

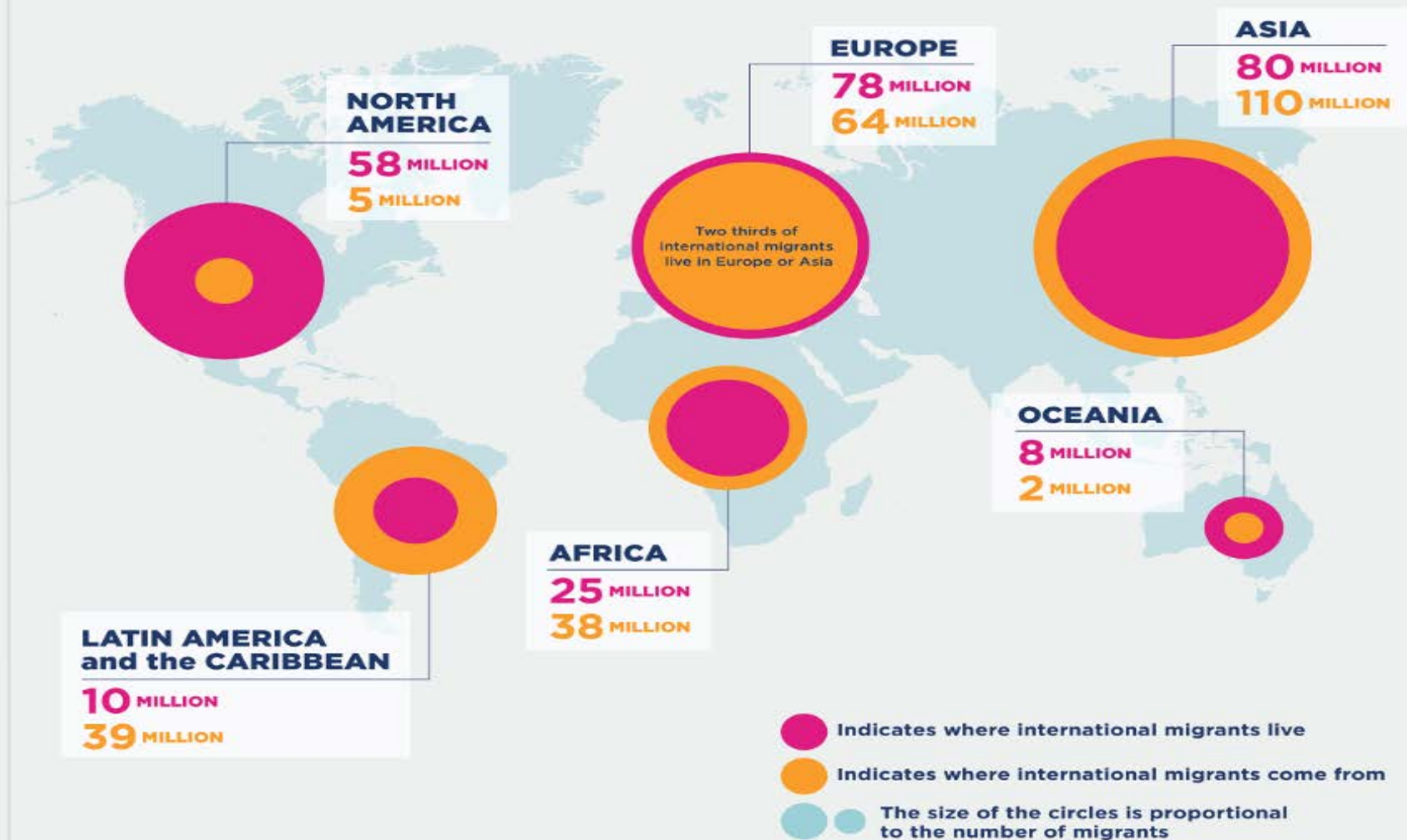
# Remittance Inflows to Asia: Trends and Issues

9<sup>th</sup> ADBI-OECD-ILO Roundtable on Labor Migration in Asia  
24 – 25 January 2019  
Tokyo, Japan

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# Number of International Migrants in 2017



The number of international migrants reached 258 million in 2017. An increase of 85 million since 2000.

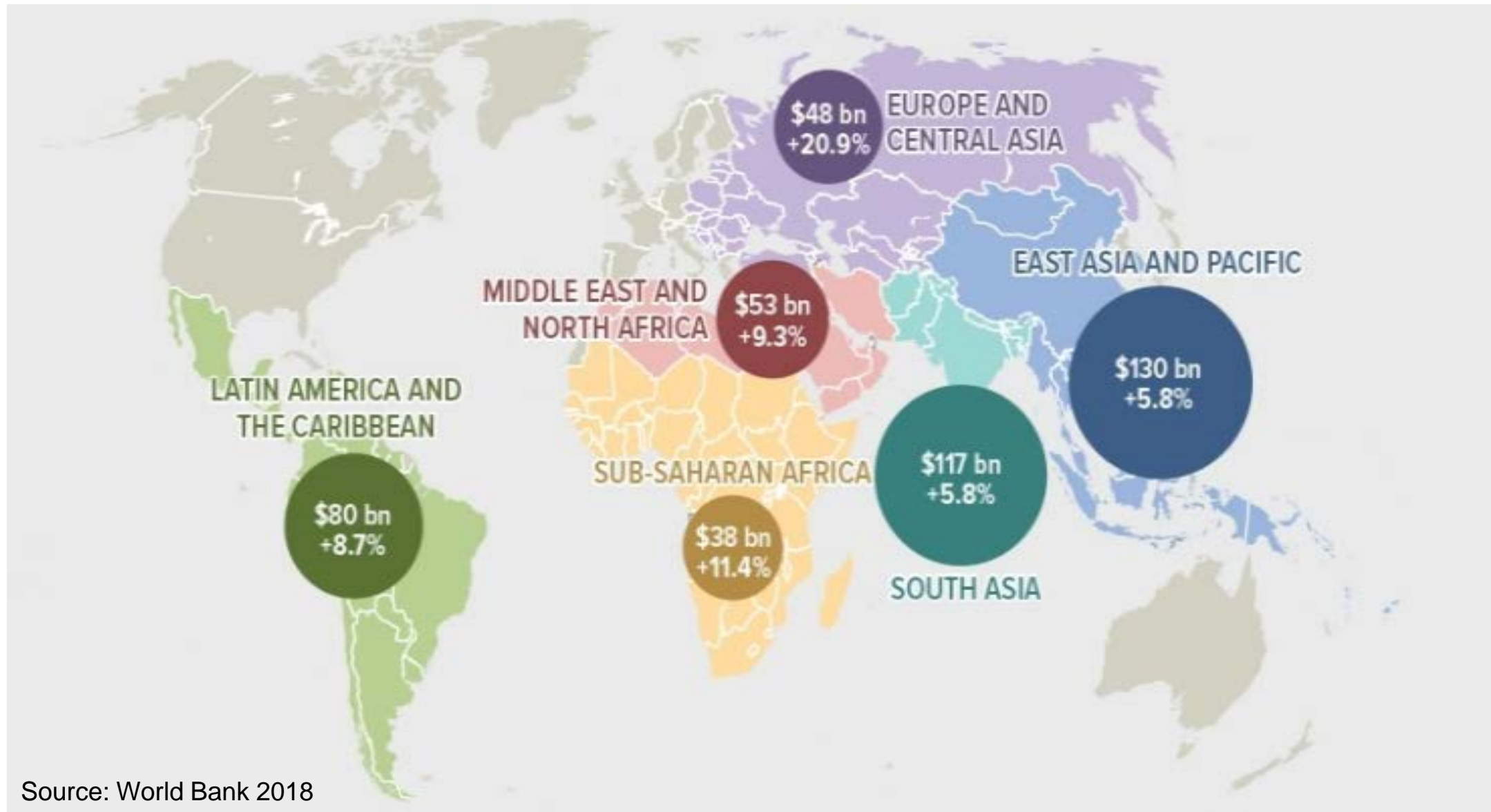
**MEDIAN AGE 39**



**NOTES:**

- All numbers are millions of people.
- Unknown residuals were redistributed proportionally to the size of groups for which data on international migrants were available by origin.

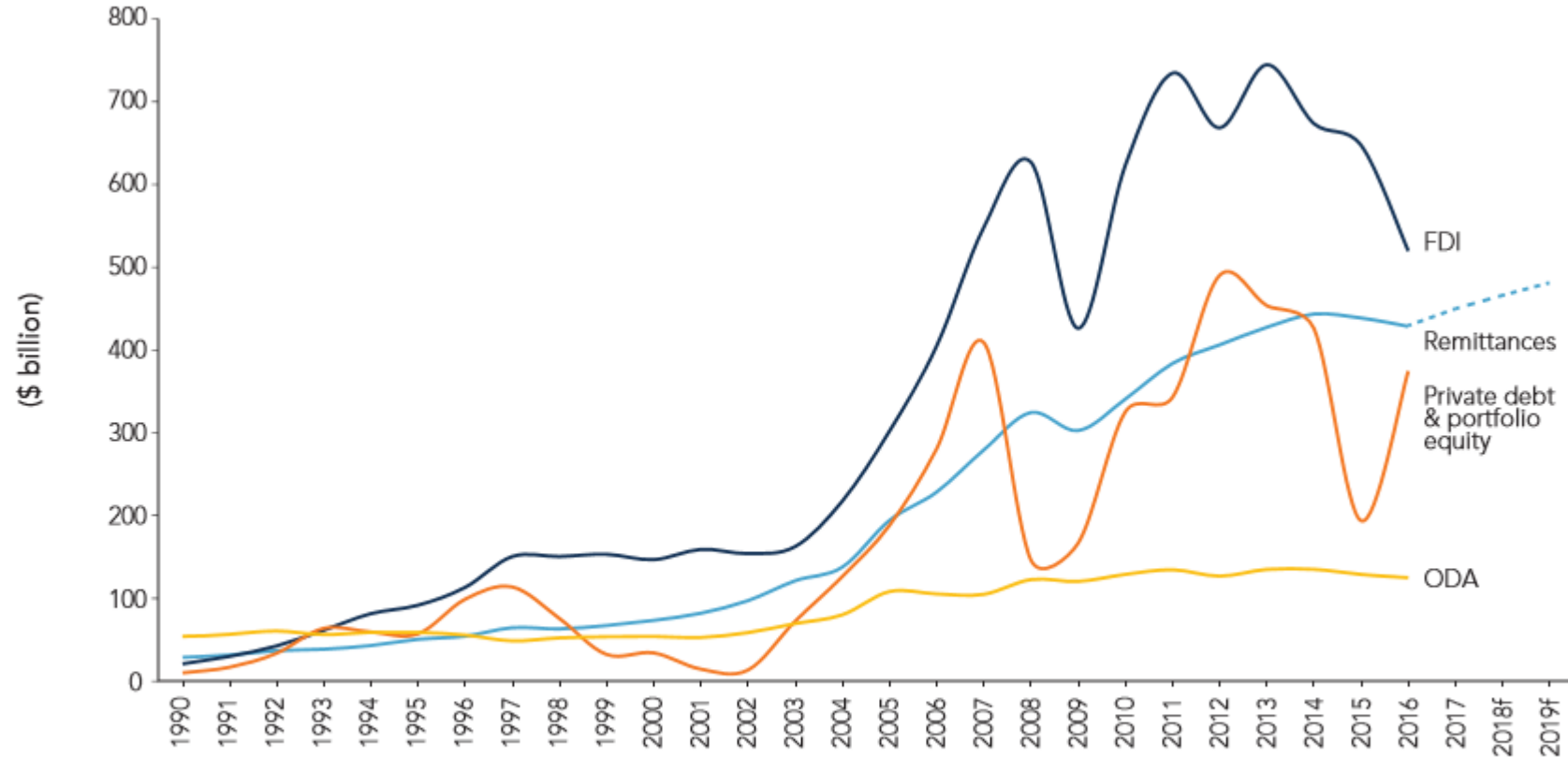
# Global Remittance Inflows, 2017



Source: World Bank 2018

# Remittance Trend in Asia

*Remittances remain a stable source of external finance in Asia ...*

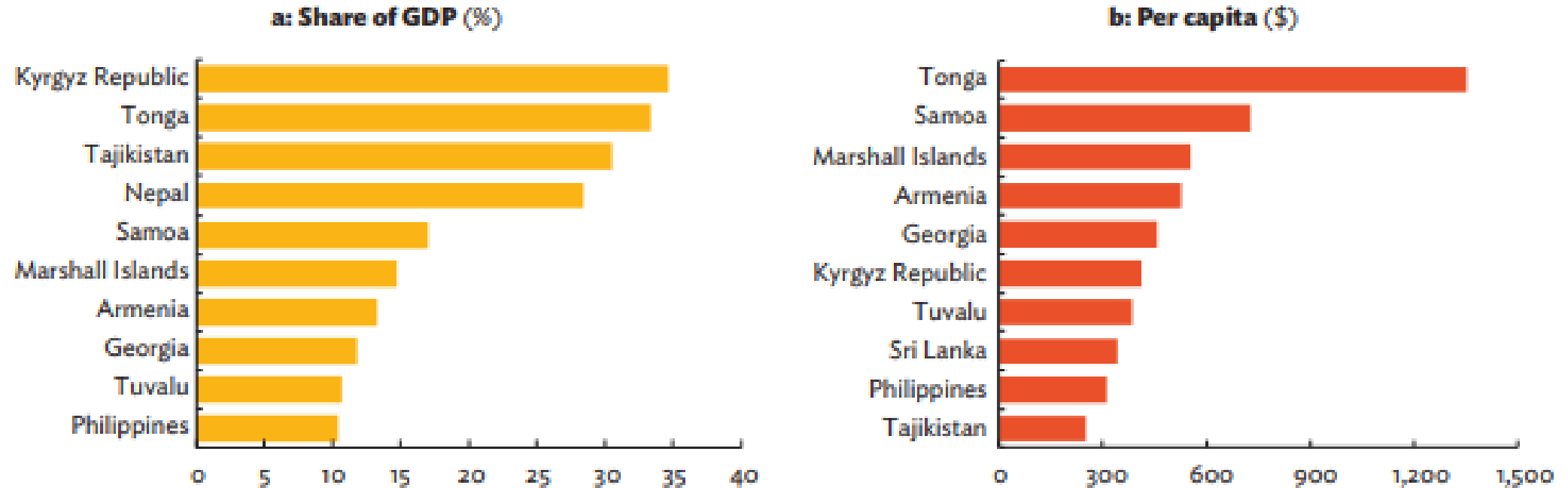


Sources: World Bank staff estimates; World Development Indicators. See appendix A for data and forecast methods.

Note: FDI = foreign direct investment; ODA = official development assistance.

# Remittance Trend in Asia

... with differentiated importance across countries



GDP = gross domestic product.

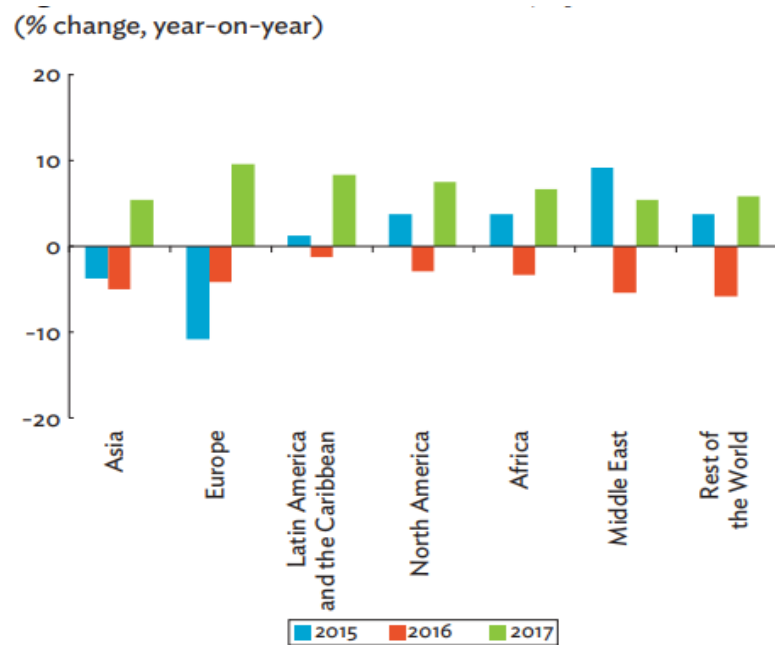
Note: Some countries which recorded substantial remittance inflow (as share of GDP and in per capita terms) in the past years have not made 2017 figures available at the time of publication.

Source: ADB calculations using data from Global Knowledge Partnership on Migration and Development (KNOMAD). <http://www.knomad.org/data/remittances> (accessed May 2018).

# Remittance Trend in Asia

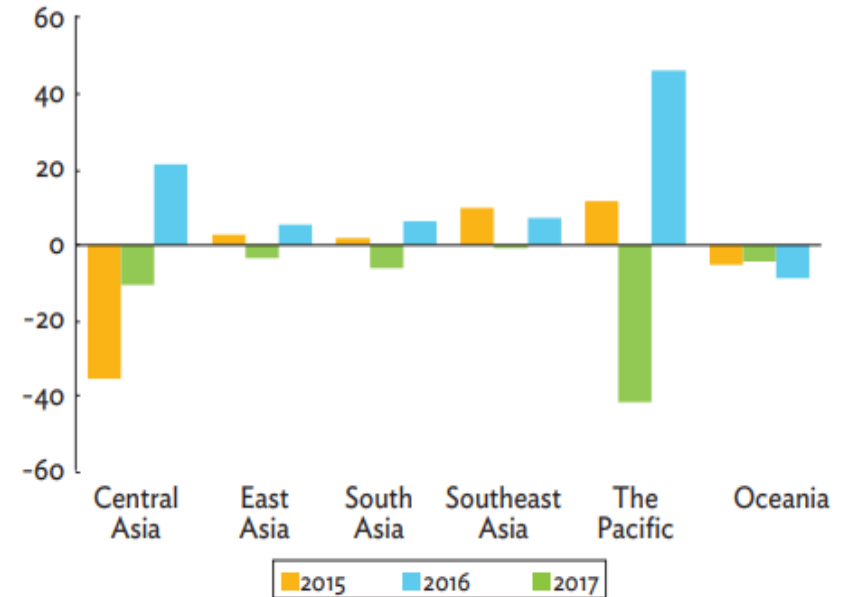
*After a fall in 2016, remittance inflows increased from all global sources with intraregional transfers growing by US\$3.7 billion (5.29%) to US\$75.4 billion ... In 2017, except for Oceania, remittance flows to all subregions grew.*

## Remittance inflows to Asia, by source



Source: ADB calculations using data from Global Knowledge Partnership on Migration and Development (KNOMAD). <http://www.knomad.org/data/remittances> (accessed May 2018).

## Remittance inflows to Asia Subregions

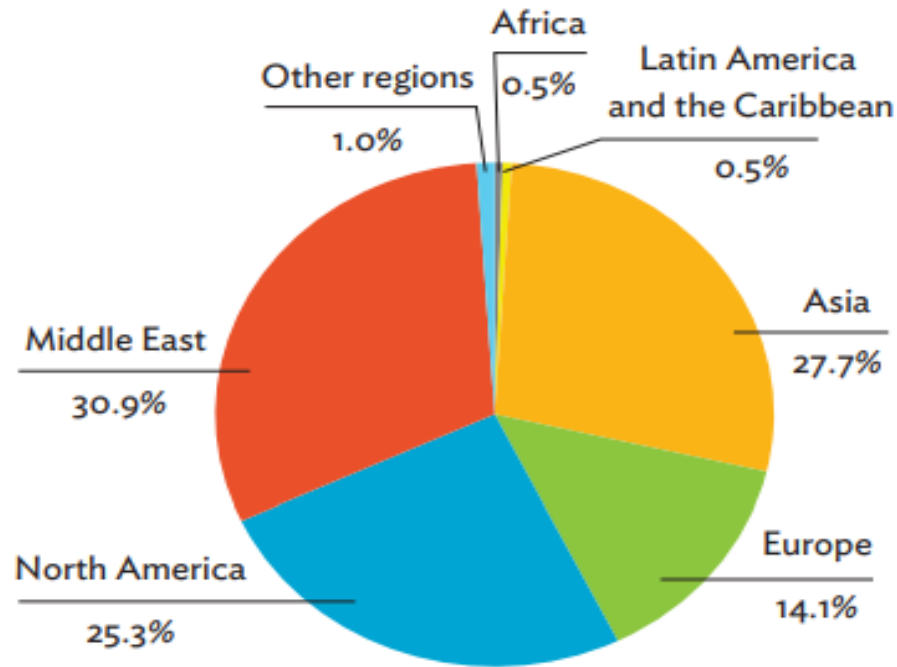


Source: ADB calculations using data from Global Knowledge Partnership on Migration and Development (KNOMAD). <http://www.knomad.org/data/remittances> (accessed May 2018).

# Remittance Trend in Asia

In 2017, around 30.9% of remittances to Asia came from the Middle East (\$84.2 billion), while 27.7% was sourced intraregionally.

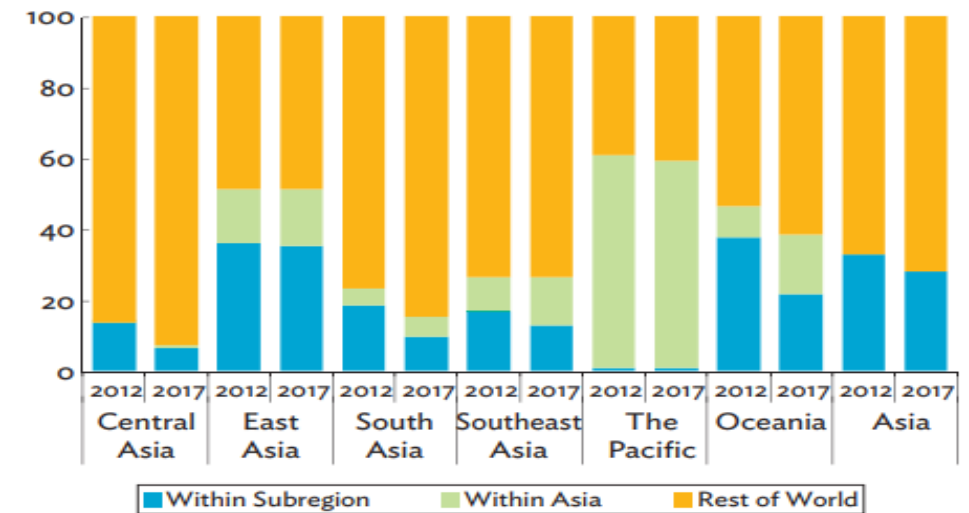
**Remittance Inflows to Asia, by Source, 2017  
(% share)**



Source: ADB calculations using data from Global Knowledge Partnership on Migration and Development (KNOMAD). <http://www.knomad.org/data/remittances> (accessed May 2018).

Subregional data show 17.3% of remittances were intra-subregional

**Sub-regional Remittance Sources in Asia (%)**



Notes:

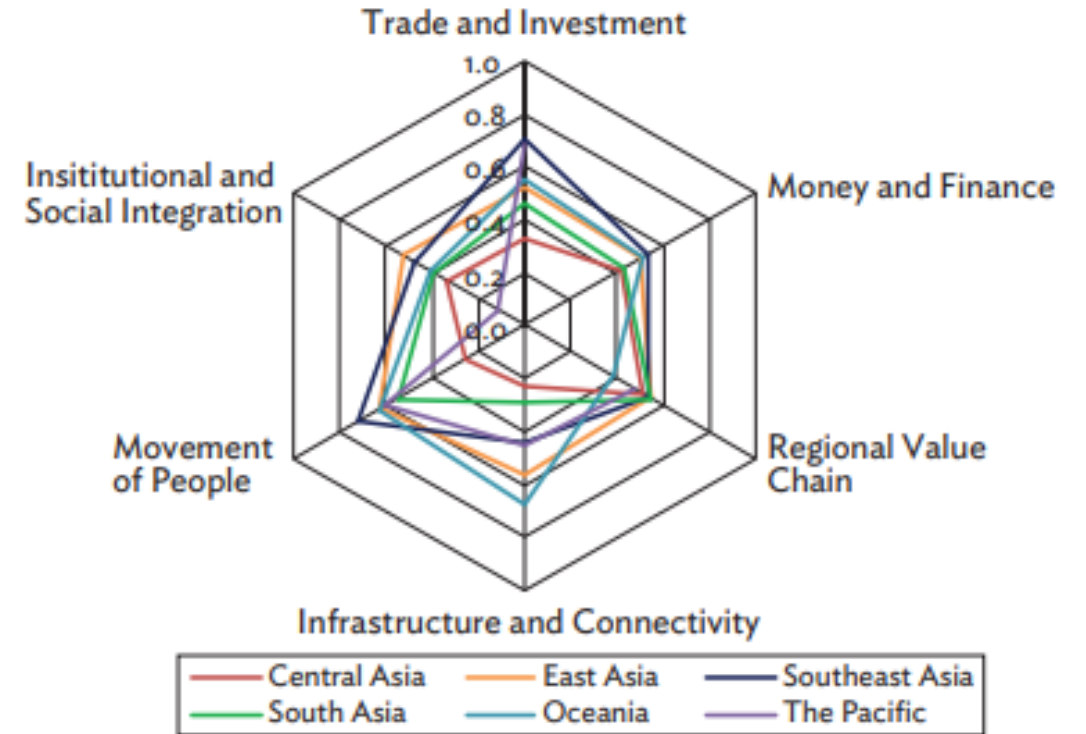
- (i) Within Subregion refers to remittances within subregion *i* as a percentage of remittances from the world to subregion *i*.
- (ii) Within Asia refers to the remittances from other Asian subregions to subregion *i* as a percentage of remittances from the world to subregion *i*.
- (iii) Rest of the World refers to the remittances from non-Asian economies to subregion *i* as a percentage of remittances from the world to subregion *i*.

Source: ADB calculations using data from Global Knowledge Partnership on Migration and Development (KNOMAD). <http://www.knomad.org/data/remittances> (accessed May 2018).

# Remittance Trend in Asia

*People move differently from goods and money?*

## Asia-Pacific Regional Cooperation and Integration Index 2018



Note: See Annex Table A7.1 for the list of economies covered for each subregion and dimension.

Source: ADB calculations using updated data from Huh and Park (2017).

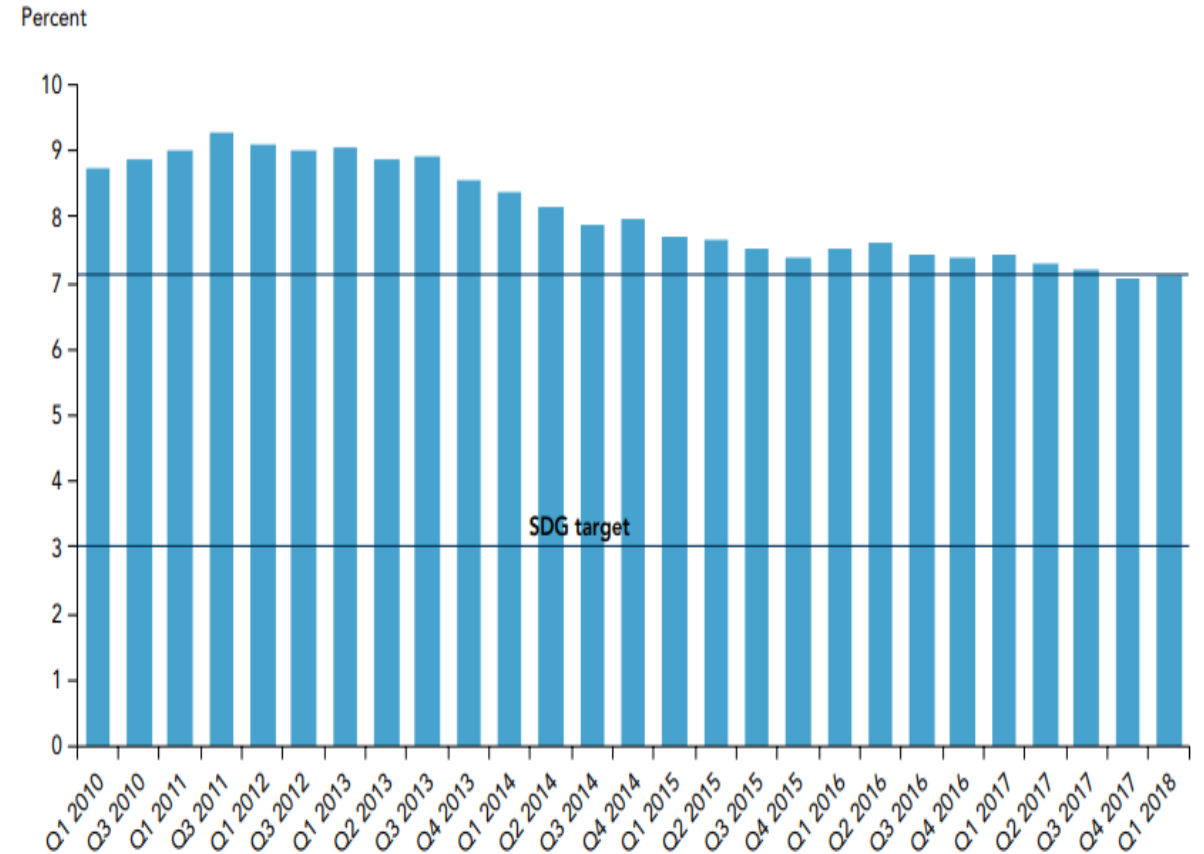


# Remittances in Asia: Key Issues

## ➤ Remittance Cost

SDGs: Reduce costs to less than 3%, no corridors to cost higher than 5%

**Goal 10:** Reduce inequality within and among countries: 10.7 Facilitate orderly, safe, regular and responsible **migration and mobility** of people, including through the implementation of planned and well-managed migration policies 10.c By 2030, reduce to less than 3 per cent the transaction costs of **migrant remittances** and eliminate remittance corridors with costs higher than 5 per cent



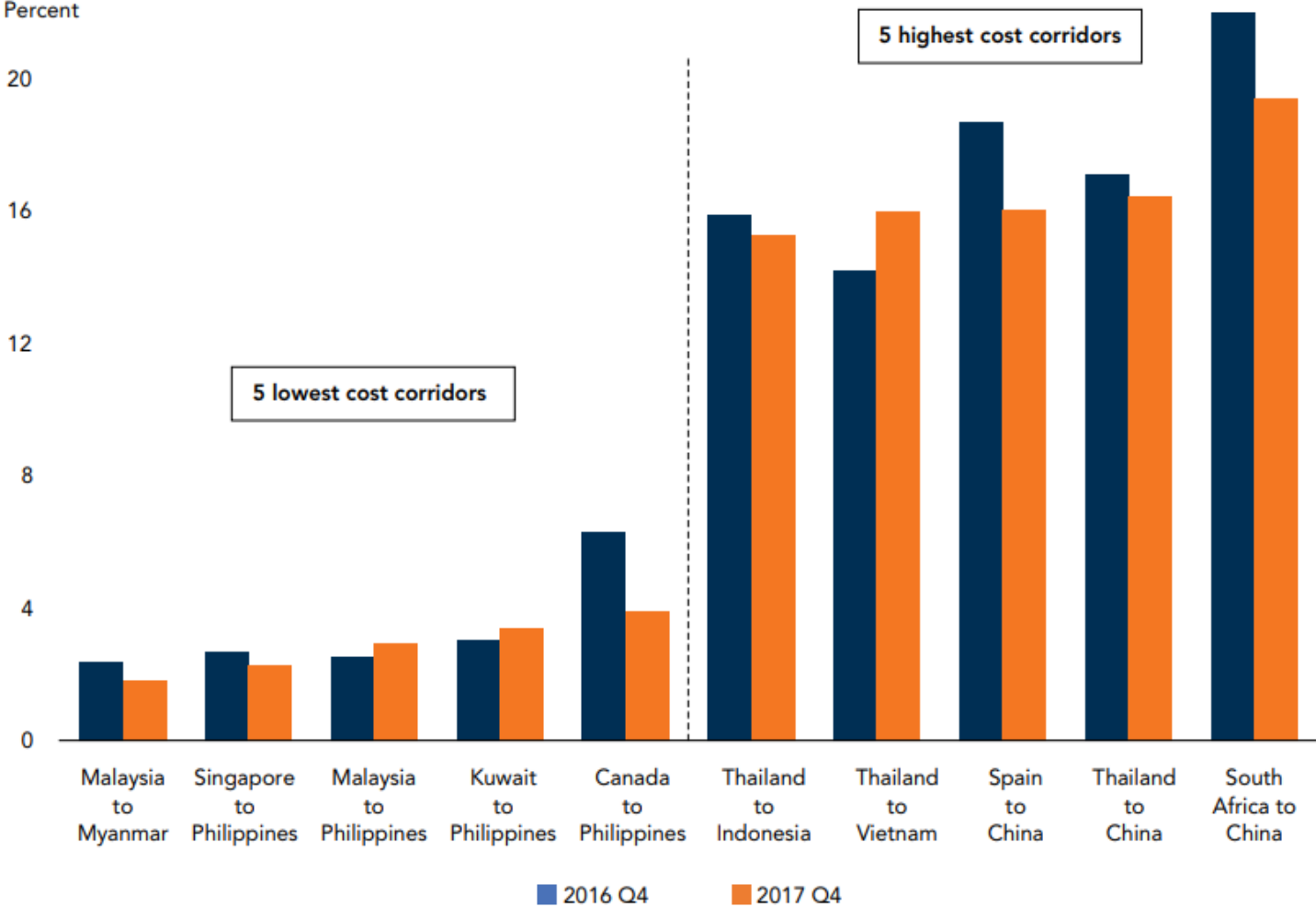
Source: World Bank 2018b.

Note: SDG = Sustainable Development Goal.

# Remittances in Asia: Key Issues

## ➤ Remittance Cost

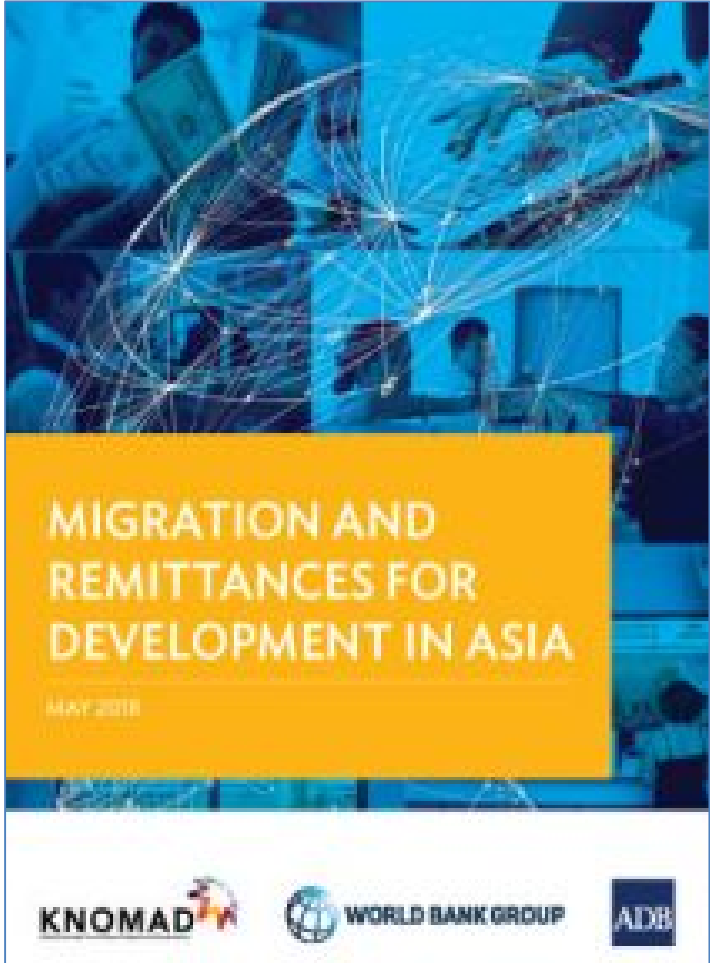
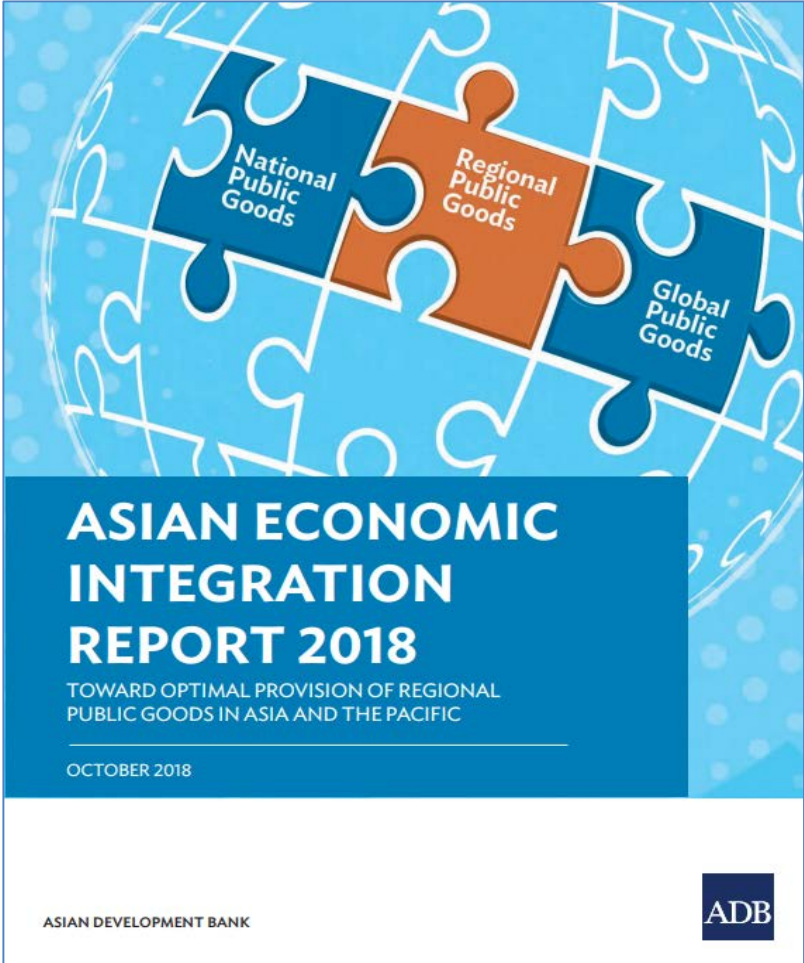
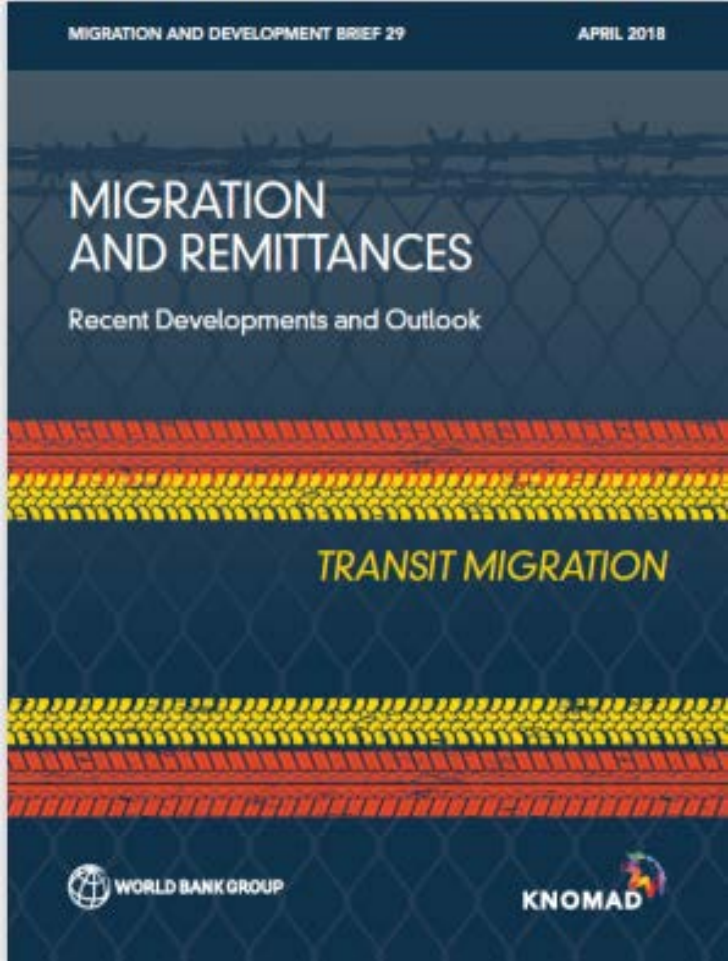
Considerable variation in the costs of sending remittances to the East Asia and Pacific region



# Remittances in Asia: Financial Inclusion

- Formal vs Informal Money Transfers
  
- Use of Financial Technology (FinTech) to promote easier, safer, faster ways of sending remittances
  - ❑ Current issues: high fees and slow process
  
- Productive use of remittances
  - ❑ Promote investment-linked products that target migrants
  - ❑ Financial products to attract investment by receiving households (e.g., remittance-backed bonds)
  - ❑ Financial education for migrants and household recipients

# Sources



# Thank you

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