

Mexico Migration Flash

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Economic Analysis

México

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Remittances to Mexico grew at double digit in March: increased 16% in annual rate

- **Remittances to Mexico in March reached 2,055.9 million dollars, with a change of 16.0% year-over-year, so the growth trend is maintained from the start of 2014 (8.8% in Jan '14 and 5.7% in Feb '14)**
- **The number of Mexican immigrant workers in the United States had an expansion of 1.3% in the first quarter of 2014**
- **In the last quarter, Texas was the state of the American Union with the highest increase of Mexican immigrant workers, while the biggest growth by industry in the same period has been observed in the construction**

The 2014Q1 was favorable in terms of remittances to Mexico, according to the report of Banco de México, in March entered to Mexico 2,055.9 million dollars, an increase of 16.0% in annual rate. In this way, there is a continuous growth during the first quarter of 2014, as remittances grew 8.8% in January 2014 and 5.7% in February 2014. Thus, remittances in March grew 22.4% compared to the previous month.

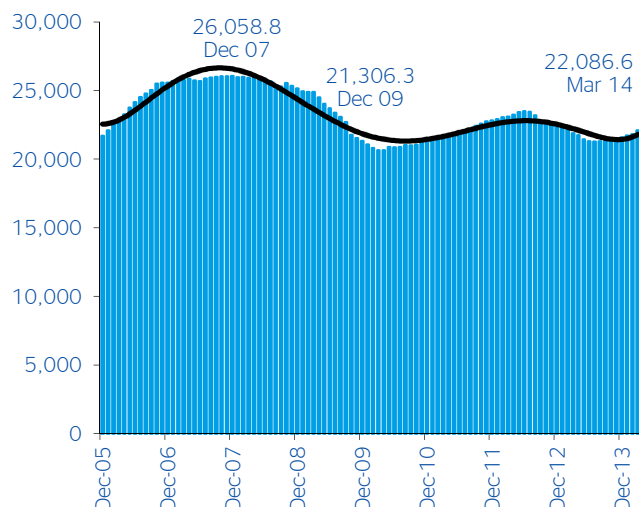
Regarding the number of operations for remittances, there was an increase of 14.6% year-over-year, reaching 6.76 million operations; and the average remittance reached \$303.7, with a change of 1.2% in annual rate.

This positive performance is related to the increase of the number of Mexican immigrants with jobs in the United States, they grew 1.3% in 2014Q1, compared to the same quarter last year, which is an improvement in this indicator but moderate. This growth was mainly observed in the jobs of the construction sector distributed in a large number of states of the American Union.

However, there is a differentiated pattern in the growths of Mexican immigrants' jobs by states in U.S. For example, in states with the highest concentration of Mexican immigrants, there are states that have almost no changes in 2014Q1, as California; states with decrease in the number of Mexican immigrant workers as Illinois (-9.7%) and Arizona (-0.2%); and finally, Texas has the highest growth for the 2014Q1 with 1.7% compared to the same quarter last year.

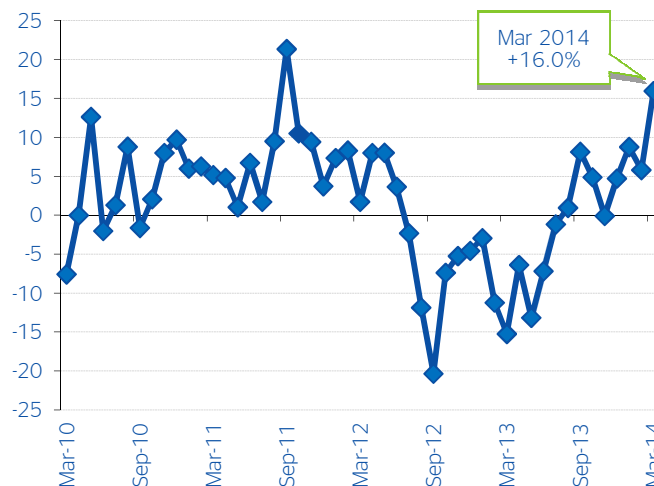
It's estimated that remittances will continue its growth path for subsequent months. BBVA Bancomer maintained its forecast for remittances from 5% to 6% in annual rate for the current year.

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



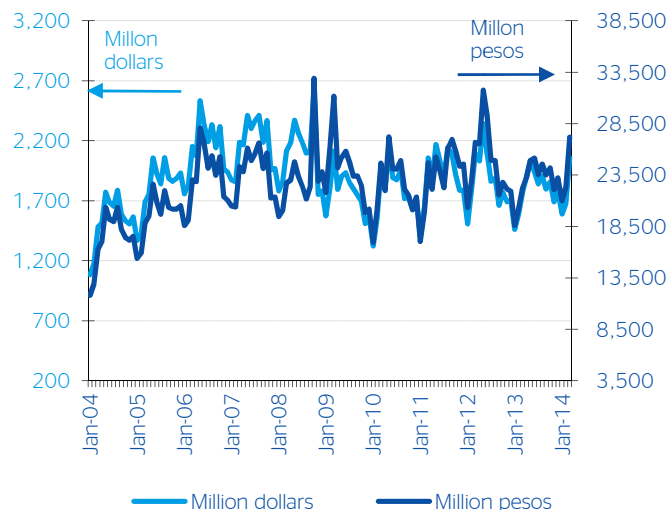
Source: BBVA Research with Banxico figures.

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



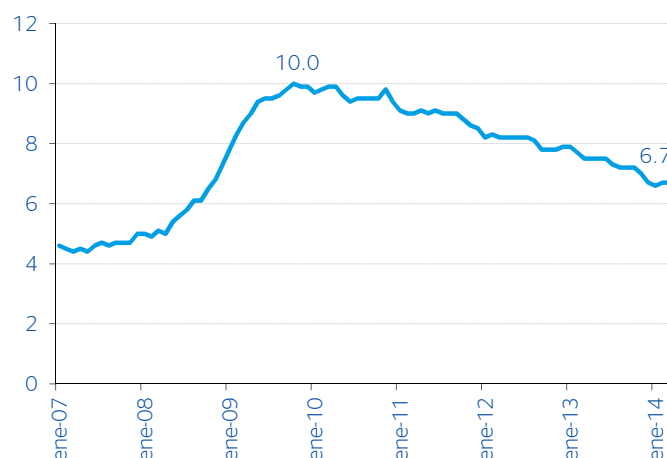
Source: BBVA Research with Banxico figures.

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

Disclaimer

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