



# COVID-19 Impact on International Migration, Remittances, and Recipient Households in Developing Asia

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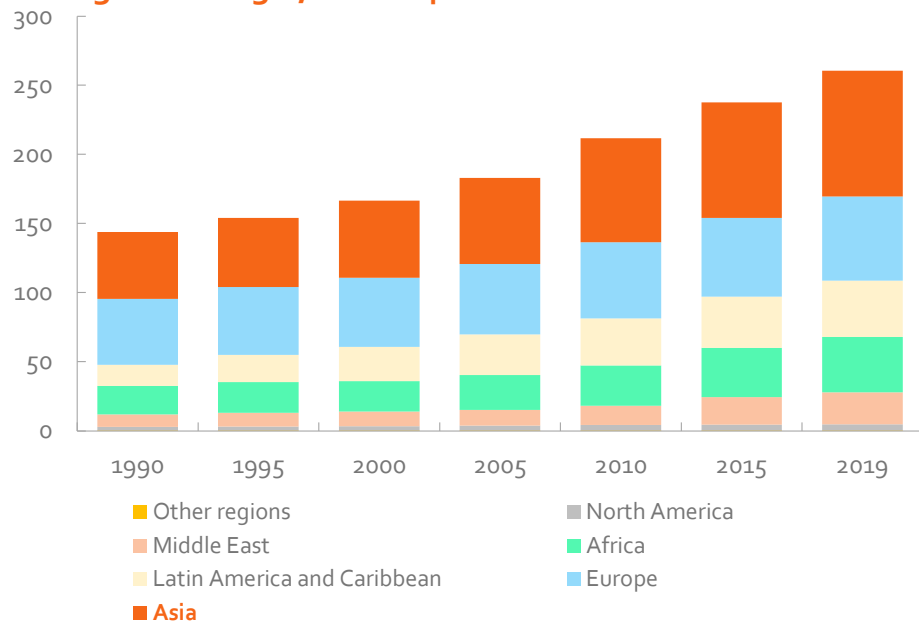
Economic Research and Regional Cooperation Department  
Asian Development Bank

# Key Messages

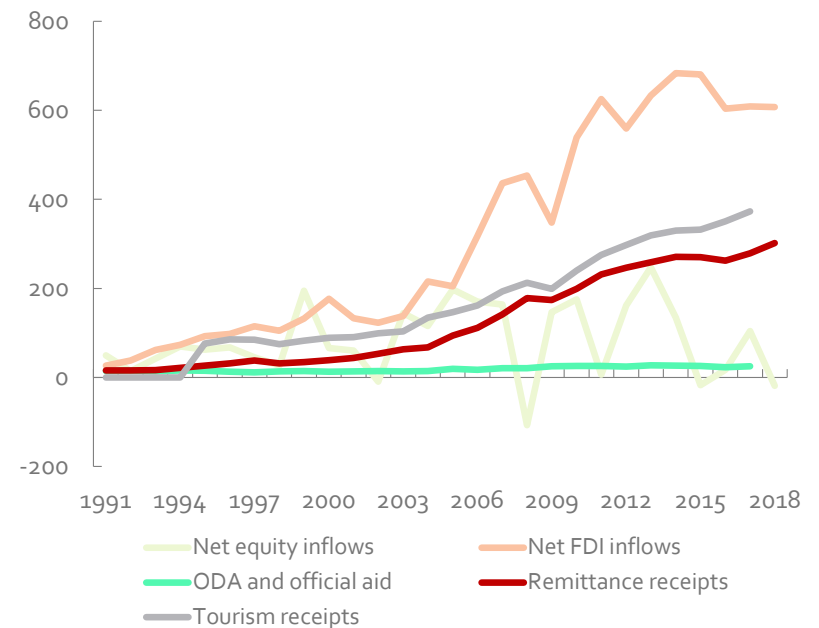
- COVID-19-induced economic recessions threaten job security and well-being of over **91 million international migrants from Asia and the Pacific**.
- In 2020, remittances to Asia are expected to **drop by 11.5% (\$31.4 billion) and 19.8% (\$54.3 billion)** relative to pre-COVID baseline.
- Households relying heavily on international remittances in developing Asia—particularly **Pacific and Central and West Asian economies**—risk falling into poverty.
- Source and host countries of migrant workers are encouraged to (i) extend temporary health and social services to **affected migrants**; (ii) expand the coverage of social protection to **low income remittance recipient households**; (iii) design a **comprehensive national migration policy framework** to support migrant workers and (iv) ensure the continuity and supportive business environment of **remittance services**.

# Labor migrants and the money they remit imperative in Asia's development path.

Global Stock of International Migrants by Region of Migrants' Origin, million persons



External Finance Inflows to Asia by Type, \$ billion

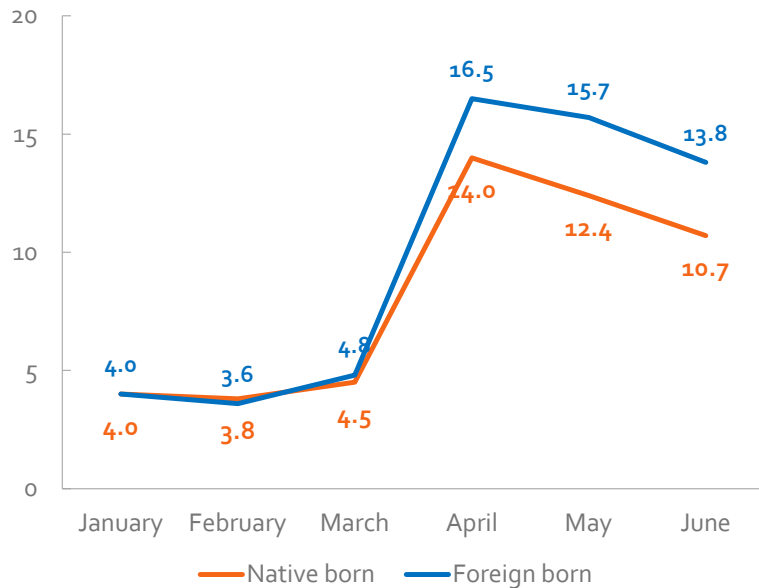


ODA = official development assistance, FDI = foreign direct investment.

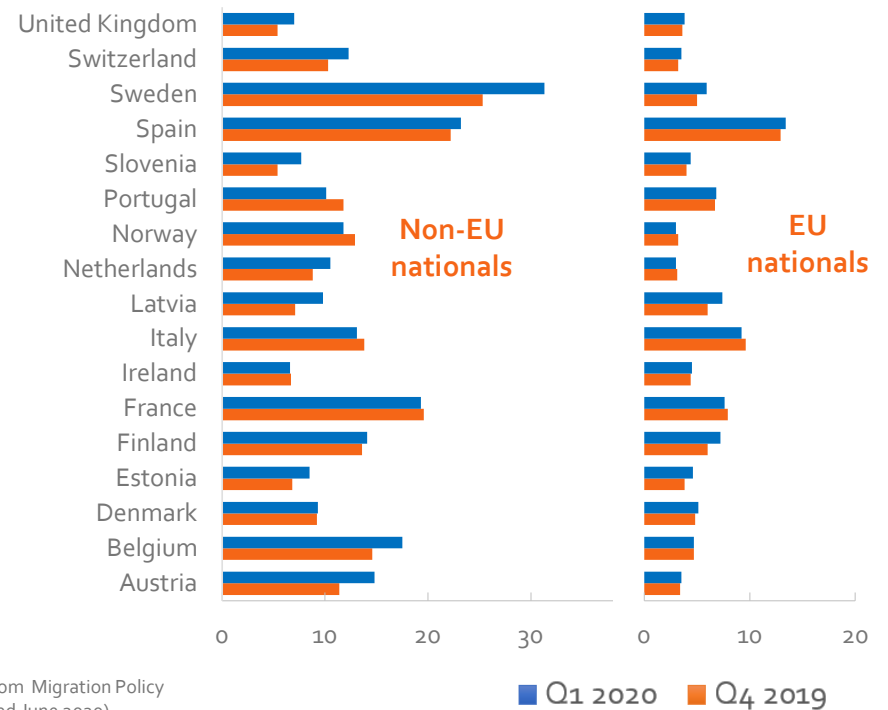
Source: Asian Development Bank calculations using data on (Left) international migrant stock from the United Nations database, POP/DB/MIG/Stock/ Rev.2019 (accessed February 2020); and (Right) tourism receipts, net equity inflows, ODA, and net FDI values from World Bank's World Development Indicators (accessed March 2020) and remittances from KNOMAD database (accessed February 2020).

# Migrant workers are disproportionately affected.

Unemployment Rates (%) of Adults (ages 16 and older) in the US Civilian Labor Force by Nativity January–June 2020



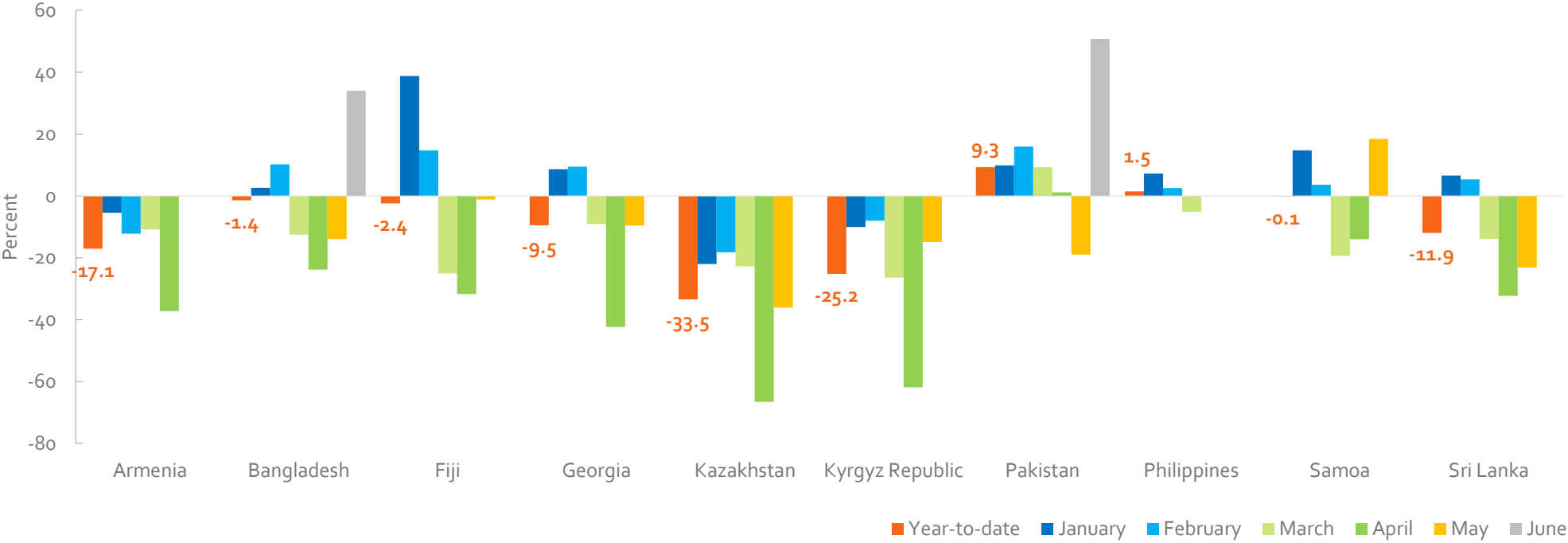
Unemployment Rates (%) in the EU Labor Force by Citizenship Q4 2019–Q1 2020



EU = European Union  
 Source: Asian Development Bank calculations using data on (Left) unemployment rates (ages 16 and older) in the US by nativity from Migration Policy Institute database (accessed June 2020); and (Right) unemployment rates in EU by citizenship from the Eurostat database (accessed June 2020).

# Signs of decline in remittance inflows apparent; vary by country.

Year-on-Year Changes in Remittances to Selected Countries in Asia and the Pacific, January–June 2020



Note: Numbers refer to the year-to-date changes (base year 2019) in remittance inflows to selected Asian countries. Sources: Asian Development Bank calculations using data from respective country Central Banks

## Baseline scenario (with 6 months containment)

Remittance Recipients	Amount (\$ million)	Percent of Baseline
Global	-57,603	-9.7
Asia	-31,356	-11.5
Australia and New Zealand	-129	-4.7
Central Asia	-2,228	-15.7
East Asia ex-PRC and Japan	-716	-7.0
Japan	-211	-5.7
PRC	-3,493	-5.6
Southeast Asia	-6,187	-9.9
South Asia	-18,276	-15.8
Pacific	-116	-5.7
United States	-226	-3.5
European Union + United Kingdom	-8,071	-6.5



Remittance Source Region/Territory	Amount (\$ million)	Percent of Baseline
Asia	-1,624	-2.6
European Union + United Kingdom	-1,493	-7.3
United States	-8,768	-8.6
Middle East	-16,835	-26.0
Russian Federation	-1,564	-25.5
Rest of the world	-1,071	-6.0

PRC = People's Republic of China

Note: Data presented for East Asia does not include those for the PRC and Japan.

Source: Asian Development Bank estimates.

## Worst-case scenario (with 12 months containment)

Remittance Recipients	Amount (\$ million)	Percent of Baseline
Global	-108,617	-18.3
Asia	-54,255	-19.8
Australia and New Zealand	-299	-10.8
Central Asia	-3,366	-23.8
East Asia ex-PRC and Japan	-1,660	-16.2
Japan	-497	-13.3
PRC	-7,886	-12.6
Southeast Asia	-11,660	-18.6
South Asia	-28,621	-24.7
Pacific	-267	-13.2
United States	-482	-7.4
European Union + United Kingdom	-17,889	-14.4



Remittance Source Region/Territory	Amount (\$ million)	Percent of Baseline
Asia	-3,290	-5.2
European Union + United Kingdom	-3,397	-16.6
United States	-20,547	-20.1
Middle East	-22,481	-34.7
Russian Federation	-2,067	-33.7
Rest of the world	-2,472	-13.9

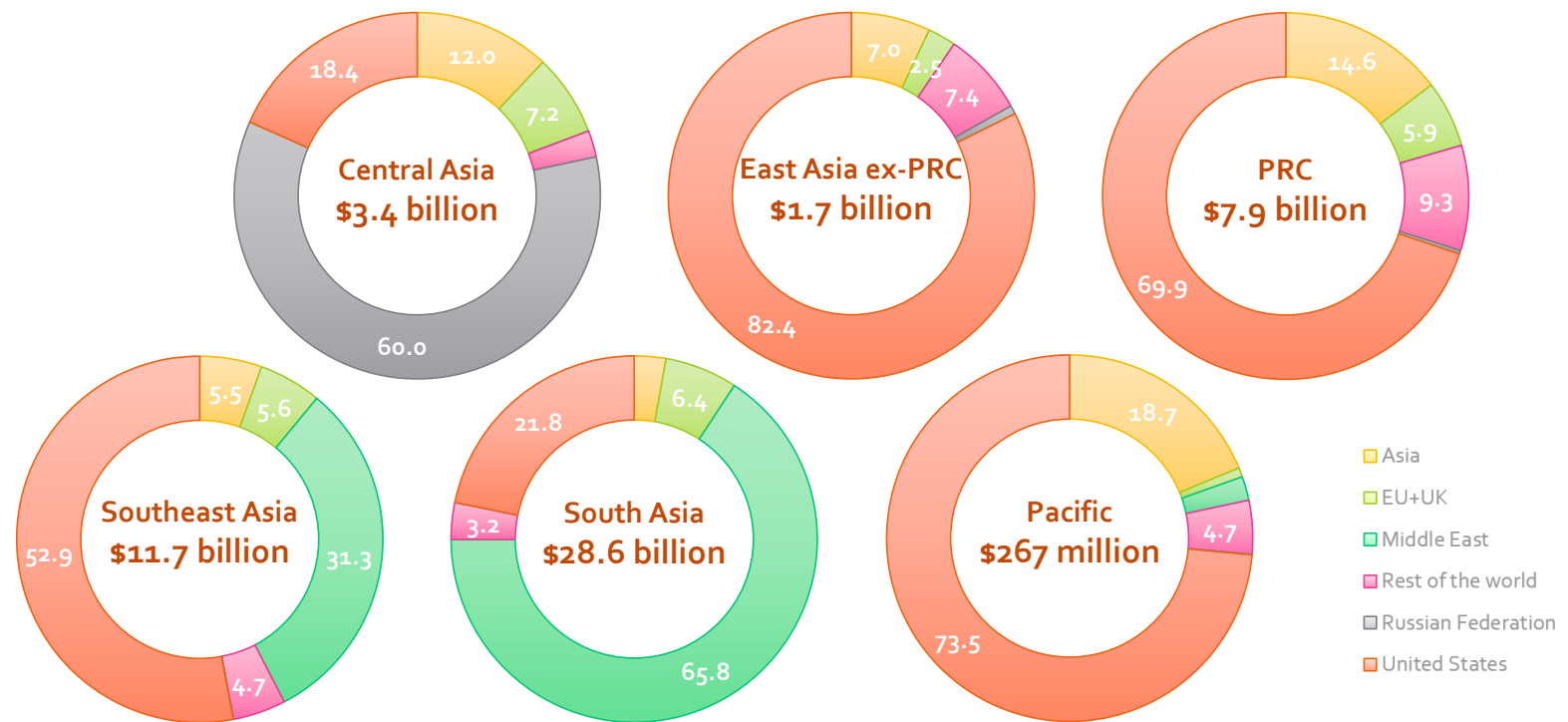
PRC = People's Republic of China

Note: Data presented for East Asia does not include those for the PRC and Japan.

Source: Asian Development Bank estimates.

# Host economies affect remittances to Asian subregions differently.

Share to the Total Decline in Remittance Value by Host Region/Territory, %



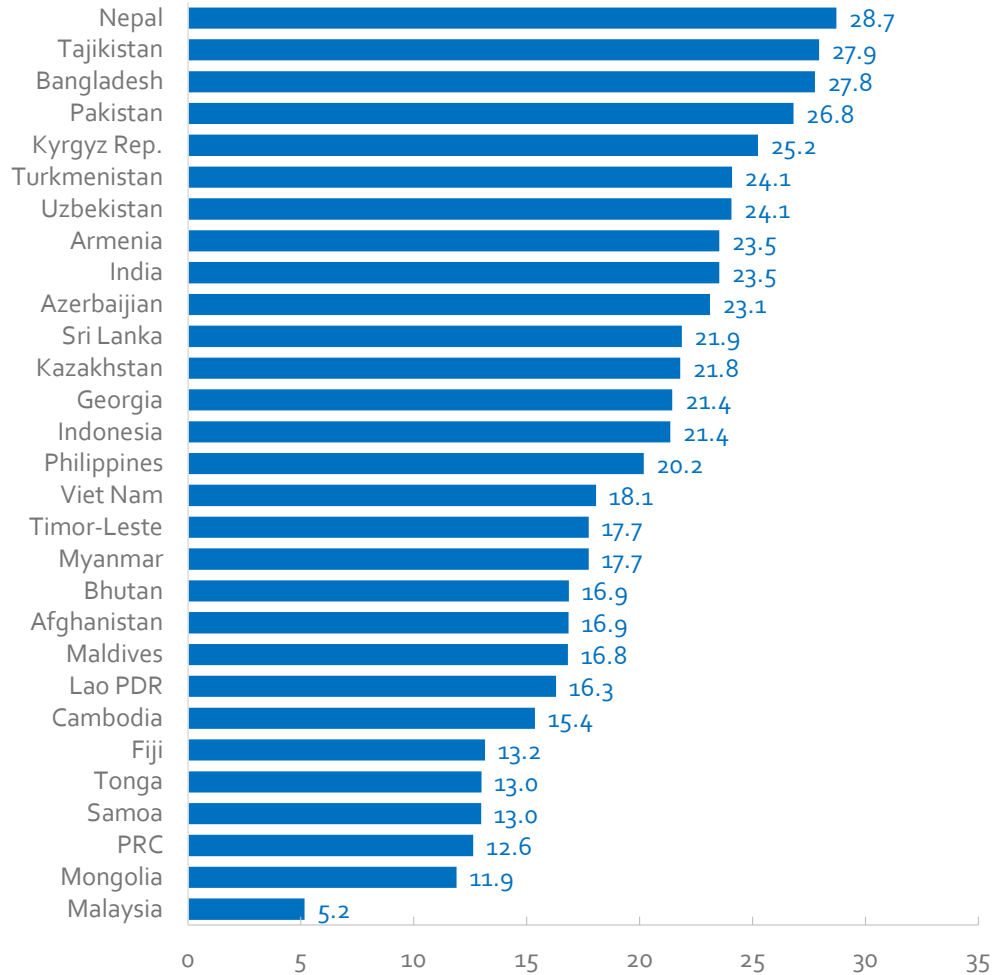
EU + UK = European Union plus the United Kingdom, PRC = People's Republic of China.

Note: The amount (\$ billion) in the circle refers to the total remittance loss of respective Asian subregion. The slices refer to the share to the total remittance loss from host regions and territories.

Source: Asian Development Bank estimates.



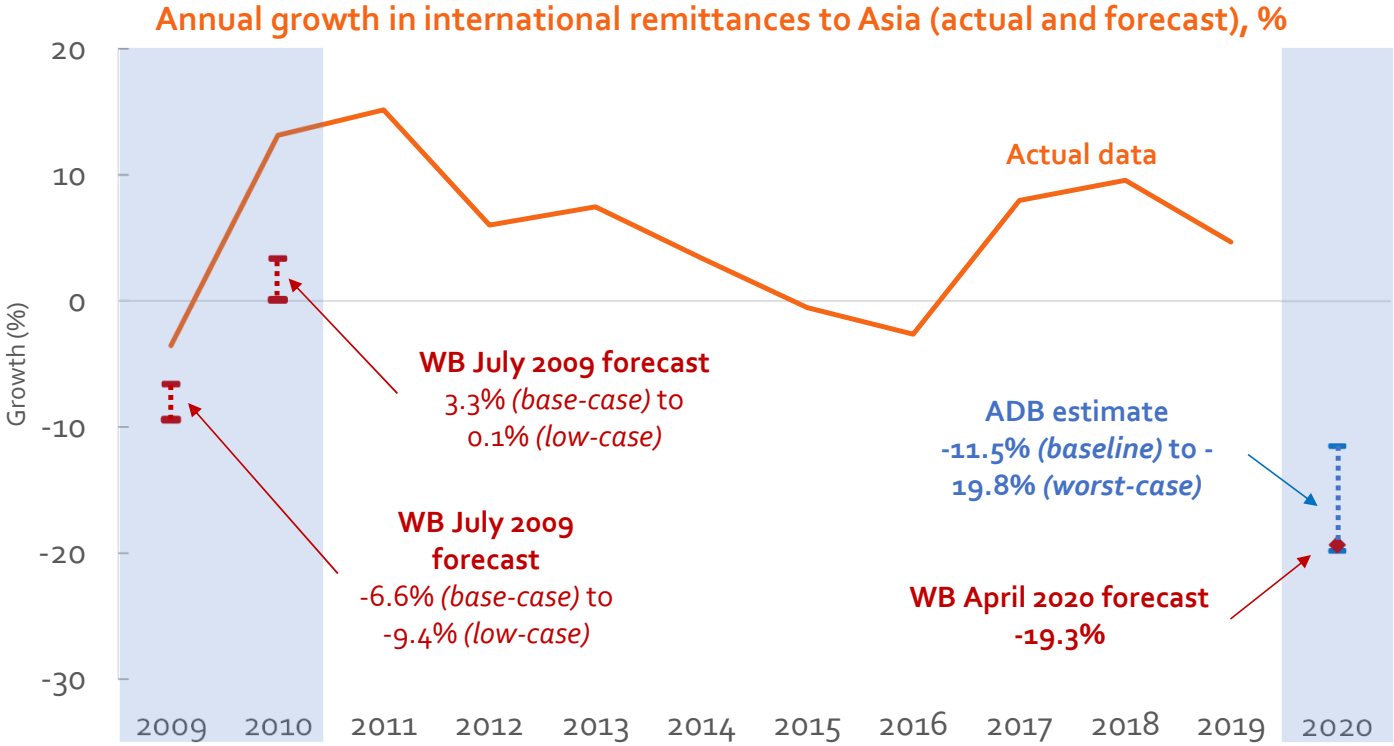
### Economy-wide Remittance Loss under Worst-Case Scenario (% of baseline)



PDR = People's Democratic Republic, PRC = People's Republic of China  
Source: Asian Development Bank estimates.

Remittance to **Central**  
and **South Asian**  
economies hit hard:  
falling by over 21%.

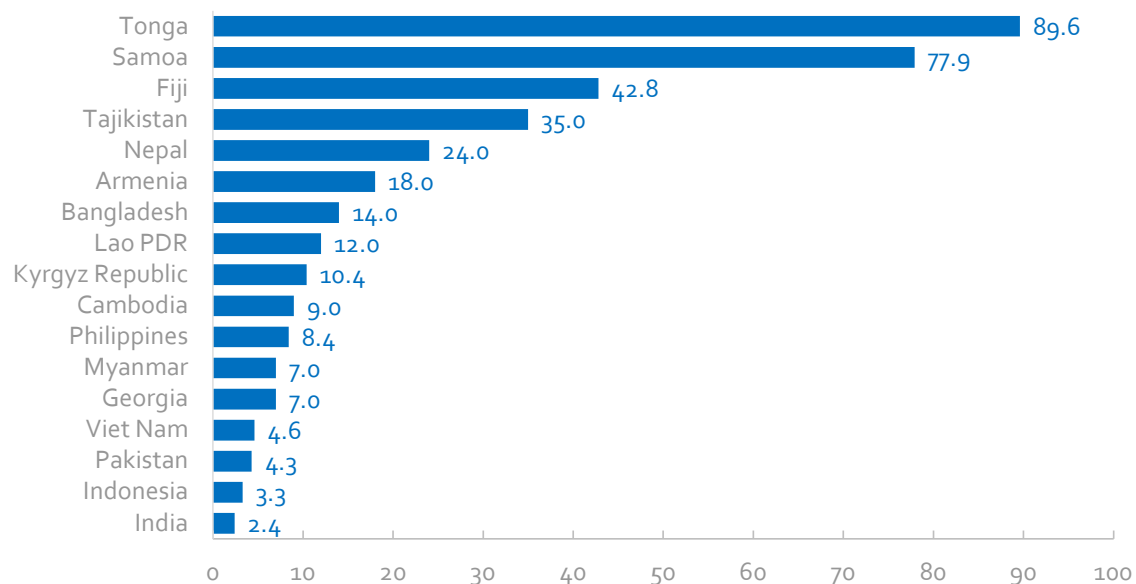
# Estimates on remittance inflows to Asia in 2020 compared.



WB = World Bank  
 Note: The WB estimates for Asia in this chart refers to the weighted aggregate of East Asia and the Pacific, South Asia, and Europe and Central Asia, thus includes countries that are not in ADB's list of Asian countries. These include low- and middle-income economies in Europe such as Albania, Bulgaria, Montenegro, Romania, Serbia, and Ukraine.  
 Source: Asian Development Bank estimates and World Bank's Migration and Development Briefs.

# Reduction or suspension of remittances can raise vulnerability of recipient households.

Share of Recipient Households with International Remittances, %



PDR = People's Democratic Republic.

Sources: ADB compilation using data from Mahabub Hossain Panel Data 2014- rural household sample only for Bangladesh; Making Access Possible (MAP)-FinScope nationwide financial inclusion surveys in Cambodia (2015), Lao PDR (2014) and Myanmar (2013) as reported in Aneja, Gravesteijn, and Hwang (2017); Integrated Household Survey for Georgia as reported by European Training Foundation and Business Consulting Group Research (2012); National Sample Survey 2007-08 for India as reported by Chellaraj and Mohapatra (2014); Indonesia Family Life Survey in 2007 as reported by Adams and Cuenca (2010); Life in Kirgizstan Study (LiK) 2016 for the Kyrgyz Republic; National Migration Survey 2018 for the Philippines; JICA Research Institute (2020) survey conducted in 2018 to study the migration situation in Tajikistan; Household Expenditure Survey 2013 for Samoa; Nepal Living Standard Survey in 2011 for Nepal; 2007-08 Household Integrated Economic Survey as reported in Mughal and Anwar (2012) for Pakistan; Roberts and Banaian (2005) for data on Armenia; Brown et al. (2006) for data on Fiji and Tonga based on the 2005 Survey of Migrant Households and Remittances; and Vietnam Household Living Standard Surveys in 2012 as used in Nguyen and Vu (2017).

# COVID-19 impact on cross-border labor mobility could reshape migration dynamics and governance.



Greater restriction of movement amid stringent public health measures and limited travel options.



Expected rise in migration costs, with limited travel options, health protocols, and immigration paperwork.



Rise in irregular forms of migration, such as human trafficking, due to restriction and frequent changes in recruitment and visa procedures.



A greater supply of workers may look for work overseas as the pandemic continues to hurt source economies.



Governments at both ends of migration need to set clear policies and guidance to respond to the “new normal” in labor migration.

# Effective support from host and source countries are needed to support affected migrants and the family members.



Improve safety and welfare of migrant workers and their families.



Facilitate reintegration of returned migrants.



Facilitate employment retention and placement.



Ensure the flow of remittances.

# ADB BRIEFS # 148

## COVID-19 COULD COST ASIA AND THE PACIFIC \$54 BILLION IN REMITTANCES.



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### ADB BRIEFS

#### KEY POINTS

- The economic recession caused by the COVID-19 pandemic threatens the job security and cash inflow of over 50 million international migrant workers in Asia and the Pacific.
- Such workers in Asia are employed in 100 countries, 80 in Asia, 20 in Europe, America, and 20 in other regions. They are mostly men, aged 15-64, and 78% of them are non-Asian origin.
- With many households depending on international remittances to develop and improve their living standards in the Pacific and Central Asia, any interruption in remittances flow to migrant workers could impact the economy.
- Some 200 million countries' migrant workers are employed in 100 countries. They are mostly men, aged 15-64, and 78% of them are non-Asian origin.

#### COVID-19 Impact on International Migration, Remittances, and Recipient Households in Developing Asia<sup>1</sup>

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#### INTRODUCTION: THE COVID-19 PANDEMIC AND INTERNATIONAL MIGRATION FROM ASIA AND THE PACIFIC

The coronavirus disease (COVID-19) pandemic is threatening migrant workers' economic survival, including employment and cash remittance. Through the end of June 2020, 100 million citizens applied to 178 of 200 for citizenship and residence, which is a sharp increase. It is expected that more than 1 billion of all the world's population will be affected by the pandemic in international and domestic travel, trade, investment flows, and other economic activities. The Asian Development Bank (ADB) estimates that the impact of the pandemic on the Asia and the Pacific region will be significant. The impact of the pandemic on the Asia and the Pacific region will be significant. The impact of the pandemic on the Asia and the Pacific region will be significant.

<sup>1</sup> This brief was prepared as part of the ADB's COVID-19 response. It is based on the findings of the ADB's COVID-19 Impact on International Migration, Remittances, and Recipient Households in Developing Asia report. The brief is available at [www.adb.org/publications/covid-19-impact-on-international-migration-remittances-and-recipient-households-in-developing-asia](http://www.adb.org/publications/covid-19-impact-on-international-migration-remittances-and-recipient-households-in-developing-asia).





**Thank you!**

