

Migration

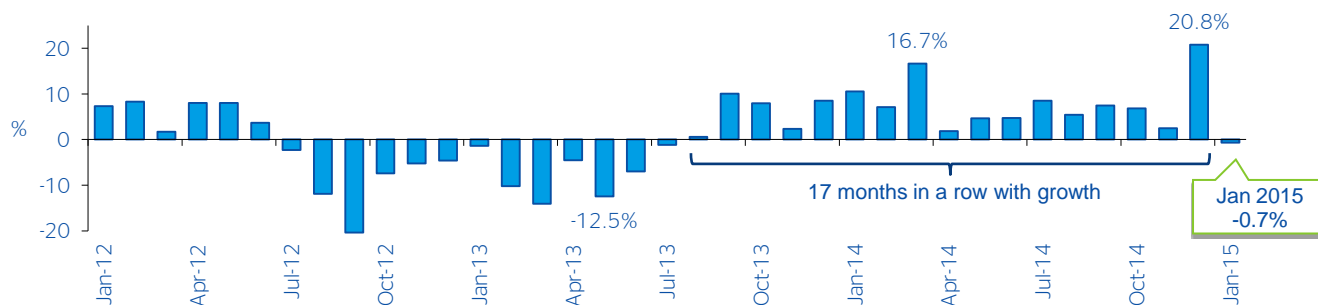
# Remittances fell in January (-0.7% YoY) after 17 consecutive months of growth

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- Remittances in January 2015 were USD1.631bn, equivalent to a fall of 0.7% over the same month the year before
- This represents a break in the 17 successive months of growth in this income flow
- The fall in remittances may not be directly linked to the changes in employment in the US, which continues to recover, posting an unemployment rate of 5.7% in January 2015
- This atypical jump in remittance flow - at 20.8% YoY in December 2014 - may have affected the start of 2015, accounting for the negative flow in January

The central bank has announced that USD1.631bn in remittances entered Mexico in January 2015, 0.7% less than in the same month in 2014. Thus, remittances to Mexico broke a streak of 17 consecutive months of growth at an annual rate, dating from August 2013. Even though the number of operations grew to 5.8 million (+3.4% YoY), the reduction in the flow of January remittances is associated principally with the fall in the amount of the average remittance, at USD279.20 (-4.0% YoY).

Figure 1  
**Family remittances to Mexico**  
(YoY % var., USD)



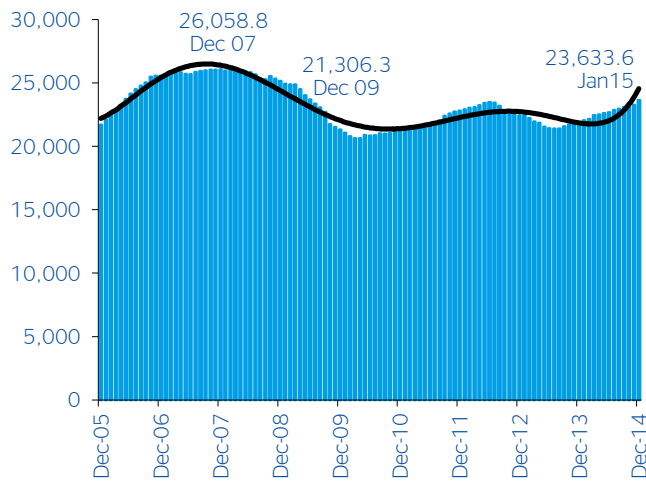
Source: BBVA Research with central bank figures.

In 2014, there was a gradual recovery of employment in the US, which closed the year with an unemployment rate of 5.6%, sa (seasonally adjusted), in December 2014. Data from the Bureau of Labor Statistics confirm an uptick in employment at the beginning of 2015, with an unemployment rate of 5.7% sa, in January this year, nearly a whole percentage point lower than the same month in 2014. Due mainly to the recovery of employment among Mexican immigrants in the US, remittances grew significantly in 2014 to USD23.645bn, an annual growth

rate of 8.0% from 2013. Nevertheless, the atypical growth shown in remittance flows in December 2014, which reached USD2.235bn, 20.8% higher than in the same month in 2013, may have had a knock-on effect at the start of the year, since people may well have made the most of the sharp increase in the USDMXN exchange rate that month, making their remittance payments earlier, which might explain the fall in the flow of the same to USD1.631bn in January.

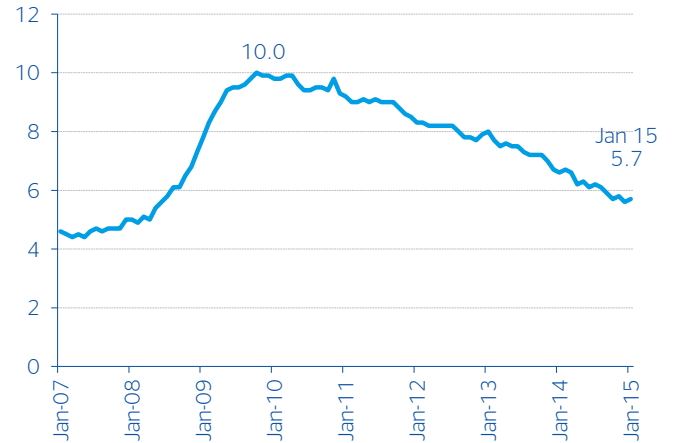
Despite this reverse in the flow of remittances to Mexico, in real terms, once converted into local currency, there is a 7.1% annual increase in January 2015, favoured mainly by the peso's depreciation against the dollar.

Figure 2  
**Accumulated flows of remittances to Mexico over 12 months (USD mn)**



Source: BBVA Research with central bank figures.

Figure 3  
**US: national unemployment rate (%)**



Source: BBVA Research with figures from US Bureau of Labor Statistics.  
Note: seasonally adjusted

**Disclaimer** This publication is a joint initiative between the BBVA Bancomer Foundation and BBVA Research's Economic Research Department, Mexico. It aims to make new contributions in the field of Migration studies that add to knowledge of this important social movement. It has been prepared on their own behalf and is for information purposes only. The opinions, estimates, forecasts and recommendations contained in this document refer to the date appearing in the document, and, therefore, they may undergo changes due to market fluctuations. The opinions, estimates, forecasts and recommendations contained in this document are based on information obtained from sources deemed to be reliable, but BBVA does not provide any guarantee, either explicit or implicit, of its exactitude, integrity or correctness. This document does not constitute an offer, invitation or incitement to subscribe to or purchase securities.