

04.05.23

# Family Remittances 2022 in Numbers





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# Remittances in 2022

- In this presentation, we address the following topics:
- Annual trends: 14 percent increase to US\$150 billion
- Some considerations about flows and factors
- Continued increase associated to large migration patterns in 2022, mostly from politically conflictive countries
- US outbound remittance flows
- Trends since 2020: 80 percent of flows
- Transactions and the digital landscape: 30 percent digital/online
- Things to consider for 2023:
  - Continued migration but in smaller scale than 2022
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  - The drivers of migration will remain as in 2022
  - Growth in remittances will be smaller than in 2022

# Trend in 2022

- US\$150 billion in 2022:
  - At least 26 million senders and 40 million transactions
- Annual 14 percent growth
- Most migration and growth in remittances originates from unstable and fragile states
- More than half of Latin America and the Caribbean countries have diasporas making up more than 15 percent of their nationality

# 2022: US\$150 Billion Mobilized through 40 Million Transactions



Family remittances continue to demonstrate an annual 10 percent growth rate since 2010. Some longer standing remittance receiving countries like Jamaica or El Salvador still show over 5 percent annual growth between 2015-2022.

# Remittances and Migration

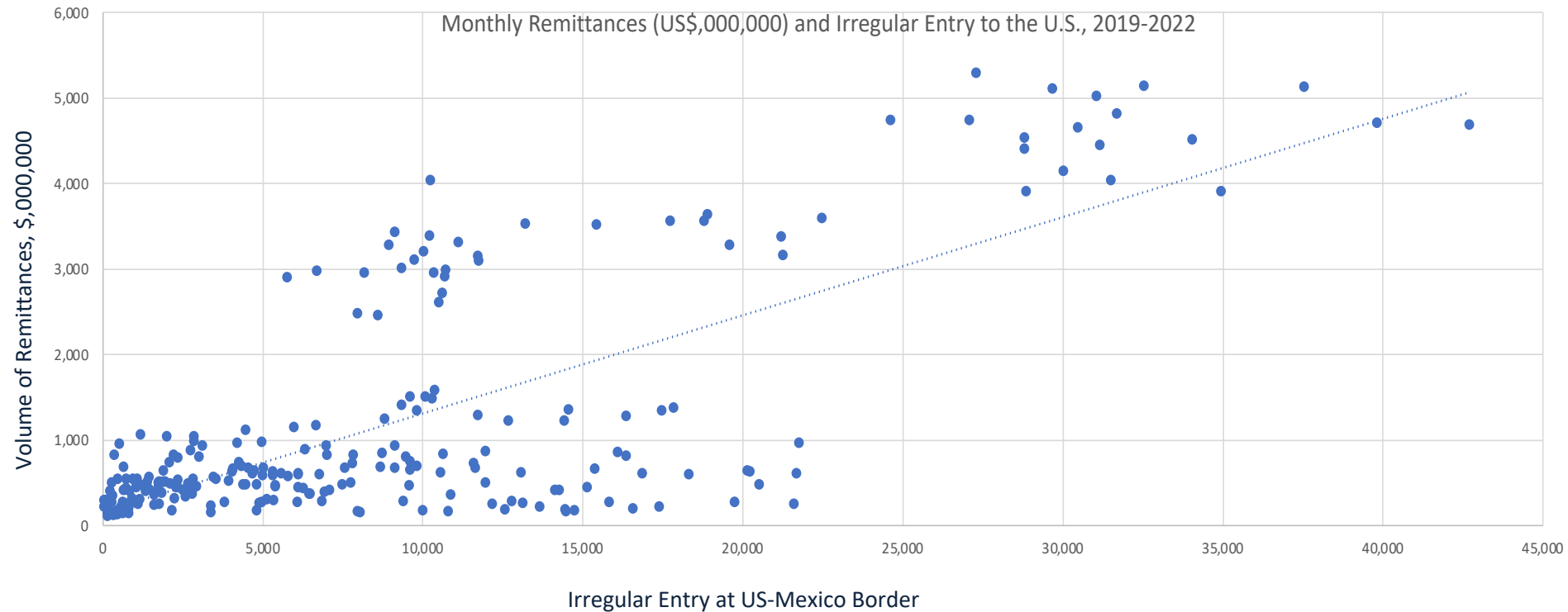
Year	Remittances 2022 Growth	Volume 2021	Volume Projected 2022	Migrant Apprehension growth, Jan-Sept (2021-2022)	Average principal increase 2021- 2022	Senders
Colombia	10%	8,608,268,971	9,428,242,000	1809%	-2%	2,149,652
Ecuador	2%	4,367,441,781	4,468,128,015	-78%	1%	1,083,780
El Salvador	3%	7,488,469,373	7,741,411,300	-22%	4.5%	1,563,078
Guatemala	26%	15,407,572,610	19,407,779,092	-32%	3%	2,284,910
Haiti	-10%	3,655,762,586	3,290,186,327	-1%	1%	1,096,729
Honduras	21%	7,203,426,673	8,686,862,215	-48%	2%	1,278,832
Jamaica	-7%	3,706,698,183	3,441,832,732		1%	978,287
Mexico	8%	54,130,298,399	58,497,102,400	21%	2%	9,472,373
Nicaragua	49%	2,150,900,000	3,203,000,000	159%	9%	882,419
Peru	5%	3,591,690,873	3,771,600,000			922,191
Dom. Rep.	-8%	10,742,800,000	9,856,960,000		-6%	1,407,431
Venezuela	5%	3,998,610,228	4,198,540,740	164%		2,332,523
Ten Countries	9%	125,051,939,677	135,991,644,821			25,452,205
LAC	14%	132,167,639,778	150,671,109,347			2,000,000
Share of all of LAC		95%	91%			27,452,205

# Remittances as Share of GDP (percent)

Country Name	1990	2000	2010	2015	2018	2019	2020	2021	2022
Argentina	0.0	0.0	0.2	0.1	0.1	0.1	0.2	0.2	0.2
Belize	3.4	2.2	4.5	3.8	4.0	4.0	5.8	5.4	
Bolivia	0.1	1.5	4.9	3.6	3.4	3.3	3.1	3.5	3.5
Brazil	0.1	0.2	0.1	0.2	0.2	0.2	0.2	0.3	
Colombia	1.0	1.6	1.4	1.7	2.0	2.2	2.6	2.7	2.8
Costa Rica	0.2	0.9	1.4	1.0	0.9	0.9	0.8	0.9	1.0
Dominican Republic	4.5	7.6	7.2	7.3	8.0	8.3	10.6	11.4	10.3
Ecuador	0.3	7.2	3.7	2.4	2.8	3.0	3.4	4.1	4.2
El Salvador	7.6	15.0	18.8	18.2	20.7	21.0	24.1	26.1	26.7
Guatemala	1.6	3.1	10.4	10.4	12.9	13.8	14.7	17.9	20.0
Guyana	..	3.8	10.7	7.1	7.0	7.4	7.8	6.8	6.8
Haiti	..	8.5	12.4	14.8	18.0	20.5	23.8	20.0	15.9
Honduras	1.3	6.6	16.5	17.5	19.8	21.5	23.5	25.3	28.8
Jamaica	5.0	9.7	15.3	16.6	15.9	16.2	22.2	25.3	25.6
Mexico	1.2	1.1	2.1	2.2	2.9	3.1	3.9	4.3	4.6
Nicaragua	..	6.3	9.4	9.4	11.6	13.4	14.7	15.3	22.2
Panama	1.7	0.1	1.4	1.0	0.8	0.9	0.8	0.9	0.9
Paraguay	0.6	1.7	1.5	1.5	1.7	1.8	1.6	1.5	1.3
Peru	0.3	1.4	1.7	1.4	1.4	1.5	1.5	1.6	1.7
Suriname	0.1	0.1	0.1	0.1	2.5	2.4	4.3	4.9	4.9
Trinidad and Tobago	0.1	0.5	0.4	0.6	0.6	0.6	0.9	1.0	1.0
Uruguay	..	..	0.3	0.2	0.2	0.2	0.2	0.2	0.2
Venezuela, RB	0.0	0.0	0.0	..	..	..	..	..	5.3



# Remittance Growth of the Past Three Years is Mostly Migration Related



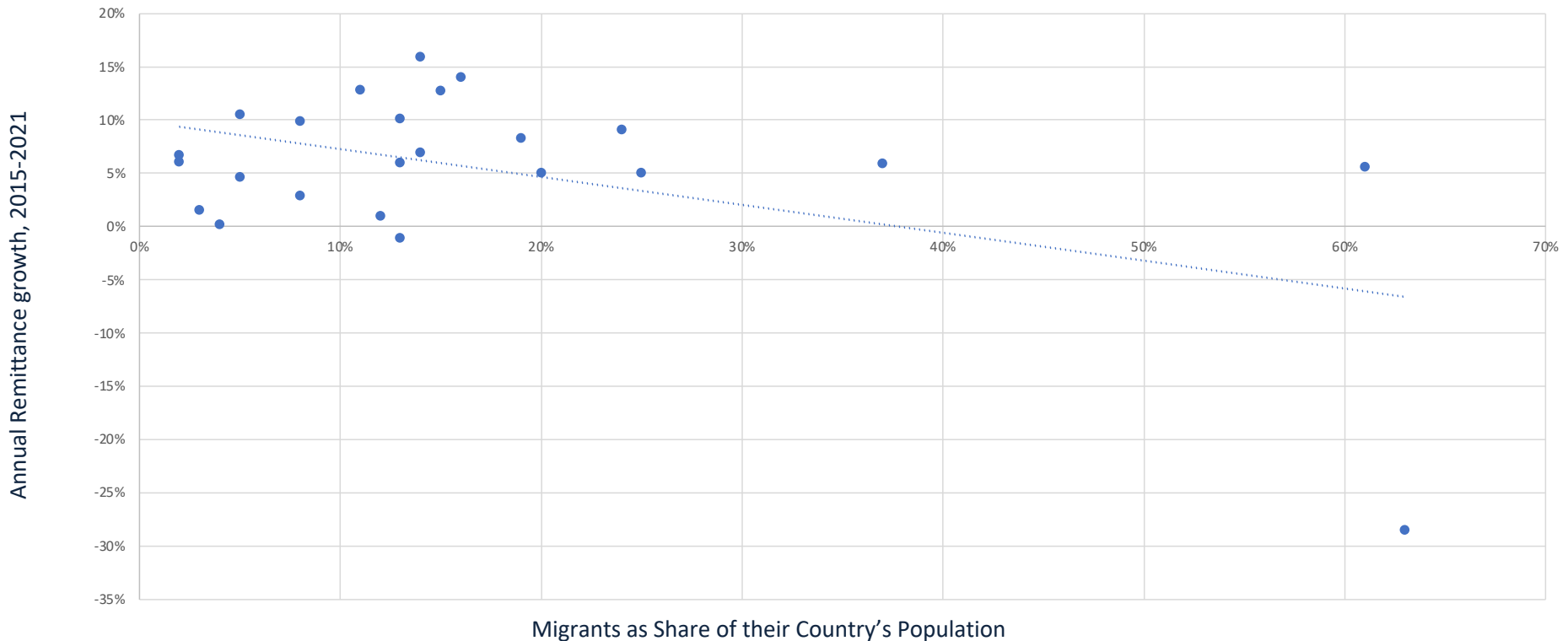
# Recent Migration Growth is Originating from Fragile States

Countries	2020	Growth (2015-2020)
Venezuela, RB	5,415,337	51%
Guatemala	1,577,375	7%
Honduras	985,077	6%
Nicaragua	850,000	6%
Haiti	1,869,671	5%
Cuba	1,897,128	4%
LAC	41,395,895	4%
Brazil	1,850,000	4%
D. Republic	1,724,189	3%
Argentina	1,076,148	3%
Bolivia	927,244	2%
Colombia	3,024,273	2%
Peru	1,519,635	2%
Jamaica	1,118,931	2%
Costa Rica	150,241	1%
Trinidad and Tobago	330,519	1%
Paraguay	896,484	1%
El Salvador	1,599,058	1%
Mexico	12,185,737	0%
Ecuador	1,127,891	0%
Panama	139,520	-1%
Guyana	438,413	-2%
Belize	52,756	-4%
Suriname	273,209	-8%
Uruguay	367,060	-9%

# Remittance Transfer: Five Year Annual Growth and Migrants as Share of Population

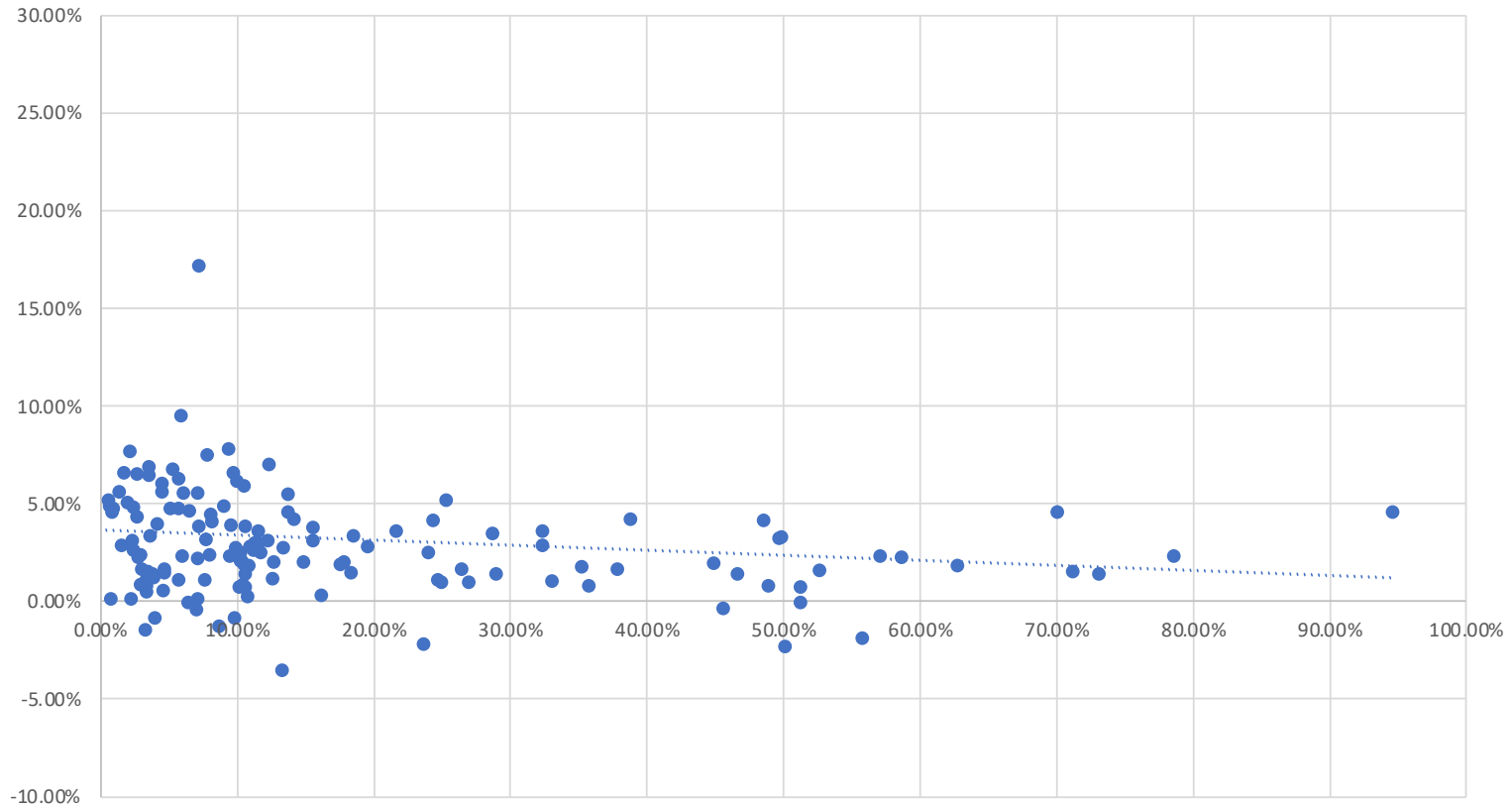
Country Name	Growth 2001-2005	2005-2010	2010-2015	2015-2022	Migr./Pop.
Argentina	18%	8%	-5%	7%	2%
Belize	9%	12%	-7%	8%	19%
Bolivia	20%	23%	11%	3%	8%
Brazil	14%	2%	-2%	6%	1%
Colombia	10%	4%	11%	11%	5%
Costa Rica	16%	5%	3%	2%	3%
Cuba	3%	2%	5%	-1%	15%
Dominican Republic	7%	7%	11%	10%	15%
Ecuador	12%	1%	8%	10%	8%
El Salvador	9%	3%	9%	9%	24%
Guatemala	37%	7%	12%	16%	13%
Guyana	55%	13%	0%	6%	61%
Haiti	10%	8%	13%	6%	13%
Honduras	24%	8%	11%	13%	15%
Jamaica	11%	3%	1%	6%	37%
Mexico	18%	-1%	11%	13%	11%
Nicaragua	13%	6%	9%	14%	17%
Panama	12%	26%	6%	0%	4%
Paraguay	3%	21%	7%	1%	12%
Peru	14%	12%	5%	5%	5%
Suriname	81%	2%	-127%	-29%	63%
Trinidad and Tobago	18%	0%	-7%	5%	25%
Uruguay	562%	10%	14%	7%	14%
Venezuela				5%	25%
LAC (24 countries)	15%	3%	12%	11%	

# Growth of Remittances: 2015-2021 and Share of Migrants relative to Population (2021)



\*Remittance flows slow down during normal times across countries with large diasporas and decades long migration.

# Migrants as Share of Population and Annual Migration Growth



\*Over time, migration growth slows down when the diaspora is over 20 percent of its population. A 1 percent increase of migrants relative to their homeland population decreases growth by 2.7 percent.

# Remittances from the US

# Flows from the US

- 80 percent of flows to Latin America and the Caribbean are originating from the United States, up from 75 percent in 2019
- The number of migrants sending remittances increases in one million between 2021 and 2022
- Transactions from the US are at US\$30 million with 30 percent digital origination

# Senders from the US

Nationality	2020			2021			2022		
	Senders	US Senders	US Share	Senders	US Senders	US Share	Senders	US Senders	US Share
Bolivia	649,071	90,000	14%	649,535	92,140	14%	650,000	92,483	14%
Brazil	1,897,128	388,140	20%	1,954,042	394,739	20%	2,010,956	418,139	21%
Colombia	2,050,210	656,067	32%	2,062,577	673,162	33%	2,149,652	744,107	35%
Costa Rica	125,000	81,250	65%	122,500	82,690	68%	120,000	83,180	69%
Dom. Rep	1,158,168	752,809	65%	1,346,474	771,391	57%	1,407,431	780,211	55%
Ecuador	845,918	365,437	43%	1,022,434	394,957	39%	1,083,780	413,607	38%
El Salvador	1,439,152	1,295,237	90%	1,523,345	1,345,847	88%	1,563,078	1,381,111	88%
Guatemala	1,750,000	1,662,500	95%	1,873,945	1,713,249	91%	2,124,910	1,868,504	88%
Haiti	1,078,263	476,119	44%	1,206,402	510,698	42%	1,096,729	548,995	50%
Honduras	985,077	837,315	85%	988,562	948,345	96%	1,178,832	1,035,084	88%
Jamaica	805,630	570,506	71%	958,721	581,385	61%	978,287	584,447	60%
Mexico	8,871,408	8,064,916	91%	9,144,894	8,358,303	91%	9,472,373	8,715,618	91%
Nicaragua	750,000	450,000	60%	806,778	490,400	61%	882,419	580,570	66%
Paraguay	537,890	29,087	5%	548,945	30,252	6%	560,000	30,307	5%
Peru	816,000	425,498	52%	838,139	434,406	52%	922,191	463,204	50%
Venezuela	1,735,825	273,500	16%	2,244,435	319,327	14%	2,753,045	474,520	17%
Other nationalities	3,223,649	967,094	30%	3,320,358	996,568	30%	3,417,068	1,036,430	30%
Latin America and the Caribbean	28,718,390	17,385,476	61%	30,612,085	18,137,858	60%	32,370,750	19,040,517	60%



# New Migrant Remitters in 2021 & 2022 from the US: Increases Vary and Relate to Migration Patterns

Country	2021	2022
Bolivia	2,140	343
Brazil	6,599	23,400
Colombia	17,095	70,945
Costa Rica	1,440	490
Dom. Rep	18,581	8,820
Ecuador	29,520	18,650
El Salvador	50,610	35,265
Guatemala	150,749	55,255
Haiti	34,579	38,297
Honduras	121,030	66,739
Jamaica	10,878	3,063
Mexico	193,387	257,314
Nicaragua	40,400	90,170
Paraguay	1,165	54
Peru	8,908	28,798
Venezuela	45,827	155,193
Other nationalities	29,474	39,863
Latin America and the Caribbean	762,382	892,659

# Online/Digital Market Share by Selective Originating Leading Money Transfer Operators: Annual Increase in Transactions between 2019 and 2022

2022	DRSP1	DRSP2	DRSP3	DRSP3	Other	Digital Market
Brazil	278,000	77,000	25,000		370,000	750,000
Colombia	580,000	110,000	50,000	30,000	160,000	930,000
Costa Rica	10,000		20,000		15,000	45,000
Dom. Republic	400,000	60,000	190,000	15,000	35,000	700,000
Ecuador	23,000	18,000	150,000		25,000	216,000
El Salvador	150,000	45,000	75,000	12,000	60,000	342,000
Guatemala	137,000	75,000	31,250	12,000	125,000	380,250
Haiti	9,100	7,000	25,000		60,000	101,100
Honduras	162,000	60,000	25,000	7,500	60,000	314,500
Jamaica	35,000		40,000	80,000	60,000	215,000
Mexico	1,700,000	900,000	700,000	250,000	1,250,000	4,800,000
Nicaragua	90,000	35,000	70,000	5,000	30,000	230,000
Peru	45,000	30,000	20,000		35,000	130,000
Region	3,039,100	1,417,000	1,221,250	331,500	1,915,000	9,153,850

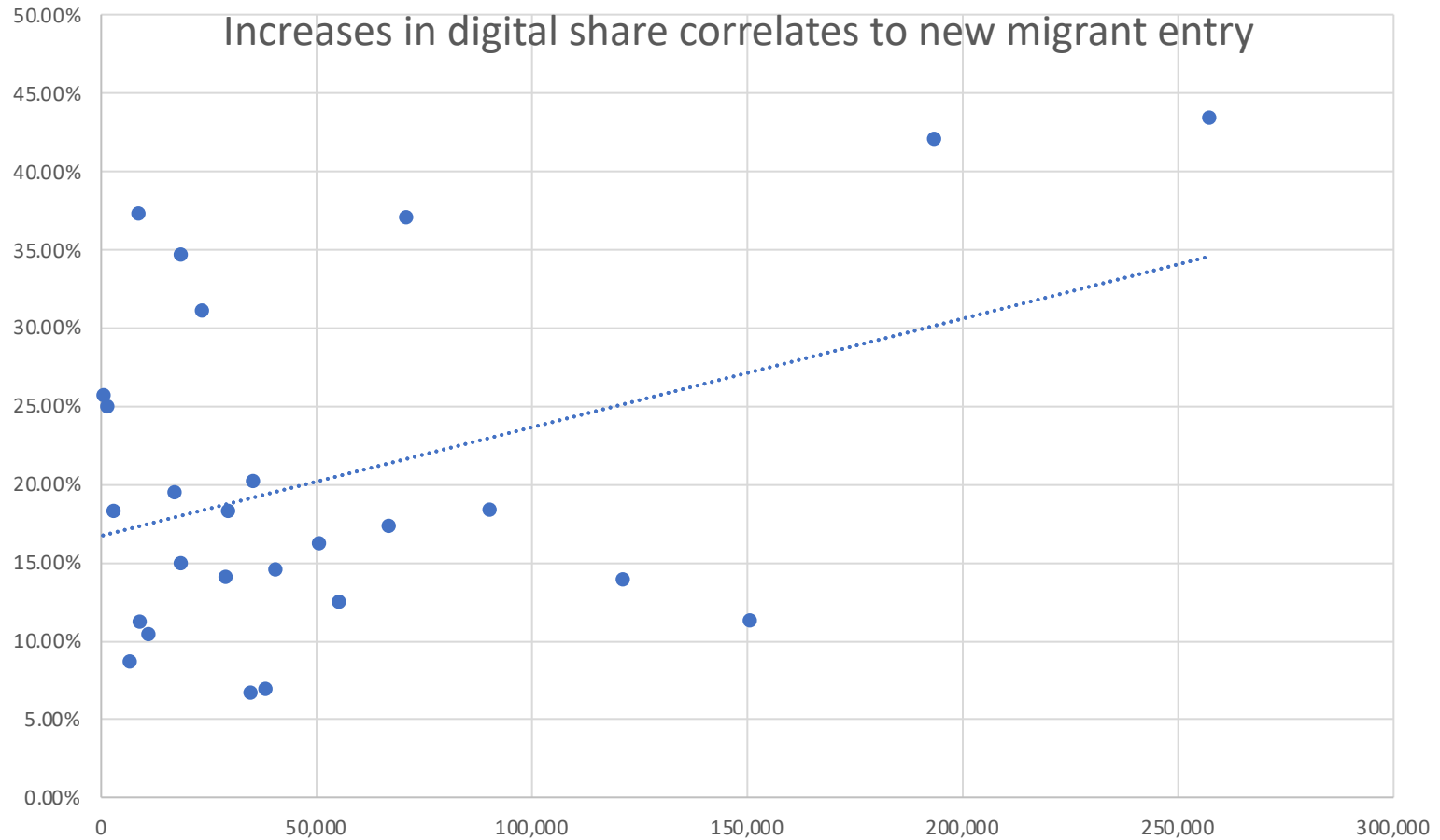
2021	DRSP1	DRSP2	DRSP3	DRSP3	Other	Digital Market
Brazil	98,000		25,000		80,000	203,000
Colombia	285,000	100,000	50,000		100,000	435,000
Costa Rica	10,000		20,000		10,000	40,000
Dom. Republic	282,000	50,000	190,000		100,000	622,000
Ecuador	23,000	15,000	150,000		100,000	250,000
El Salvador	91,000	40,000	75,000		50,000	256,000
Guatemala	87,000	65,000	31,250		70,000	253,250
Haiti	9,100		25,000		60,000	94,100
Honduras	71,000	50,000	25,000		50,000	196,000
Jamaica	15,000		40,000		65,000	120,000
Mexico	1,400,000	950,000	500,000	250,000	750,000	3,850,000
Nicaragua	37,000		70,000		30,000	137,000
Peru	30,000		20,000		30,000	80,000
Region	2,415,100	1,155,000	1,221,250	250,000	770,000	6,566,350

2019	DRSP1	DRSP2	DRSP3	Other	Digital Market
Colombia	52,000	100,000	85,000	30,000	267,000
Dom. Republic	52,000	44,000	50,000		146,000
El Salvador	50,000	35,000	50,000	30,000	165,000
Guatemala	65,000	75,000	50,000	30,000	220,000
Haiti	300				
Honduras	46,000	45,000		30,000	121,000
Jamaica	500				
Mexico	750,000	860,000	1,200,000	100,000	2,910,000
Region	1,015,800.00	1,159,000.00	1,435,000.00	220,000.00	3,829,000.00

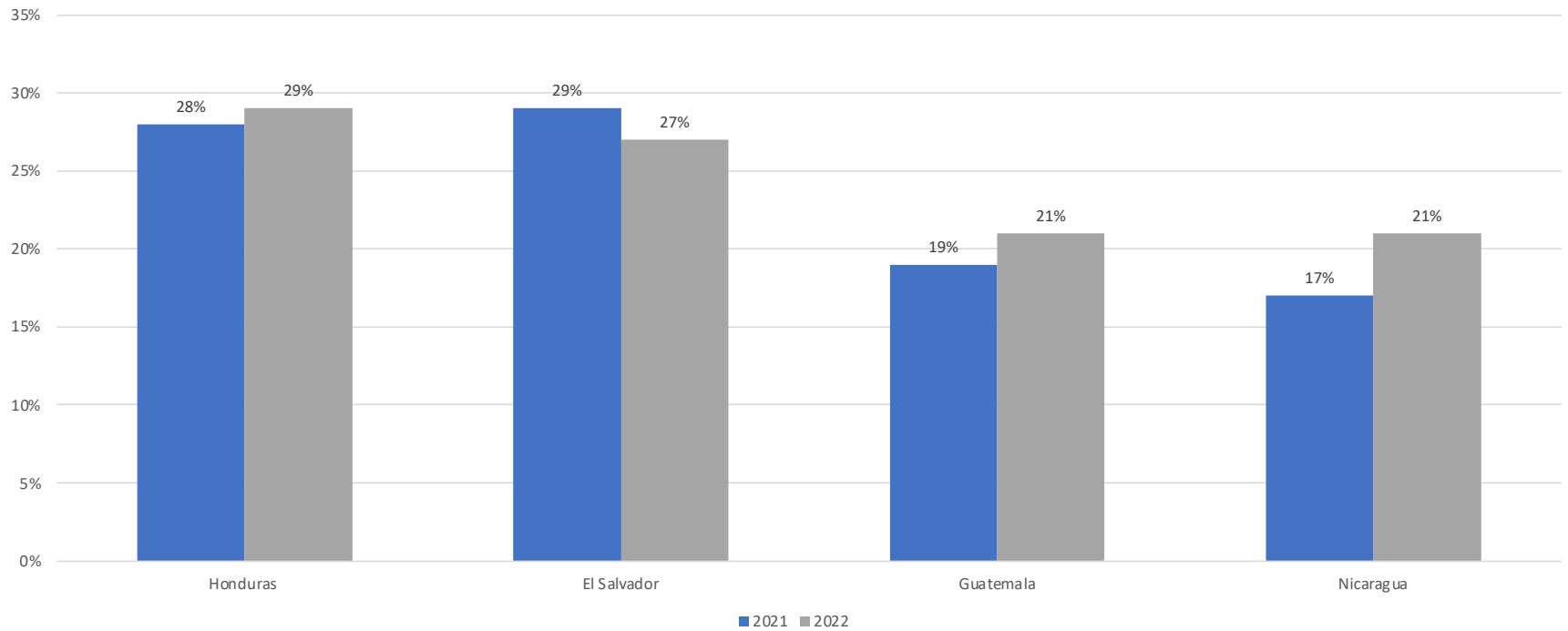
# Total P2P transactions and Digital / Online Transfers

Country	2019			2020			2021			2022		
	Transfers	Digital	Share	Transfers	Digital	Share	Transfers	Digital	Share	Transfers	Digital	Share
Brazil	2,102,650			2,213,316	203,000	9%	2,344,850	203,000	9%	2,413,147	750,000	31%
Colombia	2,272,316	267,000	12%	2,391,911	535,000	22%	2,234,458	435,000	19%	2,507,928	930,000	37%
Costa Rica	138,542			145,833	45,000	31%	160,000	40,000	25%	175,000	45,000	26%
Dom. Rep	1,283,636	146,000	11%	1,351,196	622,000	46%	1,795,299	622,000	35%	1,876,575	700,000	37%
Ecuador	937,559			986,905	265,000	27%	1,363,245	250,000	18%	1,445,040	216,000	15%
El Salvador	1,595,060	165,000	10%	1,679,011	256,000	15%	1,574,377	256,000	16%	1,693,334	342,000	20%
Guatemala	1,939,583	220,000	11%	2,041,667	253,250	12%	2,231,926	253,250	11%	3,046,546	380,250	12%
Haiti	1,195,075			1,257,974	99,100	8%	1,408,930	94,100	7%	1,458,930	101,100	7%
Honduras	1,091,794	121,000	11%	1,149,257	196,000	17%	1,406,890	196,000	14%	1,811,679	314,500	17%
Jamaica	892,907			939,902	140,000	15%	1,150,465	120,000	10%	1,173,944	215,000	18%
Mexico	9,832,477	2,110,000	21%	10,349,976	3,125,000	30%	9,144,894	3,850,000	42%	11,051,101	4,800,000	43%
Nicaragua	831,250			875,000	167,000	19%	941,241	137,000	15%	1,250,094	230,000	18%
Peru	904,400			952,000	100,000	11%	977,828	110,000	11%	922,191	130,000	14%
Selected countries	18,014,867	3,029,000	17%	26,333,947	6,006,350	23%	26,734,404	6,566,350	25%	30,825,510	9,153,850	30%

# Digital Transfers as Share of the Total & Migration 2021-2022



# Remittances as Percentage of the GDP

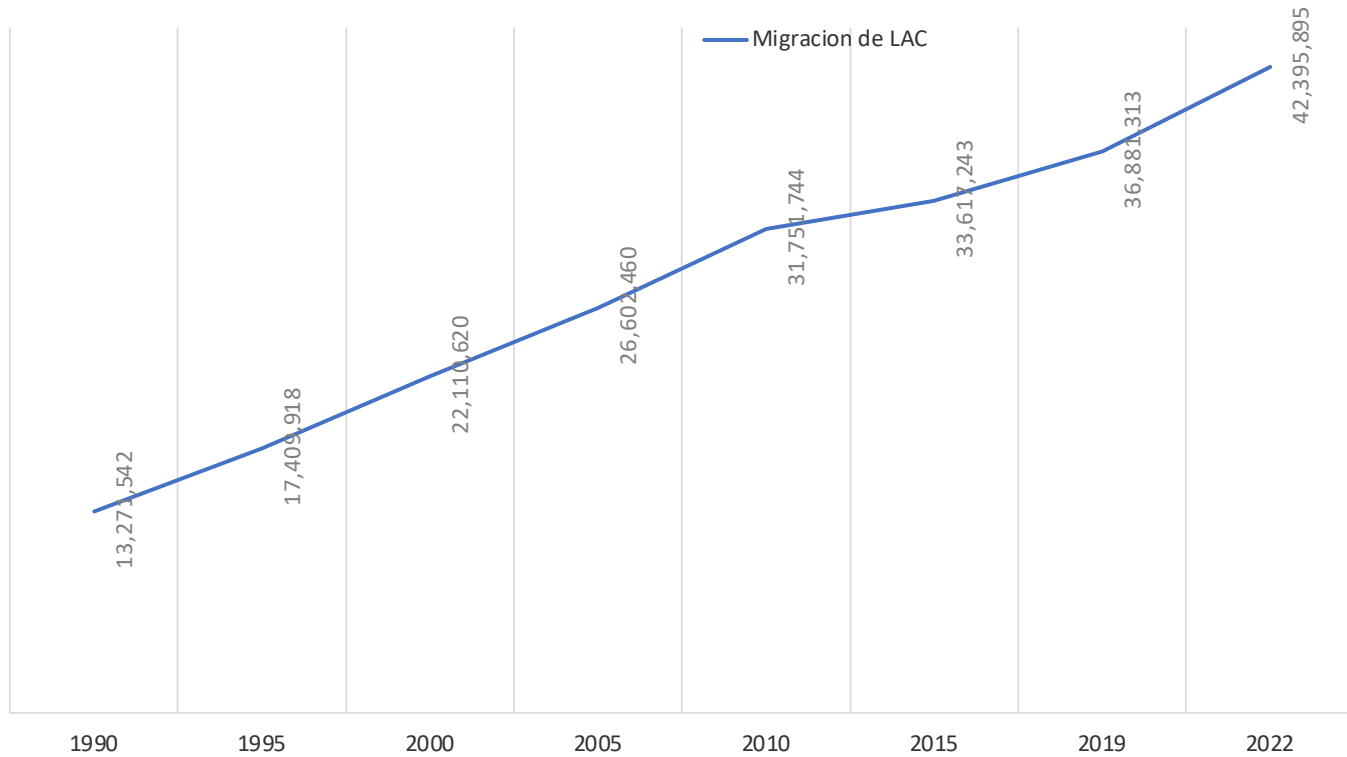


What to expect in 2023?

# Some Considerations

- Continued but uneven growth
- Migration shaped by political and social events
- Natural disasters affecting migration over time
- Size of migration from Mexico and the Northern Triangle will lower
- Cuban migration and incorporation in the US will increase demand for transfers to Cuba
- Intra-regional migration may slow but demand for transfers via remittance transfer services will continue increasing
- Migration from Ecuador may signal a new wave since the year 2000: between 2020 and 2022, 100,000 Ecuadorians arrived at the US border – that is two thirds the arrivals in 2000

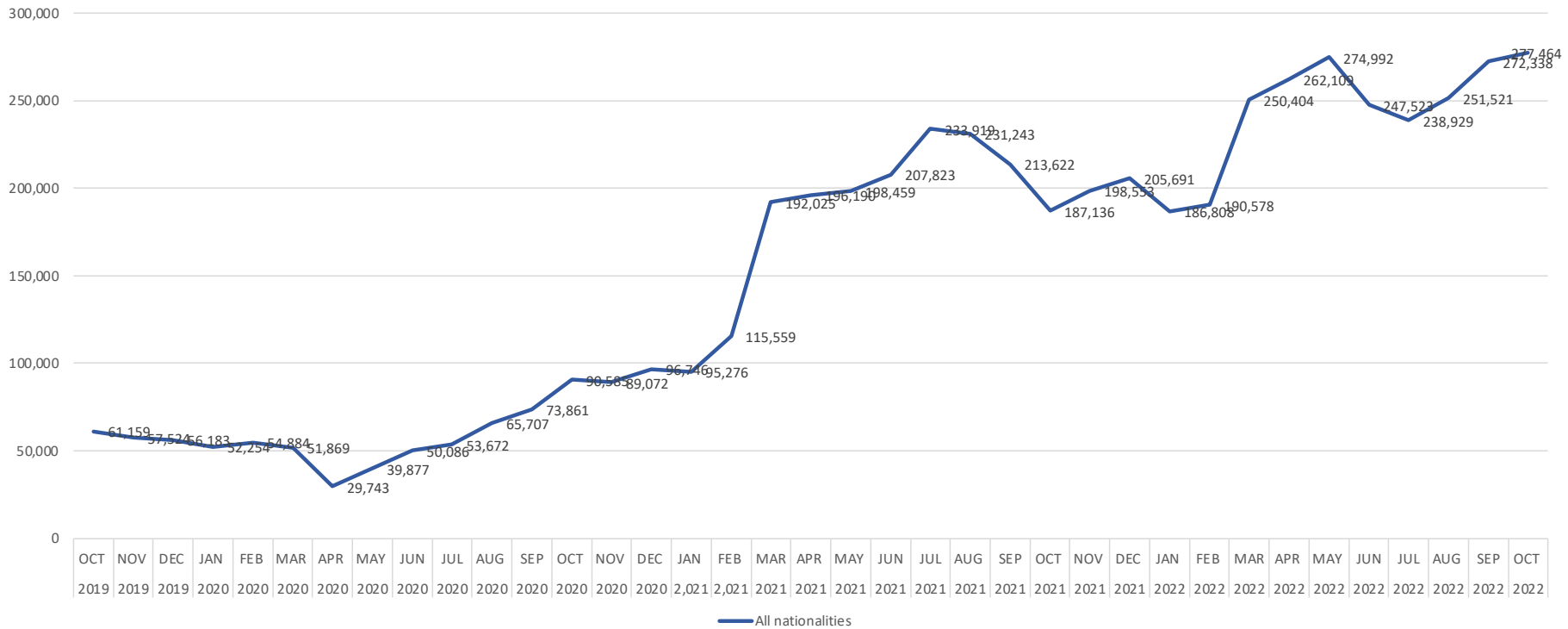
# Migration Increases Started with the Post 2009 Global Recession





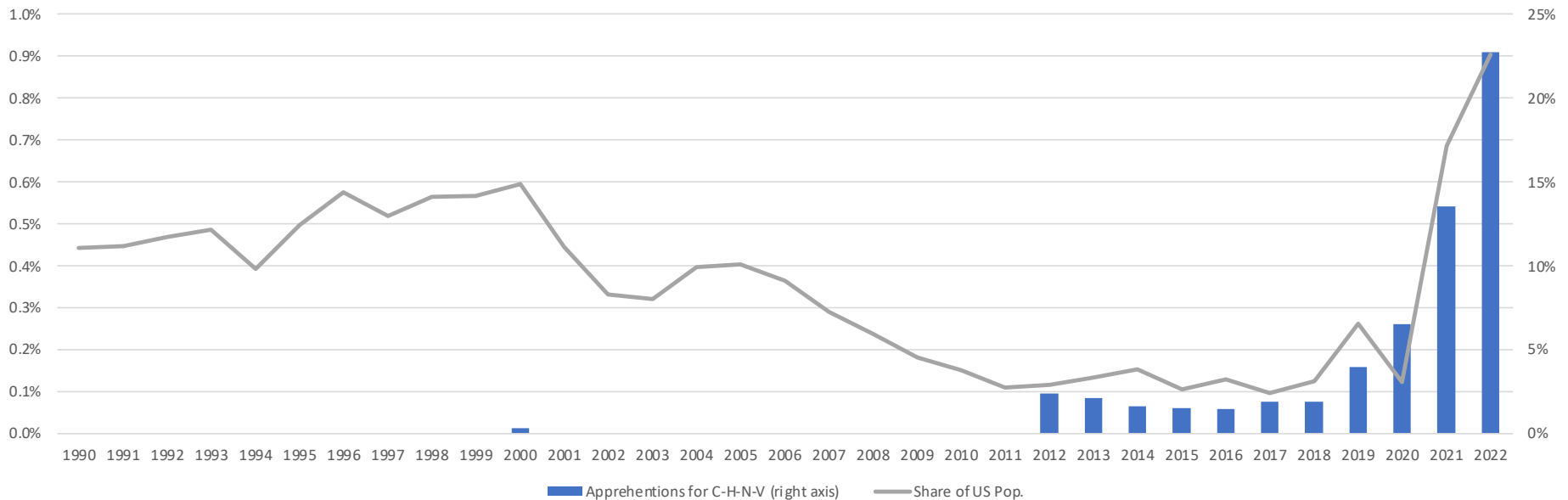
# Migration Flows to the United States have doubled to nearly 5 million people annually between 2021 and 2022 (compared to 2019 and earlier years)

Persons Encountered at the US Border: All nationalities

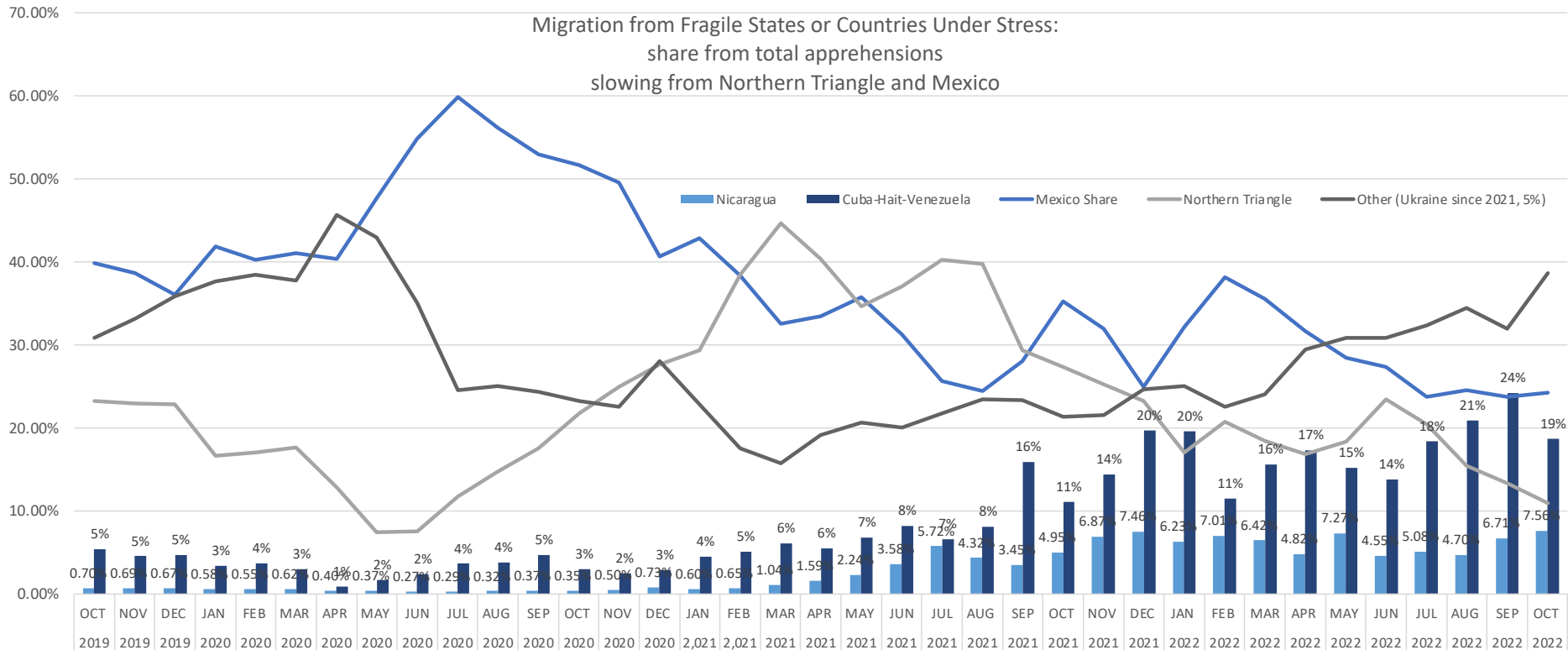


# Migration Growth is Exponential Since the Post 2009 Global Recession

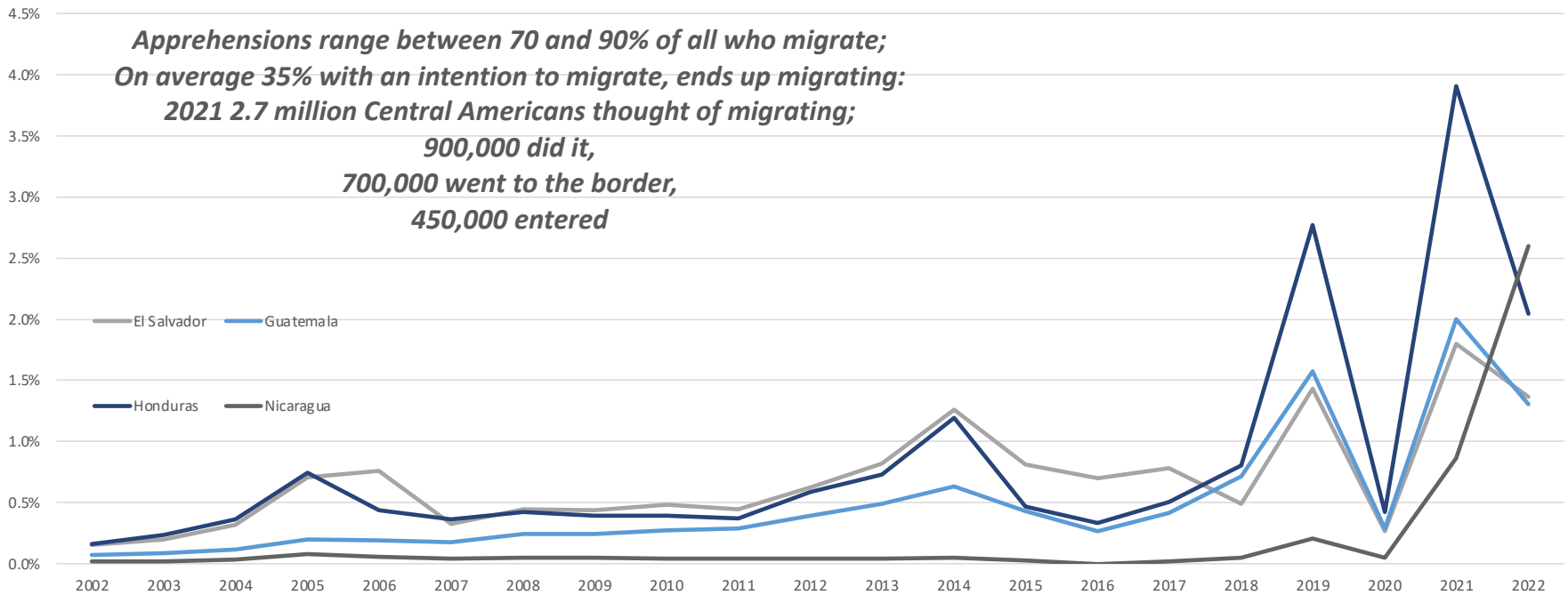
Apprehensions as Share of the US Population  
and share of Cuba, Haiti, Nicaragua and Venezuela to total Apprehensions



# Changing Composition of Migration: The Increase Originates from Fragile States



# Central America: Border Apprehension as Share of Home Country Population

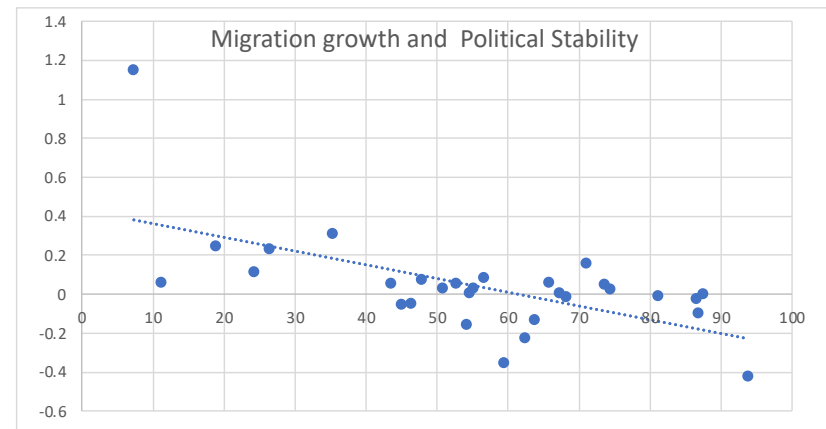
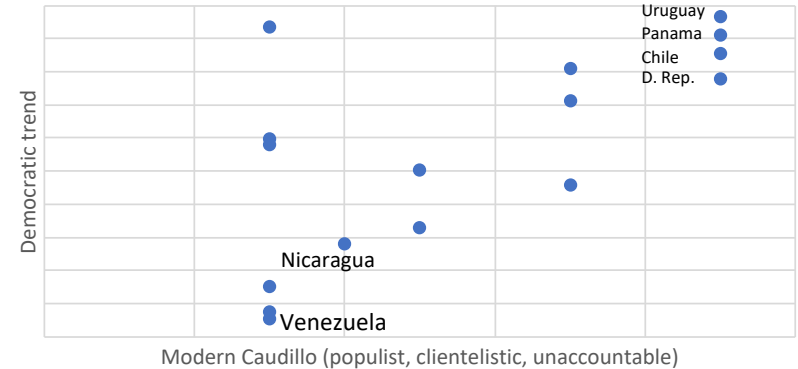


# Political Instability as a Migration Driver

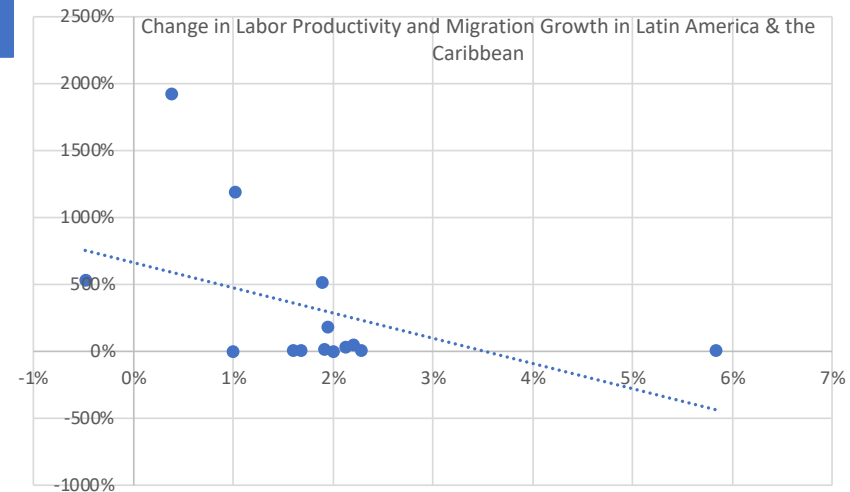
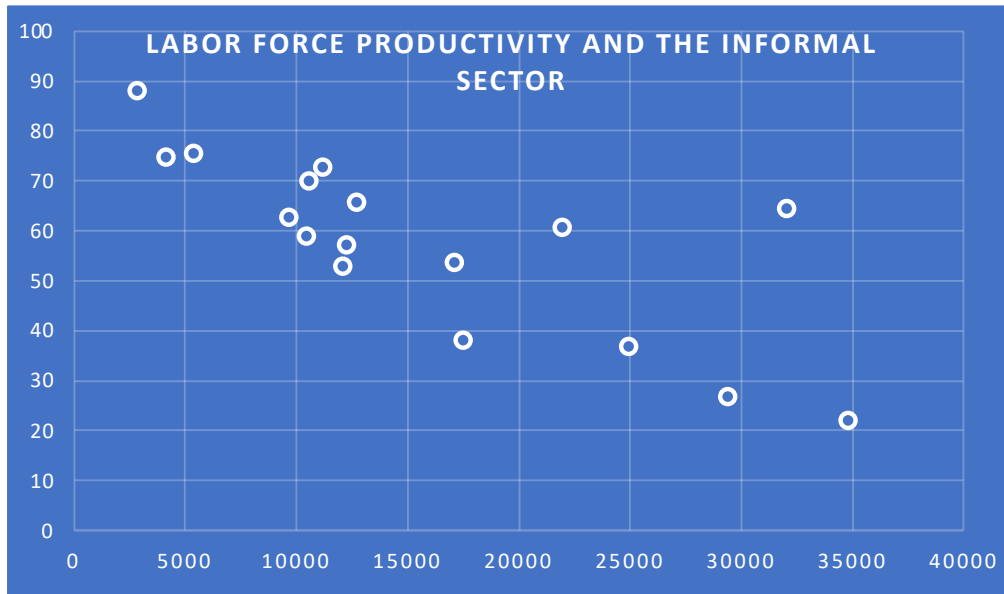
Presidents	Country
Fernandez	Argentina
Arce	Bolivia
Boslonaro-Lula	Brazil
Boric	Chile
Petro	Colombia
Chaves	Costa Rica
Diaz-Canel	Cuba
Abinader	Dominican Republic
Lasso	Ecuador
Bukele	El Salvador
Giamattei	Guatemala
Irfaan Ali	Guyana
Moisse (+)	Haiti
Castro-Zelaya	Honduras
Holness	Jamaica
AMLO	Mexico
Ortega	Nicaragua
Cortizo	Panama
Mario Abdo	
Beníte	Paraguay
Castillo	Peru
Santokhi	Suriname
Paula-Mae	Trinidad and Tobago
Weekes	Tobago
Lacalle	Uruguay
Maduro	Venezuela

Committed Democrat	
Risk averse democrat	
Populist, non committed	
Dictatorship/Failed state	

Democratic Backsliding and the impact of New Caudillos



# Migration, Informality & Labor Productivity: Continued Economic Underperformance will Drive Migration



# Climate Change & Migration in Central America (2000-2021)

- The regularized effect of natural disasters creates displacement due to the gradual wearing out of resources over time
- The relationship between migration and climate change exists and will be further problematized
- Statistically, there is no relationship because these events do not always have immediate effects ,with some exceptions like hurricanes Eta and Iota in 2020
- However, it is important to consider diaspora engagement on issues related to conservation and climate adaptation among Caribbean and Central American countries

# Natural Disasters in Central America (2000-2021)

Type of disaster	El Salvador	Guatemala	Honduras	Nicaragua	Four countries
Flood	8	18	9	13	48
Tropical Cyclone	7	4	5	8	24
Epidemic	6	3	6	3	18
Drought	4	4	5	3	16
Earthquake	5	5	2	2	14
Tech. Disaster	2	8			10
Severe Local storm	2	2	1	4	9
Volcano	2	6			8
Land Slide	1	4		1	6
Other		2	1	1	4
Cold Wave		3			3
Wild fire			2	1	3
Mud Slide		1		1	2
Extreme temperature		1			1
Fire			1		1
Mudslide		1			1
Storm Surge	1				1
Tornadoes				1	1
Wave			1		1
<b>Total</b>	<b>38</b>	<b>62</b>	<b>33</b>	<b>38</b>	<b>171</b>



# Outmigration at the Municipal level from the Three Countries as Share of Migrants from the Dry Corridor

- Over time the shifts have been small and uneven (comparison between Guatemala and Honduras)
- The most affected area by the Dry Corridor in Honduras is the Western part of the country, where 20% of Hondurans live (it is one of the poorest areas)
- There is also a significant increase in outmigration from the Dry Corridor and proportional to its population—unlike other areas
- The geographic origin of migration is not related to population distribution but more so to economic factors – marginal declines in income in large cities; transnational ties; insecurity in high crime areas

Dry Corridor	EL SALVADOR	GUATEMALA	HONDURAS
<b>2012</b>	100%	72%	44%
<b>2015</b>	100%	70%	48%
<b>2018</b>	99%	67%	46%
<b>2020</b>	100%	68%	47%
<b>Pop.2018 Dry C</b>	100%	60%	54%

NW Dry corridor	HONDURAS
<b>2012</b>	12%
<b>2015</b>	11%
<b>2018</b>	19%
<b>2020</b>	18%
<b>Pop.</b>	20%

# Migration to Chile, Costa Rica, Panama & Dominican Republic

- Migration in these countries has also increased in large numbers (2022)
- These four countries capture more than 20 percent of all migrants from LAC.
- Chile is now host to 1.4 million migrants.

Migrants from	Brazil	Chile	Costa Rica	Colombia	Dom. Rep	Ecuador	Panama	Peru	United States	All countries	Part.	M/ Pop
Colombia	8,395	173,440	26739	..	3,687	200,539	98,253	44,250	753,847	2,736,230	47%	5%
Cuba	2,544	3,173	5,791	1,945	3,927	3,083	2,917		1,251,037	1,558,312	83%	14%
El Salvador	279	242	13,984	409	273	537	3,330		1,392,663	1,559,924	94%	24%
Guatemala	357	236	2,676	490	438	442	1,658		975,504	1,117,355	89%	7%
Haiti	10,000	180,852		122	336,729	98	559		671,499	1,364,492	87%	12%
Honduras	155	249	3,947	376	433	482	1,553		597,647	722,430	85%	7%
Nicaragua	449	249	440,298	611	298	403	40,000		540,000	1,136,000	93%	17%
Venezuela	388,120	444,717	29,906	2,477,588	115,283	502,214	146,358	1,490,673	700,000	7,131,435	88%	25%
Nine countries	410,299	803,158	423,341	2,481,541	461,068	707,798	294,628	1,534,923	6,682,197	17,080,156	82%	12%
Latin America & Caribe	550,000	1,482,390	458,237	2,500,000	500,000	800,000	350,000	1,300,000	23,362,654	43,326,446	73%	
	75%	54%	92%	99%	98%	98%	98%	98%	98%	37%		

# The Importance of a Differentiated Country Approach

- It is important to consider a differentiated country approach for any business strategy, particularly among 11 countries which capture 90% of all flows

Year	Remitt. Growth	Share of GDP in 2022	Migr. Growth (2015-2020)	Political Stability	Willingness To Cooperate	RRHH /THH*	Competitive Position of Payment Networks (share of top three payers)	Payment network	Digital integration level of financial ecosystem	Financial Inclusion **
Honduras	20%	29%	6%	Conflictive	Moderate	45%	Over 70%	More than 8,000 payment points	Low	37.85
El Salvador	4%	27%	1%	Conflictive	Reluctant	64%	Over 70%	More than 6,000 payment points	Low	35.85
Jamaica	-3%	26%	2%	Stable	Open	84%	Over 70%	Over 3,000 payment points	Medium	73.3
Guatemala	21%	21%	7%	Conflictive	Moderate	45%	Over 70%	More than 20,000 payment points	Low	40
Nicaragua	40%	21%	12%	Conflictive	None	46%	Over 70%	Less than 2,000 payment points	Fragile	30
Haiti	-10%	17%	5%	Failing	Open	36%	Over 70%	Less than 1,000 payment points	Fragile	30
Dom. Rep.	-7%	10%	3%	Stable	Open	28%	Between 40-50%	More than 3,000 payment points-home delivery prevails	Low	51.3
Venezuela	5%	5%	51%	Conflictive	None to Reluctant	26%	Informal	No marketplace, in need for dense network	Low	80
Mexico	18%	5%	2%	Stable	Moderate	25%	Between 40-50%	Extensive network of more than 100,000 points	Medium	40
Ecuador	7%	4%	0%	Stable	Moderate	17%	Between 40-50%		Low	64.18
Colombia	9%	3%	2%	Stable but tense	Open	16%	Over 70%	Extensive network, of more tan 20,000 points	Medium	59.72
Peru	5%	2%	2%	Stable but tense	Open	10%	Between 40-50%	Competitive and working on digital integration	Medium	57





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