

REMITTANCES

Remittances in recent years have exceeded official development aid by factor of more than two to one. This has brought to the fore the importance of transfers by immigrants to their families in origin countries for improving their welfare and living conditions. As a consequence, more and more attention is being paid to remittances as a possible boost to development in origin countries.

Definition

The data presented use a broad definition of remittances that is believed to better capture the extent of remittances than what appears under the heading of workers' remittances. They include i) workers' remittances recorded under the heading "current transfers" in the current account of the balance of payments; ii) compensation of employees, which includes wages, salaries and other benefits of non-resident workers, such as border or seasonal workers; iii) migrants' transfers, which are recorded under capital transfers in the capital account

Overview

The issue of immigrant remittances is not a new one but it has acquired a certain prominence in recent years, because of the realisation that immigrants are transferring to their home countries amounts that significantly exceed the development aid given to the same countries by host-country governments of the countries where they are working. In certain countries, in particular Honduras, Lebanon, Bosnia-Herzegovina and Haiti, the amounts transferred are equivalent to close to twenty percent of the national gross domestic product.

As migration continues to increase (by over 3 million persons per year among long-term migrants as well as significantly many short-term migrants), the amounts transferred will continue to increase. Immigrants tend to transfer more in the early years after arrival but less as time goes on and the settlement decision becomes more definitive.

The presence of many Caribbean and Latin American countries in the table reflects the importance of the United States as a major destination country for persons from these countries.

A certain number of OECD countries appear towards the bottom of the table, not all of them for migration-related reasons, however. The remittances for Belgium in particular reflect essentially the large number of residents of that country working cross-border in the Netherlands and especially Luxembourg.

and can include, for example, assets brought back to the country of origin.

The figures for remittances comprise transfers of money not only from immigrants in OECD countries, but from all foreign countries.

Comparability

The data shown here are compiled from receiving countries and generally only include officially recorded remittances. These may exclude amounts transferred that are less than a particular threshold value. Remittances transferred by informal methods or brought back by migrants in their pockets and not reported are not counted, nor are in-kind transfers of jewelry, consumer goods, etc. Informal transfers are believed to be significant and can amount to as much as fifty percent of total remittances in some countries. The differences between countries in the coverage of incoming remittances are unknown.

The table covers the top 30 countries of origin based on remittances-as-a-percentage-of-GDP, among those with over 250 000 immigrants residing in OECD countries.

Sources

- United Nations Statistics Division (Population).
- World Development Indicators, World Bank (GDP).
- International Monetary Fund (Remittances).
- *International Migration Statistics*.

Further information

Analytical publications

- OECD (2005), *The Development Dimension – Migration, Remittances and Development*, OECD, Paris.

Methodological publications

- OECD (2005), "Counting immigrants and expatriates in OECD countries – a new perspective", *Trends in International Migration: SOPEMI – 2004 Edition*, OECD, Paris.



Remittances to major remittance receiving countries

Year 2005

Remittances

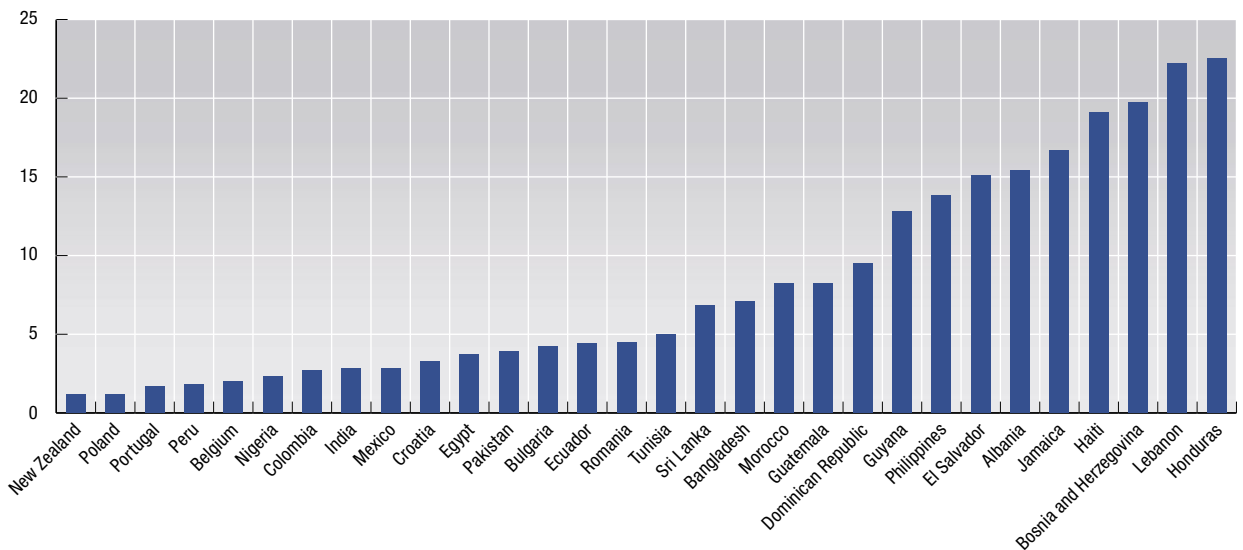
Immigrant population
in OECD countries

	Million US dollars	As a percentage of GDP	Amount per person in the population, US\$	Thousands of persons
Honduras	1 796	22.5	249	304
Lebanon	4 924	22.2	1 377	354
Bosnia and Herzegovina	1 843	19.7	472	614
Haiti	811	19.1	95	506
Jamaica	1 623	16.7	612	841
Albania	1 290	15.4	412	626
El Salvador	2 564	15.1	373	892
Philippines	13 566	13.8	163	2 084
Guyana	100	12.8	133	323
Dominican Republic	2 700	9.5	304	781
Guatemala	2 591	8.2	206	536
Morocco	4 221	8.2	134	1 613
Bangladesh	4 252	7.1	30	325
Sri Lanka	1 590	6.8	77	353
Tunisia	1 432	5.0	142	444
Romania	4 467	4.5	206	1 226
Ecuador	1 610	4.4	122	563
Bulgaria	1 121	4.2	145	648
Pakistan	4 280	3.9	27	755
Egypt	3 341	3.7	45	337
Croatia	1 222	3.3	269	524
Mexico	21 772	2.8	203	9 430
India	21 727	2.8	20	2 095
Colombia	3 345	2.7	73	802
Nigeria	2 273	2.3	17	294
Belgium	7 158	2.0	687	408
Peru	1 440	1.8	51	462
Portugal	3 017	1.7	287	1 336
Poland	3 547	1.2	92	2 313
New Zealand	1 281	1.2	318	465

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Remittances to major remittance receiving countries

As a percentage of GDP, 2005

StatLink <http://dx.doi.org/10.1787/736877652517>