# Mexico Migration Flash

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Economic Analysis

Mexico

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## Remittances stay on growth path: increased 5.7% in February

- **In February, remittances grew 5.7% year-over-year, to 1,677 million dollars, which is close BBVA Bancomer estimates (1,662 md), but below market consensus (1,699 md)**
- **The relatively low unemployment rate in the U.S. (6.7% in Feb '14) and improvement in some indicators of economic activity, may have had a positive impact on employment of Mexican immigrants and the remittances they send to Mexico**
- **It is estimated that remittances continue growing in March and subsequent months**

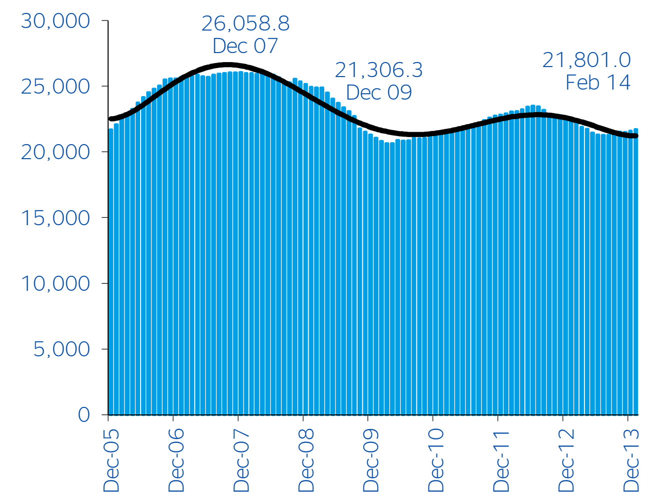
Today, Banco de México reported that for the month of February entered to Mexico 1,677.3 million dollars by remittances, equivalent to a growth of 5.7 % in annual rate, and 5.5% compared to last January. The number of operations for remittances reached 5.68 million transactions, an increase of 4.9% year-over-year, while the average remittance reached $295.1 dollars, 0.8% higher than the same month last year.

From August 2013, when remittances broke a long streak of consecutive months with decreases, to February 2014, remittances have grown on average 4.7 % annually.

This growth is associated with the strong performance of economic activity in the United States in recent months, when in February the unemployment rate has remained relatively low ( 6.7 % ) and the ISM Manufacturing Index, which measures anticipated sales contracts in this sector in the U.S., grew 1.9% over the previous month.

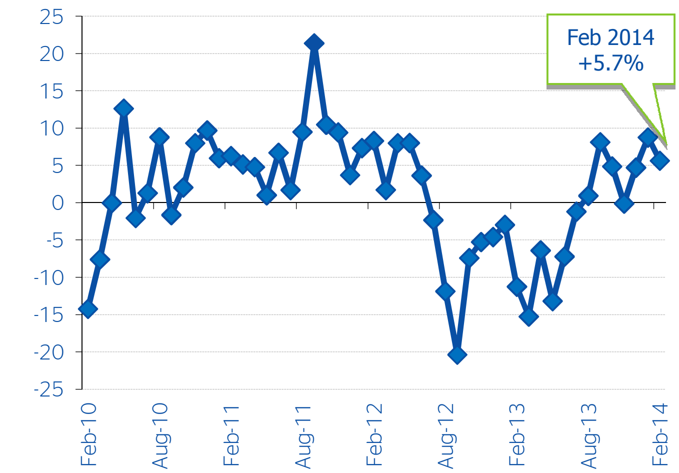
It's estimated that remittances will continue its growth path for the month of March and subsequent months. BBVA Bancomer maintained its forecast for remittances from 5% to 6% in annual rate for the current year.

Chart 1
**Accumulated 12-month Remittance Inflows to Mexico (Million dollars)**



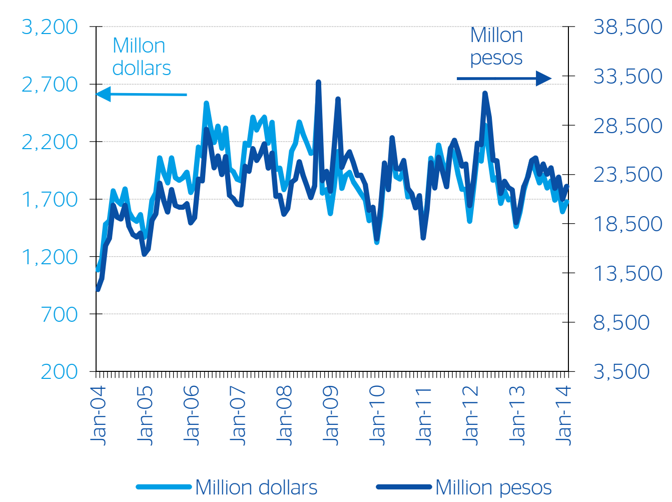

Source: BBVA Research with Banxico figures.

Chart 2
**Family Remittances to Mexico (Annual % change in dollars)**



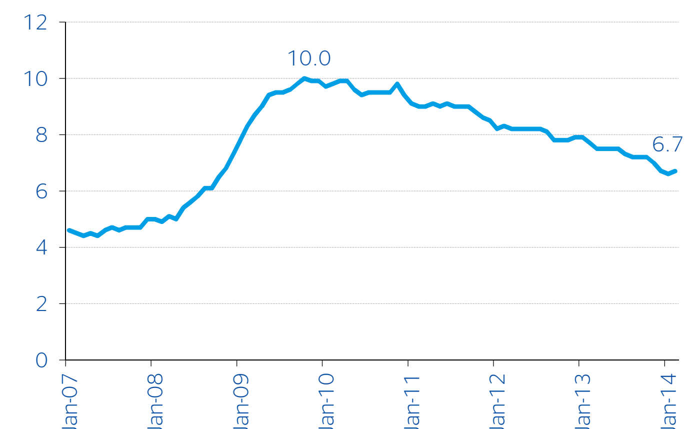

Source: BBVA Research with Banxico figures.

Chart 3
**Monthly remittances inflow to Mexico (Dollars and pesos)**




Source: BBVA Research with Banxico and INEGI figures.

Chart 4
**U.S.: Average unemployment rate (%)**




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



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