

Remittance growth may slow to 0.2%: World Bank

SHIVA RAJORA

New Delhi, 14 June

Growth of remittance flows into India this calendar year is likely to decelerate to 0.2 per cent amid an economic slowdown in Organization for Economic Cooperation and Development (OECD) countries, said a World Bank report on Wednesday. The report also suggested a flat trend in remittance growth in 2024, as well.

“Growth of remittance flows to South Asia in 2023 is expected to slow down to 0.3 per cent in response to an economic slowdown in the OECD countries, especially the high-tech sector in the United States, which affects demand for IT workers. Remittances to India which account for over 60 per cent of the region’s inflows are expected to grow by only 0.2 per cent in 2023,” the report said.

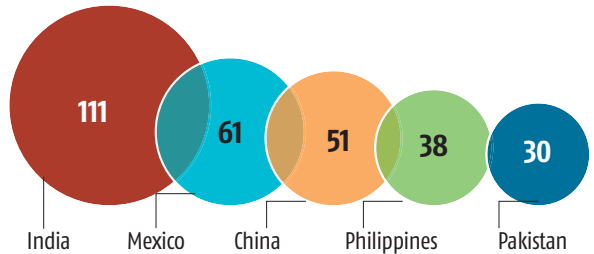
The “Migration and Development Brief” by the multilateral financing body further said remittance flows into South Asia grew by over 12 per cent in 2022 to \$176 billion, benefiting from strong labour market conditions in OECD economies and Gulf countries.

Flows into India grew 24 per cent in 2022 to reach \$111 billion — which was 63 per cent of South Asia’s total remittance flows — and helped it retain the top position among remittance receivers. It was followed by Mexico (\$61 bil-



THE TOPPERS

Top 5 remittances receiving countries in 2022 (figures in \$ bn)



Source: World Bank

lion), China (\$51 billion), the Philippines (\$38 billion), and Pakistan (\$30 billion). The report noted that almost 36 per cent of India’s remittances in 2022 were attributable to the high-skilled and largely high-tech Indian migrants in three high-income destinations — the US, the UK, and Singapore), where the post-pandemic recovery led to a tight labour market and wage hikes.

It further said that India’s

other high-income destinations like Gulf Cooperation Council (GCC) countries also enjoyed favourable economic conditions due to high energy prices which favoured the employment and incomes of the less-skilled Indian migrants in these countries.

As a result, remittance inflows from GCC countries accounted for about 28 per cent of India’s total remittance inflows in 2022.