

Mexico Migration Flash

Remittances to Mexico increase for the third month in a row

- Income from remittances increased by an annual rate of 4.61% in October, higher than expected by the consensus (3.8%) and BBVA (3.0%).
- This is the third consecutive monthly rise year-over-year in dollar terms.
- Mexican immigrants continue to recover jobs in the U.S. Their unemployment rate appears to have remained slightly under the national average in October.
- Despite these improvements, income from remittances to Mexico for 2013 as a whole is expected to be lower than in 2012.

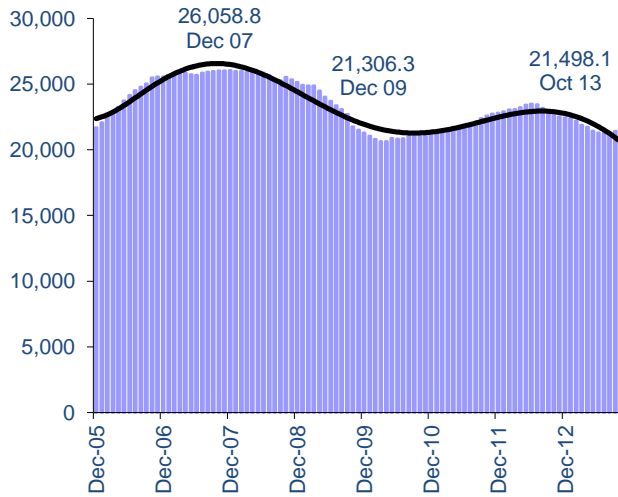
In October Mexico received USD 1,853.06 million in remittances, 3.2% more than in September and 4.6% more than in the same month last year, according to information provided by Banco de México. Although the amount of the average remittance fell by an annual 4.7% to USD 284.7, the number of transactions increased by 9.8% to 6.51 million.

Between January and October this year Mexico received USD 18,101.4 million in remittances, 4.9% down on the same period the previous year. In real pesos (inflation adjusted) remittances in October increased by an annual 2.4%. The figure for accumulated 12-month remittance flows to Mexico amounted to USD 21,498.1 million in October, and showed a slight growing trend, confirming that they are recovering.

The main element that is promoting these positive results is the improvement in employment for Mexican immigrants in the United States as a result of the recovery in key sectors for them such as construction, manufacturing and wholesale and retail trade. In construction total employment in the sector has increased month by month since June 2013, with a gain from June to October of 33,000 jobs. In the same period a further 21,000 jobs were created in manufacturing and just over 200,000 in wholesale and retail trade. As a result, the unemployment rate for Mexican immigrants in October has remained slightly under the national average.

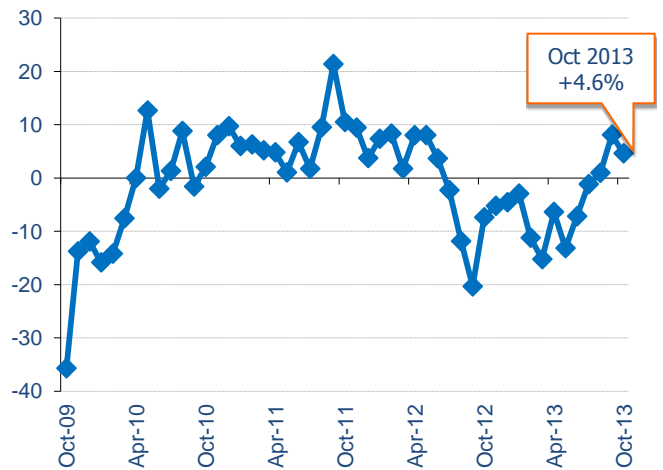
If the employment trend for Mexican immigrants in the United States continues positive, there could be a moderate increase in the annual rate of remittances to the end of the year. However, cumulative income from remittances for 2013 as a whole is likely to be lower than in 2012.

Chart 1
**Accumulated 12-month remittance flows to Mexico
(Millions of dollars)**



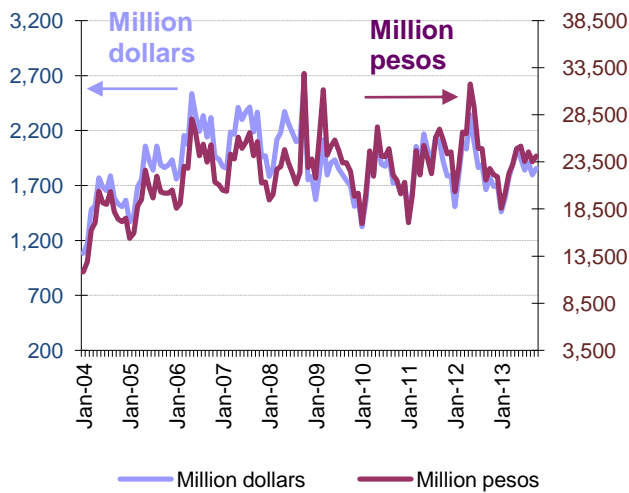
Source: BBVA Research with Banxico figures

Chart 2
**Family remittances to Mexico
(Annual % change in dollars)**



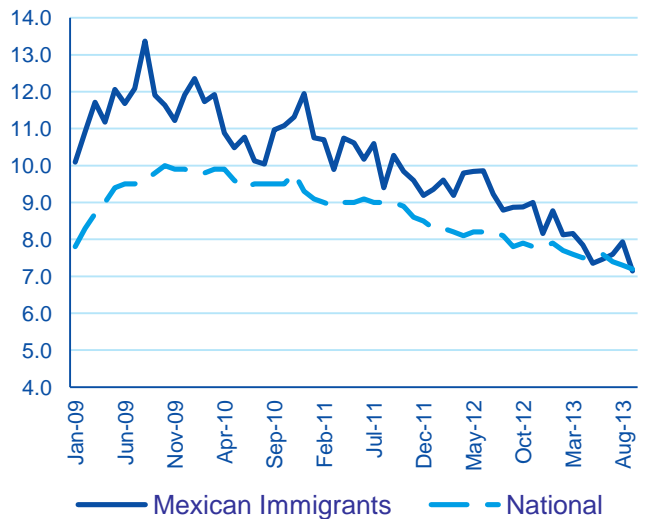
Source: BBVA Research with Banxico figures

Chart 3
**Remittances to Mexico in dollars and pesos
(%)**



Source: BBVA Research with US Bureau of Labor Statistics data
Note: Seasonally adjusted

Chart 4
**U.S.: National average unemployment rate and for Mexican immigrants
(%)**



Source: BBVA Research with US Bureau of Labor Statistics data

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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.