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Transferring money from Germany to the rest of the world A new service portal on the Internet shows the best offers for 25 countries

More than 15 million people in Germany are migrants or children of migrants. Many support families and friends in their countries of origin by sending money home on a regular basis. The problem is that transfers outside of the EU are for the most part subject to very high fees. A new service portal on the Internet is out to change this. At www.geldtransfair.de you can find the cheapest and quickest way to transfer money from Germany to 25 other countries. The service portal is financed by the German Government; it is being created and maintained by the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) – German technical cooperation – and the Frankfurt School of Finance and Management.

For many countries – Viet Nam, Morocco and Afghanistan, for instance – transfers from citizens living abroad are an important source of income. In 2007 alone, migrants living all over the world transferred EUR 316 billion to their home countries. And if you count money not transferred through official channels but handed over in cash, the total is considerably higher. After the USA and Saudi Arabia, Germany is among the most important source countries for these remittances.

The main problem is that migrants often pay very high fees for these transfers. If money transfer fees could be lowered to levels usual within the European Union, more money would end up in the pockets of home-country recipients.

This is exactly what the German Government is seeking to achieve with the service platform www.geldtransfair.de. "Costs are to be reduced through greater transparency and competition," explains Heidemarie Wieczorek-Zeul, the German Federal Minister for Economic Cooperation and Development.

In 2004 the seven leading industrialised countries and Russia agreed to reduce the cost of transferring money to developing countries by half, but this goal has yet to be reached. In Great Britain, thanks to greater cost transparency on the website www.sendmoneyhome.org, fees for transfers to India, for example, were lowered by 40 percent. The German Government is hoping to achieve a similar effect with the German Internet portal.

Here's how it works: you click on www.geldtransfair.de and select the recipient country of your choice. Then you indicate how much money you wish to transfer. You can use various means of transfer –

checks, cash via post, international bank transfers from one account to another, online transfers, or telephone orders. The Internet service then compares the offers of some 40 different services, searches for the cheapest rate, and indicates how long the transfer would take. This way you might find, for instance, that an online transfer of EUR 100 from Germany to Viet Nam would cost only EUR 1.50 through Germany's Postbank, while a cash transfer of the same amount via Sparkasse Bochum (Bochum savings bank) would cost some EUR 40.