

# Global remittances will surpass \$800 billion in volume, but pricing is pressuring revenues

Article

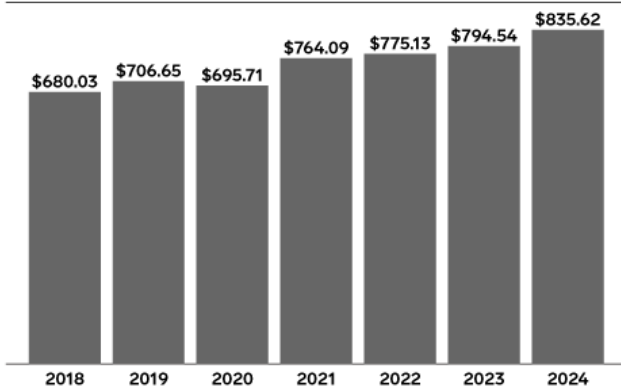
Digital transformation has upended the global remittance market, thereby pressuring consumer pricing, reshaping the competitive battlefield, and creating new playbooks for

traditional money transfer operators.

- **This year's \$794.54 billion in remittances are a lifeline to migrant families and low-income economies.** These inflows from about 280 million global migrants represent an annual average of around \$2,838 per family. And the dollars make a difference back home, too: Remittance inflows comprised 10% or more of GDP in 27 countries in 2021—and 25% or more in eight of them.
- **Remittance volume continues to climb.** From 2018 to 2024, inflows are expected to grow at an average rate of 3.5%, just below the 4.4% pace of average global GDP. And methods such as carrying cash to the destination or transferring via an unlicensed service—which are not included in our forecast—provide at least another \$278 billion in untapped opportunity.
- **But providers face an uphill battle to capture user revenues.** We estimate that in 2023, the industry will net revenues of \$37.18 billion in fees consumers pay to send money. Global regulatory pressure to decrease those costs has helped drive pricing downward for more than a decade. If prices had stayed on par with 2020 rates, providers would have netted an additional \$3 billion globally in 2023.

### Remittance Inflow Worldwide, 2018-2024

billions



Note: the value of money sent by citizens working abroad to their country of origin; examples include a citizen of another country working in this country and sending money home through a financial institution or money transfer service (e.g., Western Union)

Source: Insider Intelligence, Dec 2022

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Report by David Morris Apr 14, 2023

# Global Remittances Forecast 2023

