

Migration

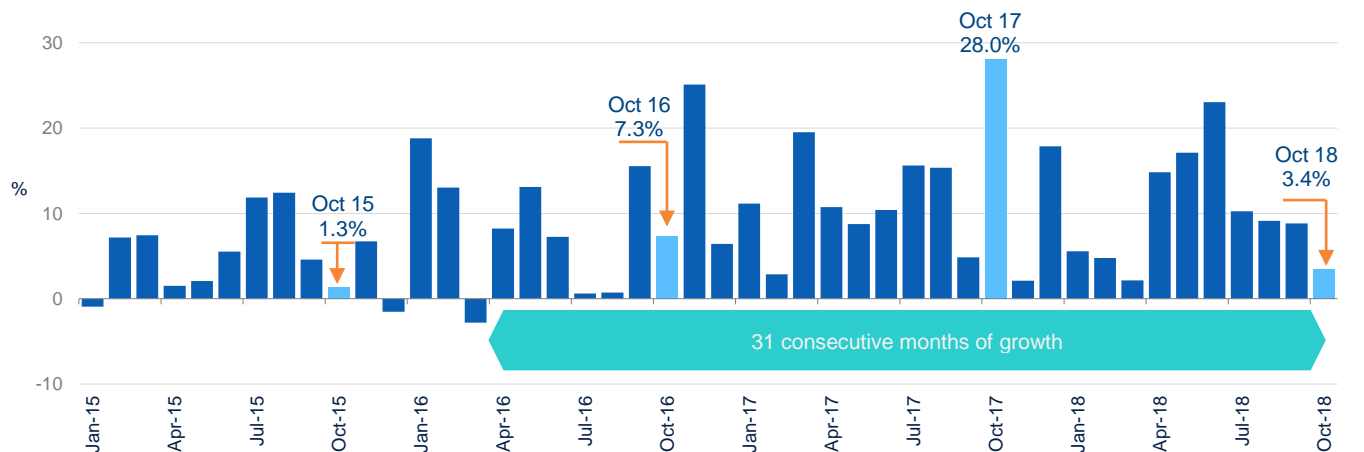
# Remittances continue to grow, increasing by 3.4% YoY to US\$2.94 billion in October

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- As expected, the pace of growth in remittances slackened, but they still grew by 3.4% year-on-year
- The number of transactions and the average amount per remittance both showed low growth compared with October of last year
- The exchange rate of the peso against the dollar had a positive effect on maintaining growth in remittances in real terms

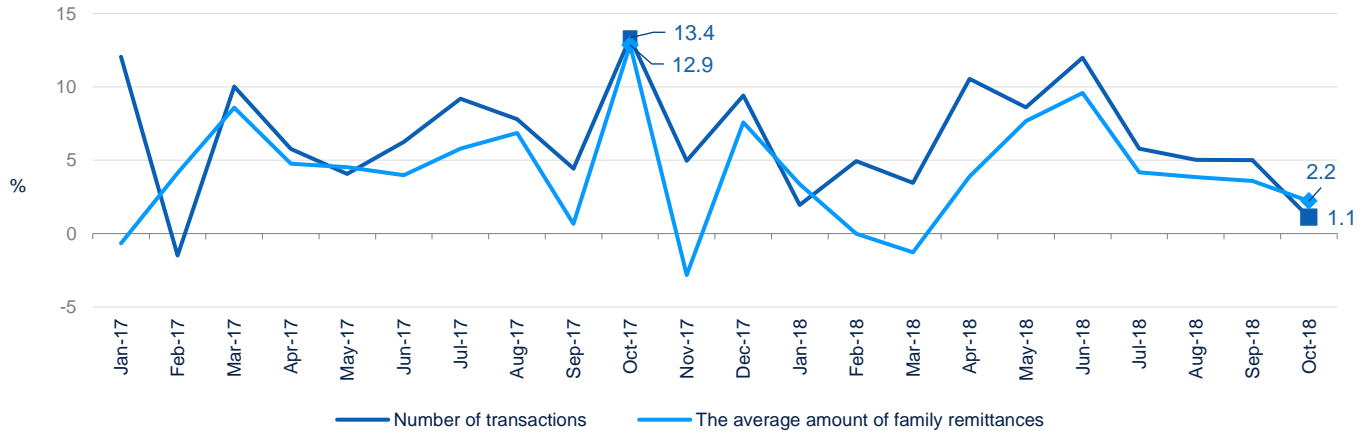
October was the 31st consecutive month of positive year-on-year growth in remittances, with a total of US\$2.94 billion being sent to Mexico, representing year-on-year growth of 3.4%. In line with forecasts, the pace of growth in remittances slackened, while still remaining positive. The slower rate of growth was seen both in the number of transactions and in the average amount per family remittance (1.1% and 2.2 % respectively, whereas in October 2017 they had both shown double-digit growth.) Although the growth posted in October 2016 and 2017 was considerably greater than this year, we expect the consolidated figures for flows of remittances for November to continue to grow, albeit at a moderate rate.

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



Source: BBVA Research based on Banco de Mexico data.

Figure 2. Number of transactions and average amount of family remittances to Mexico, 2017-2018 (Change % YoY)



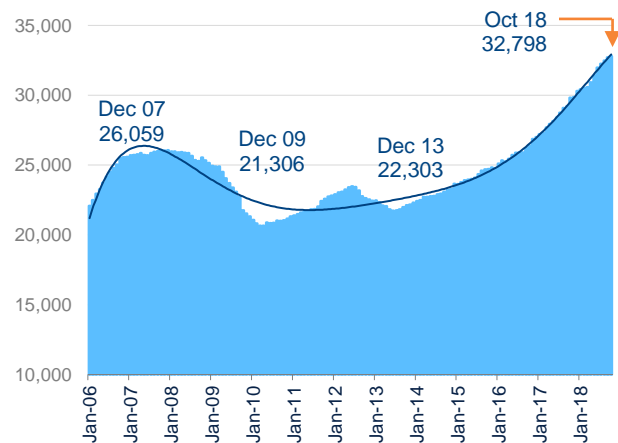
Source: BBVA Research based on Banco de Mexico data.

## Remittances continue to show growth in real terms

The employment dynamic in the United States is such that the unemployment rate remains at 3.7%, a level not seen since 1969, as mentioned previously. This continues to make for a positive environment for employment of Mexican immigrants in the US, and for their remittances, which reached US\$32,798 million on a cumulative twelve-month basis.

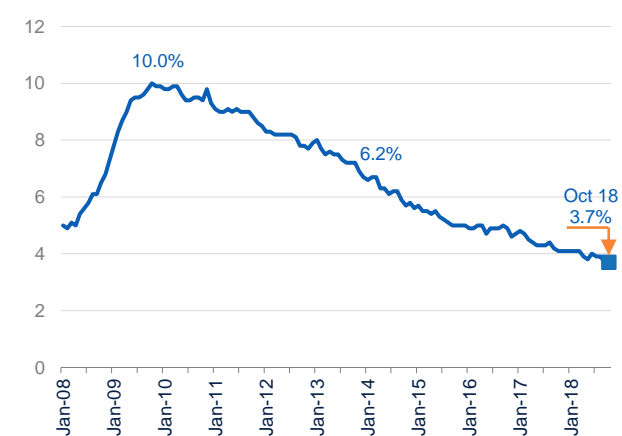
In real terms, remittances kept up a growth rate of 0.4%, due to the exchange rate, which held at 19.10 pesos to the dollar, and the containment of price increases (0.5% from September to October.)

Figure 3. 12-month cumulative flows of remittances to Mexico (USD millions)



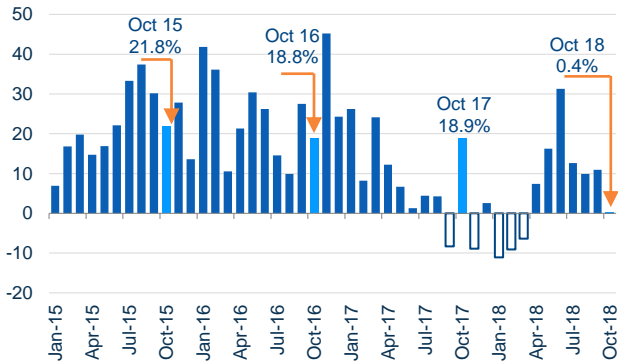
Source: BBVA Research based on Banco de Mexico and INEGI (National Statistics Institute) figures.

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



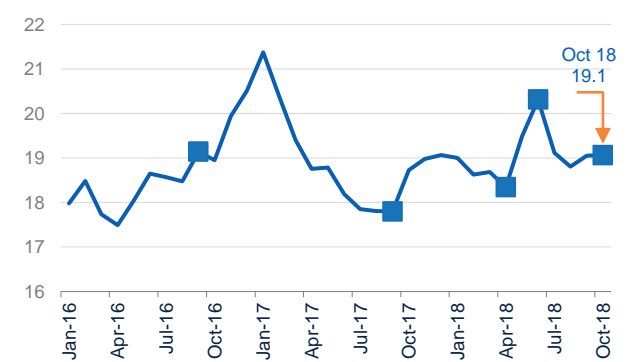
Source: BBVA Research, based on figures from the US Bureau of Labor Statistics.

Figure 5. Real remittances in pesos  
(Change % YoY in real pesos)



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

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



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

## Disclaimer

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