



India Remained the Highest Recipient Of Remittances

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According to the latest edition of the World Bank's Migration and Development Brief, **India** has retained its position as the **world's top recipient of remittances** with its diaspora sending a whopping \$79 billion back home in 2018.

Key Findings

- **Increase in Remittances**

- Remittances to low- and middle-income countries reached a record high in 2018.
- **Global remittances**, which also include flows to high-income countries, **reached \$689 billion in 2018**, up from \$633 billion in 2017.
- The officially recorded annual remittance flows to **low- and middle-income countries** reached \$529 billion in 2018, an **increase of 9.6 %** over the previous record high of \$483 billion in 2017.

- **Regional Stats**

- **Growth** in remittance inflows ranged from almost **7% in East Asia and the Pacific** to **12 %in South Asia**.
- Remittances to South Asia grew 12% to \$131 billion in 2018, outpacing the 6% growth in 2017.
- The overall increase was driven by a **stronger economy and employment situation in the United States** and a rebound in **outward flows** from some Gulf Cooperation Council (GCC) countries and **the Russian Federation**.
- **In 2019**, remittance flows to **low- and middle-income countries** are expected to reach **\$550 billion**, to become their **largest source of external financing**.

- **Country-wise stats**

- Among countries, **the top remittance recipients were India with \$79 billion**, followed by China (\$67 billion), Mexico (\$36 billion), the Philippines (\$34 billion), and Egypt (\$29 billion).
- In Pakistan, remittance growth was moderate (7%), due to significant declines in inflows from Saudi Arabia, its largest remittance source.
- In Bangladesh, remittances showed a brisk uptick in 2018 (15%).

- Remittances grew by **more than 14% in India**, where a **flooding disaster in Kerala likely boosted the financial help** that migrants sent to families. India received \$62.7 billion in 2016 and \$65.3 billion in 2017 from remittances.
- **High Remittance Cost**
 - Global average cost of sending \$200 remained high, at around **7% in the first quarter of 2019**.
 - Remittance costs across many African corridors and small islands in the Pacific in general remain above 10%.
 - **Banks** were the **most expensive remittance channels**, charging an average fee of 11 percent in the first quarter of 2019. Post offices were the next most expensive, at over 7 percent.
 - **Reducing remittance costs to 3% by 2030** is a global target under **Sustainable Development Goal (SDG) 10.7**.
 - Renegotiating exclusive partnerships and letting new players operate through national post offices, banks, and telecommunications companies will increase the competition and thus lower the remittance prices.”

World Bank’s Migration and Development Brief

- This is prepared by the **Migration and Remittances Unit, Development Economics (DEC)**- the premier research and data arm of the World Bank. .
- The brief **aims to provide an update on key developments in the area of migration and remittance flows** and related policies over the past six months.
- It also provides medium-term projections of remittance flows to developing countries..
- The brief is **produced twice a year**.

Remittances

- Remittances are usually understood as **financial or in-kind transfers made by migrants to friends and relatives back in communities of origin**.
- These are basically sum of two main components - **Personal Transfers** in cash or in kind between resident and non-resident households and **Compensation of Employees**, which refers to the income of workers who work in another country for a limited period of time.
- Remittances help in stimulating economic development in recipient countries, but this can also make such countries over-reliant on them.