

Mexico Migration Flash

Remittances accumulate four consecutive months of growth

- In November 2013 remittances grew 0.09% year-over-year; they accumulate 4 consecutive months of growth, which started since last August.
- In the U.S., where most of the Mexican immigrants reside, was recorded in November 2013 the lowest unemployment rate (7.0%) in the last 5 years, but unemployment insurance initial claims rose by 9% in December 2013 compared to previous month.
- It is estimated that remittances to Mexico at the end of 2013 would close at levels below 2012.

Banco de México reported that in November 2013 entered to the country 1,693.79 million dollars in remittances. This is slightly higher than 1,692.25 million received in November 2012; so they recorded an increase of 0.09% in annual rate, thus accumulating 4 consecutive months of growth, which began in August 2013.

The number of transactions for sending remittances to Mexico increased 4.0% year-over-year during November 2013, standing at 5.86 million operations, while the received average remittance decreased -3.7% compared to the same month of the previous year.

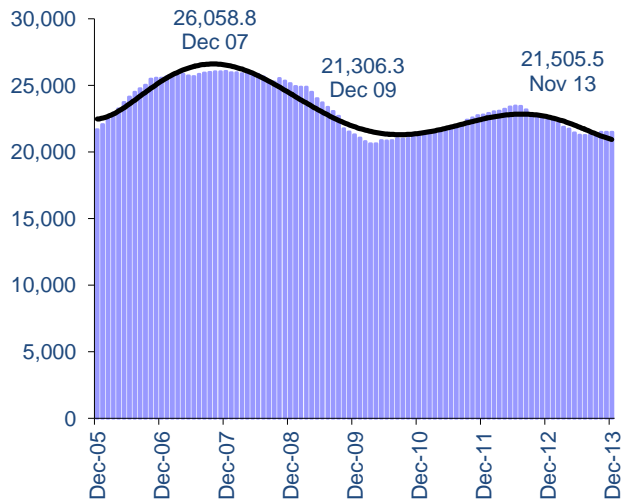
Mexico received about 22.126 billion Mexican pesos in November 2013, but after discounting inflation remittances recorded a decline of -3.6% year-over-year in real terms.

Figures from the U.S. Bureau of Labor Statistics show that the seasonally adjusted unemployment rate in November 2013 was 7.0% in annual rate, the lowest reported since more than 5 years. But on the other hand, data from the U.S. Department of Labor reported that the seasonally adjusted figures for initial claims for unemployment insurance in December 2013 rose in just over 9% on average compared to previous month.

Thus, remittances are expected by December 2013 to show a similar trend to that reported in November 2013. In this way, it is estimated that in 2013 remittances will register an accumulated decrease of -4.2% in annual rate.

Chart 1

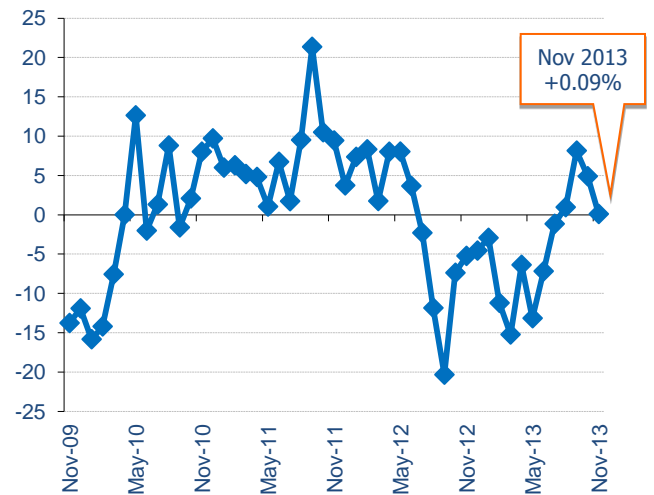
Accumulated 12-month Remittance Inflows to Mexico (Million dollars)



Source: BBVA Research with Banxico figures.

Chart 2

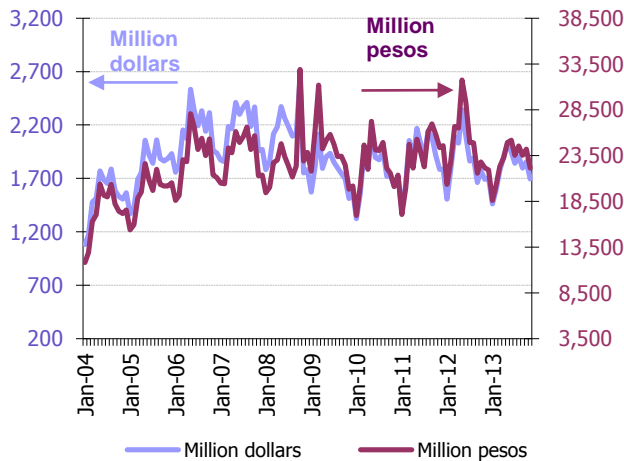
Family Remittances to Mexico (Annual % change in dollars)



Source: BBVA Research with Banxico figures.

Chart 3

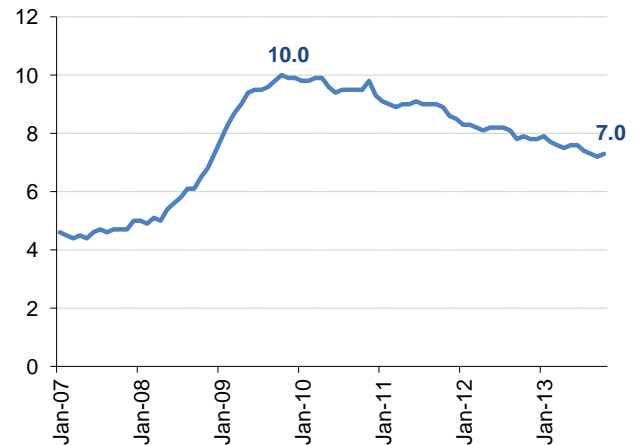
Remittances to Mexico in dollars and pesos (%)



Source: BBVA Research with Banxico figures.

Chart 4

U.S.: Unemployment rate (%)

Source: BBVA Research with US Bureau of Labor Statistics data.
Note: Seasonally Adjusted

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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.