



European Union seeks green standards, sustainable food systems

Synopsis

EU said a sustainable food system is "profitable throughout (economic sustainability); has broad-based benefits for society (social sustainability); and a positive or neutral impact on the natural environment (environmental sustainability), including climate change." ET has reviewed the text of the proposal.

The European Union has proposed separate chapters on sustainable food systems, energy and raw materials in its free trade agreement (FTA) with India. Part of the proposal has sought profitable food systems, inclusion of environmental performance, methane emissions measurement standards and facilitating trade and investment in energy and raw materials.

Officials said intense negotiations are expected on these issues that have been included for the first time in India's trade agreements. The second round of talks is scheduled for September.

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EU has also suggested an annual action plan to monitor progress by establishing objectives and milestones.

Tough negotiations ahead

"EU's proposal that food systems should be profitable, but our Public Distribution System is not. India will have to safeguard its interests on PDS and minimum support price if such an obligation kicks in," said an expert on trade issues.

Similarly, the EU proposed "reducing the use of antimicrobials, chemical pesticides and fertilizers, improving animal welfare and promoting sustainable food production methods and practices, such as organic farming," which experts said, may have an implication on India's dairy produce and meat exports.

In the chapter on energy raw materials, the EU has said that for production of renewable energy, the two sides "shall not adopt or maintain any measure including local content requirements affecting the other party's products, service suppliers, investors or enterprises."

(Economic Times, 21/7/2022)

Ministerial panel to fast-track FTA plans

Moreover, such a panel will bolster co-ordination among ministries and departments and improve the quality of negotiations as well, said the source.

The government is weighing a proposal to set up an inter-ministerial panel comprising senior officials to iron out differences across various ministries and departments on proposals relating to free trade agreements (FTAs), an official source told FE.

The move assumes significance, as the country is either negotiating or planning to start talks for a flurry of high-stake FTAs with key economies, such as the EU, the UK, Canada, Israel, members of Gulf Co-operation Council (GCC) and Australia. While New Delhi has clinched an interim deal with Canberra, talks for a full-fledged FTA could start soon. Together these economies (excluding the UAE, a part of the GCC, with which an FTA is already signed) contributed as much as \$108 billion, or 26%, to India's merchandise exports in FY22.

"A final decision on the panel will be taken soon," said the source.

An inter-ministerial committee for FTAs will come in handy, as differences on crucial and sensitive issues within ministries that oversee different sectors tend to delay negotiations. Often stakeholders with conflicting interests across sectors make the job difficult for negotiators, who are required to have clarity of purpose when they get into such high-stake talks, more so because these FTAs are going to guide the country's trade policies for years. For instances, while the dairy sector resisted India's RCEP entry the most, some other sectors were less hesitant to join the block.

Moreover, such a panel will bolster co-ordination among ministries and departments and improve the quality of negotiations as well, said the source.

The country is also seeking a review of its existing FTAs with key partners, including Asean group, Japan and South Korea, to restore greater degree of trade balance.

Following its exit from the Beijing-dominated RCEP in November 2019, New Delhi has stepped up efforts to forge "fair and balanced" trade pacts with key countries.

In February, India signed an FTA with the UAE, the first such pact by New Delhi with any economy in over a decade. Then followed an interim trade deal with Australia in April; both the sides are expected to soon resume negotiations for a broader FTA. Last week, India and the EU resumed negotiations for an FTA after a gap of about nine years and are planning to launch the next round of talks in September. Similarly, New Delhi and London have concluded four rounds of negotiations and are aiming to clinch a deal by Diwali in October. Similarly, India and Canada are eyeing an interim deal by the end of 2022.

After the deal with the UAE, the other GCC members have evinced interest in hammering out an FTA with India. The country is also planning to launch talks with Israel. The GCC comprises Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the UAE.

India remained cautious for about a decade before signing the FTA with the UAE in February, as five of its six prominent FTAs that came into force between 2006 and 2011, had exacerbated New Delhi's trade balance, according to an FE analysis. These are India's trade deals with Asean group, South Korea, Japan,

Singapore and Malaysia. Only the South Asia Free Trade Area agreement, which replaced a 1993 preferential trade pact, turned out to be a clear winner for India.

(Financial Express, 5/7/2022)

India, EU FTA: Round 1 talks conclude, next round in September

Synopsis

The two sides resumed negotiations on June 17 after a gap of over eight years on the proposed agreements on trade, investments and Geographical Indications (GI).

New Delhi: India and the European Union concluded the first round of talks for the proposed free trade agreement (FTA) on Friday and the next round of talks is scheduled at Brussels in September, the commerce and industry ministry said on Saturday.

The first round of talks began on June 27 and concluded on July 1.

The two sides resumed negotiations on June 17 after a gap of over eight years on the proposed agreements on trade, investments and Geographical Indications (GI).

During the first round, 52 technical sessions covering 18 policy areas of FTA and seven sessions on investment protection and GIs were held, it added.

India's bilateral trade with the EU amounted to \$116.36 billion in 2021-22.

The EU is India's second largest trading partner after the US and the second largest destination for Indian exports.

"The trade agreement with the EU would help India further expand and diversify its exports of goods and services, including securing the value chains. Both sides are aiming for the trade negotiations to be broad-based, balanced, and comprehensive, based on the principles of fairness and reciprocity," the ministry added.

The week-long negotiations were held in a hybrid mode – with some of the teams meeting in Delhi and the majority of officials joining virtually.

India's FTA negotiations were led by Chief Negotiator Nidhi Mani Tripathi, Joint Secretary in the Department of Commerce and the EU was represented by its Chief Negotiator Christophe Kiener.

(Economic Times, 3/7/2022)

India, EU conclude first round of negotiations for free trade pact

Synopsis

India and the 27-nation bloc resumed negotiations on June 17, after a gap of over eight years, on the proposed agreements on trade, investments and Geographical Indications (GI). The first round of talks, which began on June 27, concluded on July 1, the official added.

India and the European Union (EU) on Friday concluded the first round of talks for a comprehensive free trade agreement, a move aimed at further strengthening economic ties between the two sides, an official said.

India and the 27-nation bloc resumed negotiations on June 17, after a gap of over eight years, on the proposed agreements on trade, investments and Geographical Indications (GI).

The first round of talks, which began on June 27, concluded on July 1, the official added.

India had started negotiations for a trade pact with the EU in 2007, but the talks stalled in 2013 as both sides failed to reach an agreement on key issues, including customs duties on automobiles and spirits, and the movement of professionals.

India's merchandise exports to EU member countries stood at about USD 65 billion in 2021-22, while imports aggregated to USD 51.4 billion.

A GI is primarily an agricultural, natural or a manufactured product (handicrafts and industrial goods) originating from a definite geographical territory. Typically, such a name conveys an assurance of quality and distinctiveness, which is essentially attributable to the place of its origin.

(Economic Times, 2/7/2022)

New UK parliamentary panel to promote trade, investment ties with India

Synopsis

"This APPG will be the conduit which not only connects UK and Indian policymakers but connects businesses and entrepreneurs to drive growth. The APPG will ensure that dialogue and engagement will cut across all levels of business, particularly encouraging a wider lens on female led business and start-ups," added Baroness Sandy Verma, the President of the new group.

A new cross-party UK parliamentary panel has been created to promote trade, investment and people-to-people ties with India, backed up by British Indian think tank 1928 Institute.

The India (Trade and Investment) All Party Parliamentary Group (APPG) was formally registered last week as part of celebrations of the 75th anniversary of India's independence and is made up of 25 members of Parliament and peers of different political affiliations.

With a stated goal to promote trade and investment between India and the UK for the mutual betterment of their citizens, whilst building an inclusive living bridge between the two countries, the new APPG hopes to support the ongoing India-UK free trade agreement (FTA) negotiations and promote its benefits once concluded.

"Given 75 years of India's Independence, the creation of an All-Party Parliamentary Group focused on India will set the tempo between the UK Parliament and India/Indians," said Navendu Mishra, Indian-origin Opposition Labour Party MP for Stockport in north-west England and Co-Chair of the new APPG.

"Investment in people is the best way to ensure economic stability and this APPG intends to benefit the peoples of both the UK and India. In particular, I'm looking forward to bringing investment to Stockport

and to the Greater Manchester region, both from stronger cultural ties and from utilising the trade agreement," he said.

"Furthermore, what better way to celebrate the 75 years of Independence than to strengthen the living bridge between the countries and to solidify an equal partnership between these two great nations," he added.

From trips across different parts of Britain to visits to India, the India (Trade & Investment) APPG said it will work with diverse stakeholders and encourage beneficial collaborations.

"It's a new chapter in the story of the Indo-British trade partnership and I'll be working tirelessly to ensure that we get the best possible FTA and that it is utilised after. The group's establishment coincides with the 75th year of India's Independence and it will be a parliamentary driving force behind the UK-India story in the years to come," said Lord Karan Bilimoria, Indian-origin businessman and Co-Chair of the APPG.

"This APPG will be the conduit which not only connects UK and Indian policymakers but connects businesses and entrepreneurs to drive growth. The APPG will ensure that dialogue and engagement will cut across all levels of business, particularly encouraging a wider lens on female led business and start-ups," added Baroness Sandy Verma, the President of the new group.

The APPG is chaired by Conservative Party MP Bob Blackman and includes other Indian-origin parliamentarians as vice-chairs, including Lord Meghnad Desai, Baroness Usha Prashar, Labour MP Virendra Sharma and Tory MP Gagan Mohnidra.

"We are honoured to facilitate the APPG as its Secretariat and look forward to collaborating with diverse partners to champion trade, investment, and development," said the 1928 Institute, a University of Oxford spinout focussed on Indian diaspora research in the UK.

"We intend to create an energised, inclusive, and pluralistic space to accelerate the improvement of material conditions for all. Our vision spans opportunities from Pembrokeshire to Punjab, and we encourage you to get in touch to help shape this nascent space," it said.

The new APPG will officially kick-start its activities when Parliament resumes after its summer recess under a new Prime Minister in September.

APPGs are informal, cross-party groups in the UK formed by MPs and members of the House of Lords who share a common interest in a particular policy area, region or country and have no official status within Parliament.

(Economic Times, 28/7/2022)

UK Parliament panel warns against rushing India FTA to meet Diwali deadline

Synopsis

The House of Commons International Agreements Committee, in a report entitled 'UK-India free trade agreement: Scrutiny of the Government's Negotiating Objectives', questions the Diwali deadline set for

the conclusion of the negotiations by outgoing Prime Minister Boris Johnson during his visit to India in April.

A UK parliamentary panel on Friday warned the government against accepting a poor deal to rush things through simply to meet a deadline set for the completion of a free trade agreement (FTA) with India.

The House of Commons International Agreements Committee, in a report entitled 'UK-India free trade agreement: Scrutiny of the Government's Negotiating Objectives', questions the Diwali deadline set for the conclusion of the negotiations by outgoing Prime Minister Boris Johnson during his visit to India in April.

The committee cautioned that could risk giving up a good deal for a fast one, by setting a "time ambition over and above content".

"A growing economy, as well as a growing middle class and consumer market, make India an attractive trading partner for the UK. The UK government, however, must not accept a poor agreement simply to meet a deadline," said Baroness Dianne Hayter, chair of the committee.

"We have noted that the aspirations in the Negotiating Objectives are particularly challenging because some would require changes to India's own cultural and legal approach, which are unlikely to be achieved, or would take a long time," she said.

"We reiterate our recommendation that the government should publish a trade policy, showing how trade links into broader foreign policy, security, defence and other domestic objectives, as well as labour, women's and human rights, and the environment. This will enable trade policy to be understood in relation to other priorities and enable us to assess the impacts and trade-offs," she said.

The cross-party committee claims that India's "historically protectionist policies", different regulatory approaches and business practices would mean changes in domestic legislation, which could be a lengthy process to implement.

It also references the practice in India of requiring businesses to make so-called "facilitation payments", different administrative requirements at national and state level, a lengthy application process for business permits, a complex tax regime, low levels of contract enforcement and limited IP protections.

"The committee therefore questions the arbitrary Diwali deadline set for the conclusion of the negotiations, cautioning that the government could risk giving up a good deal for a fast one by setting a time ambition over and above content," it said.

The committee notes that although the Boris Johnson-led government has emphasised that it intends to conclude an agreement that is comprehensive, it is unclear how comprehensive that agreement can be "given India's challenging regulatory and business environment".

"Because the government's objectives do not take sufficient account of the Indian context, they can come across as overly ambitious or unrealistic, with some (for example on procurement) seeming particularly unattainable," the report warns.

The committee has called on the government to publish a comprehensive trade policy that provides a framework within which all negotiations can be conducted.

This is now expected to be taken up after the Parliament is back from its summer recess in September, by which time the UK is expected to have a new Prime Minister - either former Chancellor Rishi Sunak or Foreign Secretary Liz Truss.

While trade experts have indicated that the ambition for a UK-India FTA is unlikely to be affected by the leadership change at Downing Street, the Diwali deadline for its completion has had a question mark.

"I would much rather have a more comprehensive deal that takes slightly longer to complete. It's good to have a deadline, good to have that target to try and finish by Diwali. But it may not be the end of October but the end of December; my target is the end of this year," Confederation of British Industry President Lord Karan Bilimoria, who heads the UK-India Industry Taskforce as a joint commission to enhance cross-industry collaboration on the ongoing trade negotiations, said recently.

(Economic Times, 23/7/2022)

India, UK to wrap up FTA discussions by August 31

Former British chancellor of exchequer Rishi Sunak and foreign secretary Liz Truss are front-runners for the top post.

The negotiations for a proposed free trade agreement (FTA) with the UK will be over by the end of August and it will be ready to be signed before the Diwali deadline set by the two sides, commerce secretary BVR Subrahmanyam said on Thursday.

The secretary ruled out any delay in hammering out the crucial trade deal due to political uncertainties in the UK after Boris Johnson stepped down as the leader of the Conservative Party, paving the way for another Prime Minister.

Former British chancellor of exchequer Rishi Sunak and foreign secretary Liz Truss are front-runners for the top post.

"We have been assured by the UK side that, irrespective of whoever is in power, there is across-the-board support for the FTA with India," Subrahmanyam told a group of journalists. Once the negotiations are over in August, both the parties will get into the process of legal scrubbing and other internal clearances (like Cabinet approval). These are expected to be over before Diwali (October 24) so that leaders of both the nations will be able to sign it, the secretary explained. The UK is expected to have a new Prime Minister in September.

Both the countries are engaged in the fifth round of negotiations for the FTA and have so far completed 17 of the 26 chapters that will be covered by it. Given that this is going to be a modern-day FTA, it will go beyond the traditional pillars like goods, services and investments; it will also cover a range of areas, including gender, trade and development, labour, corruption and MSMEs, the secretary said.

Both India and the UK launched formal negotiations in January for the FTA, which could ultimately cover more than 90% of tariff lines. They aim to double bilateral trade of both goods and services to about \$100 billion by 2030. The India-UK trade is dominated by services, which make up about 70% of the overall annual commerce.

Earlier in the day, India and the UK signed two memorandums of understanding on mutual recognition of educational qualifications, including maritime education (but excluding professional degrees like engineering, medical, etc), and a framework agreement on healthcare workforce. The agreement on healthcare will allow Indian nurses to work more easily in the UK.

Similarly, both the countries have decided to set up committees to discuss a totalisation agreement being pushed for by New Delhi, and the opening up of Indian legal services for the UK. The MoUs and the panels are in addition to the commitments to be granted by each other under the FTA.

A totalisation agreement will help Indian IT companies that are paying a huge sum to comply with the social security norms for their Indian employees in the UK. A totalisation pact removes dual social security taxation.

As per the MoU on education, on a reciprocal basis, Indian senior secondary school and pre-university certificates will be considered suitable for entry into higher education institutions in the UK. Similarly, the bachelor degree, master's degree and doctoral degree of India and the UK will also be recognised by each other.

Interim deal to be ratified by Australia by September

The secretary said an interim trade deal, signed with Canberra in April, will be ratified by the Australian Parliament by September, paving the way for its implementation. Elections in Australia had delayed the process of ratification.

Australia will also amend its domestic regulations pertaining to the Double Taxation Avoidance Agreement (DTAA). This will enable Canberra to stop taxing the offshore income of Indian firms providing technical support there.

Both the India Australia Economic Co-operation and Trade Agreement and the amendment will come into force simultaneously, Subrahmanyam said

(Financial Express, 22/7/2022)

Diwali target for India-UK FTA possible but not definite after PM Johnson's exit, say experts

Synopsis

The Diwali target set for the India-UK FTA by the outgoing British Prime Minister Boris Johnson does not have to be set in stone, says strategic and industry experts.

The Diwali target set for the India-UK FTA by the outgoing British Prime Minister Boris Johnson does not have to be set in stone, says strategic and industry experts.

At the end of a week of monumental political turmoil which ended with Johnson announcing his resignation to make way for a new Prime Minister in a few months' time, the inevitable focus has been on what this means for India-UK bilateral ties generally and the historic FTA now in its fourth phase of negotiations more specifically.

While there is general consensus that there is unlikely to be any significant shift in foreign policy stance under a new Conservative Party incumbent at 10 Downing Street, a delay of a few months to the October deadline for the conclusion of a draft FTA may well be on the cards.

"India did some very quick deals with the UAE and Australia, in less than 90 days, but those are much lighter in content and comprehensiveness than what we are planning with the UK-India FTA," said Confederation of British Industry (CBI) President Lord Karan Bilimoria, who heads up the UK-India Industry Taskforce as a joint commission to enhance cross-industry collaboration on the ongoing trade negotiations.

"I would much rather have a more comprehensive deal that takes slightly longer to complete. It's good to have a deadline, good to have that target to try and finish by Diwali. But it may not be the end of October but the end of December; my target is the end of this year," said the Indian-origin businessman.

He warned of inevitable last-minute issues but remained "very optimistic" about completing a comprehensive pact within this year because of the reports of "good progress" in completing the estimated 26 chapters.

"Boris Johnson's prime ministership saw an unprecedented political commitment towards boosting ties with India, reciprocated by Prime Minister Narendra Modi," said Rahul Roy-Chaudhury, Senior Fellow for South Asia at the London-based International Institute for Strategic Studies (IISS) think tank.

"While Johnson firmly laid the direction of travel with India, he leaves before the pace of travel has been determined... [and] with Johnson as a caretaker Prime Minister, it remains to be seen how effectively he can conclude a landmark bilateral FTA by October, to be signed by his successor, and whether a much-needed legacy defence technology cooperation can be achieved," he said.

Gareth Price, Senior Research Fellow, Asia-Pacific Programme, at the UK-based international affairs think tank Chatham House, said that FTAs by their very nature take a lot of time to negotiate and an obsession with the deadline should not result in a diluted enhanced trade partnership.

"It's just a sort of gut reaction that it's good to have a deadline but I wouldn't bet a lot of money that it would definitely be met. With the upheaval in the UK, if there are concessions to be made it would be interesting to see whether they can be agreed in that timeframe," said Price.

On the legacy of Boris Johnson's nearly three-year term in office, the overwhelming view is that he would leave behind a very strong India-friendly foreign policy focus and little would change in terms of the focus on strengthening relations with India and the wider Indo-Pacific region.

"There's no question about his love for India. India has been a priority country to him, demonstrated by the launch of the FTA talks... This is such a special centuries-old relationship, which will only strengthen further," said Bilimoria.

"The focus on India was in part a function of Boris Johnson-led government moving away from Europe and so probably whoever succeeds him is going to have similar views. But if it's someone more focused on rebuilding the relationship with Europe, then by default there will be less bandwidth for a focus on India and other countries," reflected Gareth Price.

Anand Menon, professor of European Politics and Foreign Affairs at King's College London and director of the think tank UK in a Changing Europe, does not foresee any significant shift in the UK's Europe stance that could impact its Indo-Pacific focus.

"I don't see much change in foreign policy post-Johnson. I think the biggest legacy that Boris Johnson has on British politics in general is Brexit, which has forced the UK to be more active in foreign policy," said Menon.

"We had Brexit so therefore we had Global Britain and a far more activist British diplomacy than we have had for a long time. That message won't change at all... In a way because foreign policy is such a low priority that no successor is going to spend political energy re-doing it," he said.

From an economic perspective as well, City of London Policy Chair Chris Hayward believes there will be a consistent focus on an enhanced India-UK partnership.

"The next Conservative Prime Minister will build upon that work and continue to strengthen our ties with India. It is an incredibly important market to the UK, we would urge that we continue to build on the legacy," said Hayward, who is planning a visit to Mumbai for high-level talks next week.

(Economic Times, 10/7/2022)

India to surpass China as most-populous nation in 2023

Synopsis

The UN expects global population to hit 8 billion on Nov. 15 and grow to 8.5 billion by 2030. More than half the projected rise between now and 2050 is expected to be in just eight countries: Congo, Egypt, Ethiopia, India, Nigeria, Pakistan, the Philippines and Tanzania, according to a report titled World Population Prospects 2022.

India is expected to surpass China to become the world's most-populous nation in 2023, four years ahead of an earlier estimate by the United Nations.

The UN expects global population to hit 8 billion on Nov. 15 and grow to 8.5 billion by 2030. More than half the projected rise between now and 2050 is expected to be in just eight countries: Congo, Egypt, Ethiopia, India, Nigeria, Pakistan, the Philippines and Tanzania, according to a report titled World Population Prospects 2022.

China is expected to experience an absolute decline in its population as early as next year, the report said. A Chinese official had earlier this year estimated that the country's population may peak as early as 2022 as its population of 1.41 billion grew at the slowest pace since the 1950s, according to government data. An earlier report projected India surpassing China by 2027.

Lower mortality rates and demographic changes may ensure that central and southern Asia become the world's most-populous region by 2037. Numbers in sub-Saharan Africa may almost double by late 2040s to cross 2 billion. Population growth rates in Europe and Northern America were almost zero in 2020 and 2021, data show.

The global population is expected to grow to 9.7 billion in 2050 and 10.4 billion in 2100, lower than the UN's 2019 estimate of 11 billion. In India, the total fertility rate may decline to 1.29 births per woman by 2100 instead of the UN's earlier estimate of 1.69 births, according to the report, which cites data from the Institute for Health Metrics and Evaluation.

Women and men are expected to be equal in numbers by 2050 as the current global count of 49.7% women compared to 50.3% men is expected to be inverted, the report said. Sustained high fertility and rapid population growth present challenges to achieving sustainable development, it said.

(Economic Times, 12/7/2022)

With \$87 billion, India top remittance recipient in 2021: UN report

Synopsis

With \$87 billion, India was the top remittance recipient among low- and middle-income countries, as per 2021 estimates, way ahead of China and Mexico's 53 billion dollars, the Philippines (36 billion dollars) and Egypt (33 billion dollars).

India received 87 billion dollars in remittances in 2021, the top remittance recipient, and way ahead of countries like China and Mexico, according to a World Health Organisation report released on Wednesday.

The first WHO World report on the health of refugees and migrants said that today about one in eight people in the world, some one billion, are migrants.

The report by the specialised agency of the United Nations responsible for international public health said that in 2021 the top five remittance recipients in current US dollars were India, China, Mexico, the Philippines and Egypt.

With \$87 billion, India was the top remittance recipient among low- and middle-income countries, as per 2021 estimates, way ahead of China and Mexico's 53 billion dollars, the Philippines (36 billion dollars) and Egypt (33 billion dollars).

The United States was the largest source country for remittances in 2020, followed by the United Arab Emirates, Saudi Arabia and Switzerland. Remittances increase or maintain consumer spending and soften the blow of economic hardship, such as during the COVID-19 pandemic.

"Remittances are expected to continue growing in 2022, but there are challenges, such as the COVID-19 crisis, which still poses one of the greatest risks to flows to low- and middle-income countries, especially as fiscal stimulus programmes in migrant destination countries cannot continue indefinitely," the report said.

It said remittances are an "important and positive" economic result of migration for migrants themselves and for family and friends remaining in their home countries.

Once migrants have accessed economic opportunities, they often send remittances to their families. Remittances account for a large fraction of the global movement of funds. Despite predictions that

remittances would fall due to the COVID-19 pandemic (in part as a result of travel restrictions and the economic downturn), remittances proved to be resilient.

The economic recovery in 2021 followed the resilience of remittance flows seen in 2020, which declined by a modest 1.7 per cent to \$549 billion in the face of one of the deepest global recessions.

"Remittances now stand at more than threefold above official development assistance and are more than 50 per cent higher than foreign direct investment, excluding in China. This underscores the importance of remittance flows in supporting spending in recipient countries during periods of economic hardship," the report said.

It noted that in many low- and middle-income countries, 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 countries that are major destinations for migrants, grounded partly in the exceptional COVID-19 emergency fiscal stimuli and accommodative monetary policies."

In most other areas, remittances have also recovered strongly, registering growth of 5-10 per cent in Europe and Central Asia, the Middle East and northern Africa, southern Asia and sub-Saharan Africa, but at a slower pace of 1.4 per cent in eastern Asia and the Pacific, excluding China (139).

The key contributing factors are the willingness of migrants to support their families in times of need, together with the fiscal stimuli and employment support programmes implemented in the United States and European destination countries, which provided many migrants with the financial wherewithal to increase support to their families at home.

In the Gulf Cooperation Council countries and the Russian Federation, the recovery of outward remittances was also facilitated by stronger oil prices and the resulting pickup in economic activity, it said.

(Economic Times, 21/7/2022)
