

The Money Transfer Industry

Are we in a time of Transition?

Trends & Perspectives

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ASIA
2018

What are these figures?

1 025 000 000 000

The amount in US\$ that will be send in money transfers in one year

What are these figures?

600 000 000 000

The amount in US\$ that will be send in **remittances in one year**

What are these figures?

13 000 000

The amount of **remittances** in US\$ that will be **send during this presentation...**

600 Billion per year USD 13'000,000 every 20 minutes

What are these figures?

380 000

The amount of US\$ in remittances that have been sent home by migrants while I am reading this you.

600 Billion per year USD 380,000 every 20 seconds

What are these figures?

380 000

The amount of US\$ in remittances that have been sent home by migrants while I am reading this you.

600 Billion per year USD 380,000 every 20 seconds

What are these figures?

2 000

The number of remittances that have been sent home by migrants while I am reading this you.

What are these figures?

125 000

The amount of US\$ in remittances that have been sent to the Philippines while I am reading this you.

US\$ 600 billion to 150 receiving countries In 2017

\$25bn

Near East and the Caucasus	2007	2016	Trend
Total number of migrants (millions)	13.7	18.9	38%
Total remittances (US\$ billion)	17.9	24.6	37%
Near East – Turkey	2.1	1.2	-44%
Near East/Caucasus	3.8	3.5	-8%
Near East/Middle East	12.0	20.0	66%
Share of global remittances	6%	6%	

\$44bn

Europe	2007	2016	Trend
Total number of migrants (millions)	21.7	25.9	19%
Total remittances (US\$ billion)	41.6	43.5	5%
Eastern Europe	26.7	30.4	14%
Northern Europe	3.7	3.1	-16%
Southern Europe	11.2	10.0	-11%
Share of global remittances	14%	10%	

▲51% decade growth (2007-2016)

Latin America and the Caribbean	2007	2016	Trend
Total number of migrants (millions)	27.3	32.9	21%
Total remittances (US\$ billion)	61.7	73.1	18%
Caribbean	6.8	10.4	51%
Central America	12.3	18.3	48%
Mexico	26.9	28.5	6%
South America	15.7	15.9	1%
Share of global remittances	21%	10%	

1/7 people in the world



either SEND or RECEIVE international remittances

\$73bn

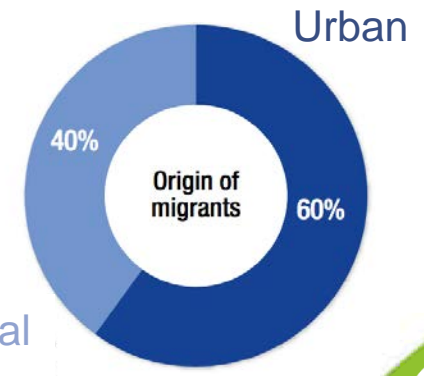
\$61bn

Africa	2007	2016	Trend
Total number of migrants (millions)	25.5	33.0	29%
Total remittances (US\$ billion)	44.3	60.5	36%
Central Africa	0.2	0.3	53%
Eastern Africa	2.4	5.2	117%
Northern Africa	19.2	27.6	44%
Southern Africa	1.6	1.1	-34%
Western Africa	20.9	26.3	26%
Share of global remittances	15%	13%	

Asia and the Pacific	2007	2016	Trend
Total number of migrants (millions)	58.2	77.1	33%
Total remittances (US\$ billion)	130.1	243.6	87%
Central Asia	4.3	6.4	49%
Eastern Asia	38.6	61.3	59%
The Pacific	0.5	0.6	41%
Southern Asia	55.1	111.5	102%
South-Eastern Asia	31.7	63.9	102%
Share of global remittances	44%	55%	

\$244bn

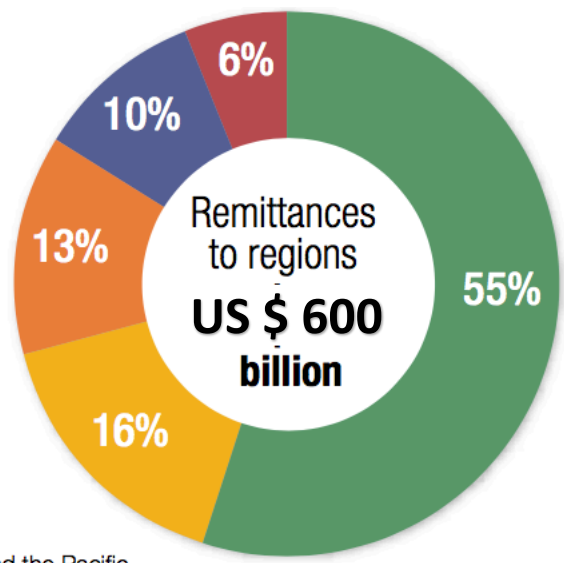
Rural



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delineation of the frontiers or boundaries, or the authorities thereof.



Scale and Scope



- Africa
- Asia and the Pacific
- Europe
- Latin America and the Caribbean
- Near East and the Caucasus

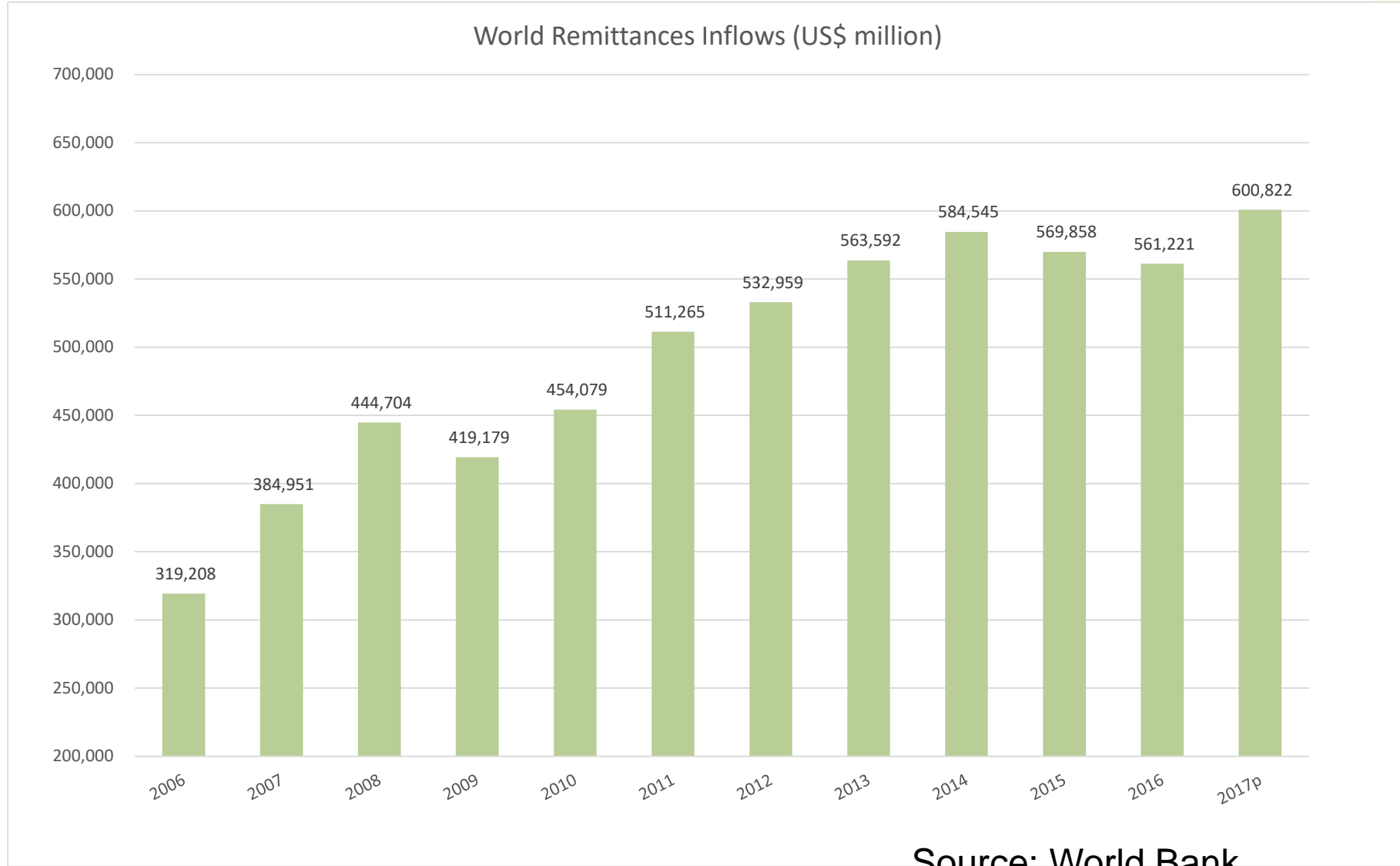
Reliance

Number of receiving countries with GDP reliance on remittances above 3% **71**

Main sending countries / regions (2015) **75%**

- USA US\$ 117 billion
- European sending countries US\$ 115 billion
- GCC countries US\$ 100 billion

Total flow of remittances estimated by World Bank

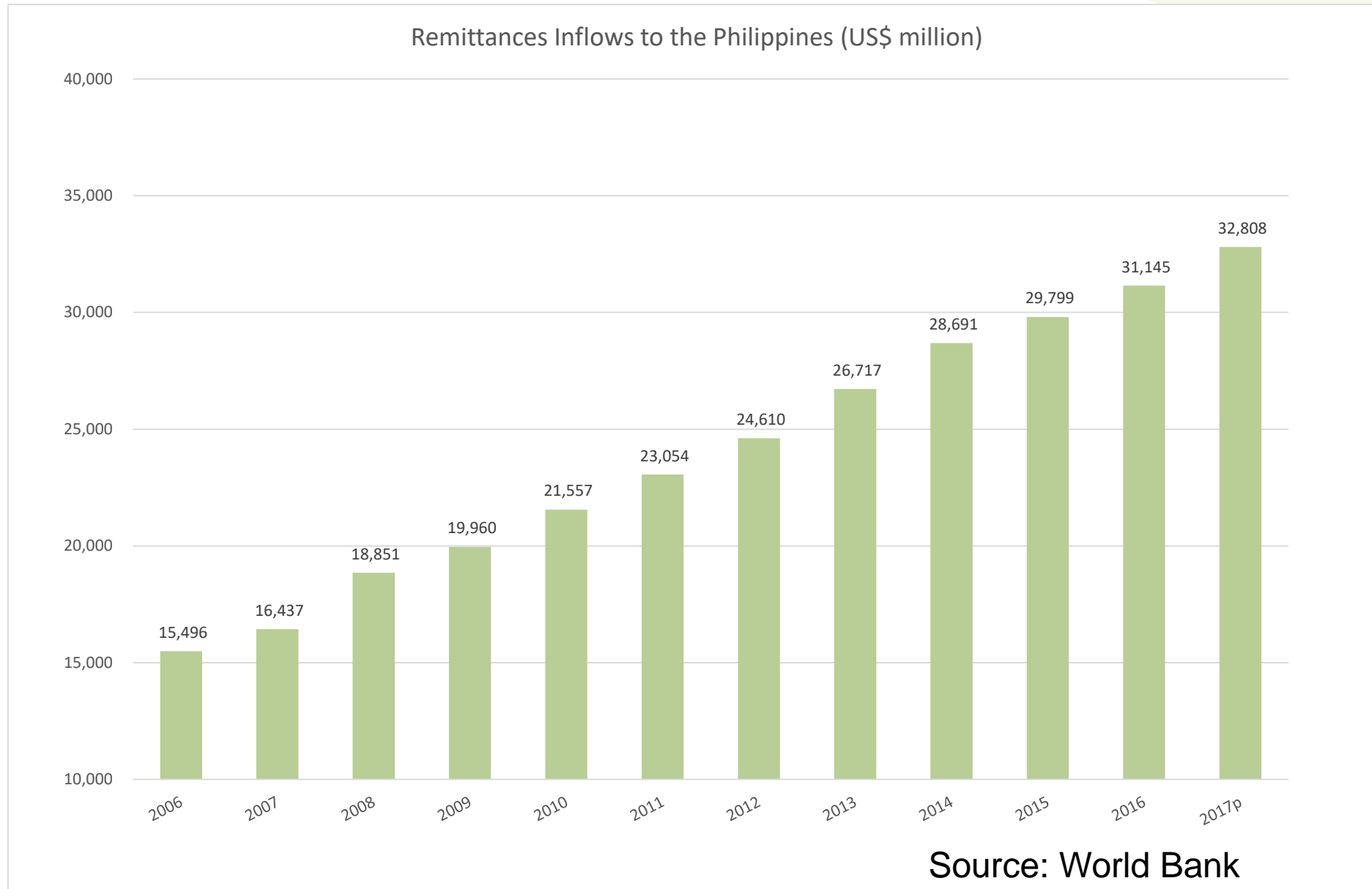


Source: World Bank

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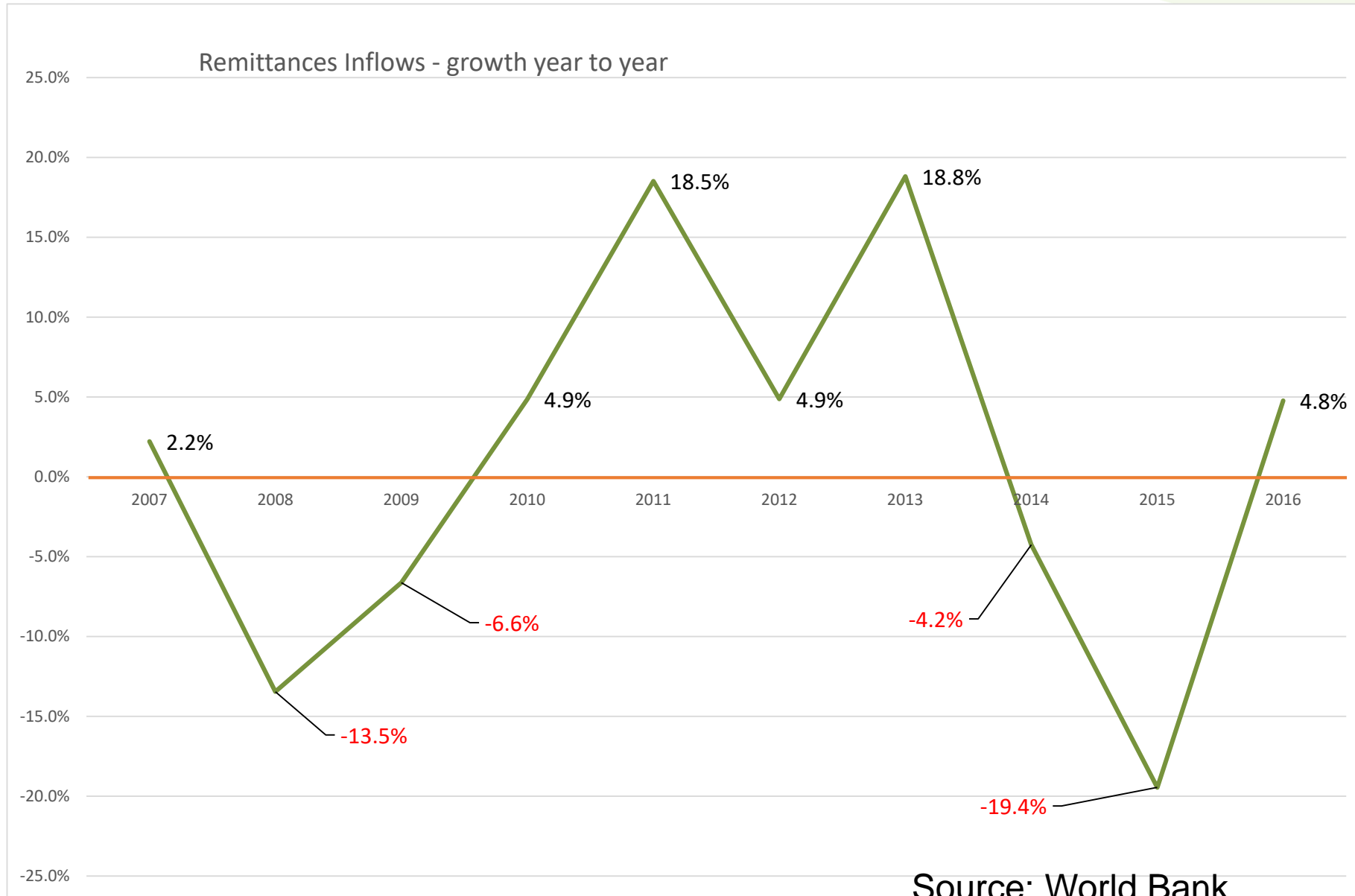
Flow of remittances to The Philippines



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Growth year to year of remittances

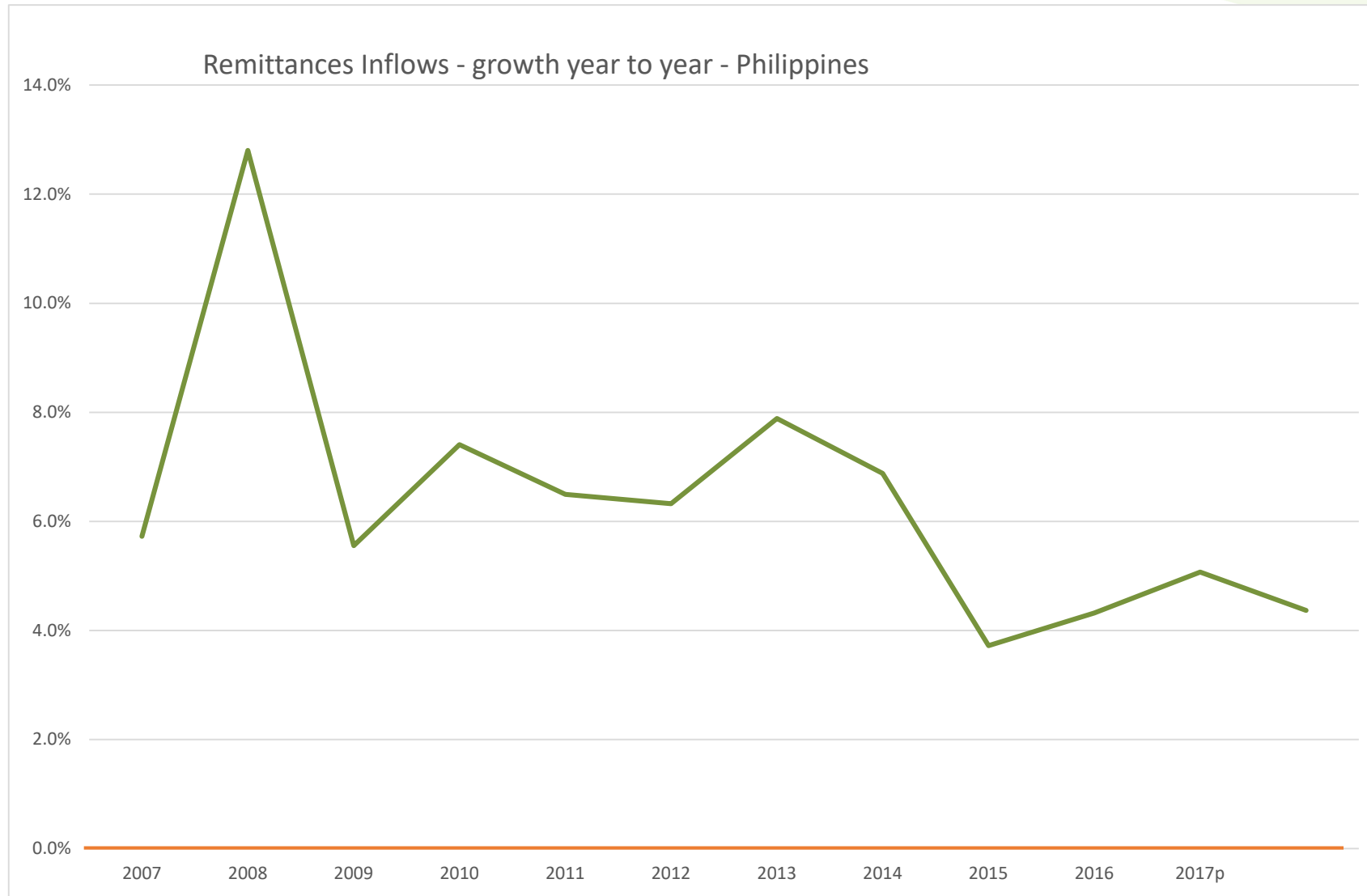


Source: World Bank

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Growth year to year of remittances - Philippines



Source: World Bank

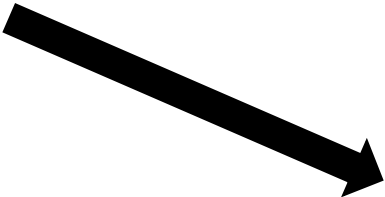
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Importance of remittances to the Philippines

2017

- 10 percent of gross domestic product (GDP)



What happens with remittances when the economy in the country is hit and the population experiences hardships?



Do remittances increase?



Do remittances decrease?

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Trends in the Money Transfer Industry

● Transition

➤ Sending Side

- Cash to Digital / Agent Model to Self Serve Model
Consequences of the War on Cash?
- Advent of Fintech Solutions
Regulation changes
- More services offered
Bill Payments, Top-Ups, Packages, B2B
- Migration: Changes in Attitude, Regulation

Trends in the Money Transfer Industry

● Transition

➤ Receiving Side

- Are banks leaving the industry?

Or just changing their role...

In The Philippines bank share of the market has decreased by 10% in last 5 years

- Mobile Wallets & Mobile Ecosystems

World: a country by country scenario

In The Philippines mobile money, introduced before any other country is still lacking customer adoption but this might soon change with many new offerings in place.

- More services offered by Fintechs

Lending, Bill Payments, Savings, Microinsurance

Infrastructure (blockchain) & channels

Fintech is booming in The Philippines and a forward looking regulatory regime is helping the sector grow and develop rapidly

Thank you



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