

Mexico Migration Flash

Remittances accumulate 4 consecutive months with decreases

- In October, remittances to Mexico declined 7.1% y/y in dollar terms.
- This fall can be attributed mainly to the ongoing strengthening of the exchange rate (pesos per dollar), the relative weakness in employment of Mexican migrants in the U.S. and the comparison effect with October 2011
- In the next edition of ***Mexico Migration Outlook*** we will announce our forecasts for accumulated growth of remittances in 2012 and 2013.

Banco de México reported that in October the country received 1,777.1 million dollars in remittances, 7.1% down on the same month of the previous year. The number of remittances transactions fell 1.35% in annual terms to 5,926,300, while the average remittance decreased by 5.8% on an annual basis to 299.9 dollars.

In real pesos (discounting inflation) the fall in remittance inflows was higher than that in dollars, nearly 15%.

Compared to September, remittances in October grew by 6.8% in dollar terms and by 5.3% in pesos, which reflects some improvement in relation to the previous month.

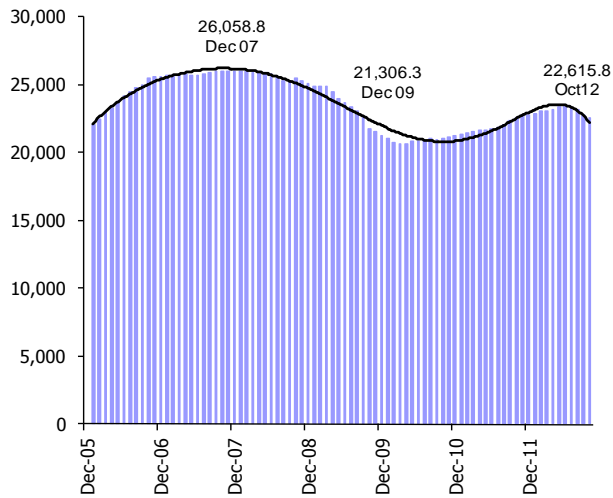
In our last ***Mexico Migration Flash*** released on November 1, 2012 we pointed out that remittances had also fallen in October, but much less than in September, when they were down 20.2% in annual terms.

What factors had an impact on this occasion? Although Mexican migrant employment in the U.S. showed some improvement in October and this was reflected in higher remittance figures compared to the previous month, job creation for Mexican workers remains relatively weak; moreover, the exchange rate continued to strengthen, a factor that discouraged the sending of remittances. There is also a comparison effect, since in October 2011 remittances were up 10.5%, the second highest increase recorded in that year.

In the next edition of ***Mexico Migration Outlook*** to be released on December 5 this year we will offer our forecast for accumulated remittance inflows for 2012 and 2013.

Chart 1

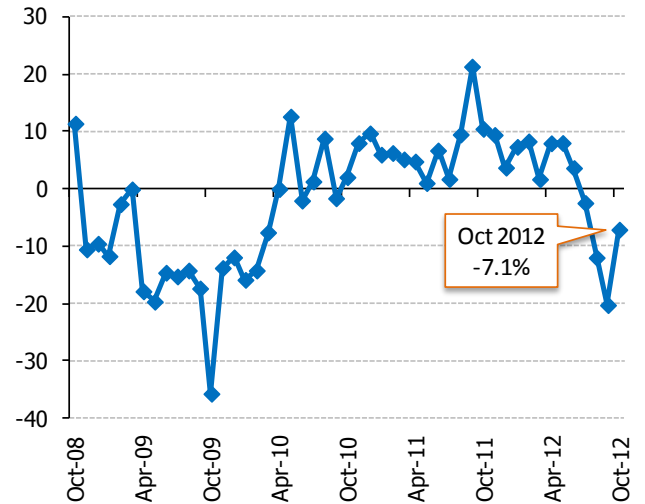
Accumulated 12-month remittance inflows to Mexico (Million dollars)



Source: BBVA Research with Banxico figures

Chart 2

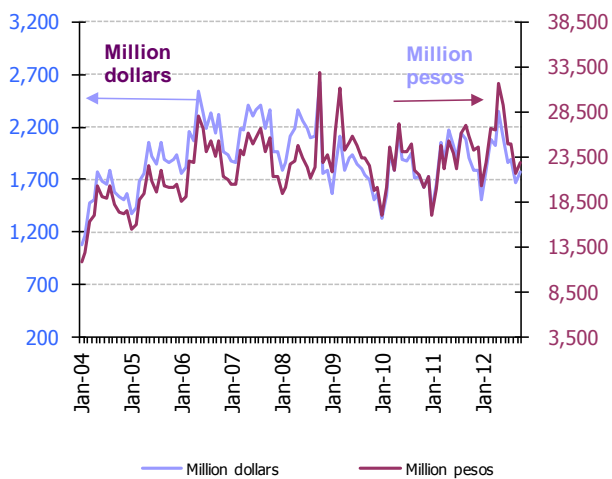
Family remittances to Mexico (Annual % change in dollars)



Source: BBVA Research with Banxico figures

Chart 3

Monthly remittances to Mexico in dollars and pesos



Source: BBVA Research with Banxico figures

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Notice

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.