

Remittance Prices Worldwide

Annex to Issue 32, December 2019

This Report reflects the latest trends observed in the data published in December 2019.

Remittance Prices Worldwide is available at <http://remittanceprices.worldbank.org>

Annex - Cost trends for remittance amount USD 500

Introduction

This Annex is a continued supplement to the ongoing Global Cost Reduction monitoring efforts established with the main RPW Quarterly Report. Global targets for reduction of remittances cost have focused on the USD 200 (or local currency equivalent) as amount sent, which is believed to be an accurate representation of a typical remittance transaction. However, data for USD 500 (or equivalent) have also been collected alongside the data for USD 200 and have been analyzed since Q4 2017 to complement the USD 200 analysis.

The analysis in this annex shows again that, as expected, the cost of sending USD 500 is lower as a percentage of amount sent compared to the cost of sending USD 200. The analysis additionally confirms that the cost of sending USD 500 has followed a similar trend to the one observed over the last years for USD 200.

Global trends

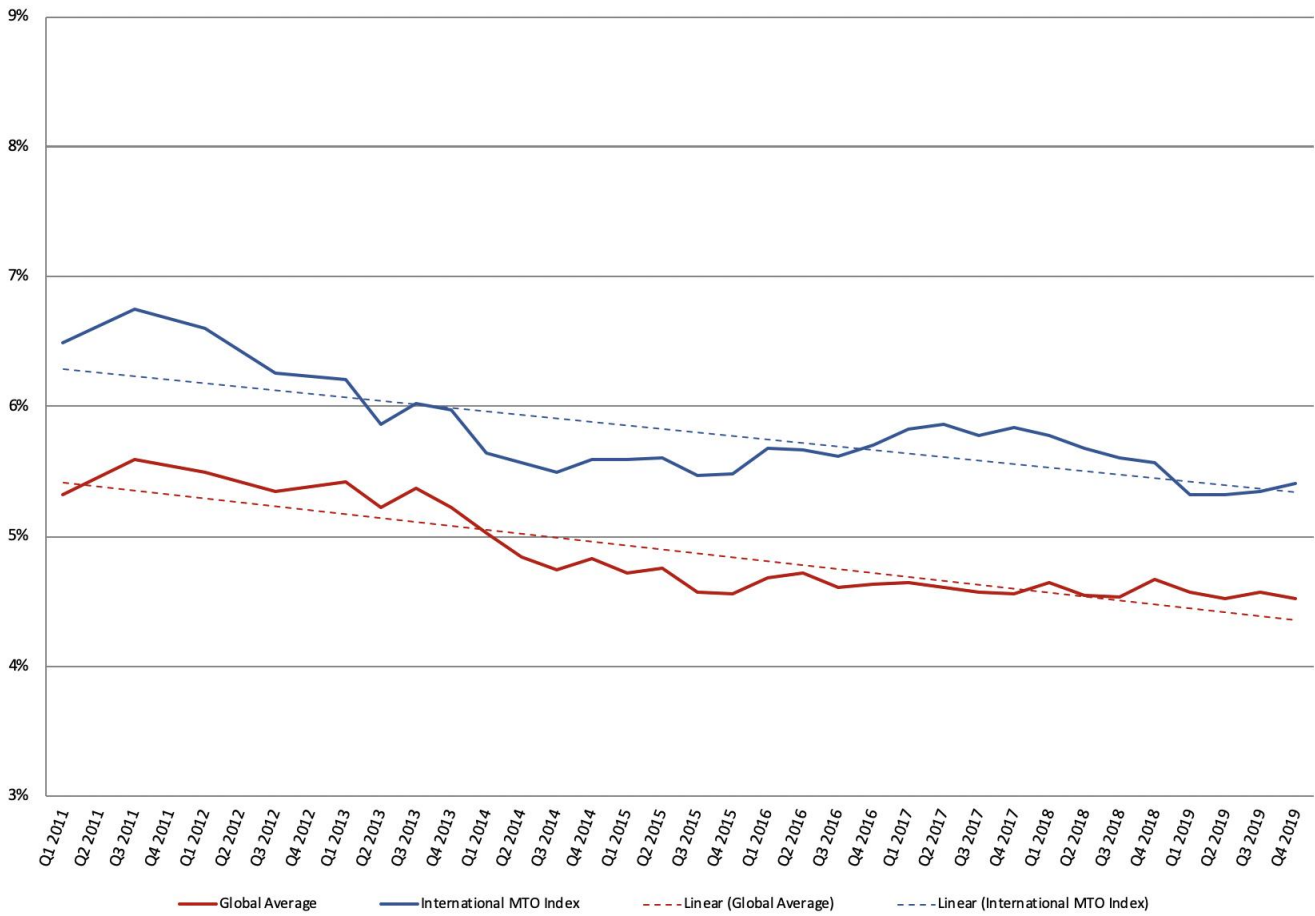
Global Average Total Cost remains stable

In Q4 2019, the Global Average cost for sending USD 500 was 4.52 percent. The average cost of sending USD 500 has remained below 5.00 percent total average cost since Q2 2014 and has never exhibited a value above 6 percent (the costliest period was in Q3 2011, where the total average cost of sending USD 500 was recorded at 5.59 percent). The Global Average of sending USD 500 exhibits an overall downwards trend since Q1 2011, as seen in Figure 1 below. This represents a decline of 0.8 percentage point since Q1 2011, when the figure was recorded at 5.32 percent. Over the preceding 5-year period (Q4 2014 – Q4 2019), the total cost of sending USD 500 has decreased by 0.31 percentage point.

International MTO Index

The International MTO Index tracks the prices of MTOs that are present in at least 85 percent of corridors covered in the RPW database.ⁱ In Q4 2019, the International MTO Index for USD 500 experienced a modest increase to 5.41 percent from 5.35 percent in Q3 2019. The International MTO Index for USD 500 has remained below 6 percent since Q3 2013 when this figure was recorded at 6.03 percent. As seen in Figure 1, the International MTO Index exhibits an overall downwards trend. Over the preceding 5-year period (Q4 2014 – Q4 2019), the total cost of sending USD 500 has decreased by nearly 0.18 percentage point.

Figure 1 Global Average Total Cost for sending USD 500

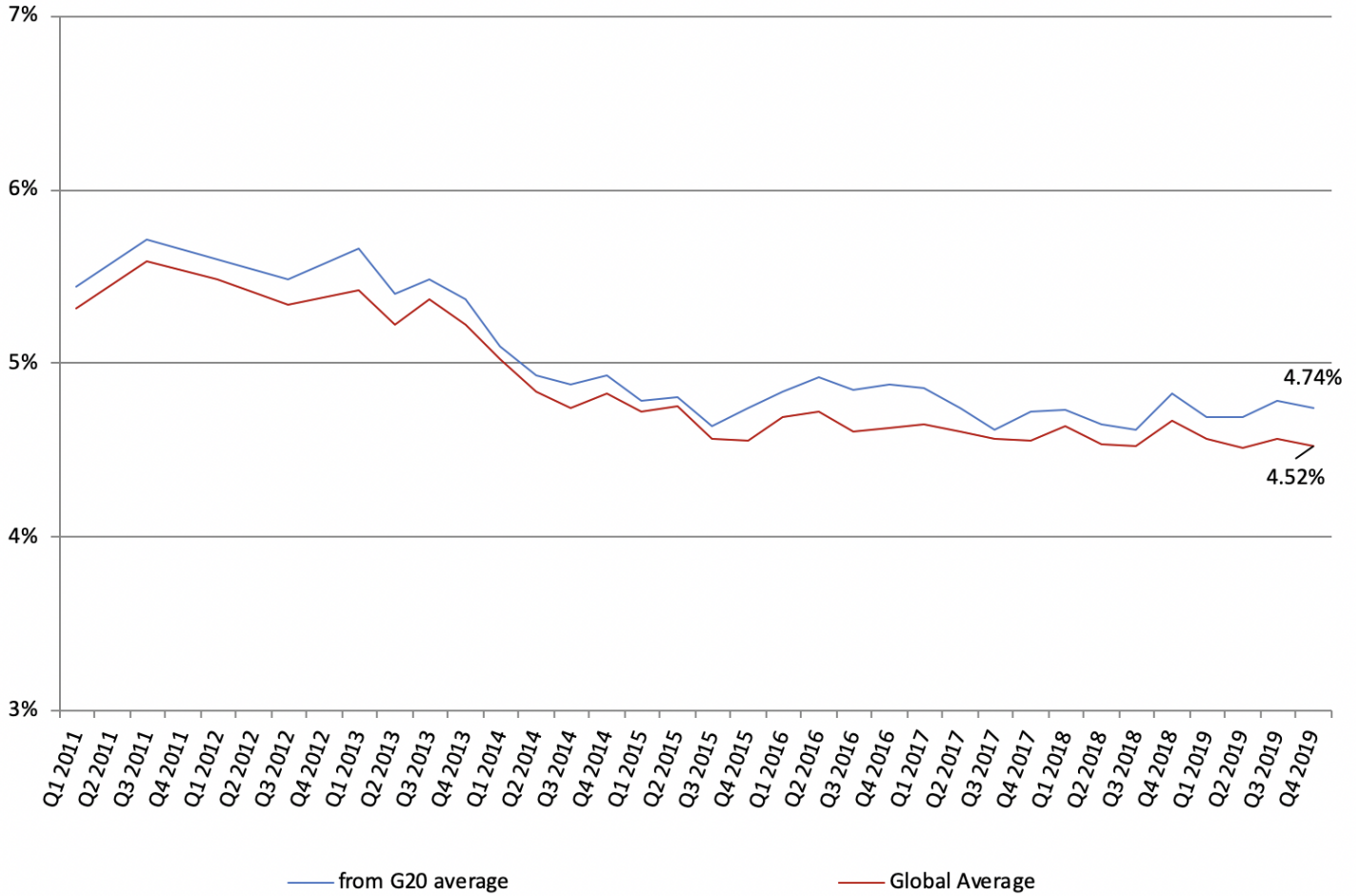


G20 Countries

Cost of sending remittances from and to G20 countries

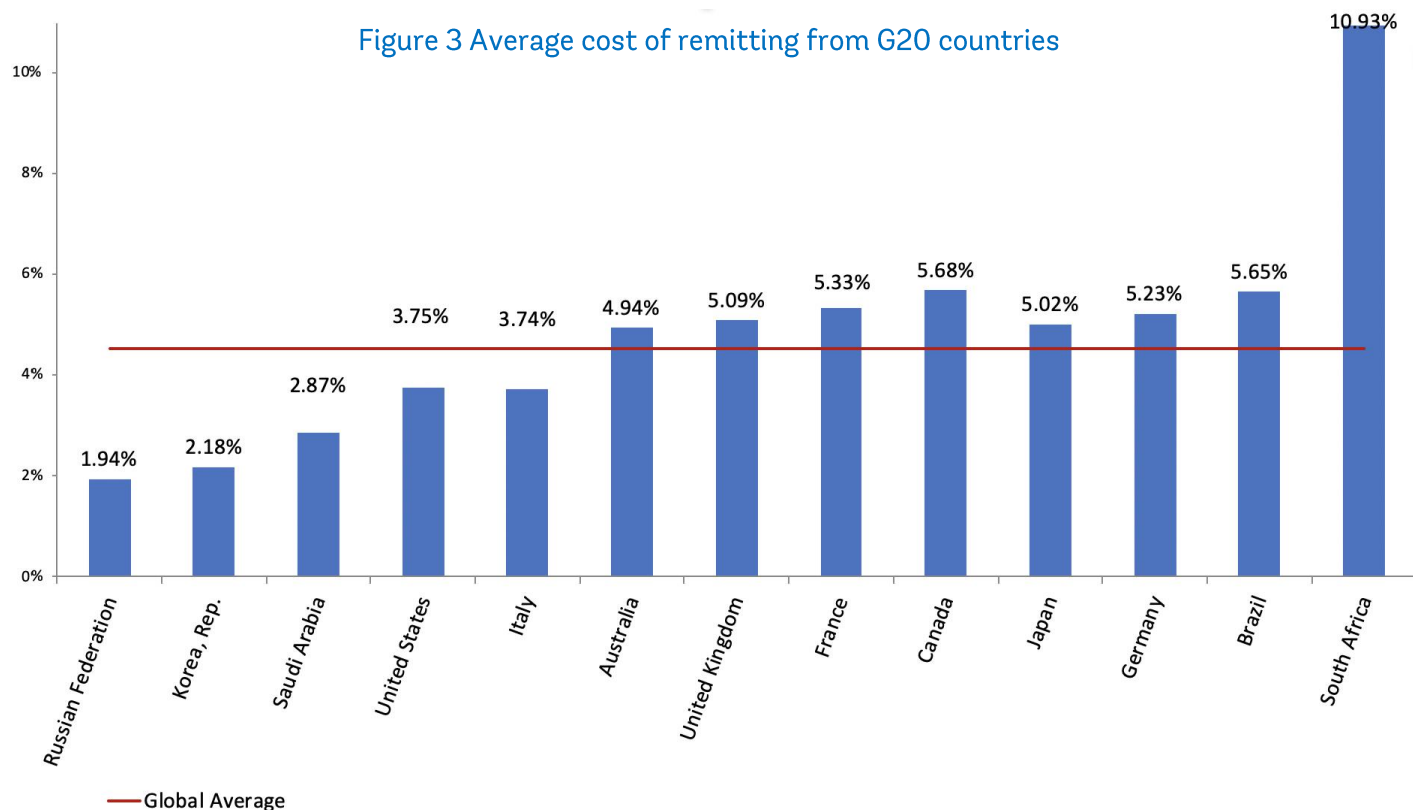
The cost of remitting USD 500 from G20 countries has remained below 5.00 percent since Q1 2014, when this figure was recorded at 5.10 percent. The total cost of remitting USD 500 from G20 countries has closely followed a similar trend as the Global Average of sending USD 500, as seen in Figure 2. The cost of remitting USD 500 from G20 countries in Q4 2019 experienced a moderate decrease, recorded at 4.74 percent.

Figure 2 Average cost of sending USD 500 from G20 countries



South Africa is the most expensive G20 country to send USD 500 from, consistent with the USD 200 findings (see Figure 3), and this is despite an overall decrease from its peak in Q2 2013, when the cost of sending from South Africa was more than 12 percent. In Q4 2019, the average cost of remitting USD 500 from South Africa increased to 10.93 percent from 10.11 percent in Q3 2019. Russia is the least expensive sending country in this grouping, exhibiting a total average cost of sending USD 500 of 1.94 percent, followed by Korea (2.18 percent), Saudi Arabia (2.87 percent), Italy (3.74 percent), the United States (3.75 percent), and Australia (4.94 percent). Of this group Australia, Brazil, Canada, France, Germany, Japan, the UK and South Africa exhibit costs higher than the Global Average in Q4 2019.

Figure 3 Average cost of remitting from G20 countries



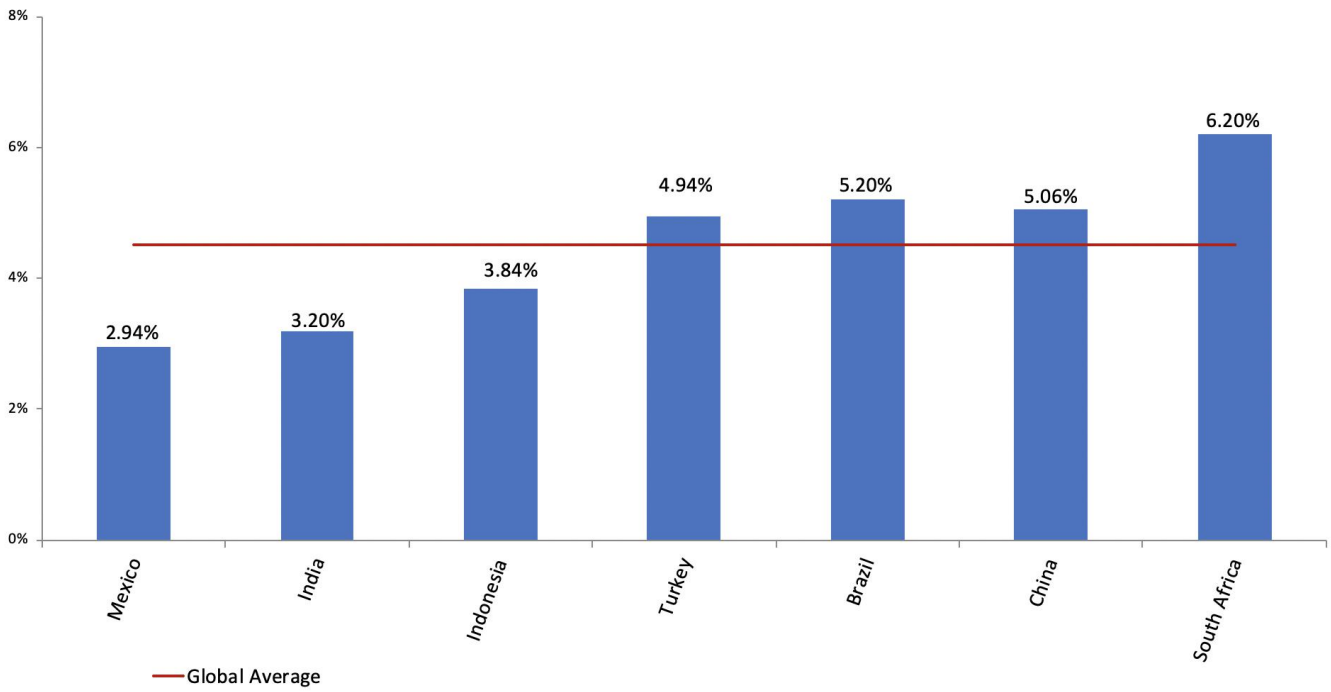
Figures 4 and 5 display the total average cost of sending USD 500 to G20 countries over time and in Q4 2019, respectively. The average cost of sending USD 500 to the G20 countries that are included in RPW as receiving markets decreased between Q3 and Q4 of 2019, recorded at 4.07 percent in Q4 2019. In contrast with the Global Average cost of sending USD 500, the total average cost of sending USD 500 to G20 countries has led a more volatile path over the past year.

For the 12th consecutive quarter the cost of remitting USD 500 to G20 countries is recorded below the Global Average cost of sending USD 500. South Africa (6.20 percent) is the most expensive country in this grouping to remit to, followed by Brazil (5.20 percent), China (5.06 percent), and Turkey (4.94 percent). Over the last 5 years, the total average cost of sending to G20 countries has decreased by more than 0.58 percentage point (in Q4 2014, this figure was recorded at 4.65 percent).

Figure 4 Average cost of remitting to G20 countries



Figure 5 Average cost of remitting USD 500 to G20 countries, by Country



Annex – Tables (Continued from the Main Report)

Table 6 – Global Average, International MTO Index

	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Global Average	4.84	4.74	4.83	4.72	4.76	4.57	4.56	4.69	4.72	4.61	4.63	4.65	4.61	4.57	4.56	4.64	4.54	4.53	4.67	4.57	4.52	4.57	4.52
International MTO Index	5.56	5.49	5.59	5.59	5.60	5.46	5.48	5.67	5.67	5.62	5.70	5.83	5.86	5.78	5.84	5.77	5.68	5.61	5.57	5.32	5.32	5.35	5.41

Table 7 – Cost of sending USD 500 from G20 countries

	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
India	-	-	-	-	-	-	-	-	0.45	0.58	0.00	2.22	2.60	2.70	0.35	0.64	2.51	-	-	-	-	-	-
South Africa	10.97	11.44	11.29	10.68	10.42	8.69	10.39	9.71	10.21	10.19	10.51	9.87	9.52	9.25	9.41	10.48	9.49	9.02	8.97	9.24	8.93	10.11	10.93
Turkey	-	-	-	-	-	-	-	-	9.47	7.69	-1.50	7.26	9.76	7.91	7.38	6.34	7.54	7.24	8.08	5.63	7.83	7.75	6.74
France	6.55	6.63	6.65	5.76	5.69	6.05	5.45	5.44	5.43	5.30	5.45	5.45	5.63	5.17	5.14	5.34	5.06	5.16	4.96	5.15	5.32	5.46	5.33
Canada	5.34	5.45	5.52	5.55	5.60	5.33	4.79	4.54	4.82	5.17	5.20	4.92	4.36	4.67	4.68	4.65	4.77	5.15	4.95	5.27	4.34	5.48	5.68
Germany	5.43	5.19	5.64	5.03	4.99	5.02	5.22	5.44	5.42	5.39	5.24	5.51	5.21	5.15	4.95	5.15	4.97	5.06	5.74	5.40	5.52	5.34	5.23
Japan	6.98	6.68	6.52	6.53	6.69	6.29	6.35	6.51	6.52	5.53	6.18	6.10	5.49	5.64	4.99	5.36	6.30	5.05	5.45	5.40	5.38	5.17	5.02
United Kingdom	5.11	4.88	4.79	4.87	4.68	4.86	4.73	4.85	4.87	5.01	5.20	5.42	5.16	4.75	5.09	4.95	4.77	5.04	4.86	4.91	4.87	5.17	5.09
Australia	5.52	5.20	5.35	5.38	5.62	5.53	5.92	5.77	6.01	5.93	5.85	6.00	5.78	5.57	5.46	5.23	4.99	5.00	5.34	4.91	5.00	4.82	4.94
Brazil	3.32	4.99	4.40	4.45	4.87	5.52	5.33	5.63	5.39	5.10	4.70	5.02	2.77	4.00	5.13	3.94	6.14	4.58	5.99	5.87	5.85	4.38	5.65
Saudi Arabia	2.78	2.19	2.75	3.03	2.51	2.37	3.39	2.99	2.80	2.84	2.96	3.36	3.64	3.20	3.56	3.67	3.79	4.40	4.55	2.92	3.22	3.11	2.87
Italy	4.18	4.30	4.16	4.02	4.12	3.61	3.72	4.08	4.21	3.99	4.18	3.80	4.01	3.91	4.09	4.09	3.98	4.03	4.06	3.98	4.13	4.35	3.74
United States	3.64	3.78	3.84	3.69	4.12	3.89	3.71	3.95	3.98	3.99	3.97	3.75	3.66	3.72	3.83	3.68	3.64	3.52	4.09	3.90	3.84	3.67	3.75
Korea, Rep.	3.09	3.12	3.36	3.53	3.45	2.74	3.07	3.14	2.98	2.77	2.69	2.57	3.07	2.46	2.63	2.71	2.62	2.63	2.55	2.69	2.65	2.60	2.18
Russian Federation	1.80	1.74	2.15	2.55	2.22	1.67	1.68	1.82	1.90	1.66	1.88	1.82	1.73	1.78	1.48	1.48	1.54	1.58	1.63	1.61	1.62	1.48	1.94
From G20	4.94	4.88	4.93	4.79	4.80	4.64	4.74	4.84	4.92	4.84	4.88	4.86	4.74	4.62	4.72	4.73	4.65	4.62	4.83	4.70	4.69	4.78	4.74
Global Average	4.84	4.74	4.83	4.72	4.76	4.57	4.56	4.69	4.72	4.61	4.63	4.65	4.61	4.57	4.56	4.64	4.54	4.53	4.67	4.57	4.52	4.57	4.52

Table 7 – Cost of receiving USD 500 in G20 countries

	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Brazil	4.93	4.99	5.36	5.05	6.80	4.91	4.04	4.80	4.72	4.82	5.68	4.80	4.49	4.66	4.74	4.64	5.27	5.17	5.40	5.16	5.37	5.56	5.20
China	5.65	5.45	5.52	5.56	5.56	5.50	5.11	5.60	5.93	5.52	5.63	5.63	5.49	5.44	4.69	4.92	4.48	4.77	5.36	5.29	5.01	5.83	5.06
India	4.30	3.85	3.85	3.84	3.95	3.59	3.43	3.54	3.81	3.56	3.51	3.60	3.55	3.54	3.29	3.29	3.29	3.38	3.60	3.27	3.10	3.31	3.20
Indonesia	5.31	5.36	5.41	4.88	4.90	4.95	4.62	4.87	5.27	4.67	5.07	5.04	5.12	4.66	4.21	5.20	4.78	4.55	5.11	4.10	4.20	3.75	3.84
Mexico	2.96	2.94	2.79	3.09	3.60	3.86	3.15	3.40	3.29	4.49	2.87	3.32	3.86	2.98	3.02	2.82	2.35	2.65	4.10	3.00	3.04	3.16	2.94
South Africa	5.20	6.52	6.44	5.51	5.22	6.25	6.09	6.99	6.56	5.99	6.07	5.46	5.48	5.71	6.13	5.24	5.67	6.23	5.66	5.60	6.16	5.78	6.20
Turkey	4.79	4.65	4.11	4.39	4.41	4.53	4.77	4.90	4.47	5.19	5.78	5.40	5.02	4.92	5.21	5.29	6.05	5.29	4.36	4.96	5.30	4.82	4.94
To G20	4.86	4.64	4.65	4.60	4.85	4.51	4.22	4.53	4.73	4.51	4.64	4.54	4.45	4.36	4.04	4.18	4.16	4.20	4.51	4.17	4.09	4.28	4.07

ⁱ The International MTOs Index includes all MTOs that are present in over 85 percent of RPW corridors. Thus far, it has included Western Union and MoneyGram, which operate in 95 percent and 90 percent of the country corridors covered in the database, respectively.