



PHD Research Bureau
PHD Chamber of Commerce and Industry



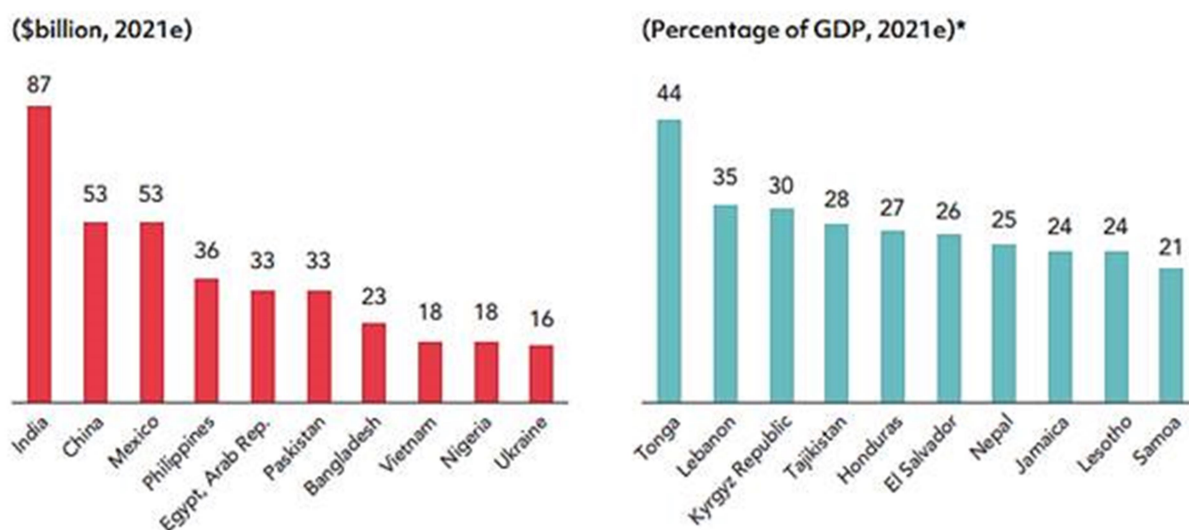
India positioned as the world's largest recipient of remittances: World Bank Report

World Bank report on Recovery COVID-19 Crises Through A Migration Lens: The Migration and Development Brief, provides updates on global trends in migration and remittances. It highlights developments related to migration-related Sustainable Development Goal (SDG) indicators for which the World Bank is a custodian: increasing the volume of remittances as a percentage of gross domestic product (SDG indicator 17.3.2) and reducing remittance costs (SDG indicator 10.c.1). In 2021, remittance flows to low- and middle-income countries (LMICs) are projected to reach **US\$ 589 billion**, registering a 7.3 percent increase. The recovery in 2021 follows the resilience of flows seen in 2020, when remittances recorded only a modest 1.7 percent decline to **US\$ 549 billion**, in the face of one of the deepest recorded global recessions. Remittances now stand more than threefold above official development assistance and, excluding China, more than 50 percent higher than foreign direct investment.

This underscores the importance of remittance flows in smoothing consumption in recipient countries during periods of economic hardship. The international migrant stock seems to have declined for a second consecutive year, with weak new migration flows and large return migration in 2020 and 2021. In all developing regions of the world, migrants stepped up their support to families back home, especially to countries affected by the spread of the COVID-19 Delta variant. Their ability to help was enabled by a welcome pickup in economic activity and employment in major migrant destination countries, grounded partly in the exceptional COVID-19 emergency fiscal stimuli and accommodative monetary policies.

In 2021, the top five remittance recipients in current US dollar terms were India, China, Mexico, the Philippines, and the Arab Republic of Egypt. As a share of gross domestic product, the top five remittance recipients in 2021 were smaller economies: Tonga, Lebanon, the Kyrgyz Republic, Tajikistan, and Honduras. The United States was the largest source country for remittances in 2020, followed by the United Arab Emirates, Saudi Arabia, and Switzerland.

Chart: Top recipients of remittances among Low and Middle Income Countries



Source: World Bank-KNOMAD staff.

Note: *Somalia and South Sudan are excluded due to data validity. GDP = gross domestic product; e = estimate.

Source: PHD Research Bureau, PHD Chamber, compiled from World Bank report

Outlook for India

Flows to India (the world's largest recipient of remittances) are expected to reach \$87 billion, a gain of 4.6 percent—with the severity of COVID-19 caseloads and deaths during the second quarter (well above the global average) playing a prominent role in drawing altruistic flows (including for the purchase of oxygen tanks) to the country. As for all developing regions, the 2022 outlook for remittances includes risks on the downside, with high-frequency data signaling a slowdown for most South Asian countries over the last several months of 2021.

Please find appended the link to access the detailed document on the same.

https://www.knomad.org/sites/default/files/2021-11/Migration_Brief%2035_1.pdf

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Warm Regards,

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