



**General Council  
Council for Trade in Services  
Committee on Trade in Financial Services**

Original: English

**REDUCING COST OF REMITTANCES**

**COMMUNICATION FROM INDIA**

The following communication\*, dated 8 March 2024, is being circulated at the request of the delegation of India.

1. We recognize the significant positive contribution of cross-border remittances towards socio-economic development of households and communities especially in developing countries including LDCs and acknowledge that out of total remittances of USD 860 billion in 2023, USD 669 billion (about 78%) went to Low and Middle Income Countries (LMIC).<sup>1</sup>
2. We understand that cross border payments and money transmission service is a critical financial service used by the sender and receivers for cross-border remittances, thus providing a point of contact with the financial sector that can be leveraged to increase access to other financial services, achieve financial inclusion and enhance participation in financial services trade.
3. In view of the close relationship between such services and sustainable development, we underline the need to reduce the cost of cross-border remittances. We reaffirm our commitment to the UN SDG Goal 10.c to reduce to less than 3 per cent the transaction costs of remittances and eliminate remittance corridors with costs higher than 5 per cent by 2030 with a view to achieve the primary goal target, that is, 'Reduce inequality within and among countries' which is aligned to the WTO's development agenda.
4. We highlight that the global average cost for sending remittances, though has declined over time, remains high at 6.18 per cent—more than twice the SDG target, and the experience varies across countries and regions.
5. We recognize that one of the main factors explaining the growth and demand for cross border payment services is the expansion in international remittances and underline the need to promote and facilitate trade in these services.
6. We highlight that one of the means to achieve cheaper, faster, and more transparent and accessible cross-border payments including remittances is promoting interoperability and interlinkages of digital payment infrastructures including fast payment systems. The global average cost for digital remittances at 4.84 per cent is significantly lower than the cost for non-digital remittances.<sup>2</sup>
7. We acknowledge the important work being undertaken by the international organizations in reducing the cost of remittances.

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\* This document is a slightly modified version of the draft Ministerial Declaration on Facilitating Cross Border Remittances circulated in document WT/MIN(24)/W/4/Rev.1 – WT/GC/W/924/Rev.1 dated 27 February 2024.

<sup>1</sup> <https://www.knomad.org/publication/migration-and-development-brief-39>

<sup>2</sup> Remittance Prices Worldwide – Issue no. 47, September, 2023.

8. We welcome the decision of the Committee on Trade in Financial Services to hold a Thematic Session on 'Cost of Remittances' in March 2024.

9. In view of the above, the General Council calls upon the Council for Trade in Services and Committee on Trade in Financial Services to undertake a Work Programme consisting of efforts to:

- Understand the development impact of cross-border remittances
- Review the cost of cross-border remittances, trends and developments
- Consider how technology, emergence of new market players, different types of providers and new channels, and consumer behaviour are impacting the cross-border remittance services
- Examine the drivers of cost of cross-border remittances and challenges associated with reducing it
- Identify the opportunities created for lowering the cost of cross-border remittances including on account of digitalization, and emergence of new technologies
- Explore ways to address the challenges and utilize the opportunities related to lowering the cost of remittance services

10. We also call upon the Committee on Trade in Financial Services to maintain a standing agenda item in its meeting, and hold dedicated sessions, to implement the work program with a view to recommend steps that could be taken towards reducing the cost of remittances to the Council for Trade in Services.

11. We further call upon the Council for Trade in Services to report this work and recommendations of the Committee on Trade in Financial Services, review the outcomes of the work program and report on key findings, actions undertaken and recommendations to the General Council.

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