

Mexico Migration Flash

Baja California, Baja California Sur and Tamaulipas could be the states with the highest growth of remittances in 2014e

- It is estimated that in 2014e remittances could grow at 5.5% year-over-year, so they could recover after 2 consecutive decreasing years
- The possible recovery began in January 2014, when remittances grew 8.0% year-over-year
- Baja California (+15.2%), Baja California Sur (+10.9%) and Tamaulipas (+10.8%) could be the states with the highest growth of remittances in 2014e
- It is estimated that Michoacán (\$2,262m dollars), Guanajuato (\$2,185m) and Jalisco (\$1,915m) could be the states with the greatest remittances received in 2014e

Accordingly to BBVA Research estimates, in December 2014 Mexico remittances income could reach approximately 22,782 million dollars, up from 21,597 million reported in the previous year. So, they are expected to grow at an annual rate of 5.5%, which could mean a recovery after 2 consecutive decreasing years (-1.6 % in 2012 and -3.8 % in 2013).

The possible recovery began in January 2014 when remittances grew 8.0% compared to the same month last year, exceeding market expected figures. This favorable growth scenario on remittances for 2014 is related to the improvements in United States economy: a stable amount of Mexican immigrant workers in 2014 and the trend of growth on total employment in the U.S. are expected.

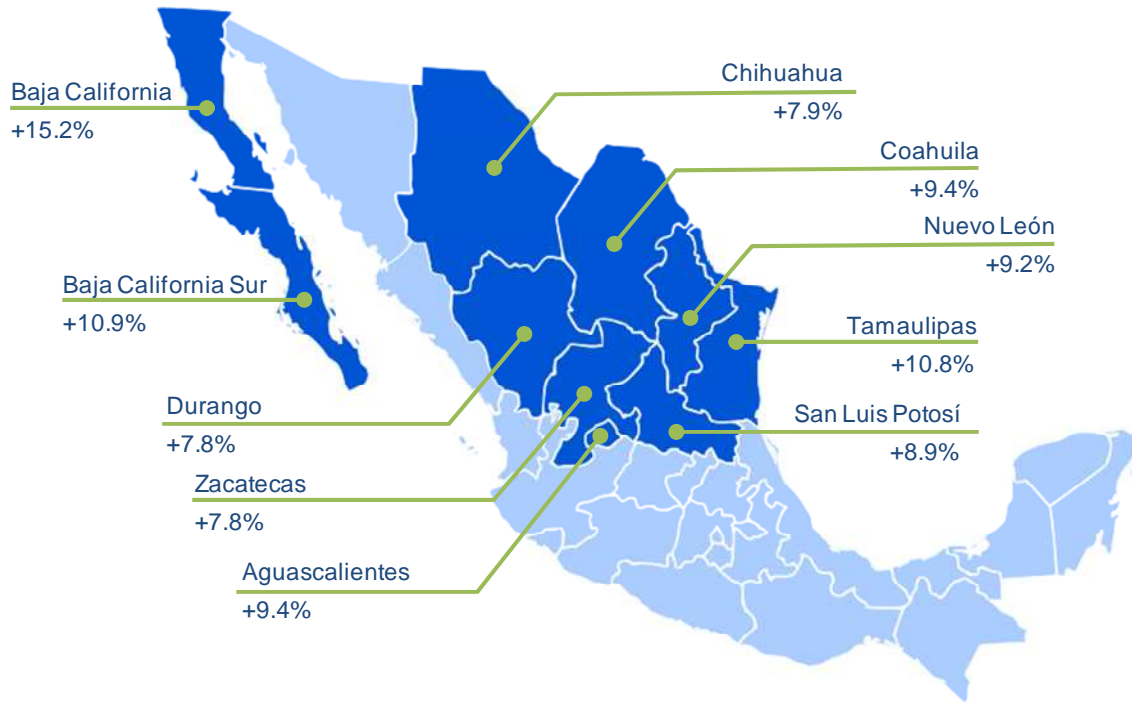
The estimated remittances figures by state indicate that the states with higher growth at an annual rate in 2014e might be Baja California (+15.2%), Baja California Sur (+10.9%) and Tamaulipas (+10.8%), at double digit growth, and the states with lower growth year-over-year could be Veracruz (-0.2%), State of Mexico (+0.7%) and Chiapas (+1.0 %), with growths below one percent point or negative.

In relation to the amount received, it is estimated that the states with the greatest income from remittances in 2014e could be: Michoacán with 2,262 million dollars, Guanajuato (\$2,185m) and Jalisco (\$1,915m); Puebla and State of Mexico dispute the fourth and fifth place with an estimated income from remittances of just over \$1,450m. On the other hand, it is expected that the states with the lowest income received from remittances could be: Baja California Sur (\$46m), Campeche (\$57m) and Quintana Roo (\$106m).

So, in general, it is observed that the behavior of remittances in 2014e could present an expansion of the resources inflow to most of the central and western states of Mexico, the expansion could be lower in the Southern states; and the highest growth could be observed on the Baja California peninsula and Northern states of Mexico.

Chart 1

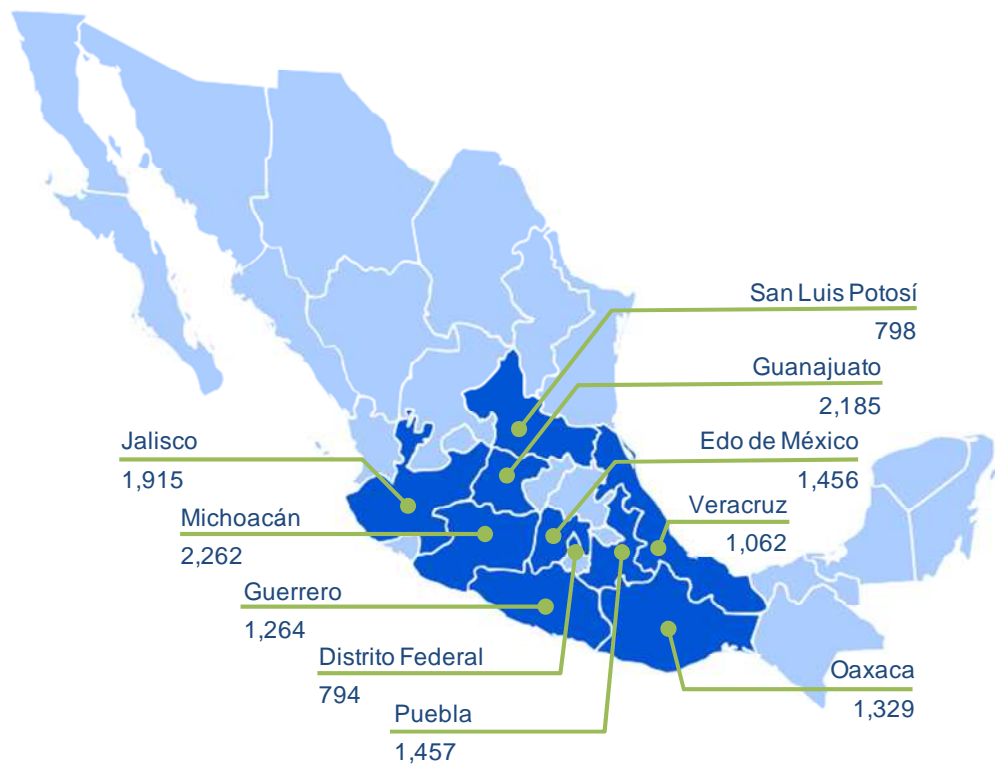
**Top 10 states that could have the highest growth on remittances, 2014e
(Annual % change in dollars)**



Source: BBVA Research estimates. March 2014.

Chart 2

**Top 10 states that could have the highest annual accumulated remittance flows in 2014e
(Million dollars)**



Source: BBVA Research estimates. March 2014.

Table 1

Estimated remittances figures by state, 2014e

State	2012		2013		2014e	
	Million dollars	annual % change	Million dollars	annual % change	Million dollars	annual % change
Aguascalientes	333	+8.6	342	+2.9	375	+9.4
Baja California	465	+17.2	543	+16.7	625	+15.2
Baja California Sur	41	+12.8	41	-0.3	46	+10.9
Campeche	56	-3.8	55	-1.0	57	+2.6
Coahuila	284	+14.8	282	-0.6	308	+9.4
Colima	180	-2.0	175	-2.7	185	+5.7
Chiapas	573	-3.7	535	-6.6	540	+1.0
Chihuahua	467	+11.3	457	-2.1	493	+7.9
Distrito Federal	1,014	-12.0	750	-26.0	794	+5.8
Durango	431	+3.5	432	+0.3	466	+7.8
Guanajuato	2,138	-0.8	2,049	-4.2	2,185	+6.6
Guerrero	1,231	-2.5	1,217	-1.1	1,264	+3.9
Hidalgo	721	-5.4	675	-6.5	692	+2.6
Jalisco	1,884	-0.6	1,801	-4.4	1,915	+6.3
México	1,564	-5.7	1,446	-7.5	1,456	+0.7
Michoacán	2,209	-1.6	2,158	-2.3	2,262	+4.8
Morelos	561	-4.4	530	-5.6	552	+4.3
Nayarit	340	-4.7	331	-2.6	345	+4.4
Nuevo León	340	+10.1	345	+1.5	377	+9.2
Oaxaca	1,366	-4.3	1,255	-8.1	1,329	+5.9
Puebla	1,403	-4.5	1,394	-0.7	1,457	+4.5
Querétaro	379	-1.2	363	-4.1	385	+6.1
Quintana Roo	93	+1.4	99	+6.5	106	+7.0
San Luis Potosí	739	+5.4	733	-0.8	798	+8.9
Sinaloa	501	-2.1	480	-4.3	509	+6.2
Sonora	327	0.0	325	-0.6	348	+7.2
Tabasco	111	-0.4	111	-0.3	113	+1.8
Tamaulipas	485	+9.0	585	+20.5	648	+10.8
Tlaxcala	253	-7.8	228	-10.2	237	+4.2
Veracruz	1,176	-7.6	1,064	-9.5	1,062	-0.2
Yucatán	119	+1.2	123	+3.3	129	+5.0
Zacatecas	654	+4.6	671	+2.6	724	+7.8
Total	22,438	-1.6	21,597	-3.8	22,782	+5.5

Source: BBVA Research with Banxico figures and BBVA Research estimates.
Revision: March 2014.

Note: These estimated figures on remittances might present significant variations in the flow of these resources at the end of the year, since sending remittances is closely linked to the number of immigrants from each state in the U.S., the stability of their jobs, their income and their links with their home community and family in Mexico.

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