

Mexico Migration Flash

Would had remittances declined again in February?

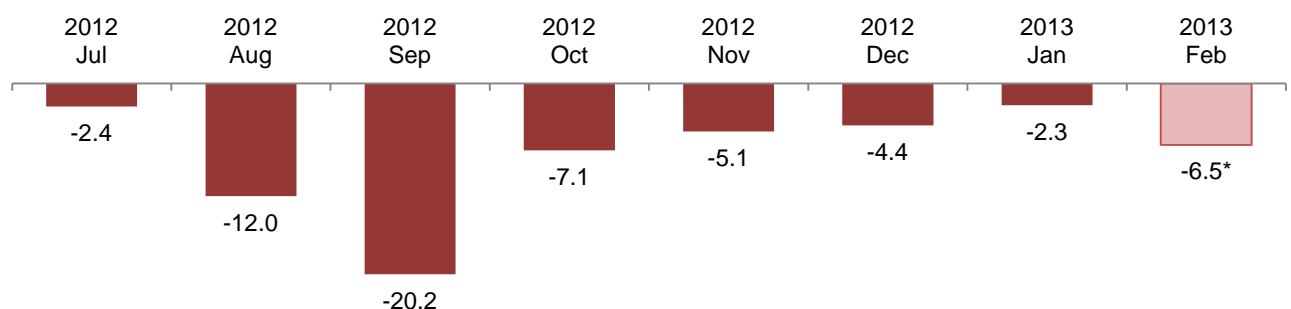
- On April 1 figures on Mexico remittance inflows in the month of February 2013 will be released
- We expect another fall year to year, which could be about 6.5% in dollar terms, recording 8 consecutive-months with declines.
- Weakness in employment for Mexican immigrants in the U.S. and the Peso exchange rate appreciation against U.S. dollars would have affected this decline

Next Monday, April 1st, Banco de México will release figures for Mexico remittances inflows received in the month of February 2013. We estimate the inflows around US\$ 1,672 million, representing a decrease of 6.5% y/y, but an increase of over 13% compared to January this year in dollar terms.

The fall in remittances have tended to be less acute from October 2012 to January 2013 (from -7.1% to -2.3%). However, it is expected that by February of this year to break that convergence trend with a fall greater than that observed between November 2012 and January 2013. This could lead to 8 consecutive months of declines. The downward trend in the exchange rate (pesos per dollar), and the still weak employment of Mexican immigrants in the U.S. are the main factors that dismiss the trend towards recovery.

Chart 1

Family remittances to Mexico (Annual % change in dollars)



Source: BBVA Research with Banxico figures

* BBVA Research estimates

Juan Luis Ordaz Díaz
juan.ordaz@bbva.com

Juan José Li Ng
juan.li@bbva.com

Av. Universidad 1200, Col. Xoco, México 03339 D.F. | researchmexico@bbva.bancomer.com | www.bbvaerearch.com | Follow us on Twitter

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