

UK calls for global action to protect vital money transfers

- UK and Switzerland call for countries to work together to make sure people can continue sending money to relatives in other countries during coronavirus outbreak
- Such remittances account for more than 5% of GDP in at least 60 developing countries
- World Bank predicts remittances to low and middle income countries will fall by 20% or \$110 billion in 2020

The UK and Switzerland today called for greater global collaboration to make sure diaspora communities around the world can continue to send financial support to their families in developing countries.

The joint call highlighted the urgent need for people to be able to continue accessing money transfer services, and for governments to make sure those funds reach those reliant on this support.

Both the UK and Switzerland are also urging countries to support greater access to digital remittance services and to declare remittances an essential financial service. They are also encouraging remittance service providers to reduce costs and fees for people making payments.

Money sent by individuals to family and friends living in low and middle income countries totalled \$554bn in 2019 and is a vital lifeline in many developing countries, boosting economic development and lifting people out of poverty.

But coronavirus is already having a big impact, with a drop in the wages of migrant workers and coronavirus restrictions making it more difficult for people to access money transfer services.

The World Bank predicts that remittances to low and middle income countries will fall by 20% in 2020, totalling \$110 billion.

A drop of this size would have a severe impact on countries where many people are already facing destitution and even starvation as a result of the huge economic impact of the pandemic. Remittances account for more than 5% of GDP for at least 60 developing countries. Life in lockdown is making it harder to send and receive funds.

International Development Secretary Anne-Marie Trevelyan said:

“The coronavirus pandemic means we are all concerned about how our family and friends here and overseas are coping. That’s why we’re making it easier for diaspora communities in the UK and other countries to continue to transfer money to their relatives.

“This will be lifesaving for some families in developing countries where

coronavirus is making a lack of food and healthcare, and extreme poverty, even worse. We are helping to prevent fragile economies from facing potential collapse during the pandemic.”

Federal Councillor Ignazio Cassis, head of the Swiss Federal Department of Foreign Affairs added:

“Remittances are important, but difficult because of COVID-19. So let’s make sure those barriers are removed worldwide! New technologies can help us here.”

Previous UK aid support is already helping to make money transfers easier, by helping 65 million people in the poorest countries access digital financial services so they can receive funds via their mobile phones or online.

UK aid support has also helped to give two million more people access to digital remittance services so they can send and receive money from home.

Today’s call by the UK and Switzerland was backed by partners, including the World Bank, the UN Capital Development Fund, UN Development Programme and the International Organisation for Migration. A number of countries have already joined, including Ecuador, Egypt, El Salvador, Jamaica, Mexico, Nigeria and Pakistan.

The UK Government has made it clear that in the UK people can continue to visit remittance centres should they need to, while observing social distancing and staying safe. Digital money transfer services are also available.