



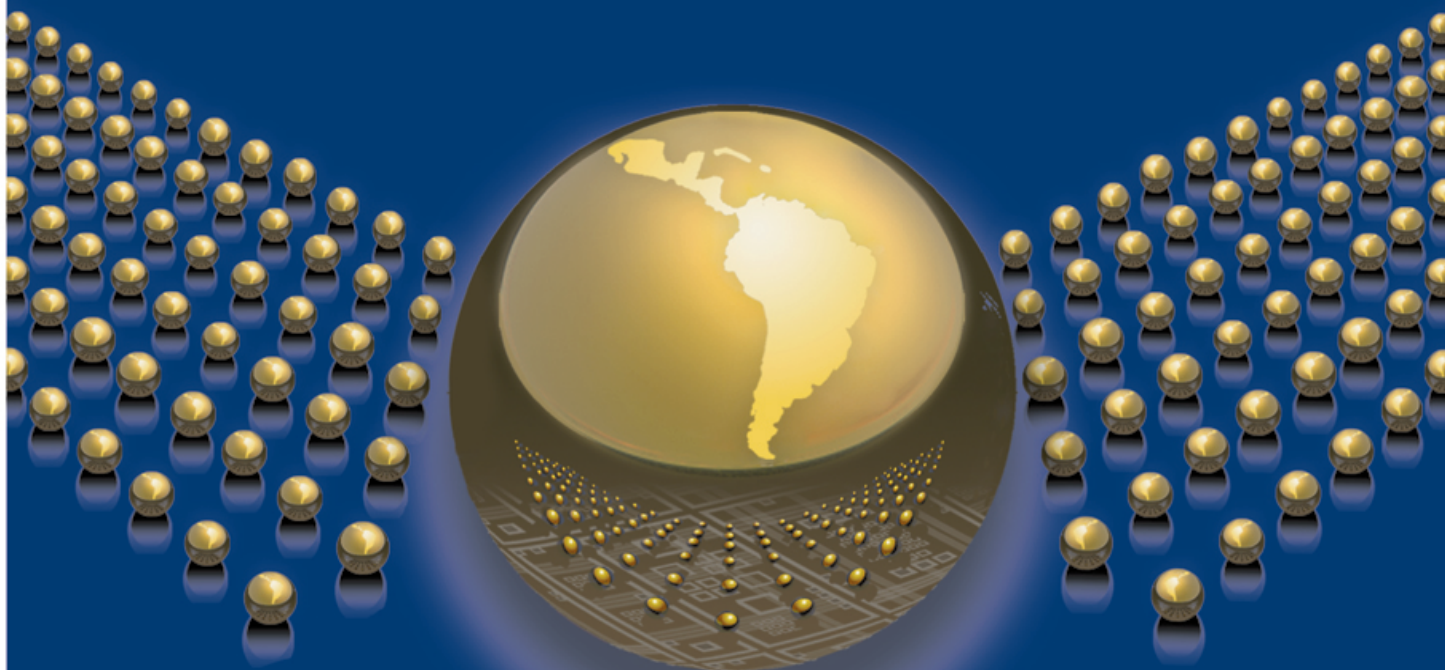
Inter-American Development Bank

Multilateral Investment Fund



REMITTANCES 2005

Promoting Financial Democracy



Washington, DC.
March 2006

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Introduction

Globalization has many human faces. One of its many facets is the perpetual movement of people across borders. Many of these are men and women from across the developing world make the difficult decision to leave home and seek work abroad. After gaining employment, most of these workers begin to send money to their families at home. These remittances are typically made in small amounts, yet collectively these flows dwarf official development assistance and surpass the value of leading exports in many countries.

In Latin America and the Caribbean, for example, individual migrants send money home periodically, in amounts ranging from two hundred to three hundred dollars monthly. Yet when added up, these remittances total more than most countries receive in official development assistance *plus* foreign direct investment. Over the years, fathers, mothers, sons, daughters, aunts, and uncles sent billions to loved ones across the Americas. Remittances are now a major source of foreign exchange for migrants' countries of origin – often bring in more than leading exports, including oil.

As the Inter-American Development Bank and others shed light on the dramatic growth of remittances – more stable than inflows of foreign direct investment – a new view of the migrant community is emerging that recognizes hard work and commitment of workers seeking better lives for themselves and their families.

Although remittances are primarily intended to meet the basic needs of family members back home, these funds also generate opportunities for local communities and national economies. Nowhere is this more apparent than in Latin America and the Caribbean, the fastest growing and highest volume remittance market in the world. Currently, remittances are sent each year from all over the world to approximately 18 million households across the Region, mostly outside of the financial system.

And the process is accelerating, driven by the forces of a global economy and an integrating labor market within the Western Hemisphere. Simply put, the economies of developed countries need the skills and dedication of workers from the countries of Latin

America and the Caribbean – which in turn, do not generate enough jobs and income for their own populations.

Remittance flows are now the subject of public discussion and policy consideration, and progress is being made on several fronts. However, significant gaps remain. Competition and awareness have contributed to the decline in the costs of sending money –Data collection is improving, but is still not comprehensive, uniform or systematic. Moreover, remittances are financial flows in search of financial products – yet few financial institutions are meeting the needs of transnational families; and public authorities have done little to create the environment to leverage these flows.

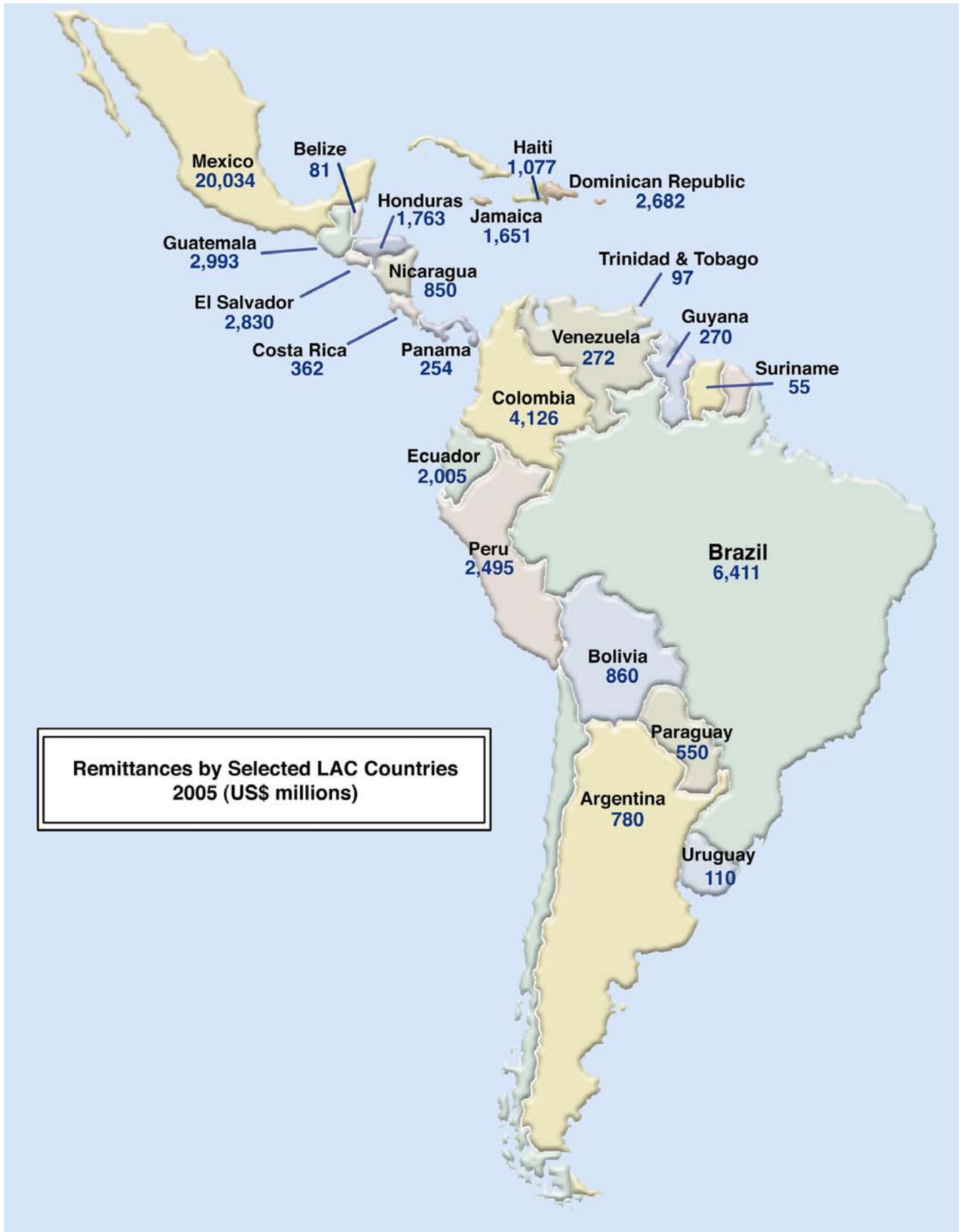
The Inter-American Development Bank is working with major stakeholders -- money transfer companies and financial institutions, public authorities, civil society, transnational families, and other international organizations to promote the development potential of remittances. This will require intense concentration on at least in areas such as: regulatory and institutional frameworks, competition, and promotion of financial democracy.

The road to financial democracy presents great challenges and historic opportunities. When financial systems across the Region do not serve the majority of the population, an “intermediation gap” is reflected in the shallow financial markets that perpetuate inequality across the Region – particularly in rural areas.

Yet the scale and scope of remittances offer can be a powerful lever to open up financial systems, mobilize savings, generate small business loans, and multiply development impact for local communities in many other ways.

Considered alone, remittances are a symptom of disparate opportunities among countries. But coupled with the right incentives framework and technical capacities, these can be an important resource for the development of poor countries. In sum, let us hope that the hard work, thrift and devotion to family demonstrated by so many new migrants can be channeled into a source for the development of their homelands.

Remittances at a Regional Level



Remittances 2005

Call it the case of the missing billions. For decades, millions of migrant workers have been sending billions of dollars back to their home countries to support their families. Yet the impact of these huge international flows of both money and workers is only now beginning to be understood. But these flows of both money and people have been hidden in plain sight for decades. Why? Because the money is sent regularly in small amounts, usually outside the formal financial system; and the workers typically live on the margins of society.

All of this is now changing. Remittances are widely recognized as critical to the survival of millions of individual families, and the health of many national economies throughout Latin America and the Caribbean (LAC). Unlike foreign aid, migrant remittances go directly to families in places that are often difficult to reach with development assistance. And while international capital flows have fluctuated with market cycles, remittances have increased, even during economic recession.

For 2005, remittances to LAC reached over US\$53.6 billion (17% increase), making the Region the largest remittance market in the world. This amount exceeded, for the third consecutive year, the combined flows of all net Foreign Direct Investment (FDI) and Official Development Assistance (ODA) to the Region.

Given the complicated process of tracking informal flows, particularly those still carried by hand, actual flows could be at least 10% higher. With these accounting and reporting challenges in mind, it is particularly gratifying to note the significant progress of many Central Banks throughout the Region in providing more accurate remittances information, particularly Colombia, El Salvador, Guatemala, Honduras, Jamaica, and Mexico.

Mexico remains the largest recipient of remittances, at over US\$20 billion, followed by Brazil and Colombia which for the first time reached over US\$6 and US\$4 billion respectively. Central America and the Dominican Republic combined to reach over US\$11 billion; and Andean countries totaled almost US\$9 billion.

It is currently estimated that over 25 million LAC-born adults are living outside their country of origin. Approximately 65% send money home on a regular basis, typically \$100/\$200/\$300 a month, resulting in about 200 million separate financial transactions a year. Transaction costs to send these remittances have been reduced by more than 50% over the past five years due to increased competition, and better use of technology.

About 75% of LAC remittances are sent from the United States (US\$40billion); while remittances from Western Europe, particularly, Spain, Italy, Portugal, and the United Kingdom now account for almost 15% of the market (US\$7.5 billion). Other large flows come from Japan to Brazil and Peru, Canada to Jamaica and Haiti — intraregional flows account for the rest.

In Search of Opportunity

Family by family, worker by worker, migrants are redrawing the map of global labor markets. There are approximately 22 million LAC economic migrants living in the developed economies of North America, Europe, and Japan, while another 3 to 5 million work in neighboring countries of Latin America or the Caribbean. Over the past quarter century, economic migration has increased at four times the rate of world population growth — globalization is clearly accelerating the scale and scope of remittances.

The basic economic equation in the Americas, as for the rest of the world, is quite simple: developed countries need migrant labor, and families back home need the remittances that come from such earnings. Each year, millions of individuals, both men and women, continue to leave their villages and hometowns to seek jobs and better lives for themselves and their families. Today, the number of economic migrants (approximately 175 million) would alone constitute the sixth most populous country in the world.

The process is profoundly entrepreneurial. Facing increasingly limited prospects at home, workers in Latin America and the Caribbean—particularly from rural areas—are bypassing their own cities in favor of moving directly abroad. Like entrepreneurs who seek markets around the world, foreign workers cross borders in search of comparative advantages.

Indeed, as people move “North” by the millions, money moves “South” by the billions.

But the driving force behind this phenomenon remains a fundamentally human connection: a commitment to family values lies at the core of these flows. As a result, new networks of social and economic connections are being formed. These are transnational families, living and contributing to two countries, two economies, and two cultures at the same time. Shifts in international trade, investment, and communication have required the world’s political and economic systems to adopt new rules and mechanisms to meet modern realities. The same needs to be done for the migrant laborers who have become such an integral part of the world’s labor markets.

Promoting Financial Democracy

If individual remitters and their families are too often invisible, the economic power of millions of the poor is becoming increasingly evident. In fact, the dividing line between the poor and the non-poor is less about the existence of assets than about the *use of these assets*. It is widely accepted that a key factor in development is for the poor to have access to financial services in order to unlock and leverage their own assets. If people living and working at the base of the economic pyramid have more options available to them, they can better leverage their assets for the benefit of their families and the communities where they live. Unfortunately, LAC financial systems, as in the rest of the developing world, are essentially irrelevant to the daily lives of the vast majority of their populations. For example, less than 10% of LAC remittance recipients are estimated to currently have access to banking accounts, loans or other basic financial services.

As a result, remittances remain financial flows in search of financial products. In this context, the huge scale of remittances to Latin America and the Caribbean presents an enormous opportunity for millions of families to enter the world's financial mainstream: to open a savings account, or obtain a small business loan or housing mortgage. This can be a critical first step on the pathway to credit for individual families; and reaching the goal of financial democracy for a nation.

Over the past five years, the process of sending remittances has undergone dramatic changes. However, over the next five years, the system can be entirely transformed, moving from the current “cash-to-cash” system into the electronic or digital transfer system of “accounts-to-accounts.” The technology is already available; what is needed are innovative business plans and appropriate regulatory frameworks. The cost of sending money home will continue to fall; the focus for the future is the chance to bring millions upon millions of transnational families into the financial system where their remittances can help effect fundamental change.

The Ultimate Challenge

Remittances do not constitute a development strategy. Indeed, they reflect the general failure of development across most LAC countries. Nor should family remittances be viewed in any way as a substitute for, or an alternative to, the sound government policies and programs that are necessary for broad-based and sustainable economic growth.

But remittances, particularly if leveraged through the financial system, can mobilize savings and promote investment in small enterprises, housing, and education. For example, microfinance institutions and credit unions can be significantly strengthened with increased remittance flows, housing can spark an entire range of local economic activity, and bond issues can be securitized for on-lending to small businesses. Improved education can lead to higher productivity and increased national competitiveness.

In short, remittances can be an important part of any long-term solution leading to a future when such large numbers of young men and women are no longer forced to make the painful choice to leave home in order to provide for their families, and pursue the prospect of a better life for their children.

We all look forward to the day when the next generation can find opportunity in their own communities, and no longer have to cross national borders to find work.

In the meanwhile, millions of individual decisions will continue to be made each year to migrate, and send back remittances. These decisions will be grounded in the reality of the lives of the families involved, not by some econometric model, abstract theory, or government policy.

Today, one out of every ten persons around the globe is directly involved with remittances—125 million migrant workers regularly sending money to support another 500 million relatives back home. We need to provide these millions of hard-working migrants and their families with more options to use their own money...

They will do the rest.

Remittances by Country

Argentina

Remittances & Selected Indicators 2005

	(millions)
Population ¹	38.75
Remittances	\$780

Remittances as compared to: (% of)

General Indicators²

Official Development Assistance (ODA), (2004)	296%
Foreign Direct Investment (FDI)	15%
Gross Domestic Product (GDP)	0.4%

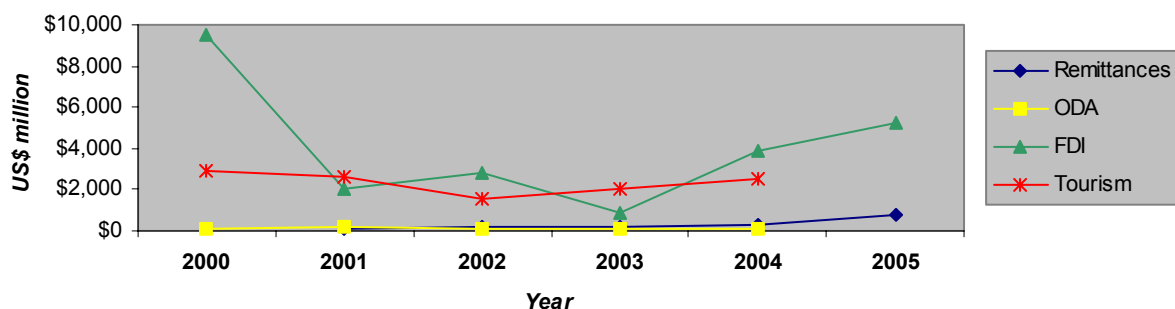
Tourism & Main Exports³

Tourism, (2004)	11%
Agriculture & Livestock Manufacturing Exports ⁴	6%
Fuels and Energy Exports ⁴	11%
All Agricultural Exports, (2004)	2%
Exports (f.o.b)	2%

- Since 2002, Argentina has experienced a surge in emigration. It is estimated that more than 250,000 people have left Argentina since the economic crisis of 2001. Migrants' main destinations of choice have been Spain, Italy, the United States, and Israel. Except for the U.S., those countries were preferred due to ancestral ties.
- Remittance inflows have doubled over 2004. Remittance flows, equal three times those of ODA in 2004, are now a significant source of hard currency for Argentina.
- For the first time, remittances inflows have surpassed outflows of remittances from migrants currently in Argentina.
- Remittances accounted for only 0.4% of Argentina GDP in 2005 and were equivalent to about 10% of main exports. In 2004 remittances equaled 11 % of tourism sector's receipts.

* 2004 indicators compared against 2004 remittance flows.

Remittances to Argentina Compared with ODA, FDI, and Tourism (2000-2005)



¹ Source: UN, Statistic Division (<http://unstats.un.org/unsd/demographic/products/socind/population.htm>).

² Source: ODA: OECD, DAC Online Database, ODA/OA (DAC2a); FDI: CEPAL, *Balance Preliminar de las Economías de América Latina y el Caribe 2005*, Cuadro A-16; GDP: Calculated based on IMF IFS (2000-2004), CIA World Fact Book 2005 (2005).

³ Source: Tourism: IMF, *Balance of Payments Statistics Yearbook 2005*; All Agricultural Exports: FAO Statistical Databases, Agricultural Data; Exports: IMF IFS (2000-2004), CEPAL, Op. Cit., Cuadro A-6 (2005).

⁴ Source: Instituto Nacional de Estadística y Censos (<http://www.indec.mecon.ar>).

* All database were accessed in Feb. 2006.

Belize

Remittances & Selected Indicators 2005

	(millions)
Population ¹	0.27
Remittances	\$81

Remittances as compared to: (% of)

General Indicators²

Official Development Assistance (ODA), (2004)	1045%
Foreign Direct Investment (FDI), (2004)	60%
Gross Domestic Product (GDP)	8.9%

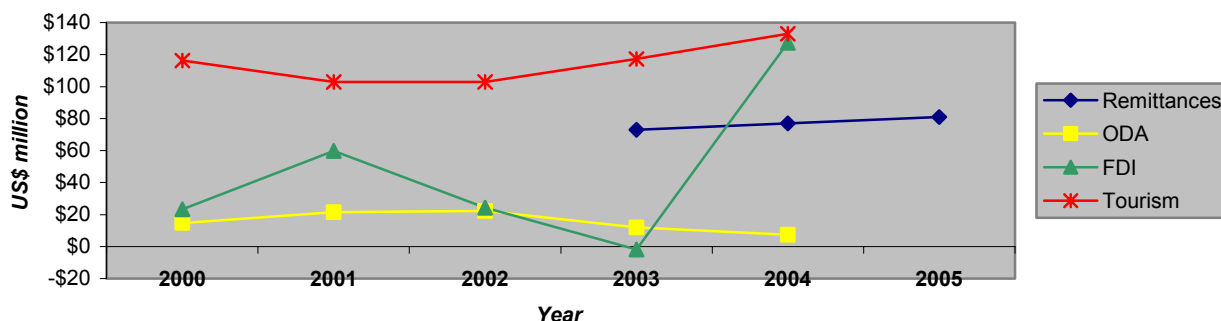
Tourism & Main Exports³

Tourism, (2004)	58%
Shrimp Exports, (2004) ⁴	181%
Sugar Exports, (2004) ⁴	193%
All Agricultural Exports, (2004)	64%
Exports (f.o.b)	23%

* 2004 indicators compared against 2004 remittance flows.

- An estimated 44,000 Belizean-born people currently live in the United States. While relatively small scale, the impact of remittances on Belizean economy and population are significant: It is estimated that 15% of Belizeans has migrated to the U.S.
- Belize is also a host country, welcoming many migrants from Guatemala, El Salvador, and Honduras each year.
- In 2005, remittances per capita reached US\$300, and the fifth-highest country in the region in terms of volume.
- Remittances account for about 9% of GDP, and in 2004 flows equaled more than half of the income generated from tourism.
- Remittances were almost twice the value of the two main Belizean exports in 2004: shrimp and sugar. In 2005, remittances inflows were equivalent to a quarter of the total exports revenue.

Remittances to Beliza Compared with ODA, FDI, and Tourism (2000-2005)



¹ Source: UN, Statistic Division (<http://unstats.un.org/unsd/demographic/products/socind/population.htm>).

² Source: ODA: OECD, DAC Online Database, ODA/OA (DAC2a); FDI: IMF IFS, 78bdd+78bed; GDP: Calculated based on IMF IFS (2000-2004), CIA World Fact Book 2005 (2005).

³ Source: Tourism: IMF, *Balance of Payments Statistics Yearbook 2005*; All Agricultural Exports: FAO Statistical Databases, Agricultural Data; Exports: IMF IFS (2000-2004), CIA World Fact Book 2005 (2005).

⁴ Source: Central Bank of Belize (<http://www.centralbank.org.bz>).

* All database were accessed in Feb. 2006.

Remittances & Selected Indicators 2005

	(millions)
Population ¹	9.18
Remittances	\$860

Remittances as compared to: (% of)

General Indicators²

Official Development Assistance (ODA), (2004)	55%
Foreign Direct Investment (FDI)	835%
Gross Domestic Product (GDP)	8.5%

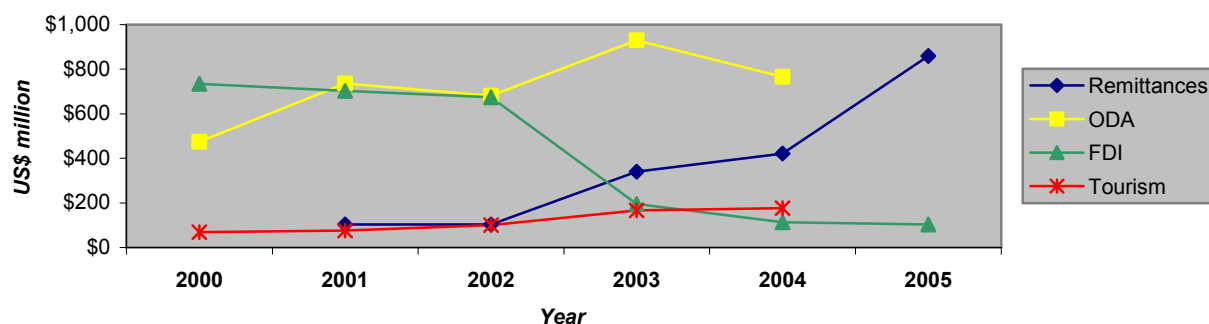
Tourism & Main Exports³

Tourism, (2004)	239%
Natural Gas (excl Fuels) Exports ⁴	87%
Soy / Derivatives Exports ⁴	258%
All Agricultural Exports, (2004)	68%
Exports (f.o.b)	33%

* 2004 indicators compared against 2004 remittance flows.

- Argentina is the main destination of Bolivian migrants is. The 2001 economic crisis in Argentina caused many of the 600,000 Bolivian migrants in Argentina to return home. However, many migrants are currently returning to Argentina to seek better prospects.
- Remittances inflows reached US\$860 in 2005 and were equivalent to 8.5% of Bolivian GDP.
- Estimates of remittances for 2005 have increased significantly, mainly due to better reporting and alternative measuring methods.
- Estimated remittances inflows in 2005 equal ODA receipts, and surpass all FDI inflows to the country.
- Remittances were also double the value of tourism revenues in 2004.
- Remittances represented an estimated 87% of the value of the country's natural gas exports in 2005, and amounted to 33% of Bolivian annual

Remittances to Bolivia Compared with ODA, FDI, and Tourism (2000-2005)



¹ Source: UN, Statistic Division (<http://unstats.un.org/unsd/demographic/products/socind/population.htm>).

² Source: ODA: OECD, DAC Online Database, ODA/OA (DAC2a); FDI: CEPAL, *Balance Preliminar de las Economías de América Latina y el Caribe 2005*, Cuadro A-16; GDP: Calculated based on IMF IFS (2000-2004), CIA World Fact Book 2005 (2005).

³ Source: Tourism: IMF, *Balance of Payments Statistics Yearbook 2005*; All Agricultural Exports: FAO Statistical Databases, Agricultural Data; Exports: IMF IFS (2000-2004), CEPAL, Op. Cit., Cuadro A-6 (2005).

⁴ Source: Instituto Nacional de Estadística de Bolivia (<http://www.ine.gov.bo>).

* All database were accessed in Feb. 2006.

Brazil

Remittances & Selected Indicators 2005

	(millions)
Population ¹	186.41
Remittances	\$6,411

Remittances as compared to: (% of)

General Indicators²

Official Development Assistance (ODA), (2004)	1973%
Foreign Direct Investment (FDI)	46%
Gross Domestic Product (GDP)	1.1%

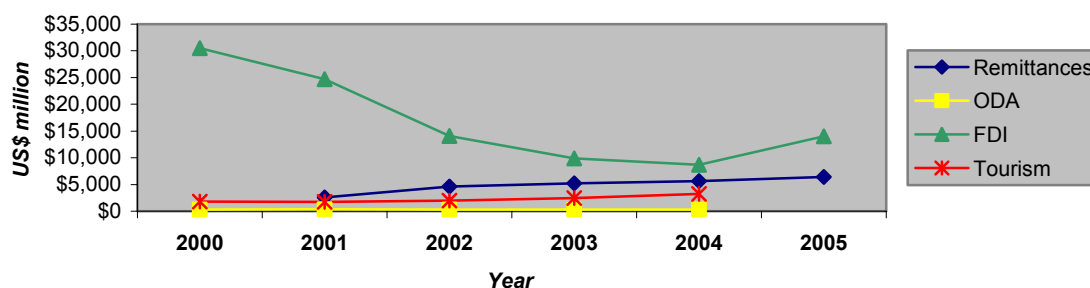
Tourism & Main Exports³

Tourism, (2004)	175%
Transportation Equipment Exports ⁴	34%
Soy Exports ⁴	68%
All Agriculture Exports, (2004)	21%
Exports (f.o.b)	5%

* 2004 indicators compared against 2004 remittance flows.

- Brazilian migrants live mainly in the United States, Europe and Japan, as well as in neighboring countries such as Paraguay and Argentina.
- Remittances inflows in 2005 surpassed US\$6.4 billion, of which US\$2,7 billion came from the US, US\$2,2 billion from Japan, US\$1 billion from Europe, and US\$500 million from the rest of the world.
- Although remittances represented only 1.1% of its GDP, Brazil is the second largest remittance-receiving country in the region.
- Remittances amounted to 175% of the Brazilian tourism revenues in 2004.
- Remittances inflows equaled 68% of the value of soybean exports, which is the country's largest agricultural export.
- The cost of sending remittances to Brazil is high because of lack of competition in the remittances market and exclusivity arrangements between companies

Remittances to Brazil Compared with ODA, FDI, and Tourism (2000-2005)



¹ Source: UN, Statistic Division (<http://unstats.un.org/unsd/demographic/products/socind/population.htm>).

² Source: ODA: OECD, DAC Online Database, ODA/OA (DAC2a); FDI: CEPAL, *Balance Preliminar de las Economías de América Latina y el Caribe 2005*, Cuadro A-16; GDP: Calculated based on IMF IFS (2000-2004), CIA World Fact Book 2005 (2005).

³ Source: Tourism: IMF, *Balance of Payments Statistics Yearbook 2005*; All Agriculture Exports: FAO Statistical Databases, Agricultural Data; Exports: IMF IFS (2000-2004), CEPAL, Op. Cit., Cuadro A-6 (2005).

⁴ Source: Ministério do Desenvolvimento (<http://www.desenvolvimento.gov.br>).

* All database were accessed in Feb. 2006.

Colombia

Remittances & Selected Indicators 2005

	(millions)
Population ¹	45.60
Remittances	\$4,126

Remittances as compared to: (% of)

General Indicators²

Official Development Assistance (ODA), (2004)	758%
Foreign Direct Investment (FDI)	111%
Gross Domestic Product (GDP)	4.1%

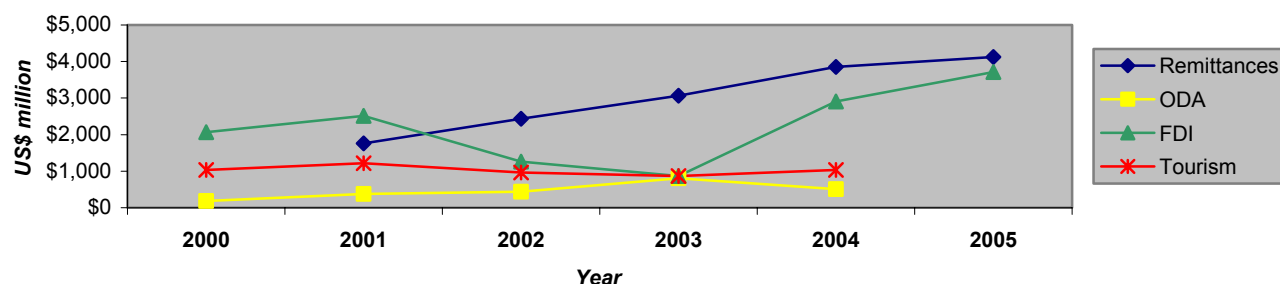
Tourism & Main Exports³

Tourism, (2004)	374%
Oil / Derivatives Exports ⁴	74%
Coal Exports ⁴	159%
All Agricultural Exports, (2004)	114%
Exports (f.o.b)	19%

* 2004 indicators compared against 2004 remittance flows.

- In the past five years almost a million Colombians have moved to the United States, Spain, or Costa Rica, and other countries.
- Formerly, neighboring countries such as Venezuela were preferred destinations, but in recent years, the US has become the destination of choice.
- An estimated 450,000 Colombian-born people live in the U.S. in 2005.
- In the past year, Colombia has witnessed a rapid expansion of remittances inflows, and the country is now the third largest recipient in the region.
- In 2004 Colombia received more remittances than ODA and FDI combined (US\$2,405).
- Remittances represent 74% of oil exports revenue.
- The money transfer market in Colombia is becoming more competitive, with new small businesses entering the sector. Leading companies are Western Union, Envíos de Valores, Remesas Pujol, La Nacional, and Viameras. In Colombia, there is healthy businesses on the distribution of remittances in which Titan is one of the key distributors.

Remittances to Colombia Compared with ODA, FDI, and Tourism (2000-2005)



¹ Source: UN, Statistic Division (<http://unstats.un.org/unsd/demographic/products/socind/population.htm>).

² Source: ODA: OECD, DAC Online Database, ODA/OA (DAC2a); FDI: CEPAL, *Balance Preliminar de las Economías de América Latina y el Caribe 2005*, Cuadro A-16; GDP: Calculated based on IMF IFS (2000-2004), CIA World Fact Book 2005 (2005).

³ Source: Tourism: IMF, *Balance of Payments Statistics Yearbook 2005*; All Agricultural Exports: FAO Statistical Databases, Agricultural Data; Exports: IMF IFS (2000-2004), CEPAL, Op. Cit., Cuadro A-6 (2005).

⁴ Source: Departamento Administrativo Nacional de Estadística (<http://www.dane.gov.co>).

* All database were accessed in Feb. 2006.

Costa Rica

Remittances & Selected Indicators 2005

	(millions)
Population ¹	4.33
Remittances	\$362

Remittances as compared to: (% of)

General Indicators²

Official Development Assistance (ODA), (2004)	2376%
Foreign Direct Investment (FDI)	59%
Gross Domestic Product (GDP)	1.8%

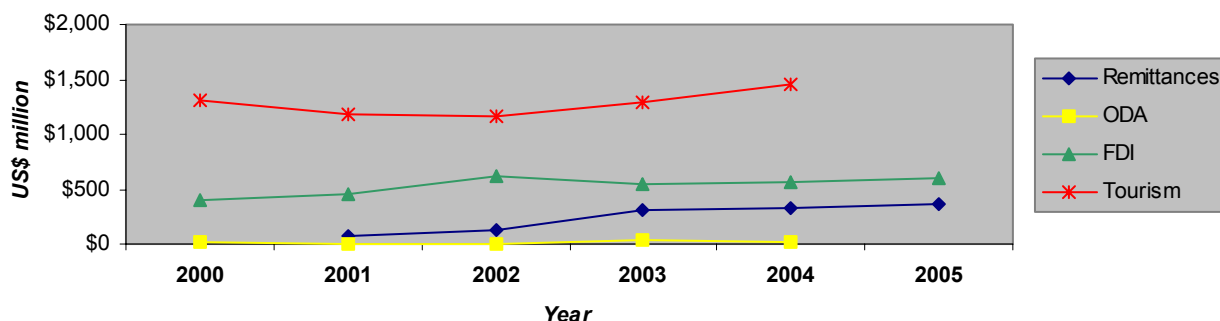
Tourism & Main Exports³

Tourism, (2004)	22%
Manufacturing Industry Exports ⁴	25%
Banana Exports ⁴	75%
All Agricultural Exports, (2004)	16%
Exports (f.o.b)	5%

- The number of Costa Ricans living and working abroad increased by 20 percent between 2000 and 2004, while foreigners working in Costa Rica increased by 14 percent.
- An estimated 80% of the 100,000 Costa Ricans working abroad live in the United States, mainly in California, Florida, New York, and New Jersey.
- Foreign workers in Costa Rica are mainly from Nicaragua, El Salvador, Cuba, Peru, and Colombia.
- Costa Ricans living abroad sent more than US\$400 million last year. Foreigners living in Costa Rica sent US\$196 million to their homelands.
- In 2004 remittances were equal to approximately a quarter of Costa Rica tourism revenues, which is the country's main industry. In 2005, remittance flows were equivalent to a quarter of its manufacturing exports, and 75% of Costa Rican banana exports.

* 2004 indicators compared against 2004 remittance flows.

Remittances to Costa Rica Compared with ODA, FDI, and Tourism (2000-2005)



¹ Source: UN, Statistic Division (<http://unstats.un.org/unsd/demographic/products/socind/population.htm>).

² Source: ODA: OECD, DAC Online Database, ODA/OA (DAC2a); FDI: CEPAL, *Balance Preliminar de las Economías de América Latina y el Caribe 2005*, Cuadro A-16; GDP: Calculated based on IMF IFS (2000-2004), CIA World Fact Book 2005 (2005).

³ Source: Tourism: IMF, *Balance of Payments Statistics Yearbook 2005*; All Agricultural Exports: FAO Statistical Databases, Agricultural Data; Exports: IMF IFS (2000-2004), CEPAL, Op. Cit., Cuadro A-6 (2005).

⁴ Source: Banco Central de Costa Rica (<http://www.bccr.fi.cr>).

* All database were accessed in Feb. 2006.

Dominican Republic

Remittances & Selected Indicators 2005

	(millions)	
Population ¹		8.90
Remittances		\$2,682

Remittances as compared to: (% of)

General Indicators²

Official Development Assistance (ODA), (2004)	2806%
Foreign Direct Investment (FDI)	298%
Gross Domestic Product (GDP)	9.1%

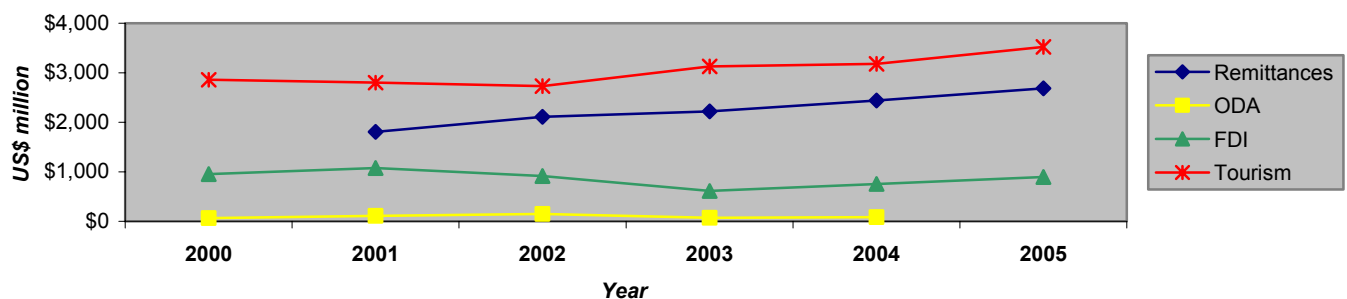
Tourism & Main Exports³

Tourism	76%
Ferro-Nickel Exports, (2004) ⁴	625%
Sugar / Derivatives Exports, (2004) ⁴	2607%
All Agricultural Exports, (2004)	377%
Exports (f.o.b)	45%

* 2004 indicators compared against 2004 remittance flows.

- An estimated 2 million Dominican-born adults currently live and work outside of their country. Around 60% of annual remittances flows come from the United States.
- Despite its small population size, the Dominican Republic received more than US\$2,6 billion in remittances, the sixth largest recipient in the region.
- Per capita remittances reached US\$302, or the fourth largest in the region.
- Remittances inflows are far bigger than ODA and FDI combined (US\$492: 2004), and represented 9.1% of its GDP in 2005.
- Remittances dwarf the value of main export amounting to 625% of exports of ferro-nickel in 2004. Remittances equal almost 45% of total exports.
- As to the markets structure, informality on money transfers in the Dominican Republic is significantly small. In this sector, the major competitors are as follows: Quisqueyana, Vimenca/Western Union, MoneyGram, La Nacional, Remesas Dominicanas, Pronto Envio. Unlike other countries, these business are organized into an association, ADEREDI, which represents their interests.

Remittances to Dominican Republic Compared with ODA, FDI, and Tourism (2000-2005)



¹ Source: UN, Statistic Division (<http://unstats.un.org/unsd/demographic/products/socind/population.htm>).

² Source: ODA: OECD, DAC Online Database, ODA/OA (DAC2a); FDI: CEPAL, *Balance Preliminar de las Economías de América Latina y el Caribe 2005*, Cuadro A-16; GDP: Calculated based on IMF IFS (2000-2004), Banco Central de la República Dominicana (<http://www.bancentral.gov.do>) (2005).

³ Source: Tourism: IMF, *Balance of Payments Statistics Yearbook 2005* (2000-2004), Banco Central de la República Dominicana (2005); All Agricultural Exports: FAO Statistical Databases, Agricultural Data; Exports: IMF IFS (2000-2004), CEPAL, Op. Cit., Cuadro A-6 (2005).

⁴ Source: Banco Central de la República Dominicana.

* All database were accessed in Feb. 2006.

Ecuador

Remittances & Selected Indicators 2005

	(millions)
Population ¹	13.23
Remittances	\$2,005

Remittances as compared to: (% of)

General Indicators²

Official Development Assistance (ODA), (2004)	1084%
Foreign Direct Investment (FDI)	131%
Gross Domestic Product (GDP)	6.4%

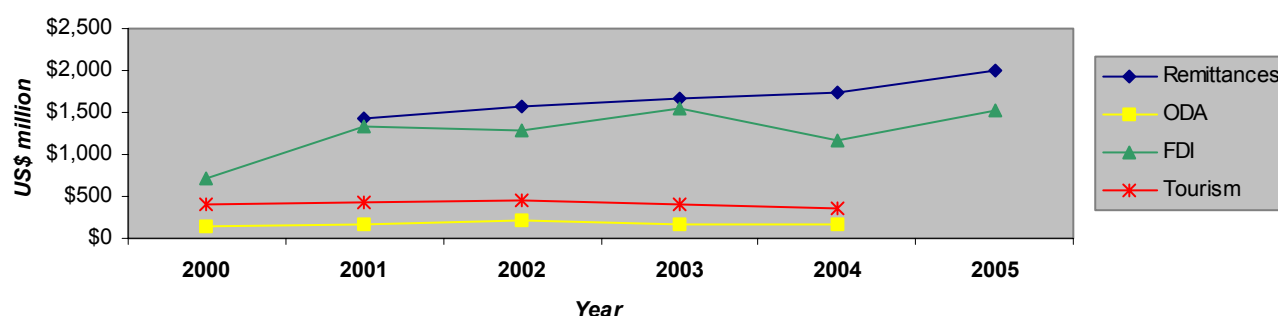
Tourism & Main Exports³

Tourism, (2004)	474%
Oil / Oil Products Exports ⁴	34%
Banana Exports ⁴	185%
All Agricultural Exports, (2004)	89%
Exports (f.o.b)	20%

- In the last four years, an estimated million Ecuadorians left their country for Spain, the United States, and countries in Central America.
- Spain has been the predominant destination of choice for Ecuadorians, with around half a million Ecuadorians moving there in 2005.
- Over the last years, remittances have surpassed the volume of ODA and FDI combined in Ecuador.
- Remittances are the second largest financial source from abroad, after oil exports, and equaled to 170% of banana exports in 2005. In 2004 remittances were equivalent to 474% of the income from tourism.
- As to remittances from the U.S., Delgado Express is the dominant player in the market. In Spain, La Caixa, a major credit union, has attracted a significant number of senders.
- On the receiving end, microfinance institutions such as Banco Solidario and other companies have established partnerships offering innovative packages to their customers.

* 2004 indicators compared against 2004 remittance flows.

Remittances to Ecuador Compared with ODA, FDI, and Tourism (2000-2005)



¹ Source: UN, Statistic Division (<http://unstats.un.org/unsd/demographic/products/socind/population.htm>).

² Source: ODA: OECD, DAC Online Database, ODA/OA (DAC2a); FDI: CEPAL, *Balance Preliminar de las Economías de América Latina y el Caribe 2005*, Cuadro A-16; GDP: Calculated based on IMF IFS (2000-2004), CIA World Fact Book 2005 (2005).

³ Source: Tourism: IMF, *Balance of Payments Statistics Yearbook 2005*; All Agricultural Exports: FAO Statistical Databases, Agricultural Data; Exports: IMF IFS (2000-2004), CEPAL, Op. Cit., Cuadro A-6 (2005).

⁴ Source: Banco Central del Ecuador (<http://www.bce.fin.ec>).

* All database were accessed in Feb. 2006.

El Salvador

Remittances & Selected Indicators 2005

	(millions)
Population ¹	6.88
Remittances	\$2,830

Remittances as compared to: (% of)

General Indicators²

Official Development Assistance (ODA), (2004)	1205%
Foreign Direct Investment (FDI)	619%
Gross Domestic Product (GDP)	17.1%

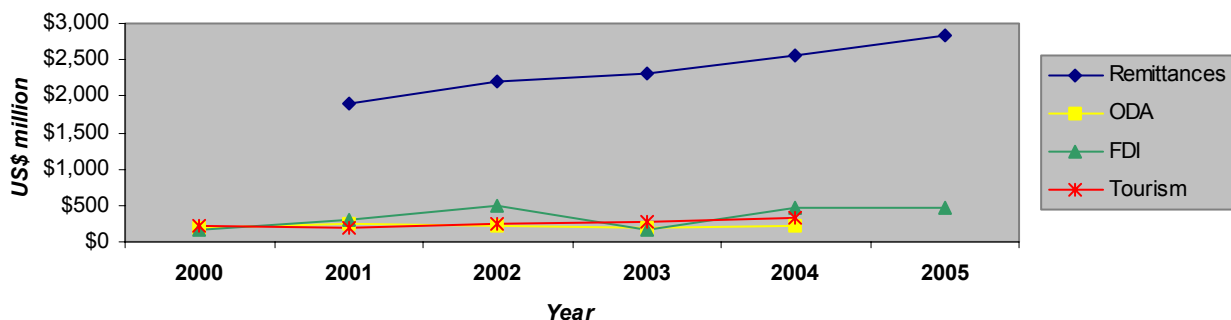
Tourism & Main Exports³

Tourism, (2004)	756%
Maquiladora Exports ⁴	164%
Coffee Exports ⁴	1730%
All Agricultural Exports, (2004)	596%
Exports (f.o.b)	80%

- An estimated million Salvadorans are living in the United States.
- El Salvador is the fifth largest remittance-receiving country in the region, and the second largest recipients in terms of per capita amounts (US\$411).
- Remittances inflows were far larger than ODA and FDI combined (US\$427: 2004), and represented 17.1% of Salvadorean GDP in 2005.
- Remittances flows have surpassed all main exports revenues, and equaled to to about 80% of total exports.
- El Salvador is one of the most competitive money transfer markets in the region due to its dollarized economy and the competition of large banks with companies as Western Union, Gigante Express.
- The four largest banks, Banco Agrícola, Banco del Comercio, Banco Cuscatlán, and Banco Salvadoreño, have branches in the U.S. that operates money transfer services. Fedecaces, a credit union network, has entered the remittances market focusing on the low income households.

* 2004 indicators compared against 2004 remittance flows.

Remittances to El Salvador Compared with ODA, FDI, and Tourism (2000-2005)



¹ Source: UN, Statistic Division (<http://unstats.un.org/unsd/demographic/products/socind/population.htm>).

² Source: ODA: OECD, DAC Online Database, ODA/OA (DAC2a); FDI: CEPAL, *Balance Preliminar de las Economías de América Latina y el Caribe 2005*, Cuadro A-16; GDP: Calculated based on IMF IFS (2000-2004), CIA World Fact Book 2005 (2005).

³ Source: Tourism: IMF, *Balance of Payments Statistics Yearbook 2005*; All Agricultural Exports: FAO Statistical Databases, Agricultural Data; Exports: IMF IFS (2000-2004), CEPAL, Op. Cit., Cuadro A-6 (2005).

⁴ Source: Banco Central de Reserva de El Salvador (<http://www.bcr.gob.sv>).

* All database were accessed in Feb. 2006.

Guatemala

Remittances & Selected Indicators 2005

	(millions)
Population ¹	12.60
Remittances	\$2,993

Remittances as compared to: (% of)

General Indicators²

Official Development Assistance (ODA), (2004)	1228%
Foreign Direct Investment (FDI)	1781%
Gross Domestic Product (GDP)	9.3%

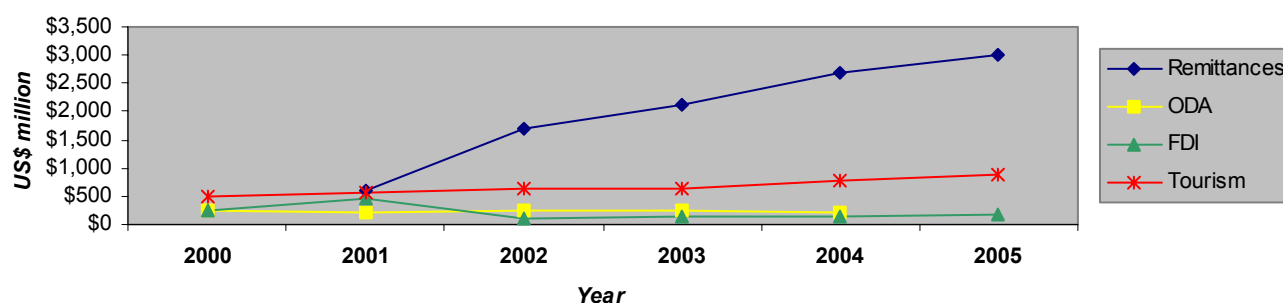
Tourism & Main Exports³

Tourism	344%
Apparel Exports ⁴	202%
Coffee Exports ⁴	645%
All Agricultural Exports, (2004)	189%
Exports (f.o.b)	77%

* 2004 indicators compared against 2004 remittance flows.

- More than half a million Guatemalan migrants live in the United States, and Mexico is the second largest destination of Guatemalan workers.
- Remittance inflows to Guatemala have increased dramatically to US\$2,993 in 2005, the fourth largest in the region and seventh largest in per capita terms (US\$238).
- Remittance inflows are far larger than ODA and FDI combined (US\$373: 2004), and represent 9.3% of Guatemala GDP in 2005.
- Remittances are the principal source of foreign currency: equal to 202% of apparel exports; 344% of tourism income; and 645% of coffee exports.
- The increased participation of local banks such as BanRural, Banco Metropolitano, Banco Occidente, Banco Industrial, and Banco GyT has made the money transfer market very competitive. Western Union, Vigo, and MoneyGram operate in Guatemala, and King Express has a significant share of its money order business. Transaction costs in Guatemala, are consequently lower than the average of Latin American region.

Remittances to Guatemala Compared with ODA, FDI, and Tourism (2000-2005)



¹ Source: UN, Statistic Division (<http://unstats.un.org/unsd/demographic/products/socind/population.htm>).

² Source: ODA: OECD, DAC Online Database, ODA/OA (DAC2a); FDI: CEPAL, *Balance Preliminar de las Economías de América Latina y el Caribe 2005*, Cuadro A-16; GDP: Calculated based on IMF IFS (2000-2004), Banco de Guatemala (<http://www.banguat.gob.gt>) (2005).

³ Source: Tourism: IMF, *Balance of Payments Statistics Yearbook 2005* (2000-2004), Banco de Guatemala (2005); All Agricultural Exports: FAO Statistical Databases, Agricultural Data; Exports: IMF IFS (2000-2004), CEPAL, Op. Cit., Cuadro A-6 (2005).

⁴ Source: Banco de Guatemala.

* All database were accessed in Feb. 2006.

Guyana

Remittances & Selected Indicators 2005

	(millions)
Population ¹	0.75
Remittances	\$270

Remittances as compared to: (% of)

General Indicators²

Official Development Assistance (ODA), (2004)	99%
Foreign Direct Investment (FDI), (2004)	477%
Gross Domestic Product (GDP)	34.3%

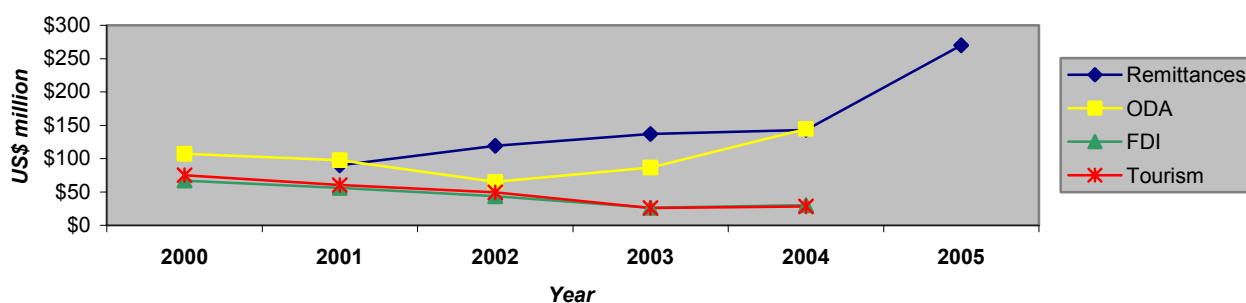
Tourism & Main Exports³

Tourism, (2004)	505%
Sugar Exports ⁴	228%
Gold Exports ⁴	240%
All Agricultural Exports, (2004)	75%
Exports (f.o.b)	49%

- A precise estimation has not been made of the number of Guyanese living abroad, however it is likely that between 500,000 and 1,000,000 Guyanese abroad. The United States is the main destination, with more than 200,000 Guyanese living there. The majority of them live in New York.
- Remittances inflows increased dramatically over 2004, due to recent migration patterns.
- Remittances inflows in 2005 were far larger than ODA and FDI combined, and represented 34.1% of GDP, the highest in the region.
- Remittances were more than double of the revenue of gold exports, as well as of sugar exports, which are the country's two main export products. Remittances amounted to 505% of tourism revenues.
- In Guyanese markets, licensed money transfer companies play a significant role. Western Union transfers two thirds of the total remittance flows. Commercial banks, including ScotiaBank, also as money transmitters and as check cashers.

* 2004 indicators compared against 2004 remittance flows.

Remittances to Guyana Compared with ODA, FDI, and Tourism (2000-2005)



¹ Source: UN, Statistic Division (<http://unstats.un.org/unsd/demographic/products/socind/population.htm>).

² Source: ODA: OECD, DAC Online Database, ODA/OA (DAC2a); FDI: CEPAL, *Balance Preliminar de las Economías de América Latina y el Caribe 2005*, Cuadro A-16; GDP: Calculated based on IMF IFS (2000-2004), Bank of Guyana (<http://www.bankofguyana.org.gy>) (2005).

³ Source: Tourism: IMF, *Balance of Payments Statistics Yearbook 2005*; All Agricultural Exports: FAO Statistical Databases, Agricultural Data; Exports: IMF IFS (2000-2004), Bank of Guyana (2005).

⁴ Source: Bank of Guyana.

* All database were accessed in Feb. 2006.

Haiti

Remittances & Selected Indicators 2005

	(millions)
Population ¹	8.53
Remittances	\$1,077

Remittances as compared to: (% of)

General Indicators²

Official Development Assistance (ODA), (2004)	423%
Foreign Direct Investment (FDI)	15386%
Gross Domestic Product (GDP)	20.7%

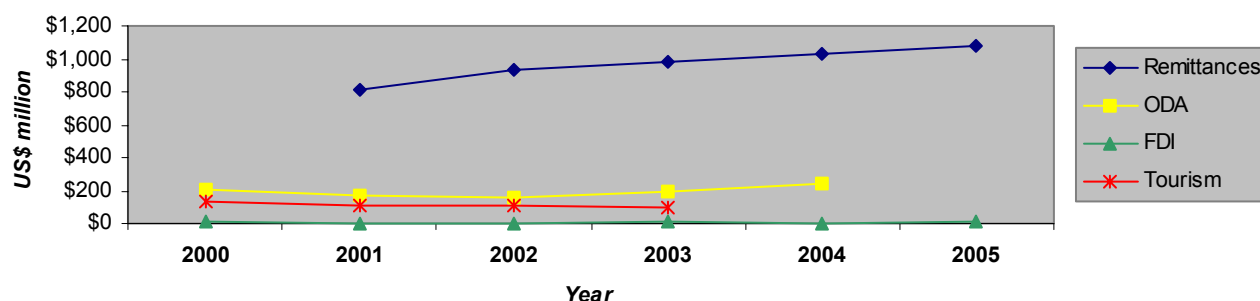
Tourism & Main Exports³

Tourism, (2003)	1052%
Manufactured Products Exports, (2004) ⁴	822%
Cacao Exports, (2004) ⁴	15760%
All Agricultural Exports, (2004)	5143%
Exports (f.o.b)	224%

- There were 419,317 Haitian-born people in the U.S., 40% of which lived in Florida, and 30% in New York.
- An estimated 500,000 to 800,000 Haitians live in the Dominican Republic, but the transient nature of this migration pattern make estimates difficult.
- In Haiti, remittances represent as much as 20.7% of its GDP, the third-highest percentage in the region, and equal to more than five times the sum of ODA and FDI (US\$249: 2004).
- Remittance inflows were ten times the income from tourism in 2003, eight times the manufactured products exports in 2004, and more than double the country's total goods exports in 2005.
- Licensed companies such as Western Union, transfer only half of those monetary flows. These companies charge high transaction costs because informal mechanisms impede efficiency in the money transfer market in Haiti.

* 2003 and 2004 indicators compared against corresponding year's remittance flows.

Remittances to Haiti Compared with ODA, FDI, and Tourism (2000-2005)



¹ Source: UN, Statistic Division (<http://unstats.un.org/unsd/demographic/products/socind/population.htm>).

² Source: ODA: OECD, DAC Online Database, ODA/OA (DAC2a); FDI: CEPAL, *Balance Preliminar de las Economías de América Latina y el Caribe 2005*, Cuadro A-16; GDP: Calculated based on IMF IFS (2000-2004), CIA World Fact Book 2005 (2005).

³ Source: Tourism: IMF, *Balance of Payments Statistics Yearbook 2005*; All Agricultural Exports: FAO Statistical Databases, Agricultural Data; Exports: IMF IFS (2000-2003), CEPAL, Op. Cit., Cuadro A-6 (2004-2005).

⁴ Source: Banque de la République d'Haiti (<http://www.brh.net>).

* All database were accessed in Feb. 2006.

Honduras

Remittances & Selected Indicators 2005

	(millions)
Population ¹	7.20
Remittances	\$1,763

Remittances as compared to: (% of)

General Indicators²

Official Development Assistance (ODA), (2004)	177%
Foreign Direct Investment (FDI)	928%
Gross Domestic Product (GDP)	21.2%

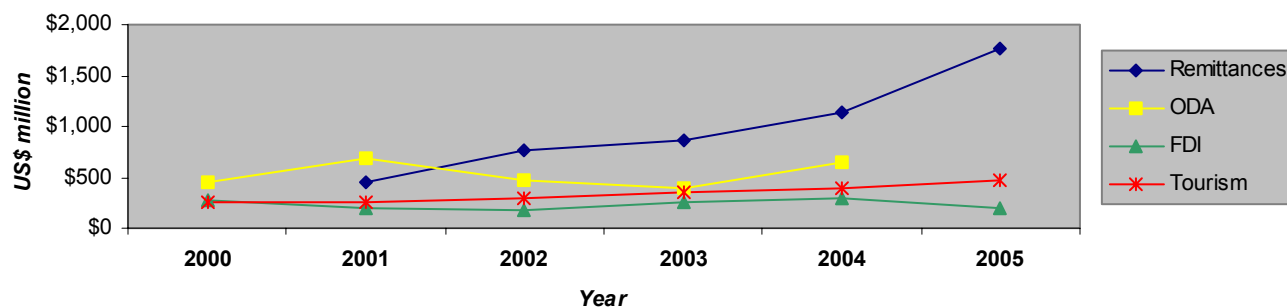
Tourism & Main Exports³

Tourism	373%
Coffee Exports ⁴	526%
Banana Exports ⁴	698%
All Agricultural Exports, (2004)	138%
Exports (f.o.b)	69%

* 2004 indicators compared against 2004 remittance flows.

- An estimated that around 800,000 to 1 million Hondurans reside in the U.S.
- Over the last few years, the growth remittances inflows has been significantly higher than other external financial sources such as tourism, ODA and FDI.
- In 2004 remittances almost equaled twice the amount of ODA and FDI combined (US\$935), and in 2005 it represented 21.2% of GDP.
- In 2005, remittances inflows equaled almost four times the revenues of the tourism sector, and almost seven times Honduran main export products (coffee and bananas).
- Remittances equaled 70% of the country's total export revenues, while the exceeding total agricultural exports.
- The leading companies in the Honduran money transfer market are Banco Atlantida, Western Union, Leon Express, Gigante Express, Ficohsa Express, and so on. The Banco Atlantida has branch offices in California. Vigo Corporation, one of the intermediaries for the credit union system, has also begun to operations in Honduras.

Remittances to Honduras Compared with ODA, FDI, and Tourism (2000-2005)



¹ Source: UN, Statistic Division (<http://unstats.un.org/unsd/demographic/products/socind/population.htm>).

² Source: ODA: OECD, DAC Online Database, ODA/OA (DAC2a); FDI: CEPAL, *Balance Preliminar de las Economías de América Latina y el Caribe 2005*, Cuadro A-16; GDP: Calculated based on IMF IFS (2000-2004), Banco Central de Honduras (<http://www.bch.hn>) (2005).

³ Source: Tourism: IMF, *Balance of Payments Statistics Yearbook 2005* (2000-2004), Banco Central de Honduras (2005); All Agricultural Exports: FAO Statistical Databases, Agricultural Data; Exports: IMF IFS (2000-2004), CEPAL, Op. Cit., Cuadro A-6 (2005).

⁴ Source: Banco Central de Honduras.

* All database were accessed in Feb. 2006.

Jamaica

Remittances & Selected Indicators 2005

	(millions)
Population ¹	2.65
Remittances	\$1,651

Remittances as compared to: (% of)

General Indicators²

Official Development Assistance (ODA), (2004)	1986%
Foreign Direct Investment (FDI), (2004)	276%
Gross Domestic Product (GDP)	19.0%

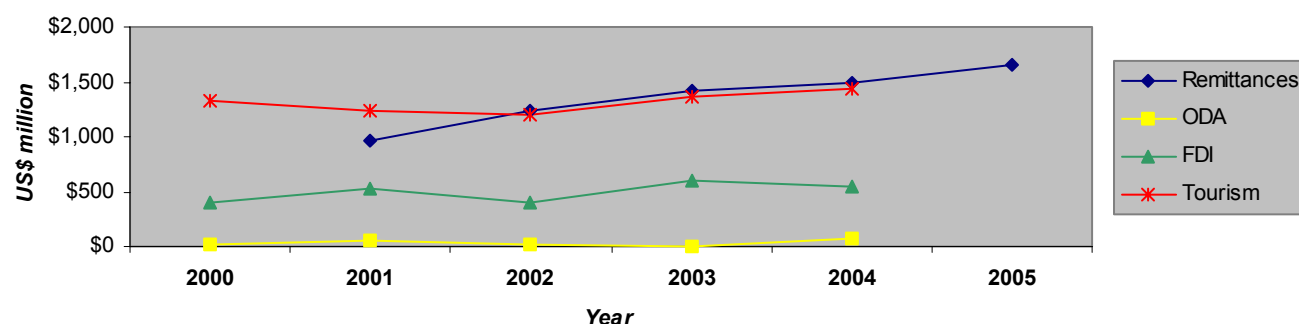
Tourism & Main Exports³

Tourism, (2004)	104%
Alumina Exports, (2004) ⁴	182%
Sugar & Sugar Preparations Exports, (2004) ⁴	1526%
All Agricultural Exports, (2004)	562%
Exports (f.o.b)	104%

* 2004 indicators compared against 2004 remittance flows.

- The United States is the primary destination for Jamaican migrants, and the source of half of annual remittances flows are generated. The next important source is the United Kingdom, followed by Canada and Cayman Islands.
- Jamaica has a per capita remittance of US\$623, which was the largest in the region.
- In 2004 remittances were more than double the sum of ODA and FDI (US\$617), and in 2005 represented 19.0% of the country's GDP, the fourth largest percentage point in the region.
- Remittances were equivalent to 182% of Jamaican alumina exports, and 104% of its total exports. Such flows exceeded the level of tourism income, and are the largest financial source from abroad.
- Traditionally, remittances were transferred to Jamaica by commercial banks. In the late nineties, remittance companies entered to the money transfer market and attained around 50% of the market share in 2003. In turn, this reduced the share of the commercial banks from 52.5% in 1994 to 23.0% in 2003.

Remittances to Jamaica Compared with ODA, FDI, and Tourism (2000-2005)



¹ Source: UN, Statistic Division (<http://unstats.un.org/unsd/demographic/products/socind/population.htm>).

² Source: ODA: OECD, DAC Online Database, ODA/OA (DAC2a); FDI: CEPAL, *Balance Preliminar de las Economías de América Latina y el Caribe 2005*, Cuadro A-16; GDP: Calculated based on IMF IFS (2000-2004), CIA World Fact Book 2005 (2005).

³ Source: Tourism: IMF, *Balance of Payments Statistics Yearbook 2005*; All Agricultural Exports: FAO Statistical Databases, Agricultural Data; Exports: IMF IFS (2000-2004), CIA World Fact Book 2005 (2005).

⁴ Source: Bank of Jamaica (<http://www.boj.org.jm>).

* All database were accessed in Feb. 2006.

Remittances & Selected Indicators 2005

	(millions)
Population ¹	107.03
Remittances	\$20,034

Remittances as compared to: (% of)

General Indicators²

Official Development Assistance (ODA), (2004)	13722%
Foreign Direct Investment (FDI)	178%
Gross Domestic Product (GDP)	2.8%

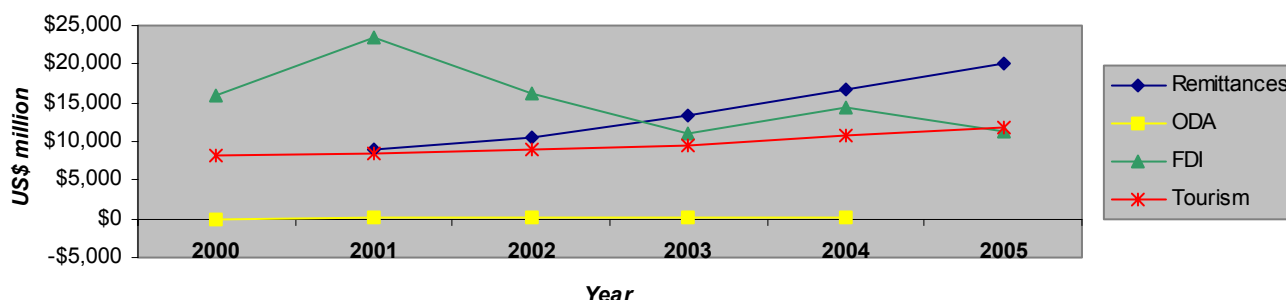
Tourism & Main Exports³

Tourism	170%
Maquiladora Exports ⁴	21%
Oil Exports ⁴	71%
All Agricultural Exports, (2004)	168%
Exports (f.o.b)	10%

* 2004 indicators compared against 2004 remittance flows.

- Mexican migration to the United States has been the most dynamic migration pattern in the world, an estimated 10 million Mexican-born people live in the U.S., and where hundreds of Mexican hometown associations (HTA) are active.
- Mexico is the largest remittance-receiving country in the region. Remittances equal to 2.8% of its GDP, and 10% of its annual exports.
- Such inflows are increasing steadily, while other external financial sources grow much more slowly (tourism) or fluctuate significantly (FDI).
- Remittances are still below of the level of Mexican oil exports, while those inflows exceed not only its tourism revenue but also all its agricultural exports.
- In Mexico, there are at least one hundred money transfer businesses. In the sending side as well as the receiving side, a high level of competition is observed. Banamex and Bancomer offer a wide distribution network in the Mexican side. In the U.S. side, institutions such as Citicorp, Wells Fargo, Bank of America are seeking to attract new customers among sending groups.

Remittances to Mexico Compared with ODA, FDI, and Tourism (2000-2005)



¹ Source: UN, Statistic Division (<http://unstats.un.org/unsd/demographic/products/socind/population.htm>).

² Source: ODA: OECD, DAC Online Database, ODA/OA (DAC2a); FDI: CEPAL, *Balance Preliminar de las Economías de América Latina y el Caribe 2005*, Cuadro A-16; GDP: Calculated based on IMF IFS (2000-2004), CIA World Fact Book 2005 (2005).

³ Source: Tourism: IMF, *Balance of Payments Statistics Yearbook 2005* (2000-2004), Banco de México (<http://www.banxico.org.mx>) (2005); All Agricultural Exports: FAO Statistical Databases, Agricultural Data; Exports: IMF IFS (2000-2004), CEPAL, Op. Cit., Cuadro A-6 (2005).

⁴ Source: Banco de México.

* All database were accessed in Feb. 2006.

Nicaragua

Remittances & Selected Indicators 2005

	(millions)
Population ¹	5.49
Remittances	\$850

Remittances as compared to: (% of)

General Indicators²

Official Development Assistance (ODA), (2004)	66%
Foreign Direct Investment (FDI)	370%
Gross Domestic Product (GDP)	16.9%

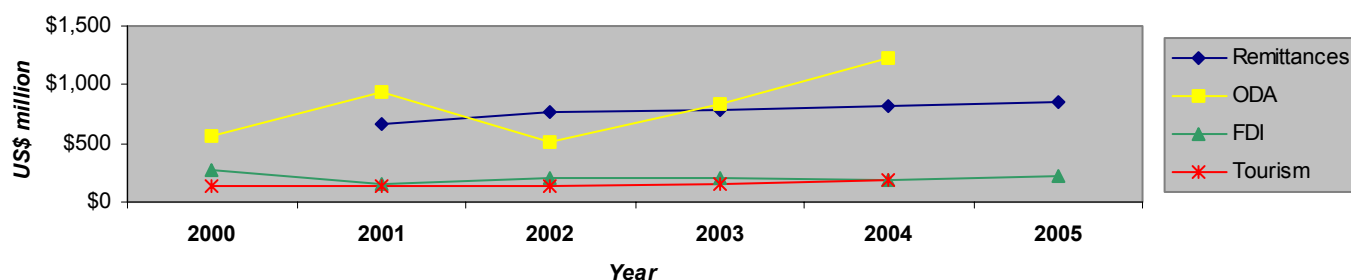
Tourism & Main Exports³

Tourism, (2004)	432%
Coffee Exports ⁴	685%
Beef Exports ⁴	714%
All Agriculture Exports, (2004)	158%
Exports (f.o.b)	55%

* 2004 indicators compared against 2004 remittance flows.

- The principal destination for Nicaraguan migrant workers is the United States, followed by Costa Rica. Approximately 226,000 Nicaraguan-born persons were living in Costa Rica in 2000. This does not include Nicaraguan seasonal workers, which are estimated between 400,000 and 500,000 persons.
- In 2004 remittances inflows surpassed those of ODA and FDI.
- Remittances are a significant financial source for Nicaragua. Remittances equaled 16.9% of its GDP in 2005, the sixth largest percentage point in the region.
- Remittances equaled the value of all of tourism revenues and the value of all agricultural exports in 2004. In 2005 these were equivalent to about seven times of the country's coffee exports, as well as seven times beef exports.
- In the U.S., remittance companies compete with 'encomenderos', who hand deliver remittances throughout Nicaragua. In Costa Rica, some commercial banks and the post office also participate in the money transfer services to Nicaragua.

Remittances to Nicaragua Compared with ODA, FDI, and Tourism (2000-2005)



¹ Source: UN, Statistic Division (<http://unstats.un.org/unsd/demographic/products/socind/population.htm>).

² Source: ODA: OECD, DAC Online Database, ODA/OA (DAC2a); FDI: CEPAL, *Balance Preliminar de las Economías de América Latina y el Caribe 2005*, Cuadro A-16; GDP: Calculated based on IMF IFS (2000-2004), CIA World Fact Book 2005 (2005).

³ Source: Tourism: IMF, *Balance of Payments Statistics Yearbook 2005*; All Agriculture Exports: FAO Statistical Databases, Agricultural Data; Exports: IMF IFS (2000-2004), CEPAL, Op. Cit., Cuadro A-6 (2005).

⁴ Source: Banco Central de Nicaragua (<http://www.bcn.gob.ni>).

* All database were accessed in Feb. 2006.

Panama

Remittances & Selected Indicators 2005

	(millions)
Population ¹	3.23
Remittances	\$254

Remittances as compared to: (% of)

General Indicators²

Official Development Assistance (ODA), (2004)	613%
Foreign Direct Investment (FDI)	34%
Gross Domestic Product (GDP)	1.6%

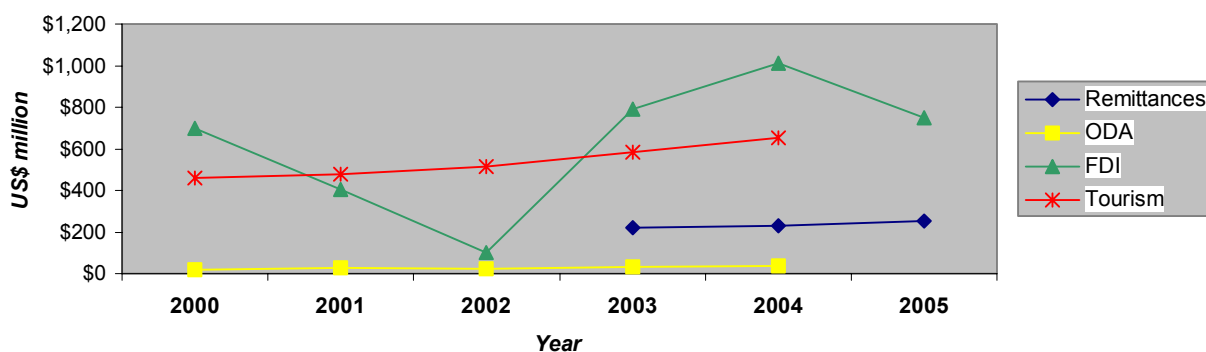
Tourism & Main Exports³

Tourism, (2004)	35%
Canal Commission Tolls ⁴	33%
Yellow Fin Tuna Exports ⁴	90%
All Agricultural Exports, (2004)	72%
Exports (f.o.b)	4%

- Migration from Panama to the United States has a long history, Much occurring as a result of the involvement with the panama canal.
- Unlike their Central American neighbours Panamanians do not remit in similar numbers, and per-capita remittances abroad is only US\$78
- In 2004, remittance inflows to Panama were equal to 34% of FDI.
- In 2005 remittances are equivalent to 1.6% of Panamanian GDP, and 4% of its total exports.
- In 2004 these flows were equivalent to 35% of tourism revenues. Remittances, however, are still below the yellow fin tuna exports revenue.

* 2004 indicators compared against 2004 remittance flows.

Remittances to Panama Compared with ODA, FDI, and Tourism (2000-2005)



¹ Source: UN, Statistic Division (<http://unstats.un.org/unsd/demographic/products/socind/population.htm>).

² Source: ODA: OECD, DAC Online Database, ODA/OA (DAC2a); FDI: CEPAL, *Balance Preliminar de las Economías de América Latina y el Caribe 2005*, Cuadro A-16; GDP: Calculated based on IMF IFS (2000-2004), CIA World Fact Book 2005 (2005).

³ Source: Tourism: IMF, *Balance of Payments Statistics Yearbook 2005*; All Agricultural Exports: FAO Statistical Databases, Agricultural Data; Exports: IMF IFS (2000-2004), CEPAL, Op. Cit., Cuadro A-6 (2005).

⁴ Source: Ministerio de Economía y Finanzas (<http://www.mef.gob.pa>).

* All database were accessed in Feb. 2006.

Paraguay

Remittances & Selected Indicators 2005

	(millions)
Population ¹	6.16
Remittances	\$550

Remittances as compared to: (% of)

General Indicators²

Official Development Assistance (ODA), (2004)	168667%
Foreign Direct Investment (FDI)	859%
Gross Domestic Product (GDP)	7.2%

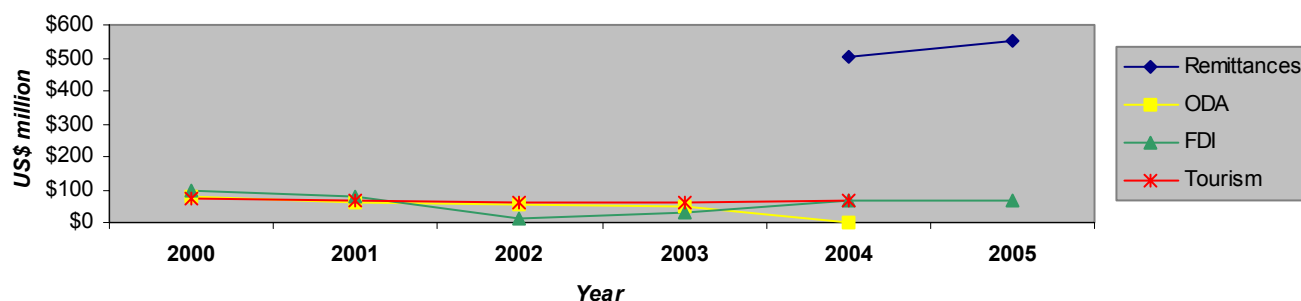
Tourism & Main Exports³

Tourism, (2004)	755%
Soya Exports ⁴	97%
Meat Exports ⁴	217%
All Agricultural Exports, (2004)	37%
Exports (f.o.b)	20%

* 2004 indicators compared against 2004 remittance flows.

- Paraguay has a long history of migration to Argentina and Brazil.
- Around 300,000 Paraguayans were living in Argentina according to the Census 2001.
- Remittances trends are difficult to measure due to the lack of comparable data before 2004. However, in 2005 remittance inflows were eight times the total of FDI receipts and tourism.
- In 2005 remittances accounted for 7.2% of Paraguayan GDP, and were almost equal to the revenues of its principal export, soya .
- In 2004 those inflows brought in seven and a half times the tourism income.

Remittances to Paraguay Compared with ODA, FDI, and Tourism (2000-2005)



¹ Source: UN, Statistic Division (<http://unstats.un.org/unsd/demographic/products/socind/population.htm>).

² Source: ODA: OECD, DAC Online Database, ODA/OA (DAC2a); FDI: CEPAL, *Balance Preliminar de las Economías de América Latina y el Caribe 2005*, Cuadro A-16; GDP: Calculated based on IMF IFS (2000-2003), Banco Central del Paraguay (<http://www.bcp.gov.py>) (2004-2005).

³ Source: Tourism: IMF, *Balance of Payments Statistics Yearbook 2005*; All Agricultural Exports: FAO Statistical Databases, Agricultural Data; Exports: IMF IFS (2000-2004), CEPAL, Op. Cit., Cuadro A-6 (2005).

⁴ Source: Banco Central del Paraguay.

* All database were accessed in Feb. 2006.

Remittances & Selected Indicators 2005

	(millions)
Population ¹	27.97

Remittances	\$2,495
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Remittances as compared to: (% of)

General Indicators²

Official Development Assistance (ODA), (2004)	279%
Foreign Direct Investment (FDI)	117%
Gross Domestic Product (GDP)	3.2%

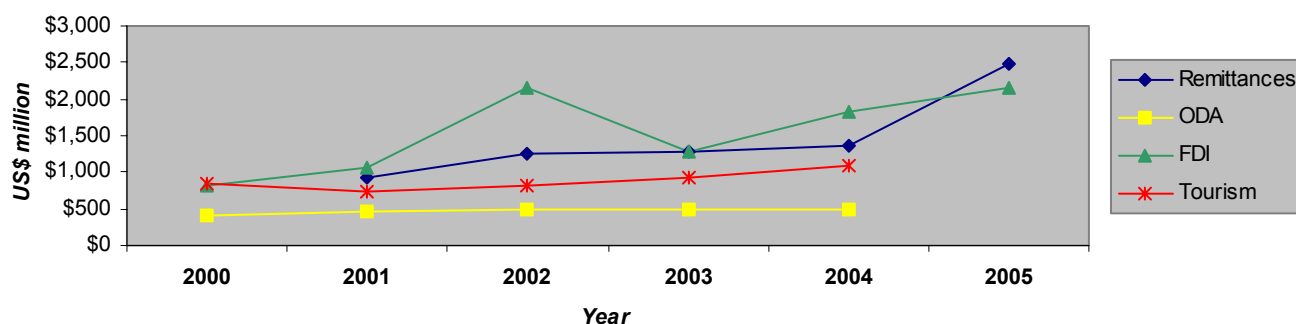
Tourism & Main Exports³

Tourism	126%
Copper Exports ⁴	74%
Gold Exports ⁴	79%
All Agricultural Exports, (2004)	120%
Exports (f.o.b)	15%

- An estimated 300,000 Peruvian-born people live in the U.S. Chile is the second destination for Peruvian workers where an estimated 80,000 Peruvians have emigrated in recent years.
- In 2004 remittances into Peru equaled to 279% of its ODA receipts. In 2005 such inflows were approximately equal to those of FDI.
- Remittances inflows exceeded tourism revenues as well as the total of all agricultural exports in 2005.
- Remittances were equivalent to 75% of Peruvian copper exports, almost 80% of gold exports, in spite of the internationally high mineral prices in recent years.
- Based on surveys of remittances recipients in Peru, 34% of total remittance flows are transferred by remittance companies, while 24% go through banks. It also estimated that another 42% pass through such channels as courier companies, cooperatives, and travel agents.

* 2004 indicators compared against 2004 remittance flows.

Remittances to Peru Compared with ODA, FDI, and Tourism (2000-2005)



¹ Source: UN, Statistic Division (<http://unstats.un.org/unsd/demographic/products/socind/population.htm>).

² Source: ODA: OECD, DAC Online Database, ODA/OA (DAC2a); FDI: CEPAL, *Balance Preliminar de las Economías de América Latina y el Caribe 2005*, Cuadro A-16; GDP: Calculated based on IMF IFS (2000-2004), Banco Central de Reserva del Perú (<http://www.bcrp.gov.pe>) (2005).

³ Source: Tourism: IMF, *Balance of Payments Statistics Yearbook 2005* (2000-2004), Banco Central de Reserva del Perú (2005); All Agricultural Exports: FAO Statistical Databases, Agricultural Data; Exports: IMF IFS (2000-2004), CEPAL, Op. Cit., Cuadro A-6 (2005).

⁴ Source: Banco Central de Reserva del Perú.

* All database were accessed in Feb. 2006.

Suriname

Remittances & Selected Indicators 2005

	(millions)
Population ¹	0.45
Remittances	\$55

Remittances as compared to: (% of)

General Indicators²

Official Development Assistance (ODA), (2004)	209%
Foreign Direct Investment (FDI), (2004) ³	-
Gross Domestic Product (GDP)	4.0%

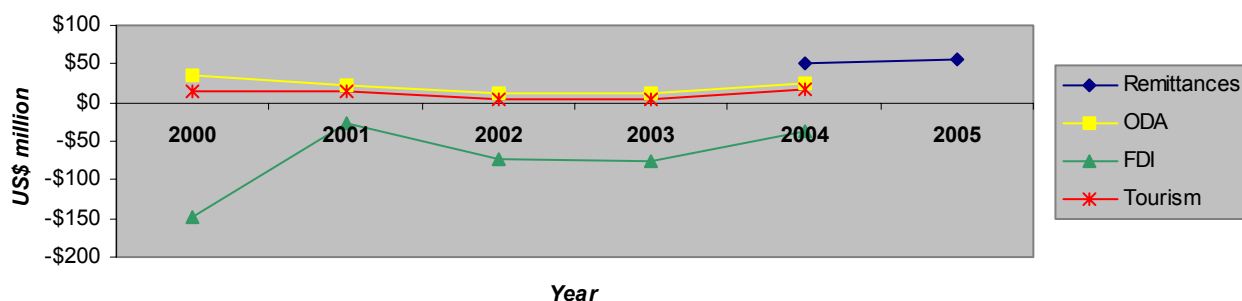
Tourism & Main Exports⁴

Tourism, (2004)	294%
Bauxite Derivatives Exports, (2004/2003) ⁵	15%
All Agricultural Exports, (2004)	278%
Exports (f.o.b)	6%

- The Netherlands is the main destination of Surinamese migrants due to long historical ties. An estimated 300,000 first and second generation Surinamese currently live in the Netherlands.
- Trends in remittances flows to Suriname are difficult to measure due to the lack of comparable data before 2004. However, remittances are a quite significant financial source in the country's economy, with total inflows equal to twice ODA receipts in 2004, and 4.0% of the GDP in 2005.
- Remittances exceeded the country's total agricultural export revenues and represent 15% of its mining products export revenues.

* 2004 indicators compared against 2004 remittance flows. Bauxite exports (2004) compared against 2004 remittance flows.

Remittances to Suriname Compared with ODA, FDI, and Tourism (2000-2005)



¹ Source: UN, Statistic Division (<http://unstats.un.org/unsd/demographic/products/socind/population.htm>).

² Source: ODA: OECD, DAC Online Database, ODA/OA (DAC2a); FDI: CEPAL, *Balance Preliminar de las Economías de América Latina y el Caribe 2005*, Cuadro A-16; GDP: Calculated based on IMF IFS (2000-2003), WTO Statistics Database (2004), CIA World Fact Book 2005 (2005).

³ FDI data registered negative during the considered period.

⁴ Source: Tourism: IMF, *Balance of Payments Statistics Yearbook 2005*; All Agricultural Exports: FAO Statistical Databases, Agricultural Data; Exports: IMF IFS (2000-2004), CIA World Fact Book 2005 (2005).

⁵ Source: World Bank Database.

* All database were accessed in Feb. 2006.

Trinidad & Tobago

Remittances & Selected Indicators 2005

	(millions)
Population ¹	1.31
Remittances	\$97

Remittances as compared to: (% of)

General Indicators²

Official Development Assistance (ODA), (2004) ³	-
Foreign Direct Investment (FDI), (2004)	10%
Gross Domestic Product (GDP)	0.7%

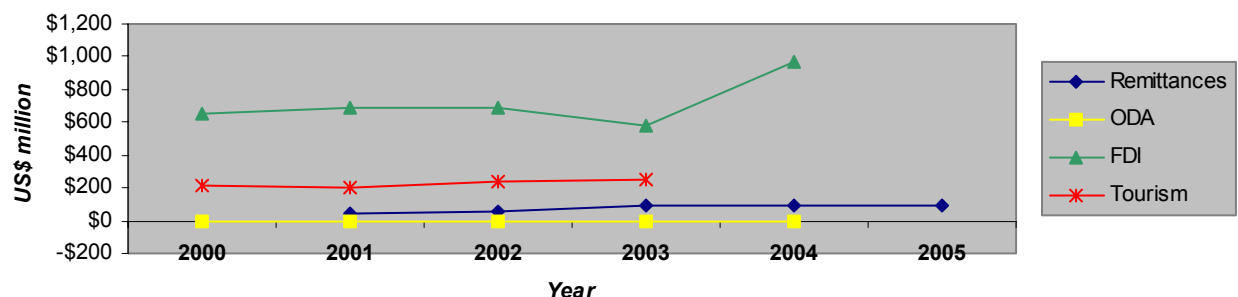
Tourism & Main Exports⁴

Tourism, (2003)	35%
Gas Exports, (2004) ⁵	5%
Petroleum Crude & Refined Exports, (2004) ⁵	6%
All Agricultural Exports, (2004)	80%
Exports (f.o.b)	1%

- The principal destination of migrant workers from Trinidad and Tobago is the United States, followed by Canada and the United Kingdom.
- It is estimated that around 200,000 people born in Trinidad & Tobago are currently living in the U.S.
- Remittances inflows in 2005 equaled to US\$97 millions, or 0.7% of the annual GDP of Trinidad and Tobago.
- In 2004 such inflows were equivalent to around 5% of gas export revenues as well as of petroleum-related export revenues.
- Remittances were equivalent to 35% of tourism revenue in 2003, and 80% of all agricultural exports in 2004.
- Although not as significant for neighboring countries, remittance flows have remained constant over the last 3 years.

* 2003 and 2004 indicators compared against corresponding year's remittance flows.

Remittances to Trinidad & Tobago Compared with ODA, FDI, and Tourism (2000-2005)



¹ Source: UN, Statistic Division (<http://unstats.un.org/unsd/demographic/products/socind/population.htm>).

² Source: ODA: OECD, DAC Online Database, ODA/OA (DAC2a); FDI: CEPAL, *Balance Preliminar de las Economías de América Latina y el Caribe 2005*, Cuadro A-16 (2000-2003), Central Bank of Trinidad and Tobago (<http://www.central-bank.org.tt>) (2004); GDP: Calculated based on IMF IFS (2000-2004), CIA World Fact Book 2005 (2005).

³ ODA data registered negative during the considered period.

⁴ Source: Tourism: IMF, *Balance of Payments Statistics Yearbook 2005*; All Agricultural Exports: FAO Statistical Databases, Agricultural Data; Exports: IMF IFS (2000-2003), Central Bank of Trinidad and Tobago (2004), CIA World Fact Book 2005 (2005).

⁵ Source: Central Bank of Trinidad & Tobago.

* All database were accessed in Feb. 2006.

Uruguay

Remittances & Selected Indicators 2005

	(millions)
Population ¹	3.46
Remittances	\$110

Remittances as compared to: (% of)

General Indicators²

Official Development Assistance (ODA), (2004)	477%
Foreign Direct Investment (FDI)	35%
Gross Domestic Product (GDP)	0.6%

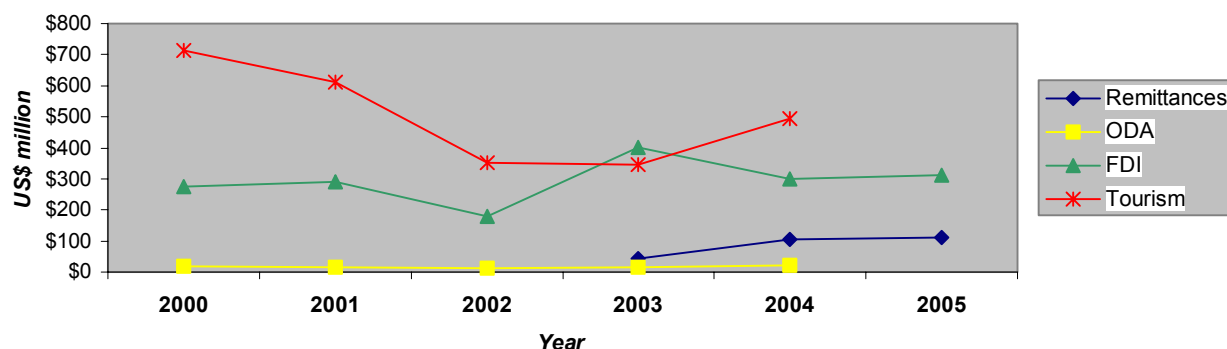
Tourism & Main Exports³

Tourism, (2004)	21%
Beef Exports ⁴	15%
Textile Manufactures Exports ⁴	44%
All Agricultural Exports, (2004)	6%
Exports (f.o.b)	3%

- The main destination of Uruguayan migrants is Argentina, where more than 120,000 Uruguayan were counted by the Argentine 2001 Census.
- Remittances to Uruguay in 2005 equaled to only 0.6% of its GDP, those flows were equivalent to around 35% of FDI receipts.
- In 2004, remittances to Uruguay surpassed 20% of tourism to the country.
- Remittances were equivalent to 15% of its beef exports revenues and 44% of its textile manufactures exports revenues.

* 2004 indicators compared against 2004 remittance flows.

Remittances to Uruguay Compared with ODA, FDI, and Tourism (2000-2005)



¹ Source: UN, Statistic Division (<http://unstats.un.org/unsd/demographic/products/socind/population.htm>).

² Source: OECD, DAC Online Database, ODA/OA (DAC2a); FDI: CEPAL, *Balance Preliminar de las Economías de América Latina y el Caribe 2005*, Cuadro A-16; GDP: Calculated based on IMF IFS (2000-2004), CIA World Fact Book 2005 (2005).

³ Source: Tourism: IMF, *Balance of Payments Statistics Yearbook 2005*; All Agricultural Exports: FAO Statistical Databases, Agricultural Data; Exports: IMF IFS (2000-2004), CEPAL, Op. Cit., Cuadro A-6 (2005).

⁴ Source: Banco Central del Uruguay (<http://www.bcu.gub.uy>).

* All database were accessed in Feb. 2006.

Venezuela

Remittances & Selected Indicators 2005

	(millions)
Population ¹	26.75
Remittances	\$272

Remittances as compared to: (% of)

General Indicators²

Official Development Assistance (ODA), (2004)	533%
Foreign Direct Investment (FDI)	18%
Gross Domestic Product (GDP)	0.2%

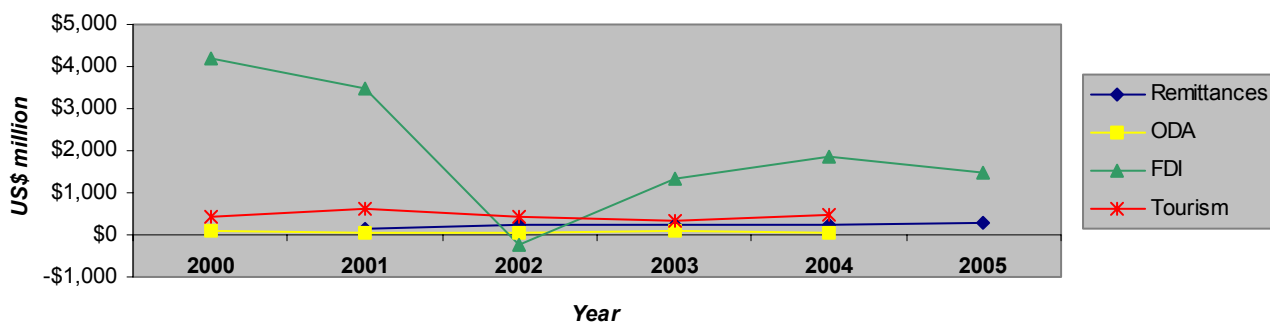
Tourism & Main Exports³

Tourism, (2004)	54%
Oil-related Exports ⁴	1%
All Agricultural Exports, (2004)	123%
Exports (f.o.b)	0.5%

- Venezuela is now shifting from a major destination for migrant to a net exporter of migrants.
- In 2005, remittances were equivalent to around 20% of FDI inflows, while those amounted to only 0.2% of Venezuelan GDP.
- Remittances were equivalent to 54% of tourism revenues in 2004, but are significant when compared to oil export revenues.
- However, remittance inflows are almost 20% of the value of the country's foreign direct investment.

* 2004 indicators compared against 2004 remittance flows.

Remittances to Venezuela Compared with ODA, FDI, and Tourism (2000-2005)



¹ Source: UN, Statistic Division (<http://unstats.un.org/unsd/demographic/products/socind/population.htm>).

² Source: OECD, DAC Online Database, ODA/OA (DAC2a); FDI: CEPAL, *Balance Preliminar de las Economías de América Latina y el Caribe 2005*, Cuadro A-16 (2000-2004), Banco Central de Venezuela (<http://www.bcv.org.ve>) (2005); GDP: Calculated based on IMF IFS (2000-2004), CIA World Fact Book 2005 (2005).

³ Source: Tourism: IMF, *Balance of Payments Statistics Yearbook 2005*; All Agricultural Exports: FAO Statistical Databases, Agricultural Data; Exports: IMF IFS (2000-2004), CEPAL, Op. Cit., Cuadro A-6 (2005).

⁴ Source: Banco Central de Venezuela.

* All database were accessed in Feb. 2006.

MIF Remittance Cluster Activities

To date, the Multilateral Investment Fund (MIF) of the Inter-American Development Bank (IDB), has undertaken significant activities in the context of its Cluster of Remittances. These activities include:

- Approval of 23 projects in the area of Remittances, totaling more than US\$ 77 million in technical assistance
- Commissioning of 25 studies/surveys in both remittance sending and receiving countries; and
- Organizing a total of 32 conferences and round tables in both remittance receiving and sending countries; these include 13 events in the LAC region, 12 in North America, 3 in Asia, and 2 in Europe.

2000 Activities

The Multilateral Investment Fund initiated discussions with think tanks, NGOs, foundations, central banks, financial institutions, and universities in order to develop a working plan to study the volume of remittance flows, transaction costs, and ways to leverage the potential development impact of remittances to Latin America and the Caribbean.

2001 Activities

Studies 2001

- **Comparative study of LAC Remittances**
MIF, Washington, D.C. / May 2001
- **Evolution of Remittances and their Impact on the Salvadorian Economy**
FUSADES / May 2001

Events 2001

- **First Regional Conference on Remittances as a Development Tool**
MIF, Washington, D.C. / May 17

MIF Financed Projects 2001

- **Support Micro-Enterprises Utilizing a Line of Credit**
Ecuador, Banco Solidario / (TC0105029)
- **Remittance Fund for Entrepreneurs (Dekassegui Fund)**
Brazil, FMEE / (TC0004002)
- **Capitalization of Remittances for Local Economic Development**
Mexico, NAFIN / (TC0106003)

2002 Activities

Studies / Surveys 2002

- **Remittances: Markets and Costs**
Inter-American Dialogue, Washington D.C. / Manuel Orozco / January 2002
- **Remittances a Development Tool: Regional Map of Remittance Flows, 2001**
MIF, Washington, D.C. / February 2002
- **Survey of Remittance Senders: U.S. to Latin America**
Bendixen & Associates, Miami FL / February 2002
- **Billions in Motion, Latino Immigrants, Remittances, and Banking**
Pew Hispanic Center, Washington D.C. / December 2002

Events 2002

- **Round Table on Remittances as a Development Tool in El Salvador**
San Salvador, El Salvador / February 8, 2002
- **Round Table on Remittances as a Development Tool in the Dominican Republic**
Santo Domingo, Dominican Republic / February 13, 2002
- **Regional Conference: Remittances as a Development Tool, 2002**
Washington D.C. / February 26, 2002
- **Round Table on Remittances as a Development Tool in Jamaica**
Kingston, Jamaica / September 17, 2002
- **Seminar on Remittances from Japan to Brazil and Peru**
Hamamatsu, Japan / November 9, 2002
- **Conference on Remittances and the U.S. Financial System**
Washington D.C. / November 22, 2002 - IDB/MIF with the Pew Hispanic Center

MIF Financed Projects 2002

- **Strengthening Savings and Credit Unions in Rural Mexico**
Mexico, PANHAL / BANSEFI / (TC0109002)
- **Strengthening Financial and Remittances Services**
El Salvador / FEDECACES / (TC0202014)
- **Investment of Remittances with Hometown Associations**
Mexico, FDPC / (TC0108017)

2003 Activities

Studies / Surveys 2003

- **Remittances From Spain to LAC**
Confederación Española de Cajas de Ahorro, CECA – Spain / January 2003
- **Worker Remittances: An International Comparison**
Inter-American Dialogue - Manuel Orozco / February 2003
- **Improving Access to the U.S. Banking System Among Recent Latin American Immigrants**
University of Massachusetts at Amherst - Sheila Bair / February 2003
- **Sending Money Home:
An International Comparison of Remittances Markets - Map of 2002**
MIF, Washington, D.C. / February 2003
- **Survey of Remittance Recipients in Ecuador**
Pew Hispanic Center & Bendixen & Associates, Miami, FL / May 2003
- **Andean Countries Remittance Markets**
CEPAL, Santiago Chile / April 2003
- **Microfinance & Remittances**
Acción International, Cambridge, MA / April 2003
- **Survey of Remittance Recipients in Central America**
Pew Hispanic Center & Bendixen & Associates, Miami, FL / September 2003
- **Survey of Remittance Recipients in Mexico**
Pew Hispanic Center & Bendixen & Associates, Miami, FL / October 2003
- **Leveraging Economic Impact of Remittances**
University of California at Los Angeles (UCLA) / November 2003
- **Remittance Senders and Receivers: Tracking the Transnational Channels**
Pew Hispanic Center & Bendixen & Associates, Miami, FL / November 2003

Events 2003

- **Remittances from Spain to Latin America as a Development Tool**
Madrid, Spain / January 28, 2003
- **Regional Conference on Remittances as a Development Tool 2003**
Washington D.C. / February 28, 2003
- **Remittances as a Development Tool in Ecuador**
Quito, Ecuador / May 6, 2003
- **Remittances as a Development Tool in Central America: Empowering Microfinance**
Guatemala City, Guatemala / September 3, 2003
- **Remittances as an Instrument for Development: The Case of Mexico**
Mexico City, Mexico / October 28th, 2003
- **Remittances as an Instrument for Development**
Washington D.C., / November 24, 2003

MIF Financed Projects 2003

- **Financial and Business Services for Remittance Recipients**
Dominican Republic, AIRAC (TC0304042)
- **Investment in Financiera Nicaragüense de Desarrollo (FINDE S.A.)**
Nicaragua, FINDESA (TC0203015)
- **Expansion and Strengthening of a Microfinance Institution FIE**
Argentina, FIE Gran Poder S.A. (TC0305019)
- **Strengthening Distribution Channels for Remittances.**
Dominican Republic, (DR0158)
- **Remittances and Financial Services to Strengthen Credit Cooperatives**
Honduras, FACACH (TC0206015)

2004 Activities

Studies / Surveys / Papers 2004

- **Intra-regional Remittances in LAC**
*Institute for the Study of International Migration, Georgetown University
Feb 2004*
- **Remittances to LAC: Goals and Recommendations**
MIF, Washington D.C./ May 2004
- **Survey of U.S. Remittances Senders: State by State**
Bendixen & Associates, Miami FL / May 2004
- **Analysis of Survey of U.S. Remittances Senders: State by State**
MIF, Washington, D.C. / May 2004
- **Survey of Remittances Senders: Brazilian Case Study**
Bendixen & Associates, Miami FL / May 2004
- **Survey of Remittances Recipients: Colombian Case Study**
Bendixen & Associates, Miami FL / September 2004
- **Survey of Remittance Senders: From the U.S. to the Dominican Republic**
Bendixen & Associates, Miami FL / November 2004
- **Survey of Remittance Recipients: The Dominican Republic**
Bendixen & Associates, Miami FL / November 2004
- **Financial Institutions and the Remittance Market in the Dominican Republic**
The Earth Institute, Columbia University, New York, NY / November 2004

Events 2004

- **Remittances as a Development Tool: Lima Statement on Remittances**
Lima, Peru / March 27, 2004
- **Sending Money Home: State by State Analysis of Remittances from the United States to Latin America**
Washington D.C. / May 1, 7 2004
- **Remittances as a Development Tool: Brazil Case Study**
Rio de Janeiro, Brazil / May 31, 2004
- **Remittances as a Development Tool: Colombia Case Study**
Bogotá, Colombia / September 8, 2004

- **Regional Remittances: Regional Multilateral Banks Approach to Remittances Flows**
Washington D.C., / October 2004
- **Sending Money Home: An Analysis of the Remittance Market Between the United States and the Dominican Republic**
New York / November 23, 2004, with the Earth Institute at Columbia University
- **Remittances and Technology Workshop**
San Francisco / December 12, 2004, with the World Resources Institute

Projects 2004

- **Remittances and rural development in Latin America and the Caribbean support program (MIF-IFAD)**
Regional, IFAD (RG-M1019)
- **Mobilization of Remittances through Microfinance Institutions**
Regional, Centro Acción / Acción Internacional(RG-M1003)
- **Enhance Development Impact of Peruvian Workers' Remittances from Japan**
Peru / Banco del Trabajo(PE-M1010)
- **Pilot Project to Direct Foreign Remittances towards Purchase Housing in Mexico**
Mexico / SHF (ME-M1006)
- **Enhance Dev. Impact of Peruvian Workers' Remittances from Japan**
Peru / APJ (ME-T1003)

2005 Activities

Studies / Surveys / Papers 2005

- **Banking the Unbanked in Latin America**
MIF, Washington D.C. / June 2005
- **Banking the Unbanked in the United States**
MIF, Washington, D.C. / June 2005
- **Remittances as a Development Tool: Bolivia Survey**
Bendixen & Associates, Miami, FL / October 2005
- **Remittances as a Development Tool: Peru Survey**
Bendixen & Associates, Miami / December 2005
- **Sending Money to LAC: Human Face of Globalization**
Bendixen & Associates, Miami / December 2005
- **Statistical Comparisons on Remittances 2004**
MIF, Washington D.C. . / December 2005

Events 2005

- **Sending Money Home, the 2004 Map of Remittances to Latin America**
New York / March 24, 2005, with Citigroup and Women's World Banking
- **Remittances and Migration in the Context of Globalization**
Okinawa, Japan / April 9, 2005
- **Remittances from Europe**
Brussels / May 19, 2005, with the World Savings Bank Institute
- **Remittances from Canada to Jamaica, Guyana, and Haiti**
Montreal and Toronto / May 26-27, 2005, with FOCAL and CIDA
- **2004 International Remittances Forum and Business Fair**
Washington, D.C. / June 28-30, 2005
- **Joint Conference on Remittances**
Manila, Philippines / September 12-13, 2005, with the Asian Development Bank and UNDP
- **Sending Money Home, Bolivia**
Santa Cruz, Bolivia / October 5, 2005, with Acción International

- **Press Presentation on Remittances**
Buenos Aires / November 3, 2005 (in conjunction with the Summit of the Americas)
- **Sending Money Home, Remittances to Peru**
Lima, Peru / December 5, 2005 - Survey Presentation

MIF Financed Projects in 2005

- **Enhance Development Impact of Workers' Remittances**
Guatemala, Bancaf  (GU-M1003)
- **Improving Central Bank Remittance Reporting and Procedures**
Regional, CEMLA (RG-M1059)
- **Facilitation of Access to Housing Finance for Recipients of Remittances**
Mexico, La Sociedad Hipotecaria Federal (SHF) (ME-M1006)

2006 Activities

Studies / Surveys / Papers 2006

- **Promoting Financial Democracy: Statistical Comparisons on Remittances 2006**
MIF, Washington D.C.

Events 2006

- **A Global Revolution in Banking: Brazil, Remittances and Microfinance**
Belo Horizonte, March 30th 2006, IDB Annual Meeting

Planned Activities for the Remainder of 2006

Upcoming Studies / Surveys / Papers 2006

- **A Survey of Latin Americans in the US: Housing and Remittances**
Bendixen & Associates, Miami, FL / May 2006
- **Study of Barriers to Entry into the U.S. Financial System for non-Mexican Migrants**
Sheila Bair, University of Massachusetts at Amherst - May, 2006
- **Remittances, investment and the local economies in Latin America**
Inter-American Dialogue / Manuel Orozco
- **Sending Money Home: Remittance to Mexico**
Bendixen & Associates, Miami, FL / September 2006
- **Sending Money Home: Remittance to Paraguay**
Bendixen & Associates, Miami, FL / October 2006

Upcoming Events 2006

- **Remittances from Portugal to Brazil**
Lisbon, May 9th 2006, Survey Presentation
- **Building Broad based economic Growth**
Washington, D.C./ June, 2006
- **Sending Money Home: Remittances and Transnational Families**
Washington, D.C / May 12 with the Annie E. Casey Foundation
- **Financial Inclusion in the Americas**
Washington, D.C./ July 11
- **Sending Money Home: Remittance to Paraguay**
Asuncion, Paraguay / October 2006 - Survey Presentation
- **Sending Money Home: Remittance to Mexico**
Mexico City / November 2006 – Survey Presentation

Projects 2006

- **Remittances and Entrepreneurship for Brazilians and their Relatives in Brazil**
Brazil / Caixa Econômica Federal – SEBRAE (BR-M1032)

MIF Participation in Other Events, and Coordination with Other Efforts

- Asian Development Bank

The MIF has been asked by the Asian Development Bank and the European Bank for Reconstruction and Development to assist them in replicating the MIF remittance strategy in other regions. In addition, the MIF is actively working with several other international organizations on collaborative efforts.

- World Bank/CPSS Task force on Remittances

Following the Sea Island G8 summit, the Committee on Payment and Settlement Systems (CPSS) and the World Bank (WB) formed a Task Force to develop principles to guide central bank and other governmental policy on remittances. The CPSS/WB principles will maintain a primary focus on payment system issues. The MIF is an active member and participant in this process. The report is in final draft form, and should be released for public comment in early 2006.

- World Bank Task Force on Data

The Sea Island G8 summit also called upon the World Bank to oversee the work of a task force on remittance data quality. This Task Force, made up of representatives from the World Bank, regional development banks including the IDB/MIF, and other international development agencies and central banks, is tasked with considering the difficulties of collecting and compiling remittance data and making recommendations for improvement. A report should be produced by the end of 2005.

- The Inter-Agency Remittance Task Force

The Inter-Agency Remittance Task Force was created by Department for International Development (DFID) the World Bank to update on each agency's priority and activities on remittances and to review the task force mandate. The Task Force is composed by members of CGAP, IADB, IMF, USAID, US Treasury, the World Bank and DFID. The main mandate and members areas of focus activity of the task Force is to review each organizations' respective remittance activities.

- Collaboration with the Consultative Group to Assist the Poor

CGAP has convened a small group of remittance experts to aid in drafting a manual for microfinance institutions that seek to enter the remittance market. The MIF is an active participant in providing advice in this effort.



Inter-American Development Bank

Multilateral Investment Fund

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For more information visit us
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www.MigrantRemittances.org