



Migration and Development Brief 18

Migration and Remittances Unit

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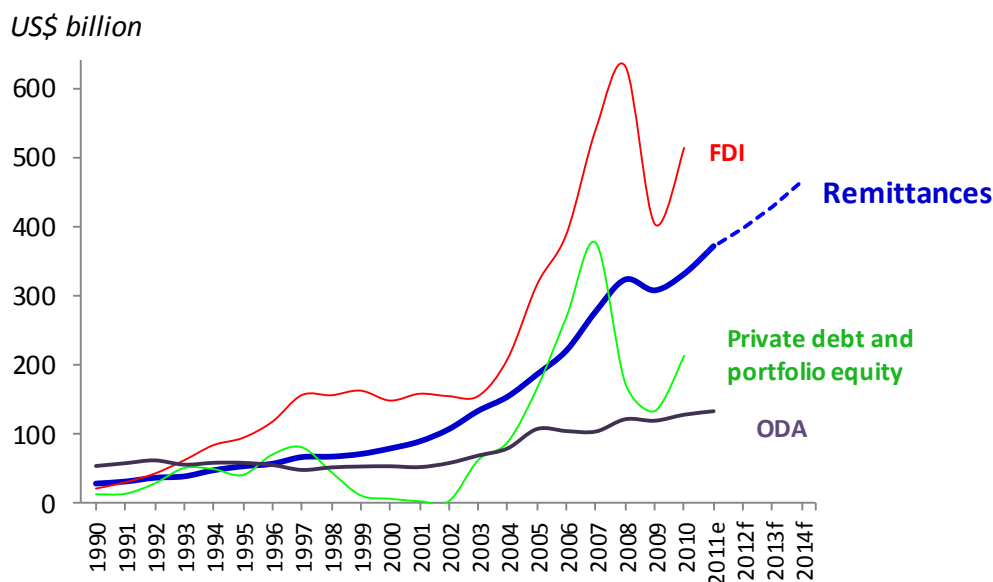
Remittance flows in 2011 – an update

By Dilip Ratha and Ani Silwal

- Officially recorded remittance flows to developing countries are estimated to have reached \$372 billion in 2011, an increase of 12.1 percent over 2010.
- The growth rate of remittances was higher in 2011 than in 2010 for all regions except Middle East and North Africa, where flows were moderated by the Arab Spring.
- Remittance flows to developing countries are expected to grow at 7-8 percent annually to reach \$467 billion by 2014. Worldwide remittance flows, including those to high-income countries, are expected to reach \$615 billion by 2014.

Officially recorded remittance flows to developing countries are estimated to have reached \$372 billion in 2011, an increase of 12.1 percent over 2010 (table 1). This is higher than our earlier estimate of \$351 billion (see [Migration and Development Brief 17](#) released on December 1, 2011). Worldwide remittance flows, including those to high-income countries, reached \$501 billion in 2011 and are expected to increase to \$615 billion by 2014. Remittance flows have been stable during the crisis relative to other resource flows (figure 1).

Figure 1: Remittances and other resource flows to developing countries, 1990-2014



Source: Data on FDI, external private debt, and net inflows of portfolio equity are from the World Development Indicators database. ODA data is from OECD DAC. Remittances data is from table 1.

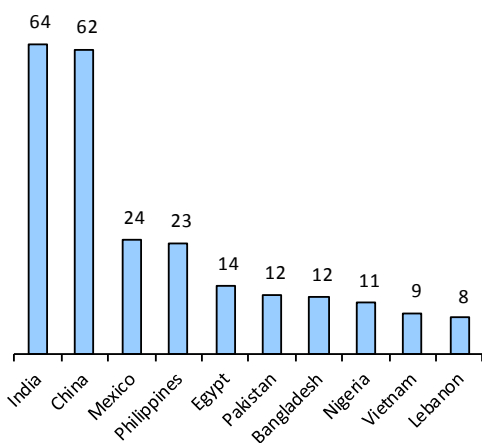
Major revisions to our December 2011 estimates include remittance flows to Egypt, India, China, and Thailand. The reasons for an upward revision to Egypt’s data in 2010 (by \$4.7 billion) and 2011 (by \$6.2 billion) are not obvious but reflect a variety of factors including migrants returning from Libya, an increase in government T-bill rates, and falling housing prices that likely spurred housing purchases by Egyptians residing abroad. An upward revision to flows to India in 2011 (by \$5.8 billion) is primarily due to a weak rupee and robust economic activity in the Gulf Cooperation Council countries, which are major destinations of recent migrants. China began to publish quarterly data on remittances for the first time in 2010. The latest data show a surge in remittances to China for the first three quarters of 2011. Similarly, Thailand revised its historical data on remittance flows upwards, including that for 2011 by \$1.8 billion. There is still uncertainty about data on remittance flows to Lebanon from 2010 onwards. Although the Central Bank of Lebanon reports that remittances to the country fell by more than 30% in 2010, there is no plausible story for such a big drop (recent political events in the region, especially in Syria, are likely to impact flows in 2012). For this reason, we have projected a flat trend for 2010 and 2011 for remittance flows to Lebanon until we have better information.

The top remittance recipient developing countries in nominal terms and in relation to the GDP are listed in box 1. The new estimates show that the top recipients of remittances among developing countries in 2011 were India (\$64 billion), followed by China (\$62 billion), Mexico (\$24 billion), and the Philippines (\$23 billion). Other large recipients include Egypt, Pakistan, Bangladesh, Nigeria, Vietnam, and Lebanon (box figure 1). However, small and low-income countries such as Tajikistan, Lesotho, Nepal, Samoa and Tonga tend to receive more remittances as a share of their GDP (box figure 2). Remittance inflows and GDP in box figure 2 are for 2010, the latest year for which official GDP data is available for most countries.

Box 1: Top recipients of remittances among developing countries

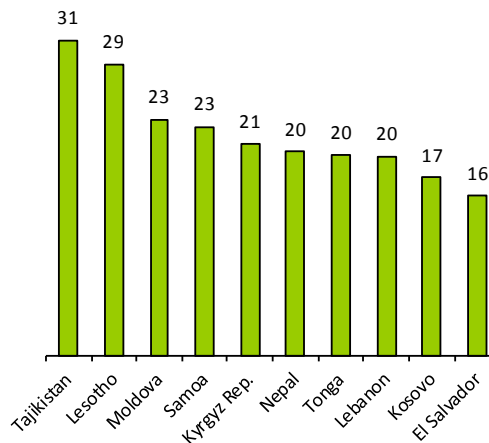
Box figure 1: Top 10 recipients of migrant remittances

(US\$ billion, 2011e)



Box figure 2: Top 10 recipients of migrant remittances as a share of GDP

(% of GDP, 2010)



Note: Remittance inflows and gross domestic product (GDP) in box figure 2 are for 2010, the latest year for which official GDP data is available for most countries.

Source: Same as table 1.

Following brisk growth in 2011, remittance flows to developing countries is expected to continue at 7-8 percent annually to reach \$467 billion by 2014. Worldwide remittance flows, including those to high-income countries, are expected to exceed \$615 billion by 2014. However, there are several downside risks to this outlook. Even though remittances to developing countries have recovered quickly since the crisis, they are vulnerable to uncertain economic prospects in migrant destination countries. Persistent

unemployment in Europe and the U.S. is affecting employment prospects of existing migrants and hardening political attitudes toward new immigration and have created political pressures to reduce the current levels of immigration. There are risks that if the European crisis deepens, immigration controls in these countries could become even tighter. Volatile exchange rates and uncertainty about the direction of oil prices also present further risks to the outlook for remittances. A deepening and spread of the European debt crisis will also pose risks for oil prices, which could in turn reduce demand for migrant workers and depress remittances flows to Asian countries.

Table 1: Outlook for remittance flows to developing countries, 2012-14 (US \$ billion)

	2008	2009	2010	2011e	2012f	2013f	2014f
All developing countries	324	308	332	372	399	430	467
East Asia and Pacific	85	86	95	107	115	125	135
Europe and Central Asia	45	36	37	41	45	49	55
Latin America and Caribbean	64	57	57	62	66	72	77
Middle-East and North Africa	36	34	40	42	45	47	50
South Asia	72	75	82	97	104	113	122
Sub-Saharan Africa	22	20	21	22	24	25	27
LDCs (UN-classification)	23	24	25	27	29	32	35
Low-income countries	22	22	25	28	30	34	37
Middle-income	302	286	308	344	369	397	429
High income	133	120	121	128	134	140	148
<i>World</i>	457	429	453	501	533	571	615
Growth rate (%)							
All developing countries	16.5%	-4.8%	7.7%	12.1%	7.2%	7.8%	8.4%
East Asia and Pacific	18.8%	1.7%	10.6%	12.6%	7.3%	8.0%	8.7%
Europe and Central Asia	17.2%	-19.6%	0.3%	12.6%	8.8%	10.1%	11.4%
Latin America and Caribbean	2.2%	-11.9%	0.9%	7.7%	7.6%	7.9%	8.2%
Middle-East and North Africa	12.0%	-6.7%	19.5%	5.7%	5.1%	5.3%	5.5%
South Asia	32.6%	4.8%	9.5%	18.2%	7.4%	7.9%	8.4%
Sub-Saharan Africa	15.7%	-7.3%	1.9%	8.5%	6.3%	6.8%	7.4%
LDCs (UN-classification)	32.4%	1.6%	4.4%	9.0%	8.5%	9.1%	9.6%
Low-income countries	32.6%	3.3%	9.6%	13.4%	9.4%	10.4%	11.4%
Middle-income	15.5%	-5.4%	7.6%	12.0%	7.1%	7.6%	8.2%
High income	15.1%	-9.7%	0.6%	6.2%	4.1%	4.9%	5.6%
<i>World</i>	16.1%	-6.3%	5.7%	10.5%	6.4%	7.1%	7.7%

e= estimate; f=forecast

Source: World Bank staff calculation based on data from IMF Balance of Payments Statistics Yearbook 2011 and data releases from central banks, national statistical agencies, and World Bank country desks. See *Migration and Development Brief 12* for the methodology for the forecasts.

Migration and Development Briefs are prepared by the Migration and Remittances Unit, Development Economics (DEC) and Poverty Reduction and Economic Management (PREM) network. These briefs are intended to be informal briefing notes on migration, remittances, and development. The views expressed are those of the authors and may not be attributed to the World Bank Group. The latest data on remittances and other useful resources are available at <http://www.worldbank.org/migration>. Our blog on migration titled "People Move" can be accessed at <http://blogs.worldbank.org/peoplemove>. Contributions, feedback, and requests to be added to or dropped from the distribution list, may be sent to Dilip Ratha at dratha@worldbank.org.