

Migration

In 2014, Remittances to Mexico reached 23.6 billion dollars (+7.8% y/y)

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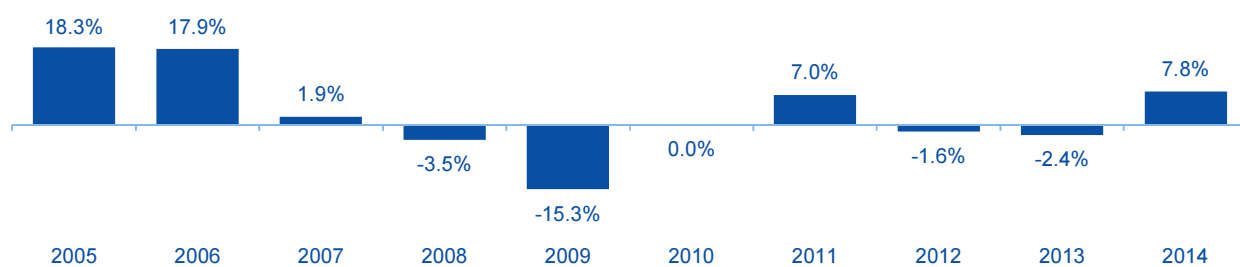
- In December 2014, remittances reached 2,196.4 million dollars (md), 18.8% more than the same month in 2013 and a run of 17 consecutive months of positive growth.
- Thus, Mexico received in 2014 an amount of 23,606.8 md in remittances, 7.8% greater than the level reached in 2013.
- Despite the recovery in employment in the US over last year, there is no significant increase in Mexican immigration to that country, which is the main source of remittances to Mexico.
- The increase in remittances to Mexico during 2014 is mainly explained by the increase in employment of Mexican immigrants already living in the US, and the substitution of part time jobs with full-time jobs

The Central Bank of Mexico (Banco de México) announced that during last December 2014 Mexico received an inflow of 2,196.4 md in remittances, 18.8% higher than the amount of the same month of 2013. Thus, remittances to Mexico recorded a run of 17 consecutive months of positive growth since August 2013. This growth is explained by both, the increase in the number of recorded transactions as well as the rise of the average amount of remittance. The number of operation for sending remittances was 7.3 million (+11.6% y/y), while the average remittance was \$300.6 (+6.4%).

The remittances of Mexico during 2014 reached an amount of 23,606.8 md, equivalent to an annual growth rate of 7.8%. This is the highest growth recorded since 2006, before the beginning of the Great Recession in the United States. In real terms, and favored by the depreciation of the exchange rate (peso per dollar), remittances to households in Mexico risen by 8.0%.

Chart 1

Family remittances to Mexico
(% annual change in dollars)

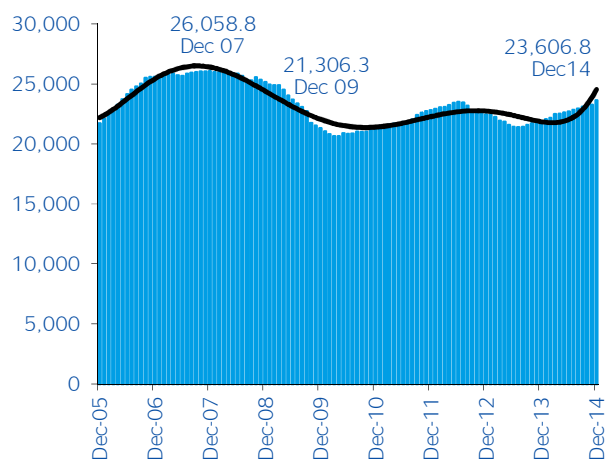


Source: BBVA Research with Banxico figures.

In 2014, it is observed a recovery of US employment due to the drop in the unemployment rate from 6.7% in December 2013 to 5.6% in the same month of 2014. BBVA Research claims, according to monthly estimations based on the *Current Population Survey (CPS)*, that there is no evidence to support a rise in Mexican migration to the US. Despite this, the growth in remittances during 2014 may be explained by two main sources:

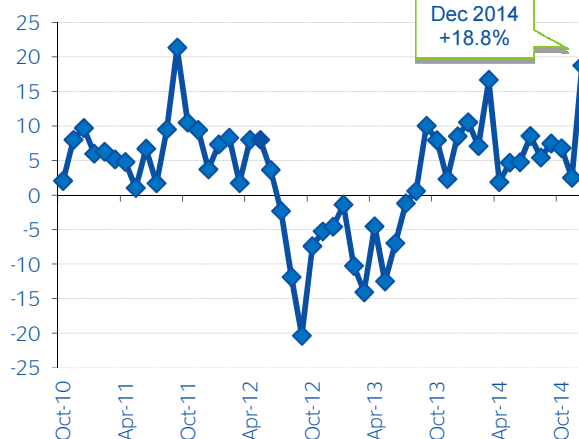
- 1) The increase in employment of Mexican immigrants, which grew about 400,000 jobs in 2014, mainly concentrated in the construction industry, and,
- 2) The substitution of part time with full-time jobs among Mexican immigrants.

Chart 2
Accumulated 12-month Remittance inflows to Mexico
(Million dollars)



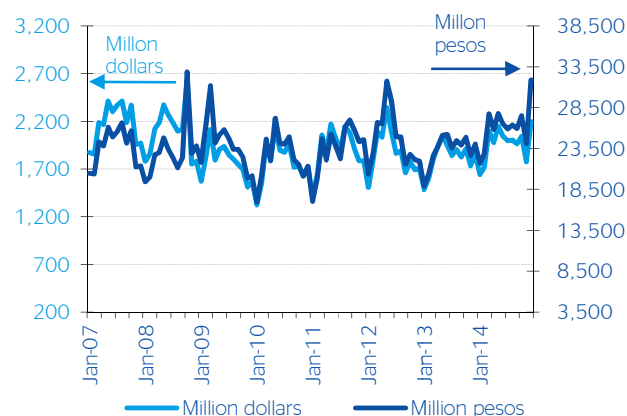
Source: BBVA Research with Banxico figures.

Chart 3
Family remittances to Mexico
(% annual change in dollars)



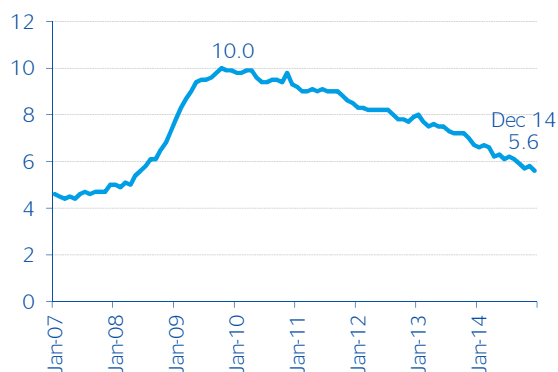
Source: BBVA Research with Banxico figures.

Chart 4
Monthly inflow of remittances to Mexico
(Million dollars and million pesos)



Source: BBVA Research with Banxico and INEGI data.

Chart 5
United States: Total unemployment rate
(%)



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

Remittances by state. During 2014, remittances grew in almost all states in Mexico. In the three Border States of Nuevo León (+34.7%), Tamaulipas (+28.5%) and Coahuila (+24.3%) are observed the greatest annual growth rate in remittances with respect to 2013, only Querétaro (-3.6%), Puebla (-0.2%) and Guerrero (-0.1%) have a decrease in the amount of remittances in 2014.

Table 1
Inflow of remittances by state (Million dollars and % change)

State	Remittances in 2013	Remittances in 2014	Change (%)
Nuevo León	460.0	619.4	34.7% ▲
Tamaulipas	647.4	832.0	28.5% ▲
Coahuila	315.3	391.8	24.3% ▲
Colima	179.7	216.6	20.5% ▲
Tabasco	114.0	130.3	14.3% ▲
Hidalgo	632.2	720.6	14.0% ▲
Nayarit	316.1	359.4	13.7% ▲
Jalisco	1,734.8	1,949.0	12.3% ▲
Baja California Sur	44.9	49.4	10.1% ▲
Chihuahua	501.7	551.8	10.0% ▲
Zacatecas	632.9	692.3	9.4% ▲
Michoacán	2,041.9	2,229.7	9.2% ▲
Distrito Federal	1,393.2	1,518.7	9.0% ▲
Chiapas	497.1	540.0	8.6% ▲
Quintana Roo	97.6	105.8	8.4% ▲
San Luis Potosí	703.4	762.6	8.4% ▲
Sinaloa	482.6	522.7	8.3% ▲
Durango	454.9	489.7	7.7% ▲
Baja California	579.7	618.9	6.8% ▲
Aguascalientes	303.6	323.3	6.5% ▲
México	1,409.7	1,480.5	5.0% ▲
Yucatán	123.6	129.1	4.4% ▲
Morelos	508.2	527.8	3.9% ▲
Guanajuato	1,990.9	2,066.7	3.8% ▲
Sonora	324.8	336.6	3.6% ▲
Veracruz	1,017.1	1,044.7	2.7% ▲
Oaxaca	1,161.9	1,191.7	2.6% ▲
Campeche	55.1	55.7	1.1% ▲
Tlaxcala	217.9	218.5	0.3% ▲
Guerrero	1,203.9	1,202.5	-0.1% ▼
Puebla	1,337.3	1,334.6	-0.2% ▼
Querétaro	409.3	394.5	-3.6% ▼
TOTAL	21,892.4	23,606.8	7.8%

Source: BBVA Research with Banxico data.

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