

## MIGRATION

# Remittances to Mexico reach an all-time high of US\$26.97 billion

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**In December 2016 remittances to Mexico amounted to US\$2,336.4 million, 6.2% more than in December 2015**

**Total remittances for 2016 reached an all-time high of US\$26.97 billion, 8.8% more than in 2015 and surpassing the previous (2007) record of US\$26.06 billion**

**We estimate that Mexico received some US\$420 million extra as a result of precaution on the part of Mexicans living in the US who fear possible restrictions or taxes that the new US president might impose**

**95.4% of remittances to Mexico came from the United States. The states with the biggest inflows were: Michoacán (US\$2,532 million), Jalisco (2,219 million), Guanajuato (2,264 million), State of Mexico (1,561 million), Puebla (1,371 million) and Oaxaca (1,289 million)**

**Municipalities with the biggest inward remittances in 2016 were: Tijuana (US\$377 million), Puebla (369 million), Guadalajara (352 million), Morelia (332 million) and Oaxaca de Juárez (291 million).**

**Outward remittances in 2016 totalled US\$653.8 million, of which 47.1% went to the US.**

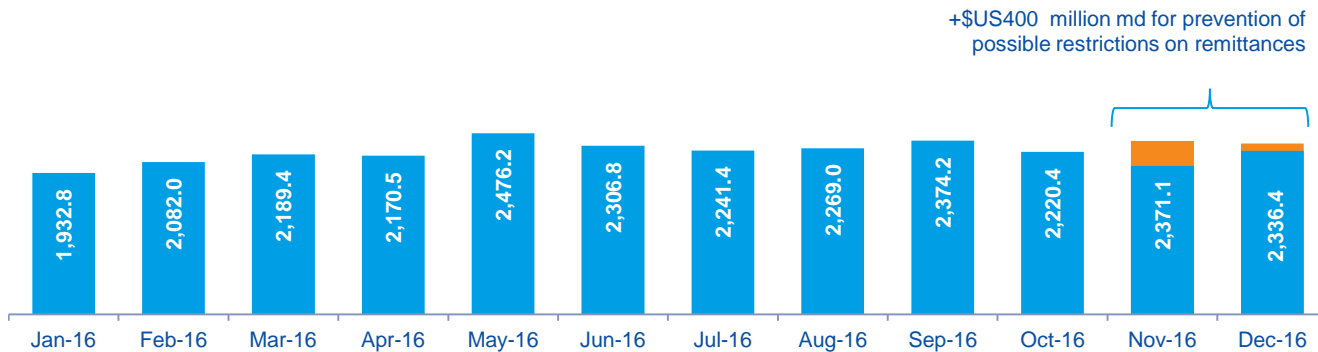
## Remittances report for 2016

On 1 February Banco de México reported that family remittances to Mexico in December 2016 had totalled US\$2,336.4 million, representing an increase of 6.2% on the same month of the previous year. The number of transactions was nearly eight million, with an average amount remitted per transaction of around US\$290.

For the whole year 2016 Mexico received a total of US\$26.97 billion, 8.8% more than in 2015 and an all-time record for inward remittances. The previous record had been set in 2007 with US\$26.06 billion.

Figure 1

**Family remittances to Mexico, 2016 (US\$ millions)**

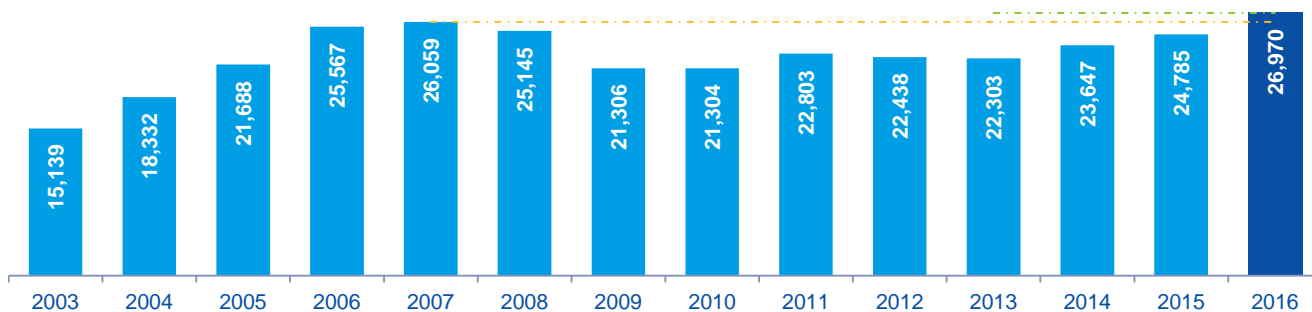


Source: BBVA Research based on Banco de México data.

In domestic currency terms, the amount received by Mexican households in 2016 was equivalent to nearly 503,375 million pesos, 28.2% more than the 392,796 million pesos received in 2015.

Figure 2

**Family remittances to Mexico, 2003-2016 (US\$ millions)**



Source: BBVA Research based on Banco de México data.

## Fear of restrictions on remittances

Following the 8 November election of Republican candidate Donald Trump to succeed president Obama in the White House, there were increased fears among Mexicans in the US, both with and without legal immigration papers, that the new president would fulfil his campaign promise to impose restrictions or taxes on remittances to Mexico. It is therefore possible that people fearing they might be affected by such measures increased their remittances in November and December 2016 to escape future regulation or taxation.

Fear of increased costs of sending remittances, or restrictions, partly explains the 25.1% YoY increase seen in November currency inflows and the 6.2% increase seen in December. Additionally, the appreciation of the dollar against the peso is another factor contributing to the increase in remittances in these two months.

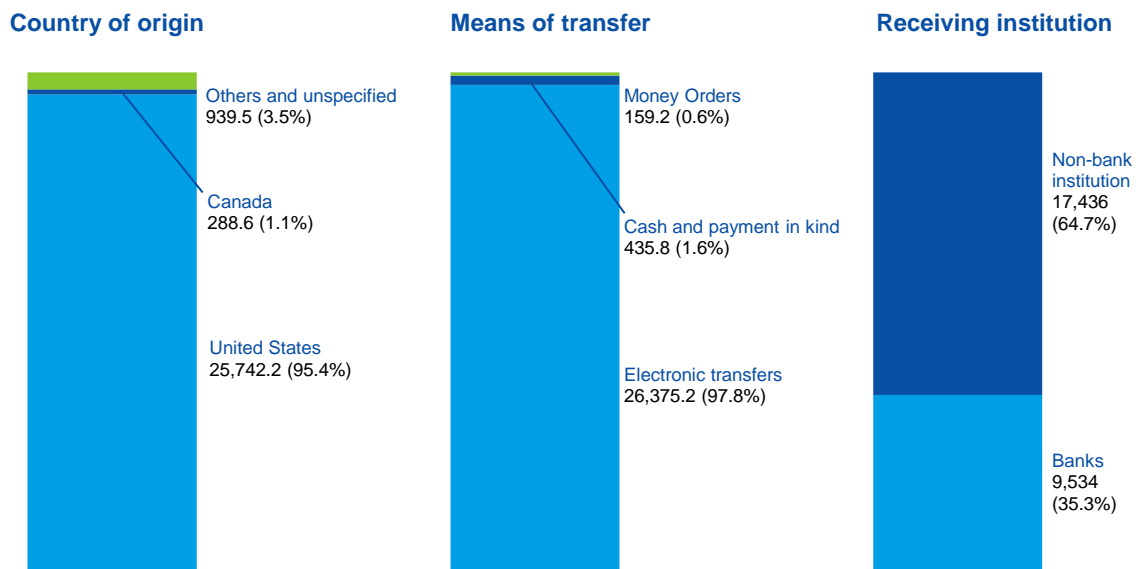
We estimate that of total remittances received in November and December 2016, Mexico received some US\$420 million extra as a result of precaution on the part of Mexicans living in the US who fear possible restrictions or taxes that the new US president might impose.

### Remittances: sources and means of transfer

In 2016, 95.4% of remittances to Mexico came from the United States, followed by Canada with 1.1% of the total. Almost all remittances (97.8%) are sent by electronic transfer, and 35.3% of them are paid in Mexico through a bank.

Figure 3

**Family remittances to Mexico, 2016 (US\$ millions and % of total)**



Source: BBVA Research based on Banco de México data.

## Remittances by state

In 2016, the states with the biggest inflows were: Michoacán (US\$2,532 million), Jalisco (2,219 million), Guanajuato (2,264 million), State of Mexico (1,561 million), Puebla (1,371 million) and Oaxaca (1,289 million). The biggest increases in receipt of remittances in 2016 were in Mexico City (29.4%) and Tabasco (17.7%), while the biggest falls were in Chiapas (-3.0%) and Tamaulipas (-2.9%).

Table 1

### Remittances to Mexico by state, 2015-2016 (US\$ millions)

State	Year 2015	Year 2016	% change
Michoacán	2,532	2,748	8.5% ▲
Jalisco	2,219	2,518	13.5% ▲
Guanajuato	2,264	2,414	6.7% ▲
State of Mexico	1,561	1,606	2.9% ▲
Puebla	1,371	1,463	6.7% ▲
Oaxaca	1,289	1,424	10.5% ▲
Mexico City	1,090	1,410	29.4% ▲
Guerrero	1,278	1,372	7.3% ▲
Veracruz	1,086	1,124	3.5% ▲
San Luis Potosí	849	962	13.3% ▲
Zacatecas	767	879	14.6% ▲
Hidalgo	726	765	5.4% ▲
Chihuahua	644	703	9.2% ▲
Baja California	681	692	1.6% ▲
Tamaulipas	665	646	-2.9% ▼
Nuevo León	644	644	-0.0% ▼
Sinaloa	533	619	16.1% ▲
Durango	534	604	13.3% ▲
Morelos	551	581	5.5% ▲
Chiapas	594	576	-3.0% ▼
Querétaro	460	526	14.3% ▲
Nayarit	400	437	9.2% ▲
Coahuila	387	419	8.3% ▲
Sonora	376	410	9.1% ▲
Aguascalientes	350	396	13.3% ▲
Colima	219	252	14.9% ▲
Tlaxcala	225	234	3.8% ▲
Tabasco	130	153	17.7% ▲
Yucatán	135	143	6.0% ▲
Quintana Roo	117	129	10.2% ▲
Campeche	56	65	15.5% ▲
Baja California Sur	51	55	7.0% ▲
<b>Total National</b>	<b>24,785</b>	<b>26,970</b>	<b>8.8%</b>

Source: BBVA Research with figures from Banxico

## Remittances by municipality

The municipalities with the biggest inflows of remittances in 2016 were: Tijuana (US\$377 million), Puebla (US\$369 million), Guadalajara (US\$352 million), Morelia (US\$332 million) and Oaxaca de Juárez (US\$291 million). The top twenty municipalities in terms of incoming remittances accounted for US\$4,802 million, 17.8% of the total.

Table 2

### Remittances to Mexico by municipality, 2015-2016 (US\$ millions)

Ranking	Municipality	Year 2015	Year 2016	% change
1	Tijuana, BC	388	377	-2.6% ▼
2	Puebla, Pue	341	369	8.1% ▲
3	Guadalajara, Jal	325	352	8.3% ▲
4	Morelia, Mich	295	332	12.4% ▲
5	Oaxaca de Juárez, Oax	276	291	5.6% ▲
6	Miguel Hidalgo, CdMx	222	254	14.0% ▲
7	Álvaro Obregón, CdMx	148	245	65.6% ▲
8	Culiacán, Sin	202	240	18.7% ▲
9	León, Gto	220	234	6.6% ▲
10	San Luis Potosí, SLP	204	225	10.6% ▲
11	Aguascalientes, Ags	198	224	13.3% ▲
12	Monterrey, NL	223	204	-8.3% ▼
13	Durango, Dgo	174	195	12.3% ▲
14	Juárez, Chih	182	195	7.1% ▲
15	Zapopan, Jal	162	185	13.9% ▲
16	Iztapalapa, CdMx	147	182	23.8% ▲
17	Acapulco de Juárez, Gro	189	179	-5.1% ▼
18	Querétaro, Qro	154	177	14.6% ▲
19	Chihuahua, Chih	156	175	11.8% ▲
20	Uruapan, Mich	167	168	0.6% ▲

Source: BBVA Research with figures from Banxico.

## Outward remittances from Mexico

Total outward remittances in 2016 amounted to US\$653.8 million. This amount is 19.3% less than the figure for 2015, and 34.7% less than the 2014 amount. In total, 1.5 million outward remittance transactions were reported, while the average amount remitted was US\$423. The appreciation of the dollar seen in the period 2014-2016 is one of the factors that have most affected the flow of remittances from Mexico to other countries.

Table 3

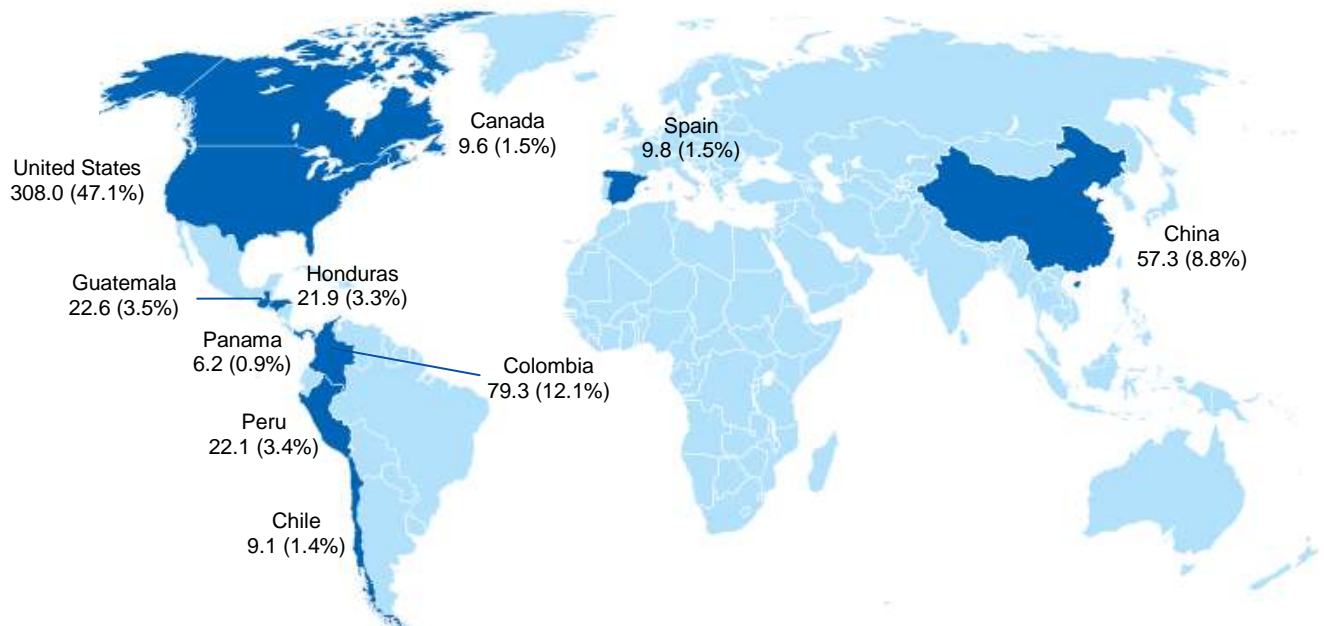
### Outward remittances from Mexico, 2015-2016 (US\$ millions)

Year	Outward remittances (Million dollars)	Number of transactions	Average remittance
2015	810.6	1,546,320	527
2016	653.8	1,546,390	423
<b>% change</b>	<b>-19.3%</b>	<b>0.0%</b>	<b>-19.7%</b>

Source: BBVA Research with figures from Banxico.

Map 1

### Outward remittances from Mexico, 2016 (US\$ millions and % of total)



Source: BBVA Research based on Banco de México data.

## Disclaimer

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