Other Relevant Migration-Related Targets

Presentation of
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Responding to the Challenges of Migration and Development

www.cfo.gov.ph
According to the latest World Bank Factbook 2016, global remittances will exceed $601 billion this year, with developing countries receiving over $440 billion.
The average cost of transactions globally is still hovering at 5-10%.

Reducing remittance costs was part of the development agenda of in the G20 Summit (2011, 2014), and the Valetta Summit on Migration (2015).
The World Bank created the Remittance Prices Worldwide database, which monitors remittance prices across all geographic regions in the world.

Source: www.remittanceprices.worldbank.org
“Policymakers will need to focus on leveraging remittances as a tool for economic development. While remittances are private transfers, the government can ensure that the policy environment is conducive to the use of remittances for investment in well-considered financial products, in productive activities such as entrepreneurial undertaking as well as in better housing, education and healthcare for remitters and their beneficiaries, improving the financial education of the overseas Filipinos community and implementing measures to further promote the flow of remittances through the financial system that would help catalyze the development role of remittances.”
There are eight remittance corridors where remittance cost is playing at an average of 3%-5%.

<table>
<thead>
<tr>
<th>Countries</th>
<th>2008 Remittance Cost</th>
<th>2015 Remittance Cost</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>US-Philippines</td>
<td>8.90</td>
<td>4.63</td>
<td>4.27</td>
</tr>
<tr>
<td>Canada-Philippines</td>
<td>9.95*</td>
<td>5.12</td>
<td>4.83</td>
</tr>
<tr>
<td>UK-Philippines</td>
<td>8.78</td>
<td>6.40</td>
<td>2.38</td>
</tr>
<tr>
<td>Italy-Philippines</td>
<td>10.04</td>
<td>5.35</td>
<td>4.69</td>
</tr>
<tr>
<td>Australia-Philippines</td>
<td>9.52**</td>
<td>5.64</td>
<td>3.88</td>
</tr>
<tr>
<td>Saudi Arabia-Philippines</td>
<td>4.78</td>
<td>4.48</td>
<td>0.3</td>
</tr>
<tr>
<td>UAE-Philippines</td>
<td>5.53*</td>
<td>3.33</td>
<td>2.2</td>
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<tr>
<td>Japan-Philippines</td>
<td>12.41</td>
<td>10.22</td>
<td>2.19</td>
</tr>
<tr>
<td>Singapore-Philippines</td>
<td>3.05*</td>
<td>3.46</td>
<td>-0.41</td>
</tr>
<tr>
<td>Malaysia-Philippines</td>
<td>5.61*</td>
<td>3.27</td>
<td>2.34</td>
</tr>
</tbody>
</table>

*2009 data  **2012 data

Source: *based on World Bank figures as of 2015
Comparison of Remittance Prices from Host Countries to the Philippines (select remittance corridors)

The remittance-sending countries include the **US (4.63)**, **Canada (5.12)**, **Italy (5.35)**, **Australia (5.64)**, **Malaysia (3.27)**, **Singapore (3.46)**, **UAE (3.33)**, and **Saudi Arabia (4.48)**.

*Source: based on World Bank figures as of 2015*
Philippine Initiatives in Lowering the Remittance Costs

1. Enhanced transparency and promoted competition in the remittance market to lower remittance charges.

The BSP’s web portal (launched in 2007) links all the banks’ relevant pages on remittance services, products, branches and remittance centers.

www.bsp.gov.ph
2. Waived the fees imposed on commercial banks that use the Philippine Payments and Settlements System (Philpass) remit system.

3. Approved the use of new technology to facilitate remittances.

4. Authorized qualified rural banks and cooperative banks to operate a foreign currency deposit unit or FCDU.
Philippine Initiatives in Lowering the Remittance Costs

5. Facilitated interconnection of major ATM networks

6. Encourages banks to offer specialized investment products and services

7. Setting up of Micro-Banking Units as part of its strategy for better Financial Inclusion
8. Promotion of Microfinance

Republic Act 10693 (An Act Strengthening Nongovernment Organizations Engaged in Microfinance Operations for the Poor) passed in 2015, encourages Microfinance NGOs to engage in money transfer and other related remittance services.


The NSFI will serve as the Philippine roadmap toward an inclusive financial system with effective access to a wide range of financial products and mainstream Filipinos across the country as regular clients.
CFO’s Initiatives

1. PESO Sense: The Philippine Financial Freedom Campaign

CFO’s innovative financial education and entrepreneurship program that utilizes new technology to reach out to all Filipinos, whether sender or receiver of remittances. The online PESO Sense financial literacy module is designed with 6 targeted profiles in mind: those of Students, Young Adults, Business Owners, the Employed, Home Makers and Retirees.

www.pesosense.com
2. Remittance for Development Council (ReDC)

The ReDC is a policy-recommending and advisory body composed of representatives from government, the private sector (especially banks and remittance service companies), civil society, academe and the Philippine-based international development agencies.
3. Joint Migration and Development Initiative Phase 2 (JMDI2)

Joint Migration and Development Initiative Phase 2 (JMDI2), is a global program that stresses the role of migration for development at the local level by upscaling and institutionalizing local migration and development initiatives.
Philippine Initiatives in Lowering the Remittance Costs

CFO’s Initiatives

4. BaLinkBayan One-Stop Online Portal for Diaspora Engagement

To reach out to 10 million overseas Filipinos worldwide, anytime of the day, the CFO set up its flagship program BaLinkBayan (www.balinkbayan.gov.ph), the one-stop online portal for diaspora engagement.

www.balinkbayan.gov.ph
Thank you

Secretary Imelda M. Nicolas
Chairperson

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