

Future Trends in Migration, Remittances, Markets and Development: *Latin America and the Caribbean*

MANUEL
OROZCO



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Forecasting international migration patterns

From Latin America and the Caribbean



Migration growth outlook through 2022

- The migration wave shaping the LAC region is likely to **continue its growth pattern** through at least 2022.
- Migration flows are estimated to reach **6%** in 2022.
- **Origin countries:** Haiti, Cuba, Central America, Venezuela, Colombia. Increased outflows also likely from Guyana, Paraguay, Bolivia
- **Destination countries:** Brazil, Colombia, Costa Rica, Dominican Republic, Ecuador, Panama, Peru, USA

MIGRATION GROWTH	2005	2010	2017	2022 est	2010-2017	2010-2022
Growth LAC	3.4%	0.1%	4.8%			
Growth fragile/unstable countries	3.6%	4.3%	5.0%	6.0%		
Growth 2017-2010 LAC migration			3.0%	3.0%		
Fragile / Unstable countries					4.3%	4.3%

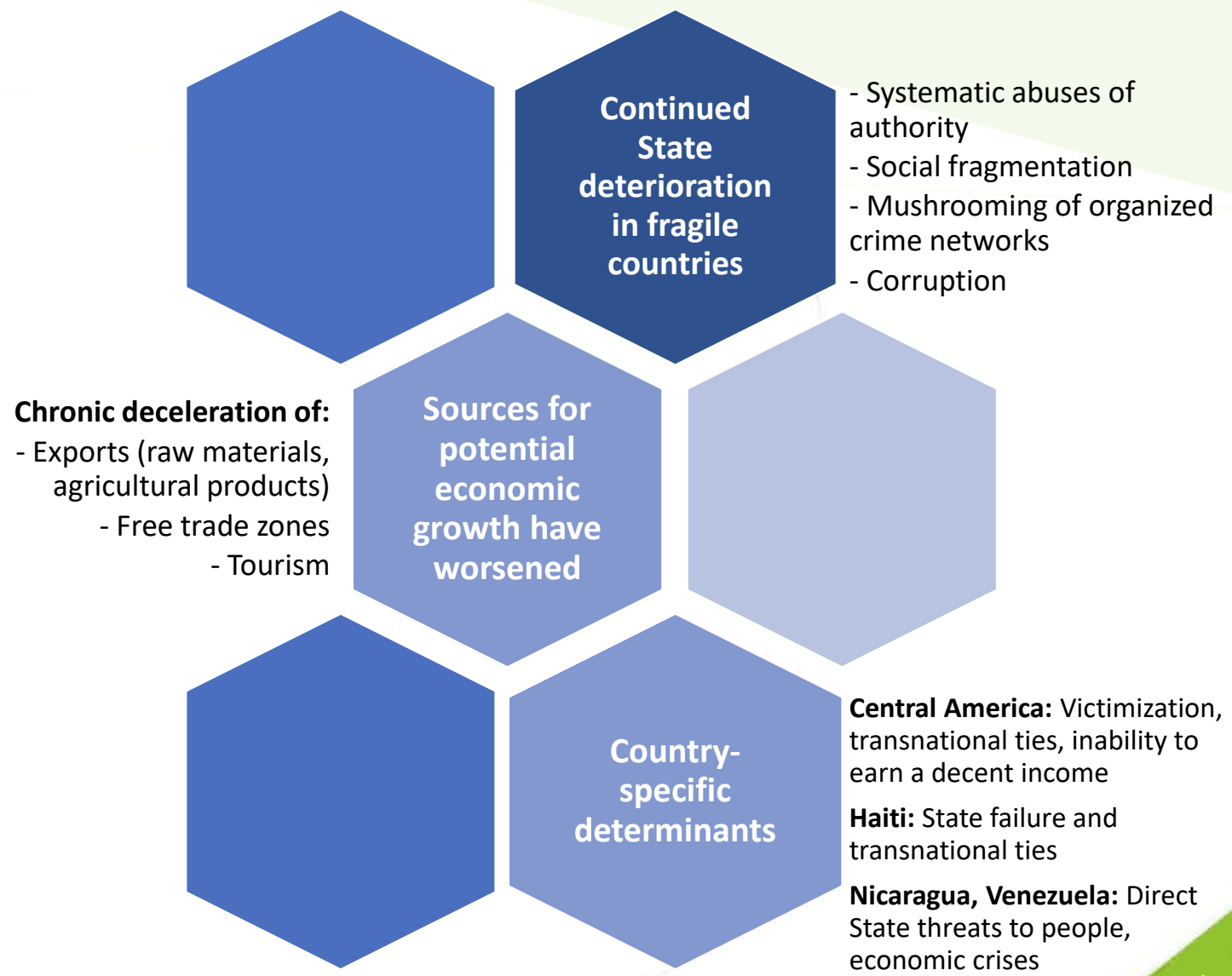
Source: UNDESA, 2018. Author's estimates.

INTENTION TO MIGRATE	People thinking of leaving (est)	2019
El Salvador	380,767	26%
Honduras	678,686	33%
Guatemala	667,881	19%
Northern Triangle region	1,727,516	

Source: www.saliendo-adelante.com



Determinants of forecasted migration growth



Consequences of forecasted migration growth

Larger transnational networks connecting people:

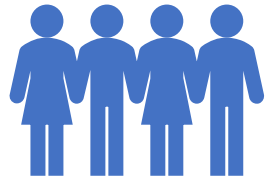
- Tendency towards permanent migration (from Haiti, Nicaragua, Venezuela)
- Pattern of continuity in short-term migration pazover the next three years

Anti-immigrant sentiment in host societies

- Social and political resistance towards immigrants: Nativist sentiments, reduced visa entry
- The challenge of making inclusive public policies shapes the political discoursen in non-traditional host countries (Panama, Ecuador, Chile)

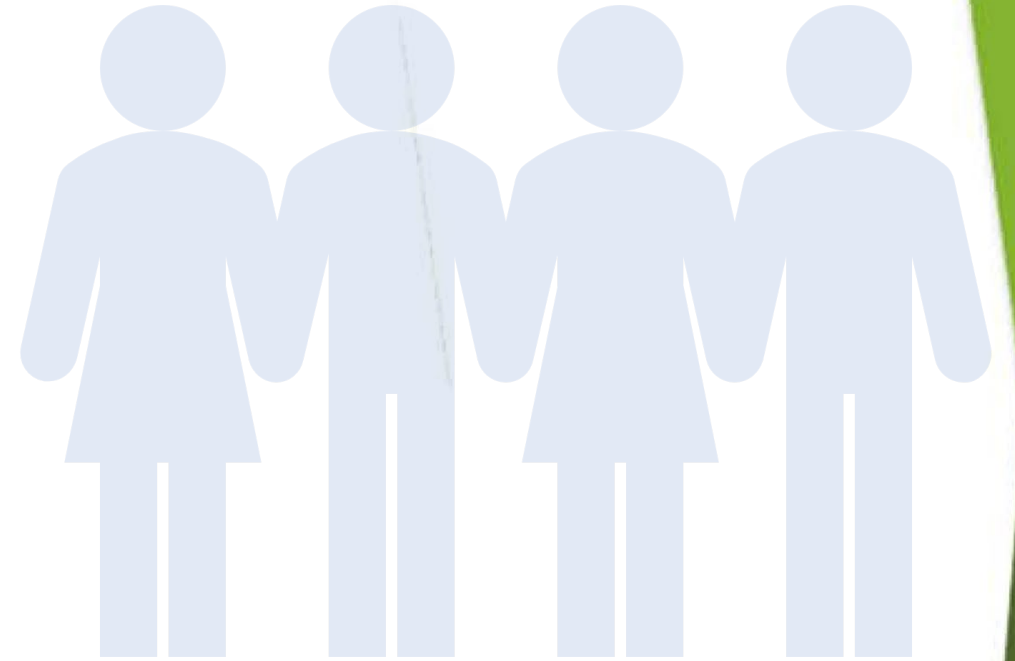
Migration management issues

- Border control across the Americas is becoming a major issue
- Foreign assistance being conditioned on reducing migration
- Little State response to Nicaraguan and Venezuelan migrations
- U.S. will not likely address foreign labor integration through special programs



Family Remittances

To Latin America and the Caribbean



7% growth in family remittances projected for 2020-2025

Foresee continued growth in family remittances, but at a slower pace than previous periods

- 7%, 2020-2025 Versus 9%, 2015-2019

This sustained growth is primarily attributed to increases in migration. Changes in the frequency of transfers also contribute.

- Decreasing expectations among migrants of returning home
- “Trump fear factor” (Northern Triangle)

Countries	2019 est. Remittances (,000,000 USD)	Remittance Growth				GDP 2018	Growth 2019	Remittances / GDP 2018
		2016	2017	2018	2019 est.			
Bolivia	1,296	2%	7%	-1.6%	-5.4%	4.5%		3%
Brazil	2,747	9%	-3%	11.5%	7.2%	1.2%		0%
Colombia	6,999	5%	13%	15.3%	10.6%	2.7%		2%
Costa Rica	519	0%	3%	-6.0%	4.0%	2.7%	2.9%	1%
Dominican Republic	6,833	6%	12%	10.0%	5.1%	5.8%		8%
Ecuador	3,179	9%	9%	6.7%	4.9%	1.0%		3%
El Salvador	5,523	7%	10%	8.5%	3.0%	2.8%	2.4%	21%
Guatemala	10,614	14%	14%	13.4%	14.3%	2.7%	3.0%	12%
Haiti	3,378	7%	20%	15.7%	2.9%	1.6%		39%
Honduras	5,271	5%	12%	10.6%	10.7%	3.6%	3.6%	20%
Jamaica	2,366	3%	1%	2.4%	0.2%	1.7%		16%
Mexico	35,137	9%	12%	10.5%	5.0%	2.1%		3%
Nicaragua	1,660	6%	10%	7.9%	6.5%	-3.8%	-2.0%	11%
Panama	469	-10%	4%	2.9%	2.6%	4.0%		1%
Paraguay	548	19%	7%	-3.0%	-3.7%	4.0%		1%
Peru	3,354	6%	6%	5.7%	4.0%	3.9%		1%
Total selected countries	89,893	7.9%	8.2%	7.3%	6.2%	1.9%		2%
Venezuela**	3,400	-	-	-	-	-18%		1%

Source: Central Bank Data and INEC data for Panama; ** Venezuela 2018 remittance data is Inter-American Dialogue estimate based on survey data; previous years are unavailable. For GDP growth and Remittances GDP, Inter-American Dialogue estimates based on World Bank figures for GDP and economic growth. <https://www.eluniverso.com/noticias/2018/12/26/nota/7113699/paises-america-latina-que-mas-creceran-2019>

Modernization of the payments industry

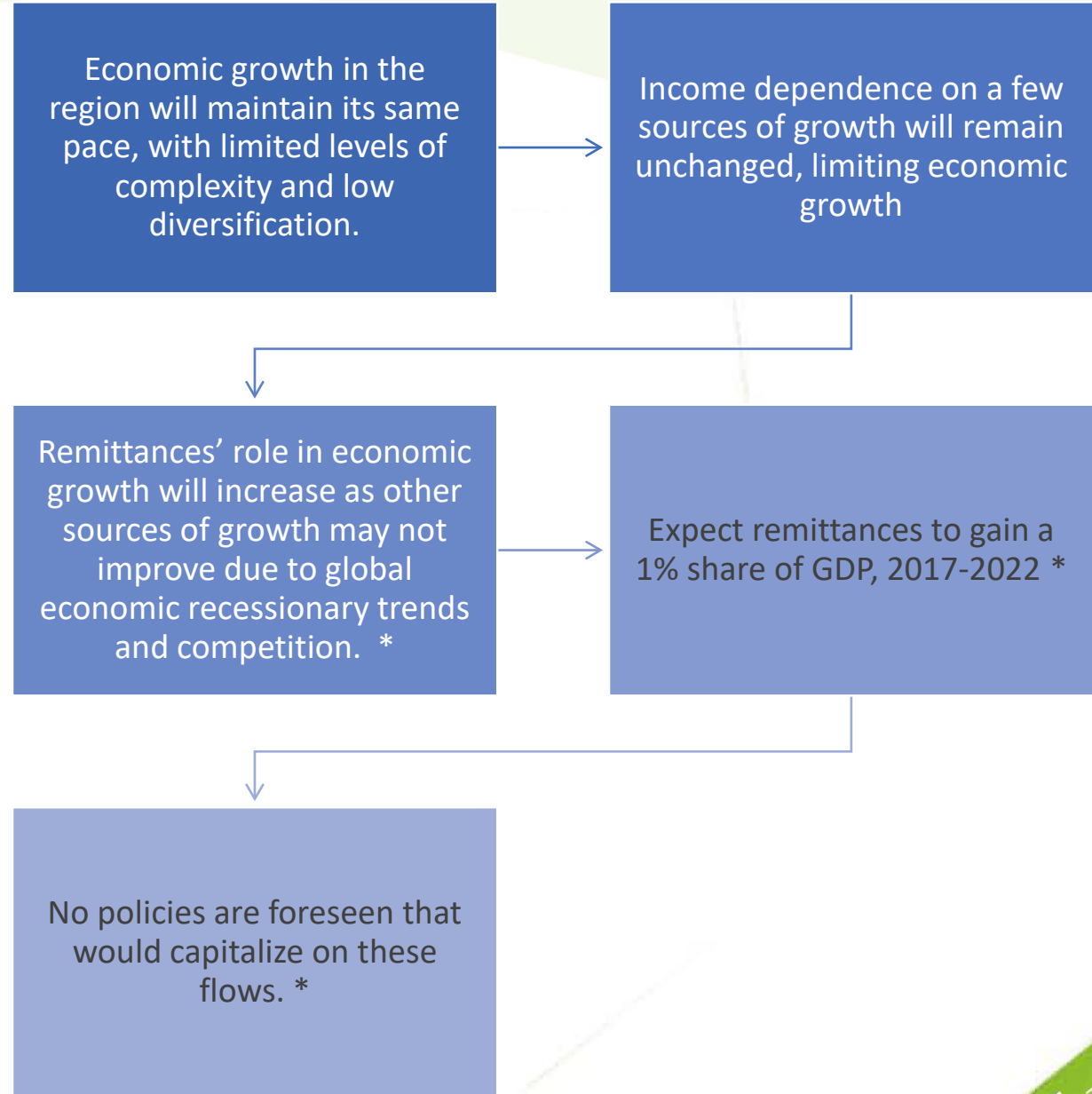
- Market share for **online payments** projected to increase to **at least 20%** of all money sent to the region by 2020.
- In 2009, less than 1% of all U.S. transfers to the LAC originated online. By 2022, this figure is projected to reach 30%.
- Remittance pick-up via digital wallets, mobile banking or account deposits will also grow to 10% of all transfers.

Market Share by Type of Payment Method	Colombia		Guatemala		Mexico	
	2015	2018	2015	2018	2015	2018
Cash	72%	54%	77%	66%	82%	67%
Digital*	28%	46%	23%	34%	18%	33%
Total monthly transactions	489,000	598,000	760,000	850,000	6,393,600	6,880,000

Source: Authors' estimates based on data collected from news sources, company annual reports, and expert interviews.

** Includes transaction amounts from Xoom, Remitly, WorldRemit, and WesternUnion.com

Economic impact of family remittances



* For the 17 countries that represent one-third of the LAC region's GDP.

Projected impact of remittances on GDP, 2017, 2022

COUNTRIES	REMITTANCES (2017)	REMITTANCES (2022)	ECONOMIC DEPENDENCE 2017	ECONOMIC DEPENDENCE 2022
BOLIVIA	4%	5%	29%	30%
COLOMBIA	2%	3%	20%	21%
COSTA RICA	1%	2%	28%	29%
DOMINICAN REPUBLIC	8%	9%	40%	41%
ECUADOR	3%	4%	28%	29%
EL SALVADOR	17%	18%	32%	33%
GUATEMALA	11%	12%	30%	31%
GUYANA	9%	10%	60%	61%
HAITI	28%	33%	34%	40%
HONDURAS	18%	20%	50%	52%
JAMAICA	17%	18%	43%	44%
NICARAGUA	10%	12%	62%	65%
PARAGUAY	2%	3%	35%	36%
PERU	2%	2%	24%	24%
SURINAME	1%	1%	17%	17%
TRINIDAD AND TOBAGO	1%	1%	38%	38%
GRAND TOTAL	3%	4%	22%	23%

Source: Central Banks and projections.

Thank You

Check Manuel Orozco's Blog about this presentation at:

<https://imtconferences.com/latin-america-migration-remittances-and-market-impact/>



Latin America: Migration, Remittances and Market Impact

IMTC, News & Comments • By Manuel Orozco •

October 14, 2019

Both social and economic trends in Latin American and Caribbean countries are increasingly shaped by migration and its intersection with development and economic growth. Therefore, understanding future of migration and how its affect the region can offer cues as to the direction countries will take. An outlook of migration in Latin America and the Caribbean...

Details ▶