

Remittances from the EU to third countries

International Symposium on International Migration and Development

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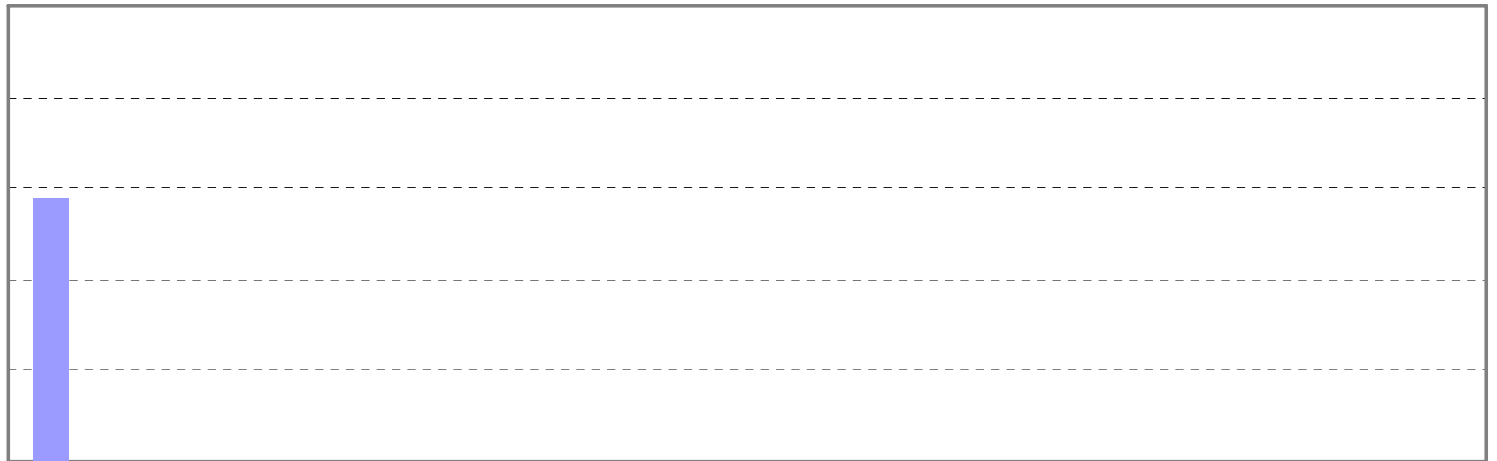
Outline

- ┆ **What do we know about remittances from the EU to third countries?**
- ┆ **What is the EU doing to reduce the costs of transferring remittances?**
- ┆ **What is the EU doing to enhance the development impact of remittances?**

BoP Methodology - Problems in the EU

- J Definitions
- J Intra-EU flows (commuting, seasonal work)
- J Reporting on workers' remittances is not a legal obligation
- J €12,500 reporting threshold for anti-money laundering and informal channels
- J

Remittances from EU Member States (in \$US billion, 2003)



Other sources of information

- J BoP: \$28 billion in 2000 (\$41 billion in 2003); OECD study: \$ 9 billion in 2000 [p.m. EU ODA: \$24 billion in 2000]
- J Main corridors:
 - ES/PT è Latin America (EU survey)
 - DE è Turkey; ES è Morocco; FR è Algeria/Tunisia (FEMIP study)
 - DE è Eastern Europe; UK è Asia/sub-Saharan Africa; FR è sub-Saharan Africa

Transfer costs

- ┆ Between 2% and 20%
- ┆ Mainly depending on amounts, destinations (e.g. exchange rate regime), channels (banks, MTOs, informal) and market structures
- ┆ Anecdotal evidence on recently decreasing costs



EU projects on remittances

- J Improving market transparency:
www.sendmoneyhome.org (UK/DFID incl. Migrant Remittances newsletter)
www.geldnaarhuis.nl (NL, ranking providers for some countries)
- J EC-IFAD Funding Facility on Remittances for innovative projects that improve rural access to financial services
- J Diaspora projects -12.079 -1.1199 TD-0.000ts rra p