



Issue 37,
March, 2021

AN ANALYSIS OF TRENDS IN COST OF REMITTANCE SERVICES

REMITTANCE PRICES WORLDWIDE QUARTERLY



THE WORLD BANK
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This Report reflects the latest trends
observed in the data published in March
2021.

Remittance Prices Worldwide is available at
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Overview

Remittance Prices Worldwide (RPW) monitors remittance prices across all geographic regions of the world. Launched in September 2008, RPW monitors the cost incurred by remitters when sending money along major remittance corridors. RPW is used as a reference for measuring progress towards global cost reduction objectives, including the G20 commitment to reduce the global average to 5 percent, which is being pursued in partnership with governments, service providers, and other stakeholders.

Since Q2 2016, RPW covers 48 remittance sending countries and 105 receiving countries, for a total of 367 country corridors worldwide. RPW tracks the cost of sending remittances for four main RSP types: Banks, MTOs, Mobile Operators, and Post Offices. MTOs include both traditional providers and innovative/fintech players. On average, 13.3 providers per corridor are tracked.

This Report uses data from RPW's most recent release to analyze the global, regional, and country specific trends in the average cost of migrant remittances.

Key findings

- The **Global Average** recorded a decrease from 6.51 percent in Q4 2020 to 6.38 percent in Q1 2021.
- The **International MTO Index** experienced a decrease over the quarter to 6.31 percent in Q1 2021, from 6.56 percent in Q4 2020. This is the fourth consecutive quarter in which this figure has been recorded below 7.00 percent.
- The **Global Weighted Average** decreased to 4.54 percent in Q1 2021, from 4.82 percent in Q4 2020. This is the second quarter in which this figure has been recorded below 5.00 percent.
- The **Global SmarT Average** for Q1 2021 was recorded at 3.98 percent.
- The **Digital remittances index** decreased from 5.11 percent in Q4 2020 to 5.08 percent in Q1 2021.
- South Asia remains the lowest cost receiving region, with an average cost of 4.64 percent. Sub-Saharan Africa remains the most expensive region to send money to, recorded at 8.02 percent total average cost in Q1 2021.
- Banks remain the most expensive type of service provider, with an average cost of 10.66 percent.
- The proportion of corridors with average costs of less than 5 percent has increased considerably since Q1 2009 (from 17 percent to 38 percent in Q1 2021).
- Debit/credit card overtook mobile money as the cheapest instrument to fund the transaction in Q1 2021. Mobile money remains the least costly instrument as the means to disburse.

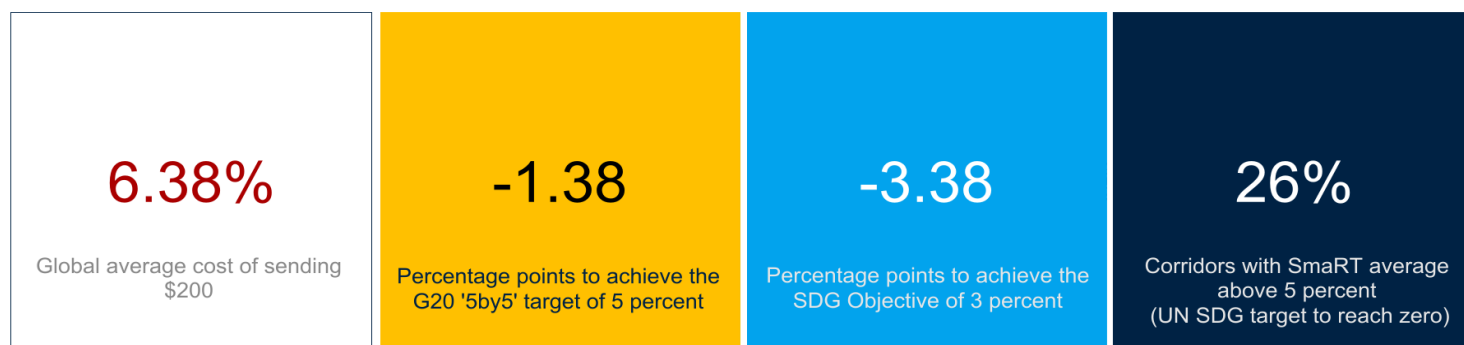
Table of Contents

Overview.....	3
Key findings	3
Progress tracker	5
Global trends	6
Global average experiences reduction	6
International MTO Index	7
Global weighted average	8
Smart Remitter Target (SmaRT).....	8
Trends in corridor average total costs	10
G8 and G20 countries.....	11
Cost of sending remittances from G8 countries.....	11
Cost of sending remittances from and to G20 countries.....	11
Regional trends	14
Cost structure	15
Cash vs. Digital Services	15
Costs by RSP Type	15
Costs by Sending and Receiving Method.....	16
Annex I – Tables (\$200)	18
Annex II - Cost Trends for Sending \$500	19
Global trends for sending \$500.....	19
Global average total cost	19
International MTO Index	20
G20 Countries	20
Cost of sending remittances from and to G20 countries.....	20
Annex III – Tables (\$500).....	23

Progress tracker

RPW indicators are used to measure the progress towards targets of global efforts for the reduction of remittance costs. The G8 (L'Aquila, 2010) and the G20 (Cannes, 2011 and Brisbane, 2014) committed to reduce the Global Average Total Cost to 5 percent. The UN SDGs have indicated a target of 3 percent for the Global Average to be reached by 2030. At the same time, the UN SDGs have also committed to ensuring that in all corridors, remittances can be transferred for 5 percent or less.

The figure below summarizes the progress towards these three targets.

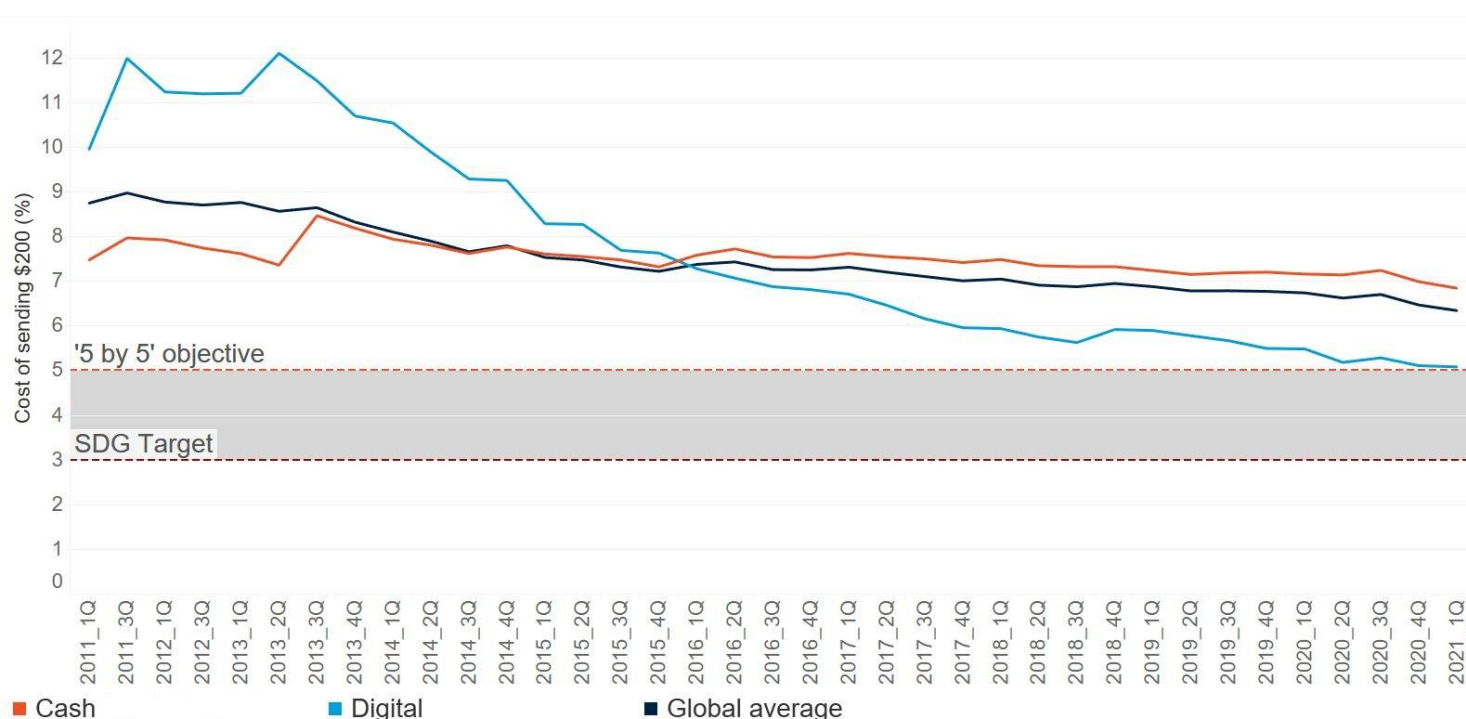


Global trends

Global average experiences reduction

In Q1 2021, the Global Average cost for sending remittances was 6.38 percent. The Global Average has remained below 7.00 percent since Q1 2019 (see Figure 1 below and Table 1 in the Annex). Overall, this represents a decline of 3.29 percentage points since Q1 2009, when the figure was recorded at 9.67 percent. In addition to the Global Average, another average total cost is introduced to track the average price of “digital remittances” in RPW database.¹ In Q1 2021, the global average for digital remittances was recorded at 5.08 percent, while the global average for non-digital remittances was 6.85 percent. Digital services account for 26% of all services RPW collected in Q1 2021.

Figure 1 Trends in the global cost of sending \$200 in remittances²



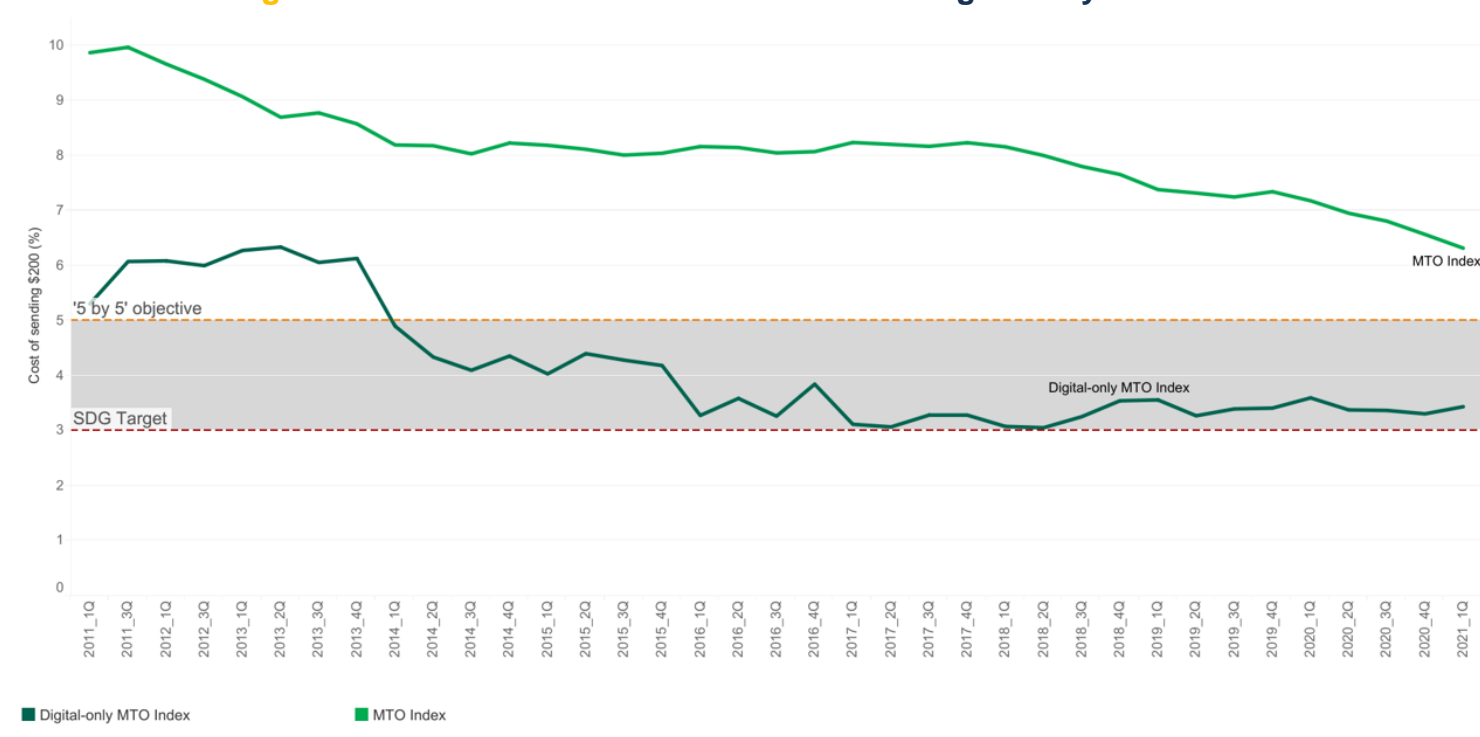
¹ A digital remittance must be sent via a payment instrument in an online or self-assisted manner, and received into a transaction account, i.e. bank account, transaction account maintained at a non-bank deposit taking institution (say a post office), mobile money or e-money account.

² Figures for the global average were adjusted in Q1 2014 following a clean-up of the entire database. Some values slightly vary from figures published in the past.

International MTO Index

The International MTO Index tracks the prices of MTOs that are present in at least 85 percent of corridors covered in the RPW database.³ In Q1 2021, the International MTO Index recorded a moderate decrease to 6.31 percent from the previous value of 6.56 percent in Q4 2020. Over the year, this figure was down by 0.86 of a percentage point, recorded at 7.18 percent in Q1 2020. This figure has come down by 4.05 percentage points from its first recorded value of 10.36 percent in Q1 2009. A second Digital-only MTO Index has been introduced to reflect the growing impact of digital and information technology innovation on the global remittance market. Digital-only MTO refers to money transfer operators that send remittances only through digital channels.⁴ Digital-only MTO Index has consistently remained below both the International MTO Index and the global average. In Q1 2021, Digital-only MTO Index recorded at 3.43 percentage point, a moderate increase from 3.30 percentage point in Q4 2020.

Figure 2 Trends in International MTO Index & Digital-only MTO Index



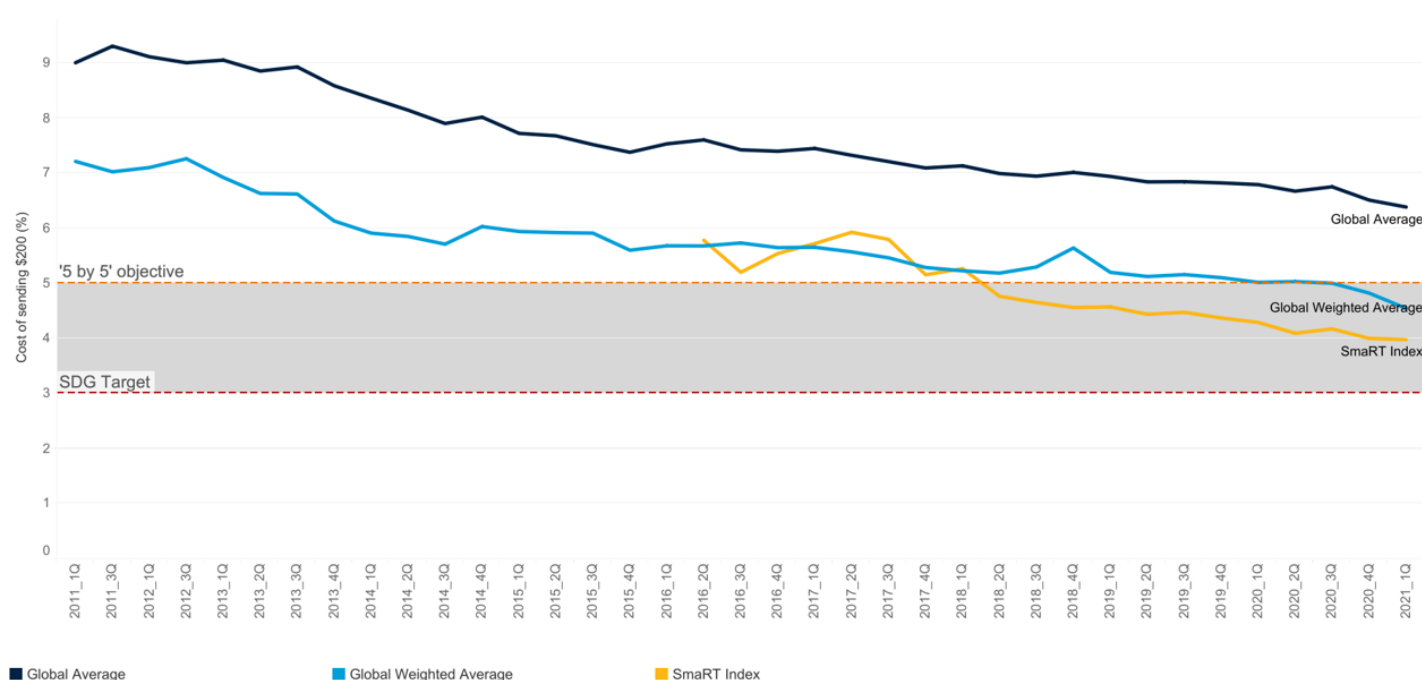
³ The International MTOs Index includes all MTOs that are present in over 85 percent of RPW corridors. Thus far, it has included Western Union and MoneyGram, which operate in 95 percent and 90 percent of the country corridors covered in the database, respectively.

⁴ It includes five digital-only MTOs, Transferwise (Wise), Remitly, WorldRemit, InstaReM and Xoom.

Global weighted average

Also, a weighted average total cost is calculated, which accounts for the relative size of the flows in each remittance corridor.⁵ The Global Weighted Average of sending remittances, as illustrated in Figure 3 (see also Table 1 in the Annex), has at times shown a different pattern from the simple average. In Q1 2021, the Global Weighted Average recorded at 4.54 percent (in Q4 2020, this was recorded at 4.82 percent). This is the second consecutive quarter in which this figure has been recorded below 5.00 percent. Over the last five years, this figure has decreased by approximately 1.14 percentage points – recorded at 5.68 percent in Q1 2016.

Figure 3 Trends in Global weighted average & SmaRT average



Smart Remitter Target (SmaRT)

To complement the Global Average and Global Weighted Averages described above, the World Bank introduced the SmaRT indicator in Q2 2016, which aims to reflect the cost that a savvy consumer with

⁵ It is important to note that, while official data on remittance flows by bilateral corridors are currently not available, estimates (Ratha and Shaw 2007, last updated in 2018, available at <http://www.worldbank.org/en/topic/migrationremittancesdiasporaissues/brief/migration-remittances-data>) have been used in this calculation. These estimates are based on the Balance of Payments (BOP) and factor in migrant stocks, destination country incomes, and source country incomes. The methodology for these estimates has been questioned, as well as the accuracy of official data on remittance flows and migrant stocks. However, this still represents the only available comprehensive dataset on bilateral remittance flows. It also seems likely that overall, the dataset is sufficiently accurate to reflect at least the proportion between the different corridors, hence offering a good approximation to weight the relevance of each corridor in terms of flow size.

access to sufficiently complete information could pay to transfer remittances in each corridor. SmaRT is calculated as the simple average of the three cheapest qualifying services for sending the equivalent of \$200 in each corridor and is expressed as a percentage of the total amount sent. In addition to transparency, services must meet additional criteria to qualify for being included in the SmaRT calculation, including transaction speed (five days or less), and accessibility, determined by geographic proximity of branches for services that require physical presence, or access to any technology or device necessary to use the service, such as a bank account, mobile phone, or the Internet.⁶ In Q1 2021, the Global SmaRT Average was recorded at 3.98 percent. Since Q1 2020 this figure has come down from 4.29 percent, a nominal decrease of 0.31 of a percentage point.

The potential of SmaRT can be appreciated even more at the corridor level, where the indicators can inform policy actions by identifying limitations at a more granular level. In Q1 2021, 27 of the 367 corridors did not have any SmaRT qualifying services, indicating that in these corridors there is an issue with either access or reach of services, or a lower level of competition. Of these 27 corridors, fifteen are destined for Sub-Saharan Africa, five for the Middle East and North Africa, six for South Asia, and one for Latin America and the Caribbean. An overwhelming majority of these corridors have low Internet penetration and/or have low transaction account penetration, which indicate that access to the Internet and accounts should be proactively targeted in these regions as a means of encouraging more diverse payment and remittance services offering. About half of the receiving countries in this group have a “Green Light” SmaRT rating for accessibility to Cash, and most (21 out of 27 – see Box) have a “Green Light” rating for Mobile services (measured by availability of cash services and number of cellular subscriptions per 100 persons).

Box - Corridors without SmaRT qualifying services with “Green Light” rating for mobile services

Angola to Namibia	Netherlands to Suriname	Jordan to Syrian Arab Rep.
Ghana to Nigeria	Pakistan to Afghanistan	Saudi Arabia to Syrian Arab Rep.
India to Bangladesh	Qatar to Sudan	Saudi Arabia to Yemen, Rep.
India to Nepal	Nigeria to Benin	United Arab Emirates to Yemen, Rep.
India to Pakistan	Nigeria to Mali	United States to Yemen, Rep.
India to Sri Lanka	Nigeria to Togo	United States to Egypt, Arab Rep.
Thailand to Myanmar	Saudi Arabia to Sudan	United Arab Emirates to Sudan

Note: In Q1 2021, RPW experienced difficulties in collecting data on the outbound services from Angola and Nigeria. Therefore, for Q1 2021, RPW reports no qualifying services from Angola to Namibia, and Nigeria to Benin, Mali and Togo.

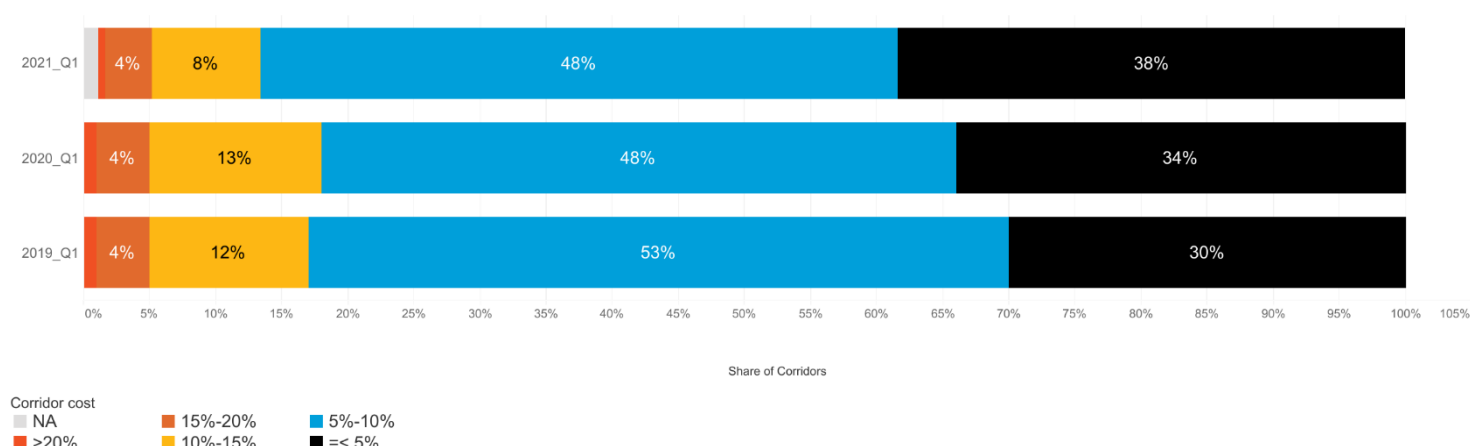
The UN SDGs committed to ensure that, by 2030, it should be possible to send remittances for 5 percent or less in every corridor. The SmaRT averages are used as a reference for this indicator, reflecting the fact that in any given corridor there are services available to customers that meet the requirements described above, while also on average offering a cost that is in line with the UN SDG. As of Q1 2021, 67 percent of all corridors covered in the RPW database had SmaRT corridor averages below 5 percent.

⁶ For additional information on the methodology used to calculate SmaRT see https://remittanceprices.worldbank.org/sites/default/files/smart_methodology.pdf

Trends in corridor average total costs

Figure 4 shows that compared to Q1 2009, the proportion of corridors with average costs of less than 10 percent has increased considerably, showing an overall increase of share by 34 percentage points (53 percent of corridors in Q1 2009, compared to 87 percent of corridors in Q1 2021). This shift is naturally accompanied by a decrease of share of corridors exhibiting total costs over 15 percent (18 percent of corridors compared to 4 percent of corridors). In the 10-15 percent total cost category there are 8 percent of corridors in Q1 2021, compared to 29 percent of corridors in Q1 2009. Year over year since Q1 2019, this gradual shift is visible. Of the 2 corridors with costs above 20 percent in Q1 2021, both originate in Sub-Saharan Africa and are destined for Sub-Saharan Africa. In addition, corridor average total costs for all outbound services from Angola and Nigeria are unavailable in Q1 2021.

Figure 4 Distribution of Average Total Costs

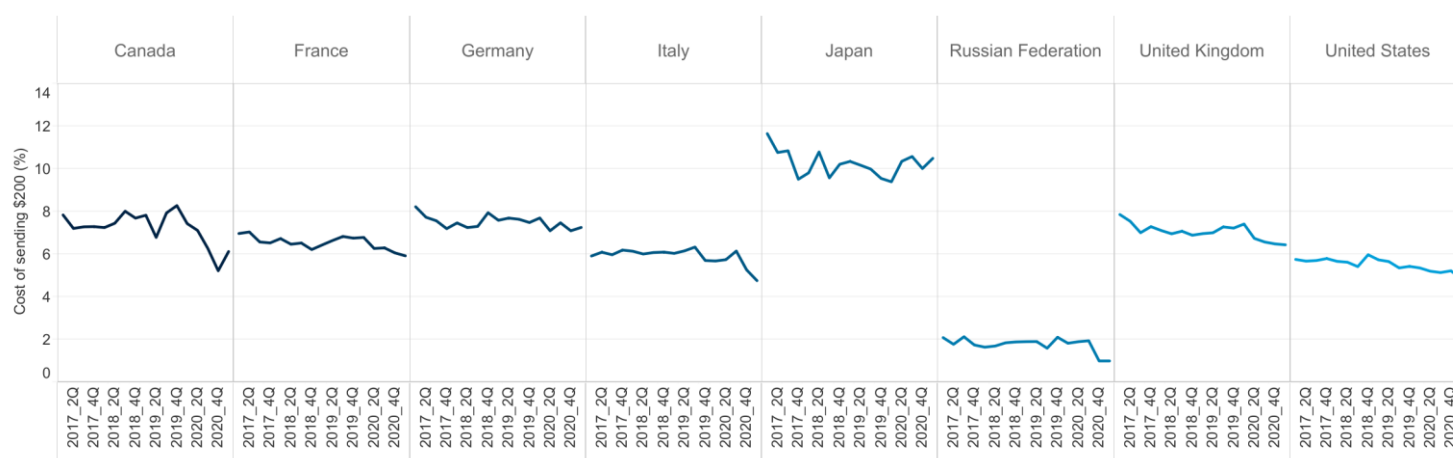


G8 and G20 countries

Cost of sending remittances from G8 countries

The G8 countries include several of the major remittance sending countries in the world. The average cost for sending remittances from the G8 countries decreased from 6.01 percent in Q4 2020 to 5.92 percent in Q1 2021. This is the first quarter in which this figure has been recorded below 6.00 percent. Over the year, this figure has decreased by 0.65 of a percentage point (from 6.57 percent in Q1 2020).

Figure 5 Total average over time in G8 countries

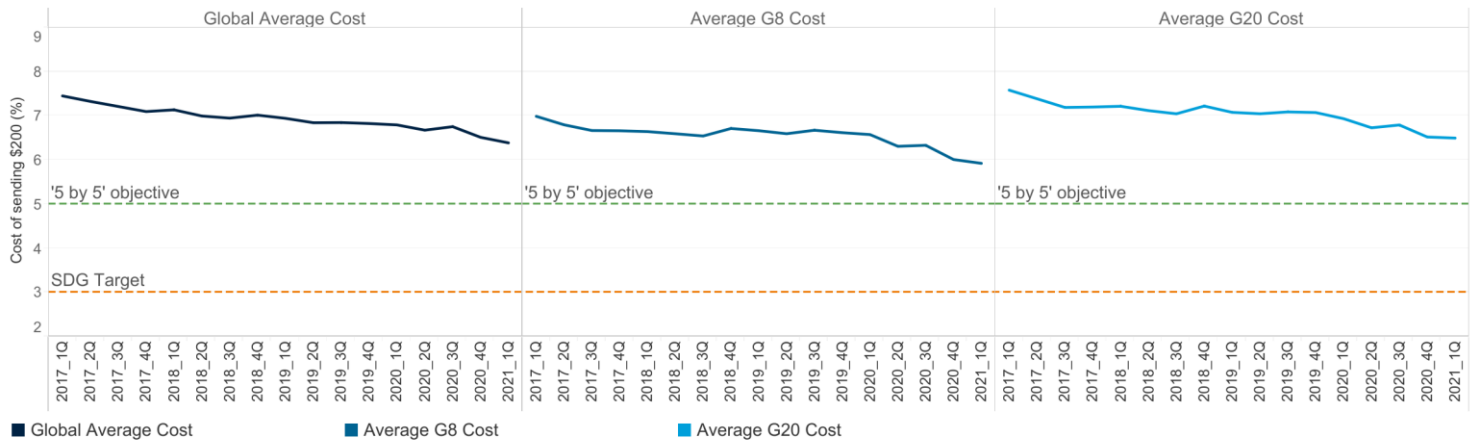
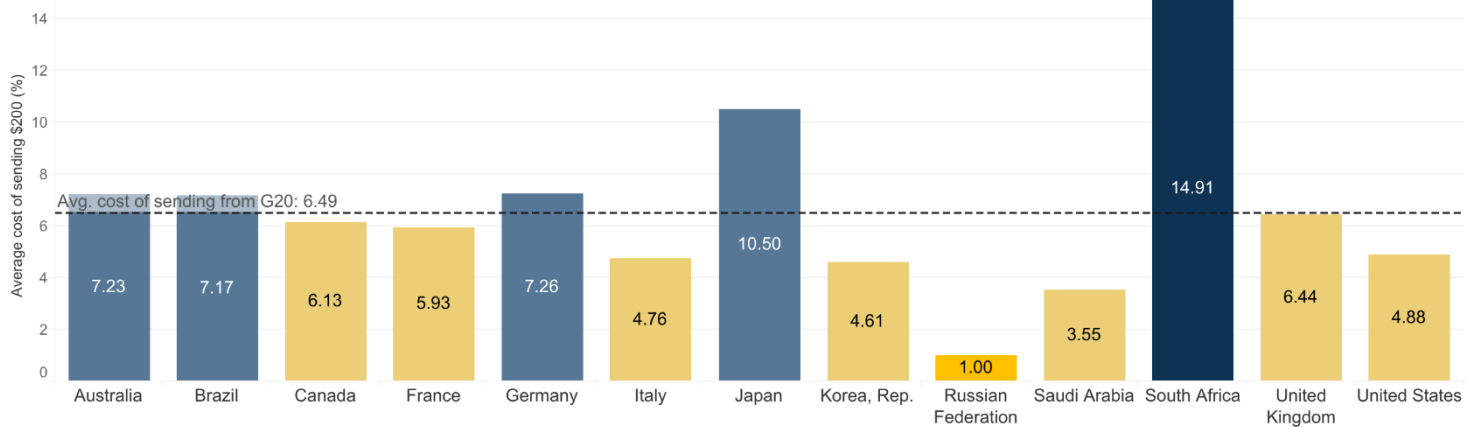
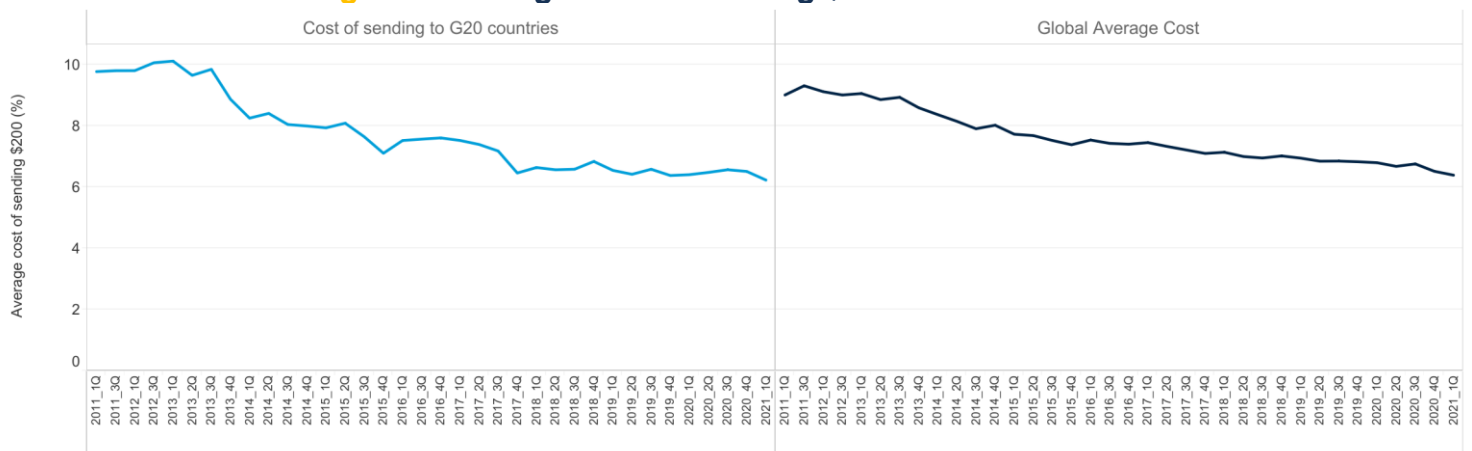


The largest decrease in total average cost to send remittances is seen in Italy (5.27 percent to 4.76 percent), followed by the United States (5.22 percent to 4.88 percent) and France (6.06 percent to 5.93 percent). The largest increase is seen in Canada (5.23 percent to 6.13 percent), followed by Japan (10.02 percent to 10.50 percent), and Germany (7.10 percent to 7.26 percent). United Kingdom recorded a modest decrease (6.48 percent to 6.44 percent), while Russia stayed the same at 1.00 percent.

Cost of sending remittances from and to G20 countries

The cost of remitting from G20 countries experienced a moderate decrease to 6.49 percent in Q1 2021, from 6.52 percent in Q4 2020, as shown in Figure 6 (also see Table 3 in the Annex).

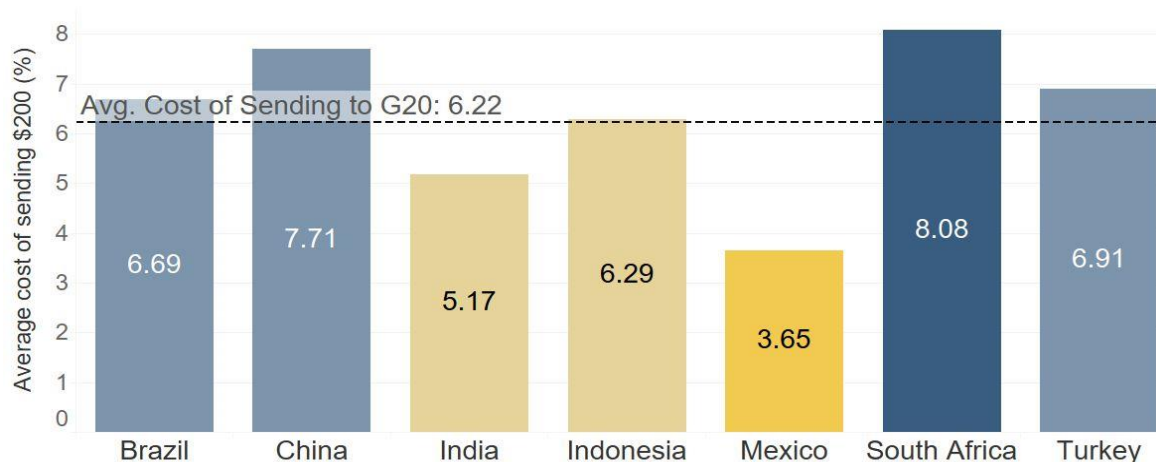
South Africa remains the costliest G20 country to send remittances from (see Figure 7). This is despite an overall decrease from its peak in Q1 2013, when the cost of sending from South Africa was more than 20 percent. In Q1 2021, remitting from South Africa incurred an average cost of 14.91 percent, an increase from its recorded value of 14.41 percent in Q4 2020. The cost of sending from the second most expensive G20 sending country – Japan – was recorded at 10.50 percent in Q1 2021. Russia is the least expensive G20 sending country, recorded at 1.00 percent, followed by Saudi Arabia (3.55 percent) and the Republic of Korea (4.61 percent).

Figure 6 Average cost of sending \$200 from G8 and G20 countries**Figure 7 Average cost of remitting from G20 countries****Figure 8 Average cost of sending \$200 to G20 countries**

Figures 8 and 9 display the total average cost of sending \$200 to G20 countries over time and in Q1 2021, respectively (see also Table 4 in the Annex). The average cost of sending money to the G20 countries that are included in RPW as receiving markets was recorded at 6.22 percent in Q1 2021.

Apart from a few quarters, the average cost of sending money to the G20 countries has followed the pattern of the Global Average. For the 15th consecutive quarter since Q2 2017, the cost of remitting to G20 countries is recorded below the Global Average. The most expensive countries in this grouping to remit to were South Africa (8.08 percent) and China (7.71 percent). Costs for sending remittances to Brazil, Indonesia, Turkey, India, and Mexico were recorded below 7 percent. Mexico remained the cheapest receiving market in the G20 group, recorded at 3.65 percent.

Figure 9 Average cost of remitting to G20 countries, by Country



Regional trends

The cost for remittance services varies significantly depending on the region where the money is being sent to (see Figures 10 & 11 below and Table 5 in the Annex). Over the quarter, all regions recorded a decrease in average total cost except Europe and Central Asia. Middle East and North Africa (MNA) experienced the largest decrease from 6.58 percent to 6.31 percent, followed by South Asia (SA), Sub-Saharan Africa (SSA), East Asia and Pacific (EAP), and Latin America and the Caribbean (LAC).

Due to the unique features of the Russian remittance market and its heavy influence on the ECA region, an additional value for the ECA region, excluding Russia, has been calculated and considered: the average excluding Russia was recorded at 6.92 percent – higher than the average including Russia, which is recorded at 6.61 percent in Q1 2021.

Figure 10 Average costs over time by region of the world

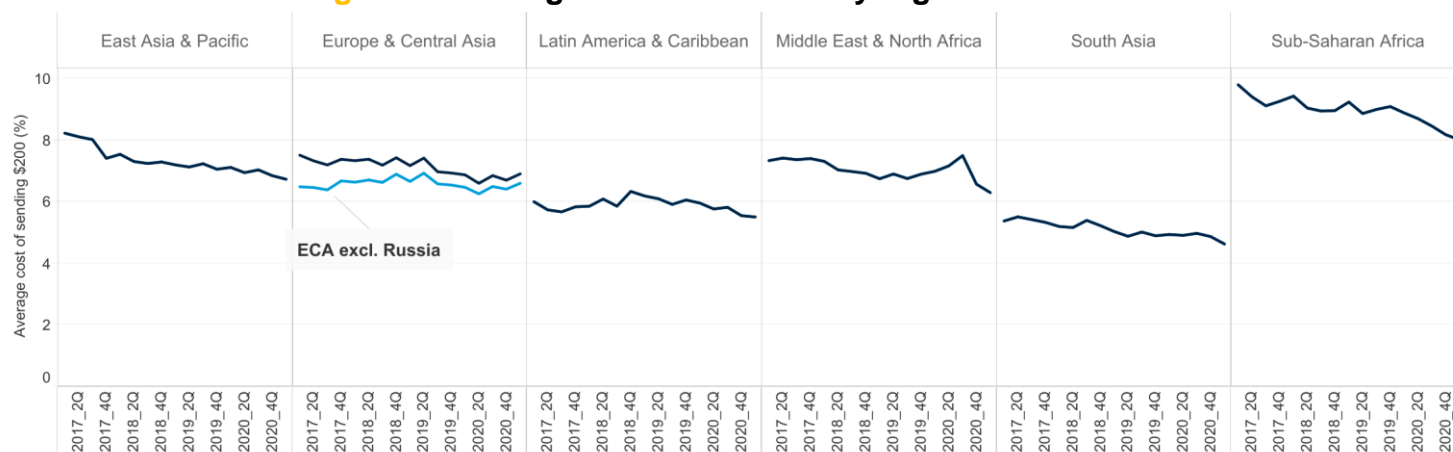
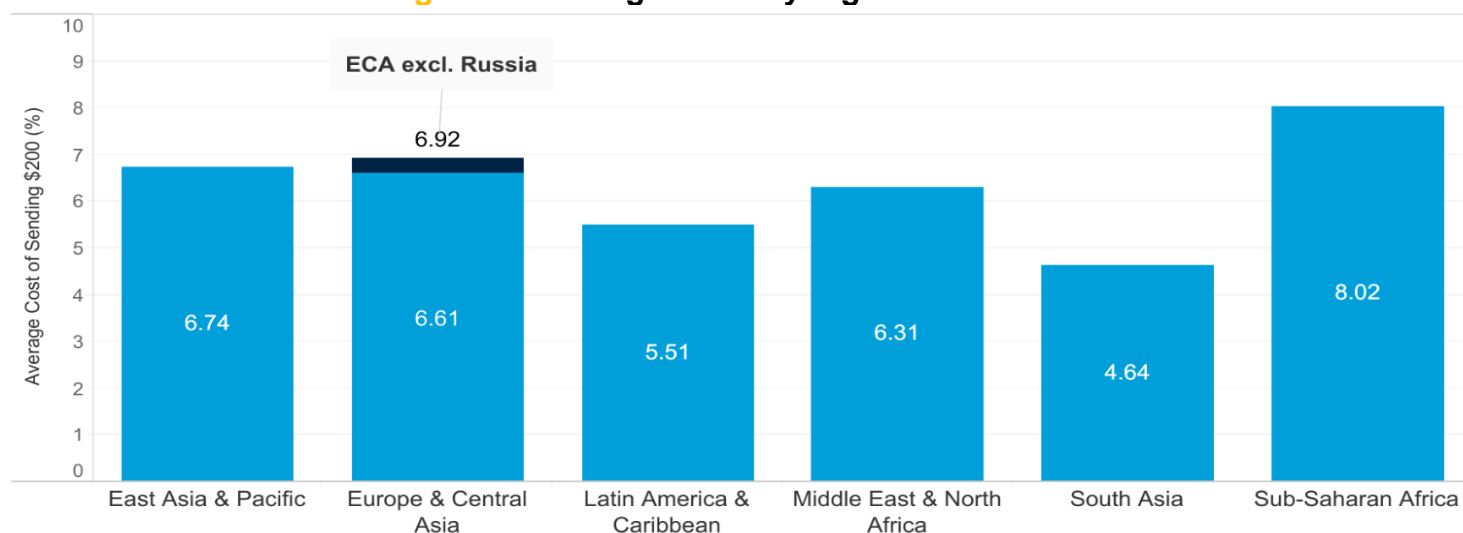


Figure 11 Average costs by region of the world

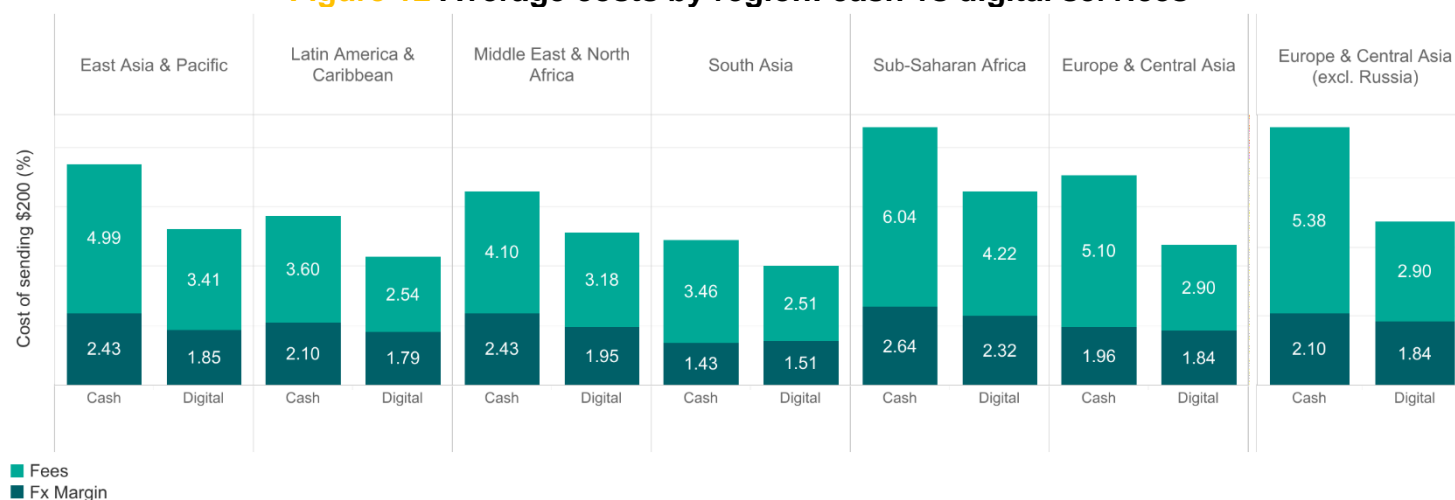


Cost structure

Cash vs. Digital Services

Figure 12 further compares the costs for remittance services among different regions, by breaking down the cost into two components: fee and foreign exchange (FX) margin. Within each region, Figure 12 differentiates between digital and non-digital remittances. It shows fees account for a large portion of the costs for remittance services. Moreover, costs for non-digital services are consistently higher than those for digital services regardless of the region where the money is being sent to.

Figure 12 Average costs by region: cash vs digital services

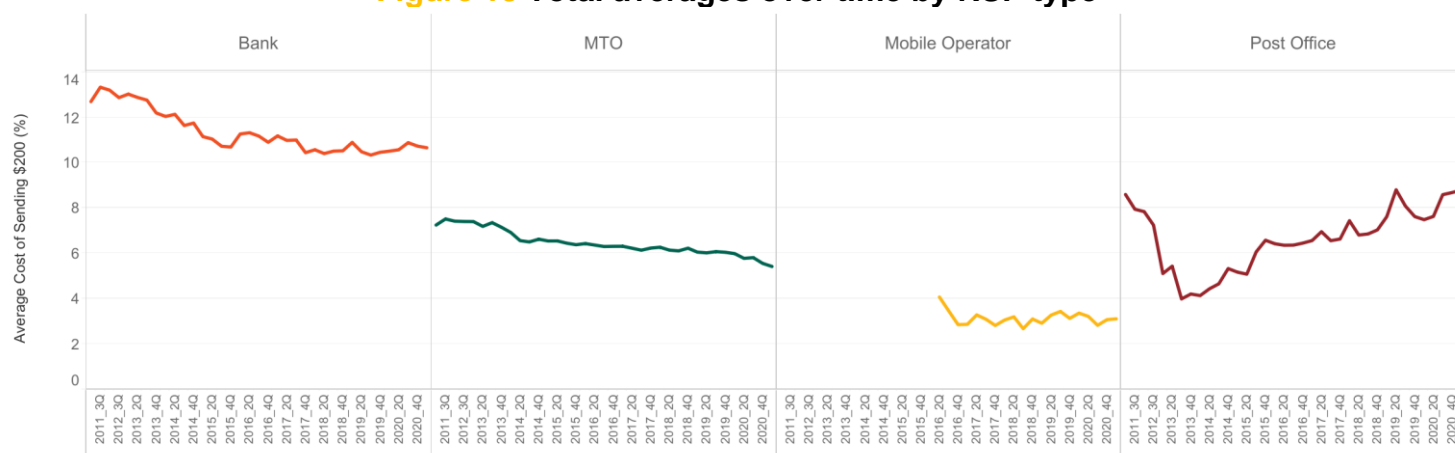


Costs by RSP Type

RPW tracks the cost of sending remittances for four main RSP types: Banks, MTOs, Mobile Operators, and Post Offices. Figure 13 provides a time series visual of all the RSP types included in the RPW dataset.

Over time, Banks, Mobile Operators, and MTOs have seen a general decline of total average costs, while Post Office services, due to the small number of services, have led a volatile trend and overall recorded periodic increases since the historic low recorded in Q3 2013. Banks have been firmly above the Global Average, whereas MTOs and Mobile Operators have remained below.

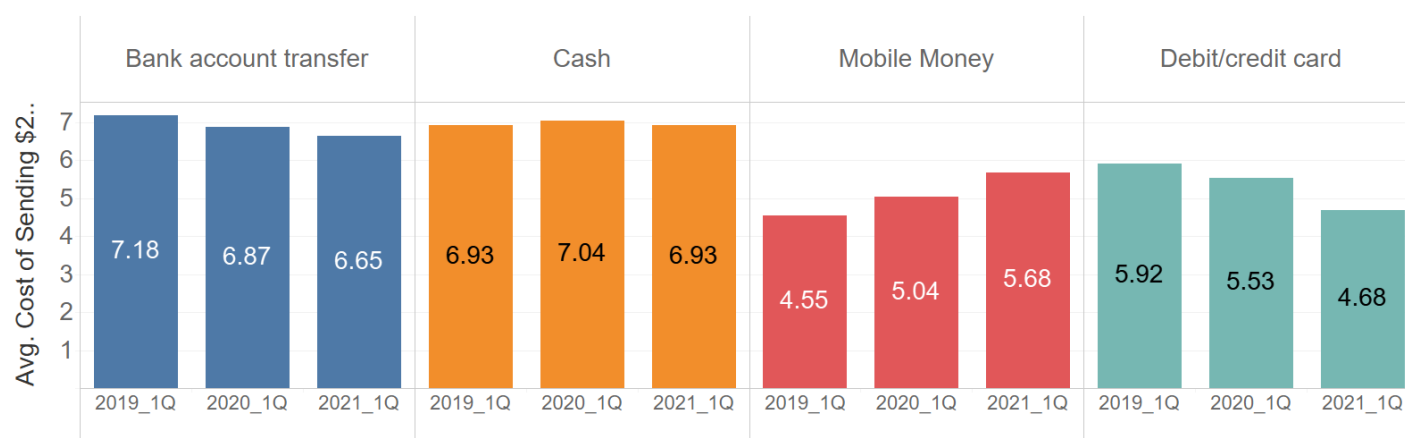
Figure 14 provides an overview for each RSP type in Q1 2020 and Q1 2021. Banks continue to be the costliest RSP type, with an average cost of 10.66 percent in Q1 2021. Post Offices are recorded at 8.79 percent in Q1 2021. Money Transfer Operators are recorded at 5.43 percent, while Mobile Operators are the cheapest RSP type recorded at 3.12 percent. However, Mobile Operators only account for a very small share (less than 1%) of the sample size.

Figure 13 Total averages over time by RSP type**Figure 14 Total average by RSP type**

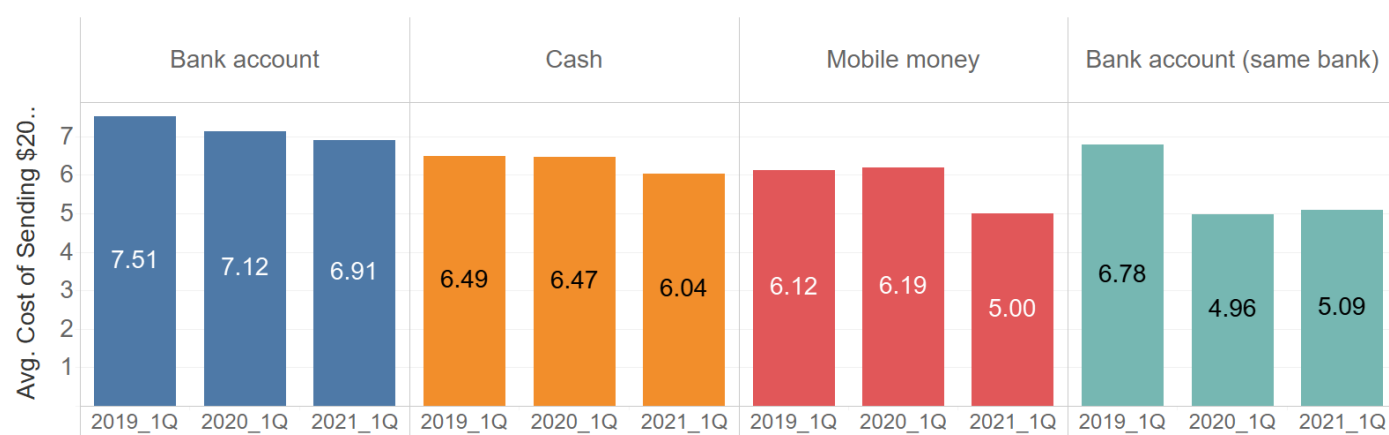
Costs by Sending and Receiving Method

RPW captures separately the payment instrument used to fund the transaction and the one used to disburse the funds to the receiver. This approach is reflected in the charts below. This approach allows for further refinement of the analysis and increases its adaptability to new products that might emerge and has proven particularly useful in monitoring innovative products and players.

In Q1 2021, debit/credit card became the cheapest method for funding a remittance transaction at 4.68 percent (1,687 services recorded in RPW) (Figure 15). The average cost when using mobile money (58 services) to do this was 5.68 percent. Sending money using Cash (2,076 services) cost 6.93 percent, and funding the transaction using a bank account incurred an average cost of 6.65 percent (1,922 services).

Figure 15 Average Cost by Instrument Used to Fund the Transaction

The cost of sending remittances to a bank account within the same bank or to a partner of the originating bank (79 services) was recorded at 5.09 percent in Q1 2021 (Figure 16). In contrast, sending money to a bank account at a different bank (1,660 services), is the most expensive option at 6.91 percent. When funds are sent to a mobile wallet (291 services) the average cost in Q1 2021 was 5.00 percent. Services where money is disbursed in cash (3,078 services) cost on average 6.04 percent.

Figure 16 Average cost by means of disbursing the funds

Annex I – Tables (\$200)

Table 1 – Global Average (%), International MTO Index

	2017_1Q	2017_2Q	2017_3Q	2017_4Q	2018_1Q	2018_2Q	2018_3Q	2018_4Q	2019_1Q	2019_2Q	2019_3Q	2019_4Q	2020_1Q	2020_2Q	2020_3Q	2020_4Q	2021_1Q
Global Average Cost	7.45	7.32	7.21	7.09	7.13	6.99	6.94	7.01	6.94	6.84	6.84	6.82	6.79	6.67	6.75	6.51	6.38
MTO Index	8.23	8.20	8.16	8.23	8.16	8.00	7.80	7.65	7.38	7.32	7.24	7.34	7.18	6.95	6.81	6.56	6.31

Table 2 – Total average in G8 Countries (%)

	2017_1Q	2017_2Q	2017_3Q	2017_4Q	2018_1Q	2018_2Q	2018_3Q	2018_4Q	2019_1Q	2019_2Q	2019_3Q	2019_4Q	2020_1Q	2020_2Q	2020_3Q	2020_4Q	2021_1Q
Canada	7.84	7.21	7.29	7.29	7.25	7.45	8.02	7.69	7.83	6.79	7.94	8.28	7.44	7.12	6.27	5.23	6.13
France	6.97	7.04	6.57	6.53	6.73	6.47	6.53	6.22	6.43	6.64	6.83	6.76	6.79	6.27	6.30	6.06	5.93
Germany	8.23	7.73	7.57	7.20	7.47	7.25	7.31	7.95	7.59	7.70	7.64	7.49	7.70	7.10	7.47	7.10	7.26
Italy	5.92	6.10	5.98	6.20	6.14	6.01	6.08	6.10	6.04	6.16	6.33	5.71	5.68	5.75	6.15	5.27	4.76
Japan	11.65	10.77	10.85	9.52	9.82	10.80	9.58	10.22	10.35	10.18	9.99	9.56	9.40	10.36	10.58	10.02	10.50
Russian Federation	2.09	1.78	2.13	1.75	1.64	1.70	1.85	1.89	1.90	1.91	1.59	2.11	1.83	1.90	1.94	1.00	1.00
United Kingdom	7.86	7.55	7.01	7.29	7.11	6.96	7.08	6.89	6.97	7.01	7.28	7.23	7.42	6.74	6.57	6.48	6.44
United States	5.76	5.68	5.71	5.80	5.67	5.63	5.42	5.98	5.74	5.66	5.36	5.43	5.36	5.21	5.14	5.22	4.88
G8	6.98	6.79	6.66	6.66	6.64	6.59	6.54	6.71	6.66	6.59	6.67	6.61	6.57	6.31	6.33	6.01	5.92

Table 3 – Total average in G20 sending countries (%)

	2017_1Q	2017_2Q	2017_3Q	2017_4Q	2018_1Q	2018_2Q	2018_3Q	2018_4Q	2019_1Q	2019_2Q	2019_3Q	2019_4Q	2020_1Q	2020_2Q	2020_3Q	2020_4Q	2021_1Q
Australia	9.65	9.31	8.84	8.43	8.15	7.88	7.77	8.12	7.58	7.68	7.42	7.61	7.59	7.31	7.21	7.31	7.23
Brazil	5.86	3.47	4.64	5.84	4.93	7.23	6.47	7.70	7.66	7.39	6.57	6.83	5.09	9.57	9.77	7.00	7.17
Canada	7.84	7.21	7.29	7.29	7.25	7.45	8.02	7.69	7.83	6.79	7.94	8.28	7.44	7.12	6.27	5.23	6.13
France	6.97	7.04	6.57	6.53	6.73	6.47	6.53	6.22	6.43	6.64	6.83	6.76	6.79	6.27	6.30	6.06	5.93
Germany	8.23	7.73	7.57	7.20	7.47	7.25	7.31	7.95	7.59	7.70	7.64	7.49	7.70	7.10	7.47	7.10	7.26
Italy	5.92	6.10	5.98	6.20	6.14	6.01	6.08	6.10	6.04	6.16	6.33	5.71	5.68	5.75	6.15	5.27	4.76
Japan	11.65	10.77	10.85	9.52	9.82	10.80	9.58	10.22	10.35	10.18	9.99	9.56	9.40	10.36	10.58	10.02	10.50
Korea, Rep.	4.87	5.42	4.81	5.03	5.15	4.95	5.07	5.10	5.05	4.92	4.87	4.50	4.77	4.72	4.74	4.74	4.61
Russian Federation	2.09	1.78	2.13	1.75	1.64	1.70	1.85	1.89	1.90	1.91	1.59	2.11	1.83	1.90	1.94	1.00	1.00
Saudi Arabia	5.20	5.55	5.10	5.45	5.71	5.73	6.34	6.51	4.88	5.18	4.99	4.75	4.53	4.79	4.80	4.42	3.55
South Africa	17.78	16.76	16.57	16.17	17.13	16.18	15.82	15.76	14.85	15.27	15.96	17.18	15.34	14.56	15.05	14.41	14.91
United Kingdom	7.86	7.55	7.01	7.29	7.11	6.96	7.08	6.89	6.97	7.01	7.28	7.23	7.42	6.74	6.57	6.48	6.44
United States	5.76	5.68	5.71	5.80	5.67	5.63	5.42	5.98	5.74	5.66	5.36	5.43	5.36	5.21	5.14	5.22	4.88
From G20	7.58	7.38	7.19	7.20	7.21	7.11	7.04	7.22	7.07	7.04	7.08	7.07	6.93	6.73	6.79	6.52	6.49

Table 4 – Total average in G20 receiving countries (cost to send money to select countries. %)

	2017_1Q	2017_2Q	2017_3Q	2017_4Q	2018_1Q	2018_2Q	2018_3Q	2018_4Q	2019_1Q	2019_2Q	2019_3Q	2019_4Q	2020_1Q	2020_2Q	2020_3Q	2020_4Q	2021_1Q
Brazil	6.98	6.33	6.33	6.48	6.45	7.20	7.06	7.51	7.32	7.54	7.63	7.18	7.78	7.30	6.90	7.07	6.69
China	10.26	10.28	10.00	7.92	8.26	7.71	7.99	8.49	8.45	8.13	9.04	8.32	8.10	8.23	8.43	8.07	7.71
India	6.14	6.04	5.98	5.62	5.63	5.62	5.68	5.79	5.47	5.24	5.38	5.30	5.31	5.30	5.41	5.51	5.17
Indonesia	7.84	7.87	7.13	6.60	7.59	7.10	6.85	7.32	6.51	6.57	6.08	6.15	6.12	6.68	6.57	6.53	6.29
Mexico	4.85	5.11	4.86	4.45	4.43	3.74	4.06	5.65	4.53	4.64	4.61	4.39	4.04	4.22	4.18	3.87	3.65
South Africa	7.56	8.02	8.07	8.55	7.83	7.57	8.10	7.45	7.23	7.88	7.54	7.80	7.82	7.41	8.14	8.03	8.08
Turkey	7.62	7.14	6.84	7.28	7.34	8.01	7.08	6.17	6.71	6.98	6.62	6.62	6.72	6.67	7.26	6.75	6.91
to G20	7.52	7.39	7.17	6.45	6.63	6.56	6.58	6.83	6.54	6.41	6.58	6.37	6.40	6.47	6.56	6.50	6.22

Table 5 – Total average by regions of the world (%)

	2017_1Q	2017_2Q	2017_3Q	2017_4Q	2018_1Q	2018_2Q	2018_3Q	2018_4Q	2019_1Q	2019_2Q	2019_3Q	2019_4Q	2020_1Q	2020_2Q	2020_3Q	2020_4Q	2021_1Q
East Asia & Pacific	8.24	8.12	8.03	7.42	7.55	7.32	7.25	7.30	7.21	7.14	7.24	7.07	7.13	6.96	7.05	6.86	6.74
Europe & Central Asia	6.50	6.47	6.40	6.69	6.65	6.72	6.64	6.90	6.67	6.94	6.59	6.55	6.48	6.27	6.51	6.42	6.61
Latin America & Caribbean	6.01	5.74	5.68	5.85	5.86	6.10	5.87	6.34	6.20	6.11	5.92	6.07	5.97	5.77	5.83	5.56	5.51
Middle East & North Africa	7.35	7.43	7.38	7.41	7.32	7.04	6.99	6.93	6.76	6.91	6.76	6.91	7.00	7.17	7.51	6.58	6.31
South Asia	5.38	5.52	5.43	5.34	5.21	5.17	5.40	5.23	5.04	4.89	5.02	4.90	4.95	4.92	4.98	4.88	4.64
Sub-Saharan Africa	9.81	9.42	9.13	9.27	9.44	9.05	8.96	8.97	9.25	8.88	9.01	9.10	8.90	8.71	8.47	8.19	8.02
ECA excl. Russia	7.52	7.34	7.21	7.39	7.34	7.39	7.20	7.44	7.18	7.43	6.98	6.94	6.88	6.61	6.86	6.71	6.92

Annex II - Cost Trends for Sending \$500

This Annex is a continued supplement to the ongoing Global Cost Reduction monitoring efforts established with the main RPW Quarterly Report. Global targets for reduction of remittances cost have focused on the \$200 (or local currency equivalent) as the amount sent, which is believed to be an accurate representation of a typical remittance transaction size. However, data for \$500 (or equivalent) have also been collected alongside the data for \$200 and have been analyzed since Q4 2017 to complement the \$200 analysis.

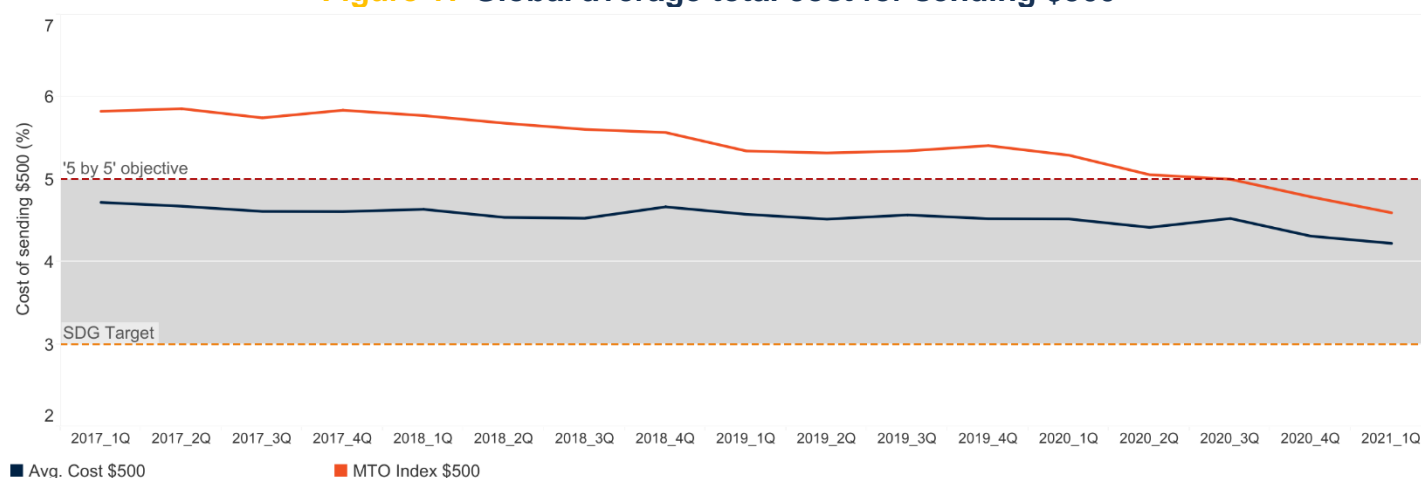
The analysis in this annex shows again that, as expected, the average cost of sending \$500 is lower as a percentage of amount sent compared to the average cost of sending \$200. The analysis additionally confirms that the average cost of sending \$500 has followed a similar trend to the one observed over the last years for \$200.

Global trends for sending \$500

Global average total cost

In Q1 2021, the Global Average cost for sending \$500 was 4.22 percent. The average cost of sending \$500 has remained below the 5.00 percent total average cost since Q2 2014 and has never exhibited a value above 6 percent (the costliest period was in Q3 2011, where the total average cost of sending \$500 was recorded at 5.59 percent). The Global Average of sending \$500 exhibits an overall downwards trend since Q1 2011, as seen in Figure 17 below. This represents a decline of 1.09 percentage point since Q1 2011, when the figure was recorded at 5.32 percent. Over the preceding 5-year period (Q1 2016 – Q1 2021), the total cost of sending \$500 has decreased by 0.46 percentage point.

Figure 17 Global average total cost for sending \$500



International MTO Index

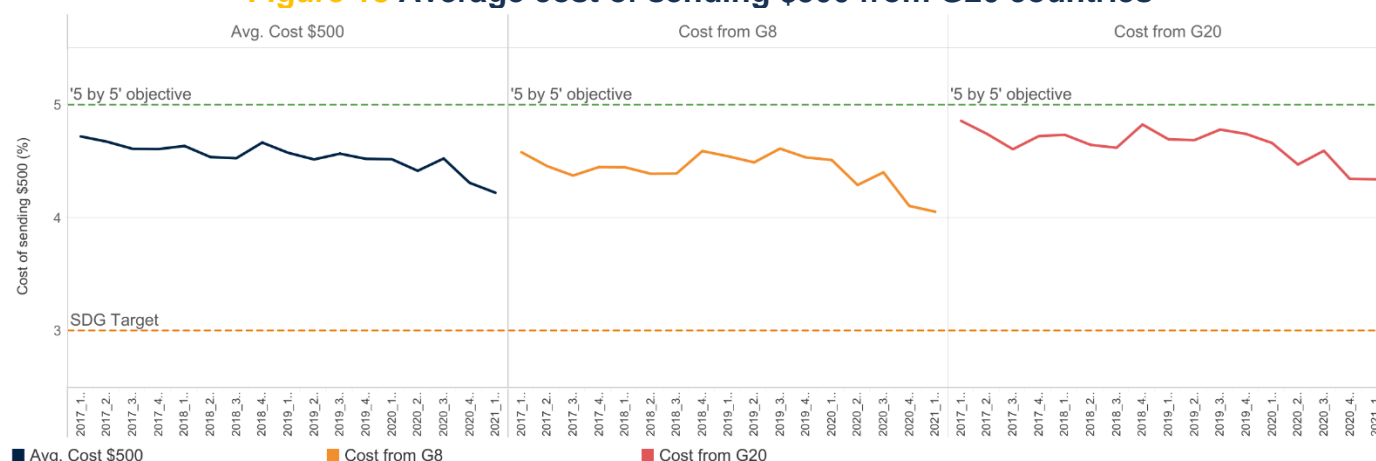
The International MTO Index tracks the prices of MTOs that are present in at least 85 percent of corridors covered in the RPW database.⁷ In Q1 2021, the International MTO Index for \$500 experienced a moderate decrease to 4.59 percent from 4.79 percent in Q4 2020. This is the second consecutive quarter in which the International MTO Index has been recorded below 5.00 percent. As seen in Figure 17, the International MTO Index exhibits an overall downwards trend. Over the preceding 5-year period (Q1 2016 – Q1 2021), the total cost of sending \$500 has decreased by 1.08 percentage point.

G20 Countries

Cost of sending remittances from and to G20 countries

The cost of remitting \$500 from G20 countries has remained below 5.00 percent since Q1 2014, when this figure was recorded at 5.10 percent. The total cost of remitting \$500 from G20 countries has closely followed a similar trend as the Global Average of sending \$500, as seen in Figure 18. The cost of remitting \$500 from G20 countries in Q1 2021 experienced a modest decrease, recorded at 4.34 percent.

Figure 18 Average cost of sending \$500 from G20 countries

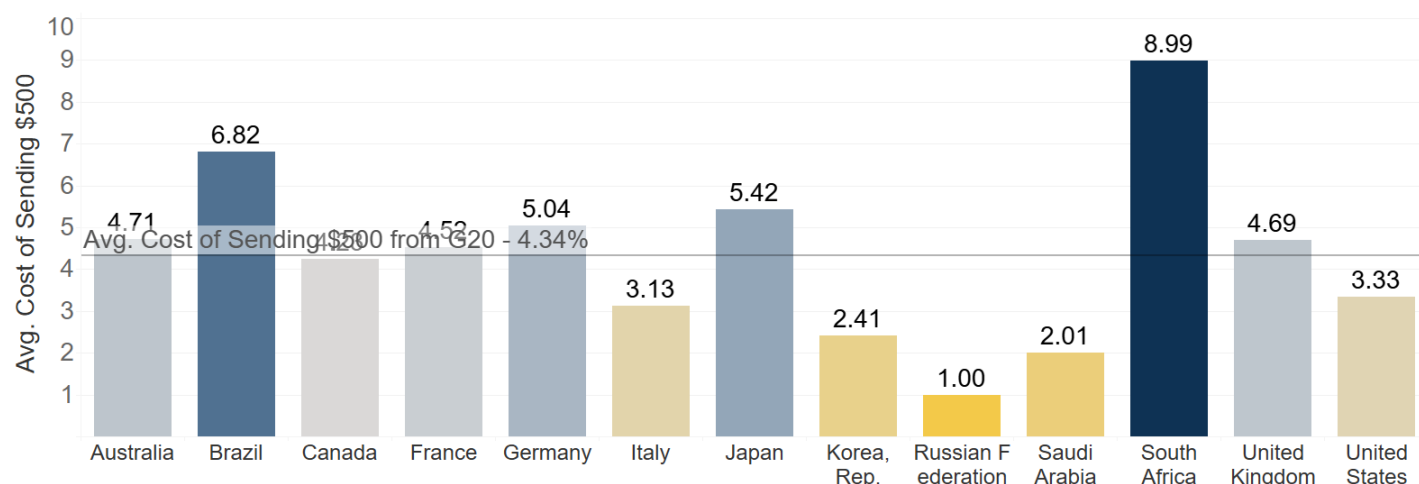


In Q1 2021, South Africa is the most expensive G20 country to send \$500 from, consistent with the \$200 findings (see Figure 19). The average cost of remitting \$500 from South Africa increased to 8.99 percent from 8.75 percent, and this is despite an overall decrease from its peak in Q2 2013, when the cost of sending from South Africa was more than 12 percent. Brazil is the second most expensive G20 country to send \$500 from, recorded at 6.82 percent. Russia is the least expensive sending country in this grouping, exhibiting a total average cost of sending \$500 of 1.00 percent, followed by Saudi Arabia (2.01 percent), Republic of Korea (2.41 percent), Italy (3.13 percent), and the United States (3.33 percent). Of

⁷ The International MTOs Index includes all MTOs that are present in over 85 percent of RPW corridors. Thus far, it has included Western Union and MoneyGram, which operate in 95 percent and 90 percent of the country corridors covered in the database, respectively.

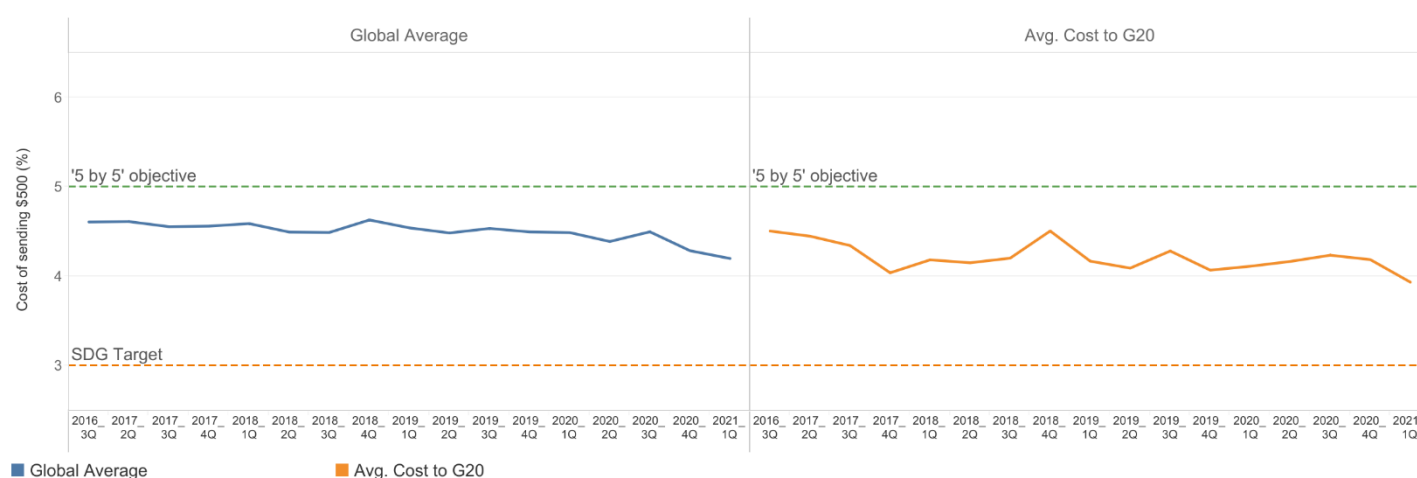
this group Australia, Canada, France, Germany, Japan, the UK, Brazil, and South Africa exhibit costs higher than the Global Average in Q1 2021.

Figure 19 Average cost of remitting from G20 countries



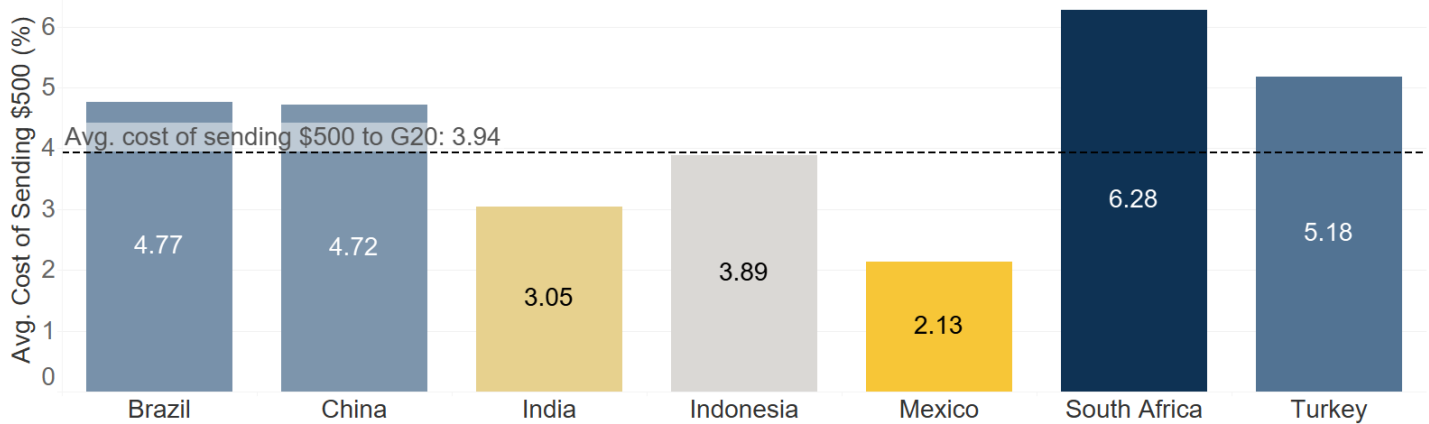
Figures 20 and 21 display the total average cost of sending \$500 to G20 countries over time and in Q1 2021, respectively. The average cost of sending \$500 to the G20 countries that are included in RPW as receiving markets decreased between Q4 2020 and Q1 2021, recorded at 3.94 percent in Q1 2021. In contrast with the Global Average cost of sending \$500, the total average cost of sending \$500 to G20 countries has led a more volatile path over the past year.

Figure 20 Average cost of remitting to G20 countries



For the past 4 consecutive years, the cost of remitting \$500 to G20 countries is recorded below the Global Average cost of sending \$500. South Africa (6.28 percent) is the most expensive country in this grouping to remit to, followed by Turkey (5.18 percent), Brazil (4.77 percent), and China (4.72 percent). Over the last 5 years, the total average cost of sending to G20 countries has decreased slightly by 0.60 of a percentage point (in Q1 2016, this figure was recorded at 4.53 percent).

Figure 21 Average cost of remitting \$500 to G20 countries, by Country



Annex III – Tables (\$500)

Table 6 – Global Average, International MTO Index (\$500)

	2017_1Q	2017_2Q	2017_3Q	2017_4Q	2018_1Q	2018_2Q	2018_3Q	2018_4Q	2019_1Q	2019_2Q	2019_3Q	2019_4Q	2020_1Q	2020_2Q	2020_3Q	2020_4Q	2021_1Q
Avg. Cost \$500	4.72	4.67	4.61	4.61	4.64	4.54	4.53	4.67	4.58	4.52	4.57	4.52	4.52	4.42	4.53	4.31	4.22
MTO Index \$500	5.83	5.86	5.75	5.84	5.77	5.68	5.61	5.57	5.34	5.32	5.35	5.41	5.29	5.06	5.00	4.79	4.59

Table 7 – Cost of sending \$500 from G20 countries

	2017_1Q	2017_2Q	2017_3Q	2017_4Q	2018_1Q	2018_2Q	2018_3Q	2018_4Q	2019_1Q	2019_2Q	2019_3Q	2019_4Q	2020_1Q	2020_2Q	2020_3Q	2020_4Q	2021_1Q
Australia	6.00	5.78	5.57	5.46	5.23	4.99	5.00	5.34	4.91	5.00	4.82	4.94	4.91	4.71	4.68	4.73	4.71
Brazil	5.02	2.77	3.99	5.13	3.94	6.14	4.58	5.99	5.87	5.85	4.38	5.65	4.15	9.19	9.46	6.79	6.82
Canada	4.92	4.36	4.57	4.68	4.65	4.77	5.15	4.95	5.27	4.34	5.48	5.68	4.84	4.74	4.22	3.32	4.23
France	5.45	5.63	5.17	5.14	5.34	5.06	5.16	4.96	5.15	5.32	5.46	5.33	5.36	4.86	5.00	4.67	4.52
Germany	5.51	5.21	5.15	4.95	5.15	4.97	5.06	5.74	5.40	5.52	5.34	5.23	5.44	4.82	5.22	4.89	5.04
Italy	3.80	4.01	3.91	4.09	4.09	3.98	4.03	4.06	3.98	4.13	4.35	3.74	3.82	3.99	4.43	3.59	3.13
Japan	6.10	5.49	5.64	4.99	5.36	6.30	5.05	5.45	5.40	5.38	5.17	5.02	4.83	5.32	5.89	5.19	5.42
Korea, Rep.	2.57	3.07	2.47	2.63	2.71	2.62	2.63	2.55	2.69	2.65	2.60	2.18	2.46	2.38	2.40	2.54	2.41
Russian Federation	1.82	1.73	1.79	1.48	1.48	1.54	1.58	1.63	1.61	1.62	1.48	1.94	1.50	1.55	1.61	1.00	1.00
Saudi Arabia	3.36	3.64	2.84	3.56	3.67	3.79	4.40	4.55	2.92	3.22	3.11	2.87	2.65	2.94	2.66	2.52	2.01
South Africa	9.87	9.52	9.25	9.41	10.48	9.49	9.02	8.97	9.24	8.93	10.11	10.93	9.74	8.58	9.09	8.75	8.99
United Kingdom	5.42	5.16	4.74	5.09	4.95	4.76	5.04	4.86	4.91	4.87	5.17	5.09	5.26	4.76	4.74	4.68	4.69
United States	3.75	3.66	3.74	3.83	3.68	3.64	3.52	4.09	3.90	3.84	3.67	3.75	3.73	3.58	3.50	3.62	3.33
From G20	4.86	4.74	4.61	4.72	4.73	4.65	4.62	4.83	4.70	4.69	4.78	4.74	4.66	4.47	4.59	4.35	4.34

Table 8 – Cost of receiving \$500 in G20 countries

	2017_1Q	2017_2Q	2017_3Q	2017_4Q	2018_1Q	2018_2Q	2018_3Q	2018_4Q	2019_1Q	2019_2Q	2019_3Q	2019_4Q	2020_1Q	2020_2Q	2020_3Q	2020_4Q	2021_1Q
Brazil	4.80	4.49	4.66	4.74	4.64	5.27	5.17	5.40	5.16	5.37	5.56	5.20	5.78	5.42	5.00	5.17	4.77
China	5.63	5.49	5.27	4.69	4.92	4.48	4.77	5.36	5.29	5.01	5.83	5.06	4.91	5.02	5.25	4.93	4.72
India	3.60	3.55	3.54	3.29	3.29	3.29	3.38	3.60	3.27	3.10	3.31	3.20	3.24	3.20	3.29	3.38	3.05
Indonesia	5.04	5.12	4.66	4.21	5.20	4.78	4.55	5.11	4.10	4.20	3.75	3.84	3.84	4.32	4.17	4.18	3.89
Mexico	3.32	3.86	3.37	3.02	2.82	2.35	2.65	4.10	3.00	3.04	3.16	2.94	2.57	2.81	2.69	2.36	2.13
South Africa	5.46	5.49	5.71	6.13	5.24	5.36	6.23	5.66	5.60	6.16	5.78	6.20	6.06	5.72	6.29	6.23	6.28
Turkey	5.40	5.02	4.94	5.21	5.29	6.05	5.29	4.36	4.96	5.30	4.82	4.94	5.01	4.90	5.45	4.94	5.18
To G20	4.54	4.45	4.34	4.04	4.18	4.15	4.20	4.51	4.17	4.09	4.28	4.07	4.11	4.17	4.24	4.19	3.94



REMITTANCE PRICES WORLDWIDE

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