

# INFORM # 4 – THE IMPACT OF COVID-19 ON REMITTANCES IN EU AND OECD COUNTRIES

SERIES OF EMN-OECD INFORMS ON THE IMPACT OF COVID-19 IN THE MIGRATION AREA

2020

## 1. KEY POINTS TO NOTE

- Remittances and migration are closely linked. Remittances have been reaching record highs over the last years (\$ 554 or € 503 billion remitted to low- and middle-income countries in 2019). EU and non-EU OECD countries represent together 55% of the global remittances sent.
- In pre-COVID-19 times, migrants send an average of 15% of their income back home. For smaller economies, remittances can represent as much as 10-30% of their GDP. Remittances are a stable source of funding and tend to play a countercyclical role, meaning they remain constant or increase during economic downturns in the migrants' countries of origin, when private capital flows tend to decrease.
- The COVID-19 pandemic is however atypical as it is global and impacts simultaneously the sending and the receiving countries. The context of rising unemployment and inactivity levels affects the revenues of migrants directly at a time where recipients would need more support.
- The COVID-19 pandemic is also disrupting migration flows. First data suggest that, with new migration slowing and return migration increasing in parallel, the overall number of migrants potentially able to send remittances is or will be affected.
- In parallel, the functioning of the remittance services has, to some extent, been temporarily disrupted. The fact that there has been a small reduction in the pricing of available services throughout the lockdown is however a positive development, partly reflecting the use of digital services.
- Based on World Bank projections, remittances will decrease by 14% by 2021.
- First data showed a net drop in remittances in Q1 2020 which continued in Q2 2020. Aggregating data for 21 EU countries, this represents decreases of -4% and -8% in Q1 and Q2 2020 respectively (compared to the Q1 and Q2 2019 respectively). There are however marked country differences and a rebound can be observed in some countries.
- Personal transfers sent by migrants residing in host countries seemed to be more resilient than remittances that consist of compensation of migrants under seasonal and short-term contracts.
- The relative resilience of remittance flows observed thus far may however be affected if the crisis becomes protracted.
- To facilitate transfer of remittances during the COVID-19 pandemic and mitigate the impact of the reduction and loss of remittances on receiving countries, efforts in EU and non-EU OECD countries have concentrated on reducing the costs of sending remittances, promoting the use of digital channels and allowing universal access to safe and cheap remittance channels, for example by declaring remittance services as essential services. An International Working Group on Improving Data on Remittances has also been launched by the World Bank, through the Global Knowledge Program on Migration and Development (KNOMAD).

## 2. INTRODUCTION, AIM AND SCOPE

The outbreak of the COVID-19 pandemic and the substantial measures taken by EU and OECD countries to prevent the spread of the virus had consequences on remittances and the companies providing remittances services. In this context, a negative impact of the COVID-19 pandemic on remittances may come from three main drivers<sup>1</sup>:

The economic driver, due to unemployment or reduced income of the migrants. This means that migrants have less money at their disposal to send back home.

The migration driver, due to disruptions in the migration flows, meaning that migrants can no longer leave their home country as

planned, or need to return (after losing their job and/or permit), and therefore will not send remittances.

Disruption affecting remittance services, as providers had to adapt to the lockdown, meaning that the channels through which remittances can be sent are fewer, slower and/or costlier.

Remittances can play a critical role for emigrants' family members who have remained in origin countries, as they are typically used to increase and buffer household consumption, spend on health and education, alleviate credit constraints, start small businesses or make other investments. In a number of low- and middle-income countries which are net recipients of remittances, these transfers can also help mitigate adverse

1 Derived from the literature on factors affecting remittance flows. See for instance: World Bank (2006) Economic Implications of Remittances and Migration

macroeconomic shocks because they tend to be countercyclical or at least remain stable.<sup>2</sup> A decrease in remittances can therefore be particularly damaging when the recipient country's economy undergoes a negative economic shock.

This joint EMN – OECD Inform reports on the impact of COVID-19 on international remittances in EU and OECD countries, since February 2020. After a brief summary of the background and context (section 3), the Inform will cover in detail each of three main drivers possibly impacting remittance flows: a) the economic driver, b) the migration driver, and c) the disruptions affecting remittance service providers (section 4). It will explore the impact of the COVID-19 pandemic on remittances flows thus far and the available projections (section 5). It will also outline policy recommendations made at the international level to maintain the flow of remittances as well as examples of measures which have been taken in the EU and non-EU OECD countries (section 6).

The Inform is based on information collected by the EMN National Contact Points (NCPs) through two common questionnaires via the EMN Ad-Hoc Query (AHQ) tool on the impact of COVID-19 on remittances;<sup>3</sup> <sup>4</sup> and on information collected from non-EU OECD countries via the OECD Working Party on Migration. Information

regarding EU Member States, Norway and the United Kingdom has been sourced from the EMN, while information on OECD Member States outside of the EU has been provided by the OECD. Furthermore, relevant information collected via DG FISMA (Directorate-General for Financial Stability, Financial Services and Capital Markets Union of the European Commission) has also been incorporated in this Inform. Lastly, data from the World Bank, International Monetary Fund (IMF) and Eurostat have provided useful context and quantitative information.

This Inform is part of a series of Informs addressing further topics exploring the impact of COVID-19 in the migration area. These include as the following topics:

- Residence permits and migrant unemployment (July 2020);
- International students (September 2020);
- Maintaining key legal migration flows in times of pandemic (October 2020); and
- Impact on return procedures (forthcoming: January 2021).



## 3. BACKGROUND AND CONTEXT

### 3.1. REMITTANCES FLOWS INVOLVING EU AND NON-EU OECD COUNTRIES

Remittances to low- and middle-income countries reached a record high in 2019 (\$ 554 billion or € 503 billion<sup>5</sup>). They were projected to increase to \$ 574 billion (or € 521 billion) in 2020.<sup>6</sup> The EU and non-EU OECD countries represent together 55% of the global remittances sent. The United States, Switzerland, Germany, France and Luxembourg are among the top ten sending countries globally.

#### Box 1: Definition of remittances and data issues

In common language, remittances are money sent back home by immigrants, typically representing a share of their earnings in the host country.

The official statistical definition only partially reflects this common understanding. Internationally comparable data on remittances is sourced from balance of payments statistics (which record financial transactions between a country and the rest of the world). As per the IMF's Balance of Payments manual (sixth edition, BPM6), the two items in the balance of payments framework that substantially relate to remittances are 'personal transfers' and 'compensation of employees'.

(1) Personal transfers refer to current transfers in cash or in kind made or received by residents from or to individuals in other countries;

(2) Compensation of employees refers to income earned by non-residents under border, seasonal or short-term work contracts and the income of workers who are employed by embassies, international organisations and non-resident companies. The entire income of both categories of workers is included in this definition, regardless of whether it is transferred in the country of origin or not.

There are, however, many limitations concerning the available remittances data. Some countries do not report any data whilst amongst those that do, there is significant heterogeneity in the quality of the data provided. Money channelled through money transfer operators, post offices or mobile transfer companies is not systematically included in the statistics. Furthermore, informal remittance channels are by definition excluded from the statistics. This makes it hard to estimate the true size of remittances especially in some countries, and notably when it comes to South-South corridors.

Source: Migration data portal at <https://migrationdataportal.org/themes/remittances> and International Monetary Fund (2009) Balance of Payments and International Investment Position Manual, 6th edition (BPM6), IMF, Washington, D.C.

The appearance of Switzerland and Luxembourg in the top ten relates to the component "compensation of employees", rather than "personal transfers" (see the Box above for a definition of remittances). As shown in Table 1 in the Annex, their balance for "compensation of employees" is largely negative and reflects that these countries are the most common destination for cross-border commuters in the EU.<sup>7</sup>

The net sending European countries of personal transfers are mostly from the western part of the EU (France, Germany, Italy,

<sup>2</sup> See Frankel (2009) Are Bilateral Remittances Countercyclical? Or KNOMAD (2016) Remittances over the Business Cycle: Theory and Evidence

<sup>3</sup> EMN Ad Hoc Query, '2020.36 Reduction or loss of remittances due to COVID-19 (Part 1)', launched on 4 June 2020. Responses were provided by the EMN National Contact Points (NCP) from the following countries: BE, BG, HR, CY, CZ, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, LU, MT, NL, PL, PT, SK, SI, ES, SE and NO, and EMN Ad Hoc Query, '2020.61 Impact of COVID-19 on remittances (Part 2)', launched on 13 September 2020. Responses were provided by the EMN National Contact Points (NCP) from the following countries: AT, BE, HR, CY, CZ, EE, DE, ES, FI, FR, HU, IE, IT, LV, LT, LU, MT, NL, PT, SE, SI, SK, UK and NO.

<sup>4</sup> Following the United Kingdom's departure from the European Union on 31 January 2020, the EMN National Contact Point of the United Kingdom is participating in selected EMN outputs during the transition period.

<sup>5</sup> Converted to Euros using the official monthly accounting rate for the euro (December 2019). Source: InforEuro website.

<sup>6</sup> World Bank (2019) Migration and Development Brief 31.

<sup>7</sup> Luxembourg has 181,000 cross-border inbound commuters, Switzerland 332,000. Source: Eurostat (2016) Statistics on commuting

patterns at regional level, available at: <https://ec.europa.eu/eurostat/statistics-explained/pdfscache/50943.pdf>

Swiss Statistical Office (2020), available at: <https://www.bfs.admin.ch/bfs/fr/home/statistiques/travail-remuneration/activite-professionnelle-temps-travail/actifs-occupes/suisse-etrangers/frontaliers.html>

Belgium and Ireland are the top five sending countries in the EU (see Table 1 in Annex).

However, the situation of EU and non-EU OECD countries is not homogeneous, with some countries being net recipients of remittances. Romania, Poland, Croatia, Bulgaria and Lithuania are among the EU countries being the largest net receivers of personal transfers more specifically.<sup>8</sup> For those countries (except Poland), remittances inflows represent more than 2% of GDP (see Table 2 in Annex). Among non-EU OECD countries, Mexico and Colombia stand out with a significantly negative remittances balance.

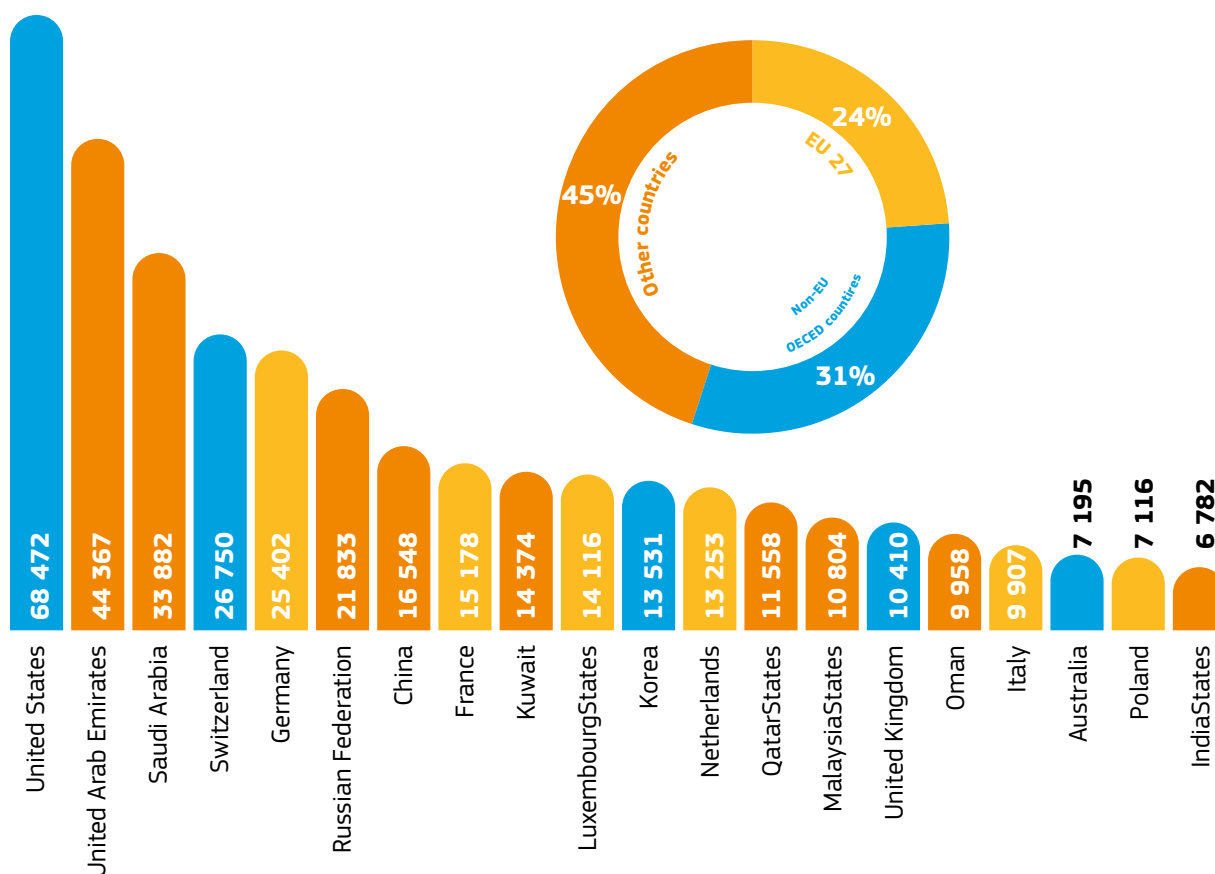
Mexico is among the top remittance recipients in absolute terms (USD 38 billion or € 32 billion) behind India (USD 83 billion or € 71 billion) and China (USD 68 billion or € 58 billion). These countries, together with other large economies, are among the top recipient countries of EU and non-EU OECD countries' remittances (see Figure 2).

When considering the ratio of remittances to gross domestic product (GDP), the top recipients are smaller economies for whom remittances sent back by migrants are a crucial source of external financing (see Figure 3). Small island countries have the highest

remittance-to-GDP ratio, together with countries such as Nepal, where the remittance-to-GDP ratio reaches more than 25% in 2019. In 14<sup>9</sup> of the 20 countries most reliant on remittances, the EU and non-EU OECD countries play a key role in sending remittances as opposed to other countries such as GCC countries,<sup>10</sup> Russia and China. This includes recipient countries which are reliant on a small number of sending countries (less than 15 countries sending remittances), e.g. Tonga, Comoros, Samoa, Kosovo and Marshall Islands.

The differences in the destination of outflows originating from EU vs non-EU OECD countries largely reflect the respective origins of their migrant populations, e.g. with the EU countries sending remittances to neighbouring Eastern European countries and South Mediterranean countries and the United States sending remittances to Latin American and Caribbean countries. Table 3 in the annex maps, for selected EU countries representing the largest senders of personal transfers (Italy, Germany and Belgium), the top 10 countries of citizenship of their third-country nationals versus the top 10 destinations of their remittances. This further illustrates the link between migration and remittances.

**FIGURE 1: SHARE OF EU AND NON-EU OECD COUNTRIES IN REMITTANCES OUTFLOWS (ON THE LEFT) AND TOP 20 REMITTANCES SENDING COUNTRIES (ON THE RIGHT), 2018 (USD MILLION)**



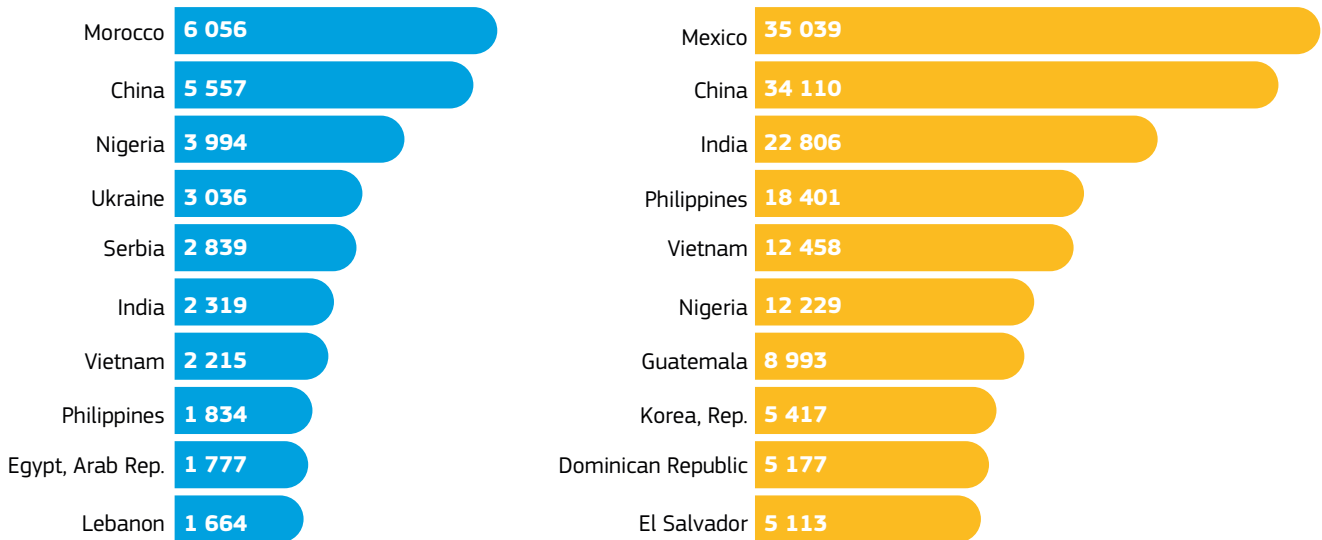
Source: World Bank Annual Remittances Data, 2018 Outward data (updated as of April 2020)

<sup>8</sup> In the EU context, we looked at personal transfers more specifically, to look beyond the EU cross border work issue.

<sup>9</sup> Tonga, Haiti, El Salvador, Honduras, Comoros, Samoa, Moldova, Jamaica, Kosovo, Gambia, Marshall Islands, Lebanon, Cabo Verde, Guatemala.

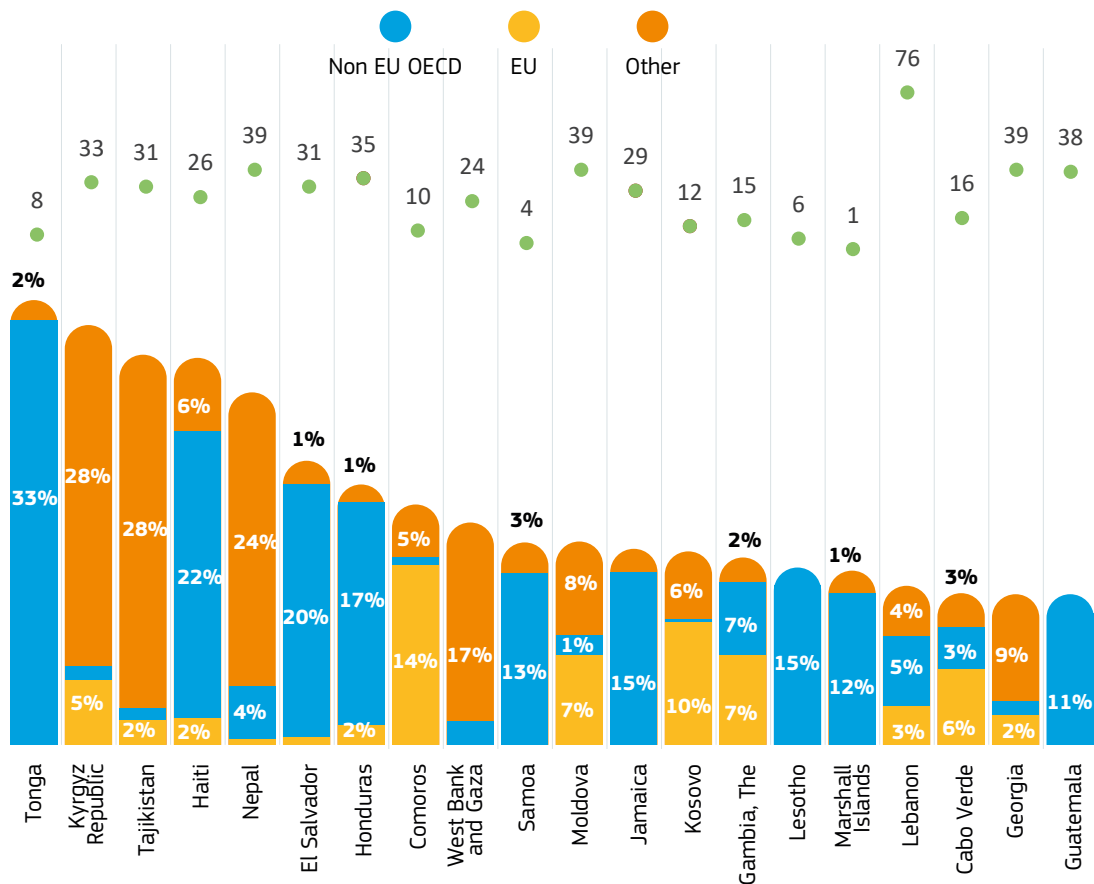
<sup>10</sup> GGC refers to the Gulf Cooperation Council for the Arab States of the Gulf, originally known as the Gulf Cooperation Council, is a regional intergovernmental political and economic union consisting of all Arab states of the Persian Gulf - Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates - except Iraq.

**FIGURE 2: TOP COUNTRIES (OUTSIDE THE EU) RECEIVING REMITTANCES FROM EU (ON THE LEFT) AND FROM NON-EU OECD COUNTRIES (ON THE RIGHT), IN ABSOLUTE NUMBERS (2018, USD MILLION)**



Source: World Bank Annual Remittances Data, 2018 Outward data (updated as of April 2020)

**FIGURE 3: TOP COUNTRIES RECEIVING REMITTANCES IN RELATIVE TERMS (REMITTANCE-TO-GDP RATIO IN 2018): SHARE OF EU, NON-EU OECD AND OTHER COUNTRIES IN REMITTANCES RECEIVED (BELOW) AND NUMBER OF COUNTRIES SENDING REMITTANCES (ABOVE)**



Source: World Bank Bilateral Remittances Matrix, 2018 data (updated as of October 2019)

### 3.2. IMPACT OF ECONOMIC SHOCKS ON REMITTANCES FLOWS

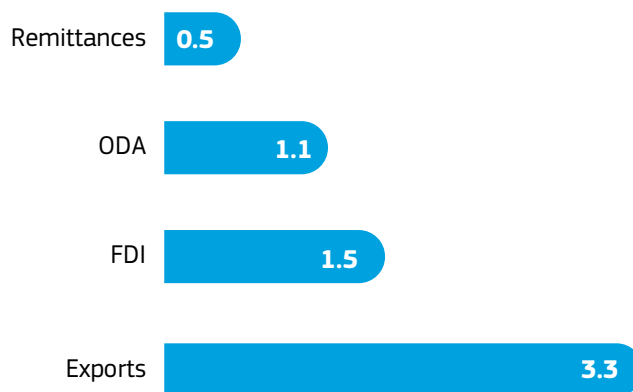
Remittances are the least volatile of inflows into developing countries, as evidenced by IMF data. Figure 4 below shows that remittances are twice more stable than official development assistance (ODA) and seven times more stable than exports.

As mentioned above, remittances tend to be countercyclical and can help dampen negative shocks in recipient countries. Even when sending countries are affected, remittances proved in the past to be quite resilient. For instance, during the global financial crisis in 2008/09, remittances had dropped by 5%, before rebounding and normalising again. The current crisis is however unprecedented in terms of expected impact on remittances. This time, the projected declines are much larger, in a context where recipient countries are now also directly impacted by the pandemic. In April 2020, the World Bank issued a report<sup>11</sup> predicting a drop in remittances by 20% for the year 2020, with the reduction in wages and the employment of migrant workers in host nations being the main explaining factor.<sup>12</sup> The IMF produced similar estimates using their own methodology, based on how remittances reacted to the slowdown after the 2008 global financial crisis, predicting a drop by 19% from the remittances sent from the Euro Area.<sup>13</sup> The first World Bank estimates have been revised in Autumn 2020 in light of the latest information concerning the possible recurrence of COVID-19 phases: the projected decline is now more gradual but more prolonged: -14% by 2021.<sup>14</sup>

First and foremost, a drop in remittances would have direct impact on the millions of households concerned, at a time where those households are also at risk of losing their primary sources of income, i.e. employment. Globally, 800 million people are estimated to be dependent on remittances to various degrees.<sup>15</sup> While the macroeconomic implications from the pandemic will essentially come directly from the global recession, the expected drop in remittances may worsen the macroeconomic context as well, especially in those countries where for example the remittance-to-GDP ratio is high, where the country depends on remittances as a source of international currency, and/or where the share of households receiving remittances is high and transfers are mostly used for consumption. The negative consequences could notably extend to:<sup>16</sup>

- The fiscal level, as a reduced consumption not only impact GDP levels directly but also implies a lower base to raise VAT, as social spending pressures will increase;
- The financial sector, as institutions will lose access to one source of foreign exchange and may tighten their access to credit conditions as a result;
- Monetary policy, e.g. because of impacts on exchange rates and devaluation pressures in a context where increased exports cannot be used to compensate; and
- The labour market, as the self-employed in countries of origin may use remittances as a source of funding for their small business.

**FIGURE 4: VOLATILITY OF INFLOWS INTO DEVELOPING COUNTRIES (COEFFICIENT OF VARIATION IN PERCENT, 1980-2018)**



Source: presentation by Ralph Chami from the IMF, for the Council of Europe's webinar on 'Importance of migrants' remittances in times of crisis', 5 October 2020; updating the data presented in: IMF (2008) Macroeconomic Consequences of Remittances, Occasional paper 259

11 World Bank (2020) Migration and Development Brief 32.

12 The WB model based on a standard remittance estimation model that estimates remittances as a function of income in migrants' countries of destination and origin.

13 IMF blog post available at: <https://blogs.imf.org/2020/09/11/supporting-migrants-and-remittances-as-covid-19-rages-on/>

14 World Bank (2020) Migration and Development Brief 33.

15 IFAD data, Sending Money Home report.

16 On the economic effects of remittances see for instance: OECD (2016) International Migrant Remittances and their Role in Development



## 4. MAIN DRIVERS AFFECTING REMITTANCE FLOWS

### 4.1. THE ECONOMIC DRIVER

The first EMN – OECD Inform in this series<sup>17</sup> discussed how migrant workers are especially vulnerable in the COVID-19 context both from an economic and health perspective, due to the high prevalence among them of temporary contracts, their tendency to work in non-tele-workable occupations and their higher exposure to pandemic-specific risks (at work for key workers and/or due to living conditions /poverty levels).

According to the first unemployment statistics which are becoming available, the vulnerabilities of migrants seem indeed to have translated into disproportionate economic challenges. Total unemployment rates (including for the native-born) have thus far increased modestly, from 6.6% in Q2 2019 to 6.7% in Q2 2020 in the EU27 according to Eurostat data.<sup>18</sup> Over the same time period, unemployment of the foreign-born<sup>19</sup> increased from 10.7% to 11.8%. While the foreign-born have already experienced a much higher increase than the general population (+1.1 p.p. vs +0.1 p.p.), the increase in unemployment rates could be much higher in the coming months as governmental measures meant to prevent the outbreak of mass unemployment, including wage support programmes or suspensions of dismissals, expire.<sup>20</sup> The largest increases in unemployment rates of the foreign-born<sup>21</sup> (> 3 p.p.) have been observed in Spain, Sweden, Latvia<sup>22</sup> and Austria. At the other end of the spectrum, some EU and non-EU OECD countries experienced, at least for the moment, reductions in their unemployment rates including those of foreign-born. This was the case in Italy, France, Poland and Denmark (see Table 4 in Annex).

In the COVID-19 context, there is a need to look beyond unemployment rates to obtain a full picture of labour market impacts. The COVID-19 outbreak and the measures applied to combat it triggered decreasing labour force participation rates. School closures and other restrictions have prevented job searches and meant that many were no longer meeting the Eurostat unemployment definition (as they were not actively looking for a job or were no longer available for work, e.g. if they had to take care of their children). Changes in employment rates tend to illustrate that impacts have been higher than the evolution of unemployment alone would suggest. It also confirms that immigrants have been disproportionately affected by the crisis: according to Eurostat data,<sup>23</sup> the overall employment rate of EU27 dropped from 68.5% in Q2 2019 to 66.9% in Q2 2020. For the foreign-born, the drop was largest, from 65.5% to 62%. In the United States, a similar phenomenon is observed: the employment rate of the native-born dropped from 60.4% in September 2019 to 56.4% in September 2020, while the foreign-born experienced a somewhat more severe drop, from 64.2% to 58.4%.

Given the rising unemployment and inactivity levels overall, the capacity of foreigners to send remittances to their families was likely affected. Migrants in the informal sector, not covered by the above statistics, would have been negatively affected as well. In the recent World Bank's study,<sup>24</sup> the economic driver was considered to be the main reason behind the expected drop in remittances. Despite their economic difficulties in the country in which they live, however,

migrants may try harder to send money to their home country, given that the challenges faced by the recipients there could be even more severe.

### 4.2. THE MIGRATION DRIVER

In parallel to the economic developments, the entry of new workers was sharply curtailed in most countries, due to the imposition of restrictions on admission introduced to counter the spread of COVID-19. First data from OECD countries<sup>25</sup> suggests a drop by 46% in the number of new permits granted in the first half of 2020 as compared to the first half of 2019. The decline is even higher when looking at Q2 2020 specifically: -72% compared to Q2 2019. EU OECD countries experienced a somewhat less abrupt decrease: -35% looking at the first half of 2020 and -59% looking at Q2 2020, compared to the same respective periods in 2019. It is uncertain whether the observed impact will be offset in the coming months, especially in light of the pandemic entering its next wave and the related economic downturn which is unfolding.

Besides, after an initial period during which they may have been unable to travel back, some migrants who lost their jobs have also headed back to their country of origin. With new migration slowing and return migration increasing in parallel, the World Bank now projects that the stock of international migrants will decline in 2020.<sup>26</sup> This could mean that despite the measures taken in the EU OECD countries, to maintain labour migration in essential sectors and introduce flexibility regarding the permits of migrants who are already based in the country,<sup>27</sup> the overall number of migrants potentially able to send remittances will be affected.

### 4.3. DISRUPTION OF COVID-19 ON REMITTANCES SERVICES

#### Impact on access to remittances services

The restrictions imposed by EU Member States and OECD countries to contain the spread of the virus have affected to various degrees the physical access of migrants to their remittance service providers, primarily during the months of March and April. Some permanent closures of Money Transfer Operators (MTOs) have been reported as well, notably in France.

Some of the disruption has been linked to the initial confusion during the first weeks of the pandemic. For instance, Belgium reported large decreases of remittances sent and received during the two first weeks of March 2020 (a decrease of over 50% and 70% respectively in the value of remittances, compared to the same period the year before). These reductions were mostly due to the initial lack of clarity regarding whether remittance providers were to be considered as essential services – which they were in Belgium.<sup>28</sup>

Overall, the extent to which access issues occurred largely depended on the strictness of the virus containment policies and, for those with strict policies in place, whether remittances services were considered essential services and the type of providers concerned (bank, postal service, MTO, digital service provider). Table 7 in the Annex provides

17 EMN/OECD (2020) EU and OECD Member States responses to managing residence permits and migrant unemployment during the COVID-19 pandemic – EMN-OECD Inform. Brussels: European Migration Network.

18 Eurostat, LFSQ\_URGACOB

19 The foreign born refers to persons born abroad, (according to present time borders), whether in other EU Member States or non-EU countries, who are usually resident in the reporting country on 1 January of the respective year.

20 See for instance Fitch Ratings (2020) European Unemployment Shock Postponed

21 The foreign born refers to persons born abroad, (according to present time borders), whether in other EU Member States or non-EU countries, who are usually resident in the reporting country on 1 January of the respective year.

22 In the case of Latvia, the proportion of foreign-born is particularly large as it includes recognised non-citizens.

23 Eurostat, LFSQ\_ERGACOB

24 World Bank (2020) Migration and Development Brief 33.

25 OECD (2020) International Migration Outlook 2020, available at: <https://doi.org/10.1787/ec98f531-en>

26 World Bank (2020) Migration and Development Brief 33

27 European Migration Network (2020). Maintaining flows of legal migrant workers in essential sectors in times of pandemic – EMN-OECD Inform. Brussels: European Migration Network

28 Information collected via DG FISMA

an indication of the strictness of the policies imposed in each Member State by way of context.

Banks were considered essential services in twelve reporting EU Member States and the United Kingdom, i.e. in many of those which imposed some form of lockdown.<sup>29</sup>

Five EU Member States, the United Kingdom and other OECD countries considered also MTOs to be essential services,<sup>30</sup> but some access issues may still have occurred. For example, in Italy, MTOs linked to post offices and tobacconists did not close, but the MTOs within travel agencies (which represented a smaller segment of the market) had to close. In Spain, physical access to MTOs was not possible for those operating through small businesses (that were closed during the lockdown) while in Latvia and Lithuania, it was rather financial operators located in shopping malls and similar centres that were not accessible as a result of the lockdown measures. Overall, MTOs were subject to measures applicable to the outlet from which they operated (some being closed, others not). MTO-specific measures were not necessarily put in place (as reported by Slovenia).

Among those that did not consider banking and financial services as essential services, seven EU Member States nevertheless reported that remittance operations took place normally during lockdown.<sup>31</sup> This comprised countries with both strict and less strict containment policies (as presented in Table 7 in the Annex). This was also the case in several other OECD countries, such as Switzerland and Colombia for instance. Banks and MTOs' operations continued as usual in Sweden and the Netherlands which did not have a complete lockdown.

Digital, remote access solutions were available throughout the lockdown. Providers offering services in person and using cash as the instrument were comparatively more affected, given that, as described above, they had to adapt to the policies put in place, which could lead to a complete closure, reduced working hours, the need to make an appointment prior to any visit, social distancing rules impacting the number of customers which could be served, etc.. However, this rather applied to MTOs, as banks and postal offices were largely functional albeit under certain conditions. Hawala-type of businesses (those that cannot transfer money through bank accounts and used to carry cash by airplane) were particularly affected by the lockdown system, as reported notably by Finland.

Electronic solutions were reportedly put in place in order to facilitate the normal operation of the business. Those with no access to the necessary devices or digital skills i.e. most likely poor and irregular migrants, will not all have benefited from this alternative (meant to compensate for reduced on-site access). A large-scale survey is in the pipeline in France to better understand the changes in practices in the COVID-19 context (see Box).

## Impact on the cost of remittances services

Not only does the COVID-19 pandemic crisis affect remittances in volume, but it can also have an impact on the costs of remitting money along the different corridors, which were already significantly different from one another. Throughout April and May 2020, the World Bank has frequently monitored the cost of sending remittances to detect any possible impact of the pandemic on the cost of sending remittances. On the one hand, it was anticipated that the restrictions hampering access to providers using cash as the instrument would mean that digital services, which are usually cheaper, would become more prevalent thus driving down costs. On the other hand, there were concerns that the pandemic would affect the stability of foreign exchange rates, thereby impacting the cost of sending remittances as well.<sup>32</sup>

The World Bank's weekly special issues showed that there has been a small reduction in the pricing of available services throughout the lockdown.<sup>33</sup> The downward trend reflected that digital services have become more prevalent, but also illustrated a general trend. Even when comparing the pricing of the services available during the lockdown to the pricing of the very same services in the previous year, the decrease in pricing remained.

The average pricing of sending remittances slightly rebounded in Q3 2020 as more cash-based services became available again. Overall, the longer-term downward trend has continued throughout 2020, although at a slower pace compared to the United Nation's Sustainable Development Goal (SDG) objective of keeping remittance costs below 3% by 2030. The average cost of sending remittances lies at 6.75% in Q3 2020, vs 7.52% five years ago in Q3 2015 and 6.84% in Q3 2019. The country-by-country data shows marked differences, especially among non-EU OECD countries.

### Box 2: DIASDEV project (France)

Within the framework of the "DIASDEV" project developed by the *Agence Française de Développement* (AFD) and the *Caisse des dépôts* (Deposits Funds) of five countries (France, Italy, Morocco, Senegal and Tunisia), a consultation of the diasporas in France was carried out, with 750 persons interviewed from April to July 2020. This consultation made it possible to draw up trends on the Africa-France corridors, which indicated a 23 % decline in remittances between the first semester of 2019 and the first semester of 2020, for persons who transferred money during this period. This was mainly due to the drop in income and the inaccessibility of diasporas to traditional transfer agencies which are closed. However, a fraction of diasporas have reoriented themselves towards digital channels and have also increased the amount of their remittances. To go further, the Red Mangrove Development Advisors (RMDA) firm, in charge of the feasibility study for the "DIASDEV" project, is currently liaising with the IPSOS polling group in order to carry out a larger scale survey on current diaspora remittances in France. This survey, the first of its kind in Europe on such data, would make it possible to better measure the extent of the phenomenon and to understand the possible constraints of users and the adaptation of their practices. In addition to obtaining an accurate picture, this survey would help guide policies and the choice of cooperation actions. The Ministry of Europe and Foreign Affairs (MEAE) and the AFD intend to co-finance this survey.

Source: EMN France

29 For EU Member States and UK: AT, BE, EE, ES, FI, FR, IE, IT, LV, LT, LU, SI, UK. Among non-EU OECD countries: e.g. NZ.

30 For EU Member States and UK: AT, BE, ES, IT, LU, UK. Among non-EU OECD countries: e.g. NZ.

31 CY, CZ, DE, HR, HU, MT, SK.

32 Cost of sending remittances depends on two main components: a fee and a foreign exchange margin.

33 **RPW Special Issues on COVID-19**, available at: <https://remittanceprices.worldbank.org/en>

**FIGURE 5: AVERAGE COST OF SENDING REMITTANCES FROM SELECTED COUNTRIES, Q3 2015 – Q3 2020 (% OF THE AMOUNT SENT)**

	Q3 2015	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
France	7.56	6.83	6.76	6.79	6.27	6.27
Germany	7.32	7.64	7.49	7.70	7.10	7.47
Italy	6.05	6.33	5.71	5.68	5.75	6.15
Australia	9.24	7.42	7.61	7.59	7.31	7.21
Canada	9.08	7.94	8.28	7.44	7.12	6.27
Japan	12.97	9.99	9.56	9.40	10.36	10.58
Korea	5.43	4.87	4.50	4.77	4.72	4.74
United Kingdom	7.41	7.28	7.23	7.42	6.74	6.57
United states	6.04	5.36	5.43	5.36	5.21	5.14
<b>Global Average</b>	<b>7.52</b>	<b>6.84</b>	<b>6.82</b>	<b>6.79</b>	<b>6.67</b>	<b>6.75</b>

Source: World Bank Data, available at: <https://remittanceprices.worldbank.org/en>

Note: Data on the cost of sending and receiving small amounts of money (the local currency equivalent of USD 200, and the local currency equivalent of USD 500) in 367 "country corridors" involving 48 remittance sending countries and 105 receiving countries.



## 5. IMPACT OF COVID-19 ON REMITTANCES SENT TO THIRD COUNTRIES

The quarterly balance of payments statistics published by the IMF provide a few first insights as to the actual impact of COVID-19 on flows of remittances during the first two quarters of 2020.

Grouping all EU countries for which data is available, a drop in the first quarter of 2020 (-4% compared to the first quarter of 2019) is apparent, which accentuated during the second quarter of the same year (-8% compared to Q2 2020). There are however marked country differences (see also Table 5 in the annex). In the four main EU sending countries<sup>34</sup> (except in Belgium), there has been an initial drop in remittances during the first quarter of 2020 (compared to the first quarter of 2019). Remittance flows then increased markedly during the second quarter in two countries, Belgium and Italy (+14% and + 5% compared to the preceding year as virus containment policies started to relax, as from May onwards). In France and

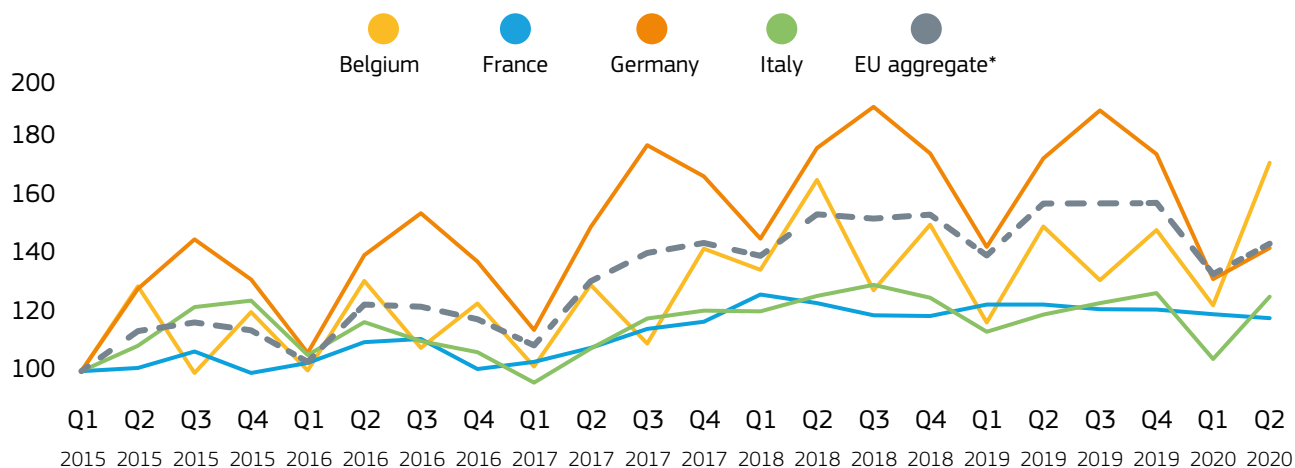
Germany however, the downward trend continued (-3% and -17% in Q2 2020 compared to Q2 2019, respectively).

In all four countries, the resilience of remittance flows has been driven by the component 'personal transfers' as opposed to the component "compensation of employees". For instance, in Italy, 'personal transfers' have increased by 30% in Q2 2020 compared to the previous year, while "compensation of employees" sharply declined (by 77%). This suggests that migrants residing in host countries have made additional efforts to increase their remittances (in light of the deteriorating situation in their countries of origin) and/or formal channels for sending remittances have been increasingly used. In parallel, many workers who would have seasonal or short-term contracts under normal circumstances have been unable to travel and work.

<sup>34</sup> These four countries represented 48% of outward remittance flows from the EU in 2018.



**FIGURE 6. REMITTANCES SENT FROM SELECTED EU COUNTRIES, 2015-2020 (INDEX BASE Q1 2015 = 100)**



Source: IMF, quarterly balance of payments data.

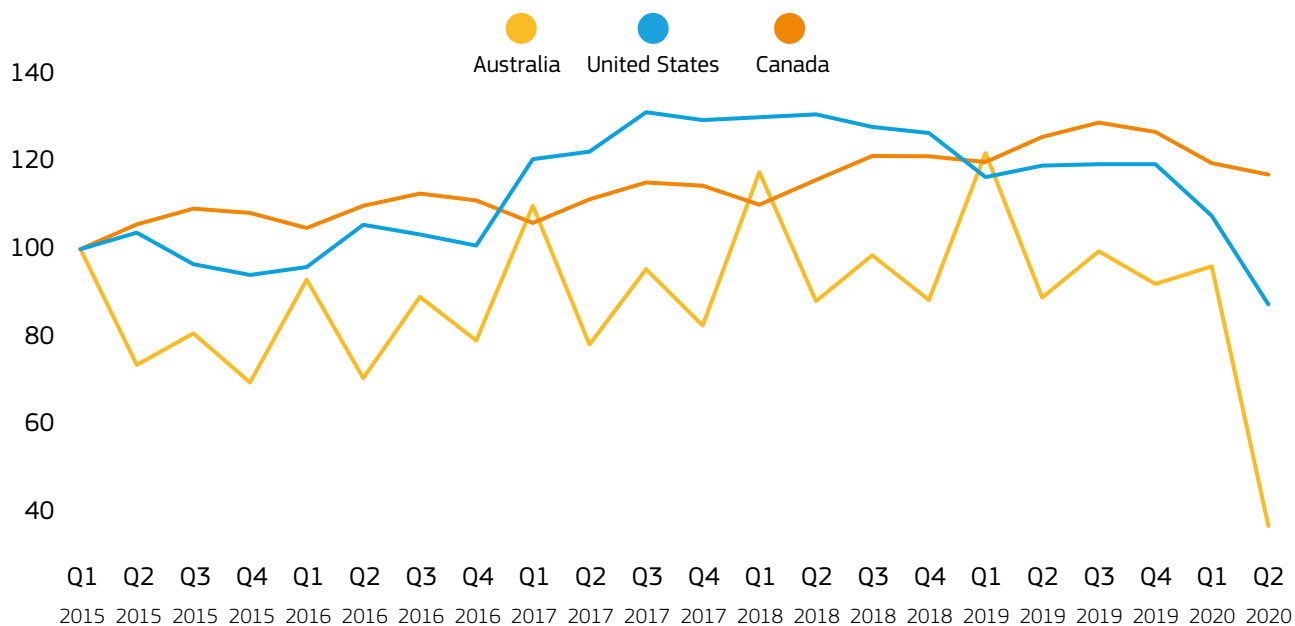
Note: Sum of "compensation of employees" and "personal transfers" (debit). Index calculated on remittances expressed in US dollar terms

\*EU aggregate: data is missing for Croatia, Denmark, Ireland, Luxembourg, Portugal and Spain

Some of the main non-EU OECD sending countries, like France and Germany, observed a sharp drop in transfers in the second quarter of 2020.<sup>35</sup> This is especially the case for Australia (-56% compared to the second quarter of 2019) and Canada (-25%), while transfers sent from the United States declined more modestly (-6%) (Figure

7). In non-EU OECD countries as well, personal transfers have been more resilient than 'compensation of employees' (-6%, 1% and -1% against -62%, -41%, -22% for Australia, Canada and United States, respectively).

**FIGURE 7. REMITTANCES SENT FROM AUSTRALIA, CANADA AND THE UNITED STATES, 2015-2020 (INDEX BASE Q1 2015 = 100)**



Source: IMF, quarterly balance of payments data.

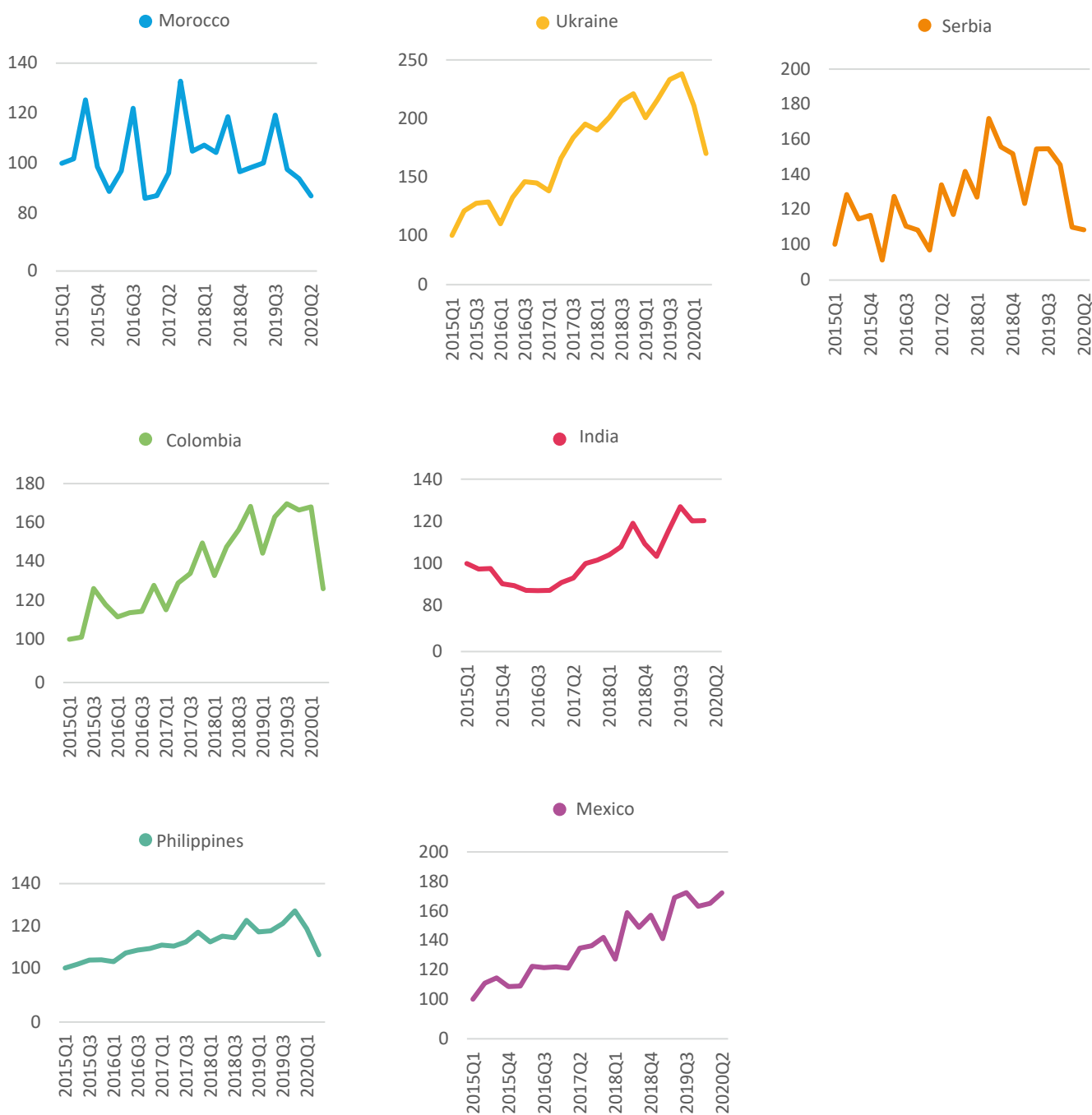
Note: Sum of "compensation of employees" and "personal transfers" (debit). Sum of "compensation of employees" and "personal transfers" (debit). Index calculated on remittances expressed in US dollar terms

<sup>35</sup> Table 6 in the annex includes data for other non-EU OECD sending countries.

The decline is also evident when looking at remittance inflows in some of the main recipient countries. Comparing Q2 2020 with Q2 2019, the decline has been largest in Serbia (-30%), Colombia (-23%), Ukraine (-21%), Morocco (-13%) and the Philippines (-10%). Only remittances sent to Mexico have remained stable (+2%), which

in part may also reflect exchange rate fluctuations (national currency versus US dollar).<sup>36</sup> India, which has been the country receiving the largest amount of remittances for many years, has witnessed the decline in remittances inflows of 8.2% between Q2 2019 and Q2 2020.

**FIGURE 8. REMITTANCES RECEIVED BY SELECTED COUNTRIES, 2015-2020 (INDEX BASE Q1 2015 = 100)**



Source: IMF, quarterly balance of payments data.

Note: Sum of "compensation of employees" and "personal transfers" (credit). Index calculated on remittances expressed in US dollar terms

<sup>36</sup> In March and April 2020 there was favourable exchange rate between the Mexican peso and U.S. dollar. 1 USD equalled 18.8 MXN in February versus 22.3 in March or 24.2 in April 2020. It may have incentivised migrants originally from Mexico living in the US to capitalize on the favourable exchange rate to send remittances or part of their accumulated savings back to Mexico.

Despite the partial resilience of remittance flows and the rebound effects observed for some countries in the second quarter of 2020, the outlook remains uncertain. Many countries have already been negatively impacted and the impacts of the pandemic are likely to become protracted. Migrants may have been using their savings to support families back home, as the crisis unfolded there, but this may not be sustainable over time. Overall, it is estimated that

migrants sending remittances save only 10% of their income during normal times, while sending 15 % back home.<sup>37</sup> Besides, although this cannot be supported by any statistical evidence, it is likely that the resilience of official remittances flows is partly artificial and may be explained by a shift from informal to formal channels, as lockdown and movement restrictions have made it temporarily quasi-impossible to send remittances through informal channels.



## 6. MEASURES TO FACILITATE TRANSFER OF REMITTANCES DURING COVID-19 AND MITIGATE THE IMPACT OF THE REDUCTION AND LOSS OF REMITTANCES ON RECEIVING COUNTRIES

In the longer term, the ability of third-country nationals to send money home largely depends on the overall situation and how governments manage to mitigate the negative impacts of the pandemic. That being said, several international organisations have developed recommendations for concrete measures which should be taken to preserve remittance flows, as outlined in Box 3.<sup>38</sup> Many of these recommendations actually relate to ongoing efforts (e.g. bringing down the cost of sending remittances), as opposed to completely new measures. In parallel to the efforts made to help maintain remittance flows, efforts are also needed to fill the data gaps exposed by the crisis (regarding data on bilateral flows and remittance channels notably). An International Working Group on Improving Data on Remittances has been launched by the World Bank<sup>39</sup> with the purpose to allow for better real-time monitoring of remittance flows. It will gather national statistical offices, central banks, the World Bank, and selected international organizations.

Almost immediately after the outbreak of the COVID-19 pandemic, the International Fund for Agricultural Development (IFAD) led a coordinated response to the challenges faced by the actors in the remittances area. The Remittance Community Task Force was launched in March 2020, in order to take action to help the global community in the context of this pandemic crisis and was joined by 35 organisations. This Taskforce has issued a number of concrete recommendations to address the impact of the pandemic crisis on individuals directly involved in remittances. Moreover, in May, Switzerland and the United Kingdom, later joined by several other countries, the World Bank, the United Nations Development Programme and other UN agencies and industry groups, also called for action to ensure that migrant communities can continue to send money and also to improve the remittance system. It notably urges policymakers to declare the provision of remittances as an essential public service and to support the development of more efficient digital remittance channels.

The European Commission also participated in developing wider operational measures in the Remittance Community Task Force, such as accelerating the shift towards digital remittances that would be safer, cheaper, and easier to access in lockdown conditions. In addition, the Commission started to fund a project to promote the digital transfer of remittances in the African, Caribbean and Pacific region. The European Commission has also proposed to the 'Global Partnership on Financial Inclusion' of the G20 to adopt a coordinated response on the remittances issue

### Box 3: Summary of key recommendations to help maintain remittance flows emanating from international organisations and coalitions (e.g. the Remittance Community Task Force, KNOMAD, the IMF, the World Bank)

#### Measures supporting the migrants' health and revenues

- Migrants should benefit from the policies meant to alleviate the effects of the crisis.
- Migrants should not be left out of the social safety nets in the country, in terms of e.g. employment protection, social protection or access to the healthcare system.
- Migrants' housing issues should be tackled, to better address vulnerability in health and increase chances that migrants are able to remain in good health and to keep working.

#### Measures to maintain migration flows

Efforts should be made to maintain legal migration flows and limit administrative risks in case of loss of employment.

#### Measures targeting providers of remittance services

- Remittance services should be declared as essential services as long as lockdown measures are applicable.
- Providers should be supported as necessary (e.g. by providing tax incentives to money transfer service providers, supporting the remittances industry with appropriate instruments to manage their credit and liquidity risks effectively).

#### Accelerating efforts to reduce costs of remittances and ensure financial inclusion

The UN SDGs comprise an objective to reduce the cost of transfer to less than 3 % by 2030, and to eliminate remittance corridors with costs higher than 5 %. According to the World Bank estimates, keeping remittance costs below 5 % would enable developing countries to receive over \$16 billion extra each year. The key here is to further promote fully digital services for remittances, both at the sending and receiving end, as those are cheaper (costing between 4% and 6% vs between 6% and 9% for non-digital services). This promotion of digital channels needs however to be made consciously, given that poor and irregular migrants often lack access to digital payment instruments. Other risks inherent to the development of digital services (cyberattacks, fraud, money-laundering, data, and privacy issues) also need to be addressed properly. Enabling actions would include here:

37 IFAD (2017) Sending Money Home data. Available at: <https://www.ifad.org/documents/38714170/39135645/Sending+Money+Home+-+Contributing+to+the+SDGs%2C+one+fami+ly+at+a+time.pdf/c207b5f1-9fef-4877-9315-75463fccfaa7>

38 See for instance: the Blueprint for action of the Remittance Community Task Force at: <https://familyremittances.org/idfr-2020/the-remittance-community-task-force/>; the Call to Action Remittances in Crisis: How to Keep them Flowing at <https://www.knomad.org/covid-19-remittances-call-to-action/>; WB's blog post at: <https://blogs.worldbank.org/psd/remittances-times-coronavirus-keep-them-flowing> ; IMF's blog post at: <https://blogs.imf.org/2020/09/11/supporting-migrants-and-remittances-as-covid-19-rages-on/>

39 World Bank (2020) Migration and Development Brief 33.

- Supporting universal financial access, financial literacy and digital skills in both sending and receiving countries
- Addressing infrastructure barriers (by promoting interoperability and integrated cross-border payment solutions, relaxing caps on how much can be transferred digitally, through mobile phones for example)
- Addressing regulatory barriers (by strengthening regulatory capacity for enforcing AML/CFT compliance, supporting the development of Digital ID solutions and promoting proportionate Know-Your-Customer (KYC) requirements, while preserving AML/CFT standards).

Source: Blueprint for action of the Remittance Community Task Force at: <https://familyremittances.org/ndfr-2020/the-remittance-community-task-force/>, the Call to Action Remittances in Crisis: How to Keep them Flowing at <https://www.knomad.org/covid-19-remittances-call-to-action/>; WB's blog post at: <https://blogs.worldbank.org/psd/remittances-times-coronavirus-keep-them-flowing>; IMF's blog post at: <https://blogs.imf.org/2020/09/11/supporting-migrants-and-remittances-as-covid-19-rages-on/>

### Measures and policies adopted in the EU and the OECD to mitigate the reduction and loss of remittances

This section includes an overview of concrete measures taken by Member States in relation to remittances specifically. Measures which have been taken to support migrants' health and income and to maintain migration flows have been discussed in EMN COVID-19 series Inform #1<sup>40</sup> and Inform #3<sup>41</sup> respectively.

During the lockdown itself, some Member States declared remittance services as essential services (see also section 4.3 above). Whilst no examples of support schemes specifically targeting remittance providers have been identified by reporting Member States, some countries (Belgium, Finland and Estonia)<sup>42</sup> highlighted remittance providers had access to general support schemes.

#### Accelerating efforts to reduce costs of remittances and ensure financial inclusion

France increased its efforts towards "*bi-bancarisation*", with an aim to allow migrant workers to have a bank account in both the country of origin and the host country, within the same bank or at two partner banks, so that preferential pricing for remittance transfers would apply. A legislative proposal to allow greater flexibility in the marketing of foreign banking services and to broaden the range of services that can be marketed was filed to the Parliament at the end of July 2020 in order to encourage remittances sent by African diasporas to their family in the countries of origin.

France also reported an initiative seeking to put in place a tax exemption for remittances sent to Africa.

Germany reiterated its commitment to meet the SDG objective of reducing the transaction costs of remittances to less than 3% by 2030.

Several Member States, as well as providers, have taken measures to encourage the use of digital services. The COVID-19 crisis accelerated the move towards digitalisation. Post offices launched and scaled up their digital services, notably digital wallets which were available for the unbanked customers and were cheaper than the traditional cash and bank transfers.<sup>43</sup> BigPay, a money app that can be used internationally, reported an increase in transaction volume of 469 % during the first half 2020<sup>44</sup> and other financial technology services (fintechs) acting as remittance platforms similarly reported significant growth, notably in the numbers of new customers.<sup>45</sup> Greece, for example, launched a campaign to increase

the use of digital transfers to the migrant's countries of origin. In many countries, certain private companies launched campaigns to incentivise the use of digital channels by, for instance, offering reduced fees. Western Union for instance applied 50% reductions for essential workers.<sup>46</sup>

The acceleration in the use of digital services is facilitated by strategic partnerships between providers and fintechs. For example, in Africa, the most expensive region to send remittances in the world, the leading payment platform of the region, MFS Africa, has announced<sup>47</sup> over the summer its partnership with the global money transfer start-up, PaySii, to help facilitate remittances in Africa (through instant mobile-to-mobile money transfers which is less costly).

### Measures and policies adopted in receiving countries to mitigate the reduction and loss of remittances

Receiving countries have also on their side started to take measures to mitigate the impact of the reduction of remittances for their population. The measures taken so far are mostly to encourage the flow of remittances. In Jordan, for example, banking regulations have been relaxed: the Jordan central bank allowed Western Union to make remittances available online, including for people who do not have a bank account. Western Union money transfers to this country can be delivered home to recipients. In Bangladesh and Sri Lanka, incentives have also been put in place to foster remittances. The Sri Lankan authorities and the Bangladesh central bank have exempted incoming remittances from several existing regulations and taxes. Remittances have been encouraged also in Nepal, particularly via a public call to use digital remittance transfers to bank accounts and by increasing the maximum amounts of transferable funds. In Pakistan, remittance regulations have been relaxed and a new remittance loyalty programme was launched, in collaboration with actors from the private sector, aimed at incentivising the use of digital channels for sending remittances. Pakistan has also taken several measures to compensate for the decline in remittances. The government reduced telephonic transfer fees on amounts between USD 100-200 (or € 84-168), reduced lag time in reimbursing banks for remittance charges, waived a tax on withdrawing cash from remittances received on a bank account, and provided extra support to overseas Pakistanis who send money home. Finally, among the incentives for remittances, the Lebanese central bank set a more favourable exchange rate for Lebanese sending money home to their families from abroad via wire transfer companies.

On the side of the private sector, several digital operators of remittances have reduced or waived their fees for certain operations. Cebuana Lhuillier for example waived remittance fees for donations to relief operations in the Philippines. In Malawi, the president has requested banks and mobile money service providers to reduce fees on all electronic money transactions to promote the use of electronic money services. Free remittance services were also implemented in El Salvador: the Salvadoran government announced early May this initiative with some money transfer services (Western Union, Moneygram, Vía Américas) for transactions from bank account to bank account up to USD 3,000 (or € 2,527) in May. The Central Bank of Russia has also waived the fees for the provision of peer-to-peer remittances up to RUB 100,000 (or € 1,107).

40 EMN/OECD (2020) EU and OECD Member States responses to managing residence permits and migrant unemployment during the COVID-19 pandemic – EMN-OECD Inform. Brussels: European Migration Network.

41 European Migration Network (2020). Maintaining flows of legal migrant workers in essential sectors in times of pandemic – EMN-OECD Inform. Brussels: European Migration Network.

42 In Estonia possible for Estonian companies only.

43 Remittance Community Task Force (2020), Task Force Brief #4, 7 July 2020, available at: <https://www.remittancesgateway.org/remittances-community-task-force-19/rctf19-briefs/>

44 Remittance Community Task Force (2020), Task Force Must Read #5, 7 September 2020, available at: <https://www.remittancesgateway.org/remittances-community-task-force-19/rctf19-briefs/>

45 <https://frogcapital.com/think-frog/azimo-sees-over-50-customer-growth-amid-covid-19-partners-with-scb-and-alipay/>

46 Information collected via DG FISMA.

47 See announcements in the press: <https://africabusinesscommunities.com/tech/tech-news/mfs-africa-partners-with-paysii-to-drive-cheaper-remittances-across-the-continent/>

## ANNEX

**TABLE 1: BALANCE OF COMPENSATION OF EMPLOYEES AND PERSONAL TRANSFERS, 2018**

TIME BOP_ITEM (Labels)	2018		
	Primary income: Compensation of employees	Secondary income: Personal transfers (Current transfers between resident and non-resident households)	
<b>GEO (Labels)</b>			
<b>European Union - 27 countries (from 2020)</b>	10,040.1	-17,347.3	
<b>European Union - 28 countries (2013-2020)</b>	9,603.8	-22,007.6	
<b>Belgium</b>	7,051	-1,305	
<b>Bulgaria</b>	684.6	1,155.6	
<b>Czechia</b>	1,170.3	-193.5	
<b>Denmark</b>	-1,710.5	:	c
<b>Germany</b>	-1,118	-5,149	
<b>Estonia</b>	214.1	66.7	
<b>Ireland</b>	-95	-779	
<b>Greece</b>	-1,140.8	-383.2	
<b>Spain</b>	2,466	:	c
<b>France</b>	20,540	-10,524	
<b>Croatia</b>	1,446	1,326.2	
<b>Italy</b>	4,542	-4,514.4	
<b>Cyprus</b>	-8	-233	
<b>Latvia</b>	487	141	
<b>Lithuania</b>	-38.2	689.6	
<b>Luxembourg</b>	-10,116	-102	
<b>Hungary</b>	2,322.1	292	
<b>Malta</b>	-55	-80	
<b>Netherlands</b>	-8,657	-468.3	
<b>Austria</b>	-1,603	-622	
<b>Poland</b>	-2,561.1	2,543.7	
<b>Portugal</b>	220	:	c
<b>Romania</b>	1,033.5	2,713.6	
<b>Slovenia</b>	281.6	0.5	
<b>Slovakia</b>	1,419.4	44.4	
<b>Finland</b>	79	-155	
<b>Sweden</b>	874.8	75.8	
<b>United Kingdom</b>	-436.3	-4,660.3	
<b>Iceland</b>	5	-155.8	
<b>Norway</b>	:	:	c
<b>Switzerland</b>	-20,468.4	:	c

Source: Eurostat (BOP\_REM6)

Note: c means confidential data

**TABLE 2: MIGRANT REMITTANCE INFLOWS (US\$ MILLION) AS A SHARE OF GDP IN 2019 (%)**

<b>EU Member State</b>	<b>Migrant remittance inflows as share of GDP</b>
<b>Croatia</b>	6.63
<b>Bulgaria</b>	3.50
<b>Latvia</b>	3.49
<b>Romania</b>	2.97
<b>Luxembourg</b>	2.88
<b>Hungary</b>	2.55
<b>Belgium</b>	2.45
<b>Lithuania</b>	2.43
<b>Cyprus</b>	2.38
<b>Estonia</b>	1.85
<b>Slovakia</b>	1.85
<b>Portugal</b>	1.83
<b>Malta</b>	1.77
<b>Czech Republic</b>	1.55
<b>Poland</b>	1.07
<b>Slovenia</b>	1.02
<b>France</b>	0.95
<b>Spain</b>	0.71
<b>Austria</b>	0.68
<b>Sweden</b>	0.62
<b>Italy</b>	0.52
<b>Germany</b>	0.44
<b>Denmark</b>	0.39
<b>Finland</b>	0.33
<b>Netherlands</b>	0.26
<b>Greece</b>	0.25
<b>Ireland</b>	0.15

Source: World Bank Annual Remittances Data, 2018 Inward data (updated as of April 2020)

**TABLE 3: STOCK OF MIGRANTS AND DESTINATION OF REMITTANCES**

Italy			
Top 10 countries of citizenship of foreigners (outside EU and OECD)	Number of inhabitants in 1000	Top 10 recipient of remittances (outside EU and OECD)	Million USD
Albania	440	China	1,177
Morocco	417	Nigeria	1,047
China	291	Morocco	1,027
Ukraine	237	Philippines	660
Philippines	168	India	612
India	152	Egypt	573
Bangladesh	132	Albania	502
Moldova	132	Senegal	425
Egypt	120	Ukraine	323
Pakistan	114	Tunisia	322

Germany			
Top 10 countries of citizenship of foreigners (outside EU and OECD)	Number of inhabitants in 1000	Top 10 recipient of remittances (outside EU and OECD)	Million USD
Turkey	1,331	Lebanon	878
Syria	655	Russia	781
Russia	224	Vietnam	748
Afghanistan	211	Nigeria	699
Iraq	202	China	646
Bosnia and Herzegovina	171	Thailand	635
Serbia	168	Serbia	617
Kosovo	134	Turkey	503
Ukraine	128	Kosovo	389
China	126	Ukraine	369

Belgium			
Top 10 countries of citizenship of foreigners (outside EU and OECD)	Number of inhabitants in 1000	Top 10 recipient of remittances (outside EU and OECD)	Million USD
Morocco	81	Morocco	508
Turkey	37	China	118
Syria	27	Nigeria	110
Democratic Republic of the Congo	22	India	77
Afghanistan	19	Serbia	65
Iraq	15	Thailand	42
Russia	13	Russia	37
Cameroon	13	Philippines	34
India	13	Turkey	33
China	12	Lebanon	33

Source: Eurostat 2020 data (for Top 10 countries of citizenship of foreigners (outside EU and OECD) (MIGR\_POP1CTZ) and World Bank Bilateral Remittances Matrix, 2017 data (updated as of April 2018)

**TABLE 4: UNEMPLOYMENT RATES, TOTAL POPULATION AND FOREIGN BORN, Q2-2020 VS Q2-2019**

	Total		Foreign-born	
	2019-Q2	2020-Q2	2019-Q2	2020-Q2
<b>European Union - 27 countries (from 2020)</b>	6.6	6.7	10.7	11.8
<b>Belgium</b>	5.3	4.9	10.4	9.9
<b>Bulgaria</b>	4.2	5.9	:	:
<b>Czechia</b>	1.9	2.4	2.5	3.1
<b>Denmark</b>	4.7	5.2	8.7	7.3
<b>Germany</b>	3.1	:	5.4	:
<b>Estonia</b>	5.1	7.1	5.3	7.1
<b>Ireland</b>	5.4	5.1	6.2	6.2
<b>Greece</b>	16.9	16.7	28.7	31.4
<b>Spain</b>	14	15.3	18.8	23.4
<b>France</b>	8.1	6.8	12.2	10.3
<b>Croatia</b>	6.1	6.5	5.6	4.6
<b>Italy</b>	9.8	7.7	13.2	9.7
<b>Cyprus</b>	6.5	6.8	7.3	8
<b>Latvia</b>	6.4	8.6	6.3	9.6
<b>Lithuania</b>	6.2	8.6	:	8.1
<b>Luxembourg</b>	5.3	6.4	6.8	7.1
<b>Hungary</b>	3.3	4.6	2.1	4.2
<b>Malta</b>	3.6	4.4	3.9	5.7
<b>Netherlands</b>	3.3	3.8	5.8	6.2
<b>Austria</b>	4.5	5.7	8.3	11.6
<b>Poland</b>	3.2	3.1	6.4	4.9
<b>Portugal</b>	6.3	5.6	8.5	9.8
<b>Romania</b>	3.8	5.4	:	:
<b>Slovenia</b>	4.2	5.2	6.4	7.2
<b>Slovakia</b>	5.7	6.6	:	:
<b>Finland</b>	7.7	8.9	13.7	13.8
<b>Sweden</b>	7.1	9.1	15.1	19.2
<b>United Kingdom</b>	3.7	3.7	4.6	4.4
<b>Iceland</b>	4.3	6.5	:	9.6
<b>Norway</b>	3.4	4.4	6.1	8.8
<b>Switzerland</b>	4.2	4.6	6.9	7.1

Source: Eurostat, LFSQ\_ERGACOB



**TABLE 5: REMITTANCES SENT FROM EU COUNTRIES, 2015-2020 (INDEX BASE Q1 2015 = 100)**

EU Member State	2015 Q1	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2
<b>Austria</b>	100	121	137	128	141	118	127
<b>Belgium</b>	100	115	145	128	144	120	165
<b>Bulgaria</b>	100	109	118	133	127	117	103
<b>Cyprus</b>	100	130	133	136	146	133	138
<b>Czech Republic</b>	100	247	265	267	296	278	254
<b>Estonia</b>	100	254	264	283	296	236	197
<b>Finland</b>	100	102	101	100	100	99	99
<b>France</b>	100	121	121	119	119	118	116
<b>Germany</b>	100	138	166	181	167	129	138
<b>Greece</b>	100	118	130	136	132	124	121
<b>Hungary</b>	100	212	215	204	216	229	155
<b>Italy</b>	100	112	118	121	124	104	123
<b>Latvia</b>	100	77	93	89	97	72	33
<b>Lithuania</b>	100	98	106	110	98	81	48
<b>Malta</b>	100	135	148	135	132	120	124
<b>Netherlands</b>	100	139	167	151	153	126	151
<b>Poland</b>	100	321	340	351	333	303	310
<b>Romania</b>	100	87	92	101	101	96	84
<b>Slovak Republic</b>	100	147	150	152	159	136	106
<b>Slovenia</b>	100	159	185	181	170	149	88
<b>Sweden</b>	100	135	146	129	185	125	124
<b>EU aggregate*</b>	100	136	152	152	152	130	140

Source: IMF, quarterly balance of payments data.

Notes: - Sum of "compensation of employees" and "personal transfers" (debit). Index calculated on remittances expressed in US dollar terms

- EU aggregate\*: data is missing for Croatia, Denmark, Ireland, Luxembourg, Portugal and Spain

**TABLE 6: REMITTANCES SENT FROM NON-EU OECD COUNTRIES, 2015-2020 (INDEX BASE Q1 2015 = 100)**

Country	2015Q1	2019Q1	2019Q2	2019Q3	2019Q4	2020Q1	2020Q2
<b>Australia</b>	100	121	89	100	92	96	39
<b>Canada</b>	100	116	118	119	119	107	88
<b>Colombia</b>	100	86	93	80	95	71	40
<b>Iceland</b>	100	443	539	540	489	419	305
<b>Japan</b>	100	166	176	189	183	196	206
<b>New Zealand</b>	100	118	130	116	116	123	123
<b>Turkey</b>	100	204	209	208	239	270	87
<b>United Kingdom</b>	100	96	99	95	101	93	82
<b>United States</b>	100	119	125	128	126	119	116

Source: IMF, quarterly balance of payments data.

Notes: - Sum of "compensation of employees" and "personal transfers" (debit). Index calculated on remittances expressed in US dollar terms

- Data is missing for Chile, Israel, Mexico, Norway and Switzerland

**TABLE 7: COVID-19 STRINGENCY INDEX (0-100; 100 = STRICTEST)**

EU Member State	March	April
Sweden	18	46
Finland	43	61
Latvia	39	66
Czech Republic	58	68
Denmark	53	70
Bulgaria	49	72
Luxembourg	50	76
Germany	49	77
Hungary	49	77
Slovakia	52	77
Estonia	34	77
Netherlands	44	80
Belgium	49	81
Lithuania	52	82
Austria	55	82
Poland	41	83
Portugal	47	83
Greece	55	84
Spain	52	85
Romania	53	87
France	67	88
Slovenia	46	88
Ireland	40	90
Italy	84	93
Cyprus	46	94
Croatia	51	95

Source: Oxford COVID-19 Government Response Tracker

Note: The index is a composite measure based on nine response indicators including school closures, workplace closures, and travel bans, rescaled to a value from 0 to 100 (100 = strictest).

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