

Migration

The Mexican government presents its Migrant Protection Strategy, and remittances grow 6.5% in January

Juan José Li Ng

- The new Mexican government has identified 6 complaints and needs of Mexicans abroad with regard to the Mexican consular network, with some of the most significant complaints concerning: 1) the lack of legal guidance and representation when it is needed and 2) the insufficient provision of documentation and consular protection services in remote locations.
- The government presented a ten-point summary of its Migrant Protection Strategy for 2019–2024, which details: 1) a new vision focused on migrants' rights and 2) the expansion of the mobile consulate system to reach the most remote populations.
- Moreover, a program in which the Mexican President will recognize, on an annual basis, those Mexicans who have made the most noteworthy contributions abroad—particularly in the US—will also be rolled out.
- The Secretaría de Relaciones Exteriores (SRE — Mexican Secretariat of Foreign Affairs) estimates that, in 2019, it will provide MXN 3.3 billions of funding for embassies and consulates to implement this strategy, with 2,163 consular staff supporting the plan. This figure is expected to rise to 2,800 people by the end of this year as the number of mobile consulates grows.
- Remittances remain a significant contributor to the Mexican economy and increased by 6.5% to USD 2,415 million in January. The largest growth in remittances in 2019 may be observed in February and March.
- BBVA Research estimates that remittances could increase by 6.9% and reach a total of USD 35.79 billion in 2019.

1. Six areas of opportunity have been identified to improve the support that Mexicans receive abroad

During his conference yesterday morning (Thursday, February 28, 2019), President Andrés Manuel López Obrador said that the Mexican government has an obligation to support and protect Mexicans living abroad, as they have contributed, and continue to contribute, to the economy of millions of Mexican households.

In this regard, the Foreign Secretary, Marcelo Ebrard Casaubón, presented the "Migrant Protection Strategy," which will be implemented by the new government.

The strategy is based on the six main complaints and needs observed among Mexicans abroad with regard to the consular network:

1. **Deficiencies in the MEXITEL service** for arranging appointments at Mexican embassies and consulates abroad.
2. **Lack of legal guidance and representation**, which is probably the most significant request and need among Mexican migrants, mainly in the United States.
3. **Insufficient visits to prisons and detention centers**. The Foreign Secretary said that there are Mexicans who have lived in the United States for many years and are currently in detention.
4. Although the mobile consulate services represent a large step forward, they are still scarce and there is **insufficient provision of documentation and consular protection services in remote locations**.
5. **Insufficient connection and collaboration with local organizations**. There are therefore plans for closer relationships and collaboration with such organizations.
6. **Obsolete support and investment models for Mexico**. The Foreign Secretary believes that the models for investment from Mexico to the United States, and the projects run by Mexican-Americans and organizations to invest in Mexico, are no longer functional and that better alternatives need to be sought.

2. Ten-point summary of the Migrant Protection Strategy

Table 1 shows the ten core actions of the Migrant Protection Strategy. Foreign Secretary Marcelo Ebrard said that this strategy:

- Is based on a new vision focused on migrants' rights, which seeks to enable Mexicans living abroad to fully exercise all of their rights.
- Will involve the entire government, not only the SRE, with states and cities being invited to participate in its implementation.
- Will significantly expand the mobile consulate system to reach the most remote populations.
- Will seek to change the discourse and narrative around the contribution of the Mexican community in the United States, turning negative perceptions into positive ones. Will promote Hispanicness in the United States through collaboration with other Latin American countries and Spain.
- Will involve the rollout of an annual program in which the Mexican President will recognize those Mexicans who have made the most noteworthy contributions abroad, particularly in the United States.

Consultations. To ensure that this program is operational when it is implemented in the coming weeks, Mexican embassies and consulates will be holding face-to-face and online consultations to gauge the main needs of Mexicans abroad, particularly in the United States, and the specific issues they face.

Budget and staff. The SRE estimates that, in 2019, it will provide MXN 3,295 million of funding for embassies and consulates to implement this strategy, with 2,163 consular staff supporting the plan. This figure is expected to rise to 2,800 people by the end of this year as the number of mobile consulates grows.

Table 1. Ten-point summary of the core actions of the Migrant Protection Strategy for 2019–2024.

1. The federal government will adopt support for Mexicans abroad as a cross-cutting policy issue, and roll out mechanisms to enable participation by state and local governments in both Mexico and the United States.	6. Development of financial mechanisms to enable the migrant community to participate in large development projects being undertaken by the Mexican government and regional governments.
2. Provision of training on supporting vulnerable groups and ensure professional consular assistance by increasing the amount of experienced personnel in the Mexican Foreign Service.	7. Comprehensive mobile consulates focused on the most vulnerable communities and new areas.
3. Expansion of the network of lawyers and organizations specialized in defending the rights of Mexican migrants.	8. Empowerment of the Mexican and Mexican-American communities by recognizing and promoting the significant contributions that they make.
4. Active promotion of Mexican cultural identities among first- and subsequent-generation communities.	9. Update of the regulations of the SRE to bring consular activities in line with the current human rights framework by, for example, including indigenous languages and marriage equality in the scope of consular activities.
5. Expansion of education, health and sports programs to improve quality of life.	10. Development of a culture of regular community consultation to hear and be aware of its needs and opinions, beginning with the National Development Plan.

Source: BBVA Research based on Marcelo Ebrard, Morning Conference of the Government of Mexico, 02/28/2019.

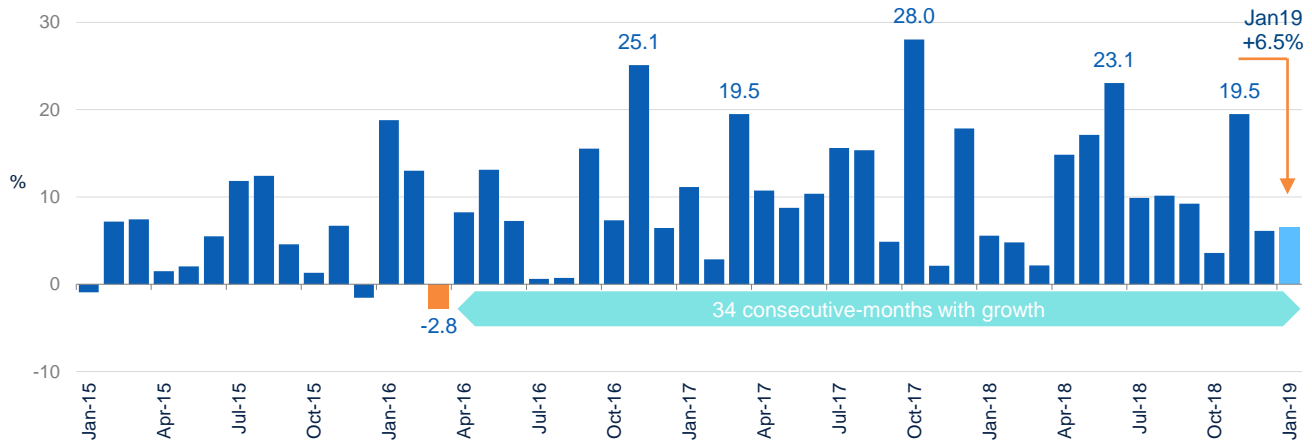
3. Year begins with remittances growing by 6.5%, marking 34 consecutive months of growth

The Banco de México (Bank of Mexico) reported that USD 2.415 billion of family remittances were received in Mexico in January — an increase of 6.5% compared with the same month of the previous year. This is a record amount for remittances received in January. The increase is the result of a 4.4% increase in transactions in which this money is sent, with the total number of transactions rising to 7.7 million, and of a 2% increase in the average remittance to USD 313.

This means that remittances have now increased in 34 consecutive months since April 2016, i.e. for almost three years. The United States' good economic performance continues to enable more Mexicans to find employment and income there, and consequently to send money to their relatives in Mexico.

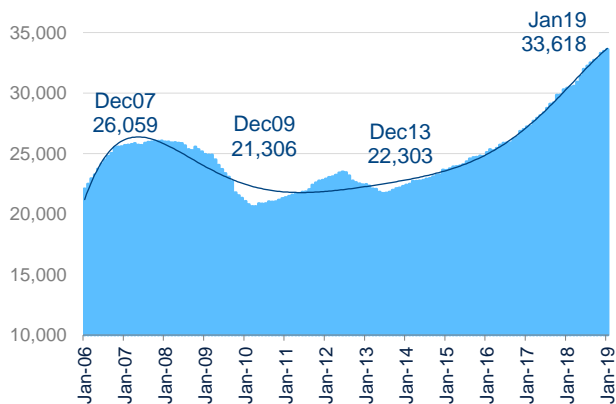
Our forecasts indicate that close attention should be paid to the statistics around remittances over the coming months, as there is a possibility that the largest remittance growth in 2019 may be observed in February and March. We estimate that remittances could grow by 6.9% and reach a total of USD 35.79 billion in 2019.

Figure 1. Family remittances to Mexico, 2015-2019 (% YoY change in USD)



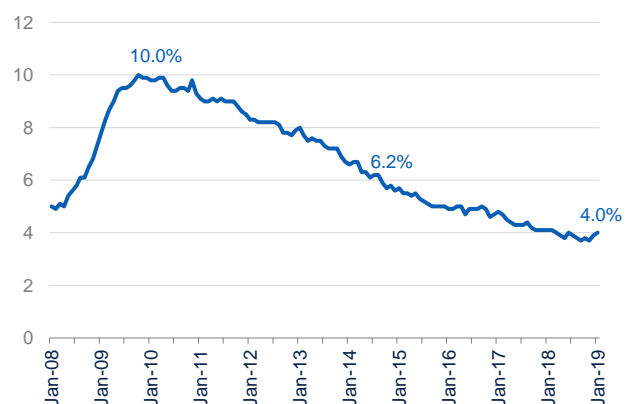
Source: BBVA Research based on Banco de México data

Figure 2. 12-month cumulative flows of remittances to Mexico (USD millions)



Source: BBVA Research based on Banco de México data

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



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

Disclaimer

This document was prepared by Banco Bilbao Vizcaya Argentaria's (BBVA) BBVA Research and BBVA Bancomer S. A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer on behalf of itself and is provided for information purposes only. The information, opinions, estimates and forecasts contained herein refer to the specific date and are subject to changes without notice due to market fluctuations. The information, opinions, estimates and forecasts contained in this document are based upon information available to the public that has been obtained from sources considered to be reliable. However, such information has not been independently verified by BBVA Bancomer, and therefore no warranty, either express or implicit, is given regarding its accuracy, integrity or correctness. This document is not an offer to sell or a solicitation to acquire or dispose of an interest in securities.

