Changing Dynamics of India's Remittances

Why in News?

Reserve Bank of India's (RBI's) March 2025 bulletin shows that there has been a gradual shift in the dominance of India's remittances away from Gulf Cooperation Council (GCC) countries.

- The data shows that the *growth of remittances from Advanced economies (AEs)*, outpaced that of the GCC, resulting in more money coming in from these countries.
- 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).
- It reflects a shift in migration patterns towards a skilled Indian diaspora.
- The US remained the ***largest contributor to India's total remittances***, with its share rising to 27.7% in FY24 from 23.4% in 2020-21 (FY21).
- 78% of Indian migrants in the US are employed in high-earning sectors such as management, business, science, and arts.

India's inward remittances have more than doubled from $55.6 billion in 2010-11 to $118.7 billion in 2023-24.

- The Gulf Cooperation Council (GCC) countries like United Arab Emirates (UAE), Saudi Arabia, Kuwait, Qatar, Oman, and Bahrain — contributed ***38%*** of the total remittances received by India in FY24.
- UAE maintained its position as the ***2nd-largest source*** of India's remittances, with its share increasing from 18% in FY21 to 19.2% 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.
- Higher remittances received from the US despite a lower number of migrants compared to the UAE.
- Share of inward remittances from the *UK also increased* to 10.8% in FY24 from 6.8% in FY21, which may be attributed to the Migration and Mobility Partnership between India and the UK.
- The study also noted a marked uptick in the share of remittances from Singapore (6.6%), Canada (3.8%), and Australia (2.3%) in FY24 compared to the pandemic year (FY21).

Reference

Business Standard | India's top remittance hubs



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