

Mexico Migration Flash

Do remittances recovered last May?

- On 1st July, Banco de Mexico will release figures on remittances inflows received in Mexico during last May
- While in May remittances to Mexico would have increased in comparison to April this year, with respect to May last year they would have decreased about 10.7% in dollars terms, as a result remittances would accumulate 11 consecutive-months with declines y/y

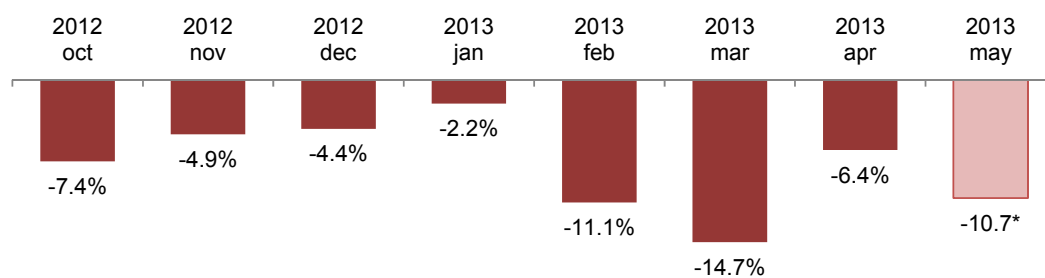
Next Monday, July 1st, Banco de México will release figures for Mexico remittances inflows received in the month of May 2013. In that month there were some factors that could encourage the inflow of remittances as Mother's Day in Mexico, the increase in the exchange rate (pesos per dollar) that occurred in the second half of May, and modest employment gains for Mexicans immigrants in the United States. In the first five months of the year, May is the month where the highest remittance inflows would have been received in Mexico, and compared to April this year they would have recorded an increase that would be around 10%.

However, compared to May last year that there would be a decrease which could be 10.7% in dollar terms, thus remittances would accumulate 11 consecutive-months with declines y/y in dollar terms. This situation can be explained mainly by a comparison effect since May 2012 was the month of the previous year in which more remittances were received (2,342.5 million dollars), and also because it has been one of the months where historically Mexico received more remittances.

With this figure, in the first five months of the year, remittances could record an accumulated fall y/y, which could exceed 10%. In the coming months is likely to see smaller declines and perhaps increases, due to the appreciation of the exchange rate and some employment gains for Mexican immigrants in the U.S.

Chart 1

Family remittances to Mexico (Annual % change in dollars)



Source: BBVA Research with Banxico figures
* BBVA Research estimates

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Notice

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