with

Saudi Arabia and the United Arab Emirates serving as the primary destinations.

To mitigate potential risks, the study recommends immediate policy measures to support Pakistani workers in the Middle East and to prepare for possible return migration. These include strengthening diplomatic engagement with Gulf countries to safeguard workers' rights, establishing dedicated support portals for overseas Pakistanis, and developing comprehensive reintegration programs to assist returning migrants in finding employment or starting businesses.

In the longer term, PIDE underscores the importance of diversifying Pakistan's overseas labour destinations beyond the Middle East. Expanding migration opportunities in East Asia, Australia, and other emerging labour markets, alongside investing in globally competitive skills development programs, could help reduce the country's vulnerability to regional crises and ensure greater economic resilience.

March 17, 2026

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SAIFULLAH ANSAR

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According to the policy brief, Pakistan's economic stability is closely tied to the Middle East labour market, which hosts approximately six million Pakistani workers and accounts for more than half of the country's total remittances. Each year, nearly 700,000 to 800,000 Pakistanis migrate to the region for employment. However, escalating geopolitical tensions could reduce labour outflows and trigger large-scale return migration, placing additional pressure on Pakistan's already strained domestic labour market.

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The policy brief also highlights the broader economic risks associated with prolonged conflict in the Middle East, including rising energy prices, disruptions in trade routes, and increased inflationary pressures. Approximately 11 percent of Pakistan's exports are destined for Middle Eastern markets, regional instability could further complicate Pakistan's external sector performance.

PIDE emphasizes that while overseas migration has historically provided relief to Pakistan's labour market by absorbing a significant portion of new workers entering the labour force, excessive reliance on a limited number of destination countries exposes the economy to external shocks. Over the past decade, nearly 90 percent of officially documented Pakistani migrant workers have been employed in Gulf Cooperation Council (GCC)

countries, with Saudi Arabia and the United Arab Emirates serving as the primary destinations.

To mitigate potential risks, the study recommends immediate policy measures to support Pakistani workers in the Middle East and to prepare for possible return migration. These include strengthening diplomatic engagement with Gulf countries to safeguard workers' rights, establishing dedicated support portals for overseas Pakistanis, and developing comprehensive reintegration programs to assist returning migrants in finding employment or starting businesses.

In the longer term, PIDE underscores the importance of diversifying Pakistan's overseas labour destinations beyond the Middle East. Expanding migration opportunities in East Asia, Australia, and other emerging labour markets, alongside investing in globally competitive skills development programs, could help reduce the country's vulnerability to regional crises and ensure greater economic resilience.

The policy brief concludes that while Pakistan has made progress in stabilizing its economy under ongoing reforms, external shocks such as geopolitical conflicts can quickly undermine these gains. Proactive policy planning, labour market diversification, and stronger institutional support for migrant workers will therefore be essential to safeguard Pakistan's economic stability in the years ahead.

## ME conflict may adversely affect remittances: study

ISLAMABAD: The Pakistan Institute of Development Economics (PIDE) has warned that the Middle East (ME) conflict could result in declining workers' remittances by USD3-4 billion annually in case the conflict continues, which could also trigger the return of Pakistani workers.

In a policy brief released here on Monday, the PIDE highlighted the potential economic and labour market consequences of the ongoing Middle East conflict for Pakistan, saying that remittances, which currently contribute nearly 10 percent to Pakistan's GDP, have grown from about USD1

billion two decades ago to nearly USD40 billion at present. The economic think tank warned that prolonged instability in the region could significantly disrupt overseas employment opportunities and remittance inflows that are vital to Pakistan's economy.

Such a scenario would significantly impact labour markets, particularly in provinces like Khyber Pakhtunkhwa (KPK) and Punjab, where overseas migration traditionally absorbs a substantial share of new labour entrants. According to PIDE, approximately 11 percent of Pakistan's exports are des-

tined for Middle Eastern markets; regional instability could further complicate Pakistan's external sector performance.

The study, titled "The Middle East Conflict and its Implications for Pakistani Migrant Workers," authored by Dr. Shujaat Farooq, Professor of Economics and Dean of Research at PIDE, also highlighted Pakistan's economic stability is closely tied to the Middle East labour market, which hosts approximately six million Pakistani workers and accounts for more than half of the country's total remittances.

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migrate to the region for employment. However, escalating geopolitical tensions could reduce labour outflows and trigger large-scale return migration, placing additional pressure on Pakistan's already strained domestic labour market. The study estimates that if the conflict persists, around half a million new workers may not be able to migrate to the Middle East in 2026, while a similar number of existing migrants could be forced to return home. A reduction of this magnitude could put pressure on Pakistan's exchange rate, widen the current account deficit, and weaken the country's over-

all economic stability. The policy brief also highlights the broader economic risks associated with prolonged conflict in the Middle East, including rising energy prices, disruptions in trade routes, and increased inflationary pressures.

PIDE emphasises that while overseas migration has historically provided relief to Pakistan's labour market by absorbing a significant portion of new workers entering the labour force, excessive reliance on a limited number of destination countries exposes the economy to external shocks. Over the past decade, nearly

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In the longer term, PIDE underscores the importance of diversifying Pakistan's overseas labour destinations beyond the Middle East. Expanding migration opportunities in East Asia, Australia, and other emerging labour markets, alongside investing in globally competitive skills development programs, could help reduce the country's vulnerability to regional crises and ensure greater economic resilience. — ABDEL-RASHED AZAD

## Pakistan OBSERVER

March 17, 2026

# ME conflict could disrupt remittances, trigger return of Pakistani workers

### STAFF REPORTER

#### ISLAMABAD

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