

Migration Flash

Mexico

After 2 consecutive months exceeding 2 billion dollars a month, Remittances in October to Mexico were located at a level slightly above 1,900 millions

- As we anticipated in our previous Migration Flash, Bank of Mexico reported Remittance inflows to Mexico were \$1,911.5 millions in October.
- This amount represents a reduction of 10.5% and 8.3% in dollar terms compared to last August and September figures, respectively; but an increase of 10.4% also in dollar terms in relation to the same month of the last year.
- The increase compared to October last year indicates that remittances continue in recovery, achieving between August and October the largest annual increases so far this year, and cumulating 13 consecutive months with annual growths.
- Families receiving remittances obtained 19.5% more money in pesos compared to same month last year (16.6% in real terms).
- The good performance of remittances to Mexico so far this year has been associated to employment gains for Mexican migrants who have got about 17% of the jobs recently recovered after the 2007-2009 economic recession (Mexico Migration Outlook, November 2011)

In September, Mexico received in remittances 1,911.5 million of dollars, according to figures released by the Bank of Mexico, which represented an annual growth of 10.4% in dollar terms, the second highest so far this year. The average remittance and the number of remittance transactions increased 5.1% and 5%, respectively.

The decrease respected to August and September was because there were special events that increased remittances above structural levels related to economic activity, employment and earnings of Mexican immigrants in the U.S.; August was the beginning of classes in Mexico and in September depreciation of the peso against dollar of almost 11% compared to its value at the beginning of the month explains the circumstance.

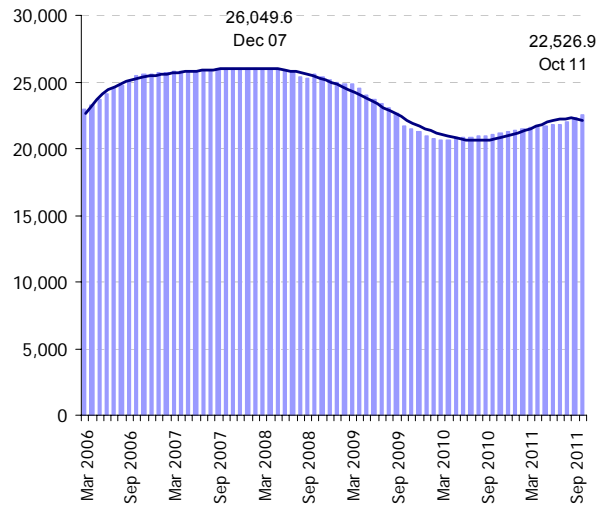
The increase compared to October last year indicates that remittances continue in recovery, achieving between August and October the largest annual increase so far this year.

Remittance-receiving families have benefited from the high exchange rate (pesos to dollar). In current pesos in October they received 19.5% more in remittances than in the same month last year, while in real pesos (discounting inflation) the growth was 16.6%, the second largest of the year.

The good performance of remittances to Mexico has been associated to the jobs recovery of Hispanics in the United States, who have captured 52% of the jobs that have been recovered after the 2007-2009 crisis, and in particular to employment gains for Mexican migrants who have occupied 17% of the jobs that have been recently recovered, as shown in the November 2011 edition of *Mexico Migration Outlook*, by BBVA Bancomer Foundation and BBVA Research.

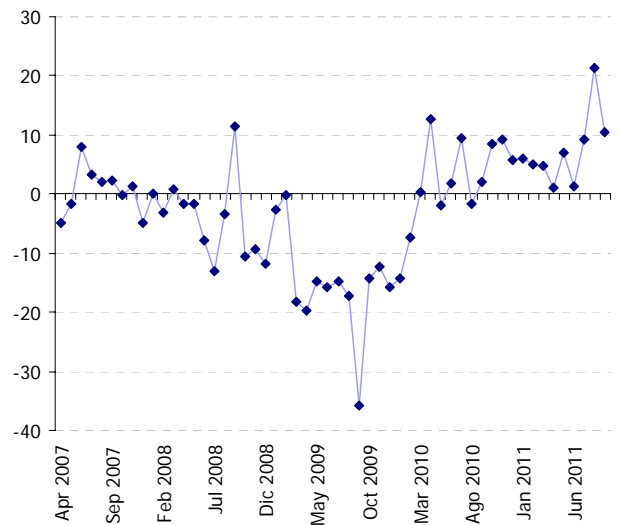
By November, we expect that remittances could be placed at levels below those in October, if there are no significant changes in employment levels and incomes of Mexican migrants in the United States.

Figure 1
**Accumulated 12-month flows of Remittances to Mexico
(Millions of dollars)**



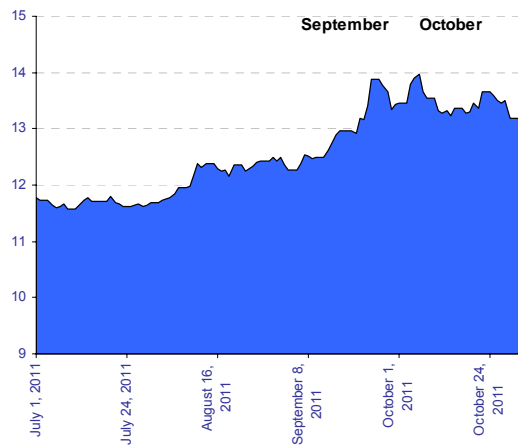
Source: BBVA Research with Banxico data

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



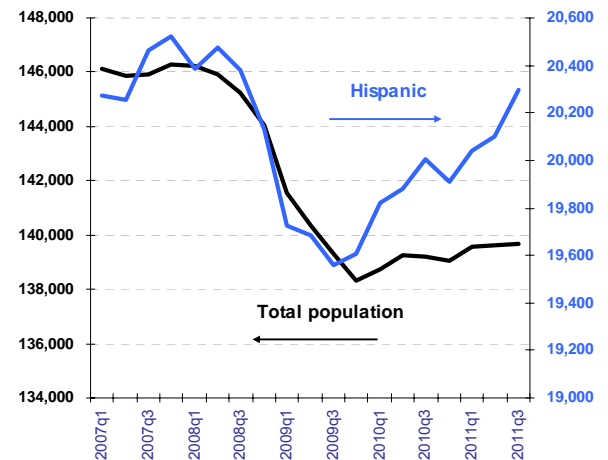
Source: BBVA Research with Banxico data

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



Source: BBVA Research with Banxico data

Figure 4
**Jobs in the United States
(Thousands)**



Source: BBVA Research with Bureau of Labor Statistics data

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