

Migration

# New all-time record for remittances in April: US\$2,716.9 million

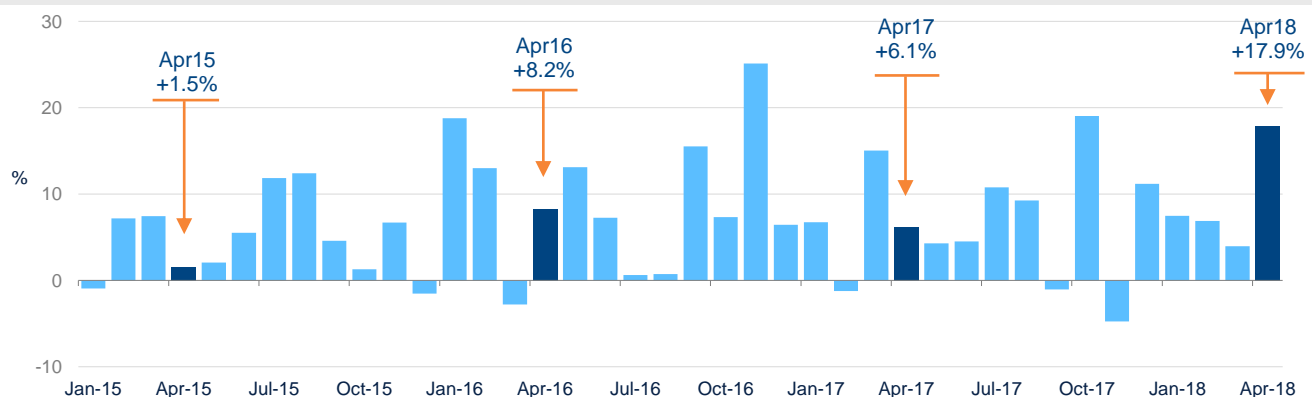
David Cervantes / Juan José Li Ng

- Remittances grew by 17.9% YoY, reaching a new all-time high of US\$2,716.9 million, the biggest monthly amount ever received in Mexico
- The growth in remittances was due to the 13% increase in the volume of transactions compared with April of last year
- The growth of the US economy and the low level of unemployment make for a favourable environment for remittances
- In real terms remittances grew by 10.3%, a situation not seen since November of last year

## April 2018 sets new all-time record for remittances

The flow of remittances to Mexico grew by 17.9% YoY in April, with a total of US\$2,716.9 million being sent. The growth in the flow of remittances was mainly due to the 13% increase in the number of transactions, while the average amount sent showed a much more modest increase of 4.6% compared with April last year.

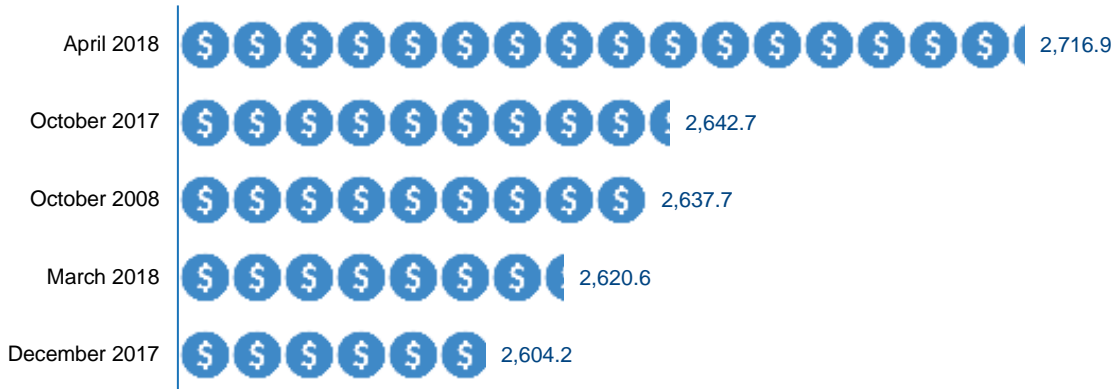
Figure 1. Family remittances to Mexico, 2015-2018 (% change YoY in dollars)



Source: BBVA Research based on Banco de México data.

This amount of US\$2,716.9 million in remittances is the biggest ever received in Mexico in a single month. It exceeds the previous record set just a few months ago in October 2017, when US\$2,642.7 million were received, due in large measure to the uncertainty surrounding the NAFTA negotiations and the depreciation of the Mexican peso by nearly one peso to the dollar compared with the previous month.

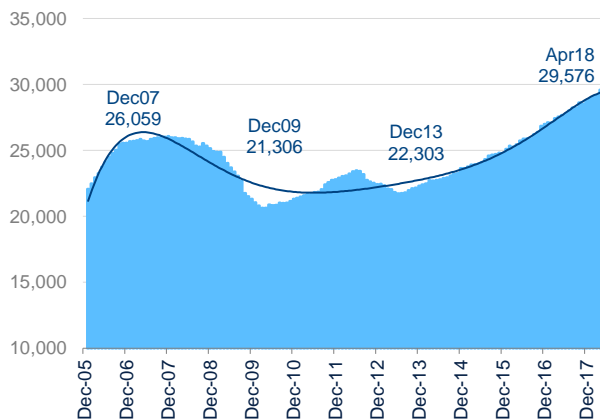
Figure 2. Top monthly revenues from remittances in Mexico (US\$ millions)



Source: BBVA Research based on Banco de México data.

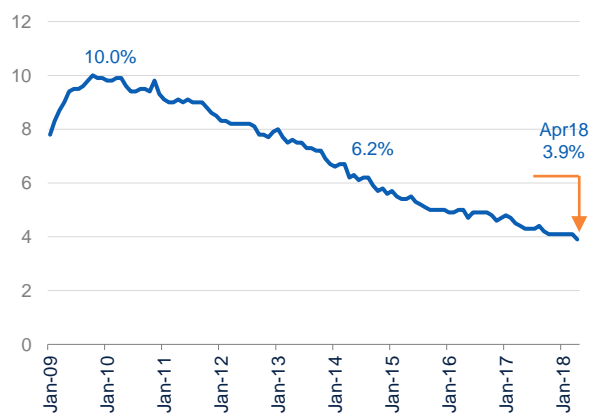
On a cumulative twelve-month basis, remittances reached a total of US\$29,576 million. The trend in remittances has been favoured by the growth in GDP and the low level of unemployment in the US, which reached 3.9%, making for a favourable environment for sending remittances, which are expected to exceed US\$30.5 billion for the whole year 2018.

Figure 3. 12-month cumulative flows of remittances to Mexico (US\$ millions)



Source: BBVA Research based on Banco de México and INEGI (National Statistics Institute) figures.

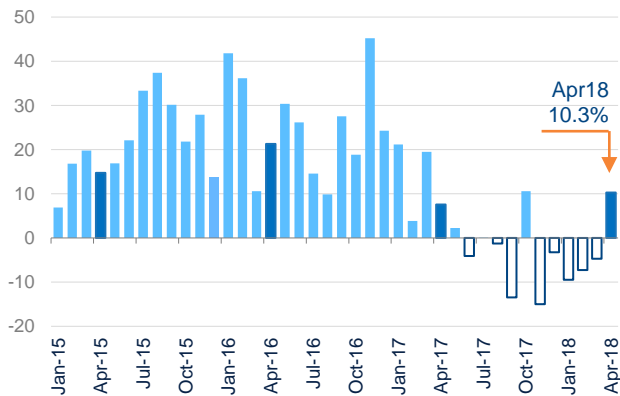
Figure 4. United States: National unemployment rate (%)



Source: BBVA Research, based on figures from the US Bureau of Labor Statistics.

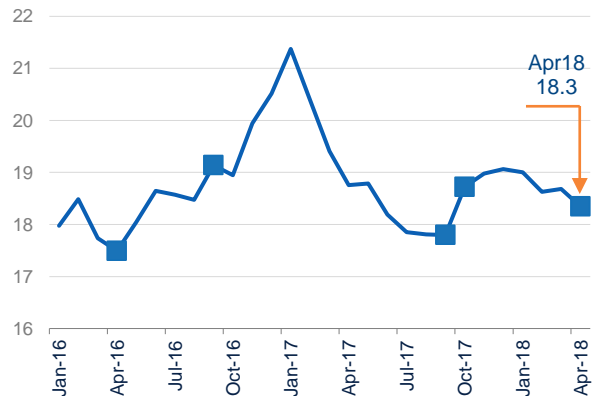
For the first time this year, remittances showed a growth rate in real terms of 10.3%, a situation not seen since November 2017. This is because the amount of remittances sent offset the effect of the peso's appreciation and higher inflation compared with the same month in 2017.

Figure 5. Actual remittances in pesos (% annual change in real pesos)



Source: BBVA Research based on Banco de México and INEGI (National Statistics Institute) figures.

Figure 6. Monthly average exchange rate (pesos per dollar)



Note: Exchange rate to settle liabilities denominated in foreign currency by settlement date.  
Source: BBVA Research based on Banco de México figures.

## Disclaimer

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