

Mexico Migration Flash

August: one more month with remittances' decline?

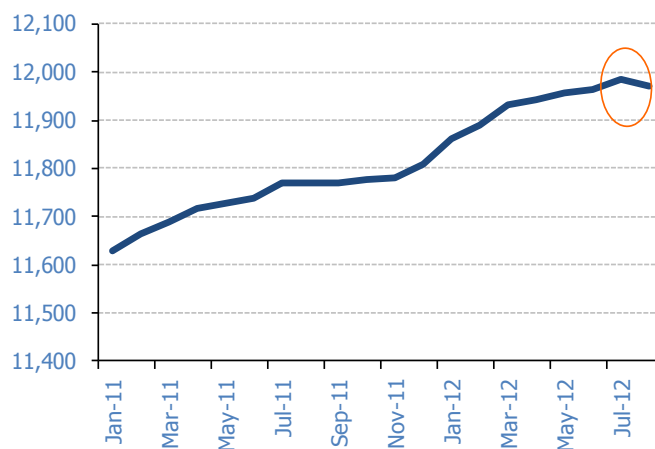
- Banco de México will publish next Monday, October 1st, figures on inflows of remittances to Mexico during the month of August
- In addition to construction, leisure and hospitality, and trade, manufacturing sector in the U.S. begin to lose momentum. These four sectors employ 60% of Mexican immigrant labor force
- We can confirm a decrease in Mexican immigrant employment in the US. Hispanic employment declined in August for the first time in 2012
- We estimate a significant annual decline in remittances to Mexico in August, in dollar terms, probably not seen since the first quarter of 2010

Earlier we posted that the construction sector in the US is showing declines in employment level for recent months and leisure and hospitality and retail are starting to lose momentum. More recent figures show that manufacturing is also starting to decline. Figures on manufacturing new orders index show 3 months with annual decreases, not seen since 3 years ago. Preliminary figures from the Bureau of Labor Statistics in the US show that manufacturing employment in August declines, something not seen throughout 2012.

Employment performance across these four sectors has a major impact on the total employment for Mexican immigrants since these sectors jointly account for 60% of jobs among Mexican immigrants in the US.. We also stated that employment among Mexican immigrants was starting to stand still and could fall. Estimates from *Current Population Survey* figures confirm a decline in employment among Mexican immigrants in the US, based on seasonally-adjusted figures. In August, Hispanic employment also declined for the first time in the year.

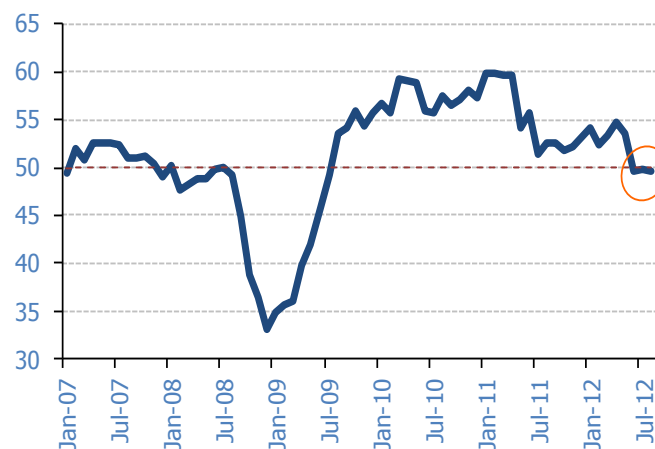
In the face of this scenario and taking into account August 2011 was, after May that year, the month with the highest remittances, we forecast remittances for August this year could see an annual decline in dollars not seen since the first quarter of 2010.

Chart 1
**US: Total Jobs in the manufacturing sector
 (Thousands)**



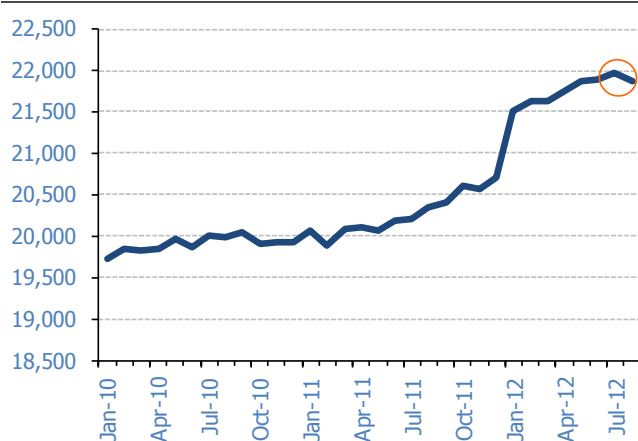
Source: BBVA Research with Bureau of Labor Statistics data

Chart 2
**US: ISM Manufacturing Index
 (seasonally adjusted, >50 = expansion)**



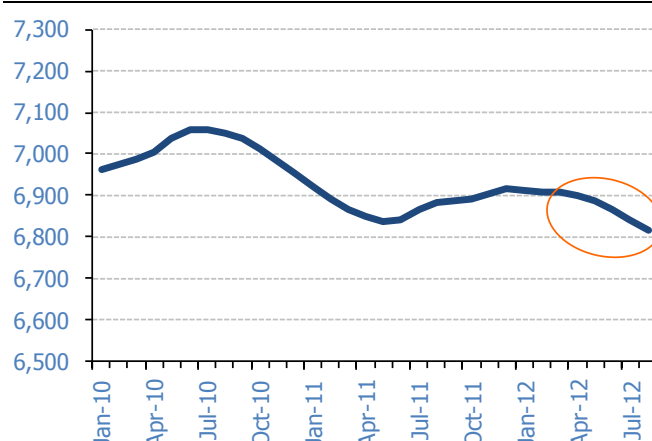
Source: BBVA Research with ISM figures

Chart 3
**US: Total Hispanic employment
 (Thousands, seasonally adjusted)**



Source: BBVA Research with Bureau of Labor Statistics data

Chart 4
**US: Total Mexican immigrant employment
 (Thousands, seasonally adjusted)**



Source: BBVA Research with *Current Population Survey* data
 Note: Seasonally adjusted using TRAMO-SEATS

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