

Remittance Prices Worldwide

Issue 24, December 2017

This Report reflects the latest trends observed in the data published in December 2017.

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

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 365* country corridors worldwide. RPW tracks the cost of sending remittances for three main RSP types: Banks, MTOs, and Post Offices. MTOs include both traditional providers and innovative/fintech players. On average, 11.5 providers 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.

Key Findings

- The **Global Average** decreased for the third consecutive quarter to reach 7.09 percent in Q4 2017, from the 7.21 percent value recorded in Q3 2017.
- The **International MTO Index** remained stable, increasing slightly over the quarter to 8.23 percent in Q4 2017, from 8.14 percent in Q3 2017.
- The **Global Weighted Average** decreased modestly to 5.29 percent.
- The **Global SmaRT Average** for Q4 2017 was recorded at 5.16 percent.
- In Q4 2017, a total of 80 percent of all services recorded in RPW were below an average cost of 10 percent.
- South Asia remains the cheapest receiving region, with an average cost of 5.34 percent. Sub-Saharan Africa remains the costliest region to send money to, at 9.27 percent total average cost in Q4 2017.
- Banks remain the most expensive type of service provider, with an average cost of 10.44 percent.

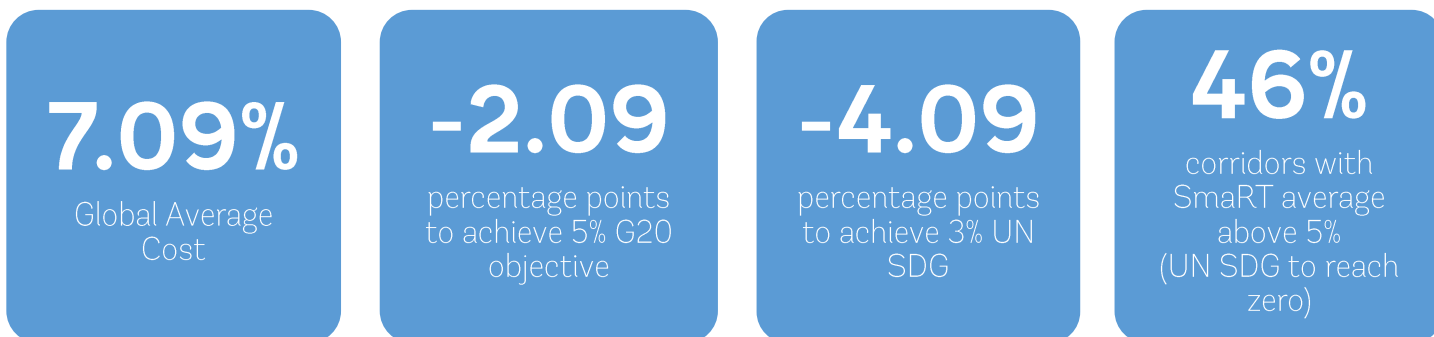
Contents

Progress tracker.....	2
Global trends.....	2
Trends in Corridor Average Total Costs	5
G8 and G20 countries.....	6
Regional trends.....	10
Costs by RSP Type.....	11
Costs by Sending and Receiving Method.....	12
Annex - Tables.....	14
Notes.....	17

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.



Global trends

Global Average Total Cost remains stable

In Q4 2017, the Global Average cost for sending remittances was 7.09 percent, below the recorded average of 7.21 percent in Q3 2017. The Global Average remains below 8.00 percent, as it has since Q3 2014 (see Figure 1 below and Table 1 in the Annex). Overall this represents a decline of 2.58 percentage points since Q1 2009, when the figure was recorded at 9.67 percent. 7.09 percent represents a new lifetime low for this indicator, although the overall decline recorded over the last year is not as substantial as the progress shown in previous periods.

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 2017, the International MTO Index remained stable, recording a slight increase to 8.23 percent from the previous value of 8.16 percent in Q3 2017.

Global Weighted Average

In addition to the Global Average, a weighted average total cost is calculated, which accounts for the relative size of the flows in each remittance corridor.ⁱⁱ The Global Weighted Average of sending remittances, as illustrated in Figure 2 (see also Table 1 in the Annex), has at times shown a different pattern from the simple average. The Global Weighted Average has experienced a modest decrease to 5.29 percent, from its value of 5.46 percent in Q3 2017.

Figure 1 Global Average Total Cost for sending USD 200ⁱⁱⁱ

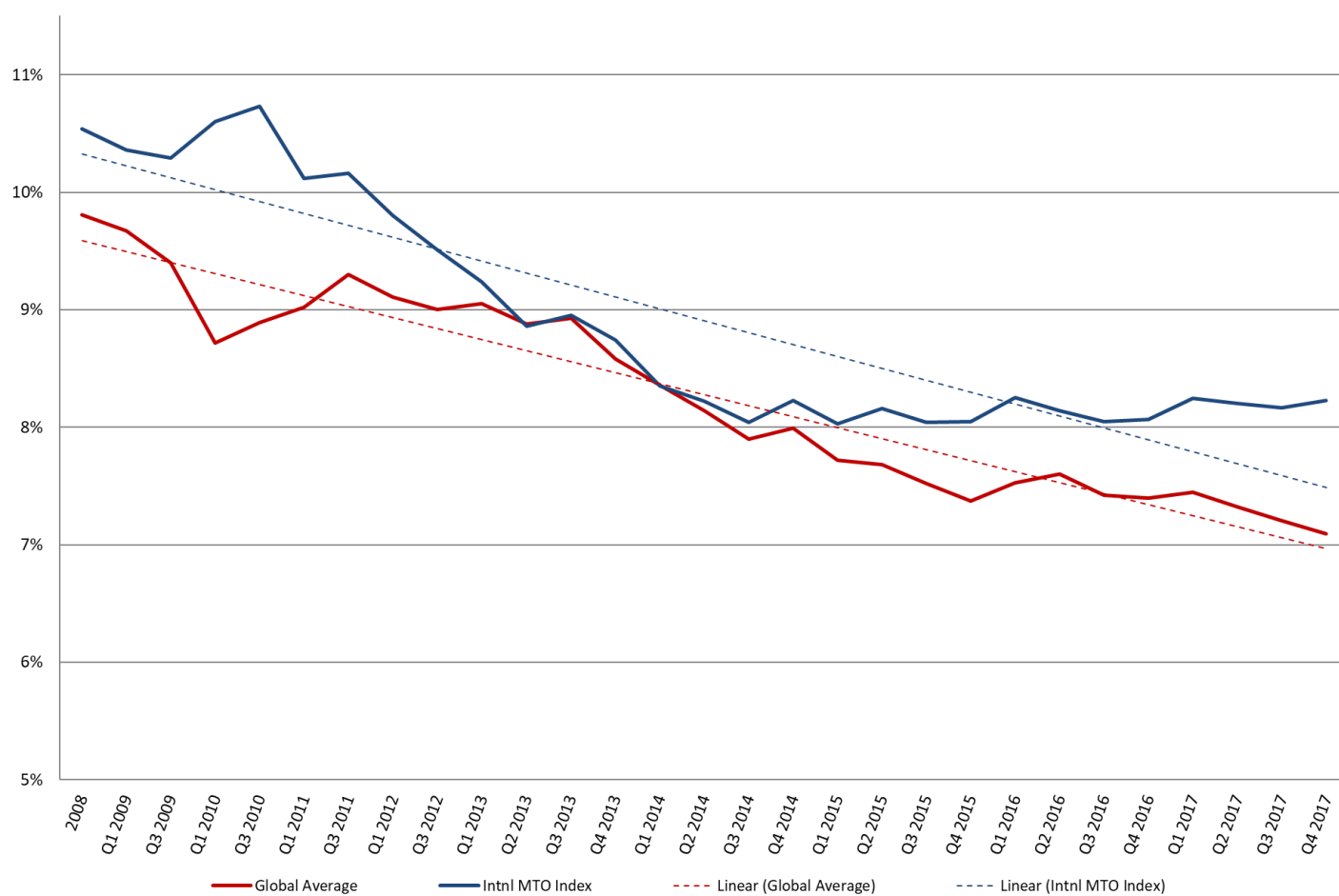
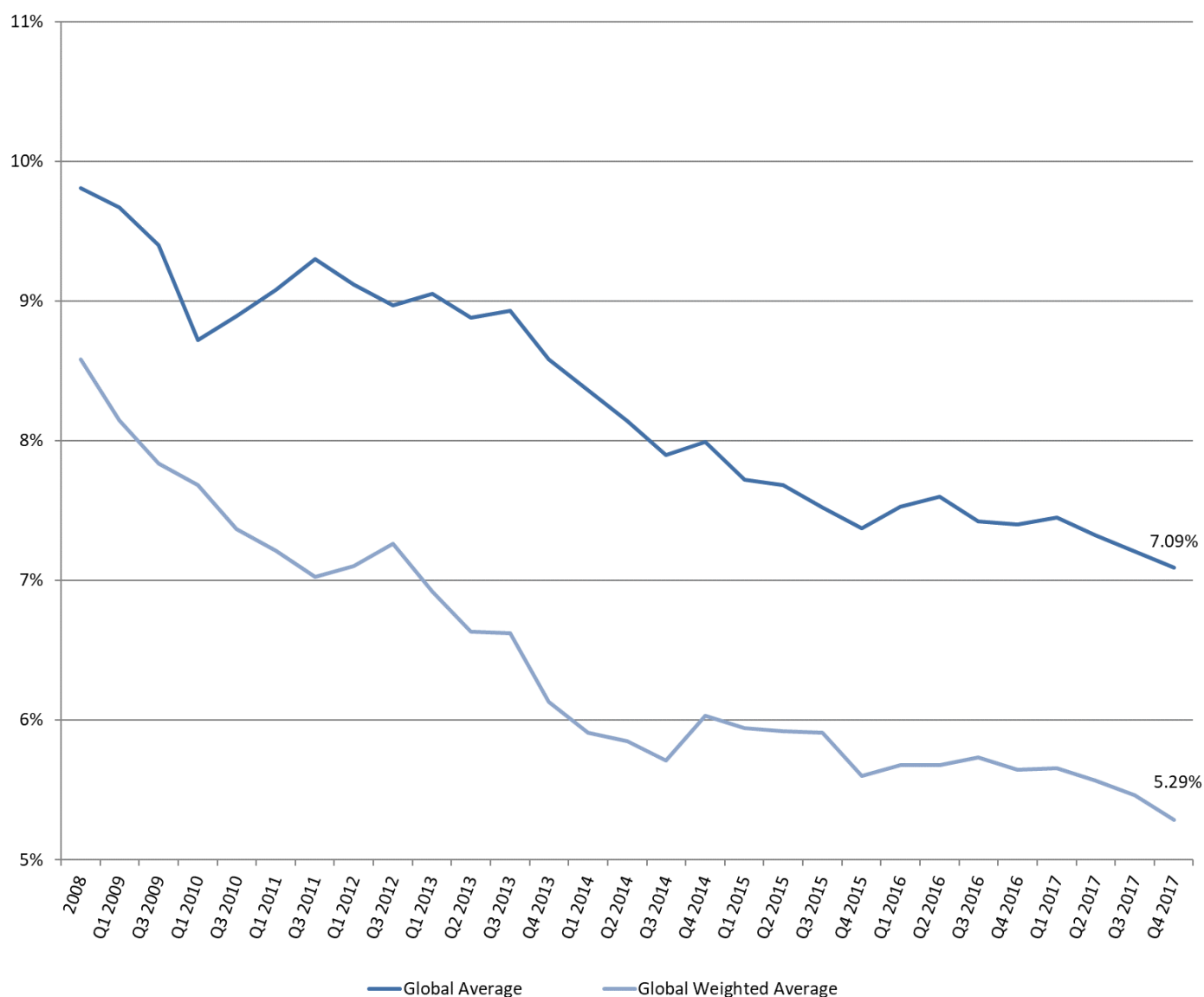


Figure 2 Global Weighted Average



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 services for sending the equivalent of USD 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 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.^{iv}

In Q4 2017, the Global SmaRT Average was recorded at 5.16 percent. This is a modest decrease from the value recorded in Q3 2017 of 5.80 percent.

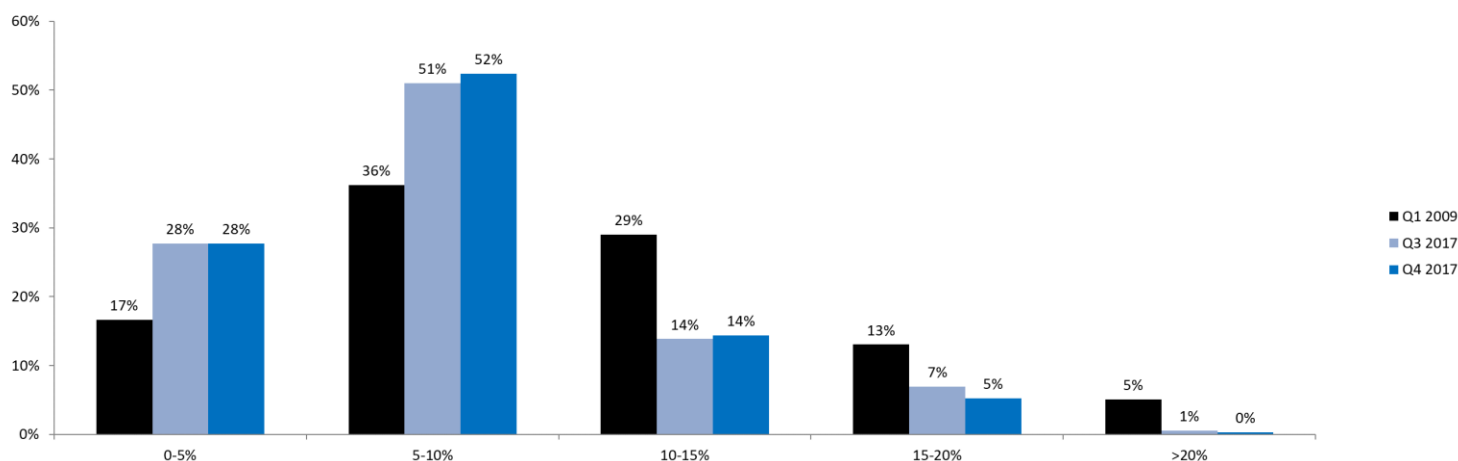
The potential of SmaRT can be appreciated even more at the corridor level, where the indicators can inform policy actions by identifying limitations at a more granular level. In Q3 2017, 29 of the 365 corridors did not have any SmaRT qualifying services, indicating that in these corridors there is an issue with either access or reach of services, or a lower level of competition. Of these 29 corridors, 16 are destined for Sub-Saharan Africa, 4 for South Asia and 3 for the Middle East and North Africa. 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.

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 at least three services available to customers and that meet the requirements described above, while also on average offering a cost that is in line with the UN SDG. As of Q4 2017, 49 percent of all corridors covered in the RPW database had SmaRT corridor averages below 5 percent.

Trends in Corridor Average Total Costs

Figure 3 shows that compared to Q1 2009, 16 percent more corridors have a total average cost in the 5-10 percent category in Q4 2017. There are 11 percent more corridors in the 0-5 percent category in Q4 2017 compared to Q1 2009. A total of 80 percent of all corridors exhibit total average costs below 10 percent. In Q1 2009, 47 percent of corridors were in the cost categories above 10 percent. Since Q1 2009, this proportion has decreased considerably, now at 19 percent.

Figure 3 Distribution of Average Total Costs

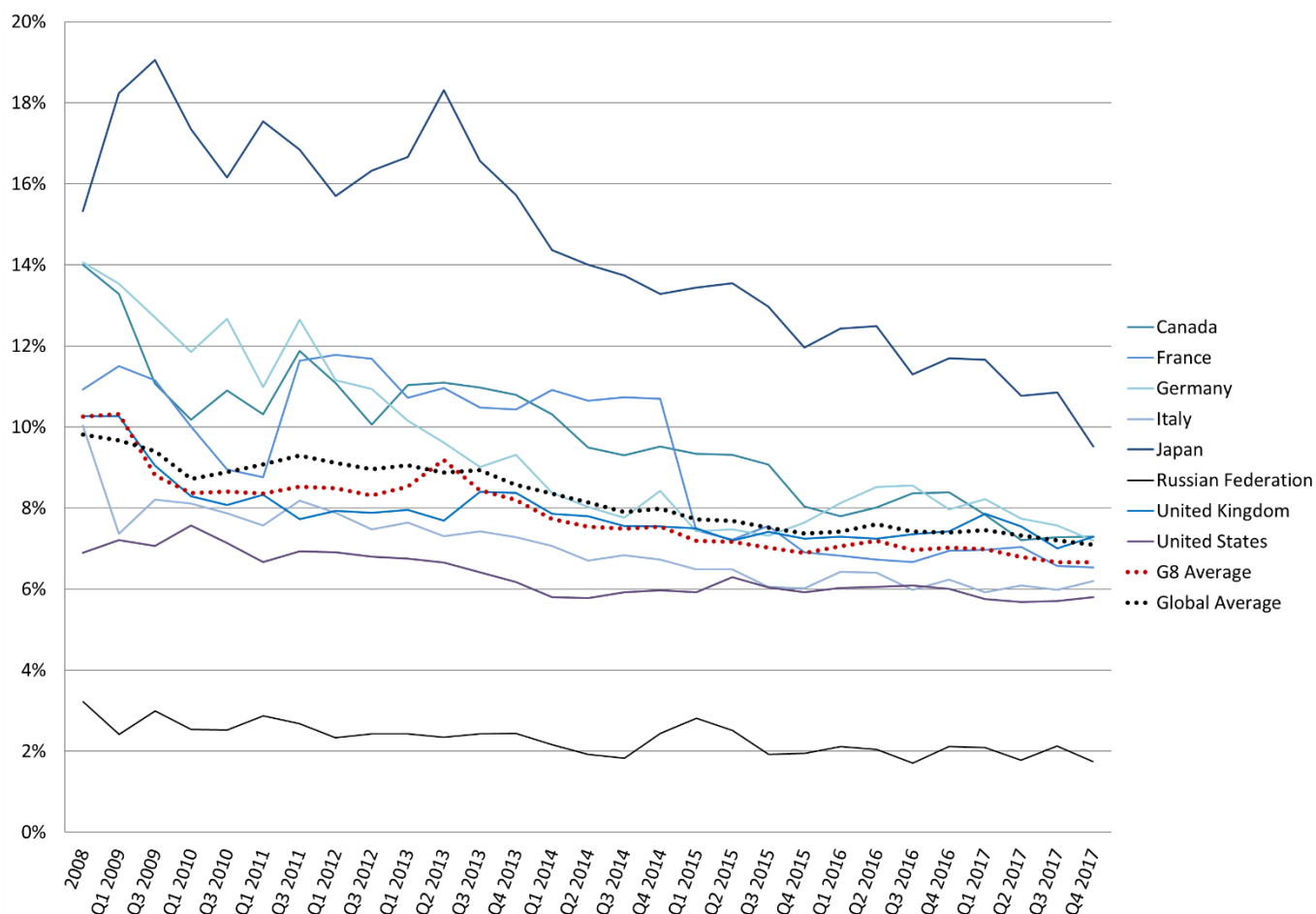


G8 and G20 countries

Cost of sending remittances from G8 countries remains stable

The G8 countries include several of the major remittance sending countries in the world. The average cost for sending remittances from the G8 countries remained the same as in the previous quarter, 6.66 percent. Over the year, this figure has decreased 0.36 percentage points (from 7.02 percent in Q4 2016).

Figure 4 Total average in G8 countries



As Figure 4 illustrates, there are significant disparities in the cost levels across these countries (see also Table 2 in the Annex). The G8 countries that exhibit total average costs higher than the Global Average and the G8 average in Q4 2017 are Japan, Canada, the United Kingdom and Germany. G8 countries exhibiting lower than the Global and G8 average in Q4 2017 are France, Italy, United States, and Russia.

The largest decreases in total average cost to send remittances between Q3 2017 and Q4 2017 are seen in Japan (10.85 to 9.52, dropping for the first time below the 10 percent threshold), Russia (2.13 to 1.75), and Germany (7.57 to 7.20). The average cost to send USD 200 from the United States remained stable, recorded at 5.80 percent in Q4 2017. The largest increases were seen in the United Kingdom and Italy, rising from 7.01 to 7.29 percent and 5.98 to 6.20 percent between Q3 and Q4 2017, respectively.

Cost of sending remittances from and to G20 countries

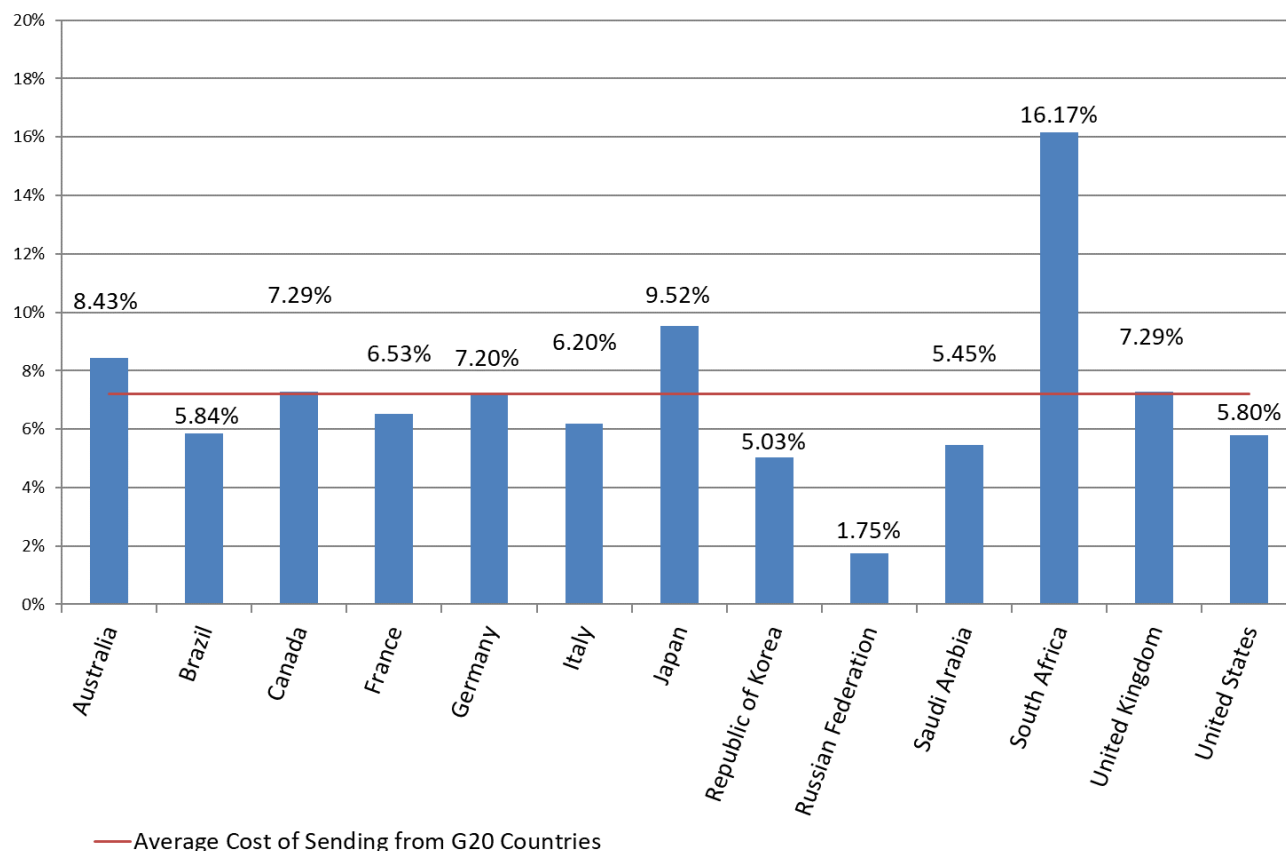
The cost of remitting from G20 countries remained stable, recorded at 7.20 percent in Q4 2017 as shown in Figure 5 (also see Table 3 in the Annex).

Figure 5 Average cost of sending USD 200 from G20 countries



South Africa remains the costliest G20 country to send remittances from (see Figure 6), and 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 Q4 2017, remitting from South Africa incurred an average cost of 16.17 percent. This marks a decrease from its recorded value of 16.57 percent in Q3 2017 and the fourth consecutive quarterly decrease in the average cost of remitting from South Africa: in Q4 2016, this figure was recorded at 17.88 percent. The cost of sending from the second most expensive G20 sending country – Japan – was recorded at 9.52 percent in Q4 2017. Russia remains the least expensive G20 sending country, recorded at 1.75 percent, followed by the Republic of Korea (5.03 percent), Saudi Arabia (5.45 percent), the United States (5.80 percent) and Brazil (5.84 percent).

Figure 6 Average cost of remitting from G20 countries



Figures 7 and 8 display the total average cost of sending USD 200 to G20 countries over time and in Q4 2017, 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 6.45 percent in Q4 2017.

Apart from a few quarters, the average cost of sending money to the G20 countries has followed the pattern of the Global Average. For the third consecutive quarter since Q2 2016, the cost of remitting to G20 countries is recorded below the Global Average. The most expensive countries in this grouping to remit to were South Africa (8.55 percent), China (7.92 percent) and Turkey (7.28 percent). Costs for sending remittances to Indonesia, Brazil, India and Mexico were recorded below 7 percent. Mexico remained the cheapest receiving market in the G20 group, recorded at 4.45 percent total average cost.

In China, a significant drop has been recorded from 10 to 7.92 percent, which was due to improvements in the sample of services to better reflect current market composition. This shows how increased competition and the emergence of less costly options can lead to overall reduction in remittances cost.

Figure 7 Average cost of sending USD 200 to G20 countries

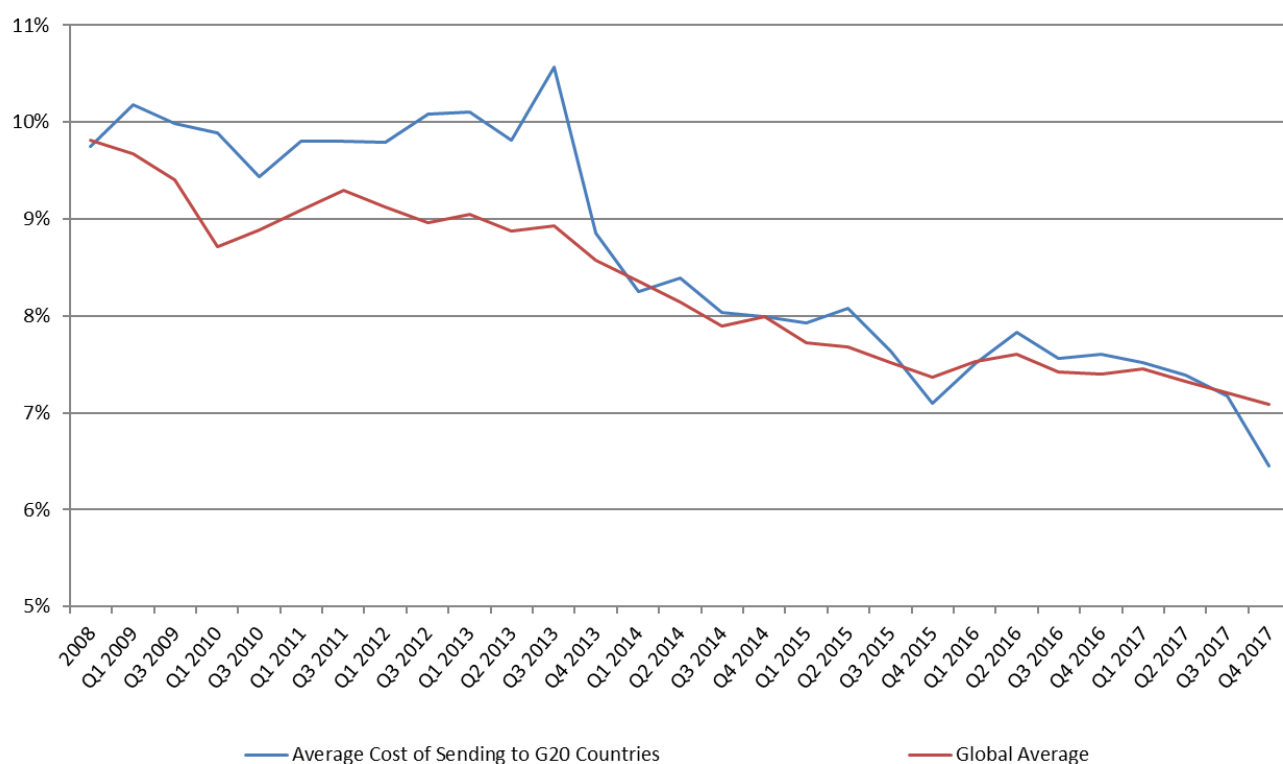
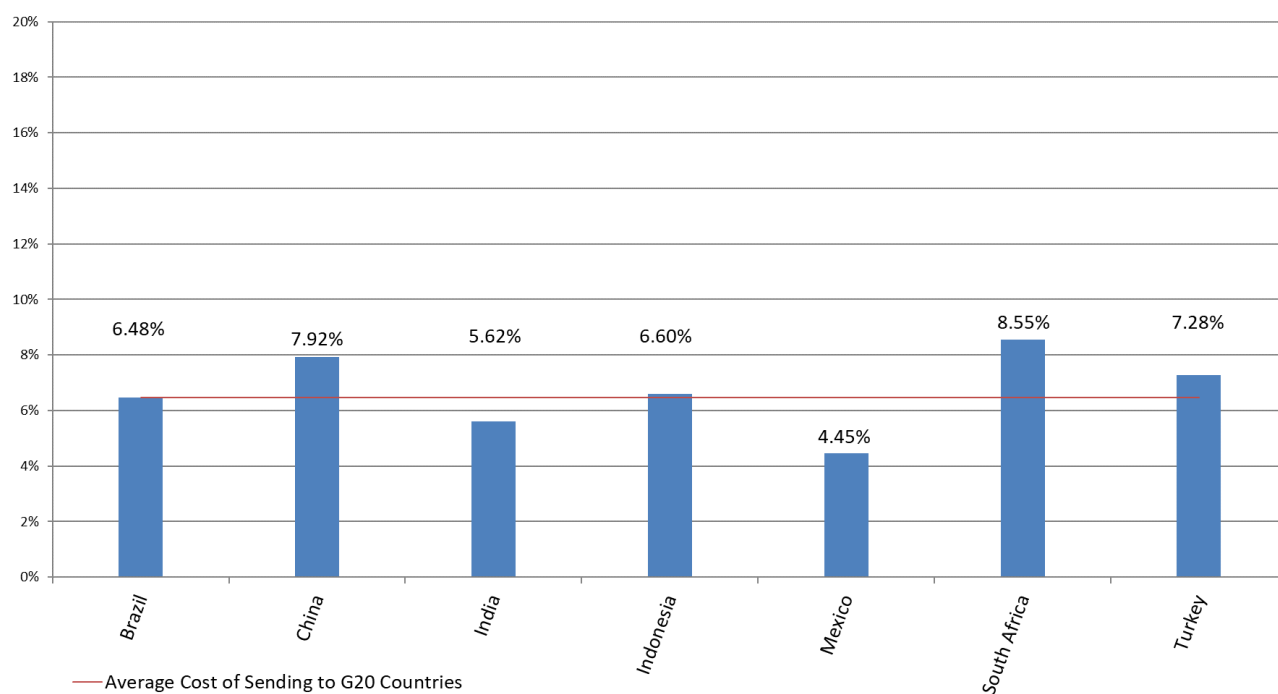


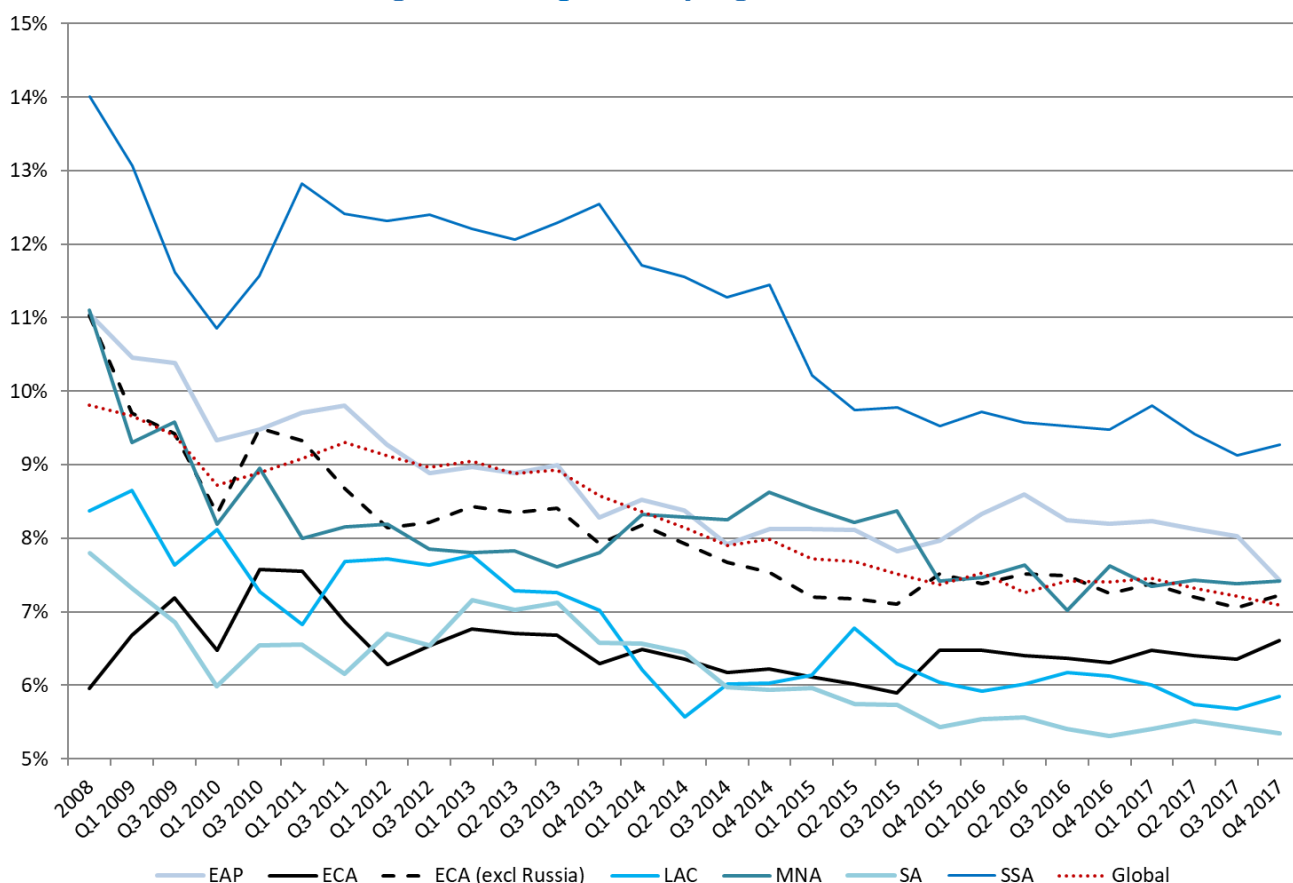
Figure 8 Average cost of remitting to G20 countries, by Country



Regional trends

The cost for remittance services varies significantly depending on the region where the money is being sent to (see Figure 9 below and Table 5 in the Annex). Different trends are observed in different regions. East Asia and the Pacific experienced a decrease between Q3 2017 and Q4 2017, falling from 8.03 percent to 7.42 percent. Europe and Central Asia, South Asia, Latin America and the Caribbean and the Middle East and North Africa, South Asia and Sub-Saharan Africa remained stable between Q3 2017 and Q4 2017. The East Asia and the Pacific, Middle East and North Africa, and Sub-Saharan Africa^x regions were recorded above the Global Average.

Figure 9 Average costs by region of the world



Due to the unique features of the Russian remittance market and its heavy influence on the ECA region, an additional value for the ECA region, excluding Russia, has been calculated and considered: the average excluding Russia was recorded at 7.23 percent – only modestly higher than the average including Russia, which is recorded at 6.61 percent in Q4 2017.

Costs by RSP Type

RPW tracks the cost of sending remittances for three main RSP types: Banks, MTOs, and Post Offices. Figure 10 provides a time series visual of all the RSP types included in the RPW dataset.

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

Figure 10 Total averages over time by RSP type

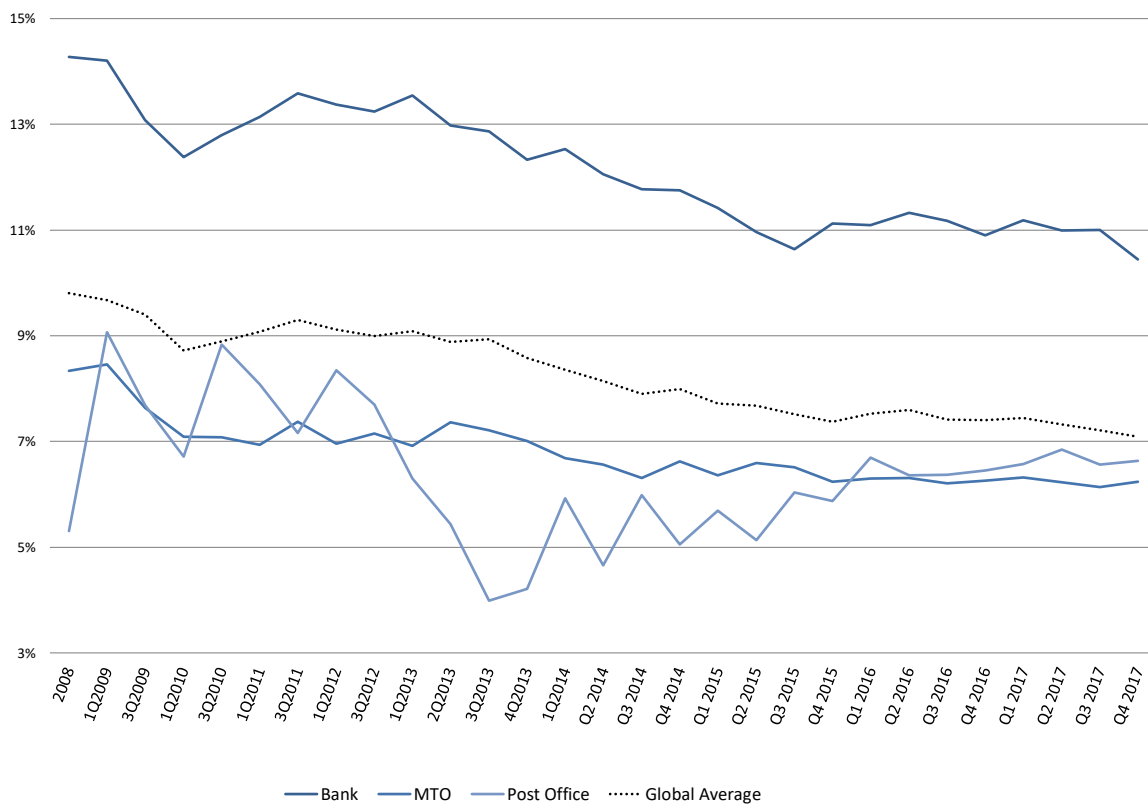


Figure 11 provides an overview for each RSP type in Q4 2017. Banks continue to be the costliest RSP type, with an average cost of 10.44 percent. Post Offices are recorded at 6.64 percent in Q4 2017. Money Transfer Operators are recorded at 6.24 percent, while Mobile Operators are the cheapest RSP type, recorded at 2.82 percent.

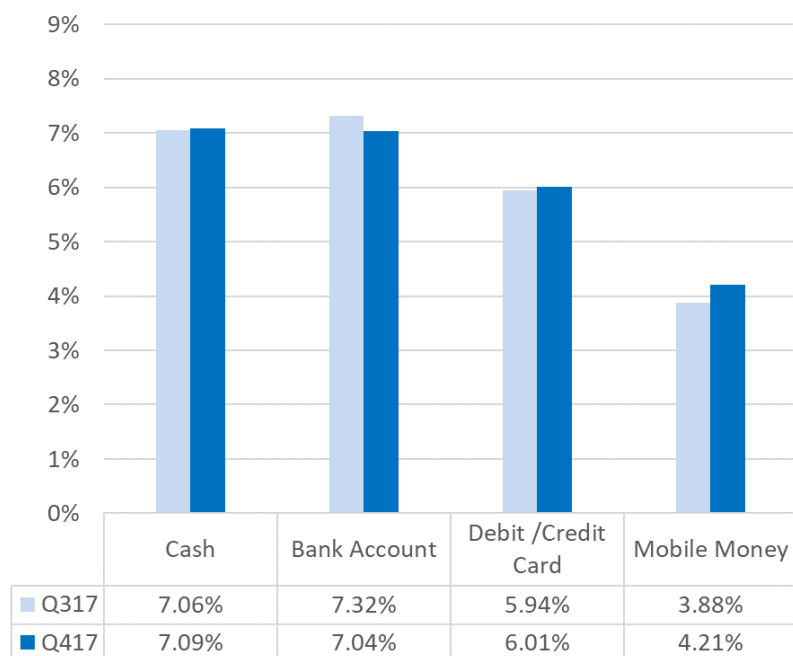
Figure 11 Total average by RSP type



Costs by Sending and Receiving Method

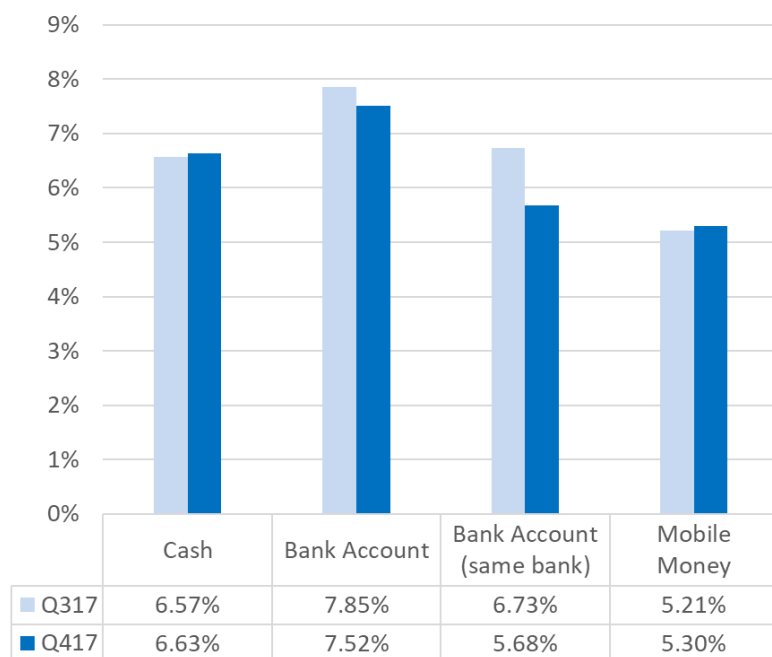
Since the launch of RPW, the market for remittance services has significantly evolved. Innovative players have emerged and began to compete with traditional ones, such as banks, MTOs, and the post. New products have also been developed, including some enabled by new technologies or new applications of existing technologies. In this ever-evolving environment, it has been becoming increasingly challenging to accurately describe remittance products by using a single label. For example, third-party providers increasingly offer services to transfer funds internationally for which transaction can be funded – among other options – from a bank account: describing these services simply as “bank account” would not be fully accurate. To reflect this complexity, RPW now captures separately the instrument used to fund the transaction and the one used to disburse the funds to the receiver. This new approach is reflected in the charts below. This approach allows to further refine the analysis and increase its adaptability to new products that might emerge.

Figure 12 Average Cost by Instrument Used to Fund the Transaction



In Q4 2017, the cheapest method for funding a remittance transaction was Mobile Money at 4.21 percent (48 services recorded in RPW). The average cost when using a Debit/Credit Card (985 services) was 6.01 percent. Cash (2,072 services) exhibited a total average cost of 7.09 percent, only slightly above the cost of funding a transaction with a bank account (1643 services), recorded at 7.04 percent.

Figure 13 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 (85 services) was recorded at 5.68 percent in Q4 2017. In contrast, sending money to a bank account at a different bank (1,481 services), is the most expensive option at 7.52 percent. When funds are sent to a mobile wallet (161 services) the average cost for Q4 2017 was 5.30 percent. Services where money is disbursed in cash (2,654 services) cost on average 6.63 percent.

Annex - Tables

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

	Q3 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	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
Intl MTO Index	9.51	9.24	8.86	8.95	8.74	8.35	8.22	8.04	8.23	8.03	8.16	8.04	8.05	8.25	8.14	8.05	8.07	8.25	8.20	8.14	8.23
Global Weighted Average	7.26	6.92	6.63	6.62	6.13	5.91	5.85	5.71	6.03	5.94	5.92	5.91	5.60*	5.68	5.68	5.73	5.65	5.65	5.57	5.45	5.29
Global Average	9.00	9.05	8.88	8.93	8.58	8.36	8.14	7.90	7.99	7.72	7.68	7.52	7.37	7.53	7.60	7.42	7.40	7.45	7.32	7.21	7.09

Table 2 – Quarterly and Yearly Variation for G8 Countries (Q4 2015, Q3 2016, Q4 2016) (%)

	Q3 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	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
Canada	10.06	11.03	11.09	10.97	10.79	10.31	9.50	9.31	9.52	9.34	9.31	9.08	8.05	7.80	8.01	8.36	8.39	7.84	7.21	7.29	7.29
France	11.68	10.72	10.96	10.48	10.43	10.91	10.65	10.74	10.70	7.45	7.22	7.56	6.91	6.82	6.73	6.67	6.94	6.97	7.04	6.57	6.53
Germany	10.94	10.16	9.62	9.01	9.31	8.37	8.03	7.76	8.43	7.43	7.48	7.32	7.64	8.12	8.52	8.56	7.97	8.23	7.73	7.57	7.20
Italy	7.47	7.64	7.31	7.42	7.28	7.06	6.70	6.83	6.73	6.49	6.49	6.05	6.02	6.42	6.40	5.98	6.23	5.92	6.10	5.98	6.20
Japan	16.32	16.66	18.31	16.57	15.73	14.36	14.00	13.74	13.28	13.43	13.55	12.97	11.95	12.43	12.48	11.30	11.70	11.65	10.77	10.85	9.52
Russia	2.42	2.43	2.34	2.43	2.44	2.16	1.92	1.83	2.44	2.82	2.51	1.92	1.95	2.11	2.05	1.71	2.12	2.09	1.78	2.13	1.75
UK	7.88	7.96	7.69	8.40	8.38	7.86	7.80	7.56	7.55	7.49	7.20	7.41	7.25	7.29	7.25	7.35	7.43	7.86	7.55	7.01	7.29
USA	6.80	6.75	6.65	6.42	6.18	5.80	5.78	5.92	5.97	5.92	6.30	6.04	5.93	6.03	6.06	6.09	6.01	5.76	5.68	5.71	5.80
G8 Average	8.31	8.53	9.19	8.44	8.20	7.73	7.54	7.49	7.54	7.19	7.17	7.02	6.89	7.06	7.19	6.97	7.02	6.99	6.79	6.66	6.66
Global Average	8.96	9.05	8.88	8.93	8.58	8.36	8.14	7.90	7.99	7.72	7.68	7.52	7.37	7.53	7.60	7.42	7.40	7.45	7.32	7.21	7.09

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

	Q3 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	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
Australia	10.84	11.07	10.21	10.19	9.12	9.80	9.60	8.88	8.92	8.97	9.22	9.24	9.60	9.50	9.76	9.66	9.52	9.65	9.31	8.84	8.43
Brazil	5.88	8.66	6.35	5.94	9.65	6.35	4.24	5.26	4.74	5.02	5.72	7.40	6.81	6.76	6.05	5.73	5.48	5.86	3.47	4.64	5.84
Canada	10.06	11.03	11.09	10.97	10.79	10.31	9.50	9.31	9.52	9.34	9.31	9.08	8.05	7.80	8.01	8.36	8.39	7.84	7.21	7.29	7.29
France	11.68	10.72	10.96	10.48	10.43	10.91	10.65	10.74	10.70	7.45	7.22	7.56	6.91	6.82	6.73	6.67	6.94	6.97	7.04	6.57	6.53
Germany	10.94	10.16	9.62	9.01	9.31	8.37	8.03	7.76	8.43	7.43	7.48	7.32	7.64	8.12	8.52	8.56	7.97	8.23	7.73	7.57	7.20
Italy	7.47	7.64	7.31	7.42	7.28	7.06	6.70	6.83	6.73	6.49	6.49	6.05	6.02	6.42	6.40	5.98	6.23	5.92	6.10	5.98	6.20
Japan	16.32	16.66	18.31	16.57	15.73	14.36	14.00	13.74	13.28	13.43	13.55	12.97	11.95	12.43	12.48	11.30	11.70	11.65	10.77	10.85	9.52
Korea	6.65	6.49	6.20	6.43	6.08	5.98	5.99	6.00	6.20	6.19	6.09	5.43	5.54	5.61	5.33	5.06	4.99	4.87	5.42	4.81	5.03
Russia	2.42	2.43	2.34	2.43	2.44	2.16	1.92	1.83	2.44	2.82	2.51	1.92	1.95	2.11	2.05	1.71	2.12	2.09	1.78	2.13	1.75
Saudi Arabia	4.25	3.93	4.46	4.05	4.19	4.09	4.45	3.85	4.41	4.68	4.06	4.13	5.05	4.91	4.56	4.59	4.77	5.20	5.55	4.74	5.45
South Africa	20.56	20.72	20.69	19.29	18.16	19.80	19.56	19.54	19.76	18.00	16.79	15.19	16.59	16.20	16.72	16.95	17.88	17.78	16.76	16.57	16.17
UK	7.88	7.96	7.69	8.40	8.38	7.86	7.80	7.56	7.55	7.49	7.20	7.41	7.25	7.29	7.25	7.35	7.43	7.86	7.55	7.01	7.29
USA	6.80	6.75	6.65	6.42	6.18	5.80	5.78	5.92	5.97	5.92	6.30	6.04	5.93	6.03	6.06	6.09	6.01	5.76	5.68	5.71	5.80
G8	8.31	8.53	9.19	8.44	8.20	7.73	7.54	7.49	7.54	7.19	7.17	7.02	6.89	7.06	7.69	6.97	7.02	6.99	6.79	6.66	6.66
From G20	8.87	9.12	9.52	8.72	8.16	8.31	8.12	7.98	8.06	7.67	7.58	7.42	7.46	7.61	7.65	7.57	7.56	7.58	7.38	7.17	7.20
Global Average	9.00	9.05	8.88	8.93	8.58	8.36	8.14	7.90	7.99	7.72	7.68	7.52	7.37	7.53	7.60	7.42	7.40	7.45	7.32	7.21	7.09

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

	Q3 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	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
Brazil	12.99	13.48	11.56	11.94	10.97	6.35	7.43	7.66	7.91	7.96	9.38	7.01	5.95	6.96	6.76	6.81	7.58	6.89	6.33	6.33	6.48
China	12.01	11.62	11.59	11.99	11.13	10.58	10.89	10.49	10.49	10.54	10.38	10.18	9.72	10.36	10.61	10.24	10.31	10.26	10.28	10.00	7.92
India	7.83	9.05	9.18	8.57	7.86	7.57	7.62	7.00	6.88	6.78	6.88	6.50	6.00	6.17	6.59	6.23	6.05	6.14	6.04	5.98	5.62
Indonesia	6.01	6.69	6.67	7.61	6.53	7.10	7.38	7.32	7.34	6.74	6.69	6.90	6.77	7.25	8.14	7.43	7.81	7.84	7.87	7.13	6.60
Mexico	5.56	5.31	5.67	4.41	5.29	4.48	4.51	4.48	4.37	4.62	5.30	5.59	4.75	5.09	4.97	6.35	4.74	4.85	5.11	4.86	4.45
South Africa	9.57	10.08	9.87	9.55	8.39	7.63	7.62	9.27	9.06	8.25	7.78	8.98	8.89	8.97	8.49	7.77	8.05	7.56	8.02	8.07	8.55
Turkey	7.75	7.26	8.43	7.95	7.24	7.02	7.28	6.91	6.42	6.72	6.79	6.95	6.89	6.94	6.55	7.40	7.86	7.62	7.14	6.84	7.28
To G20	10.08	10.11	9.81	10.57	8.86	8.25	8.39	8.02	7.99	7.93	8.08	7.42	7.10	7.51	7.83	7.56	7.60	7.52	7.39	7.17	6.45
Global Average	9.00	9.05	8.88	8.93	8.58	8.36	8.14	7.90	7.99	7.72	7.68	7.52	7.37	7.53	7.60	7.42	7.40	7.45	7.32	7.21	7.09

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

	Q3 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	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
EAP	8.88	8.97	8.88	9.00	8.28	8.52	8.38	7.92	8.12	8.13	8.11	7.82	7.97	8.33	8.49	8.24	8.20	8.24	8.12	8.03	7.42
ECA	6.54	6.77	6.70	6.68	6.29	6.49	6.35	6.17	6.22	6.11	6.02	5.89	6.48	6.48	6.40	6.36	6.30	6.48	6.41	6.36	6.61
ECA (excluding Russia)	8.21	8.43	8.35	8.41	7.93	8.18	7.92	7.67	7.54	7.20	7.18	7.10	7.51	7.47	7.51	7.49	7.25	7.38	7.20	7.05	7.23
LAC	7.65	7.77	7.28	7.26	7.02	6.21	5.57	6.02	6.03	6.14	6.78	6.29	6.04	5.92	6.02	6.17	6.12	6.01	5.74	5.68	5.85
MNA	7.85	7.81	7.83	7.61	7.80	8.32	8.29	8.25	8.63	8.41	8.21	8.37	7.42	7.46	7.63	7.02	7.63	7.35	7.43	7.38	7.41
SA	6.54	7.16	7.02	7.12	6.58	6.56	6.45	5.97	5.94	5.96	5.74	5.73	5.43	5.54	5.56	5.41	5.31	5.40	5.52	5.43	5.34
SSA	12.40	12.21	12.06	12.29	12.55	11.71	11.55	11.28	11.45	10.21	9.74	9.78	9.53	9.72	9.58	9.52	9.48	9.81	9.42	9.08	9.27
Global	9.00	9.05	8.88	8.93	8.58	8.36	8.14	7.90	7.99	7.72	7.68	7.52	7.37	7.53	7.60	7.42	7.40	7.45	7.32	7.21	7.09

Abbreviations: EAP- East Asia and Pacific; ECA- Europe and Central Asia; LAC- Latin America and the Caribbean; MNA- Middle East and North Africa; SA- South Asia; SSA-Sub-Saharan Africa

Notes

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 99 percent and 92 percent of the country corridors covered in the database, respectively.

ⁱⁱ 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 2014, available at <http://go.worldbank.org/JITC7NYTTQ>) 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.

ⁱⁱⁱ 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 in the past.

^{iv} For additional information on the methodology used to calculate SmarT see https://remittanceprices.worldbank.org/sites/default/files/smart_methodology.pdf

^v Different exchange rates are used in Nigeria to exchange USD into the local currency, Naira, due to the existence of a parallel market. Currently, the Central Bank of Nigeria (CBN) sets a specific rate for international remittance transactions into the country in the form of an upper-limit (i.e. the maximum exchange rate that a company can offer to a remitter). The CBN took this measure to prevent the exploitation of the parallel foreign exchange market which may have the potential of negatively affecting the value of the Naira.

Previously, it was commonly understood that several remittance service providers circumvented a number of CBN requirements and offered a significantly more advantageous rate to their customers than the officially controlled exchange rate. In August 2016, the CBN prevented local providers from disbursing remittances on behalf of any international partner that had not been licensed directly by the CBN (at the time there were only three such approvals). The CBN then proceeded to license over forty providers and aims to ensure that they are indeed abiding to the reference rate set by the CBN.

As the situation evolved and it proved challenging to collect reliable data, publication of exchange rates on RPW was suspended. It is now possible, as of Q1 2017, to resume publishing all information for the corridors to Nigeria. It is worth highlighting that the CBN only publishes rate for the USD and requires remittance service providers to derive their rates for other currency by converting into USD first, and then proceeding to convert to the Naira. Thus, the same process has been followed to obtain reference rates for the RPW.