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AN ANALYSIS OF TRENDS IN COST OF REMITTANCE SERVICES

REMITTANCE PRICES WORLDWIDE QUARTERLY



THE WORLD BANK
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This Report reflects the latest trends
observed in the data published in March
2022.

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

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Overview

Remittance Prices Worldwide (RPW) monitors remittance prices across all geographic regions of the world. Launched in September 2008, RPW monitors the cost incurred by remitters when sending money along major remittance corridors. RPW is used as a reference for measuring progress towards global cost reduction objectives, including the G20 commitment to reduce the global average to 5 percent, which is being pursued in partnership with governments, service providers, and other stakeholders.

Since Q2 2016, RPW covers 48 remittance sending countries and 105 receiving countries, for a total of 367 country corridors worldwide. RPW tracks the cost of sending remittances for four main RSP types: Banks, MTOs, Mobile Operators, and Post Offices. MTOs include both traditional providers and innovative/fintech players. On average, 17.3 services per corridor are tracked.

This Report uses data from RPW's most recent release to analyze the global, regional, and country specific trends in the average cost of migrant remittances.

FXC Intelligence provides the underlying data used in the RPW.

The World Bank is calling for feedback to improve the RPW dataset in regard to provider and product coverage within the scope of the [RPW methodology](#). We would like to hear your feedback at: paymentsystems@worldbank.org

Key findings

- The **Global Average** increased from 6.04 percent in Q4 2021 to 6.09 percent in Q1 2022.
- The **International MTO Index** experienced a modest increase over the quarter to 6.44 percent in Q1 2022, from 6.37 percent in Q4 2021.
- The **Global Weighted Average** increased to 4.92 percent in Q1 2022.
- The **Global SmART Average** for Q1 2022 was recorded at 3.71 percent.
- The **Digital remittances index** increased from 4.64 in Q4 2021 to 4.79 percent in Q1 2022.
- South Asia remains the lowest cost receiving region, with an average cost of 4.21 percent. Sub-Saharan Africa remains the most expensive region to send money to, recorded at 7.84 percent total average cost in Q1 2022.
- Banks remain the most expensive type of service provider, with an average cost of 10.94 percent.
- The proportion of corridors with average costs of less than 5 percent has increased considerably since Q1 2009 (from 17 percent to 35 percent in Q1 2022).
- In Q1 2022, mobile money remains the least costly instrument to originate remittances and was also the least cost instrument to receive remittances.
- Q1 2022 data were collected in March 2022. Due to the ongoing Russia-Ukraine war, RPW did not include any data on corridors originating in the Russian Federation.

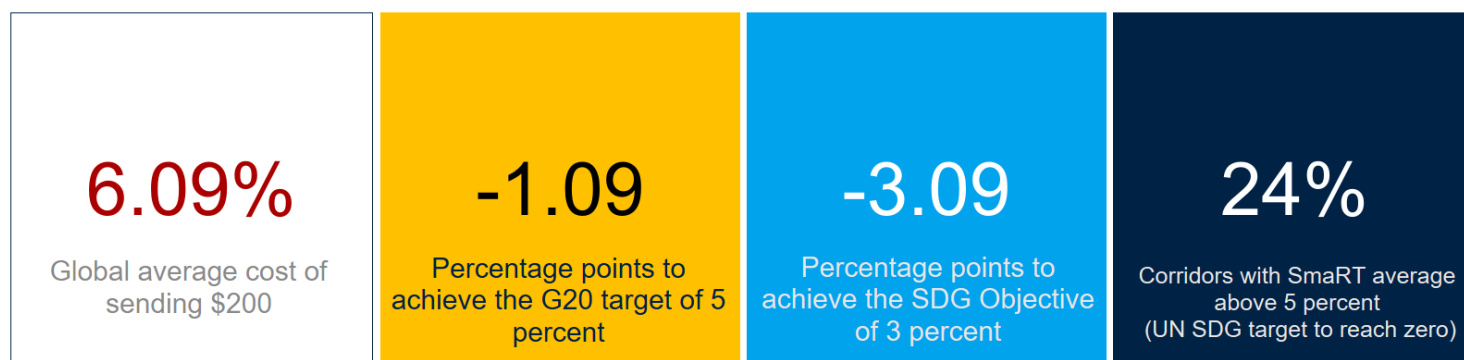
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Progress tracker

RPW indicators are used to measure the progress towards targets of global efforts for the reduction of remittance costs. The G8 (L'Aquila, 2010) and the G20 (Cannes, 2011 and Brisbane, 2014) committed to reduce the Global Average Total Cost to 5 percent. The UN SDGs have indicated a target of 3 percent for the Global Average to be reached by 2030. At the same time, the UN SDGs have also committed to ensuring that in all corridors, remittances can be transferred for 5 percent or less.

The figure below summarizes the progress towards these three targets.



Number of corridors in the Q1 2022 dataset

The number of corridors covered by RPW in Q1 2022 is lower than 367. Q1 2022 data were collected in March 2022. Due to the ongoing Russia-Ukraine war, RPW did not include any data on corridors originating in the Russian Federation. In addition, remittance service providers (RSPs) have still not resumed outgoing remittance operations in Nigeria due to the Central Bank of Nigeria banning all outbound transfers from the country. Remittance services in the Cote d'Ivoire to Mali corridor stopped as a consequence of the sanctions imposed by ECOWAS, of which Cote d'Ivoire is part, on Mali. Moreover, several providers suspended services in the Senegal to Mali corridor for the same reason. Lastly, in Pakistan, outbound money transfers have been restricted by the government for medical and education purposes only, subject to government approval. Data on Pakistan to Bangladesh and Pakistan to Afghanistan were accordingly not available at the time of data collection. The Q1 2022 dataset includes data from 354 corridors (excluding 13 originating in Russia, 3 originating in Nigeria, 2 originating in Pakistan and one originating in Cote d'Ivoire).

Prospects index

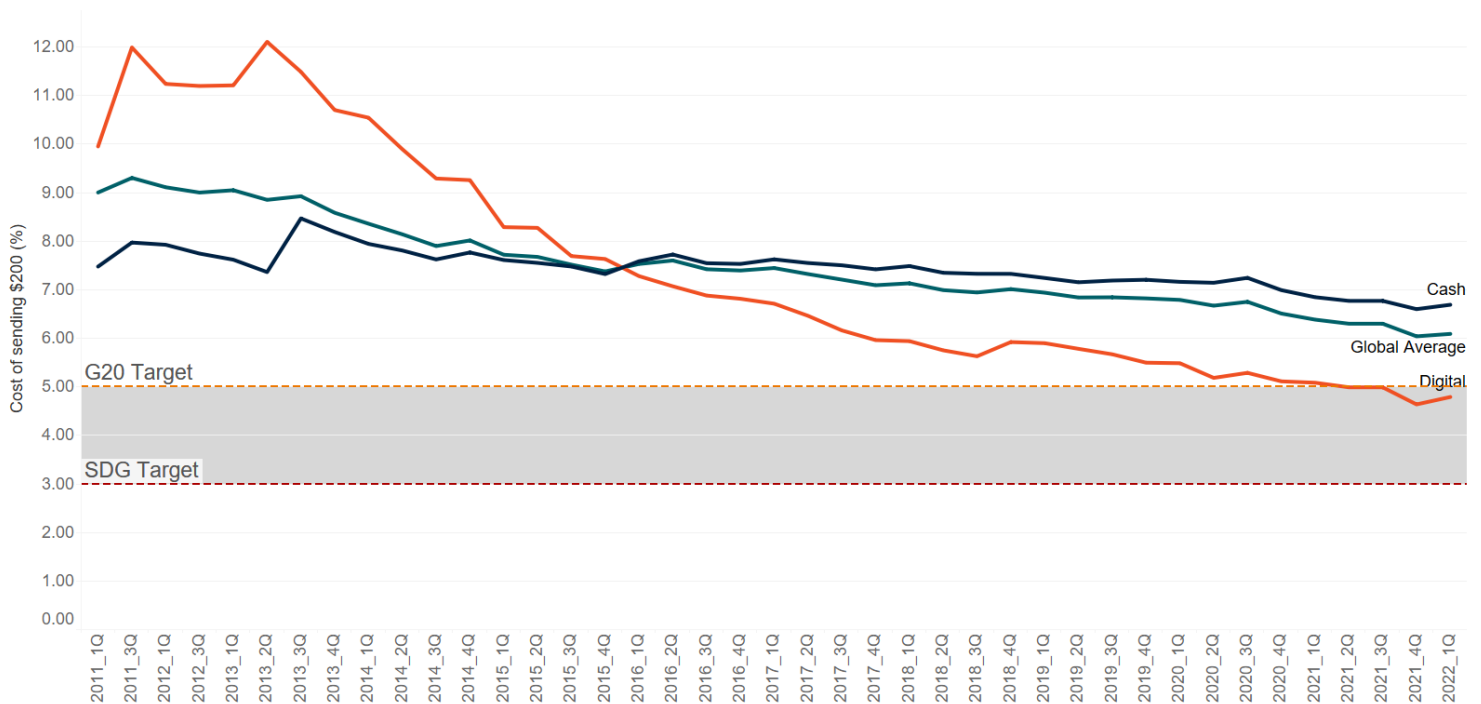
As of Q1 2022, RPW data collection would be used to also monitor new services via a *prospects index*. These new services could be candidates for inclusion in the main index in the future subject to them meeting certain requirements. Please see Annex IV for details.

Global trends

Global average experiences a small increase

In Q1 2022, the Global Average cost for sending remittances was 6.09 percent, an increase from 6.04 in Q4 2021. The Global Average has remained below 7.00 percent since Q1 2019 (see Figure 1 below and Table 1 in the Annex). Overall, this represents a decline of 3.58 percentage points since Q1 2009, when the figure was recorded at 9.67 percent. In Q1 2022, the global average for digital remittances was recorded at 4.79 percent, while the global average for non-digital remittances was 6.69 percent. Digital services account for 32% of all services RPW collected in Q1 2022.¹

Figure 1 Trends in the global cost of sending \$200 in remittances²



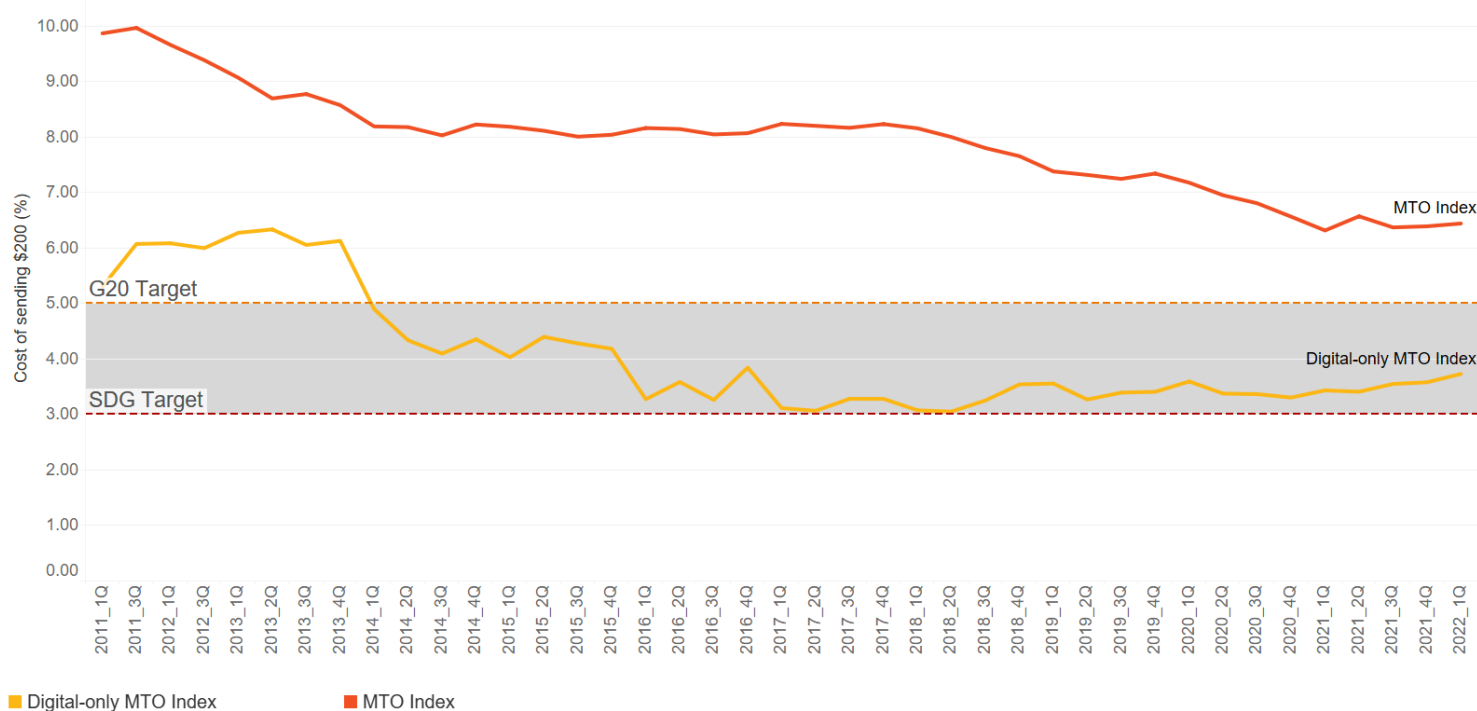
¹ A digital remittance must be sent via a payment instrument in an online or self-assisted manner, and received into a transaction account, i.e., bank account, transaction account maintained at a non-bank deposit taking institution (say a post office), mobile money or e-money account.

² Figures for the global average were adjusted in Q1 2014 following a clean-up of the entire database. Some values slightly vary from figures published prior to Q1 2014.

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.³ In Q1 2022, the International MTO Index recorded a modest increase to 6.44 percent from the previous value of 6.39 percent in Q4 2021. Over the year, this figure was up by 0.13 of a percentage point, recorded at 6.31 percent in Q1 2021. This figure has come down by 3.92 percentage points from its first recorded value of 10.36 percent in Q1 2009. In Q1 2022, the digital-only MTO Index recorded at 3.73 percent, a moderate increase from 3.58 percent in Q4 2021.⁴ The digital-only MTO Index has consistently remained below both the International MTO Index and the global average.

Figure 2 Trends in International MTO Index & Digital-only MTO Index



Global weighted average

Also, a weighted average total cost is calculated, which accounts for the relative size of the flows in each remittance corridor.⁵ The Global Weighted Average of sending remittances, as illustrated in Figure 3 (see

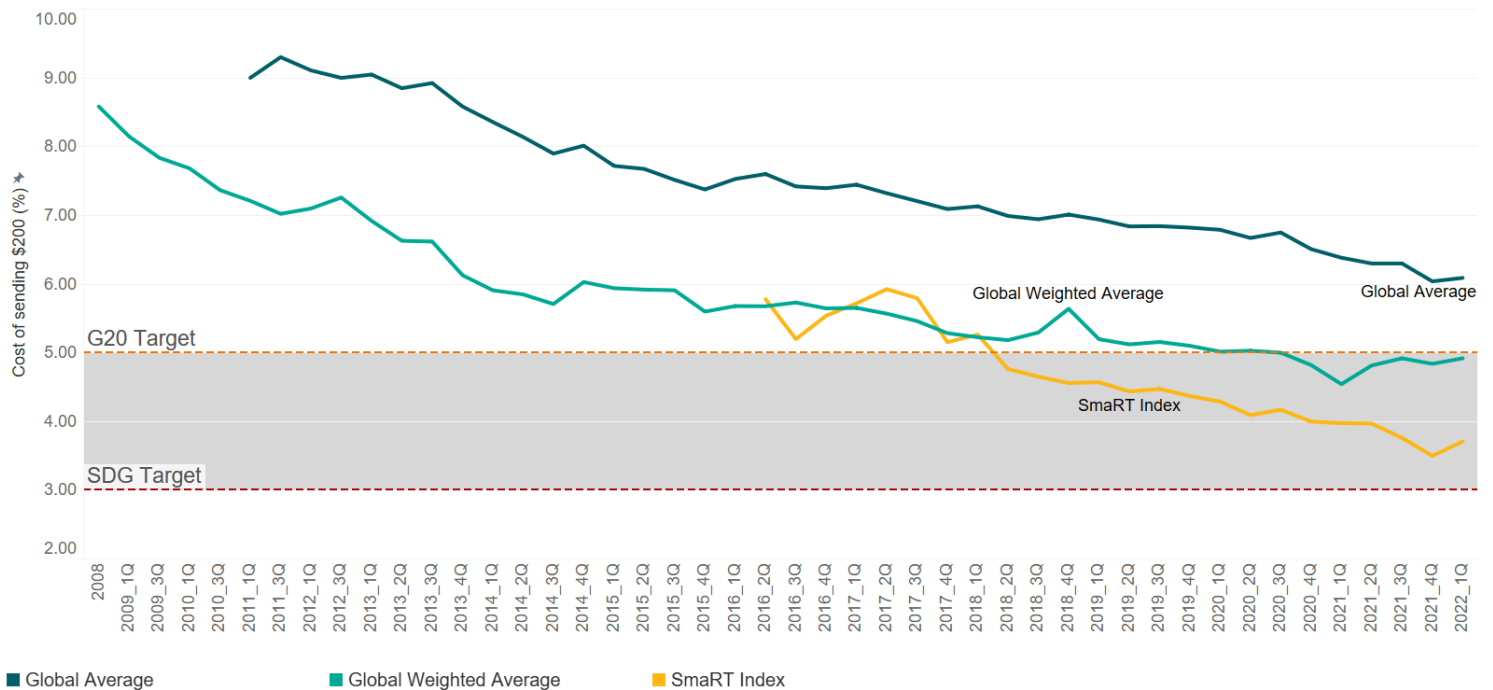
³ The International MTOs Index includes all MTOs that are present in over 85 percent of RPW corridors. Thus far, it has included Western Union and MoneyGram, which operate in 95 percent and 90 percent of the country corridors covered in the database, respectively.

⁴ A digital-only MTO refers to money transfer operators that send remittances only through digital channels. The digital-only MTO index includes five digital-only MTOs, Wise, Remitly, WorldRemit, InstaReM and Xoom.

⁵ It is important to note that, while official data on remittance flows by bilateral corridors are currently not available, estimates (Ratha and Shaw 2007, last updated in 2018, available at

also Table 1 in the Annex), has at times shown a different pattern from the simple average. In Q1 2022, the Global Weighted Average recorded at 4.92 percent. This is the sixth consecutive quarter in which this figure has been recorded below 5.00 percent. Over the last five years, this figure has decreased by approximately 0.73 percentage points – recorded at 5.65 percent in Q1 2017.

Figure 3 Trends in Global weighted average & SmaRT average



Smart Remitter Target (SmaRT)

To complement the Global Average and Global Weighted Averages described above, the World Bank introduced the SmaRT indicator in Q2 2016, which aims to reflect the cost that a savvy consumer with access to sufficiently complete information could pay to transfer remittances in each corridor. SmaRT is calculated as the simple average of the three cheapest qualifying services for sending the equivalent of \$200 in each corridor and is expressed as a percentage of the total amount sent. In addition to transparency, services must meet additional criteria to qualify for being included in the SmaRT calculation, including transaction speed (five days or less), and accessibility, determined by geographic proximity of

<http://www.worldbank.org/en/topic/migrationremittancesdiasporaissues/brief/migration-remittances-data>) have been used in this calculation. These estimates are based on the Balance of Payments (BOP) and factor in migrant stocks, destination country incomes, and source country incomes. The methodology for these estimates has been questioned, as well as the accuracy of official data on remittance flows and migrant stocks. However, this still represents the only available comprehensive dataset on bilateral remittance flows. It also seems likely that overall, the dataset is sufficiently accurate to reflect at least the proportion between the different corridors, hence offering a good approximation to weight the relevance of each corridor in terms of flow size.

branches for services that require physical presence, or access to any technology or device necessary to use the service, such as a bank account, mobile phone, or the Internet.⁶ In Q1 2022, the Global SmaRT Average was recorded at 3.71 percent. Since Q1 2021 this figure has come down from 3.98 percent, a decrease of 0.26 percentage point.

The potential of SmaRT can be appreciated even more at the corridor level, where the indicators can inform policy actions by identifying limitations at a more granular level. In Q1 2022, 25 of the 354⁷ corridors did not have any SmaRT qualifying services, indicating that in these corridors there is an issue with either access or reach of services, or a lower level of competition. Of these 25 corridors, fourteen are destined for Sub-Saharan Africa, five for the Middle East and North Africa, five for South Asia, and one for Latin America and the Caribbean. An overwhelming majority of these corridors have low Internet penetration and/or have low transaction account penetration, which indicate that access to the Internet and accounts should be proactively targeted in these regions as a means of encouraging more diverse payment and remittance services offering. Majority of the receiving countries in this group have a “Green Light” SmaRT rating for accessibility to Cash, and majority (19 out of 25 – see Box) have a “Green Light” rating for Mobile services (measured by availability of cash services and number of cellular subscriptions per 100 persons).

Box - Corridors without SmaRT qualifying services with “Green Light” rating for mobile services

<i>Côte d'Ivoire to Mali</i>	<i>Nigeria to Benin</i>	Saudi Arabia to Sudan
Italy to Egypt, Arab Rep.	<i>Nigeria to Mali</i>	Saudi Arabia to Syrian Arab Rep.
Ghana to Nigeria	<i>Nigeria to Togo</i>	Jordan to Syrian Arab Rep.
India to Bangladesh	Netherlands to Suriname	United Arab Emirates to Yemen, Rep.
India to Pakistan	<i>Pakistan to Afghanistan</i>	United Arab Emirates to Sudan
India to Sri Lanka	<i>Pakistan to Bangladesh</i>	United States to Yemen, Rep.
Qatar to Sudan		

Note: In Q1 2022, RPW experienced difficulties in collecting data on Cote d'Ivoire to Mali, and all outbound services from Nigeria and Pakistan. In addition, data on services originating in the Russian Federation (13 corridors) were not collected. Therefore, for Q1 2022, RPW reports no qualifying services in these 19 corridors, six of which are listed in this Box in italics.

The UN SDGs committed to ensure that, by 2030, it should be possible to send remittances for 5 percent or less in every corridor. The SmaRT averages are used as a reference for this indicator, reflecting the fact that in any given corridor there are services available to customers that meet the requirements described above, while also on average offering a cost that is in line with the UN SDG. As of Q1 2022, 69 percent of all corridors covered in the RPW database had SmaRT corridor averages below 5 percent.⁸

⁶ For additional information on the methodology used to calculate SmaRT see https://remittanceprices.worldbank.org/sites/default/files/smart_methodology.pdf

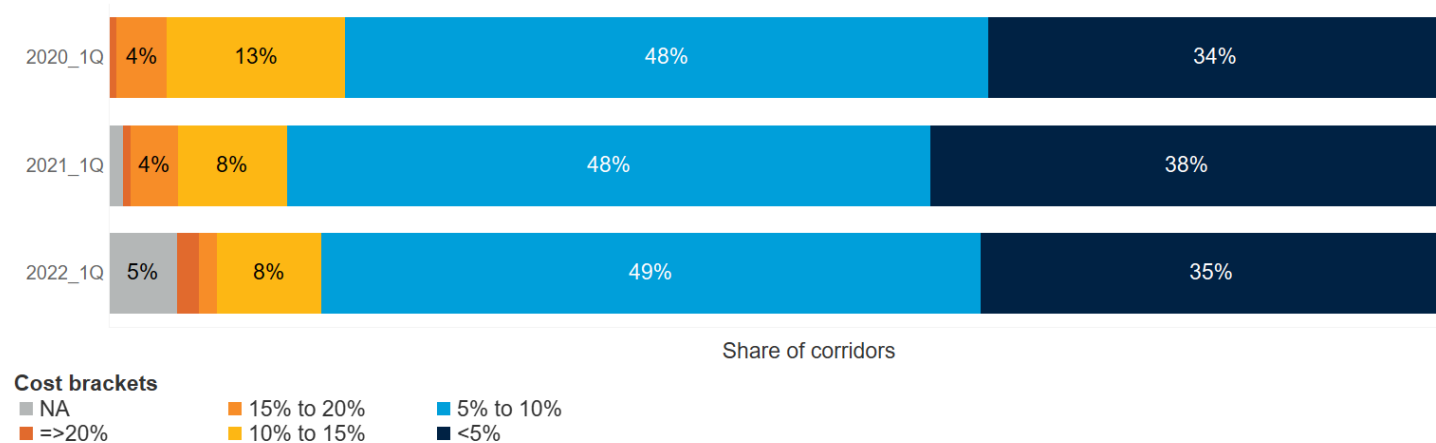
⁷ The number of corridors excludes the 13 corridors originating in Russia.

⁸ Please note that this figure excludes the 13 corridors which originate in Russia.

Trends in corridor average total costs

Figure 4 shows that compared to Q1 2009, the proportion of corridors with average costs of less than 10 percent has increased considerably, showing an overall increase of share by 31 percentage points (53 percent of corridors in Q1 2009, compared to 84 percent of corridors in Q1 2022). This shift is naturally accompanied by a decrease of share of corridors exhibiting total costs over 15 percent (18 percent of corridors compared to 3 percent of corridors). In the 10-15 percent total cost category there are 8 percent of corridors in Q1 2022, compared to 29 percent of corridors in Q1 2009. Year over year since Q1 2019, this gradual shift is visible. Of the 6 corridors with costs above 20 percent in Q1 2022, four originate in Sub-Saharan Africa and are destined for Sub-Saharan Africa. In addition, corridor average total costs for Côte d'Ivoire to Mali, as well as all outbound services from Nigeria and Pakistan remain unavailable in Q1 2022. Corridor average total costs for services originating from Russia are also unavailable. These 19 corridors are shown as “NA” in Figure 4.

Figure 4 Distribution of Average Total Costs



G8 and G20 countries

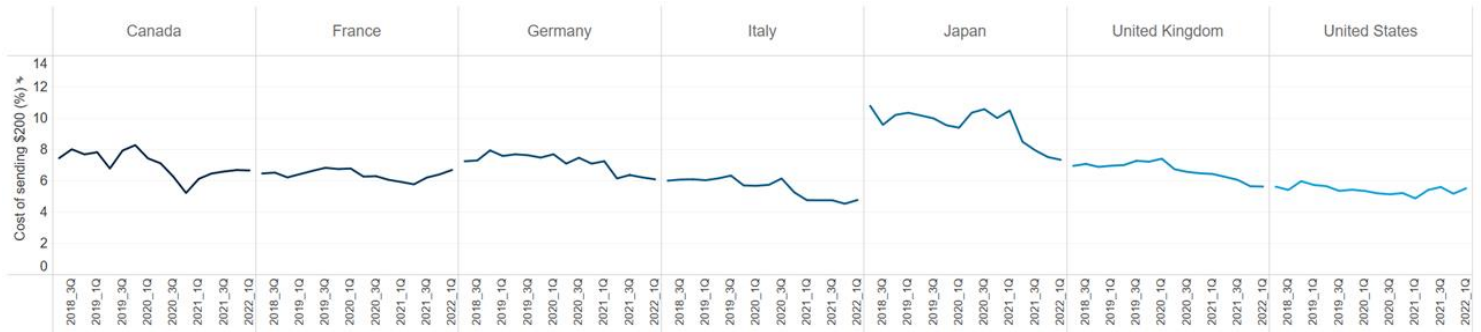
Cost of sending remittances from G8 countries

The G8 countries include several of the major remittance sending countries in the world. The average cost for sending remittances from the G8 countries increased from 5.61 percent in Q4 2021 to 5.80 percent in Q1 2022. This is the fifth quarter in which this figure has been recorded below 6.00 percent. Over the year, this figure has decreased by 0.12 of a percentage point (from 5.92 percent in Q1 2021).

The largest decrease in total average cost to send remittances is seen in Japan (7.52 percent to 7.35

percent), followed by Germany (6.22 percent to 6.10 percent), Canada (6.69 percent to 6.66 percent), and the United Kingdom (6.65 percent to 5.64 percent). The largest increase is seen in the United States (5.18 percent to 5.52 percent), France (6.41 percent to 6.69 percent), and Italy (4.54 percent to 4.78 percent).

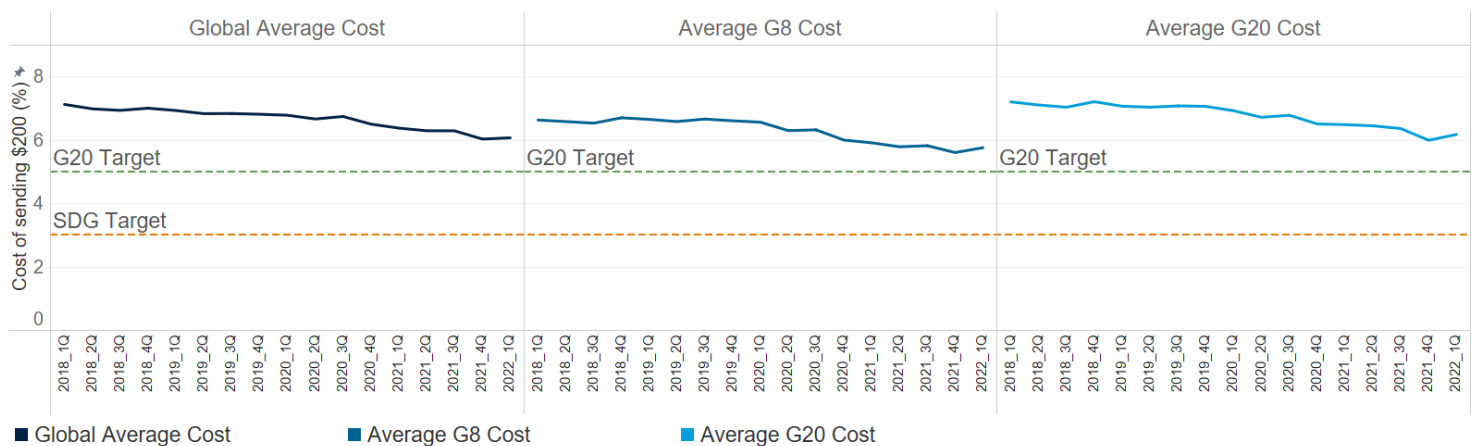
Figure 5 Total average over time in G8 countries



Cost of sending remittances from and to G20 countries

The cost of remitting from G20 countries increased from 6.00 percent in Q4 2021 to 6.20 percent in Q1 2022, as shown in Figure 6 (also see Table 3 in the Annex).

Figure 6 Average cost of sending \$200 from G8 and G20 countries



South Africa remains the costliest G20 country to send remittances from (see Figure 7). This is despite an overall decrease from its peak in Q1 2013, when the cost of sending from South Africa was more than 20 percent. In Q1 2022, remitting from South Africa incurred an average cost of 13.93 percent, a moderate increase from its recorded value of 13.02 percent in Q4 2021. The cost of sending from the second most expensive G20 sending country – Japan – was recorded at 7.35 percent in Q1 2022. The Republic of Korea is the least expensive G20 sending country, recorded at 2.98 percent, followed by Saudi Arabia

(4.43 percent), Italy (4.78 percent), the United States (5.52 percent), the United Kingdom (5.64 percent), and Brazil (5.93 percent).

Figure 7 Average cost of remitting from G20 countries

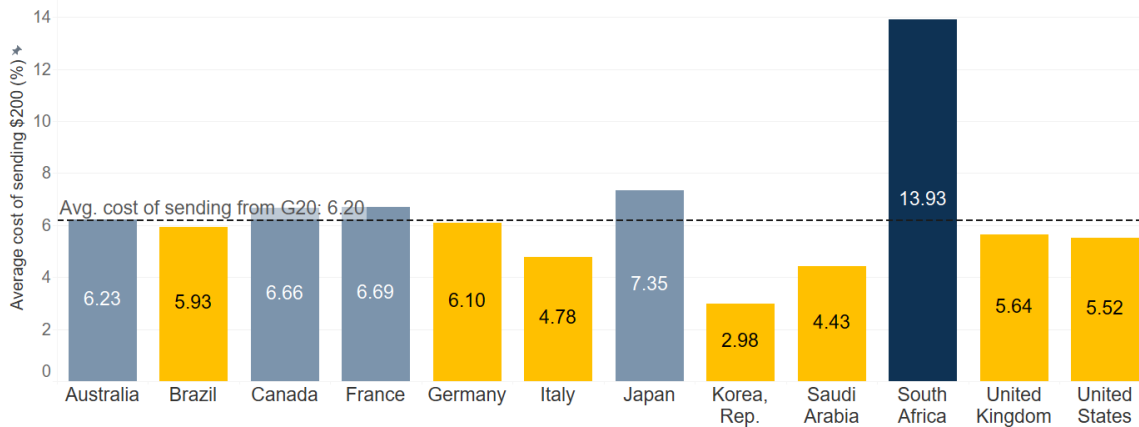


Figure 8 Average cost of sending \$200 to G20 countries

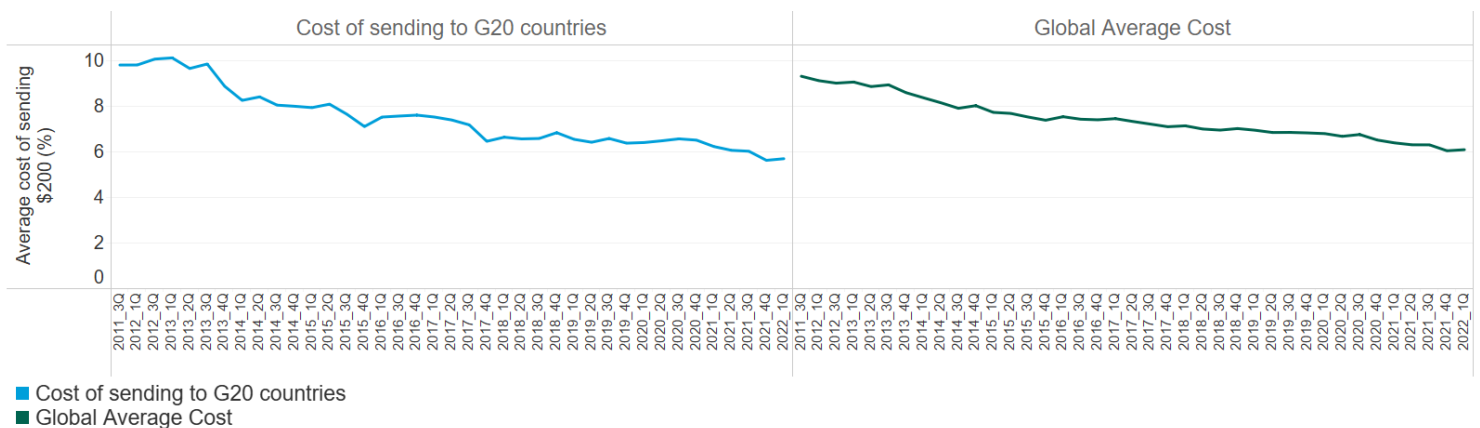
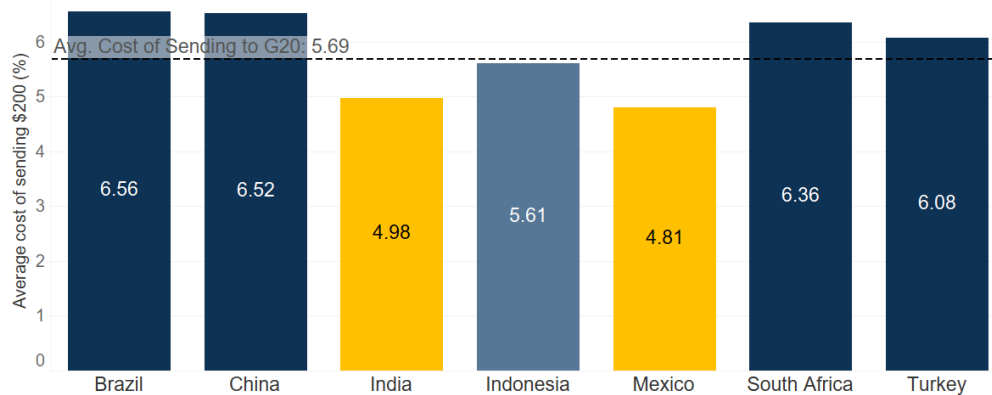


Figure 9 Average cost of remitting to G20 countries, by Country



Figures 8 and 9 display the total average cost of sending \$200 to G20 countries over time and in Q1 2022, respectively (see also Table 4 in the Annex). The average cost of sending money to the G20 countries that are included in RPW as receiving markets was recorded at 5.69 percent in Q1 2022.

Apart from a few quarters, the average cost of sending money to the G20 countries has followed the pattern of the Global Average. Since Q2 2017, the cost of remitting to G20 countries is recorded below the Global Average. In Q1 2022, Brazil (6.56 percent) is the most expensive country in this group to remit to, followed by China (6.52 percent), South Africa (6.36 percent), and Turkey (6.08 percent). Costs for sending remittances to Indonesia, India and Mexico were recorded below 6 percent. Mexico remained the cheapest receiving market in the G20 group, recorded at 4.81 percent.

Regional trends

The cost for remittance services varies significantly depending on the region where the money is being sent to (see Figures 10 & 11 below and Table 5 in the Annex). Over the quarter, most regions recorded an increase in average total cost. Latin America and the Caribbean (LAC) experienced the largest increase from 5.60 percent to 6.03 percent, followed by Europe & Central Asia (ECA), Middle East and North Africa (MNA), and Sub-Saharan Africa (SSA). South Asia (SA) experienced the largest decrease from 4.30 percent to 4.21 percent, followed by East Asia and Pacific (EAP).

Figure 10 Average costs over time by region of the world

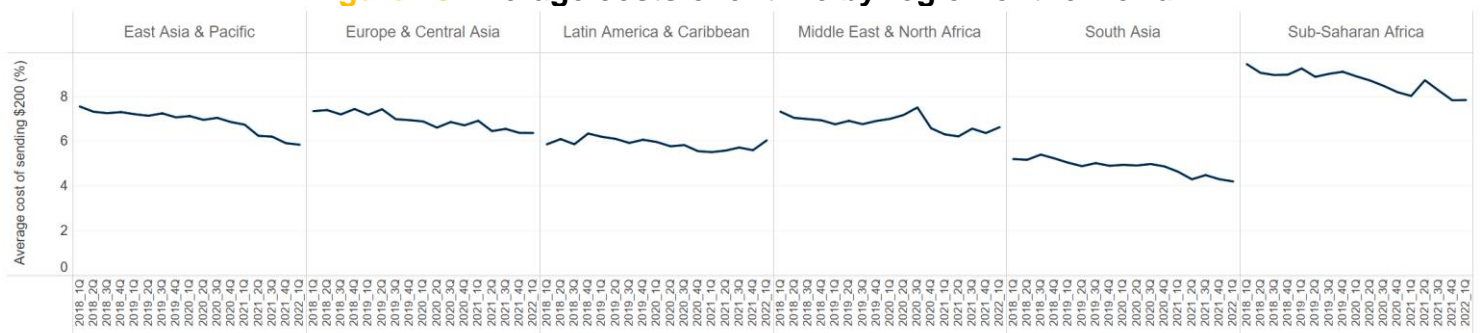
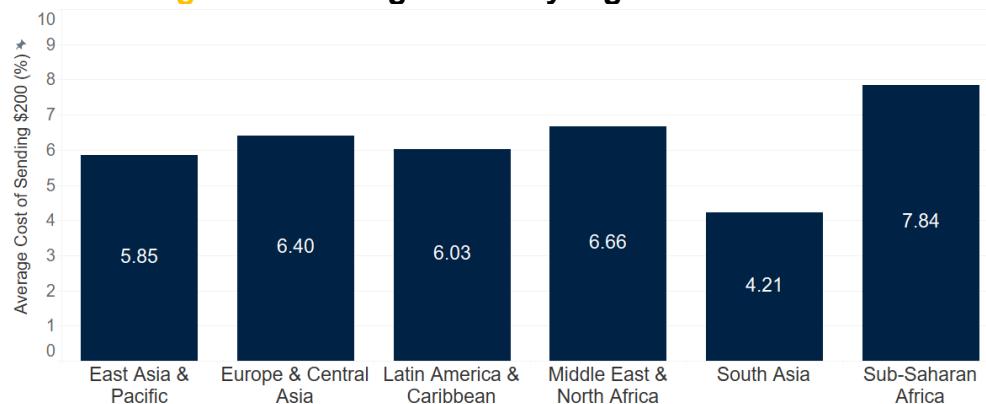


Figure 11 Average costs by region of the world

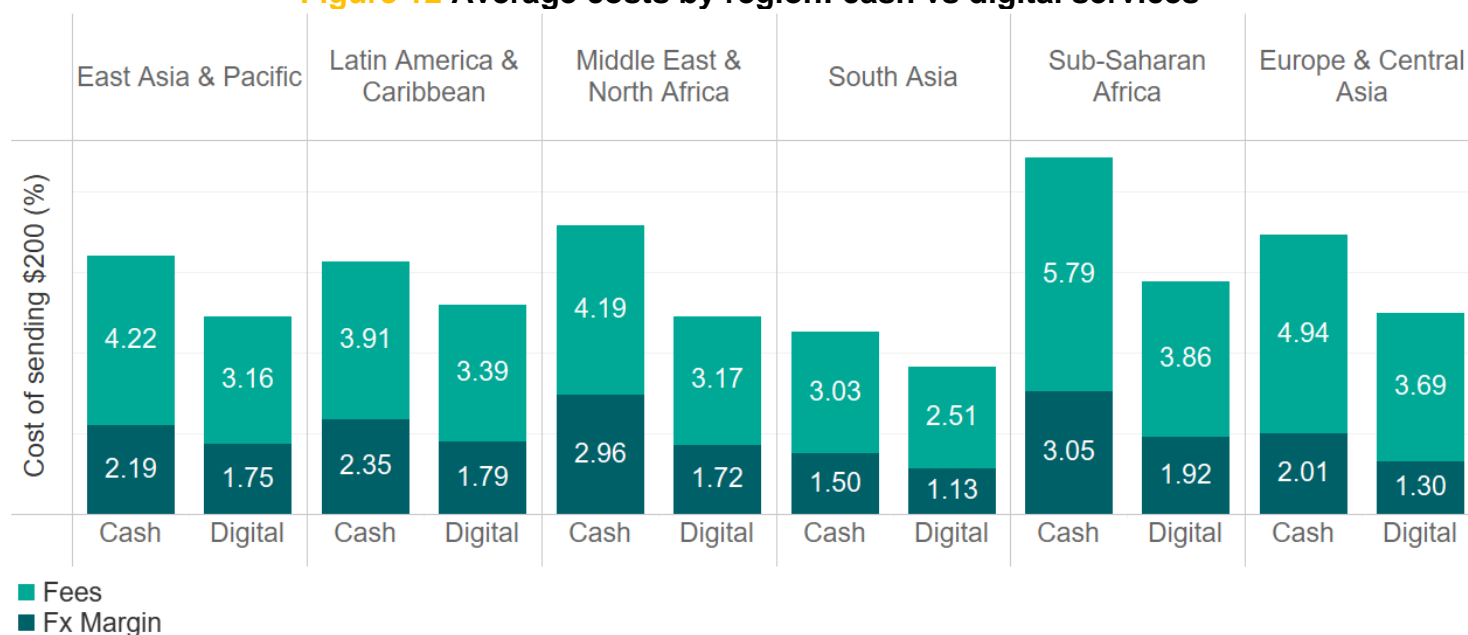


Cost structure

Cash vs. Digital Services

Figure 12 further compares the costs for remittance services among different regions, by breaking down the cost into two components: fee and foreign exchange (FX) margin. Within each region, Figure 12 differentiates between digital and non-digital remittances. It shows fees account for a large portion of the costs for remittance services. Moreover, costs for non-digital services are consistently higher than those for digital services regardless of the region where the money is being sent to.

Figure 12 Average costs by region: cash vs digital services



Costs by RSP Type

RPW tracks the cost of sending remittances for four main RSP types: Banks, MTOs, Mobile Operators, and Post Offices. Figure 13 provides a time series visual of all the RSP types included in the RPW dataset.

Over time, Banks, Mobile Operators, and MTOs have seen a general decline of total average costs, while Post Office services, due to the small number of services, have led a volatile trend and overall recorded periodic increases since the historic low recorded in Q3 2013. Banks have been firmly above the Global Average, whereas MTOs and Mobile Operators have remained below.

Figure 14 provides an overview for each RSP type in Q1 2021 and Q1 2022. Banks continue to be the costliest RSP type, with an average cost of 10.94 percent in Q1 2022. Post Offices are recorded at 6.78

percent in Q1 2022.⁹ Money Transfer Operators are recorded at 5.28 percent, while Mobile Operators are the cheapest RSP type recorded at 2.87 percent. However, Mobile Operators only account for a very small share (less than 1%) of the sample size.

Figure 13 Total averages over time by RSP type

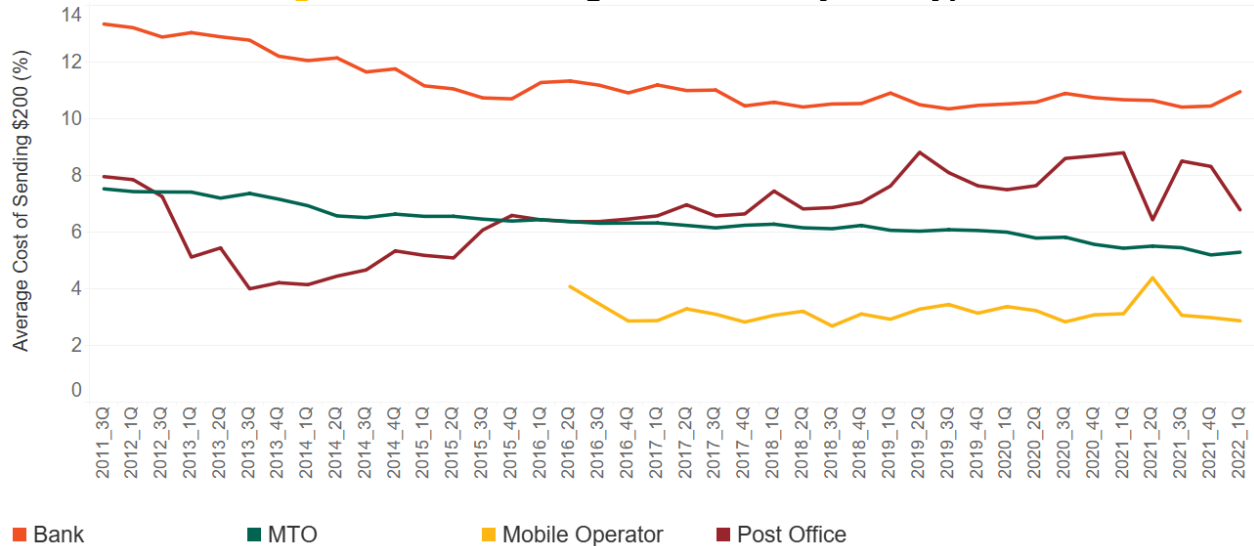
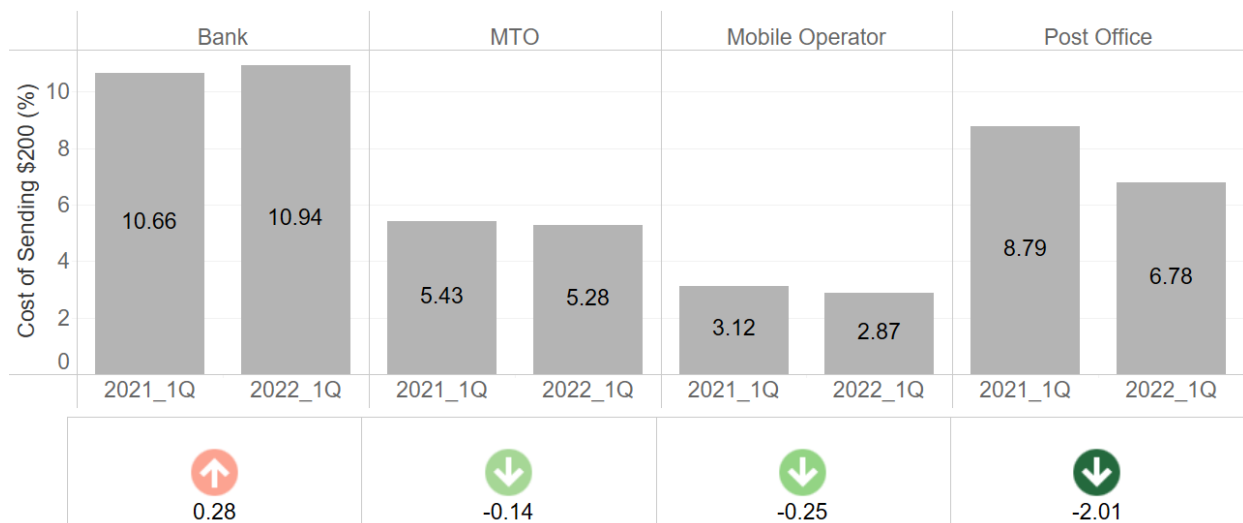


Figure 14 Total average by RSP type



⁹ Several services originating in France via “La Poste” are provided by “La Banque Postale” which is a subsidiary of La Poste and is licensed as a bank. This recategorization seems to have impacted the average cost of sending via post offices in Q1 2022.

Costs by Sending and Receiving Method

RPW captures separately the payment instrument used to fund the transaction and the one used to disburse the funds to the receiver. This approach is reflected in the charts below. This approach allows for further refinement of the analysis and increases its adaptability to new products that might emerge and has proven particularly useful in monitoring innovative products and players.

In Q1 2022, the cheapest method for funding a remittance transaction was Mobile Money at 2.77 percent (54 services recorded in RPW) (Figure 15). The average cost when using Cash (1,716 services) was 6.37 percent. Sending money using credit or debit card (2,576 services) cost 5.22 percent. Using a bank account incurred an average cost of 6.61 percent (2,354 services).

Figure 15 Average Cost by Instrument Used to Fund the Transaction

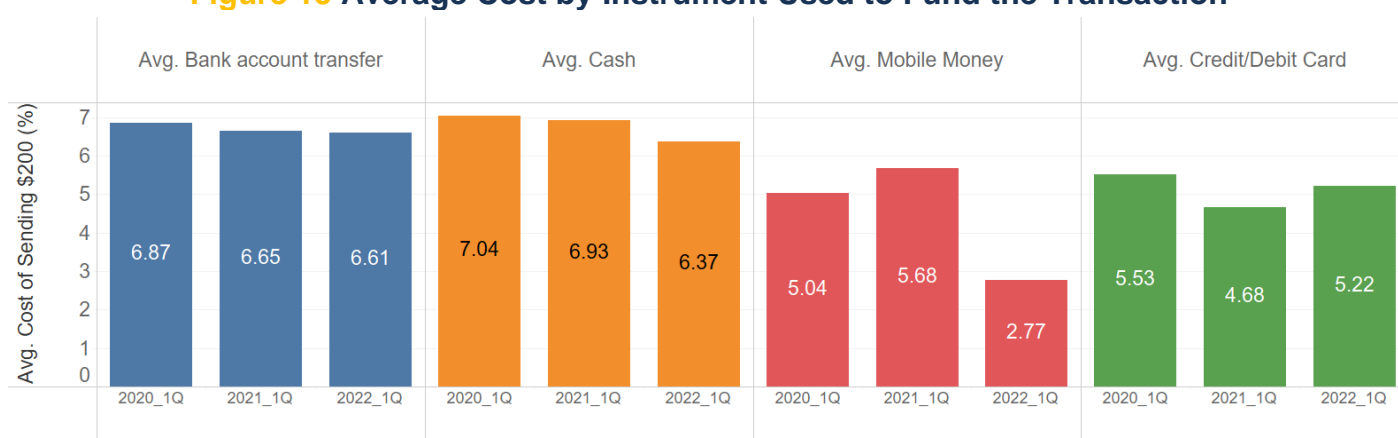
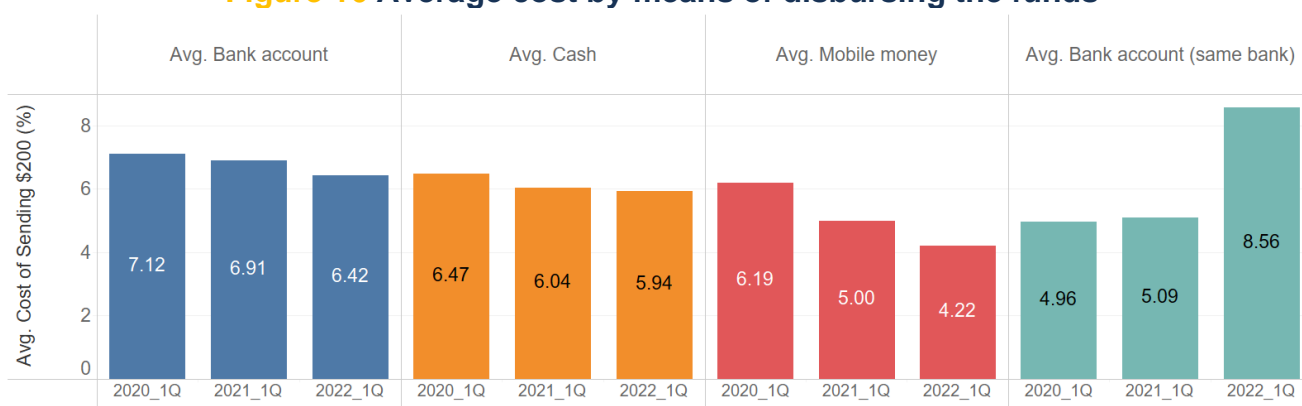


Figure 16 Average cost by means of disbursing the funds



The cost of sending remittances to a bank account within the same bank or to a partner of the originating bank (81 services) was recorded at 8.29 percent in Q1 2022 (Figure 16). In contrast, sending money to a

bank account regardless of originating bank (2,415 services), was 6.44 percent.¹⁰ When funds are sent to a mobile wallet (377 services) the average cost in Q1 2022 was 4.19 percent. Services where money is disbursed in cash (3,498 services) cost on average 5.95 percent.

¹⁰ The average cost of sending within the same bank has increased by 2 percentage points due to a bank instituting specific fees across all corridors originating in the US at the time of data collection,

Annex I – Tables (\$200)

Table 1 – Global Average (%), International MTO Index

	2018_1Q	2018_2Q	2018_3Q	2018_4Q	2019_1Q	2019_2Q	2019_3Q	2019_4Q	2020_1Q	2020_2Q	2020_3Q	2020_4Q	2021_1Q	2021_2Q	2021_3Q	2021_4Q	2022_1Q
Global Average Cost	7.13	6.99	6.94	7.01	6.94	6.84	6.84	6.82	6.79	6.67	6.75	6.51	6.38	6.30	6.30	6.04	6.09
MTO Index	8.16	8.00	7.80	7.65	7.38	7.32	7.24	7.34	7.18	6.95	6.81	6.56	6.31	6.57	6.37	6.39	6.44

Table 2 – Total average in G8 Countries (%)

	2018_1Q	2018_2Q	2018_3Q	2018_4Q	2019_1Q	2019_2Q	2019_3Q	2019_4Q	2020_1Q	2020_2Q	2020_3Q	2020_4Q	2021_1Q	2021_2Q	2021_3Q	2021_4Q	2022_1Q
Canada	7.25	7.45	8.02	7.69	7.83	6.79	7.94	8.28	7.44	7.12	6.27	5.23	6.13	6.47	6.60	6.69	6.66
France	6.73	6.47	6.53	6.22	6.43	6.64	6.83	6.76	6.79	6.27	6.30	6.06	5.93	5.78	6.21	6.41	6.69
Germany	7.47	7.25	7.31	7.95	7.59	7.70	7.64	7.49	7.70	7.10	7.47	7.10	7.26	6.15	6.37	6.22	6.10
Italy	6.14	6.01	6.08	6.10	6.04	6.16	6.33	5.71	5.68	5.75	6.15	5.27	4.76	4.76	4.76	4.54	4.78
Japan	9.82	10.80	9.58	10.22	10.35	10.18	9.99	9.56	9.40	10.36	10.58	10.02	10.50	8.50	7.95	7.52	7.35
Russian Federation	1.64	1.70	1.85	1.89	1.90	1.91	1.59	2.11	1.83	1.90	1.94	1.00	1.00	2.40	2.93	3.13	
United Kingdom	7.11	6.96	7.08	6.89	6.97	7.01	7.28	7.23	7.42	6.74	6.57	6.48	6.44	6.25	6.06	5.65	5.64
United States	5.67	5.63	5.42	5.98	5.74	5.66	5.36	5.43	5.36	5.21	5.14	5.22	4.88	5.41	5.61	5.18	5.52
G8	6.64	6.59	6.54	6.71	6.66	6.59	6.67	6.61	6.57	6.31	6.33	6.01	5.92	5.79	5.83	5.61	5.80

Table 3 – Total average in G20 sending countries (%)

	2018_1Q	2018_2Q	2018_3Q	2018_4Q	2019_1Q	2019_2Q	2019_3Q	2019_4Q	2020_1Q	2020_2Q	2020_3Q	2020_4Q	2021_1Q	2021_2Q	2021_3Q	2021_4Q	2022_1Q
Australia	8.15	7.88	7.77	8.12	7.58	7.68	7.42	7.61	7.59	7.31	7.21	7.31	7.23	6.56	7.25	6.40	6.23
Brazil	4.93	7.23	6.47	7.70	7.66	7.39	6.57	6.83	5.09	9.57	9.77	7.00	7.17	7.74	4.81	4.19	5.93
Canada	7.25	7.45	8.02	7.69	7.83	6.79	7.94	8.28	7.44	7.12	6.27	5.23	6.13	6.47	6.60	6.69	6.66
France	6.73	6.47	6.53	6.22	6.43	6.64	6.83	6.76	6.79	6.27	6.30	6.06	5.93	5.78	6.21	6.41	6.69
Germany	7.47	7.25	7.31	7.95	7.59	7.70	7.64	7.49	7.70	7.10	7.47	7.10	7.26	6.15	6.37	6.22	6.10
Italy	6.14	6.01	6.08	6.10	6.04	6.16	6.33	5.71	5.68	5.75	6.15	5.27	4.76	4.76	4.76	4.54	4.78
Japan	9.82	10.80	9.58	10.22	10.35	10.18	9.99	9.56	9.40	10.36	10.58	10.02	10.50	8.50	7.95	7.52	7.35
Korea, Rep.	5.15	4.95	5.07	5.10	5.05	4.92	4.87	4.50	4.77	4.72	4.74	4.74	4.61	4.15	4.18	3.46	2.98
Russian Federation	1.64	1.70	1.85	1.89	1.90	1.91	1.59	2.11	1.83	1.90	1.94	1.00	1.00	2.40	2.93	3.13	
Saudi Arabia	5.71	5.73	6.34	6.51	4.88	5.18	4.99	4.75	4.53	4.79	4.80	4.42	3.55	4.82	4.87	4.20	4.43
South Africa	17.13	16.18	15.82	15.76	14.85	15.27	15.96	17.18	15.34	14.56	15.05	14.41	14.91	15.86	14.81	13.02	13.93
United Kingdom	7.11	6.96	7.08	6.89	6.97	7.01	7.28	7.23	7.42	6.74	6.57	6.48	6.44	6.25	6.06	5.65	5.64
United States	5.67	5.63	5.42	5.98	5.74	5.66	5.36	5.43	5.36	5.21	5.14	5.22	4.88	5.41	5.61	5.18	5.52
From G20	7.21	7.11	7.04	7.22	7.07	7.04	7.08	7.07	6.93	6.73	6.79	6.52	6.49	6.46	6.37	6.00	6.20

Table 4 – Total average in G20 receiving countries (cost to send money to select countries %)

	2018_1Q	2018_2Q	2018_3Q	2018_4Q	2019_1Q	2019_2Q	2019_3Q	2019_4Q	2020_1Q	2020_2Q	2020_3Q	2020_4Q	2021_1Q	2021_2Q	2021_3Q	2021_4Q	2022_1Q
Brazil	6.45	7.20	7.06	7.51	7.32	7.54	7.63	7.18	7.78	7.30	6.90	7.07	6.69	6.10	6.43	6.35	6.56
China	8.26	7.71	7.99	8.49	8.45	8.13	9.04	8.32	8.10	8.23	8.43	8.07	7.71	7.14	6.78	6.35	6.52
India	5.63	5.62	5.68	5.79	5.47	5.24	5.38	5.30	5.31	5.30	5.41	5.51	5.17	5.18	5.31	4.94	4.98
Indonesia	7.59	7.10	6.85	7.32	6.51	6.57	6.08	6.15	6.12	6.68	6.57	6.53	6.29	6.16	6.15	5.62	5.61
Mexico	4.43	3.74	4.06	5.65	4.53	4.64	4.61	4.39	4.04	4.22	4.18	3.87	3.65	4.59	4.39	4.28	4.81
South Africa	7.83	7.57	8.10	7.45	7.23	7.88	7.54	7.80	7.82	7.41	8.14	8.03	8.08	7.16	8.21	6.20	6.36
Turkey	7.34	8.01	7.08	6.17	6.71	6.98	6.62	6.62	6.72	6.67	7.26	6.75	6.91	7.54	6.93	6.54	6.08
to G20	6.63	6.56	6.58	6.83	6.54	6.41	6.58	6.37	6.40	6.47	6.56	6.50	6.22	6.06	6.02	5.62	5.69

Table 5 – Total average by regions of the world (%)

	2018_1Q	2018_2Q	2018_3Q	2018_4Q	2019_1Q	2019_2Q	2019_3Q	2019_4Q	2020_1Q	2020_2Q	2020_3Q	2020_4Q	2021_1Q	2021_2Q	2021_3Q	2021_4Q	2022_1Q
East Asia & Pacific	7.55	7.32	7.25	7.30	7.21	7.14	7.24	7.07	7.13	6.96	7.05	6.86	6.74	6.24	6.21	5.91	5.85
Europe & Central Asia	6.65	6.72	6.64	6.90	6.67	6.94	6.59	6.55	6.48	6.27	6.51	6.42	6.61	6.25	6.15	6.05	6.40
Latin America & Caribbean	5.86	6.10	5.87	6.34	6.20	6.11	5.92	6.07	5.97	5.77	5.83	5.56	5.51	5.58	5.72	5.60	6.03
Middle East & North Africa	7.32	7.04	6.99	6.93	6.76	6.91	6.76	6.91	7.00	7.17	7.51	6.58	6.31	6.22	6.56	6.37	6.66
South Asia	5.21	5.17	5.40	5.23	5.04	4.89	5.02	4.90	4.95	4.92	4.98	4.88	4.64	4.30	4.49	4.30	4.21
Sub-Saharan Africa	9.44	9.05	8.96	8.97	9.25	8.88	9.01	9.10	8.90	8.71	8.47	8.19	8.02	8.72	8.27	7.83	7.84

Annex II - Cost Trends for Sending \$500

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 \$200 (or local currency equivalent) as the amount sent, which is believed to be an accurate representation of a typical remittance transaction size. However, data for \$500 (or equivalent) have also been collected alongside the data for \$200 and have been analyzed since Q4 2017 to complement the \$200 analysis.

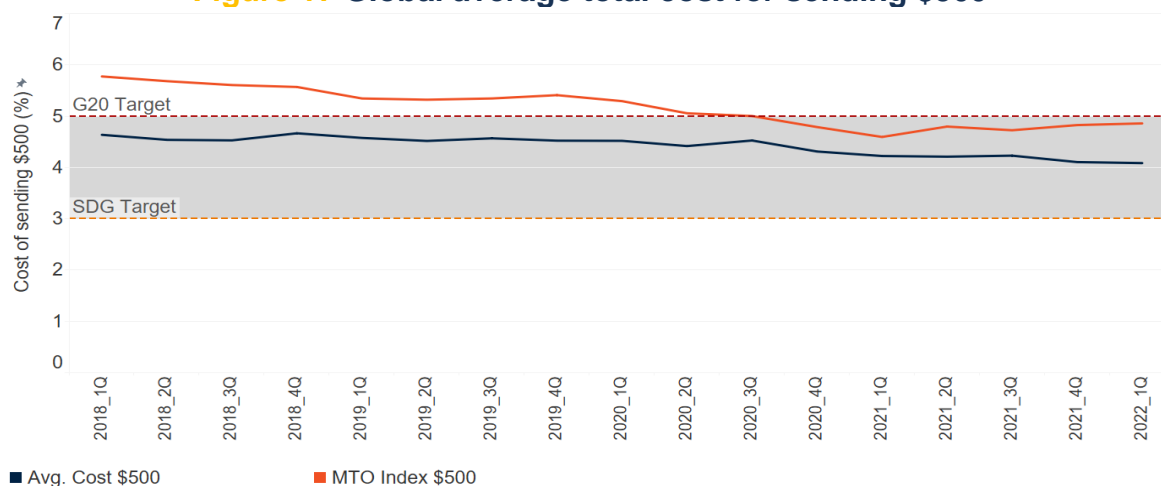
The analysis in this annex shows again that, as expected, the average cost of sending \$500 is lower as a percentage of amount sent compared to the average cost of sending \$200. The analysis additionally confirms that the average cost of sending \$500 has followed a similar trend to the one observed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

Global trends for sending \$500

Global average total cost

In Q1 2022, the Global Average cost for sending \$500 was 4.09 percent. The average cost of sending \$500 has remained below the 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 \$500 was recorded at 5.59 percent). The Global Average of sending \$500 exhibits an overall downwards trend since Q1 2011, as seen in Figure 17 below. This represents a decline of 1.23 percentage point since Q1 2011, when the figure was recorded at 5.32 percent. Over the preceding 5-year period (Q1 2017 – Q1 2022), the total cost of sending \$500 has decreased by 0.56 percentage point.

Figure 17 Global average total cost for sending \$500



International MTO Index

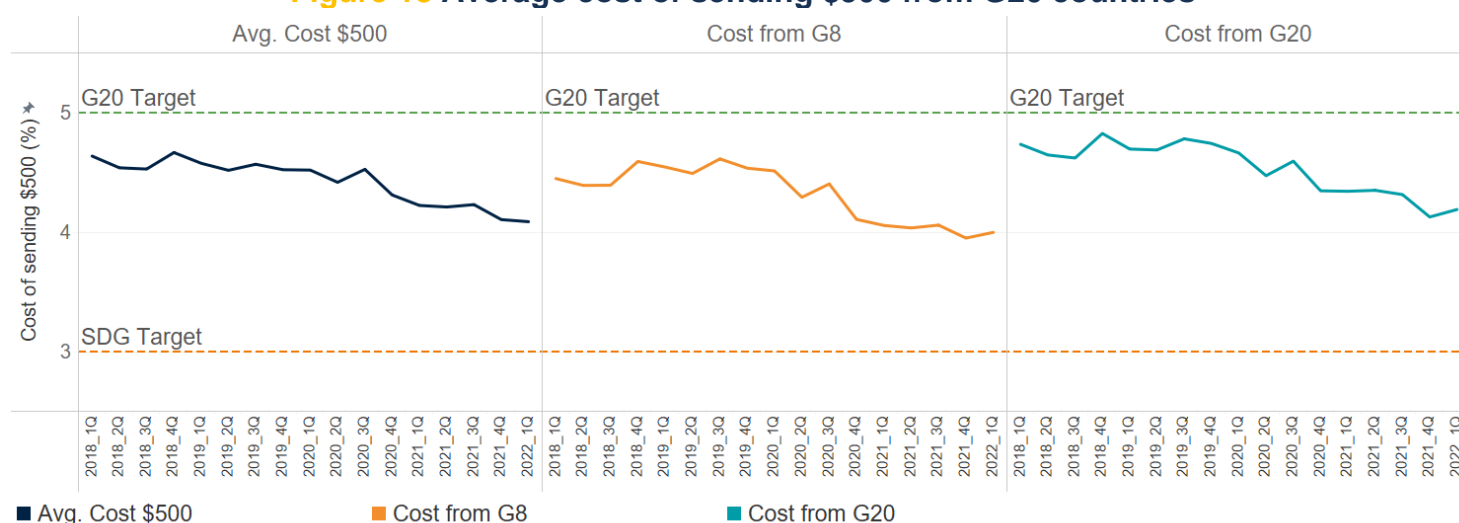
The International MTO Index tracks the prices of MTOs that are present in at least 85 percent of corridors covered in the RPW database.¹¹ In Q1 2022, the International MTO Index for \$500 experienced a modest increase to 4.86 percent from 4.83 percent in Q4 2021. As seen in Figure 17, the International MTO Index exhibits an overall downwards trend. Over the preceding 5-year period (Q1 2017 – Q1 2022), the total cost of sending \$500 has decreased by 0.97 percentage point.

G20 Countries

Cost of sending remittances from and to G20 countries

The cost of remitting \$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 \$500 from G20 countries has closely followed a similar trend as the Global Average of sending \$500, as seen in Figure 18. The cost of remitting \$500 from G20 countries in Q1 2022 experienced an increase, recorded at 4.19 percent.

Figure 18 Average cost of sending \$500 from G20 countries

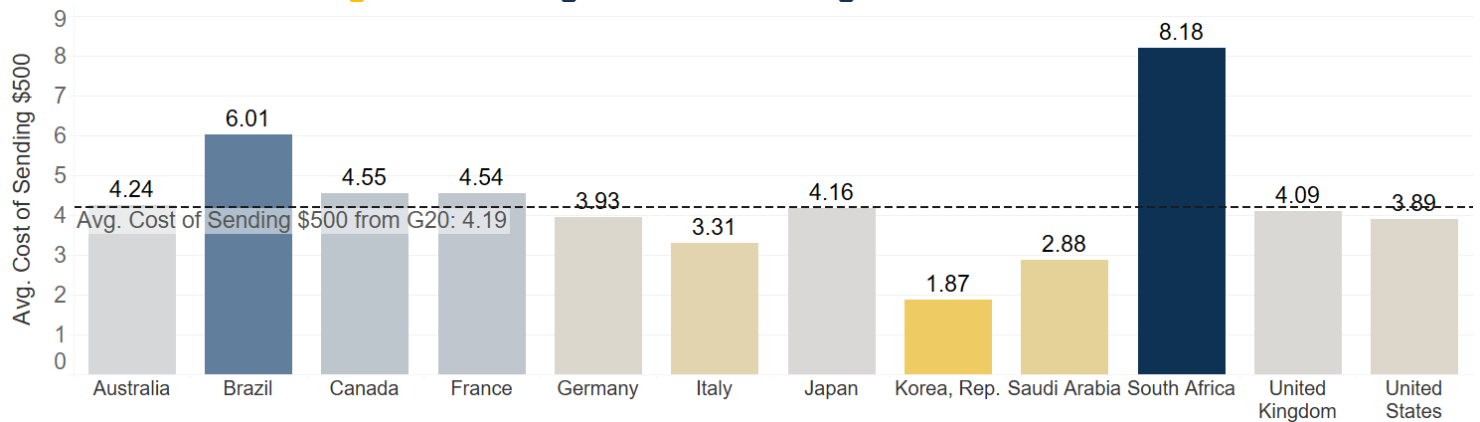


In Q1 2022, South Africa is the most expensive G20 country to send \$500 from, consistent with the \$200 findings (see Figure 19). The average cost of remitting \$500 from South Africa increased to 8.18 percent from 7.75 percent in Q4 2021, and this is despite an overall decrease from its peak in Q2 2013, when the

¹¹ 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.

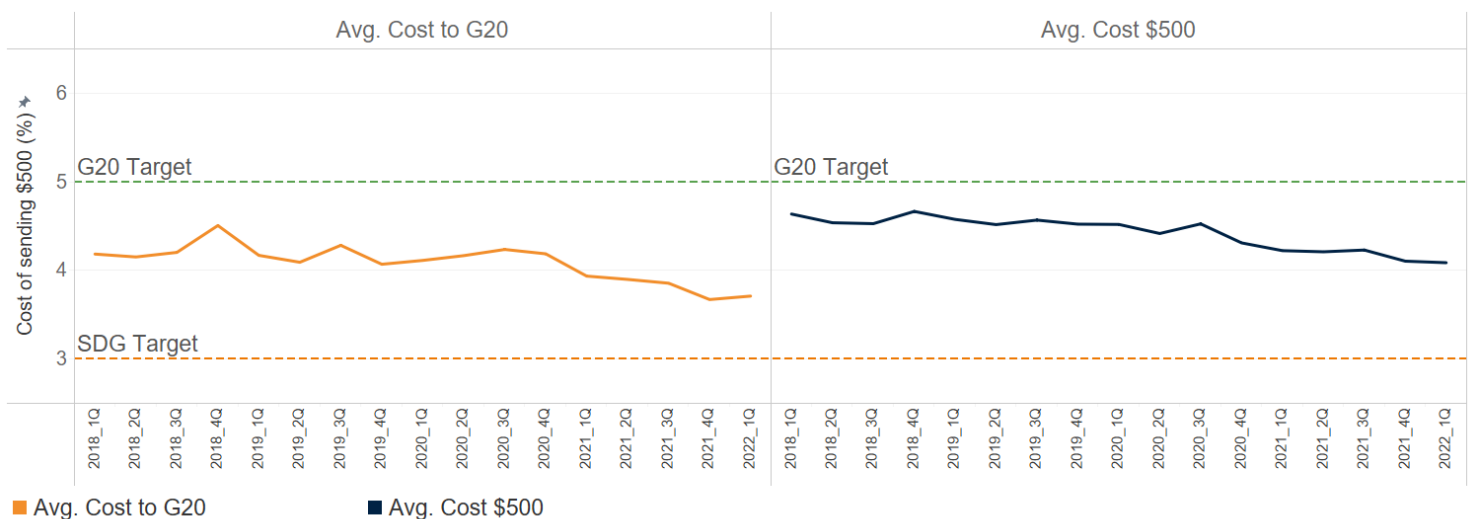
cost of sending from South Africa was more than 12 percent. Brazil is the second most expensive G20 country to send \$500 from, recorded at 6.01 percent. The Republic of Korea became the least expensive sending country in this grouping, exhibiting a total average cost of sending \$500 of 1.87 percent, followed by Saudi Arabia (2.88 percent), Italy (3.31 percent), the United States (3.89 percent), and Germany (3.93 percent). Of this group Australia, Brazil, Canada, France, Japan, the UK, and South Africa exhibit costs higher than the Global Average in Q1 2022.

Figure 19 Average cost of remitting from G20 countries



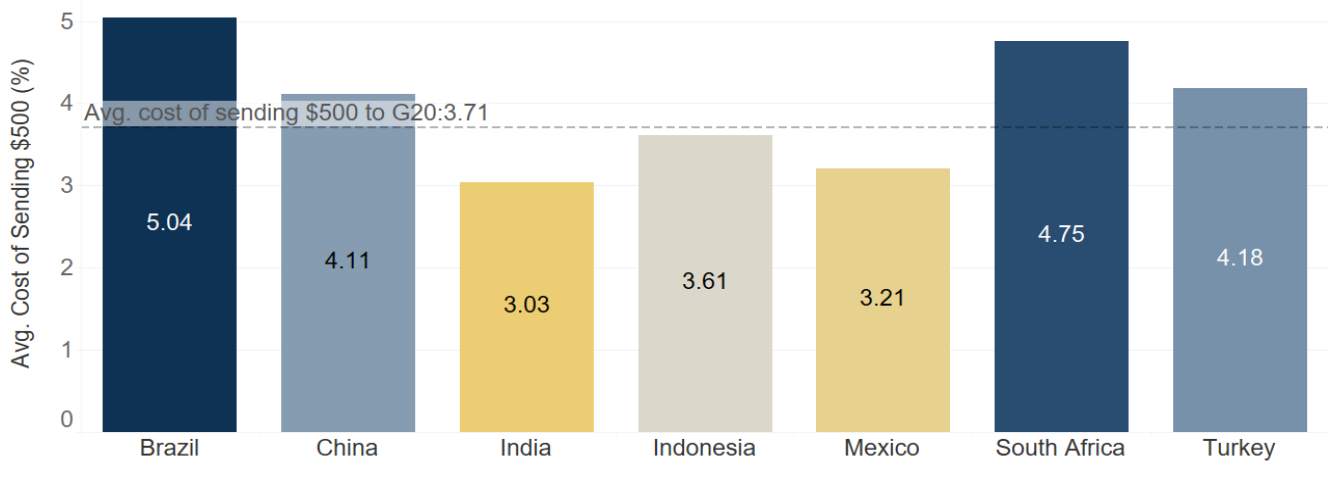
Figures 20 and 21 display the total average cost of sending \$500 to G20 countries over time and in Q1 2022, respectively. The average cost of sending \$500 to the G20 countries that are included in RPW as receiving markets increased between Q4 2021 and Q1 2022, recorded at 3.71 percent in Q1 2022.

Figure 20 Average cost of remitting to G20 countries



For the past 5 consecutive years, the cost of remitting \$500 to G20 countries is recorded below the Global Average cost of sending \$500. In Q1 2022, Brazil (5.04 percent) remains the most expensive country in this grouping to remit to, followed by South Africa (4.75 percent), Turkey (4.18 percent), and China (4.11 percent). Over the last 5 years, the total average cost of sending to G20 countries has decreased slightly by 0.83 of a percentage point (in Q1 2017, this figure was recorded at 4.54 percent).

Figure 21 Average cost of remitting \$500 to G20 countries, by Country



Annex III – Tables (\$500)

Table 6 – Global Average, International MTO Index (\$500)

	2018_1Q	2018_2Q	2018_3Q	2018_4Q	2019_1Q	2019_2Q	2019_3Q	2019_4Q	2020_1Q	2020_2Q	2020_3Q	2020_4Q	2021_1Q	2021_2Q	2021_3Q	2021_4Q	2022_1Q
Avg. Cost \$500	4.64	4.54	4.53	4.67	4.58	4.52	4.57	4.52	4.52	4.42	4.53	4.31	4.22	4.21	4.23	4.10	4.09
MTO Index \$500	5.77	5.68	5.61	5.57	5.34	5.32	5.35	5.41	5.29	5.06	5.00	4.79	4.59	4.80	4.73	4.83	4.86

Table 7 – Cost of sending \$500 from G20 countries

	2018_1Q	2018_2Q	2018_3Q	2018_4Q	2019_1Q	2019_2Q	2019_3Q	2019_4Q	2020_1Q	2020_2Q	2020_3Q	2020_4Q	2021_1Q	2021_2Q	2021_3Q	2021_4Q	2022_1Q
Australia	5.23	4.99	5.00	5.34	4.91	5.00	4.82	4.94	4.91	4.71	4.68	4.73	4.71	4.38	4.63	4.44	4.24
Brazil	3.94	6.14	4.58	5.99	5.87	5.85	4.38	5.65	4.15	9.19	9.46	6.79	6.82	7.65	4.50	3.96	6.01
Canada	4.65	4.77	5.15	4.95	5.27	4.34	5.48	5.68	4.84	4.74	4.22	3.32	4.23	4.58	4.70	4.54	4.55
France	5.34	5.06	5.16	4.96	5.15	5.32	5.46	5.33	5.36	4.86	5.00	4.67	4.52	4.28	4.63	4.68	4.54
Germany	5.15	4.97	5.06	5.74	5.40	5.52	5.34	5.23	5.44	4.82	5.22	4.89	5.04	4.08	3.97	4.11	3.93
Italy	4.09	3.98	4.03	4.06	3.98	4.13	4.35	3.74	3.82	3.99	4.43	3.59	3.13	3.20	3.25	3.12	3.31
Japan	5.36	6.30	5.05	5.45	5.40	5.38	5.17	5.02	4.83	5.32	5.89	5.19	5.42	4.60	4.36	4.30	4.16
Korea, Rep.	2.71	2.62	2.63	2.55	2.69	2.65	2.60	2.18	2.46	2.38	2.40	2.54	2.41	2.24	2.40	2.14	1.87
Russian Federation	1.48	1.54	1.58	1.63	1.61	1.62	1.48	1.94	1.50	1.55	1.61	1.00	1.00	2.40	2.66	2.83	
Saudi Arabia	3.67	3.79	4.40	4.55	2.92	3.22	3.11	2.87	2.65	2.94	2.66	2.52	2.01	2.88	2.91	2.64	2.88
South Africa	10.48	9.49	9.02	8.97	9.24	8.93	10.11	10.93	9.74	8.58	9.09	8.75	8.99	9.38	9.11	7.75	8.18
United Kingdom	4.95	4.76	5.04	4.86	4.91	4.87	5.17	5.09	5.26	4.76	4.74	4.68	4.69	4.62	4.54	4.21	4.09
United States	3.68	3.64	3.52	4.09	3.90	3.84	3.67	3.75	3.73	3.58	3.50	3.62	3.33	3.78	3.88	3.71	3.89
From G20	4.73	4.65	4.62	4.83	4.70	4.69	4.78	4.74	4.66	4.47	4.59	4.35	4.34	4.35	4.31	4.13	4.19

Table 8 – Cost of receiving \$500 in G20 countries

	2018_1Q	2018_2Q	2018_3Q	2018_4Q	2019_1Q	2019_2Q	2019_3Q	2019_4Q	2020_1Q	2020_2Q	2020_3Q	2020_4Q	2021_1Q	2021_2Q	2021_3Q	2021_4Q	2022_1Q
Brazil	4.64	5.27	5.17	5.40	5.16	5.37	5.56	5.20	5.78	5.42	5.00	5.17	4.77	4.64	4.87	4.91	5.04
China	4.92	4.48	4.77	5.36	5.29	5.01	5.83	5.06	4.91	5.02	5.25	4.93	4.72	4.44	4.25	4.02	4.11
India	3.29	3.29	3.38	3.60	3.27	3.10	3.31	3.20	3.24	3.20	3.29	3.38	3.05	3.13	3.14	2.99	3.03
Indonesia	5.20	4.78	4.55	5.11	4.10	4.20	3.75	3.84	3.84	4.32	4.17	4.18	3.89	3.90	3.82	3.62	3.61
Mexico	2.82	2.35	2.65	4.10	3.00	3.04	3.16	2.94	2.57	2.81	2.69	2.36	2.13	2.83	2.76	2.86	3.21
South Africa	5.24	5.36	6.23	5.66	5.60	6.16	5.78	6.20	6.06	5.72	6.29	6.23	6.28	5.47	6.28	4.62	4.75
Turkey	5.29	6.05	5.29	4.36	4.96	5.30	4.82	4.94	5.01	4.90	5.45	4.94	5.18	5.24	4.81	4.64	4.18
To G20	4.18	4.15	4.20	4.51	4.17	4.09	4.28	4.07	4.11	4.17	4.24	4.19	3.94	3.90	3.86	3.67	3.71

Annex IV – Prospects Index

As of Q1 2022, RPW data collection would be used to also monitor new services via a *prospects index*. These new services could be candidates for inclusion in the main index in the future subject to them meeting certain requirements. In Q1 2022, 46 services originating from 14 sending countries were included in the prospects index, covering 31 destination countries. A breakdown of these services by receiving region is provided in Figure 22. Services destined for Sub-Saharan Africa account for a large share in the prospects index. The objective of this index is to keep track of the new entrants and new services, to get a sense of the market developments. In the past while we identified new entrants the price and other data was not captured because these services did not meet the criteria for inclusion in the main index.

Figure 22 Number of services by receiving region

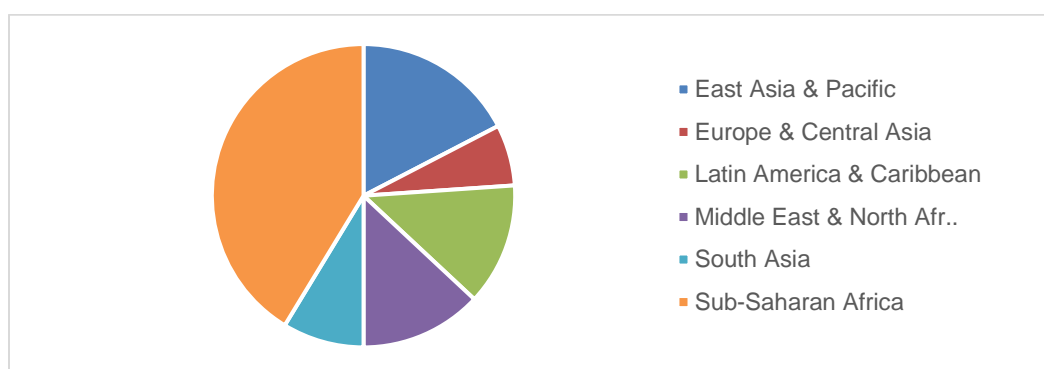
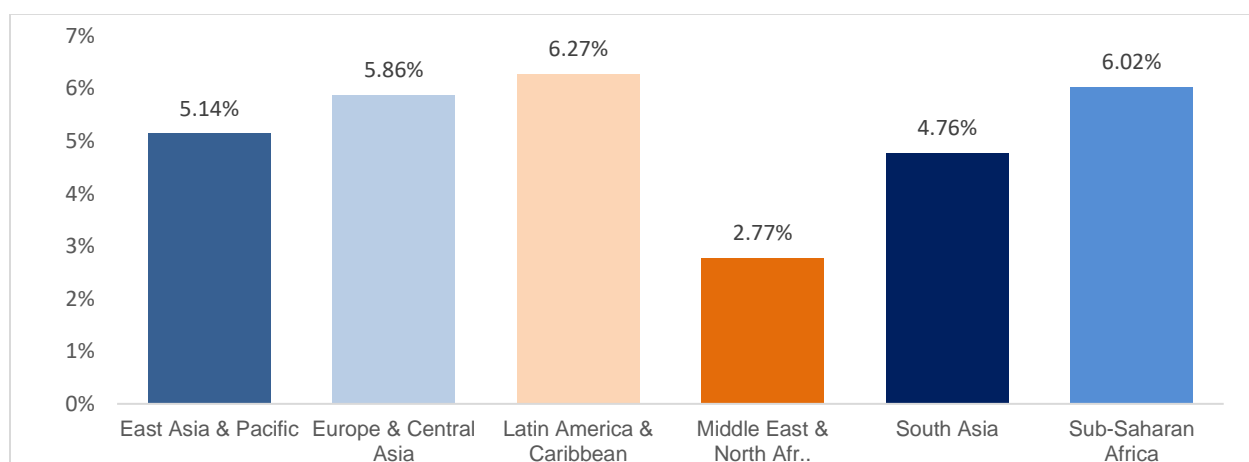


Figure 23 Average cost by region, sending \$200 (%)



Average cost for sending \$200 for the prospects index in Q1 2022 was 5.36 percent, below the global average of 6.09 percent. Twenty-four services were digital services, accounting for over half of all services in the prospects index. Average cost for digital remittances was 5.09 percent, slightly higher than the global digital remittances index of 4.79 percent. Figure 23 plots the average cost by receiving regions.

In Q1 2022, cheapest method to fund a remittance transaction among the services in the prospects index was bank account transfers at 4.74 percent. According to Table 9, average costs of sending \$200 via various payment instrument do not differ significantly. Moreover, mobile money services account for a greater share in the sample (6 percent) compared to its share in the RPW main dataset (less than 1%).

Table 9 Average Cost by Instrument Used to Fund the Transaction, sending \$200

	Cash	Bank Account	Debit/Credit Card	Mobile Money
Q1 2022	6.00%	4.74%	5.59%	5.64%
Number of services	10	14	34	3

Table 10 Average cost by means of disbursing the funds, sending \$200

	Cash	Bank Account	Bank Account (same bank)	Mobile Wallet
Q1 2022	4.90%	5.32%	NA	4.91%
Number of services	28	25	NA	10

Table 11 provides additional information for comparison, including the average costs using the services included in the prospects index only, the average costs without these services as shown elsewhere in this report, and the average costs if these services would instead be included in the main analysis.

Table 11 A comparison of cost of sending \$200 with/without the services in the prospects index

	New prospects	# of services	Q1 2022 averages (Reported in the main section)	Would-be Q1 2022 averages including prospects
East Asia & Pacific	5.14%	8	5.85%	5.85%
Europe & Central Asia	5.86%	3	6.40%	6.40%
Latin America & Caribbean	6.27%	6	6.03%	6.03%
Middle East & North Africa	2.77%	6	6.66%	6.61%
South Asia	4.76%	4	4.21%	4.21%
Sub-Saharan Africa	6.02%	19	7.84%	7.81%
Average total cost	5.36%	46	6.09%	6.08%
Digital remittances index	5.09%	24	4.79%	4.79%

RPW will continue to monitor new services in the coming quarters as part of the prospects index. Over time, these services will be added to the main analysis and indices, based on a combination of materiality and diversity criteria.



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