

Migration

Remittances add 42-month streak with growth, increased 13.3% in September

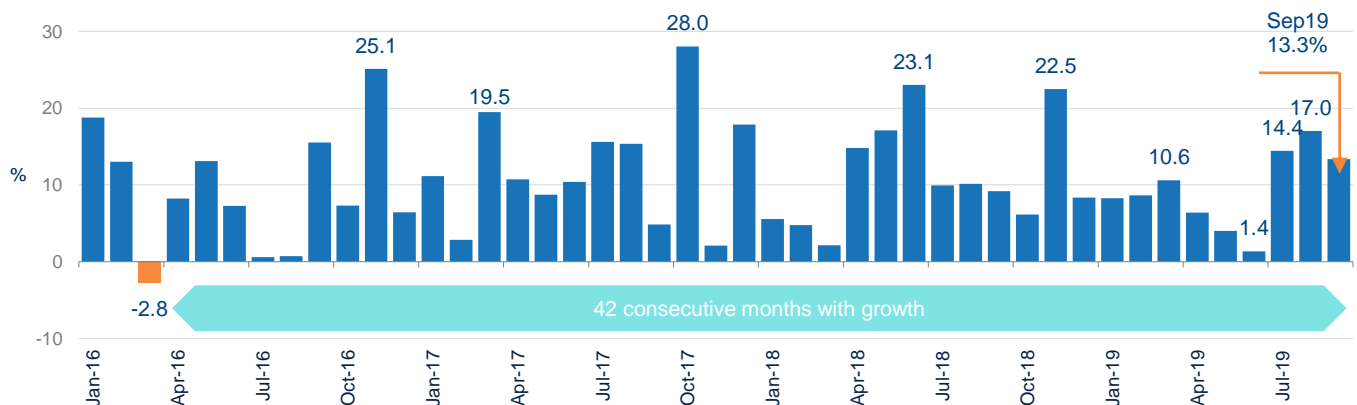
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- In September, remittances to Mexico accounted for 3,081 million USD, and the volume of operations grew 9.5% and the average remittance was 328 dollars.
- Remittances accumulate an annual growth of 9.2% in the first 9 months of 2019, with an amount of 26,980 million USD.
- In September, unemployment rate in the US was 3.5%, the lowest rate observed in the last 50 years, since 1969. This condition drives the sending of remittances to Mexico.
- Michoacán (2,645 md), Jalisco (2,610 md) and Guanajuato (2,443 md) continue to be the states with the most remittances in the first 9 months of 2019. Tabasco (+33.0%), Chiapas (+28.2%) and Mexico City (+23.9%) are those that had the most growth in this period.

Banco de Mexico reported that USD 3,081 million was received in family remittances in September this year, an increase of 13.3% over the same month in the previous year. The average remittance increased by 3.5% to USD 328, and almost 9.4 million transactions were recorded as remittances (+9.5%).

This means that remittance has seen 42 consecutive months of uninterrupted growth since April 2016. The last drop in remittances occurred in March 2016, when remittances fell by 2.8% in annual terms.

Figure 1. **Family remittances to Mexico, 2016–2019**
(% YoY change in USD)

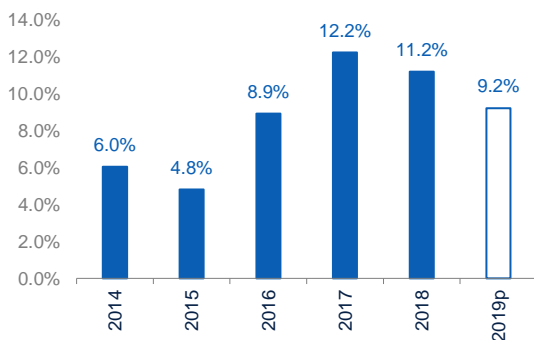


Source: BBVA Research based on data from the Bank of Mexico

The US unemployment rate is the lowest it has been in 50 years

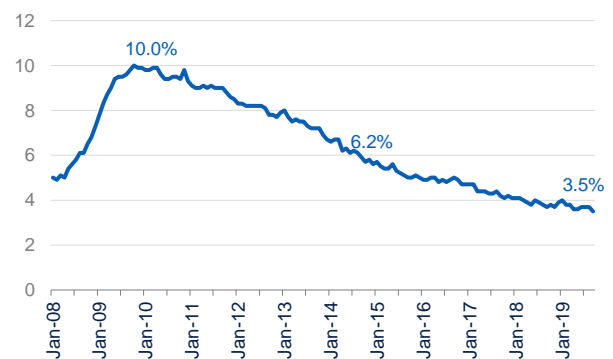
In September 2019, the national unemployment rate in the United States was 3.5%. This is the lowest level of unemployment recorded in that country in the last 50 years: a level that had not been reported since December 1969. Good economic conditions in the United States also favor the employment and wages of the Mexican population residing in that country, both documented and undocumented, which drives remittance to Mexico. About 95% of remittances to Mexico come from the United States.

Figure 2. **Family remittances to Mexico, 2014–2019**
(% YoY change in USD)



Source: BBVA Research based on data from the Bank of Mexico
Note: p/ Preliminary data from January to September 2019 in comparison with the same period of the previous year.

Figure 3. **United States: National unemployment rate (%)**



Source: BBVA Research based on data from the US Bureau of Labor Statistics

Remittances accumulate annual growth of 9.2% in the first nine months of 2019

The highest percentage of increases in remittance flows in 2019 have been reported over the last three months. An increase of 14.4% in July, 17.0% in August, and 13.3% in September.

Therefore, during the first nine months of 2019, USD 26,980 million has been received in remittances, representing 9.2% growth compared to the same period in 2018. Remittance growth rates during the last quarter of the year are expected to be more moderate. However, remittance will continue to be one of the most important sources of income for the nearly 1.6 million households in Mexico that receive this resource.

The states of Michoacán (USD 2,645 million), Jalisco (USD 2,610 million) and Guanajuato (USD 2,443 million) remain the top recipients of remittances in 2019

The states with the highest income from family remittances during the first nine months of 2019 were: Michoacán (USD 2,645 million), Jalisco (USD 2,610 million), Guanajuato (2,443 million) and the State of Mexico (USD 1,521 million). Followed in descending order by Oaxaca, Puebla, Guerrero, Mexico City and Veracruz.

As for the growth rate during this period compared with 2018, the states that increased in remittance flow were: Tabasco (+33.0%), Chiapas (+28.2%) and Mexico City (+23.9%). All states reported an increase in their income from family remittances, except Colima, where it reduced by 7.7%.

Table 1. **Remittances sent to Mexico between January–September 2018–2019 according to state**
(Millions of dollars and % variation)

State	2018	2019	%	State	2018	2019	%
1 Michoacán	2.463	2.645	+7.4	17 Sinaloa	583	673	+15.4
2 Jalisco	2.418	2.610	+8.0	18 Tamaulipas	600	650	+8.3
3 Guanajuato	2.240	2.443	+9.1	19 Durango	597	647	+8.4
4 State of Mexico	1.406	1.521	+8.2	20 Morelos	497	529	+6.4
5 Oaxaca	1.271	1.362	+7.1	21 Querétaro	489	527	+7.7
6 Puebla	1.268	1.324	+4.5	22 Coahuila	437	472	+8.0
7 Guerrero	1.193	1.299	+8.9	23 Sonora	387	440	+13.7
8 Mexico City	1.027	1.273	+23.9	24 Nayarit	396	431	+8.7
9 Veracruz	1.022	1.127	+10.3	25 Aguascalientes	347	375	+7.9
10 San Luis Potosí	917	994	+8.3	26 Colima	240	222	-7.7
11 Chihuahua	729	849	+16.4	27 Tabasco	151	200	+33.0
12 Zacatecas	810	839	+3.6	28 Tlaxcala	190	193	+1.9
13 Chiapas	596	764	+28.2	29 Yucatán	151	163	+7.6
14 Nuevo León	714	717	+0.5	30 Quintana Roo	121	139	+14.5
15 Hidalgo	668	716	+7.2	31 Campeche	58	66	+13.5
16 Baja California	660	705	+6.9	32 Baja California Sur	57	65	+12.7
				TOTAL	24.704	26.980	+9.2

Source: BBVA Research based on data from the Bank of Mexico

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