



2023 IN REMITTANCES

The Year in Review

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Table of Contents

| | |
|--|----|
| Remittances to Latin America and the Caribbean, 2023 Growth | 4 |
| Transaction Trends | 6 |
| Revenue Trends | 8 |
| Key Issues to Watch in 2024 | 8 |
| Supporting Charts | 10 |
| References | 12 |
| 2023 Financial Reports | 13 |

Introduction

This memo offers a review of the key trends affecting remittances in 2023. Overall, there is continued growth in the volume of remittances, and in a competitive environment with at least six leading money transfer companies managing 70 percent of all transfers. The memo also shows shifts in market share from 2020 to 2023, and reviews transaction and revenue developments within the industry. Finally, the document offers some insight as to the issues that may influence the flow of money as it relates to migration.

Remittances to Latin America and the Caribbean, 2023 Growth

This year, remittances to the region grew nine percent on average showing a return to pre-pandemic growth levels. Over the past three years, growth has been driven by increased migration flows from countries facing socio-economic and political crises such as Nicaragua, Venezuela, Haiti, Guatemala, and Honduras. In 2023, Nicaragua, Honduras, Peru, and Guatemala have all shown growth rates above average.

In Mexico and Ecuador, rates mirror those in region, while in Colombia, the Dominican Republic, and El Salvador, remittance growth has slowed down. Meanwhile, Jamaica and Haiti show declines from 2022 – the second straight year for both Caribbean countries.

TABLE 1: GLOBAL REMITTANCE FLOWS AND GROWTH, 2019-2023

Source: Central Banks and World Bank development indicators

| Country Name | 2022 | 2023 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------|-------------------|-------------------|------|------|------|------|------|
| Argentina | \$776,792,486 | | 5% | 16% | 17% | 5% | |
| Belize | \$148,259,826 | | 5% | 20% | 17% | 5% | |
| Bolivia | \$1,456,261,312 | | -5% | -18% | 24% | 5% | |
| Brazil | \$4,381,100,580 | | 0% | 18% | 17% | 5% | |
| Colombia | \$9,416,242,000 | \$10,043,426,214 | 8% | -1% | 25% | 10% | 7% |
| Costa Rica | \$614,250,000 | | -3% | -4% | 17% | 5% | |
| Cuba | \$1,222,971,282 | | 5% | -54% | 17% | 5% | |
| Dominican Republic | \$9,856,497,461 | \$10,212,164,230 | 4% | 14% | 27% | -5% | 4% |
| Ecuador | \$4,624,128,015 | \$5,044,335,428 | 6% | 3% | 31% | 6% | 9% |
| El Salvador | \$7,855,411,300 | \$8,187,025,042 | 5% | 5% | 27% | 4% | 4% |
| Guatemala | \$18,507,779,092 | \$20,333,951,500 | 10% | 8% | 34% | 21% | 10% |
| Guyana | \$443,776,039 | | 5% | 17% | 17% | 5% | |
| Haiti | \$3,316,282,132 | \$3,150,468,025 | 4% | 28% | 15% | -8% | -7% |
| Honduras | \$8,477,862,215 | \$9,399,378,206 | 12% | 3% | 32% | 15% | 11% |
| Jamaica | \$3,521,832,732 | \$3,486,977,481 | -1% | 16% | 23% | -3% | -1% |
| Mexico | \$58,502,781,700 | \$63,739,089,821 | 8% | 10% | 27% | 13% | 9% |
| Nicaragua | \$3,224,900,000 | \$4,877,635,000 | 11% | 9% | 16% | 50% | 43% |
| Panama | \$559,842,483 | | -6% | -12% | 17% | 5% | |
| Paraguay | \$591,093,864 | | -20% | 3% | -4% | 5% | |
| Peru | \$3,707,556,166 | \$4,121,948,437 | 3% | -15% | 24% | 3% | 11% |
| Suriname | \$637,658 | | 5% | -5% | 17% | 5% | |
| Trinidad and Tobago | \$218,692,977 | | 5% | 18% | 17% | 5% | |
| Uruguay | \$136,015,210 | | -1% | 6% | 17% | 5% | |
| Venezuela | \$4,198,540,740 | | 22% | -25% | 60% | 5% | |
| LAC (24 countries) | \$145,759,507,270 | \$158,877,862,925 | 7% | 7% | 27% | 10% | 9% |
| Top 10 recipients | \$131,011,272,814 | \$142,596,399,383 | 8% | 9% | 27% | 11% | 9% |

Money Transfer Intermediaries in 2023

The money transfer industry offering remittance sending services to Latin American and Caribbean migrants has continued a steady performance. Competition continues globally. For example, Western Union continues to maintain its global presence handling just under 12 percent of flows. Remitly and Intermex expanded their global market share with both companies showing 30 and 16 percent volume growth respectively. While MoneyGram and RIA's market share both decreased slightly in 2023, both also showed higher transfer volumes from 2020. This further underscores the growth of flows globally and within the Latin America and Caribbean market over the past three years.

TABLE 2: GLOBAL REMITTANCE FLOWS AND GLOBAL TRANSFER MARKET SHARE, 2018-2023

Source: World Bank development indicators; Annual Financial Reports

| Global Flows and RSPs | Volume transferred US, 000,000 | | | | | | Global transfers | | |
|---------------------------|--------------------------------|-----------|-----------|-----------|-----------|-----------|------------------------|-----------------------|-----------------------|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Volume growth 2023 (%) | Market share 2020 (%) | Market share 2023 (%) |
| Low & middle income | \$478,108 | \$497,095 | \$500,716 | \$568,103 | \$588,102 | \$669,000 | 14% | 76% | 78% |
| Latin America & Caribbean | \$90,137 | \$97,596 | \$104,251 | \$131,693 | \$146,387 | \$158,831 | 9% | 16% | 18% |
| World | \$633,956 | \$658,224 | \$657,451 | \$739,456 | \$766,848 | \$860,000 | 12% | | |
| Western Union | | | \$96,100 | \$109,000 | \$96,800 | \$99,046 | 2% | 15% | 12% |
| Remitly | | | \$17,000 | \$20,500 | \$28,700 | \$37,347 | 30% | 3% | 4% |
| Intermex | | | \$12,127 | \$17,348 | \$21,000 | \$24,381 | 16% | 1% | 3% |
| MoneyGram | | | \$24,000 | | | \$25,000 | 4% | 4% | 3% |
| RIA | | | \$25,000 | | | \$26,000 | 4% | 4% | 3% |
| Viamericas | | | 4\$,300 | | | \$11,900 | | 0.7% | 1.5% |

When it comes to Latin America and the Caribbean, the competitive streak is observed in so far as there are no dominant players but a diversified number of companies. Competition is taking place along a range of 15 major money transfer remitters such as Western Union, Remitly, Intermex, MoneyGram, Ria, Viamericas, among others addressing the demand for money transfers. The table below shows that the highest market share so far is near 20 percent.

TABLE 3: MTO MARKET FOR US-LATIN AMERICA AND THE CARIBBEAN REMITTANCES

Source: Annual and quarterly reports

| MTOs in the Market for US to Latin America and the Caribbean | Volume (US\$,000,000) | 2023 | | Share of remittance volume | |
|--|--------------------------|--------------------------------|------|----------------------------|--|
| | | Average remittance sent (US\$) | 2020 | 2023 | |
| US-LAC | 139,040 | | | | |
| Intermex | 21,943 | 387 | 13% | 16% | |
| MG | 6,345 | 375 | 7% | 5% | |
| Remitly | 26,145 | 445 | 14% | 19% | |
| RIA | 6,500 | 362 | 7% | 5% | |
| WU | 24,762 | 385 | 29% | 18% | |
| Viamericas | 11,900 | 380 | 5% | 9% | |
| Other competitors (Dolex, Xoom, WorldRemit, etc.) | 54,076 | 380 | 24% | 31% | |
| Within LAC | 4,765 | | | | |
| Rest to LAC | 15,026 | | | | |
| All to Latin America and the Caribbean | 158,831 | | | | |

Transaction Trends

Among the companies that record person to person (P2P) transactions, Intermex’s have been growing at the highest rate – an average of 18.75 percent.

This is followed by Euronet’s Money Transfer Segment’s 10.39 percent and Western Union’s 0.52 percent.

Intermex quarterly reporting for 2023 shows that the increase in transactions is largely the result of more active customers and digital transaction growth. They also highlight the introductions of La Nacional in the US and i-Transfer in Europe as having positive impacts. For their part, Euronet Money Transfer Segment highlights strong but slowing results from the US outbound market, internationally-originated (Europe, Middle East, and Asia) transfers, and Xe – which has yielded just under 25 percent growth (YoY) on average in 2023.

Western Union’s transaction numbers in 2023 have benefited from high transaction growth in both Latin American and the Caribbean and the Middle East which have grown nine and five percent (YoY) respectively. The company also notes that while impacts from the suspension of operations in Russia and Belarus are still negatively impacting business, the European region is showing signs of improvement alongside the US and Canadian outbound markets which have shown -9 and 5 percent changes (YoY) in 2023.

According to the company, transaction growth has also been driven by improving digital transaction numbers which have shown 10 percent (YoY) growth year-to-date improving from -1 percent during the same period last year. Digital transactions now comprise 21 percent and 28 percent of Western Union’s C2C revenue and total transactions respectively.

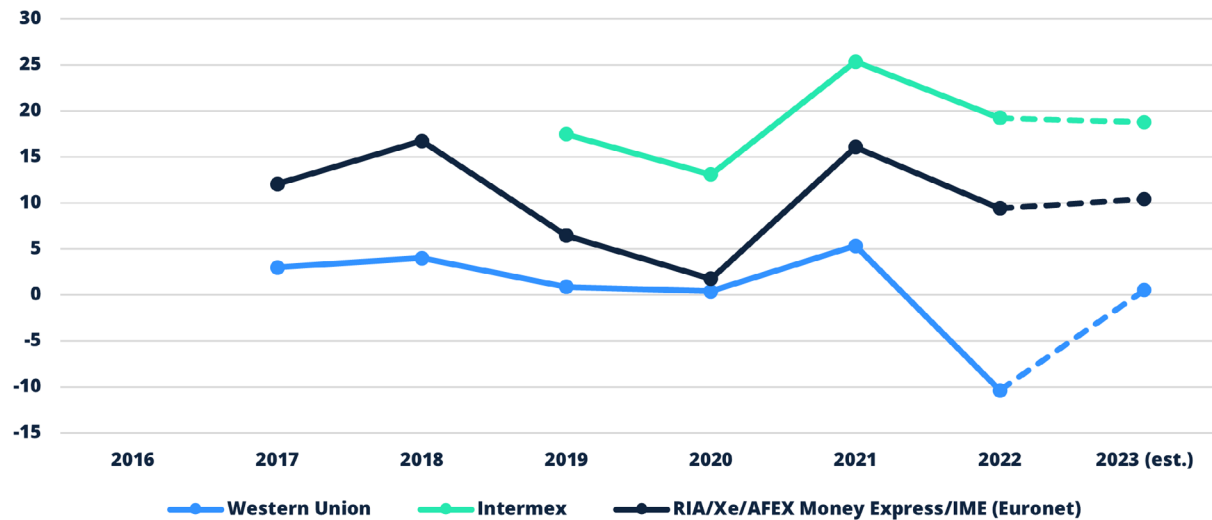
TABLE 4: MTO TRANSACTION GROWTH, 2020-2023

Source: Source: Quarterly and annual reports

| Company | 2020 | 2021 | 2022 | 2023 (to Q3) | 2023 (est.) |
|---------------------------------------|-------------|-------------|-------------|--------------|--------------------|
| Western Union | 290,500,000 | 305,900,000 | 274,100,000 | 206,500,000 | 271,642,000 |
| <i>Transaction Growth</i> | 0.4% | 5.3% | -10.4% | | -0.9% |
| Intermex | 32,000,000 | 40,100,000 | 47,800,000 | 43,400,000 | 60,211,989 |
| <i>Transaction Growth</i> | 13.1% | 25.3% | 19.2% | | 26.0% |
| Euronet Money Transfer Segment | 116,500,000 | 135,200,000 | 147,900,000 | 119,300,000 | 164,237,960 |
| <i>Transaction Growth</i> | 1.7% | 16.1% | 9.4% | | 11.0% |
| Total Transactions | 439,000,000 | 481,200,000 | 469,800,000 | 369,200,000 | 496,091,949 |
| <i>Transaction Growth</i> | 1.6% | 9.6% | -2.4% | -21.4% | 34.4% |
| Total Average Growth | 5.1% | 15.6% | 6.1% | | 12.0% |

GRAPH 1: ANNUAL TRANSACTION GROWTH RATES (%), 2016-2023

Source: Quarterly and annual reports



Revenue Trends

Companies for which available reports exist exhibit significant revenue increases, from 40 to 9 percent. Western Union has maintained its revenue in the US\$5 billion range over the past five years recovering from a decline in 2022. Intermex and Remitly have also exhibited significant growth in recent years.

TABLE 5: KEY MONEY TRANSFER OPERATORS REVENUE (US\$, 000,000), 2018-2023

Source: Quarterly financial reports

| Company | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 (est.) | YoY |
|---------------|------------|------------|------------|------------|------------|-------------|-----|
| Western Union | \$5,600.00 | \$5,300.00 | \$4,800.00 | \$5,100.00 | \$4,500.00 | \$4,940.00 | 10% |
| Remitly | | | \$257.00 | \$458.70 | \$653.60 | \$917.30 | 40% |
| Intermex | \$273.90 | \$319.60 | \$357.20 | \$459.20 | \$546.80 | \$664.63 | 22% |
| MoneyGram | \$1,448.00 | \$1,285.00 | \$1,217.00 | \$1,213.00 | \$1,213.00 | \$1,320.00 | 9% |
| RIA/Xe | \$1,041.40 | \$1,101.70 | \$1,191.36 | \$1,381.70 | \$1,447.60 | \$1,539.86 | 6% |
| Wise | | | | \$721.74 | \$939.44 | \$1,227.99 | |

Key Issues to Watch in 2024

Florida Remittance Tax

In June 2022, Gov. Ron DeSantis (R-FL), petitioned for the empanelment of a grand jury to investigate laws surrounding irregular immigration and the trafficking of unaccompanied minors. In his petition¹, Gov. DeSantis argues that irregular migrants currently in Florida are sending money to transnational criminal organizations (TCOs) to bring family members to the US illegally and that this practice leads to criminal abuses against those in-transit and in Florida.

On November 17, 2023, the grand jury, comprised of 18 Florida residents, filed a presentment (report) relating to the issues they were charged with addressing. In the report, the jurors recommended issuing a tax on remittance transfers similar to the tax currently in place in Oklahoma. Alongside its recommendations, the jury made a range of allegations. One refers to the argument that TCOs are receiving large sums of money through MTOs networks and are avoiding current anti-laundering regulations by sending money more infrequently and in smaller sums.² The grand jury concludes with the following tax framework:

- \$5.00 fee for transactions under \$500.00
- an additional 1% fee for the amount transferred over \$500.00

The framework requires remittance senders to file for a refund alongside tax refunds, however, as their own report suggests, the amount of migrants who have claimed this refund in Oklahoma is only 4 percent.

The debate surrounding this recommendation³ is accom-

panied by political issues, including election campaign issues, as well as overall debates over immigrant enforcement policies.

Migration Politics and Political Trends in Latin America and the Caribbean⁴

The unprecedented migration numbers seen since 2021 continued into 2023. Between August 2020 and September 2023, 7.5 million irregular migrants have arrived at the US border with Mexico. Arrivals at the US border represent almost one percent of the US population in 2022 and 2023 respectively – the highest number in history and double than any other reference year since 1990. The intention to migrate among Central Americans is of one in four households, but about ten percent of all households ends up with a member migrating every year since 2018. There is no other precedent in history with as much as a large outflow, not even during the civil wars of the 1980s.

The situation regarding migration in 2024 is unclear because the political pressure in an election year to contain migration is shifting decisions toward strong immigration enforcement, including the following policies⁵:

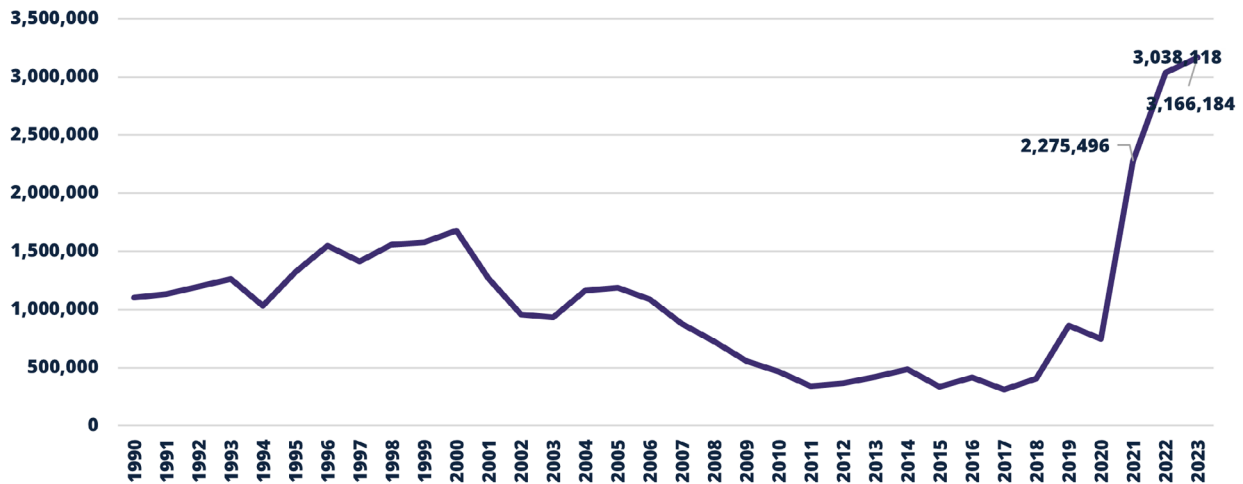
- 1) A sweeping third-country transit ban, automatically barring asylum for the vast majority of people seeking refuge at the southern border;
- 2) Raising the bar in initial border screening interviews, preventing many refugees from accessing the asylum process;
- 3) Expanding expedited removal nationwide, allowing immigrants around the country to be rounded up for rapid deportations;
- 4) An expulsion regime akin to the Trump-era Title 42 policy, allowing the government to summarily expel people

seeking asylum at the border with no legal process whatsoever; and

5) A dramatic expansion of mandatory immigrant detention.

GRAPH 2: ENCOUNTERS OF IRREGULAR MIGRANTS AT THE US-MEXICO BORDER, 1990-2023

Source: Department of Homeland Security



Accompanying this situation is the fact that political conditions in Latin America and the Caribbean may indicate that the intention to migrate is not going to change. Therefore, the 2024 trend will depend between the final enforcement decisions adopted in January 2024 and the risk propensity among prospective migrants to present themselves at the US-Mexico border.

The number of nationalities seeking asylum in the US has shifted from Mexico and the Northern Triangle to a wider range of countries. These include Nicaragua, Cuba, Haiti, Venezuela, Russia, Burma, and Ukraine; state fragility has been defining the nature of migration. Over 30 percent of

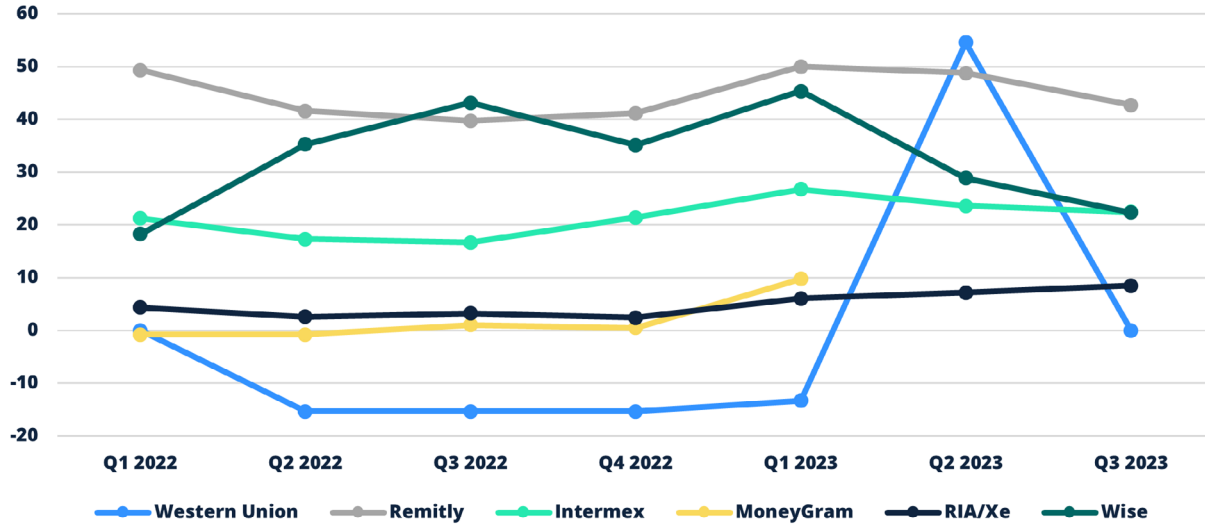
all migrant encounters come from these seven nationalities.

There was also an increase of migrants to Latin American and Caribbean countries to more than ten million people in 2023, largely led by Venezuelans. Regionally, the number of countries serving as in-transit or migrant host countries also expanded, from Colombia, Panama, Costa Rica, Dominican Republic, Chile, or Mexico to lesser-known countries like Nicaragua allowing direct flights to Managua from Port-au-Prince. Specifically, Panama and Costa Rica are confronting large numbers of people in transit. Costa Rica has seen between 2,500 and 3,000 migrants arrive at the Panamanian border each day,⁶ while Panama has seen just over 500,000 people cross the Darien jungle in 2023.⁷

Supporting Charts

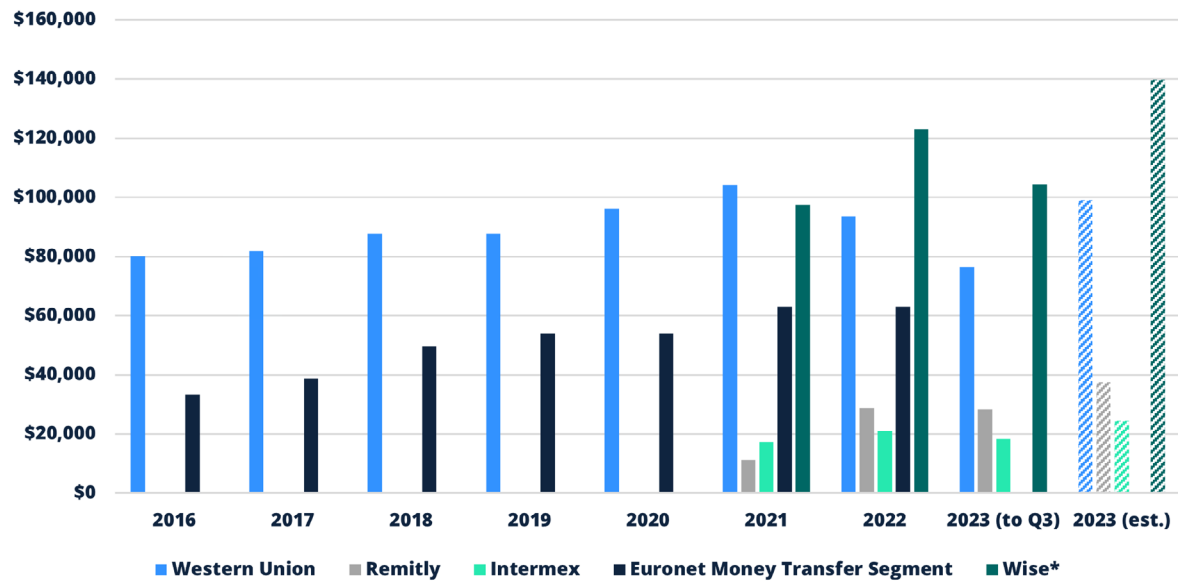
GRAPH 3: QUARTERLY REVENUE GROWTH (% YOY), 2022-2023

Source: Quarterly financial reports



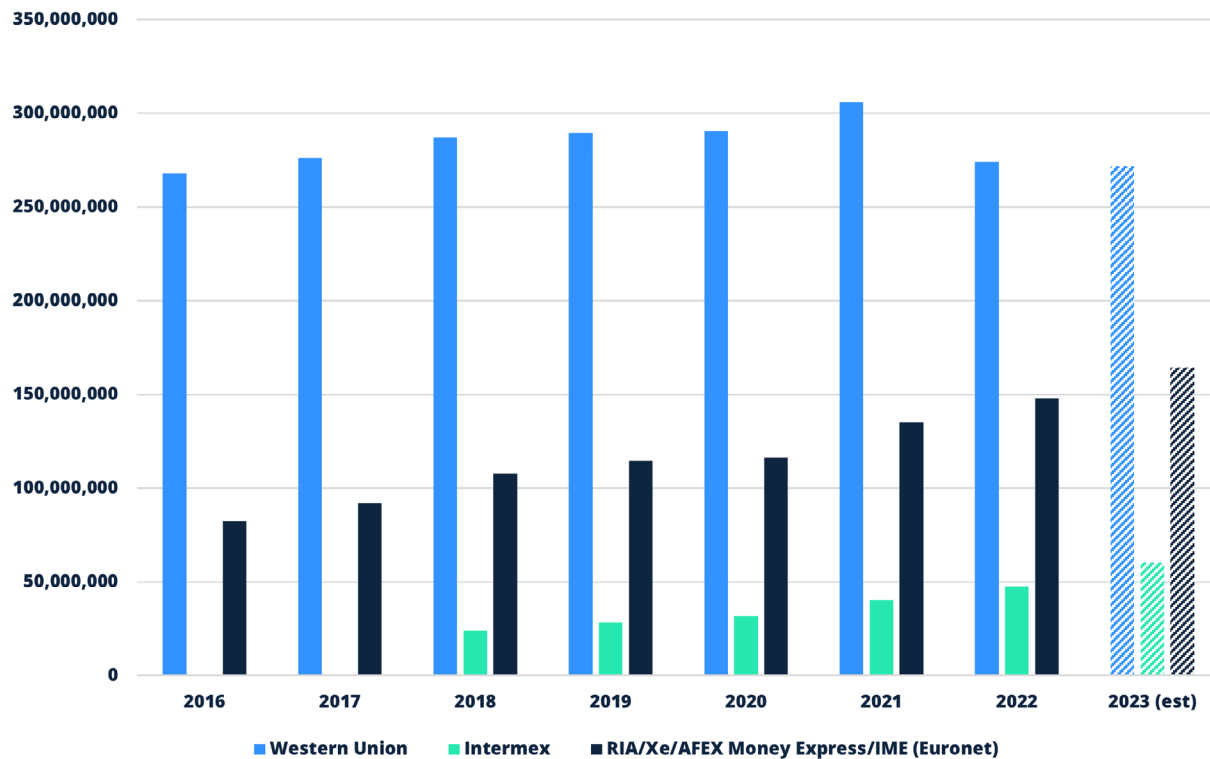
GRAPH 4: ANNUAL VOLUME (MILLIONS), 2016-2023

Source: Annual and quarterly financial reports



GRAPH 5: ANNUAL C2C TRANSACTIONS, 2016-2023

Source: Annual and quarterly financial reports

**TABLE 6: QUARTERLY REVENUE, 2023**

Source: Quarterly financial reports

| Company | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 (est.) | 2023 (est.) |
|--------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Western Union | \$1,040,000,000 | \$1,700,000,000 | \$1,100,000,000 | \$1,100,000,000 | \$4,940,000,000 |
| Remitly | \$204,000,000 | \$234,000,000 | \$241,600,000 | \$237,701,691 | \$917,301,691 |
| Intermex | \$145,400,000 | \$169,200,000 | \$172,400,000 | \$177,628,467 | \$664,628,467 |
| MoneyGram | \$337,500,000 | \$327,500,000 | \$327,500,000 | \$327,500,000 | \$1,320,000,000 |
| Euronet Money Transfer Segment | \$359,400,000 | \$394,800,000 | \$395,900,000 | \$389,757,710 | \$1,539,857,710 |
| Wise | \$277,140,000 | \$296,980,000 | \$320,788,000 | \$333,083,513 | \$1,227,991,513 |

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2. <https://acis-api.flcourts.gov/courts/68f021c4-6a44-4735-9a76-5360b2e8af13/cms/case/651d8f68-f322-4cd0-831f-74dc9b0d77a8/docketentrydocuments/57d791ab-196f-41df-8e1b-47e04a3468e1>
3. <https://www.politico.com/news/2023/11/27/florida-grand-jury-wire-transfer-tax-illegal-immigration-00128755>
4. See the Inter-American Dialogue's latest report on this issue, "[An Unprecedented Migration Crisis: Characterizing and Analyzing its Depth](#)"
5. [#SAVEASYLUM](#), December 13, 2023, by Pangea Team
6. <https://www.reuters.com/world/americas/panama-announces-new-measures-curb-record-migration-through-darien-gap-2023-09-08/>
7. <https://apnews.com/article/immigration-latin-america-venezuela-ukraine-mexico-712d00c90114568fe8a1b5c9e26fdadd>

2023 FINANCIAL REPORTS

Western Union

Annual financial reports from 2006 to 2022 can be found here: <https://ir.westernunion.com/investor-relations/financial-information/annual-reports/default.aspx>

Quarterly financial reports from Q3 2006 to Q3 2023 can be found here: <https://ir.westernunion.com/investor-relations/financial-information/quarterly-results/default.aspx>

Intermex

Annual financial reports from 2018 to 2022 can be found here in each Q4 report: <https://investors.intermexonline.com/financials/quarterly-results>

Quarterly financial reports from Q2 2018 to Q3 2023 can be found here: <https://investors.intermexonline.com/financials/quarterly-results>

Euronet Money Transfer Segment (Ria/Xe/AFEX Money Express/IME)

Annual financial reports from 1997 to 2022 can be found here: <https://euronetworldwide.gcs-web.com/financial-information/annual-reports>

Quarterly financial reports from Q1 2006 to Q3 2023 can be found here: <https://euronetworldwide.gcs-web.com/financial-information/quarterly-results>

Remitly

Annual financial reports from 2021 to 2022 can be found here: <https://ir.remitly.com/financial-information/annual-reports>

Quarterly financial reports from Q3 2021 to Q3 2023 can be found here: <https://ir.remitly.com/financial-information/quarterly-results>

Wise

Annual reports from FY2021 to FY2023 can be found here: <https://wise.com/owners/results-reports-presentations>

Quarterly reports from Q2 2021 (Q1 FY2022) to Q3 2023 (Q2 FY2024) can be found here: <https://wise.com/owners/results-reports-presentations>

MoneyGram

Annual and quarterly financial data prior to MoneyGram's delisting in June 2023 was gathered from the following sources:

- Manuel Orozco and Matthew Martin, "Family Remittances in 2021: Is Double-Digit Growth the New Normal?" Inter-American Dialogue. March 29, 2022.
- PR Newswire:
 - Q1 2022: <https://www.prnewswire.com/news-releases/moneygram-international-reports-first-quarter-2022-results-301541452.html>
 - Q2 2022: <https://www.prnewswire.com/news-releases/moneygram-international-reports-second-quarter-2022-results-301600726.html#:~:text=Money%20Transfer%20highlights%20for%20the,on%20a%20constant%20currency%20basis>
 - Q3 2022: <https://www.prnewswire.com/news-releases/moneygram-international-reports-third-quarter-2022-results-301672198.html>
 - Q4 2022: <https://www.prnewswire.com/news-releases/moneygram-international-reports-fourth-quarter-and-full-year-2022-results-301755357.html>
 - Q1 2023
- FXC Intelligence:
 - Q1 2023: <https://www.fxcintel.com/research/analysis/moneygram-digital-transactions-goal-q1-23>



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