

## Migration

## Remittances to Mexico increased by 6.1% YoY in June, with an inflow of USD2,168.3mn

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- In June 2015 some USD2,168.3mn was received in remittances, representing a 6.1% rise with respect to the same month in 2014.
- This figure means that remittances have achieved their third best growth reading for the year, in a run of five consecutive months of positive growth in annual terms.
- The number of remittance transactions rose by 5.8% YoY, whereas the average remittance increased by 0.3% YoY, after falling back for two consecutive months.
- Remittances were up in most of Mexico's federal states in 2Q15, with Querétaro (+15.8% YoY), Chihuahua (+14.4% YoY) and Baja California (+14.1% YoY) showing the most substantial rises.

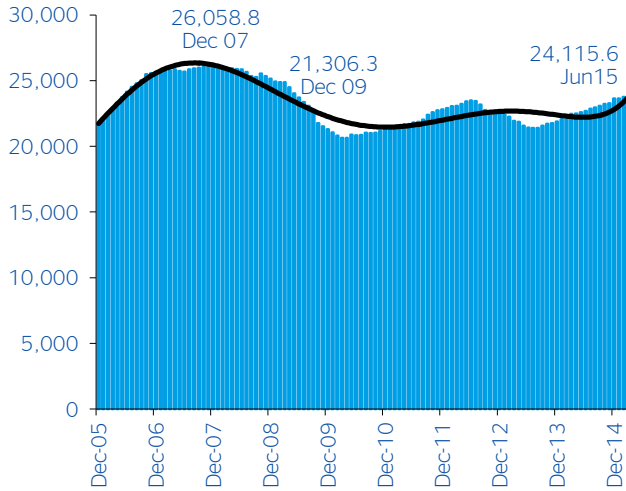
The central bank of Mexico (Banco de México) announced that Mexico received remittance income flows of USD2,168.3mn in June, which showed growth of 6.1% YoY. This reveals a recovery in growth for family remittances back to Mexico and a run of five successive months of YoY rises. The number of remittance transactions reached 7.25 million, rising by 5.8% YoY, while the average remittance was USD299, which was an increase of 0.3% compared to the same month in 2014. This represents a departure from two successive months of negative growth for the average remittance.

The sum of remittances which Mexico received in 2Q15 reached USD6,365.2mn, with growth of 3.2% against the same quarter in 2014. In addition to this, the flow of remittances in real terms (and converted into constant pesos) increased by 22.8% in June compared to the same month the previous year. This was due to both the rise in remittances and the stronger dollar, which showed an average exchange rate against the peso in June of MXN15.45.

Employment of Mexican immigrants in the United States is still the driving force behind remittance growth in 2015, although this is happening at a slower pace than in 2014. According to figures from the US Bureau of Labor Statistics, the overall unemployment rate in the United States was 5.3% (sa) in June, while BBVA Research estimates show that the unemployment rate among Mexican immigrants in the United States was 4.8% (sae) in June 2015.

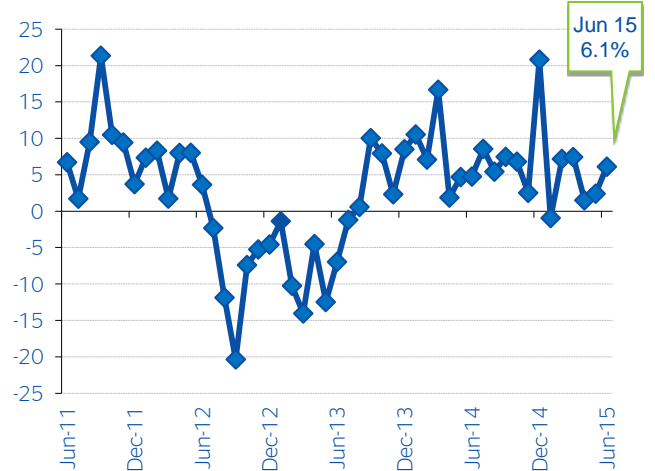
According to BBVA Research estimates, 424,400 jobs were created for Mexican immigrants in the United States in June 2015 with respect to the same month in 2014. The sectors in which most jobs were created were: wholesale and retail trade (+133,000 jobs), educational and health services (+126,000) and professional and business services (+97,000), which shows a leaning towards activities that require more skilled personnel. Greater growth was also apparent for full-time jobs, at 356,000, while part-time jobs rose by 68,000.

Figure 1  
12-month cumulative flows of remittances to Mexico (USD mn)



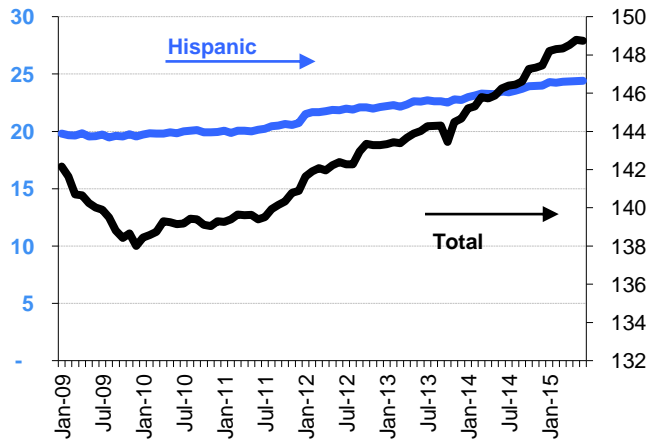
Source: BBVA Research with Banxico data

Figure 2  
Family remittances to Mexico (YoY % change, USD)



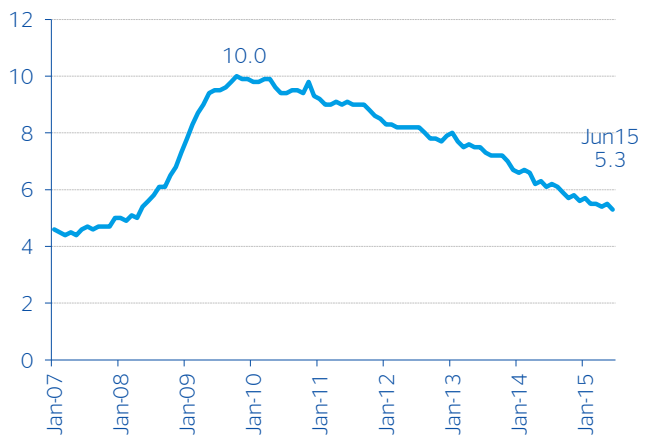
Source: BBVA Research with Banxico data

Figure 3  
United States: total employment and among Hispanics (million)



Source: BBVA Research with US Bureau of Labor Statistics data.  
Note: Seasonally-adjusted

Figure 4  
United States: national unemployment rate (%)



Source: BBVA Research with US Bureau of Labor Statistics data.  
Note: Seasonally-adjusted

**Remittances by federal state.** In 2Q15 an increase of 3.2% YoY in remittances was observed, taking the overall value to USD6,365.2mn. According to central bank (Banco de México) figures, remittances increased in most of Mexico's federal states. The states of Querétaro (+15.8% YoY), Chihuahua (+14.4% YoY) and Baja California (+14.1% YoY) showed the biggest percentage rises with respect to the same quarter in 2014, in contrast to Tabasco (-10.5% YoY), Tamaulipas (-33.2%) and the Federal District (-34.8%), where the largest falls were recorded.

Table 1  
Remittances flow by state (USD millions and % change)

State	Q2 2014	Q2 2015	% change
Aguascalientes	83.5	90.0	7.81% ▲
Baja California	156.0	177.9	14.06% ▲
Baja California Sur	11.4	13.0	13.78% ▲
Campeche	15.1	14.8	-2.06% ▼
Coahuila	92.1	99.1	7.59% ▲
Colima	45.9	52.1	13.60% ▲
Chiapas	146.0	152.5	4.43% ▲
Chihuahua	147.7	168.9	14.37% ▲
Distrito Federal	436.5	284.5	-34.82% ▼
Durango	125.0	136.9	9.56% ▲
Estado de México	374.0	400.4	7.07% ▲
Guanajuato	564.4	587.1	4.03% ▲
Guerrero	314.7	340.2	8.13% ▲
Hidalgo	164.5	181.0	10.03% ▲
Jalisco	489.0	550.9	12.66% ▲
Michoacán	560.7	631.3	12.58% ▲
Morelos	142.9	142.6	-0.18% ▼
Nayarit	89.2	96.9	8.54% ▲
Nuevo León	157.4	166.9	5.99% ▲
Oaxaca	307.7	328.9	6.90% ▲
Puebla	346.2	355.4	2.68% ▲
Querétaro	101.8	117.9	15.84% ▲
Quintana Roo	26.3	29.2	10.98% ▲
San Luis Potosí	199.2	217.2	9.08% ▲
Sinaloa	133.9	140.0	4.60% ▲
Sonora	89.2	100.8	13.02% ▲
Tabasco	37.9	33.9	-10.46% ▼
Tamaulipas	261.4	174.5	-33.22% ▼
Tlaxcala	56.0	58.1	3.76% ▲
Veracruz	278.8	290.2	4.09% ▲
Yucatán	32.9	34.3	4.19% ▲
Zacatecas	179.6	197.6	10.01% ▲
<b>Total National</b>	<b>6,166.8</b>	<b>6365.2</b>	<b>3.2%</b>

Source: BBVA Research with central bank data

#### Disclaimer

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