

# India currently leads global remittances with \$125 bn

Remittance flows to Europe & Central Asia also decreased by 1.4 per cent

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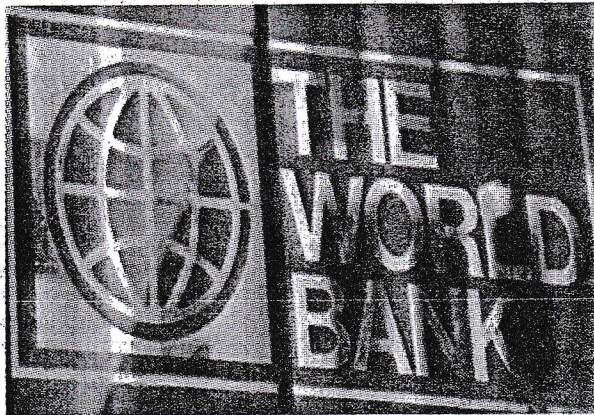
Remittances to low- and middle-income countries (LMICs) grew by an estimated 3.8 per cent in 2023, reaching a total of USD669 billion, a latest report by the World Bank said.

Resilient labour markets in advanced economies and Gulf Cooperation Council (GCC) countries played a pivotal role in supporting migrants' ability to send money home, it added.

The World Bank's latest Migration and Development Brief highlighted India's significant position as the top remittance recipient, drawing attention to the evolving dynamics in the remittance landscape.

The report highlighted that in the South Asian region, remittance flows to India experienced notable growth, contributing to the overall positive trend.

South Asia witnessed a



7.2 per cent increase in remittances in 2023 while the Indian economy, buoyed by a tight labour market in the United States and robust employment growth in Europe, outperformed previous forecasts by reaching USD125 billion in remittances for the year.

India retained its position as the largest recipient of remittances. This underscores the crucial role played by the Indian diaspora in supporting families and con-

tributing to the country's economic resilience.

The report suggests a potential risk of a decline in real income for migrants in 2024 due to global inflation and low growth prospects.

Remittance flows to Europe and Central Asia also decreased by 1.4 per cent after a significant gain in 2022.

The top five remittance recipient countries include Mexico (USD67 billion), China (USD 50 billion), the Philip-

pines (USD40 billion), and Egypt (USD24 billion).

The World Bank's Remittances Prices Worldwide Database reveals that remittance costs remain persistently high, averaging 6.2 per cent to send USD200 as of the second quarter of 2023. It highlights that banks continue to be the costliest channel for sending remittances, with an average cost of 12.1 per cent.

The report further raises awareness about the potential impact of global economic conditions on remittance flows.

India's prominence in the global remittance landscape is a testament to the significant role played by the Indian Diaspora in supporting the country's economy.

While challenges and risks persist, the report emphasises the need for inclusive labour markets and social protection policies to sustain remittance flows, which serve as vital lifelines for developing countries like India.