

India pushing its proposal made at WTO Abu Dhabi for lowering cost of cross-border remittances

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India is strongly pursuing its proposal for lowering cost of cross-border remittances, which it made last month at the largely inconclusive WTO's 13th Ministerial Conference in Abu Dhabi, and has now asked the multi-lateral body's general council (GC) to initiate a work programme to make recommendations for the same, sources have said.

"The National Payments Corporation of India is working on a presentation for a session on 'cost of remittances' being held by the WTO's committee on trade in financial services' in Geneva on March 25, drawing from its experience of putting in place a robust physical as well as electronic payment and settlements systems in the country," a

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India had pointed out that the global average cost for sending remittances remained high at 6.18 per cent—more than twice the SDG target

source tracking the matter told *businessline*.

Lowering costs of remittances would mostly benefit low and middle-income countries that accounted for 78 per cent of remittances flow in 2023, per estimates. India, in its draft proposal at MC13 in Abu Dhabi last month, pointed out that the global average cost for sending remittances remained high at 6.18 per cent—more than twice the SDG target.

"We highlight that one of the means to achieve

cheaper, faster, and more transparent and accessible cross-border payments including remittances is promoting interoperability and interlinkages of digital payment infrastructures including fast payment systems. The global average cost for digital remittances at 4.84 per cent is significantly lower than the cost for non-digital remittances," India's representation stated.

PROPOSAL AT WTO MC13

India's proposal got the support of countries such as Sri Lanka, Nepal and Bangladesh at the WTO MC13. Even the EU showed interest, the source said. "Since MC13 failed to deliver significant outcomes, the matter is now being pursued by India at the WTO in various bodies including the WTO GC," the source said. India proposed that the WTO GC should call upon

the council for trade in services and committee on trade in financial services, to undertake a work programme on remittances.

It should be tasked with understanding the development impact of cross-border remittances and reviewing the cost, trends and developments. It should also look at how technology, emergence of new market players, different types of providers and new channels, and consumer behaviour are impacting the cross-border remittance services, it added. The drivers of cost of cross-border remittances should be examined together with challenges associated with reducing it, the representation said.

The working group must identify the opportunities created for lowering the cost of cross-border remittances including on account of digitalisation, and emergence of new technologies.