

Advanced economies now account for half of remittances to India

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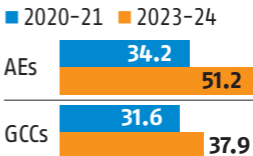
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Advanced economies (AEs), particularly the US, the UK, Singapore, Canada, and Australia, together accounted for more than half of India's remittances in 2023-24 (FY24), reflecting a shift in migration patterns towards a skilled Indian diaspora.

The Gulf Cooperation Council (GCC) countries — United Arab Emirates (UAE), Saudi Arabia, Kuwait, Qatar, Oman, and Bahrain — contributed 38 per cent of the total remittances received by India in FY24. India's inward remittances have more than doubled from \$55.6 billion in 2010-11 to \$118.7 billion in 2023-24.

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Share in inward remittances (banks) (in %)



Advance economies (AEs): US, UK, Singapore, Canada, Australia (FY21 figure doesn't reflect data for Australia); GCCs: UAE, Saudi Arabia, Kuwait, Qatar, Oman, Bahrain

Source: RBI

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Migration wave lifts India's remittances from AEs

According to insights from the sixth round of India's Remittances Survey, there has been a gradual shift in the dominance of India's remittances away from GCC countries. The findings of the survey are discussed in the article Changing Dynamics of India's Remittances in the Reserve Bank of India's (RBI's) March 2025 bulletin. The data shows that the growth of remittances from AEs outpaced that of the GCC, resulting in more money coming in from these countries.

The US remained the largest contributor to India's total remittances, with its share rising to 27.7 per cent in FY24 from 23.4 per cent in 2020-21 (FY21), reflecting a steady recovery in the US job market. Among the US labour force, the percentage increase in foreign-born workers stood at 6.3 per cent in 2022, up from 0.7 per cent in the pre-pandemic year of 2019.

However, among native-born workers, the share largely remained unchanged at 1 per cent. Seventy-eight per cent of

Indian migrants in the US are employed in high-earning sectors such as management, business, science, and arts.

The UAE maintained its position as the second-largest source of India's remittances, with its share increasing from 18 per cent in FY21 to 19.2 per cent in FY24. The UAE is the largest hub for Indian migrant workers, primarily engaged in blue-collar jobs dominated by the construction industry, followed by healthcare, hospitality, and tourism. This contrasts with the US, where Indian migrants are mainly employed in white-collar jobs, explaining the higher remittances received from the US despite a lower number of migrants compared to the UAE.

The RBI study highlighted that the share of inward remittances from the UK also increased to 10.8 per cent in FY24 from 6.8 per cent in FY21.

The study also noted a marked uptick in the share of remittances from Singapore (6.6 per cent), Canada (3.8 per cent), and Australia (2.3 per cent) in FY24.

