

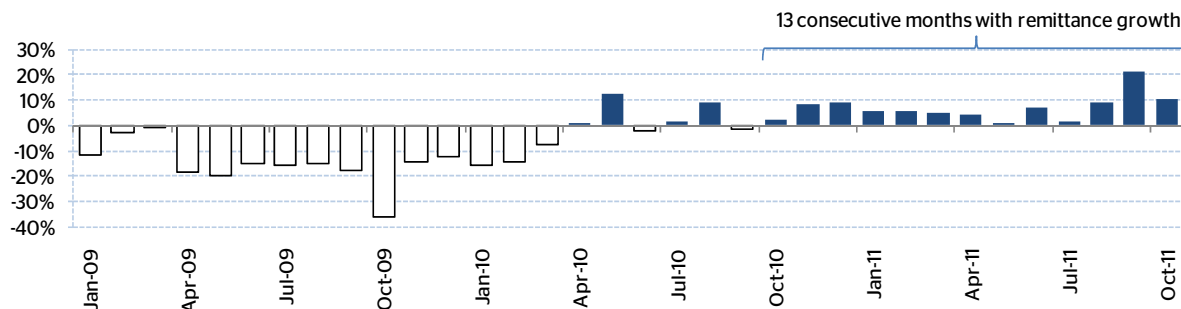
BBVA Research Migration Flash

Mexico

A happy new year for remittance-receiving households?

- It is difficult to say that households with migrant relatives in the U.S. could have a happy holiday season when beloved ones are separated by distance at this time. However, the continuous growth of remittances since 13 months ago and a more favorable exchange rate that allows them to get more pesos for the dollars they receive, has allowed at least that Mexican household income from remittances to be better than in previous years, and have more resources to address basic needs and improve economic conditions.
- According to figures of Banco de México, by October of this year Remittances to Mexico have accumulated 13 consecutive months with positive growth (comparing data with the same month of the last year). In this period of continues growth in remittance, in the last months we have seen its largest increases in dollar terms: August 9.2%, September 21.2% and October 10.4%.
- Furthermore, according to our estimations, we expect that the official data that will be released by Banco de México in the coming days in relation to remittances received in Mexico on November could achieve an amount greater than 1,800 million dollars, a figure greater than those reported for the same month in the last three years but less than last October (1,911.5) as predicted in **Migration Flash** at the beginning of this month.
- In this way, we estimated that annual growth rate of remittances in terms of dollars for November could be higher than October's one, which was 10.4%. Additionally, if there are no significant variations in employment and wage figures for Mexican migrants in the U.S. in the last quarter of the year, we expected that December remittances could grow at a rate similar to October in terms of dollars.
- If current conditions observed on U.S. macroeconomic scenario stand by, the expected growth of remittances to Mexico in dollar terms for 2011 could be close to or greater than 7.5%.

Figure 1
Remittances to Mexico by month (Annual % change)



Source: BBVA Research with data from Banco de México

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