

# Mexico Migration Flash

## Remittances to Mexico starts 2013 decreasing

- In January, remittances inflow to Mexico fell by 2.3% y/y in dollar terms
- Remittances to Mexico accumulated 7 consecutive-months with decreases in dollars
- In pesos, this represents a drop of 8.0% compared to the same month last year, and a decrease of 10.9% in real terms (after inflation)
- Forward, we expect to observe some of the next coming months with decrease, but accumulated remittances inflows in 2013 could be located at levels close to those of 2012, in terms of dollars

According to information reported by Banco de México, in January Mexico received 1,471.6 million dollars, slightly less than we had anticipated (1,483 million dollars). In this way, remittances showed a decrease of 2.3% in dollar terms, accumulating 7 consecutive months with falls.

While the average remittance fell by 2.5% to settle at 287.7 dollars, the number of operations for remittances had increased marginally and stood at 5.115 million transactions.

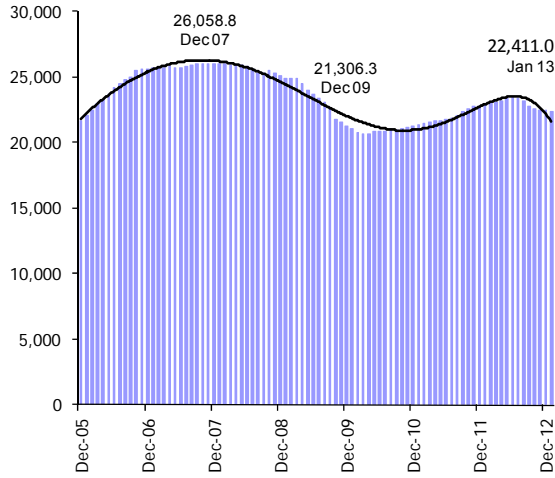
This represents an 8.0% drop in pesos in remittances received by households in Mexico compared to the same month last year, and a decrease of 10.9% in real terms (after inflation).

In February 22th **Mexico Weekly Flash** issue, we anticipated a sharp decrease compared to December 2012, the figures show that in relation to that month remittances fell 13.8% in dollar terms. This is explained largely because January is one of the months in which Mexico generally receives less remittance than other months, as some Mexican immigrants in that month are still in the country after visiting relatives. The decline in remittances compared to January of the previous year were also affected by a comparison effect due to the exchange rate (pesos per dollar), because in January 2012 it had an increasing trend that encouraged more remittances, and recently we observed a decreasing trend, which could have discourage money sends.

Although the fall in remittances has moderated in recent months, we could still wait months without registering growth, which depend largely on the performance of the U.S. economy and its effect on employment of Mexican immigrants. Cumulatively, for 2013 we expect that remittances could be located at levels close to those of 2012.

Chart 1

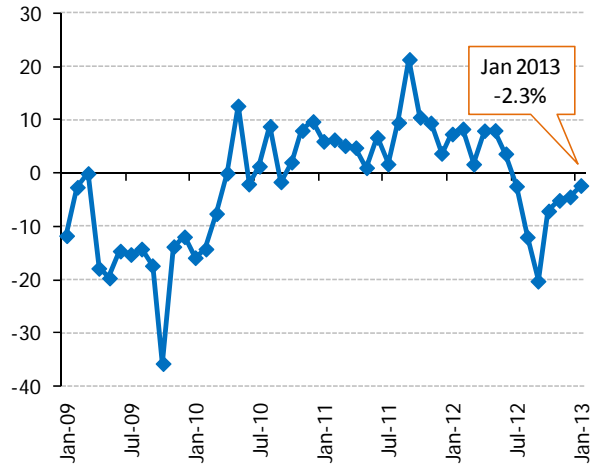
**Accumulated 12-month remittance inflows to Mexico  
(Millions of dollars)**



Source: BBVA Research with Banxico figures

Chart 2

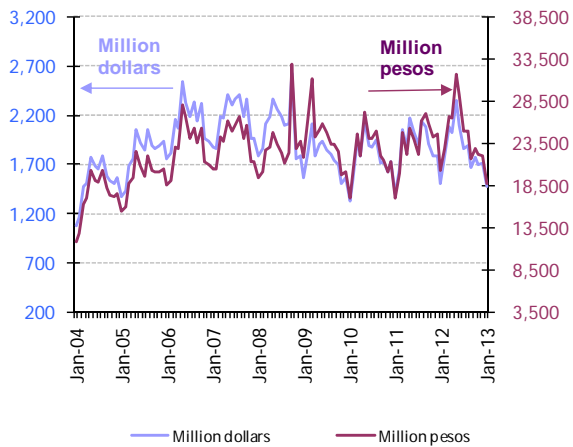
**Family remittances to Mexico  
(Annual % change in dollars)**



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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