

## BBVA Research Migration Flash

Mexico

### In the last 4 months, Remittances to Mexico achieve the largest increases so far in 2011

- As reviewed previously in Migration Flash, today Banco de México reported that Remittance inflows to Mexico were \$1,773.58 millions in November.
- This amount represents an increase of 8.86% in dollars compared to the same month of the previous year, and along with the last growth of Remittances in August (9.2%), September (21.2%) and October (10.4%), in the past 4 months we have seen the largest increases in 2011, with an average of 12.4% in this period.
- In this way, Remittances to Mexico achieve 14 consecutive months with positive growth since October. Employment gains for Mexican migrants who have 17% of the jobs that have been recently recovered after 2007-2009 crisis, and the recovery (but at a slow rate) of Construction in the U.S., are factors that could explain those increases in remittances.
- Increases in recent months of the exchange rate (pesos per dollar) have allowed Remittances-receiving Households to receive in November 20.4% more money in pesos compared to the same month previous year and 16.4% in real terms after inflation.

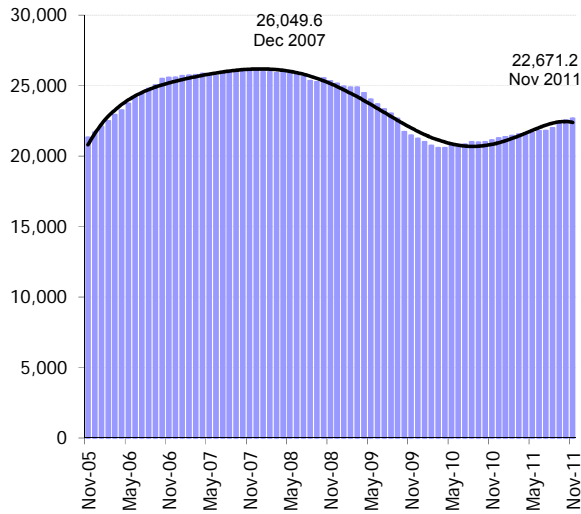
In November, Mexico received in remittances \$1,773.58 million of dollars, according to figures released today by Banco de México, which represented an annual growth of 8.86% in dollar terms. About 3.0% of this growth corresponds to increases in the number of remittance transactions, while the remaining 5.9% is due to an increase in the average remittance that was \$325.19.

Taking into account the rates of growth in August (9.2%), September (21.2%) and October (10.4%), with the last data that corresponds to November (8.9%), in the last 4 months we have seen the largest increases in remittances so far in 2011.

Thus, from October 2010 to November 2011, Remittances to Mexico achieve 14 consecutive months with positive growth since October. These increases are associated, as earlier review, to the employment gains for Mexican migrants who have occupied 17% of the jobs that have been recently recovered from the 2007-2009 crisis, and to the recovery (but at a slow rate) of construction in the U.S., where Mexican labor force has a major role.

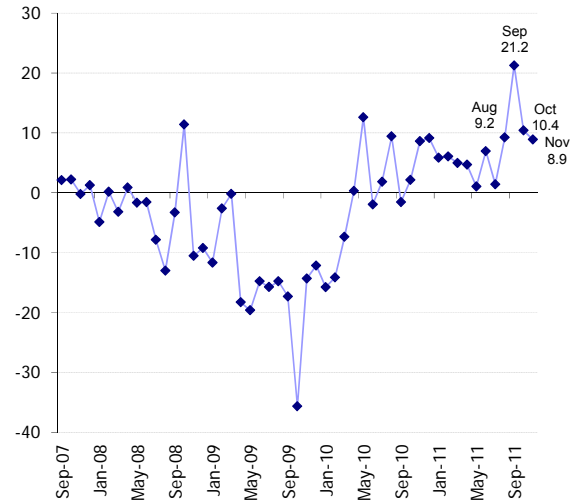
The continues growth of remittances along with the high exchange rate pesos per dollar seen in recent months, have led to an increase in the income of Remittance-receiving Households. In terms of pesos, in November 2011 they receive 20.4% more pesos compared to the same month of the previous year, that is an increase of 16.4% after discounting inflation.

Figure 1  
**12-month Remittance inflow to Mexico**  
**(Millions of dollars)**



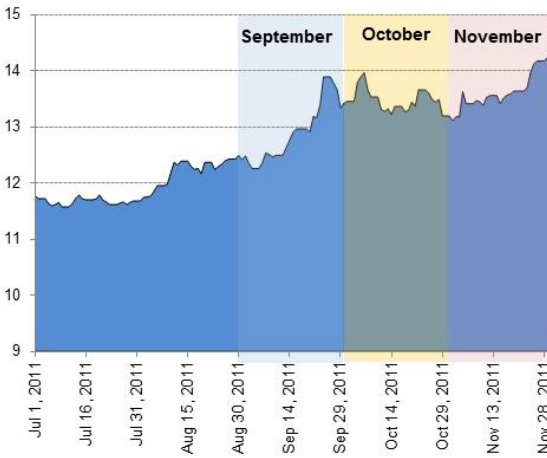
Source: BBVA Research with Banxico data

Figure 2  
**Mexico: Family remittances**  
**(Annual % change in dollars)**



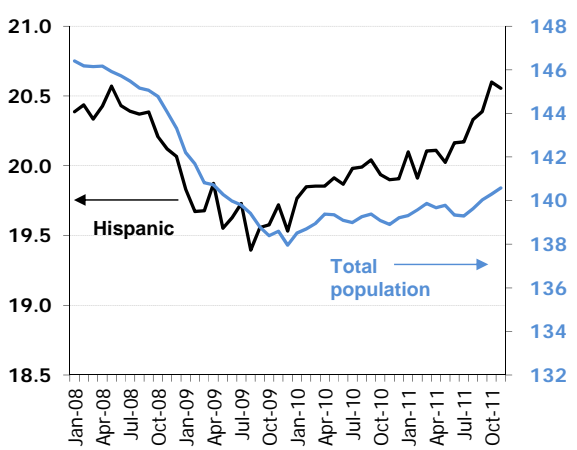
Source: BBVA Research with Banxico data

Figure 3  
**Peso/dollar exchange rate, for the settlement of liabilities**  
**denominated in foreign currency**



Source: BBVA Research with Banxico data

Figure 4  
**Employment in the United States**  
**(Millions)**



Source: BBVA Research with Bureau of Labor Statistics data

Juan Luis Ordaz Díaz  
[juan.ordaz@bbva.com](mailto:juan.ordaz@bbva.com)

Juan José Li Ng  
[juan.li@bbva.com](mailto:juan.li@bbva.com)

Av. Universidad 1200, Col. Xoco, México 03339 D.F. | [researchmexico@bbva.bancomer.com](mailto:researchmexico@bbva.bancomer.com) | [www.bbva.com](http://www.bbva.com) | [Follow us by Twitter](https://twitter.com/bbvaresearch)

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