

In 2022, world-topping \$100 bn in remittances have come to India

RUCHI BHATIA

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Migrant workers from India are on track to send home a record amount of money this year, boosting the finances of Asia's third largest economy poised to retain its spot as the world's top recipient of remittances.

Remittance flows to India will rise 12 per cent to reach \$100 billion this year, according to a World Bank report published on Wednesday. That puts its inflows far ahead of countries including Mexico, China and the Philippines.

Highly-skilled Indian migrants living in wealthy nations such as the US, the UK and Singapore were sending more money home, the report said. Over the years, Indians have moved away from doing lower paid work in places like the Gulf.

Wage hikes, record-high employment and a weakening rupee also supported growth.

Inflows from the world's largest diaspora are a key source of cash for India, which lost almost \$100 billion of foreign exchange reserves in the past year amid tightening global conditions that weakened currencies including the rupee against the dollar. Remittances, accounting for nearly 3 per cent of India's GDP, are also important for filling fiscal gaps.

Cash transfers to India from high-income countries climbed to more than 36 per cent in 2020-21, up from 26 per cent in 2016-17. The share from five Gulf nations, including Saudi Arabia and the UAE, declined to 28 per cent from 54 per cent, the World Bank said, citing Reserve Bank of India data.

The decline in population has also come on the back of a rise in life expectancy and better health outcomes

Green pathways present a \$1.6-trn investment window

SHIVA RAJORA

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Keeping spaces cool using alternative and innovative energy-efficient technologies can open up an investment opportunity of \$1.6 trillion by 2040 in India, says a report released by the World Bank on Wednesday.

The report, "Climate Investment Opportunities in India's Cooling Sector", also found this shift to efficient

technologies had the potential to reduce greenhouse gas emission and create nearly 3.7 million jobs.

Auguste Tano Kouamé, World Bank country director in India, said the report had suggested a sustainable road map for cooling, which had the potential to reduce 300 million tonnes of carbon dioxide annually by 2040.

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Remittances earned by migrants from Bangladesh, Pakistan and Sri Lanka are expected to drop this year, the World Bank noted. "Migrants responded to exchange rate deprecia-

tions in home countries by sending less money through formal channels and opting for black-market premia in the parallel exchange markets," the report said.

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