



STATISTICS

Key Issues on Compiling Remittances Statistics in the Arab Region and New Challenges

The 9th Meeting of the Technical Committee of the Arab Statistics Initiative “Arabstat”

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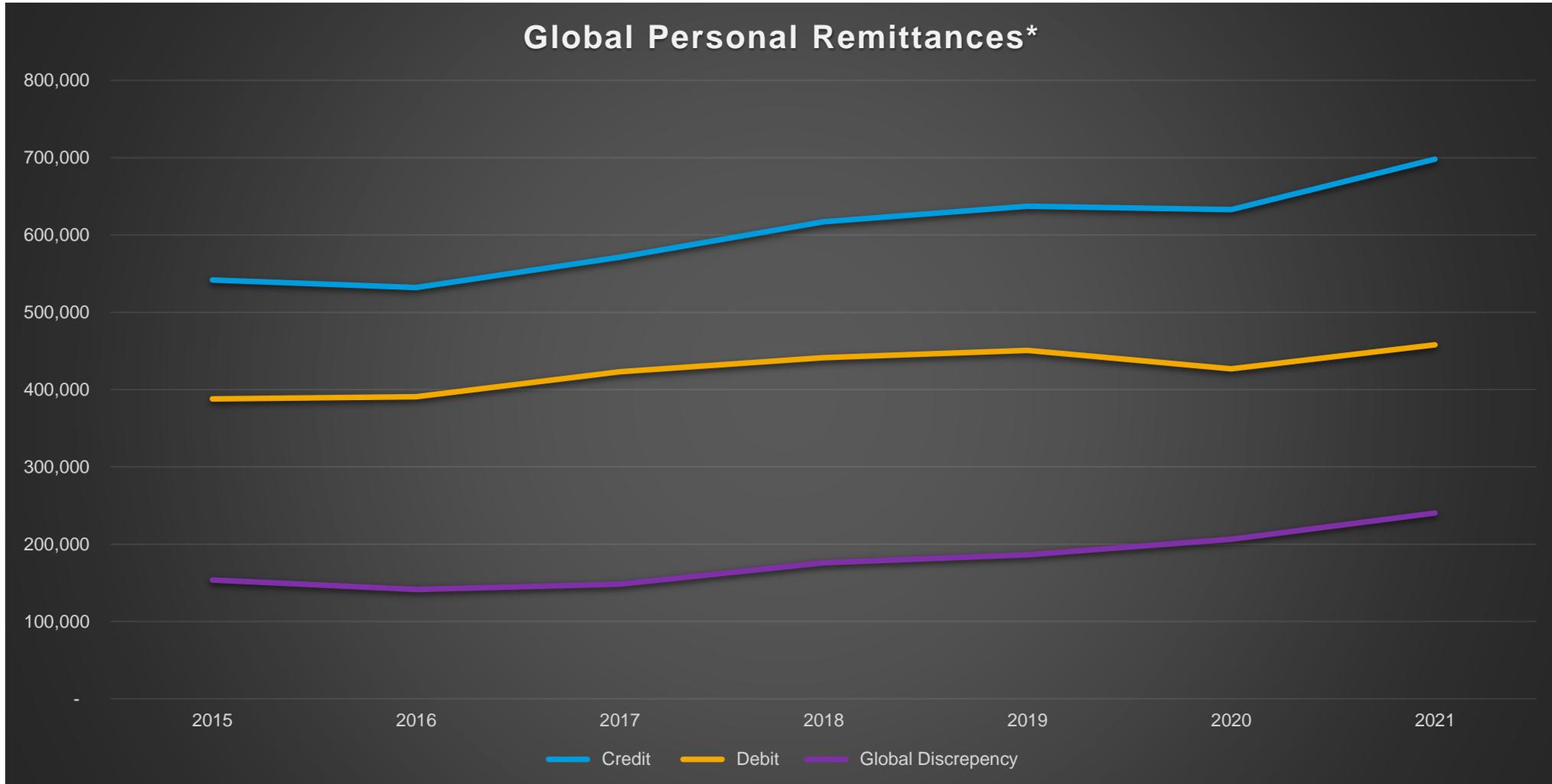
Outline

- **Importance of remittances (globally, at regional level)**
- **Definition of Remittances**
- **Data Gaps and Compilation issues**
- **Way Forward**

Importance of Personal Remittances: Globally

- Recent data released showed that personal remittances receipts reached 698.2 bn in 2021 (↑ 10.3%).
- During the COVID-19 pandemic, and despite projections to the contrary, remittances proved resilient (↓ 0.65% in 2020).
- Remittances have been the largest source of external finance flows to low-and middle-income countries (LMICs).
- Remittances to LMICs have been about three times the volume of Official Development Assistance (ODA).

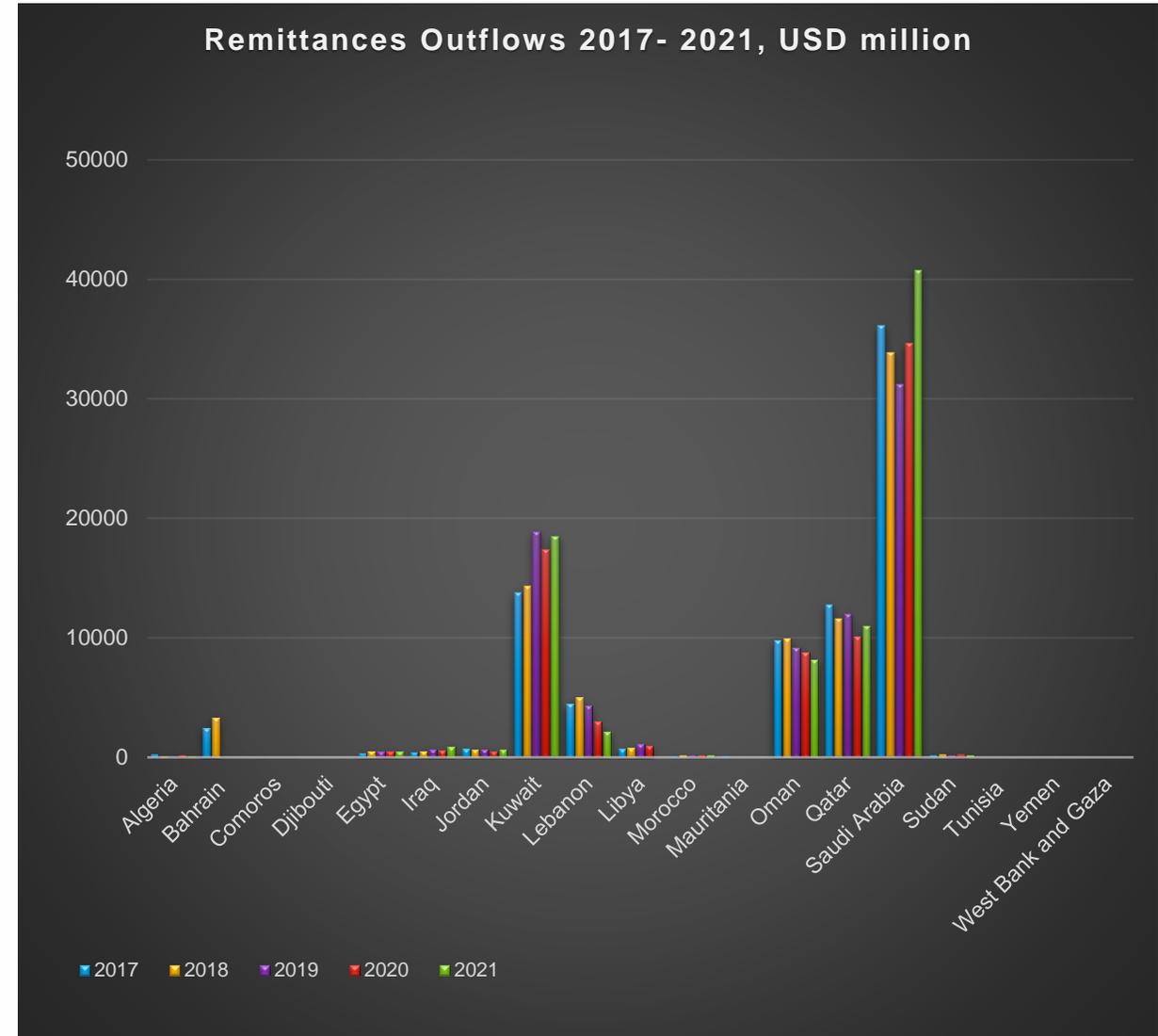
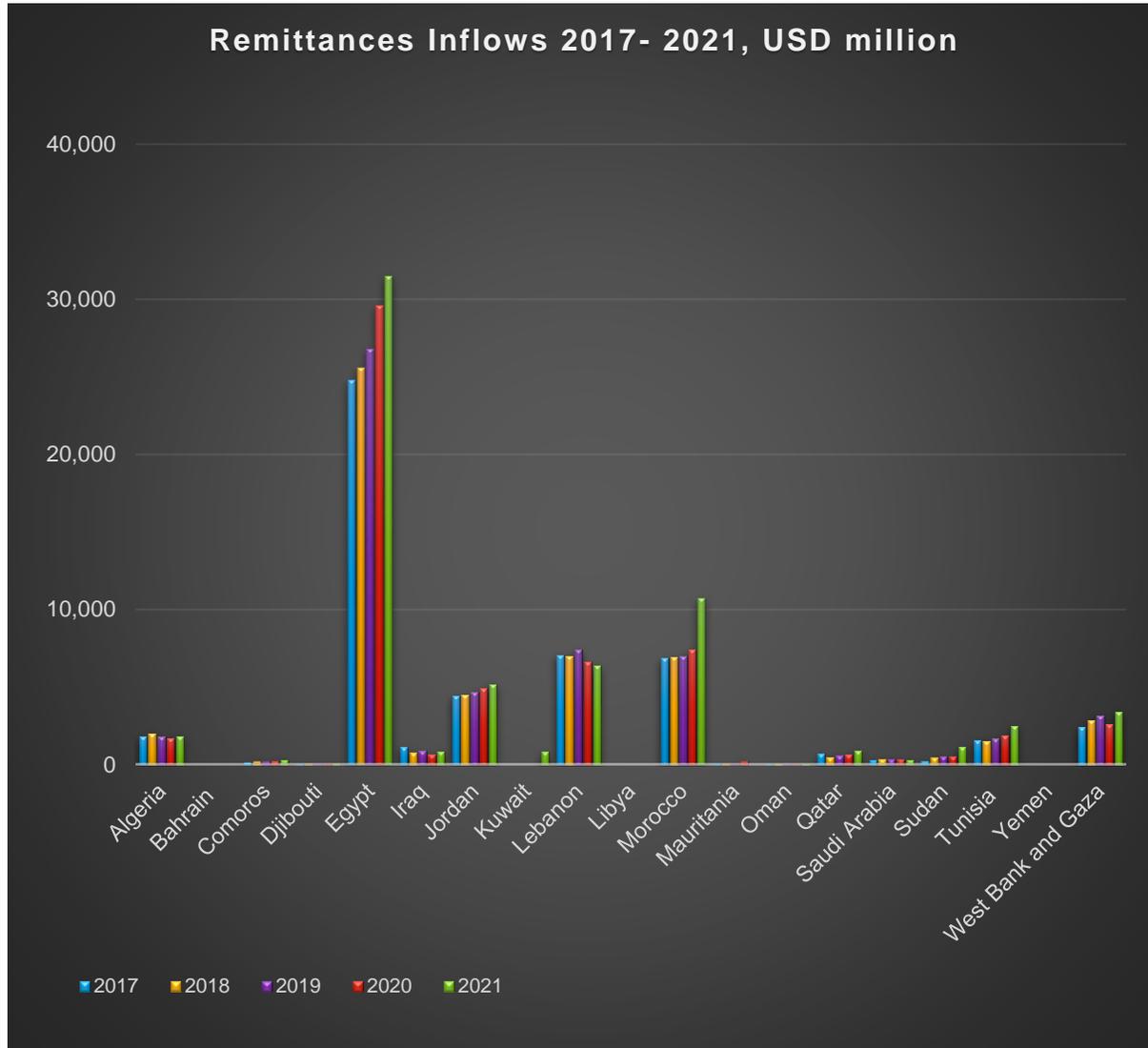
Importance of Personal Remittances: Globally



Source: [Balance of Payments and International Investment Position - BOP/IIP Home - IMF Data](#)

* Only include personal transfers and compensation of employees (Capital transfers between households are not included).

Importance of Personal Remittances: Arab Region



Source: [Balance of Payments and International Investment Position - BOP/IIP Home - IMF Data](#)

* Data for Somalia, Syria and UAE are not available.

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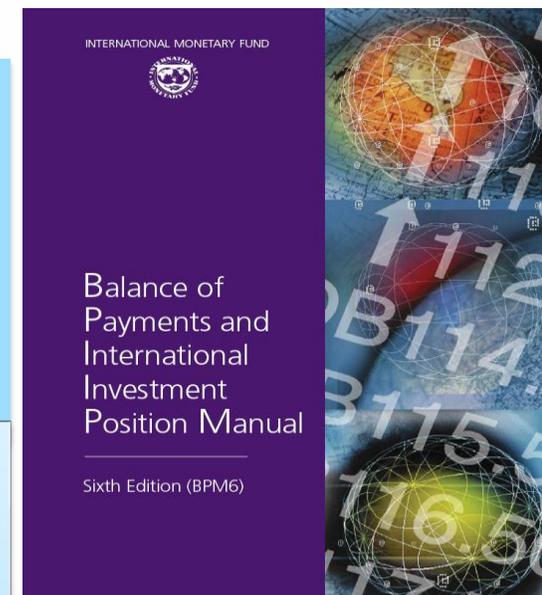
Remittances: Definition According to BPM ad RCG

Remittances represent household income from foreign economies arising mainly from the temporary or permanent movement of people to those economies. Remittances are largely sent or given by:

individuals who have migrated to a new economy and become residents there

short-term workers (e.g., border and seasonal) temporarily employed in an economy in which they are not resident

workers employed by nonresident employers in the home economy

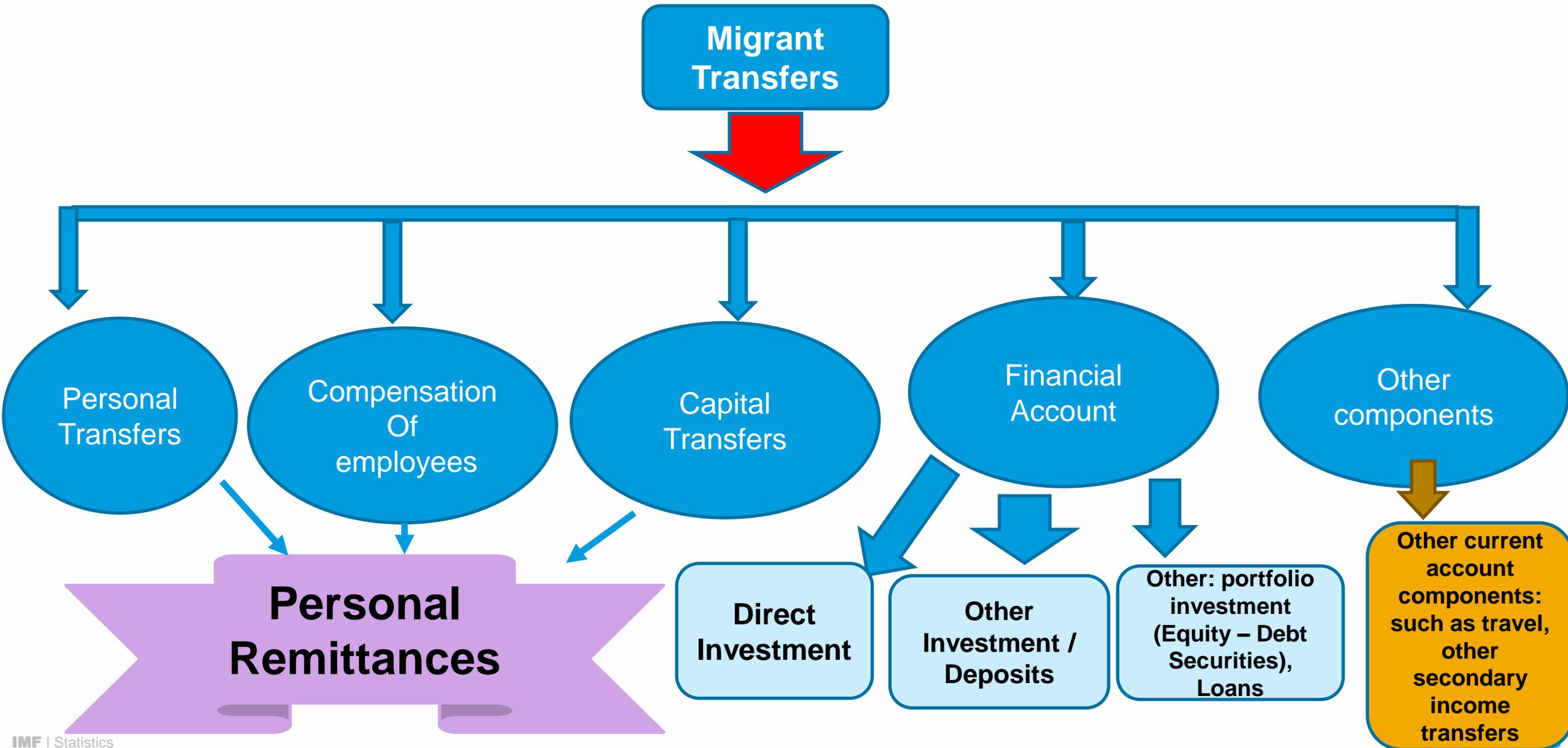


INTERNATIONAL TRANSACTIONS
IN REMITTANCES
GUIDE FOR COMPILERS AND USERS



INTERNATIONAL MONETARY FUND

Where We Could Find Migrant Transfers in BOP?



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Data Gaps and Compilation Issues

- Not all countries compile remittances statistics.
- Misclassification (investment- travel, other)
- Limited data coverage
 - formal vs informal channels
 - Banks - ITRS
 - MTOs
 - Cash
 - In kind
 - Hawalas.
 - regulated vs non-regulated
 - grossing vs netting data
- Estimation models vs migration data availability
- Geographical breakdown are not compiled.

New challenges: Digitalization

□ New players and channels

- **Mobile money**
 - Mobile payments companies
 - Communications companies
- **Crypto assets**

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Way Forward

- Improvements in source data: MTOs- banks, other regulated units, surveys.
- Improving compilation methodology (misclassifications; inconsistency; duplications)
- Developing models of capturing/estimating the informal flows of remittances
 - ✓ COVID 19 Pandemic: unique opportunity for attempting at estimating the size of unregulated flows. the temporary stop put to informal channels by travel restrictions may be thought of as an exogenous experiment that can help identifying the size of unrecorded flows.
- Improving data dissemination practices (bilateral breakdown; new data by country, by gender, and by type/channel).

Final remarks

- IMF's Statistics Department has an extensive capacity development program (bilateral TA and training courses) oriented to provide advice on methodology, address data consistency and compilation issues
- The World Bank Launched on March 9, 2022, an International Working Group to Improve Data on Remittances under the auspices of KNOMAD and in coordination with top source and destination countries for remittances, and the IMF, UN, OECD, and Eurostat.
 - ▶ **Main objective: producing more timely and better-quality statistics on remittances.**

Thank You!

