



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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India's Inward Remittances Survey 2016-17

Today, the Reserve Bank released the results of its survey on India's inward remittances in 2016-17, the fourth in the series.¹ It captures various aspects relating to remittances – source; destination; purpose of inward remittances; size; prevalent mode of transmission; and receivers'/ senders' cost of remittances. Responses were received from 42 major authorised dealers (ADs), accounting for 98.3 per cent of total remittances in 2016-17. A separate questionnaire was circulated among three major Money Transfer Operators (MTOs) that have large remittance operations in India.

Highlights

- Remittances to India were mostly routed through private sector banks (74.2 per cent), followed by public sector banks (17.3 per cent) and foreign banks (8.5 per cent) [Table 1].
- 82 per cent of the total remittances received by India originated from eight countries, viz., the United Arab Emirates, the United States, Saudi Arabia, Qatar, Kuwait, Oman, the United Kingdom and Malaysia [Table 2].
- Kerala, Maharashtra, Karnataka and Tamil Nadu together received 58.7 per cent of total remittances [Table 3].
- The rupee drawing arrangement (RDA) is the most popular channel of remittances which accounts for 75.2 per cent of remittances, followed by SWIFT (19.5 per cent), direct transfers (3.4 per cent) and cheques and drafts (1.9 per cent) [Table 4].
- Size-wise analysis shows that 70.3 per cent of all reported transactions were of more than US\$ 500 and only 2.7 per cent were of less than US\$ 200 [Table 5].
- More than half of remittances received by Indian residents were used for family maintenance, i.e., consumption (59.2 per cent), followed by deposits in banks (20 per cent) and investments in landed property and shares (8.3 per cent) [Table 6].
- Cost to the remitter for sending remittances through RDA is relatively low in the case of private /foreign banks [Table 7].
- The cost of receiving remittances through the RDA route is lowest in the case of public sector banks [Table 8].
- MTOs operate mostly in the cash-to-cash services segment which accounts for 96.8 per cent of the total remittances routed through them [Table 9].

¹ The third round of the survey was published in the [December 2013](#) issue of the RBI Bulletin.

- The cost of sending remittances through MTOs using the cash mode varies between 0.6 to 11.1 per cent, depending upon the size of remittances [Table 10].

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Table 1: Bank-wise Distribution of Inward Remittances	
	Per cent
Bank Group	Share in Total Remittances
Private Banks	74.2
Public Sector Banks	17.3
Foreign Banks	8.5
Total	100.0

Table 2: Country-wise Share in Inward Remittances	
	Per cent
Source Country	Share in Total Remittances
United Arab Emirates	26.9
United States	22.9
Saudi Arabia	11.6
Qatar	6.5
Kuwait	5.5
Oman	3.0
United Kingdom	3.0
Malaysia	2.3
Canada	1.0
Hong Kong	0.9
Australia	0.7
Germany	0.6
Italy	0.05
Philippines	0.03
Others	14.8
Total	100.0

Table 3: State-wise Share in Inward Remittances	
	Per cent
Destination State	Share in total remittances
Kerala	19.0
Maharashtra	16.7
Karnataka	15.0
Tamil Nadu	8.0
Delhi	5.9
Andhra Pradesh	4.0
Uttar Pradesh	3.1
West Bengal	2.7
Gujarat	2.1
Punjab	1.7
Bihar	1.3
Rajasthan	1.2
Goa	0.8
Haryana	0.8
Madhya Pradesh	0.4
Orissa	0.4
Jharkhand	0.3
Uttaranchal	0.2
Puducherry	0.2
Chandigarh	0.2
Jammu and Kashmir	0.2
Assam	0.1
Himachal Pradesh	0.1
Chhattisgarh	0.1
Others	15.5
Total	100.0

Note: "Others" also includes those remittances for which banks could not identify the specific destination and therefore covered such transactions under "Others".

Table 4: Mode-wise Remittances Transfer	
	Per cent
Mode of Transfer	Share in Total Remittances
RDA/Vostro Account	75.2
SWIFT	19.5
Direct Transfer	3.4
Others (including Cheque and draft)	1.9
Total	100.0

Table 5: Size-wise Distribution of Remittances	
	Per cent
Size of Remittances	Share in Total Remittances
Less than or equal to US\$ 200	2.7
Between US\$200 - US\$500	27.0
Greater than or equal to US\$ 500	70.3

Table 6: Purpose of Remittances	
	Per cent
Purpose of Remittances	Share in total Remittances
Family maintenance (<i>i.e.</i> , consumption)	59.2
Deposits in Banks	20.0
Investments (landed property /equity shares/etc.)	8.3
Others	12.6
Total	100.0

Table 7: Cost of Sending US\$ 200 and US\$ 500 to India						
	Per cent					
	US\$200			US\$500		
Bank Type/Mode	Public Sector Banks	Private Sector Banks	Foreign Banks	Public Sector Banks	Private Sector Banks	Foreign Banks
Direct Transfer to Bank Account/Electronic Wire	0-6.7	0-4.0	0-2.1	0-5.5	0-1.7	0-3.1
SWIFT	0-21.3	0-22.7	0-12.7	0-8.6	0-9.2	0-7.7
RDA/Vostro Account	0-13.5	0-11.8	0-8.5	0-5.5	0-4.8	0-14.1

Table 8: Cost of Receiving US\$ 200 and US\$ 500 in India						
	Per cent					
	US\$200			US\$500		
Bank Type/Mode	Public Sector Banks	Private Sector Banks	Foreign Banks	Public Sector Banks	Private Sector Banks	Foreign Banks
Direct Transfer to Bank Account/Electronic Wire	0-1.5	0-1.9	0-2.0	0-0.7	0-1.1	0-0.8
SWIFT	0.5-4.4	0-12.7	0-13.3	0-2.5	0-6.3	0-5.4
RDA/Vostro Account	0-2.4	0-4.5	0-5.5	0-1.0	0-1.8	0-2.0
Others (Including Cheque and draft)	0-2.3	0-12.6	0-40.4	0-1.0	0-5.1	0-16.4

Table 9: Mode-wise Transfer through MTOs	
	Per cent
Mode of Transfer	Share in Remittances of MTOs
Cash	96.8
Direct Transfer to Bank Account	1.5
Others	1.6
Total	100.0

Table 10: Cost of Sending US\$ 200 and US\$ 500 to India through MTOs

Mode of Transfer	Per cent	
	US\$ 200	US\$ 500
Cash	1.5 - 11.1	0.6 - 7.1
Direct Transfer to Bank Account	1.2 - 8.1	0.5 - 5.4