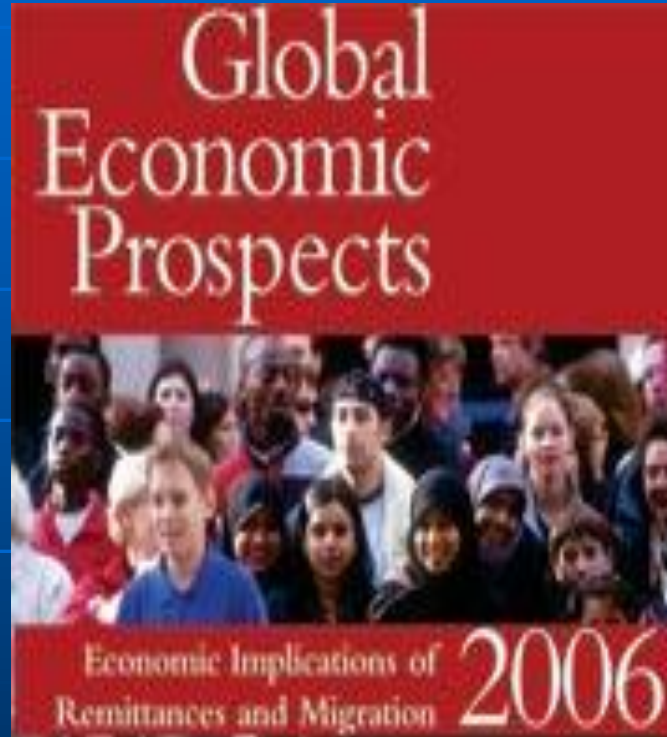


# Global Economic Prospects 2006: Economic Implications of Remittances and Migration



[www.worldbank.org/prospects/GEP2006](http://www.worldbank.org/prospects/GEP2006)

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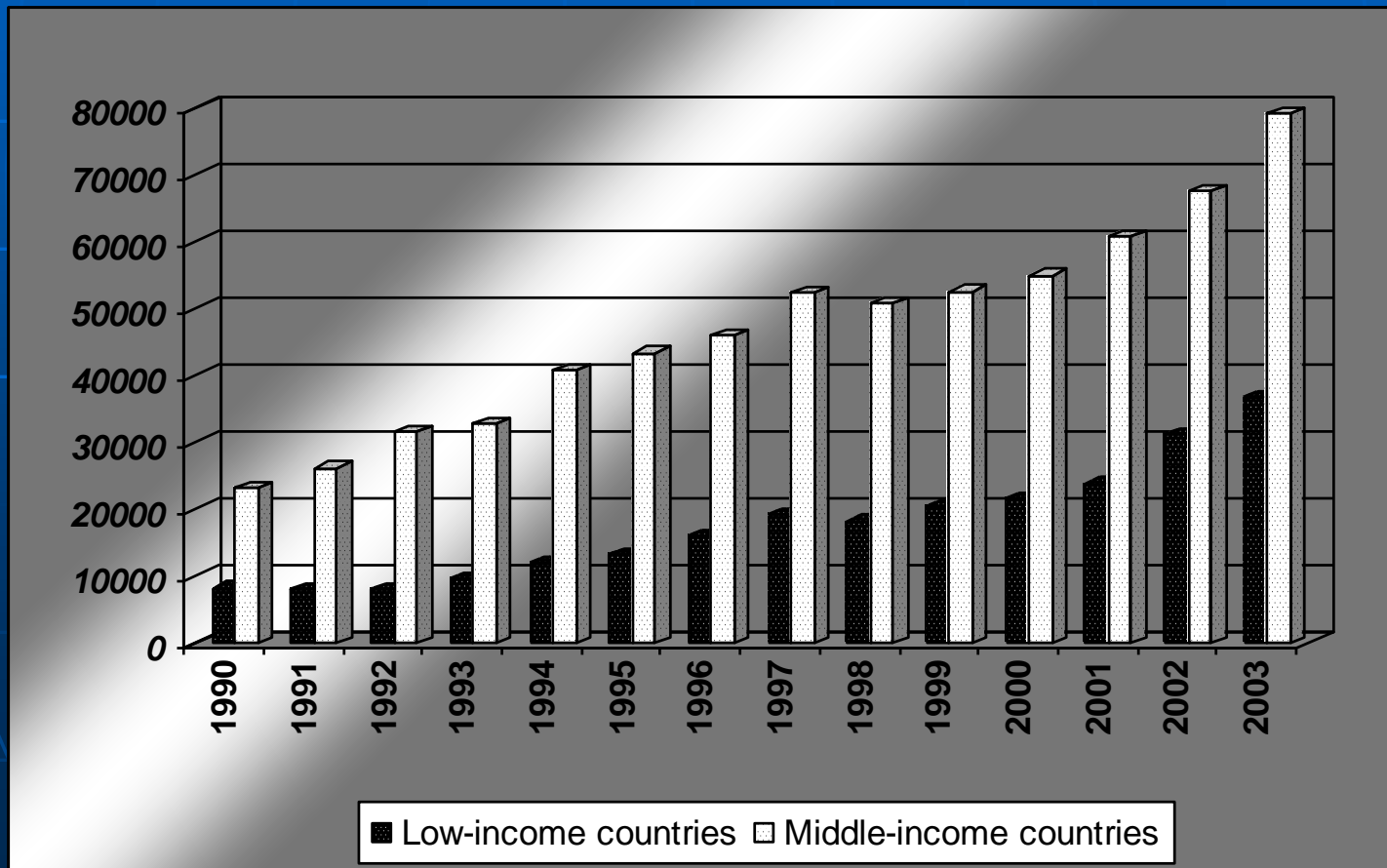
## Some Stylized Facts

- Having grown rapidly since the 1970s, workers' remittances have evolved into one of the largest sources of external financing.
- Total funds repatriated by migrant workers from developing countries are estimated to reach 116 billion dollars in 2003 (more than 1.5% of their total GDP) and 126 billion dollars in 2004.
- As such, total amount of remittance flows exceed official development assistance and foreign direct investment received by developing countries.
- The significance of this magnitude aside, remittances are generally considered a less volatile, hence more dependable, source of funding than private capital flows and FDI.
- They do not create any future liabilities such as debt servicing or profit transfers.

- The share of low income countries (32 %) in total remittance receipts of developing countries is less than half the share of middle income countries (68 %) currently.

But

- Average annual growth rate of the receipts by low income countries (12.3 %) has been higher than middle income countries (9.9 %) since 1990, deviating even further in favor of low income countries more recently (15.9 % versus 10.8 % since 1999).



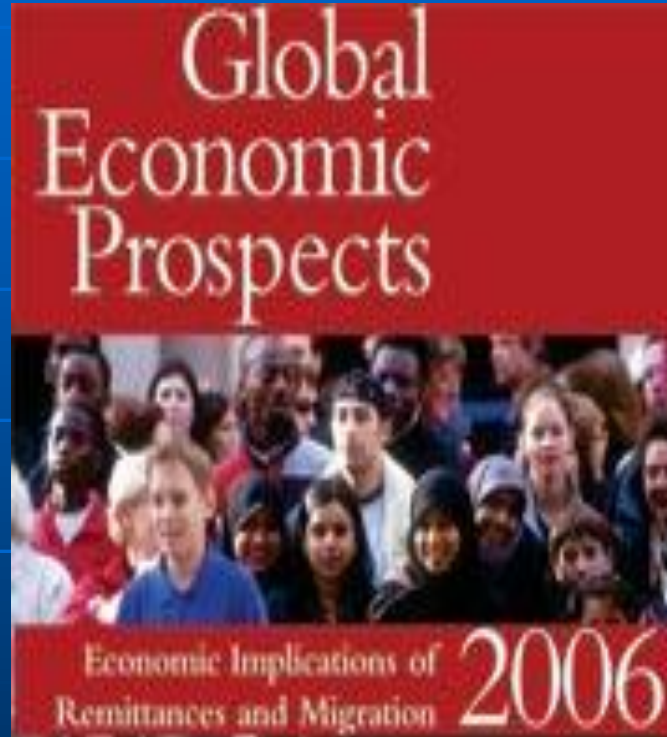
# GEP 2006

- The World Bank has reflected its awareness of the growing significance of workers' remittances for development finance by leading increased research in this area.
- Various reports, papers and volumes recently produced by the World Bank have contributed to the literature.
- The latest contribution came through the flagship publication of the Bank: *Global Economic Prospects 2006*
- The Bank has devoted its annual report on *Global Economic Prospects* to the documentation of the trends in migration and remittances and an extensive discussion of their economic implications.
- GEP 2006 describes how remittances have emerged as a critical component of external financing for many developing countries.

## Dominique van der Mensbrugghe

- Lead Economist for the Development Prospects Group.
- His main responsibilities include developing scenarios on long-term economic prospects for developing countries and undertaking detailed trade policy analysis.
- Before joining the World Bank, he worked for a decade at the OECD Development Centre.
- He holds a Ph.D. in Economics from the University of California, Berkeley and an undergraduate degree in mathematics from Louvain University in Belgium.

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