

Mexico Migration Flash

Remittance inflows to Mexico at its highest level since almost four years

- In May, remittances inflow to Mexico totaled 2.336 million dollars, a figure not seen since October 2008
- This represents an annual growth of remittances of 7.8% in dollar terms, 25.5% in pesos and 20.8% in real pesos over the same month last year
- Remittances have now grown for 20 consecutive months.
- Hispanics living in the US saw an historical high for jobs in May, hitting 21.87 million
- The Mother's Day in Mexico and Mexican peso depreciation against US dollar were factors that foster the level of remittances reached in May
- We expected that remittances in June maintain its upward trend annualize

In line with what we forecast in the last **Mexico Migration Flash**, Banco de México announced that in May remittances inflow to Mexico totaled 2,336.2 million dollars, the highest level for nearly 4 years, since October 2008. This is an annual increase of 7.8% in dollar terms, and marks 20 consecutive months of annual increases in dollars.

Of the growth recorded in May there was a notable effect from the increased number of transactions, with an annual rise of 4.0% to over 7 million operations. The average remittance was 329 dollars.

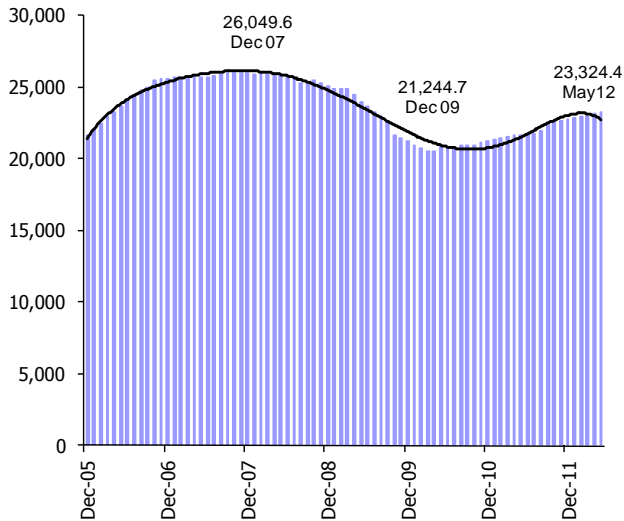
The 12-month accumulated inflow of family remittances sustained its upward trend and hit 23,324 million dollars, in line with levels of the first quarter of 2006.

Annual growth in peso terms for the recipients of remittances in May was 25.5% over the same month last year, or 20.8% in real terms (discounting inflation).

Data from the US Bureau of Labor Statistics reveal that in May the number of Hispanics with jobs continued to increase and reached a new all-time record of 21.87 million. This represents a gain of more than 350,000 jobs in the first five months of the year. Job growth for Hispanics in general, and Mexican migrants in particular, was the key to the upswing seen in remittances to Mexico.

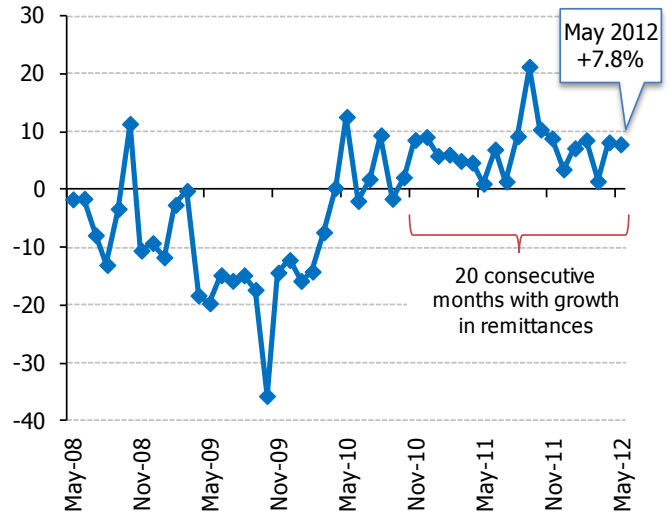
For June it is expected that remittances will continue its upward trend, and will also be favored by the depreciation of peso value against US dollar.

Chart 1
Accumulated 12-month remittance inflows to Mexico (Million dollars)



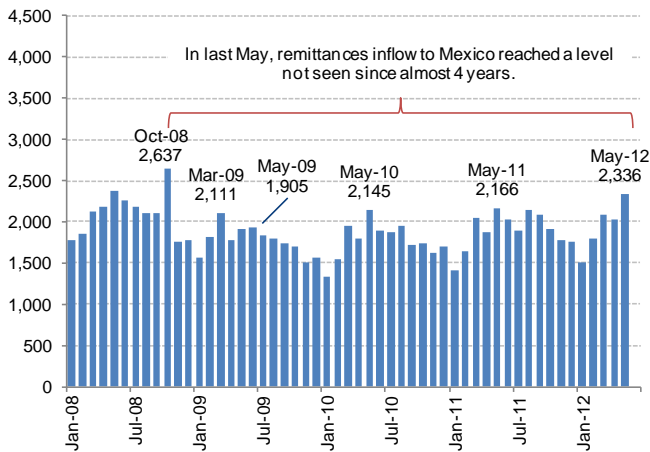
Source: BBVA Research with Banxico figures

Chart 2
Family remittances to Mexico (Annual % change in dollars)



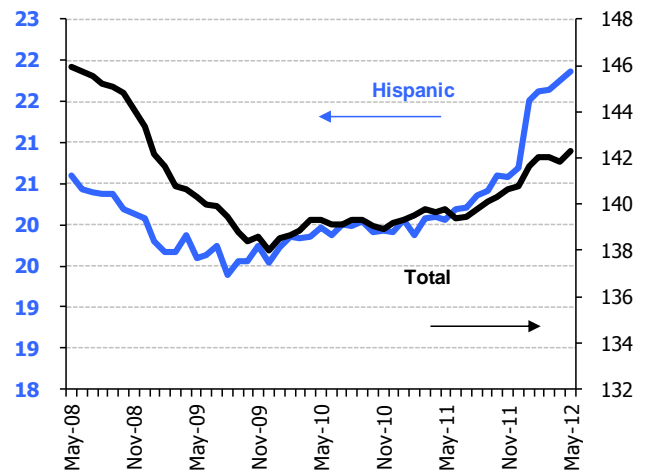
Source: BBVA Research with Banxico figures

Chart 3
Monthly remittance inflows to Mexico (Million dollars)



Source: BBVA Research with Banxico figures

Chart 4
United States: Total and Hispanic employment (Millions)



Source: BBVA Research with Bureau of Labor Statistics data

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This publication is a joint initiative between the BBVA Bancomer Foundation and BBVA Research's Economic Research Department, Mexico. It aims to make new contributions in the field of Migration studies that add to knowledge of this important social movement.