

MIGRATION

Remittances picked up in March, growing by 15.1%

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In March 2017, US\$2,520.3 million was received by Mexico in family remittances. This is the third biggest volume of remittances ever received in a single month, surpassed only by the US\$2,637.7 million of October 2008 and the US\$2,534.6 of May 2006.

The favourable economic conditions in the US are also encouraging employment of Mexicans in the country, irrespective of their immigrant status. In March the national US unemployment rate was 4.5%, a figure not seen since 2007.

It is possible that the double-digit growth in remittances in March was due in part to a “calendar effect”, in that it may have absorbed part of the amount corresponding to February. In February, remittances contracted by 1.2% on an annualised basis.

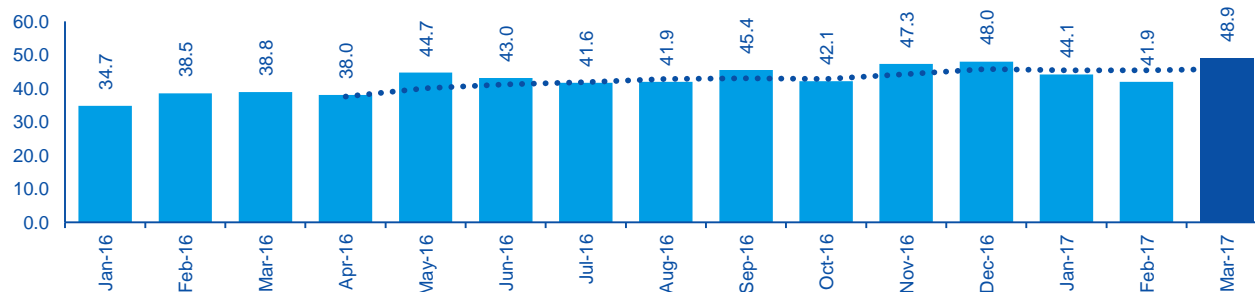
March 2017 saw the third biggest ever volume of monthly remittances to Mexico.

Banco de México reported that remittances to Mexico totalled US\$2,520.3 million, representing an increase of 15.1% on the same month of the previous year. This growth is explained by an increase in the number of remittance transactions, which reached nearly eight million, and by the increased amounts sent, which averaged US\$316.

The remittances converted into pesos reached a new all-time high of 48.9 billion. In real terms, discounting inflation, remittances to Mexican households grew by 19.5%.

Figure 1

Family remittances to Mexico (billions of pesos)



Source: BBVA Research based on Banco de México data.

The US\$2,520.3 received in March was the third biggest volume of remittances ever received in a single month, surpassed only by the US\$2,637.7 million of October 2008 and the US\$2,534.6 of May 2006.

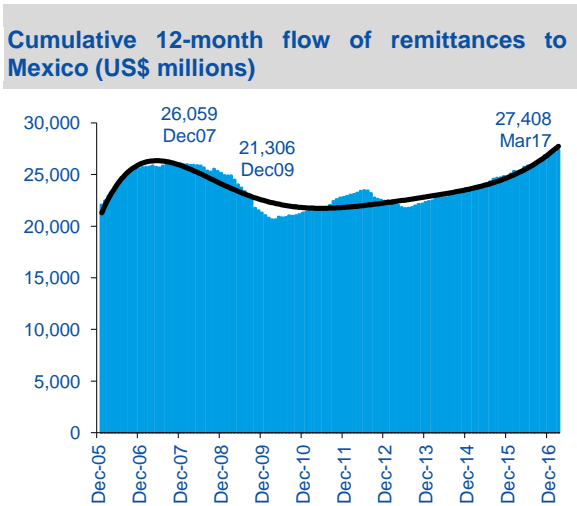
Period	US\$ millions
May 2006	2,534.6
October 2008	2,637.7
March 2017	2,520.3

Part of the increase in March might be explained by a calendar effect.

According to the US Bureau of Labor Statistics, the national unemployment rate was 4.5%, its lowest since 2007, nearly ten years ago. These favourable conditions in the US economic environment also benefit the Mexicans living and working there, irrespective of their immigrant status.

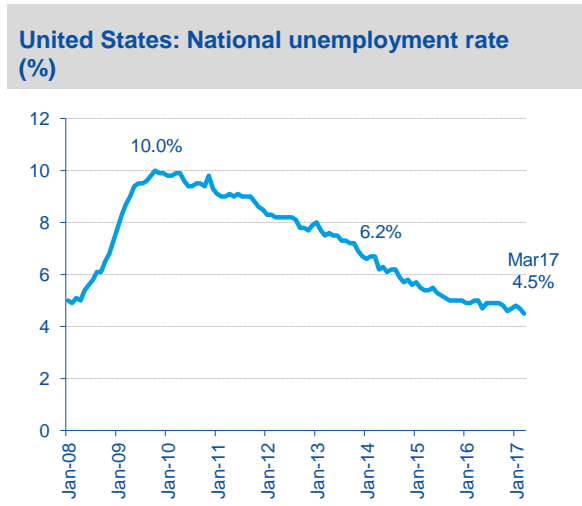
It is possible that the increase in remittances in March was due in part to a calendar effect, in that it may have absorbed part of the amount corresponding to February. In February, remittances contracted by 1.2% on an annualised basis.

Figure 2



Source: BBVA Research estimate based on Banco de México figures.

Figure 3



Source: BBVA Research based on figures from the US Bureau of Labor Statistics.
Note: Seasonally adjusted.

Disclaimer

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