



EMN OECD Inform

“Impact of COVID-19 on remittances in EU and OECD countries”

Presentation of key findings

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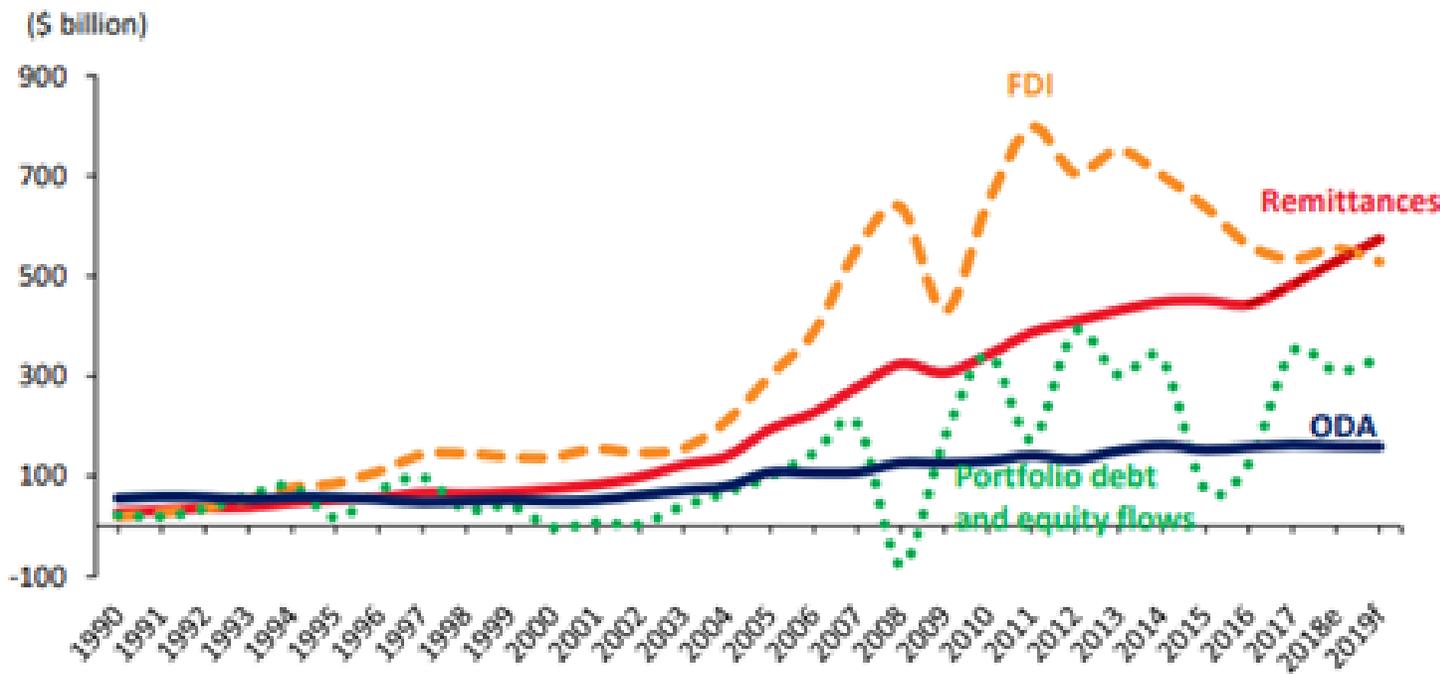


Aim and scope of the inform

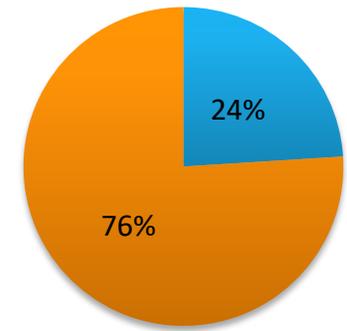
- Remittances before COVID
- Main drivers impacting remittance flows
- Impact of COVID-19 on remittances
- Recommendations for the future: lessons learnt

- Information collected by EMN, OECD, DG FISMA, + World Bank/IFM/EUROSTAT DATA.

Figures: Remittance flows to low-middle income countries



Remittances



■ EU countries ■ Others



15 % SALARY / 10-30 % GDP

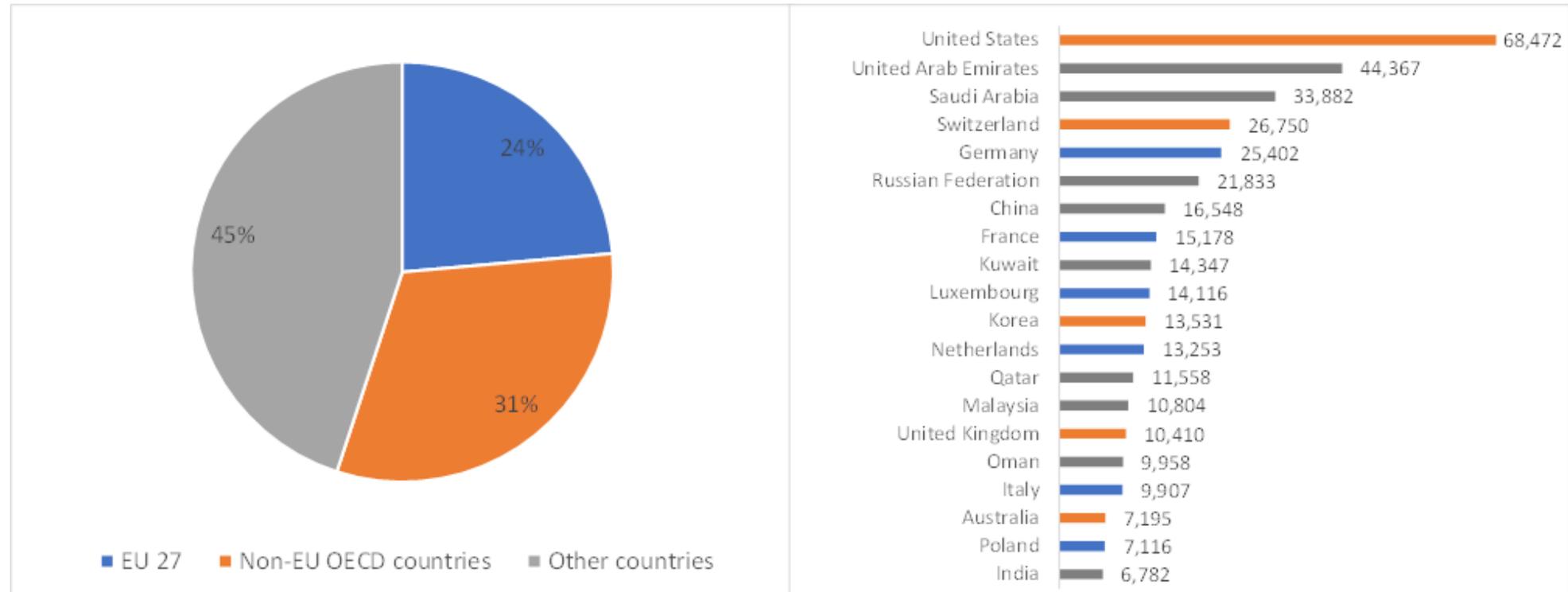
Sources: World Bank staff estimates, World Development Indicators, and International Monetary Fund (IMF) Balance of Payments Statistics.



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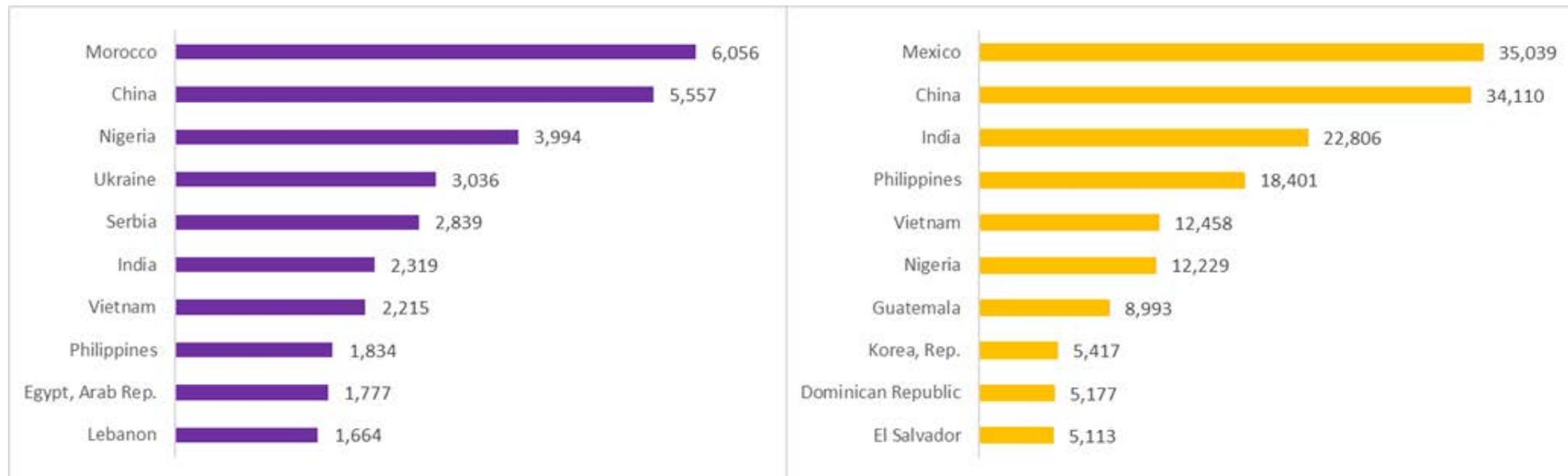


Background and context: sending countries



Background and context: receiving countries

- Figure 2: Top countries (outside the EU) receiving remittances from EU and non-EU OECD countries, in absolute numbers (2018, USD million)

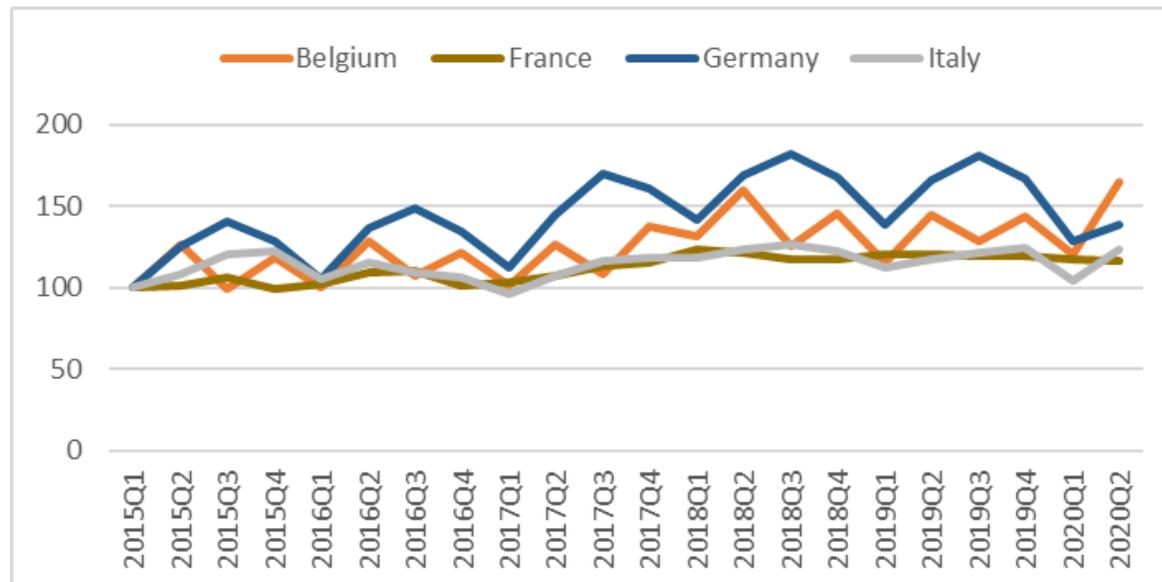


Main drivers affecting remittances vs Mitigating measures

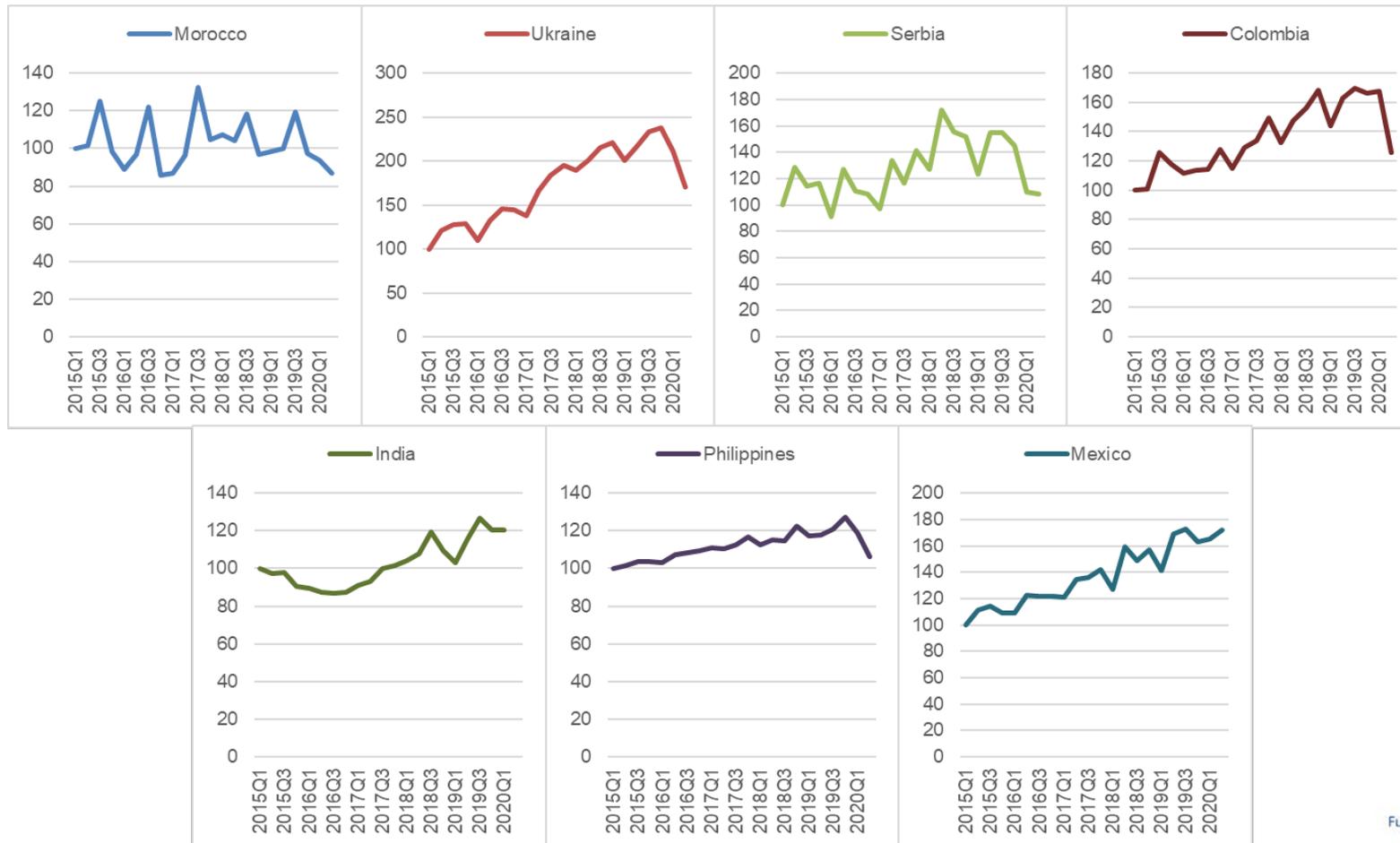
- Economic driver: the Demand shock
- Migration driver
- Disruption: the Supply shock.
- Mitigating measures: - essential services
- reduction of prices

Impact of COVID-19 on remittances: sending countries

- Unknown. World Bank estimates (April): 20 % of loss in 2020.
- Q1 2020: sharp drop. Q2 2020: rebound?



Impact of COVID-19 on remittances: receiving countries



What's next? Recommendations to help maintain remittances flows

- Support migrants' health and revenues
- Maintain migration flows
- Support providers of remittance services
- Accelerate efforts to reduce remittances prices

Recap:

- Quantitative impact: unknown loss.
- Main cause: unemployment/reduced income
- Disruption of migration/remittance services: limited impact.
- Cheaper transactions (digitalisation)



Thank you for your attention

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