

# Mexico Migration Flash

## Remittances to Mexico recorded 5 consecutive-months with decreases

- In November, remittances to Mexico fell by 5.1% y/y in dollar terms.
- The weak employment of Mexican immigrants in the U.S. related to the uncertainty of the economic performance of the country where debate a major fiscal adjustment, and an effect compared with November 2011, are the main factors behind this drop in remittances.
- We maintain our forecast that remittances inflow to Mexico for 2012 will close at levels below 2011.

Banco de México has reported that in November 1,695 million dollars entered the country as family remittances, a fall of 5.1% compared with the same month the previous year, and a fall of 4.6% compared with October 2012.

This means that remittances have posted five months of successive annual falls since July. These five months of falls mean a net loss of 950 million dollars compared with the figures for the same months in 2011.

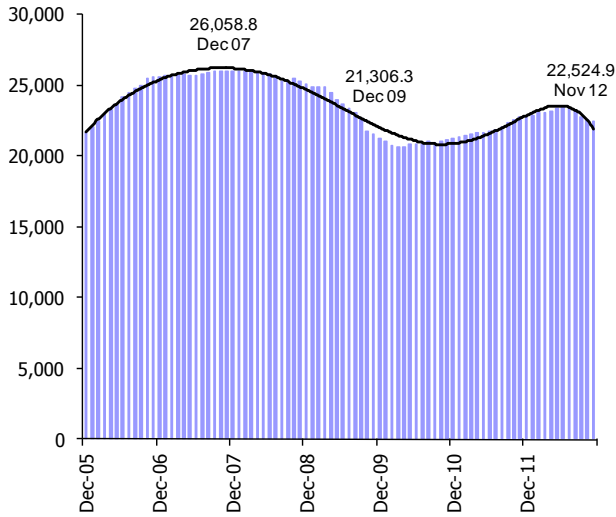
The Central Bank also reported that in November 2012 the average remittance in dollar terms fell by 7.8% on an annual average to 300 dollars, but the number of transactions increased annually by 3.6% to 5.65 million.

The income from remittances in real pesos (discounting inflation) received by Mexican households was 12.6% down on the figure for the same month the previous year.

Among the factors explaining the fall in remittances to Mexico over recent months are: the weak employment situation of Mexican migrants in the U.S., associated with the uncertainty regarding the future of the US economy, with alternatives being sought to adjust the major fiscal deficit. There is also a comparison effect with November 2011, when annual growth in remittances was 9.4%.

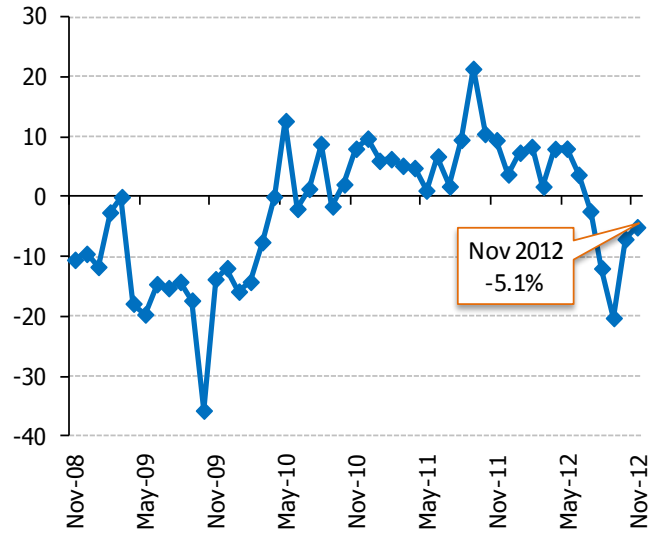
The November 2012 issue of **Mexico Migration Watch** presents the forecasts for accumulated remittances for the close of 2012 and for 2013, when a recovery is expected in remittances, although one that is moderate and still far from the all-time highs of 2007. However, the future depends on the US economic performance for 2013 and the effects in the global economy, due to a sluggish recovery of some countries in the euro zone.

Chart 1  
**Accumulated 12-month remittance inflows to Mexico  
 (Millions of dollars)**



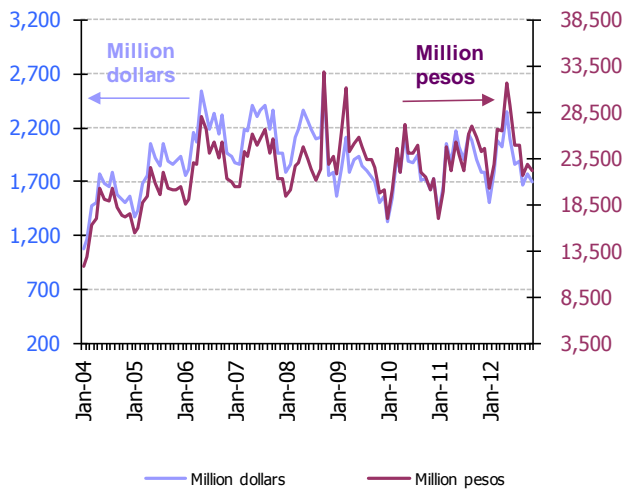
Source: BBVA Research with Banxico figures

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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