

Digital Finance in the Gulf and the Future of Arab Remittances

Executive Summary

The Gulf Cooperation Council (GCC) is at the center of Arab remittance flows. The six GCC countries paid around \$143 billion in personal remittances in 2024, with Saudi Arabia and the UAE accounting for almost three quarters of the total. For Egypt, Jordan and Lebanon, Gulf countries are the main source of remittances, making developments in Gulf payment systems highly relevant to their economies and banking sectors. Digital finance is changing how these funds move. Electronic wage systems, mobile applications and instant-payment platforms are making remittances faster and cheaper, while regional infrastructure such as Buxta is beginning to improve cross-border settlement. In the third quarter of 2025, the average cost of sending \$200 across seven selected Gulf-to-Arab corridors was 5.08%, below the global average of 6.36%, although five corridors still exceeded the international 5% ceiling.

The report finds that digital finance is likely to reshape Arab remittances mainly through cost, speed and formalization rather than their underlying volume. Technology, however, is not sufficient on its own. Egypt's experience shows that credible exchange rates and appropriate financial incentives are essential for bringing remittances back into formal channels, while Lebanon demonstrates how a loss of confidence in banks can push flows toward cash and informal channels. For Arab banks, digitalization creates both competitive pressure and new opportunities. Lower-cost digital providers threaten traditional remittance revenues, but regular remittance flows can also create longer-term relationships with migrant workers and their families through savings, insurance, housing finance and other services.

The report identifies seven priorities toward 2030, centered on cross-border payment interoperability, lower costs, proportionate regulation, digitalization of bank services, credible exchange-rate policies, financial inclusion and better remittance data. The central message is that the Gulf's digital payment transformation can make Arab remittances faster, cheaper and more formal, but its success will depend on technology being supported by effective regulation, trusted financial institutions and appropriate economic incentives.

1. Introduction

Remittances are a critical link between the Gulf economies and the wider Arab region. The six Gulf Cooperation Council (GCC) countries sent around \$143 billion in personal remittances in 2024, making the Gulf one of the world's most important sources of migrant-worker transfers. Saudi Arabia and the United Arab Emirates alone accounted for almost three quarters of these flows. For major recipient countries such as Egypt, Jordan and Lebanon, remittances represent an important source of foreign exchange, household income and financial support, while also creating significant business opportunities for banks and other financial-service providers.

At the same time, the way these funds are transferred is changing rapidly. Digital wallets, mobile applications, electronic wage systems and instant-payment platforms are reducing reliance on traditional cash-based and branch-based channels. Across the Gulf and the wider Arab region, new payment infrastructures and greater interoperability are creating the possibility of transferring funds across borders more quickly and, potentially, at substantially lower cost. These developments are particularly relevant for the large remittance corridors linking Gulf countries with Egypt, Jordan and Lebanon.

The issue, however, is not simply whether remittances can become digital. The more important question is whether digital finance can make cross-border remittances cheaper, faster, safer and more accessible, while encouraging a greater share of flows to move through formal financial channels. The experience of Arab economies shows that technology alone is unlikely to determine the outcome. Exchange-rate conditions, confidence in financial institutions, regulatory requirements, financial inclusion and the availability of appropriate payment infrastructure remain equally important.

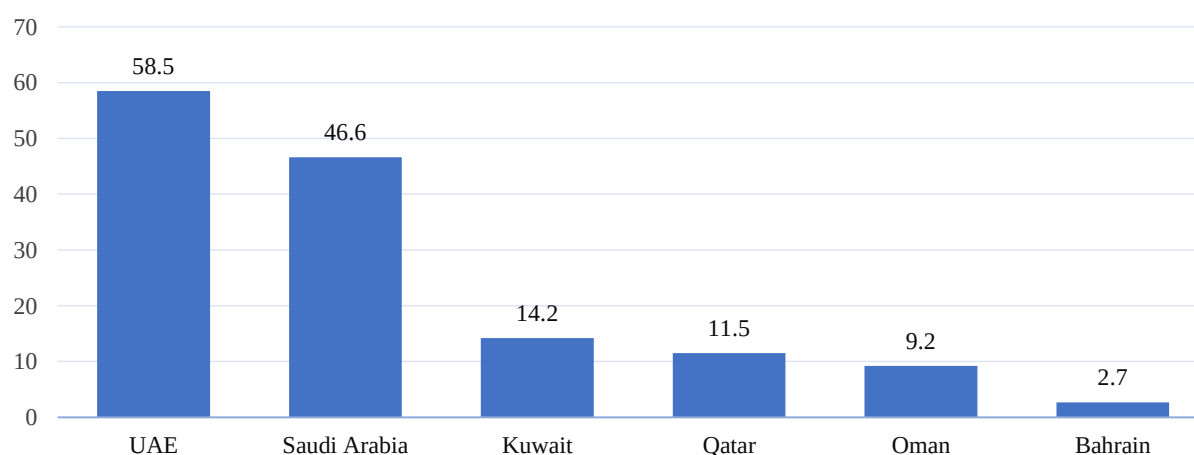
This report examines the emerging transformation of Gulf-to-Arab remittance flows through the expansion of digital finance. It reviews developments in payment infrastructure, assesses the potential impact on transfer costs and formalization, and considers the implications for financial inclusion, banking-sector business models and financial integrity. Particular attention is given to the experience of Egypt, Jordan and Lebanon, where differences in financial systems and economic conditions illustrate both the opportunities and the limitations of digitalization.

The central message is that the digital transformation of Gulf payment systems could significantly improve the cost, speed and formalization of Arab remittances, but realizing these benefits will require more than technological investment. Effective regulation, interoperable payment systems, trusted financial institutions, appropriate economic incentives and broader access to formal financial services will be essential to translate digital progress into tangible benefits for migrants, recipient households and Arab banks.

2. The Gulf as the Main Source of Arab Remittances

Any assessment of Arab remittances has to start with the scale of the money leaving the Gulf. The six GCC states depend heavily on foreign labor, and a large part of the wages paid to that labor is sent to home countries across Asia, Africa and the Arab world. The outflows are large in every member state, but they are concentrated in the two largest economies.

Figure 1. Personal remittances paid by the GCC states in 2024 (\$ billion)

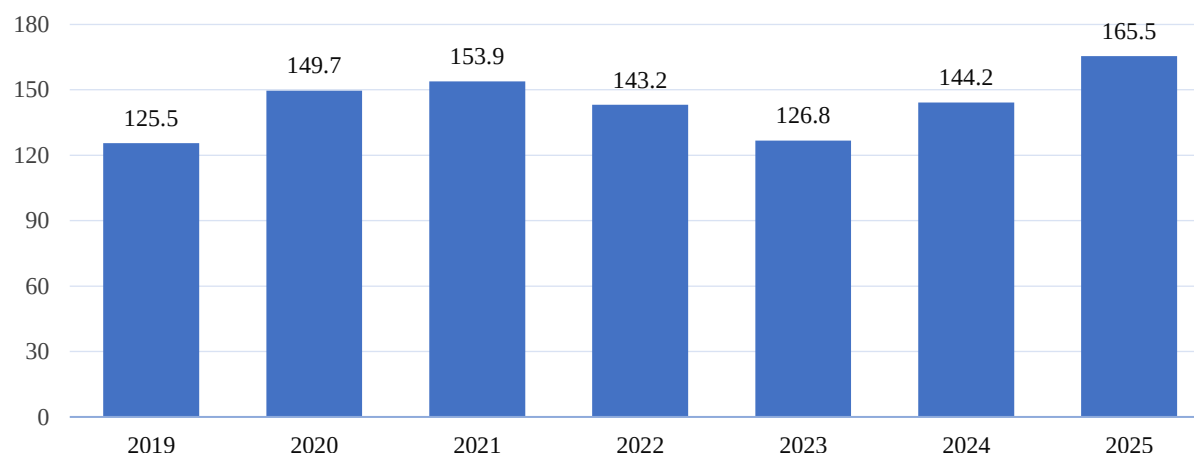


Source: World Bank, World Development Indicators.

Figure 1 shows that the six GCC states paid out about \$143 billion in personal remittances in 2024, according to World Bank data, and that the UAE and Saudi Arabia accounted for \$105 billion, almost three quarters of the total. The two countries were the second and third largest sources of remittances in the world after the United States. Kuwait, Qatar and Oman together added about \$35 billion, and the smaller states matter more than their size suggests for particular corridors.

Kuwait, for example, is one of the main sources of remittances to Egypt. The most detailed monthly data come from Saudi Arabia, and they show that the flows are still growing.

Figure 2. Expatriate remittances from Saudi Arabia 2019 to 2025 (SAR billion)



Source: Saudi Central Bank (SAMA).

Figure 2 shows that expatriate remittances from Saudi Arabia reached a record SAR 165.5 billion (about \$44.1 billion) in 2025, 15% more than in 2024 and 30% above the 2023 low of SAR 126.8 billion. March 2025 alone brought about SAR 15.5 billion, the highest monthly value since June 2016. The UAE operates on a similar scale. Its exchange houses alone handled AED 115.7 billion (about \$31.5 billion) of outward personal remittances in 2025, according to the Financial Stability Report of the Central Bank of the UAE, with banks carrying further flows.

On the receiving side, these flows carry real macroeconomic weight. Egypt received a record \$47.3 billion in fiscal year 2025/26 (July 2025 to June 2026), 29.6% more than a year earlier, according to the Central Bank of Egypt, and World Bank data put remittances at about 11% of Egypt's GDP in 2025. The Gulf is the largest source. Kuwait, Saudi Arabia and the UAE alone sent about \$12 billion of the \$21.9 billion recorded in 2023/24, or about 55%. Jordan received \$4.47 billion in 2025, up 4.5%, with the UAE, Saudi Arabia and Qatar supplying half of the total, according to the Central Bank of Jordan, and World Bank data put remittances at about 7.6% of Jordan's GDP in 2024. In the first half of 2026 the UAE alone supplied 21% of Jordan's inflows and Saudi Arabia 18%. Lebanon received an estimated \$5.8 billion in 2024, equivalent to 17.7% of GDP according to World Bank estimates, and the United Nations Development Programme (UNDP) estimates that close to half of its remittances come from the Gulf.

This concentration creates exposure as well as opportunity. It ties household incomes in Cairo, Amman and Beirut to labor markets in the Gulf, so that a slowdown in Gulf hiring would be felt in all three countries at once. It also means that improvements in a small number of corridors can lower costs and speed up payments for millions of families, and that a faster or cheaper channel built in one Gulf market can serve several receiving countries at the same time.

3. How Remittances Move Today

Before judging what digital finance can change, it is necessary to understand how remittances travel today. Four types of provider carry most of the money, namely banks, exchange houses, money transfer operators and informal networks such as hawala. They differ widely in cost, speed

and reach, and the balance between them decides how much of the money is visible to regulators and available to the banking system.

Banks offer security and direct credit to an account, but they remain the most expensive channel. The World Bank's Remittance Prices Worldwide database put the global average cost of sending \$200 through a bank at 14.99% in the third quarter of 2025, against 4.72% for money transfer operators. The same gap appears in Gulf corridors. Sending \$200 from Saudi Arabia to Jordan through the banks surveyed cost between 11.07% and 13.69%, while the cheapest money transfer operator charged 2.72%.

Exchange houses form the backbone of the system in the UAE. According to the Central Bank of the UAE, they handled AED 188.8 billion of outward transfers in 2025, including personal, trade and other remittances, an increase of 27.8% on the previous year. Their branches are now complemented by digital channels, and Al Ansari Exchange, one of the largest operators, reports that around 30% of its transactions are conducted digitally.

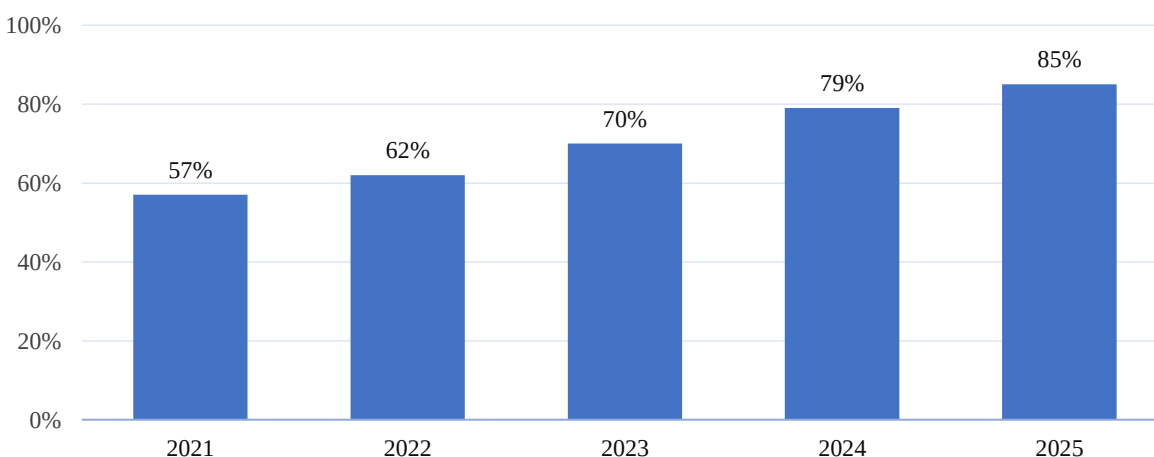
Informal channels persist wherever formal ones are expensive, slow or distrusted, or where official and market exchange rates diverge. Lebanon is the clearest example. After the banking crisis that began in 2019, data from the central bank of Lebanon cited by the UNDP show that in 2021 about 70% of remittances entered the country informally as cash, 30% through money transfer operators and almost none through banks, compared with 35% through banks in 2014. Egypt went through a similar episode on a larger scale before March 2024, when the gap between the official and parallel exchange rates pushed transfers away from banks, as section 6 shows.

The lesson is that migrants move between channels quickly when price, speed or trust changes. Any strategy to bring remittances into the formal system has to compete on these terms rather than rely on regulation alone.

4. The Digital Shift in Gulf Payments

Payments in the Gulf have digitized rapidly over the past five years, and this matters directly for remittances. A worker who is paid electronically and already pays by phone is much closer to sending money home through a digital channel than one who is paid and pays in cash.

Figure 3. Share of electronic payments in retail payments in Saudi Arabia 2021 to 2025 (%)



Source: Saudi Central Bank (SAMA).

Figure 3 shows the speed of the change in Saudi Arabia. Electronic payments rose from 57% of retail payments in 2021 to 85% in 2025, when they reached 14.6 billion transactions, according to

the Saudi Central Bank. The 70% target set for 2025 under the Financial Sector Development Program was already reached in 2023. The central bank attributes much of the recent growth to the mada card network at points of sale and in e-commerce, while sarie, the instant payment system it launched in February 2021, settles transfers between accounts around the clock.

The UAE has followed the same path. Aani, the instant payment platform launched by Al Etihad Payments in October 2023, had more than 12.5 million registered users and 74 participating licensed financial institutions by April 2026, with transfers completed in no more than three seconds on average. Cross-border payments are among the services the platform plans to add, which would connect this domestic infrastructure directly to remittance flows.

The smaller Gulf states have built similar systems. Bahrain has operated Fawri+, an instant transfer service run by The BENEFIT Company, since 2015. Qatar Central Bank launched Fawran in March 2024, offering transfers around the clock using a mobile number instead of an account number, and the Central Bank of Kuwait approved WAMD, an instant payment service by mobile number run through the K-Net gateway, at the end of June 2024. Instant transfers between accounts are therefore now available in all of the Gulf's main sending markets.

Two further building blocks matter specifically for migrant workers. The first is the electronic payment of wages. The UAE's Wage Protection System, in place since 2009, covers more than 99% of private-sector employees and processes more than AED 35 billion in wages every month, and Saudi Arabia operates a similar system. Once a salary arrives in an account or on a payroll card, a digital transfer is only a few steps away. The second is remote identification, which allows providers to verify customers and open accounts without a branch visit.

The effect on price is already visible. In the Saudi Arabia to Egypt corridor, the cheapest service recorded by the World Bank in the third quarter of 2025 was a mobile wallet, STC Pay, at 2.63% of a \$200 transfer, while the two banks surveyed charged between 10.42% and 10.87%. Globally, digital remittances cost an average of 4.59%, against 7.30% for non-digital transfers.

5. Cross-Border Payment Infrastructure

Domestic digitization solves only part of the problem. A transfer from Riyadh to Cairo must still cross currencies, jurisdictions and banking systems, and this cross-border leg is where much of the cost and delay arises. Several regional and national systems now aim to shorten it, and Table 1 summarizes those most relevant to remittances from the Gulf to other Arab countries.

As Table 1 shows, the most directly relevant system for Arab corridors is Buna, the regional payment system established by the Arab Monetary Fund and launched in 2020. It settles payments between participating banks in seven currencies, including the UAE dirham, the Saudi riyal, the Egyptian pound and the Jordanian dinar, which together cover the main corridors discussed in this report. By October 2024 more than 110 financial institutions had joined. For remittances, its value lies in direct settlement between participating banks, which removes intermediaries from the payment chain. Its capacity to connect with other instant payment platforms has also been tested. In 2021 a joint experiment by the Bank of Italy and the organization that operates Buna linked the system with TIPS, the Eurosystem's instant payment settlement platform, and settled cross-border, cross-currency payments between Italy and Jordan in about 15 seconds on average, according to the Arab Monetary Fund.

The receiving end has digitized as well. Egypt's Instant Payment Network and its InstaPay application, launched in March 2022, had more than 16 million users by late 2025, according to the Central Bank of Egypt, and since December 2024 inbound international remittances can be credited instantly to bank accounts through the network. Jordan's CliQ, launched in 2020,

processed 70.7 million transactions worth JD 8.8 billion in the first half of 2025. The next step is to connect these national systems directly to Gulf platforms and to Buna. Such links are only beginning to appear, as in the integration of Pakistan's Raast instant payment system with Buna, a model that Arab receiving countries could follow.

Table 1. Payment systems relevant to remittances from the Gulf to other Arab countries

System	Coverage	Operator	Start	Role in remittances
Buna	Arab region, seven settlement currencies	Arab Monetary Fund	2020	Direct settlement between banks in AED, SAR, EGP, JOD, USD, EUR and CNY
AFAQ	GCC states	GCC Payments Company	2020	Real-time settlement of cross-border payments between GCC countries
sarie	Saudi Arabia	Saudi Central Bank	2021	Instant domestic transfers around the clock
Aani	UAE	Al Etihad Payments	2023	Instant domestic transfers by mobile number, cross-border services planned
Fawran	Qatar	Qatar Central Bank	2024	Instant domestic transfers around the clock by mobile number
WAMD	Kuwait	K-Net under the Central Bank of Kuwait	2024	Instant domestic transfers by mobile number
Fawri+	Bahrain	The BENEFIT Company	2015	Instant domestic transfers between accounts
InstaPay	Egypt	Central Bank of Egypt	2022	Instant domestic transfers and instant crediting of inbound remittances since December 2024
CliQ	Jordan	JoPACC	2020	Instant domestic transfers by alias
mBridge	Central banks including the UAE, China, Hong Kong and Thailand	Participating central banks	2024	Wholesale settlement in central bank digital currencies (first UAE payment in 2024)

Sources: Buna, The Asian Banker, Arab News, Al Arabiya, Al Etihad Payments, Qatar Central Bank, FinTech Futures, World Bank, Egypt Today, JoPACC and Ledger Insights.

Newer technologies are being tested at the settlement level. mBridge, a platform shared by several central banks, allows cross-border payments to be settled in central bank digital currencies. The Central Bank of the UAE made its first cross-border payment on the platform in January 2024, sending AED 50 million to China, and in November 2025 used the digital dirham over mBridge for a government transaction that settled in less than two minutes. Saudi Arabia took a different course and ended its participation after completing a proof of concept in May 2025. The UAE has also licensed dirham-backed stablecoins under its 2024 Payment Token Services Regulation, which requires full reserve backing, beginning with AE Coin in October 2024. It is too early to judge the effect of these instruments on workers' remittances, but they point toward settlement that is faster, cheaper and available at all hours.

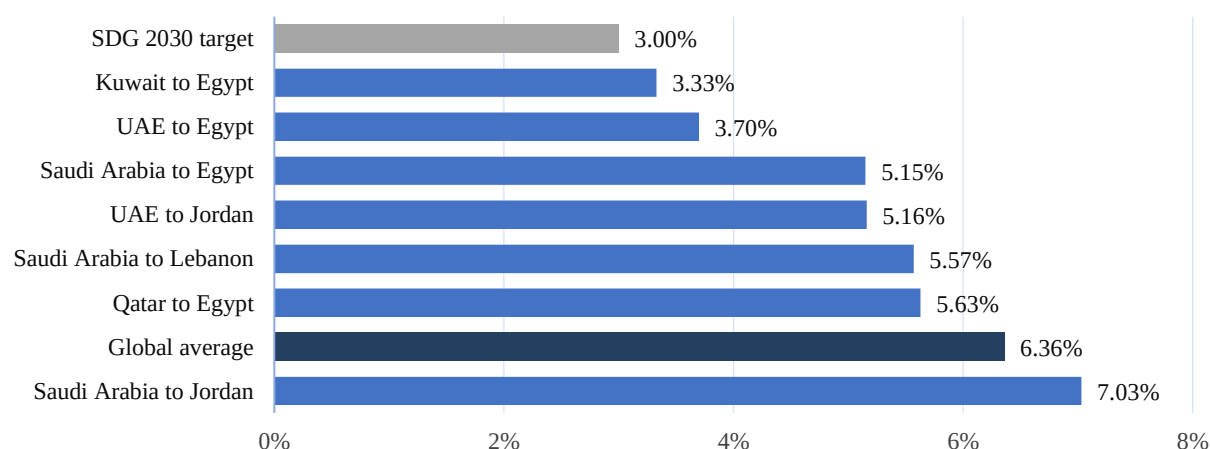
6. Effects on Costs and Formalization

The practical test of digital finance is whether it makes sending money cheaper and whether it brings more of that money into the formal financial system. The evidence on both counts is encouraging, but it also shows that technology is only part of the answer.

6.1 Transfer Costs

Cost is a central factor in the choice of channel, and the international community has set clear targets for it. Under the Sustainable Development Goals and the G20 roadmap for cross-border payments, the global average cost of sending \$200 should fall to 3% by 2030, with no corridor above 5%.

Figure 4. Cost of sending \$200 from the Gulf to selected Arab countries against global benchmarks in the third quarter of 2025 (%)



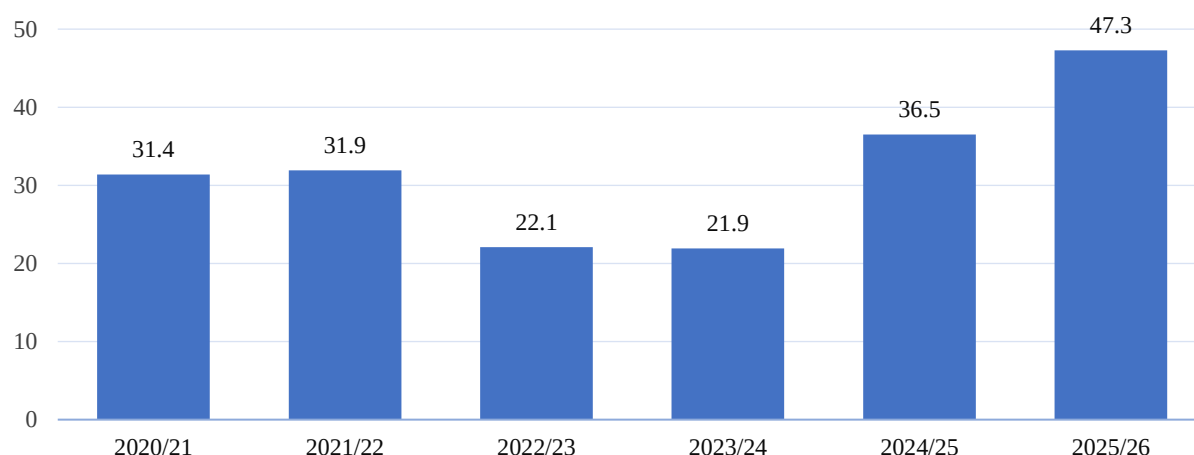
Sources: World Bank, Remittance Prices Worldwide; United Nations, Sustainable Development Goals.

Figure 4 shows that most corridors from the Gulf to Arab countries are cheaper than the global average of 6.36%, and that two of them, Kuwait to Egypt at 3.33% and the UAE to Egypt at 3.70%, are already close to the 3% target. Saudi Arabia to Jordan, at 7.03%, is the main exception. More broadly, the Middle East, North Africa, Afghanistan and Pakistan region was the cheapest receiving region in the world in the third quarter of 2025, at 5.11%. However, the corridors do not yet meet the targets. Five of the seven corridors in Figure 4 still cost more than 5%, the ceiling that should apply to every corridor by 2030, and their simple average is 5.08%. The averages also hide wide spreads within corridors. In the UAE to Egypt corridor, the cheapest service surveyed cost 0.50% of a \$200 transfer, while the most expensive charged 9.42%. The gap between the average and the cheapest option is where digital competition and price transparency can deliver the largest savings.

6.2 Formalization

The second effect is less visible but more important for banks and central banks. It is the movement of remittances from informal into formal channels, and Egypt provides the clearest recent case.

Figure 5. Recorded remittances to Egypt by fiscal year 2020/21 to 2025/26 (\$ billion)



Source: Central Bank of Egypt.

Figure 5 shows that recorded remittances fell from \$31.9 billion in 2021/22 to \$22.1 billion in 2022/23 and \$21.9 billion in 2023/24, as the widening gap between the official and parallel exchange rates pushed transfers into unofficial channels. After the central bank liberalized the exchange rate on 6 March 2024, recorded inflows rose by 66.2% to \$36.5 billion in 2024/25 and reached a record \$47.3 billion in 2025/26. The central bank attributes the recovery to the market-based exchange rate, which curtailed the parallel market, while analysts also point to higher interest rates and to land and property offered in foreign currency to Egyptians abroad.

The Egyptian case carries two lessons. First, analysts attribute much of the increase in recorded remittances to money returning to official channels rather than to a sudden rise in migration or wages. Second, digital channels alone could not have produced this result. As long as the parallel market offered a better rate, cheaper and faster applications would not have brought the money back. Digital finance lowers the cost of using formal channels, while a credible exchange rate removes the incentive to avoid them. The two work best together.

7. Risks and Regulation

The features that make digital remittances attractive, namely speed, low cost and remote access, also create risks. Regulators in sending and receiving countries have to manage these risks without pushing migrants back toward informal channels.

Money laundering and terrorist financing remain the central concern. Faster payments leave less time to detect suspicious transfers, and remote onboarding raises the risk of identity fraud. Weak controls carry concrete costs. In February 2026 the Financial Action Task Force (FATF) added Kuwait, one of the main sources of remittances to Egypt, to its list of jurisdictions under increased monitoring, and its June 2026 list also includes Lebanon, Syria, Iraq and Yemen. Grey-listing typically raises compliance costs and slows payments for banks dealing with the jurisdictions concerned.

International standards are changing at the same time. In June 2025 the FATF revised Recommendation 16 on payment transparency, the rule that governs the information carried with cross-border transfers. The revision standardizes the details that must accompany person-to-person transfers above \$1,000 or €1,000, including the sender's name, address and date of birth, and requires providers to use tools such as checks on the recipient's details to prevent fraud and error, with implementation due by the end of 2030. Gulf and Arab regulators will have to reflect these

rules in their frameworks, and doing so in a coordinated way would avoid adding new frictions to the corridors.

Correspondent banking adds a further layer of risk. According to the Bank for International Settlements, the number of active correspondent banking relationships worldwide fell by about 25% between 2011 and 2020. Each relationship that is lost lengthens payment chains or closes corridors altogether, which weighs most heavily on small transfers such as remittances.

Fraud and cyber risk grow with digital volumes. Instant transfers are difficult to reverse, which makes scams and account takeovers costly for customers and providers alike. Digital exclusion is a further risk. Not every migrant worker has a smartphone, the digital skills or the documents needed for remote onboarding, and if cash channels shrink faster than digital skills spread, some of the lowest-paid workers could turn to informal providers. The appropriate response is proportionate, risk-based regulation that applies simpler checks to small, regular transfers and stronger ones where risks are higher, combined with consumer protection and financial education for migrant workers.

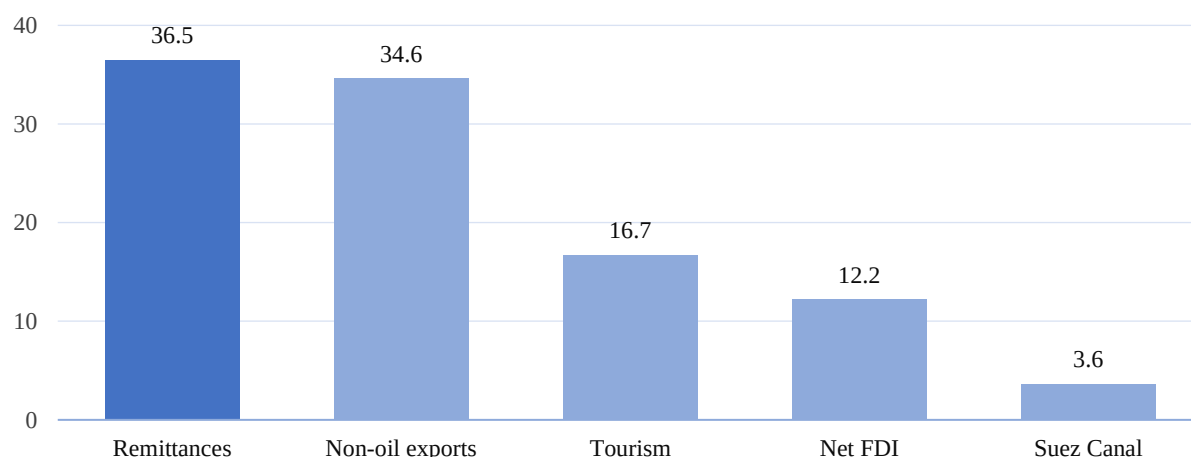
8. Potential Gains and Remaining Gaps

The case for moving Arab remittances onto formal digital channels rests on gains that can be measured. The most important are the foreign currency that formal channels bring to receiving economies and the money that lower prices would leave with migrant families. Against these gains stands the distance that still separates the region from the international targets for cost, speed and access. The figures below quantify each of these and form the basis of the conclusions and recommendations in section 9.

8.1 Foreign Currency for Receiving Economies

The first gain is macroeconomic. Remittances that pass through banks and licensed providers become foreign currency available to the banking system and the central bank, and in Egypt they now outweigh every other source of foreign currency.

Figure 6. Main sources of foreign currency for Egypt in fiscal year 2024/25 (\$ billion)



Source: Central Bank of Egypt.

Figure 6 shows that remittances were Egypt's largest source of foreign currency in 2024/25, at \$36.5 billion. They exceeded non-oil merchandise exports, were more than twice tourism revenues and almost three times net foreign direct investment, and were ten times the receipts of the Suez

Canal, which fell by 45.5% as shipping avoided the Red Sea. The pattern continued in the first nine months of 2025/26, when remittances of \$34.9 billion were larger than tourism revenues, Suez Canal receipts and net foreign direct investment combined, according to the central bank. The same figures show what informality costs. Recorded remittances in 2022/23 and 2023/24 were about \$10 billion a year below their 2021/22 level of \$31.9 billion, a cumulative shortfall of \$19.8 billion over two years (Figure 5). That shortfall was more than twice the size of Egypt's arrangement with the International Monetary Fund, which was enlarged to about \$8 billion in March 2024, and each year's gap was almost three times the Suez Canal's receipts in 2024/25. Not all of the shortfall can be attributed to the parallel market, but the speed of the recovery after March 2024 indicates that much of it can. In Lebanon, where about 70% of remittances arrived as cash in 2021 and remittances are worth close to a fifth of GDP, the loss to the banking system is proportionally larger still.

8.2 Savings for Households and Revenue for Providers

The second gain accrues to migrant families. Every point taken off the price of a transfer, measured as a share of the amount sent, stays with the household that receives it, and the sums become significant once the size of the Gulf corridors is taken into account. Applying the latest reported Gulf shares, about 55% for Egypt and about half for Jordan and Lebanon, to the most recent annual inflows suggests that roughly \$31 billion a year flows from the Gulf to these three countries alone. Table 2 shows what sending this amount would cost at different price levels.

Table 2. Illustrative annual cost of sending about \$31 billion from the Gulf to the three receiving countries at different price levels

Price level	Cost of a \$200 transfer (%)	Annual cost (\$ billion)
Banks, Saudi Arabia to Egypt (average of the two banks surveyed)	10.65	3.3
Average of the seven Gulf corridors in Figure 4	5.08	1.6
SDG and G20 target for 2030	3.00	0.9
Cheapest digital service, Saudi Arabia to Egypt (STC Pay)	2.63	0.8

Source: Author's calculations based on World Bank, Central Bank of Egypt, Central Bank of Jordan and UNDP data.

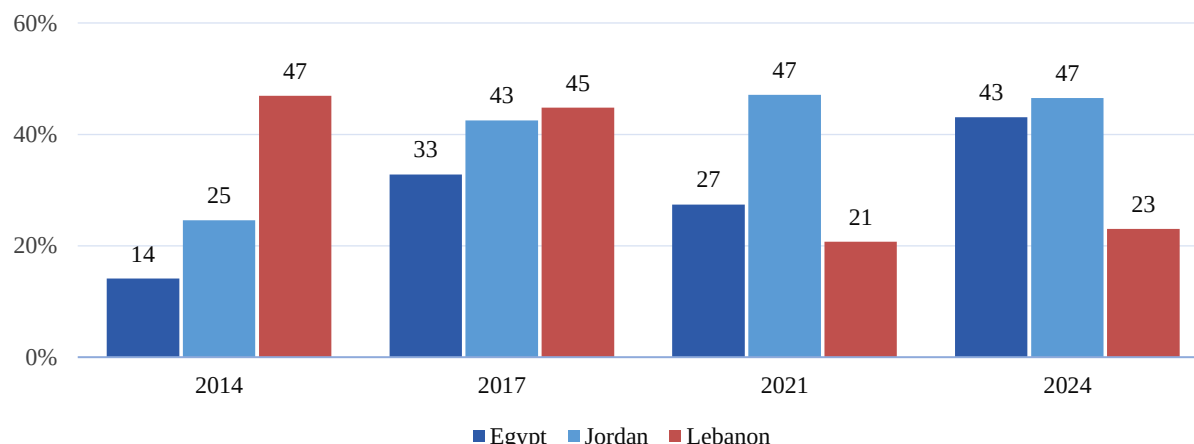
Table 2 shows that at the average price of the seven Gulf corridors, sending these flows would cost up to about \$1.6 billion a year, against about \$0.9 billion at the 3% target. Closing that gap would leave roughly \$650 million a year with families in Egypt, Jordan and Lebanon, and every point of cost is worth about \$310 million. For individual workers the difference is larger still. A worker in Riyadh who sends \$200 a month to Cairo would pay about \$187 a year less by using the cheapest digital service rather than the cheaper of the two banks surveyed, close to the value of one monthly transfer.

The same figures describe the revenue at stake for providers. The fees and exchange-rate margins on these corridors are the income that banks, exchange houses and money transfer operators compete for, and at current prices they amount to as much as \$1.6 billion a year. Banks, whose prices in the Saudi corridors to Egypt and Jordan are about four to five times those of the cheapest services, are unlikely to defend this income by charging more. Their stronger position lies in pricing closer to digital competitors and earning their return on the deposits, savings and lending that follow a regular flow of transfers.

8.3 Access and Speed

The third measure concerns reach. Cheaper and faster channels help only those who can use them, and on the receiving side many adults still have no account into which a transfer can be credited.

Figure 7. Adult account ownership in the three receiving countries 2014 to 2024 (%)



Source: World Bank, Global Findex Database.

Figure 7 shows that account ownership has moved in opposite directions across the three countries. In Egypt it rose from 14% of adults in 2014 to 43% in 2024, including a rise of 16 points after 2021 that coincided with the expansion of InstaPay. Jordan reached 46%, but has made no progress since 2021. Lebanon moved the other way, from 47% in 2014 to 23% in 2024, as the banking crisis destroyed trust in deposits, which is consistent with the shift of its remittances to cash. All three remain far below the world average of 79%, a level that Saudi Arabia matches, and the World Bank's Findex survey finds that only a minority of wage earners in low- and middle-income Arab countries are paid into an account. Set against the international targets, these figures show where the largest gaps lie, and Table 3 brings together the latest measures of cost, speed and access.

Table 3. Remittance indicators against the international targets for 2027 and 2030

Indicator	Target	Latest level
Average cost of sending \$200	3% globally by 2030	6.36% globally and 5.08% on average across seven Gulf to Arab corridors (Q3 2025)
Cost in any single corridor	No corridor above 5% by 2030	Five of the seven Gulf to Arab corridors above 5% (Q3 2025)
Remittances credited within one hour	75% by end-2027	54.4% globally (2025)
Remittances credited within one business day	100% by end-2027	76.3% globally (2025)
Access to electronic means of sending and receiving	More than 90% of individuals by end-2027	Account ownership of 43% in Egypt, 46% in Jordan and 23% in Lebanon, against 79% worldwide (2024)

Sources: Financial Stability Board, United Nations, World Bank and Federal Reserve.

Table 3 shows that the region's position is mixed. On cost, the Gulf corridors are ahead of the world average, but most of them still miss the 5% ceiling for individual corridors. On speed, the global figures show how far the world remains from the 2027 goal, and comparable speed data for the Gulf to Arab corridors are not published regularly, so progress there cannot yet be measured. On access, the gap is widest. With fewer than half of adults in Egypt and Jordan and fewer than a quarter in Lebanon holding an account, the target of electronic access for more than 90% of senders and recipients cannot be met through bank accounts alone, and wallets, prepaid cards and payment aliases linked to a mobile number will have to carry much of the load.

These figures support three conclusions. First, formal channels are worth tens of billions of dollars a year in foreign currency to receiving economies, and that value can be lost within months when the exchange rate or trust in banks breaks down. Second, lower prices are worth hundreds of millions of dollars a year to migrant families, and much of that saving could be delivered with services that already exist. Third, the main constraint is increasingly access rather than technology, which places financial inclusion in the receiving countries at the center of any strategy.

9. Conclusion and Outlook

Digital finance is changing the cost, speed and channels of Arab remittances more than their underlying volume. The Gulf remains the anchor of the system, with the six GCC countries sending around \$143 billion in personal remittances in 2024 and supplying a major share of remittance inflows to Egypt, Jordan and Lebanon. At the same time, the rapid expansion of electronic wages, instant-payment systems and regional infrastructure such as Buna is creating the conditions for faster and potentially cheaper cross-border transfers.

Three findings stand out. First, the Gulf's digital transformation is already changing the way remittances are transferred. Second, costs in the examined Gulf-to-Arab corridors are generally below the global average, but five of the seven corridors remain above the 5% international target, leaving significant room for further reductions. Third, formalization depends on more than technology. Egypt's experience demonstrates that credible exchange-rate conditions can rapidly bring remittances back into formal channels, while Lebanon illustrates how weakened confidence in banks can push transfers toward cash and informal mechanisms.

The broader lesson is therefore that technology and policy must work together. Digital channels can reduce the cost and inconvenience of using formal financial services, but they cannot by themselves overcome exchange-rate distortions, weak confidence, limited financial access or excessive regulatory friction. Egypt's strong recovery in recorded remittances following its March 2024 exchange-rate reform provides an important example of how economic incentives and financial infrastructure can reinforce each other.

The outlook toward 2030 is broadly one of continued digitalization, although the volume of remittances will remain sensitive to economic and labor-market conditions in the Gulf. Recent flows have shown resilience despite regional disruptions, while Egypt and Jordan continued to record strong increases in 2026. Nevertheless, weaker Gulf employment or prolonged regional instability could affect future remittance flows. The more predictable trend is the continued expansion of digital payment channels, supported by the international targets for faster and more accessible electronic remittances.

Realizing this potential requires action in seven areas. First, central banks should pursue greater interoperability between Gulf instant-payment systems and receiving-country platforms such as InstaPay and CliQ, with Buna playing an important regional role. Second, authorities should promote greater price transparency and work toward bringing all Gulf-to-Arab corridors below 5%

by 2027 and closer to the 3% target by 2030. Achieving the latter could leave approximately \$650 million a year with families in the three countries examined.

Third, regulation should remain proportionate and risk-based, particularly for small-value transfers, while encouraging greater interoperability of digital identity and customer due-diligence systems. This can reduce unnecessary compliance costs without weakening AML/CFT safeguards. Fourth, Arab banks should accelerate the digitalization of remittance services and develop partnerships with fintechs and exchange houses where appropriate. Lower-cost digital competitors are putting pressure on traditional fee income, but regular remittance relationships can also provide opportunities to offer savings, insurance, housing finance and other financial services.

Fifth, receiving countries need credible exchange-rate frameworks and financial products that encourage migrant households to retain funds within the formal banking system. Sixth, governments and financial institutions should expand access to simple digital accounts, strengthen consumer protection and improve digital and financial literacy. With account ownership still relatively low in Egypt, Jordan and particularly Lebanon, inclusion will be essential if digital remittances are to reach the wider population. Seventh, central banks should improve the availability and comparability of remittance data by corridor, channel, cost and speed, allowing policymakers to monitor progress and identify shifts toward informal channels.

The central policy message is clear: digital finance can make Gulf-to-Arab remittances faster, cheaper and more accessible, but technology alone will not deliver this transformation. Interoperable payment systems, credible economic policies, proportionate regulation, trusted banks, financial inclusion and better data must develop together. For migrant families, the potential gains are lower costs and greater convenience; for receiving economies, stronger and more transparent foreign-exchange inflows; and for Arab banks, an opportunity to transform remittance services from a transaction-based activity into a broader, long-term financial relationship.



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