

MIGRATION

New April record for remittances: US\$2,306 million

Juan José Li Ng

Remittances to Mexico amounted to US\$2,306 million in April, 6.2% more than in the same month of last year. This is the biggest ever figure for the month of April; March also posted a new record for that month.

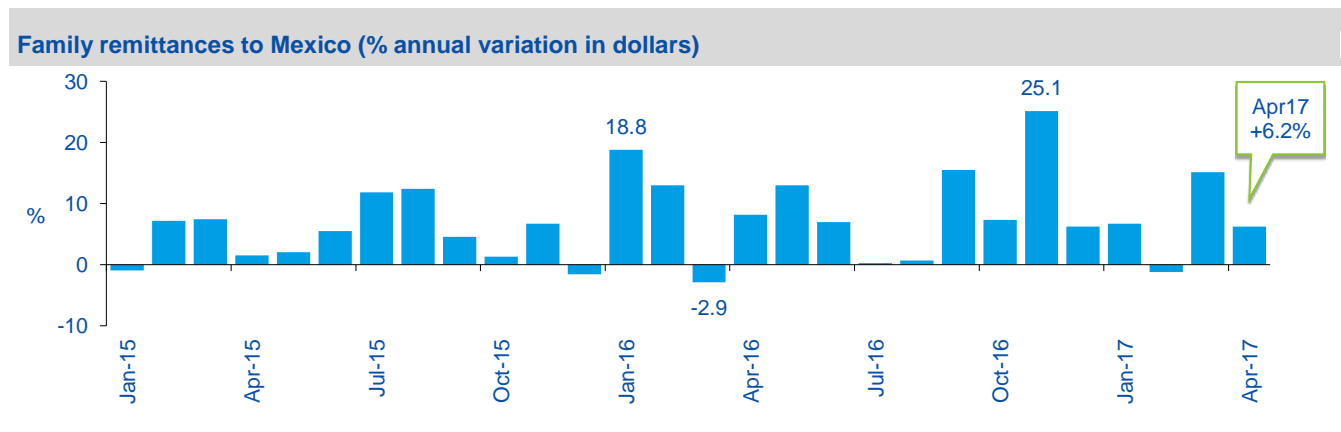
Due to the uncertainty about the decisions that the US government might take on immigration policy and remittances, we expect to continue to see fluctuations in the rate of growth in remittances, but with an overall positive trend.

May is usually the month in which the most remittances are received, because of the Mother’s Day festivities. We reckon they could exceed the US\$2,534.6 million received in May 2006 and come close to the all-time record for a single month, which was US\$2,637.7 million in October 2008.

Although YoY growth was moderate (6.2%), a new record has been set for April remittances

In April, Mexico received US\$2,306 million in family remittances, according to the Mexican central bank’s report, representing an increase of 6.2% relative to the same month of 2016. This is a new record for the month of April. During April 2017 there were nearly 7.5 million individual remittances (1.8% more than in April 2016), while the average amount remitted was US\$307 (up by 4.4% YoY).

Figure 1



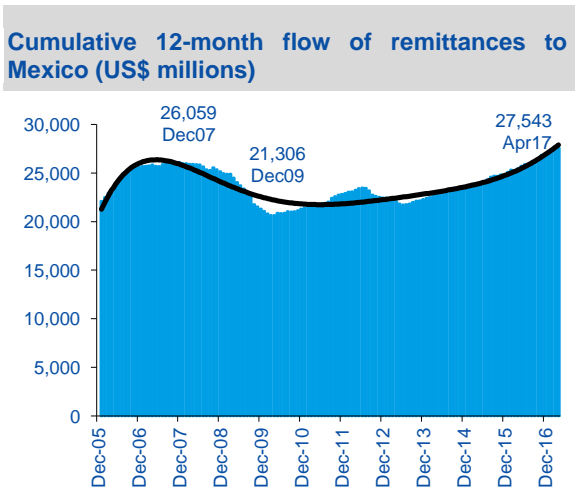
Source: BBVA Research based on Banco de México data.

We shall continue to see volatility in remittances due to uncertainty in the US, but the trend over the year as a whole will be positive

Given the context of uncertainty about the decisions that the US government might take on immigration policy and remittances, we expect to continue to see fluctuations in the amounts received and in the monthly rate of growth in remittances, although with an overall positive trend.

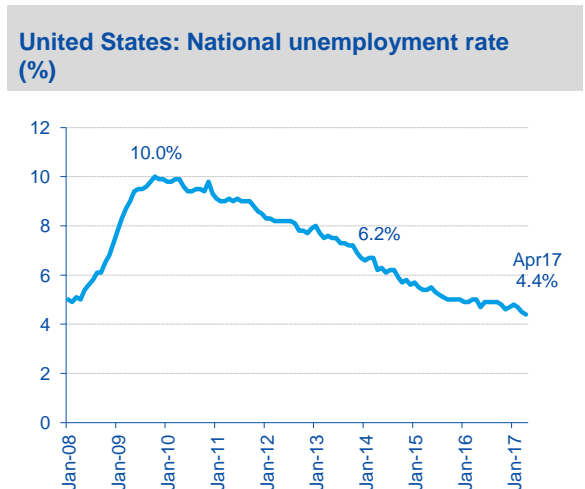
May is usually the month in which the most remittances are received, because Mexicans in the US send extra money for the Mother’s Day festivities. Our estimates point to remittances in May 2017 possibly exceeding the US\$2,534.6 million received in May 2006 and coming close to the all-time record for a single month, which was US\$2,637.7 million in October 2008.

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

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.