

GS-2 - IR.

2. India's source of remittances is heavily inclined towards the western Asian countries. Substantiate.

World bank report 2022 - India's remittances reached \$100 bn, 12% increase, from \$89 bn, and also growth higher than world [4.9%].

~~India's share~~ World's share in India's Remittances

Over 40 years, Remittances poured from Gulf countries. But today, scenario is flipped. World bank report - says, most contribution is from US, UK, Canada. The share increased from 26% to 36% and for Gulf, decreased from 54% to 28%, in 5 years.

Reasons for Shift

1. Differences in Remittances.

US, UK - Indian diaspora are highly skilled labour, hence are high earning. Most of time, they won't remit much of money.

on other hand, <sup>in</sup> Gulf, the diaspora - range from low skill to high.

### 2) Different ecosystem

people in <sup>US, UK</sup> ~~Gulf~~ - They ~~have~~ have much investment opportunities, can buy houses and can mortgage. etc, on other hand, in Gulf people have very little investment opportunities (or buy houses)

### 3) Changing proportions.

Gulf is recruiting more from Kenya, Uganda etc, low skilled labour eg: RBI data - India's share in Saudi declined from 3.10L to 40000 still. India's share is high [eg: India 24% <sup>in 2020</sup> in Qatar] way forward. 16% - Nepalese

India's ~~has~~ link with west asia are deeply entrenched, (especially kashmiri). Hence, it is unlikely to say, it will ~~be~~ be replaced. It is safe to say more Indians will reach west asia, & reap benefits in years to come.