MEXICO

1. General trends

The growth dynamic of the Mexican economy over the past few years has been shaped by structural and historical factors that have constrained the country's development. On the one hand, international conditions have become more complex, with slowdowns in global growth and trade. At the same time, changes in United States trade policy have had significant effects on trade and investment trends in Mexico. Added to the external complications, drops in public investment and in the production of energy goods, added to high levels of poverty and inequality, have acted as a drag on Mexico's economy.

In fact, in 2018, the Mexican economy grew by 2.0%, down slightly on the previous year's 2.1%. This modest performance was due to weaker consumption, despite a boost from the external sector (in particular, an upturn in trade with the United States). Inflation eased to 4.8% (compared to 6.8% in 2017) but was outside the central bank's target range of between 2% and 4% for the second consecutive year. The unemployment rate was 3.3%, slightly lower than in 2017 (3.4%), and the public balance was in deficit by 2.1% of GDP (following a gap of 1.1% in 2017), notwithstanding a primary surplus of 0.6%.[1]The balance-of-payments current account deficit ended 2018 at 1.8% of GDP (1.7% in the previous year).

Economic performance in 2019 has been marked by the slowdown that began in the second half of 2018. Accordingly, for 2019, GDP growth is projected at 1.0%, associated with weaker external demand owing a deceleration in the United States economy as the boost that came in 2018 from lower federal taxes has tailed off. This is in addition to financial uncertainty linked to global trade tensions (including the threat by the United States, connected with migration issues, to impose tariffs on imports from Mexico). Other factors affecting this projection include lower investment, weak public and private consumption, delays in budget execution relating to the entry of a new administration and lacklustre private investment. Economic activity has also been affected and lacklustre private investment. Economic activity was also affected by the blockage of railway lines by education workers in January, strikes in the maquiladoras in the north of the country, the cancellation of the new international airport project in Mexico City, and a gasoline shortage in January in states that are important for the country's economic activity. The latter resulted from the strategy to combat fuel theft in the polyduct pipelines belonging to the State-owned Petróleos Mexicanos (PEMEX). Inflation is expected to come in at 3.7% in 2019, converging on the central bank's target range; and the unemployment rate is expected to be 3.6%. The public sector fiscal deficit is likely to be around 2.0% of GDP (albeit with a primary surplus of 1.0%); and the current account deficit of the balance of payments is projected at 1.9% of GDP by the end of 2019.

(a) Fiscal policy

In 2018, public sector income was down by 1.4% in real terms relative to the previous year's level, owing to a 4.3% reduction in non-oil income (equivalent to 81% of total income), which was partially offset by a 12.8% real increase in public sector oil revenues boosted by higher international energy prices. In the non-oil category, while tax revenues expanded by 2.3%, non-tax income shrank by 53.3% in real terms, since the 2017 figures had included the Bank of Mexico's operating surplus equivalent to 1.5% of GDP.

[1] Includes the non-budgetary balance.

For comparison purposes, if this item is subtracted in both years, budgetary income increased by 4.3% in real terms.

Total public sector spending grew by 2.8% in real terms in 2018 year-on-year. This increase was mainly driven by contributions to stabilization funds in February 2018, larger transfers to the federative entities and higher operating costs associated with electric power generation in the wake of higher international fuel prices. Current expenditure rose by 3.9% in real terms, but capital expenditure dropped by 12.9%. Meanwhile, the financial cost increased by 10.0% in real terms, with interest, commissions and expenses rising by 10.6%.

At the end of 2018, total public sector net debt represented 46.1% of GDP, the same as a year earlier. In 2019 it is projected to edge up to 46.4%.

From January to April 2019, public sector budget revenues declined by 0.1% in real terms compared to the same period in 2018, mainly owing to the slowdown in economic activity. Meanwhile, net public sector budgetary expenditure was also 6.0% lower in real terms. This resulted from reductions in both current expenditure (by 5.4%) and capital spending (by 9.2%), despite a 4.8% increase in the financial cost. The public sector surplus in the first quarter of 2019 came to 38.044 billion pesos, compared to 5.803 billion pesos in the year-earlier period.

As of March 2019, the government was holding 402.111 billion pesos (equivalent to US$ 21.164 billion) in various stabilization funds, for the purpose of strengthening public finances should federal income fall short of the amount estimated in the Federal Revenue Law for Fiscal 2019.

With a total debt of US$ 106 billion, PEMEX is the world's most heavily indebted oil company and is also posting operating losses. In January 2019, the Government of Mexico announced a US$ 3.5 billion reduction in the company's tax liability. Then, in mid-February, a rescue plan was launched to start restoring its finances. The plan involves a US$ 1.3 billion capital injection, a US$ 1.8 billion disbursement towards the firm's labour liabilities (pensions) and an additional US$ 600 million per year in tax credits (applicable to the shared utility right) for the remainder of the government's six-year term. This will enable the company to avoid having to issue new debt to finance its operations in 2019 and tap the markets solely to refinance the existing debt. In July 2019, the PEMEX business plan announced another reduction in the company's tax liability for 2020 and 2022, totalling around 138.7 billion pesos (equivalent to US$ 7.3 billion), to reverse the declining trend of oil production and exports. In addition, a reform of the Hydrocarbons Revenue Law will be proposed to reduce the PEMEX tax burden.

(b) Monetary and financial policy

In 2018, the overnight interbank interest rate, the Bank of Mexico's benchmark rate, was raised four times, in February, June, November and December, for a cumulative increase of 100 basis points to reach its highest level in a decade at 8.25% (at the end of 2017 the rate stood at 7.25%). These rate hikes were intended to reduce exchange-rate volatility and contain price increases, which themselves reflected higher interest rates in the United States, uncertainty surrounding the renegotiation of the North American Free Trade Agreement (NAFTA), cancellation of the construction of the new international airport in Mexico City and tensions in international trade policies.

The current portfolio of commercial bank lending to the private sector posted real year-on-year growth of 4.9% in 2018 (similar to the rate in late 2017). Loans for business, housing and consumption grew by 6.4%, 4.7% and 1.5%, respectively, compared to rates of 7.9%, 1.6% and 1.3% in 2017. This performance was driven mainly by higher real disposable income (stemming from a reduction in inflation). The average nominal lending rate, for credit cards and mortgage loans, was 28.3% (equivalent to 22.3% in real terms, and 2.5 percentage points higher than in 2017). Meanwhile, the nominal interest rate on deposits, defined as the cost of deposit-taking for full-service banks, rose to 6.7% (equivalent to 1.7% real) or 1.9 percentage points higher than in 2017.

In March 2019, the active portfolio of commercial bank loans to the private sector was up by 7.0% in real terms year-on-year, thanks to expansions in consumer credit (1.9%), home loans (6.1%) and credit to firms and individuals with business activity (9.1%). Except for consumption, which was burdened by the increase in unemployment, these rates were slightly higher than in the same month a year earlier.

In 2018, the risk rating agencies Fitch Ratings, Standard & Poor's and Moody's maintained their investment grade rating for Mexico's sovereign debt. Nonetheless, in October Fitch Ratings changed its outlook for debt backed by the Mexican government from stable to negative, owing to uncertainty about the direction of the incoming administration's policies and the growth of PEMEX liabilities.

In January 2019, Fitch Ratings downgraded the PEMEX credit rating from BBB+ to BBB-, and in June placed it at BB+, equivalent to speculative grade. The adjustment was made in response to the deterioration of the firm's credit profile and the lack of investment in the oil extraction and production business. Fitch also downgraded the country's rating from BBB+ to BBB with a stable outlook. In March 2019, Standard & Poor's changed its rating of Mexico's sovereign debt outlook from stable to negative, because of the deterioration in the government's fiscal position, which is linked to PEMEX. In June 2019, Moody's changed its view of Mexico's outlook from stable to negative, but maintained its risk rating at A3 (investment grade). It also changed the outlook for PEMEX from stable to negative. Moody's decision was motivated by a weakening of investor confidence and economic prospects, compounded by the risks to public finances arising from energy policy and the role of PEMEX.

(c) Exchange-rate policy

In 2018 there were several episodes of exchange-rate volatility, related to the rise in commodity prices, hikes in international interest rates, trade protectionism in the United States and uncertainty surrounding the elections in Mexico. From the peak attained by the United States currency on 19 June 2018 (20.7 pesos per dollar), following the elections on 1 July, the peso then strengthened by 10.5% to 18.6 pesos per dollar by the end of the year. Over the course of 2018 the Mexican currency suffered an average depreciation of 1.7% (equivalent to a real appreciation of 0.7%).

In the January–June of 2019, the peso was 0.5% weaker against the dollar in nominal terms than in the year-earlier period (a real appreciation of 1.9%). In the month of January this depreciation was linked to the partial shutdown of the United States government and the weakness of the dollar against other currencies. This counterbalanced the exchange volatility generated by the uncertainty surrounding the United Kingdom's withdrawal from the European Union, and by international trade tensions (including the delay in ratification and implementation of the United States-Mexico-Canada Agreement (USMCA).

Mexico's international reserves grew by 1.0% over the course of 2018; and, in June 2019, the central bank reported that the stock of international reserves stood at US$ 178.868 billion, 2.4% higher than at the end of 2018. In addition, Mexico currently has a flexible credit line (FCL) arrangement with the International Monetary Fund (IMF) of roughly US$ 74 billion. This means that the Bank of Mexico has more than US$ 251 billion available to cope with foreign-exchange and financial turbulence.

(d) Other policies

In 2018, as part of the energy reform, the National Hydrocarbons Commission launched tenders for various areas for shallow-water exploration and extraction of oil and natural gas in the Gulf of Mexico. Under the new government, the Commission postponed tenders for new oil concessions to evaluate the sector's performance and the contracts already signed. These tenders, which had been scheduled for October 2019, were cancelled altogether in June 2019.

The Comprehensive and Progressive Treaty for Trans-Pacific Association (CPTPP) was ratified by the Senate in April 2018; and it came into force in the first few days of 2019 for 7 of its 11 members: Australia, Canada, Japan, Mexico, New Zealand, Singapore and Viet Nam. It is expected to become operational for the other countries in the second half of 2019, once ratified by their respective congresses. The Comprehensive and Progressive Treaty for Trans-Pacific Association is a free trade agreement that represents a market for Mexico of 372 million potential consumers. Trade between Mexico and members of the new bloc totalled US$ 67 billion in 2017, and the countries in question provided 10% of Mexico's inward investment. The treaty contains 30 chapters, dealing with traditional issues such as merchandise trade, rules of origin, sanitary and phytosanitary measures, technical barriers to trade, services and investment, among others; as well as issues for the next generation of agreements, such as disciplines on State-owned enterprises, trade and the environment, intellectual property, regulatory coherence, treatment of small and medium-sized enterprises (SMEs) and e-commerce.

Renegotiation of NAFTA began in August 2017 and ended in September 2018 with the signing of the new USMCA. The modernization of the agreement included improvements to rules of origin and addressed new issues such as SMEs, competition, the elimination of technical barriers to trade, customs facilitation, e-commerce, the environment and corruption. It also incorporated a 16-year revision date, an increase in the percentage of a vehicle's content that must be produced in high-wage countries (for the automobile sector), a clause that makes it more difficult to sign trade agreements with non-market economies, and changes in the investor-State dispute-settlement process. The new agreement is awaiting approval by the legislatures of Canada, Mexico and the United States. Nonetheless, the threat of import tariffs and legislative elections in the latter country add uncertainty to the ratification process.

A major labour reform was approved in May 2019, which is in line with USMCA-related commitments. Among its main features, it: (i) eliminates the conciliation and arbitration boards and transfers their powers to the judiciary, where disputes will now be resolved through oral hearings; (ii) alters the framework for regulating collective bargaining contracts; (iii) makes it mandatory for domestic workers to be registered with the Mexican Social Security Institute (IMSS); (iv) regulates labour relations for rural workers; and (v) strengthens democracy, representativeness and trade union transparency.

3. The main variables

(a) The external sector

In 2018, goods exports grew at an annual rate of 10.1%, as a result of increases of 29.0% in oil exports (mainly due to higher prices) and 8.9% in non-oil exports. Among the latter, sales to the United States (representing 79.5% of total exports) grew at an annual rate of 9.6% (as a result of the stronger performance of that country's industrial sector) and sales to the rest of the world increased at an annual rate of 11.9%. On the other side of the account, merchandise imports grew by 10.4% in the same period, owing to a 28.7% expansion of oil imports, while non-oil imports increased by 8.4%. Imports of consumer, intermediate and capital goods rose by 10.1%, 10.3% and 11.9% per year, respectively. The merchandise trade balance posted a cumulative deficit of US$ 13.796 billion (25.6% larger than in 2017).

In 2018, family remittances totalled US$ 33.470 billion, 10.5% more than in 2017, representing the third consecutive annual record. Meanwhile, the current account deficit of the balance of payments widened to 1.8% of GDP at US$ 21.643 billion, compared to the previous year's US$ 19.558 billion. Foreign direct investment (FDI) amounted to US$ 32.694 billion, 0.7% lower than in 2017; and portfolio and other investment liabilities declined by 60.4% and 374.7%, respectively, over the previous year.

From January to May 2019, the total value of merchandise exports grew at an annual rate of 4.2%, while total merchandise imports increased by 1.9%. This produced a trade surplus of US$ 584 billion. As of May 2019, family remittances to Mexico totalled US$ 13.724 billion, 4.7% higher than in the same period of 2018. In addition, FDI in March was US$ 10.161 billion, 19.6% less than a year earlier.

(b) Economic activity

In 2018, average annual economic growth came in at 2.0%. In terms of broad categories, tertiary sector GDP rose by an average of 2.8%, primary by 2.4% and secondary by a mere 0.2%. The most vibrant activities were financial services and insurance and information produced by mass media. For the sixth straight year, there was a contraction in the mining sector (by 5.5%), owing mainly to the fall in oil production.

On the demand side, private consumption grew by an average of 2.2% (3.1% in the same period in 2017) and gross fixed investment expanded by 0.6% (having contracted by 1.6% in the year-earlier period), driven mainly by the machinery and equipment components and residential building, linked to reconstruction work following the natural disasters of 2017. Exports of goods and services (up 5.7%), although growing faster than in the last two years, slackened at the end of 2018. Nonetheless, they were a key factor for maintaining growth in economic activity, despite both domestic and international economic uncertainty. On the supply side, imports of goods and services performed similarly to the previous year with growth of 6.2%.

In the first quarter of 2019, GDP grew by 1.2% relative to the same period in 2018. Primary activities expanded by 5.8% year-on-year, tertiary activities grew by 1.9%, and secondary activities shrank by 0.7%. In order to boost medium- and long-term economic growth, the downtrend in investment needs to be reversed, particularly in the case of public investment, and a stable macroeconomic framework needs to be guaranteed, along with legal and institutional certainty for economic activity.

(c) Prices, wages and employment

At the end of 2018, year-on-year headline inflation stood at 4.8%, reflecting the lagged pass-through of the exchange-rate depreciation, hikes in the prices of energy products, food and beverages, and the rise in public goods and services tariffs. Core inflation was 3.7%. These figures are based on the new inflation measurement with the base year changed to 2018 by the National Institute of Statistics and Geography (INEGI).

Unemployment accounted for 3.3% of the economically active population nationwide in 2018, slightly lower than the rate in 2017 (3.4%); and the rate of underemployment was 6.9% (7.1% in 2017). Labour informality stood at 56.7%, slightly less than in the previous year (56.9%).

In 2018, the real minimum wage was raised by 5.7%. Towards the end of the year, the Council of Representatives of the National Commission for Minimum Wages (CONASAMI) decided to raise the minimum wage by 16.2% in real terms as from 1 January 2019, thus increasing the general minimum wage from 88.36 pesos to 102.68 pesos per day. This was the largest annual wage increase in 25 years. In 43 municipalities in the six states on Mexico’s northern border, the minimum daily wage rose from 88.36 to 176.72 pesos. The average wage across sectors of economic activity for workers insured in the Mexican Social Security Institute (IMSS) rose by 5.7% between 2017 and 2018; and in January–April 2019 it was 6.9% higher than in the prior-year period.

In June 2019, year-on-year inflation stood at 3.95% (compared to 4.65% in the same month in 2018). Despite a declining trend, there were outbreaks of inflationary pressure caused by upticks in fuel prices (especially gasoline), electricity tariffs and certain agricultural products. Producer prices trended down to reach 3.2% (5.4% in May 2018).

The national unemployment rate averaged 3.4% between January and May 2019 (3.2% in the year-earlier period), and 7.2% of the employed population were underemployed (7.0% in the same period of 2018). All of this reflected the slowdown in economic activity during the first quarter of 2019 compounded by public sector job cuts. In addition, the dynamics of total employment were likely affected by the Youth Building the Future programme —which, although it cannot be considered formal employment, pays a grant of 3,600 pesos per month to young people aged 18–29, to enable them to undergo training for a year— in which 481,548 individuals were participating up to May.

Table 1
MEXICO: MAIN ECONOMIC INDICATORS

	2010	2011	2012	2013	2014	2015	2016	2017	2018 a/
	Annual growth rates b/								
Gross domestic product	5.1	3.7	3.6	1.4	2.8	3.3	2.9	2.1	2.0
Per capita gross domestic product	3.5	2.2	2.2	0.0	1.4	1.9	1.6	0.8	0.7
Gross domestic product, by sector									
Agriculture, livestock, hunting, forestry and fishing	2.5	-3.8	6.4	2.3	3.8	2.1	3.5	3.4	2.4
Mining and quarrying	1.1	0.4	1.1	-0.6	-1.9	-4.4	-4.3	-8.3	-5.5
Manufacturing	8.7	3.2	3.9	0.5	4.0	3.0	1.6	3.0	1.7
Electricity, gas and water	4.5	6.1	2.0	0.6	8.1	1.7	0.1	-0.4	2.1
Construction	0.0	4.0	2.4	-1.6	2.7	2.4	1.9	-0.9	0.6
Wholesale and retail commerce, restaurants and hotels	10.4	7.7	3.8	1.7	3.4	4.7	3.0	3.6	2.9
Transport, storage and communications	6.2	3.9	5.9	3.0	3.7	7.3	7.3	5.4	4.0
Financial institutions, insurance, real estate and business services	4.4	3.8	4.5	3.5	2.7	4.7	4.8	3.0	3.2
Community, social and personal services	1.4	1.6	2.8	0.4	0.8	0.9	1.4	0.7	0.9
Gross domestic product, by type of expenditure									
Final consumption expenditure	3.4	3.3	2.5	1.6	2.2	2.6	3.6	2.8	2.1
Government consumption	2.3	3.0	3.4	0.5	2.6	1.9	2.6	1.0	1.4
Private consumption	3.6	3.4	2.3	1.8	2.1	2.7	3.8	3.1	2.2
Gross capital formation	6.8	6.5	5.3	-2.1	1.7	4.3	1.3	-1.7	0.9
Exports (goods and services)	22.4	7.7	6.5	1.4	7.0	8.4	3.7	3.9	5.7
Imports (goods and services)	17.1	5.6	5.4	2.1	5.9	5.9	2.9	6.2	6.2
Investment and saving c/	**Percentages of GDP**								
Gross capital formation	22.8	23.3	23.9	22.5	21.9	23.3	23.8	23.0	23.0
National saving	22.3	22.2	22.3	20.0	20.0	20.7	21.5	21.3	21.2
External saving	0.5	1.1	1.6	2.5	1.9	2.6	2.3	1.7	1.8
Balance of payments	**Millions of dollars**								
Current account balance	-5 269	-12 519	-18 766	-31 769	-25 119	-30 682	-24 300	-19 558	-21 643
Goods balance	-2 943	-1 205	291	-909	-2 795	-14 599	-13 070	-10 984	-13 796
Exports, f.o.b.	298 860	350 004	371 442	380 729	397 651	380 977	374 305	409 806	451 054
Imports, f.o.b.	301 803	351 209	371 151	381 638	400 447	395 575	387 375	420 790	464 850
Services trade balance	-11 416	-15 591	-14 905	-14 058	-13 292	-9 777	-8 966	-9 868	-9 004
Income balance	-12 345	-18 585	-26 582	-38 327	-31 803	-30 437	-28 791	-28 380	-31 521
Net current transfers	21 434	22 862	22 430	21 525	22 772	24 131	26 527	29 674	32 678
Capital and financial balance d/	25 982	40 752	36 291	49 558	41 448	15 016	24 164	14 793	22 126
Net foreign direct investment	12 888	12 329	-952	33 664	24 640	25 143	29 821	28 825	26 414
Other capital movements	13 095	28 423	37 242	15 894	16 807	-10 127	-5 657	-14 031	-4 288
Overall balance	20 713	28 233	17 524	17 789	16 329	-15 667	-136	-4 765	483
Variation in reserve assets e/	-20 713	-28 233	-17 524	-17 789	-16 329	15 667	136	4 765	-483
Other external-sector indicators									
Real effective exchange rate (index: 2005=100) f/	109.0	109.1	112.6	106.8	108.0	122.2	140.8	137.9	136.0
Terms of trade for goods (index: 2010=100) g/	100.0	106.8	102.9	102.8	97.6	93.0	89.7	91.2	92.1
Net resource transfer (millions of dollars)	13 638	22 166	9 708	11 231	9 644	-15 422	-4 627	-13 587	-9 395
Total gross external debt (millions of dollars)	194 766	210 535	225 267	258 752	285 412	296 396	314 200	333 392	342 020
Employment	**Average annual rates**								
Labour force participation rate h/	58.4	58.6	59.2	60.3	59.8	59.8	59.7	59.3	59.6
Open unemployment rate i/	5..9	5.6	5.4	5.4	5.3	4.7	4.3	3.8	3.6
Visible underemployment rate h/	8.7	8.6	8.5	8.3	8.1	8.3	7.6	7.1	6.9

Table 1 (concluded)

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Prices	**Annual percentages**								
Variation in consumer prices (December-December)	4.4	3.8	3.6	4.0	4.1	2.1	3.4	6.8	4.8
Variation in industrial producer prices (December-December)	4.7	8.8	0.4	1.5	1.8	3.0	9.1	2.7	5.7
Variation in nominal exchange rate (annual average)	-6.5	-1.5	5.7	-3.0	4.3	19.2	17.6	1.4	1.7
Variation in average real wage	-0.9	1.1	0.0	0.1	0.4	1.4	0.9	-1.2	0.8
Nominal deposit rate j/	4.2	4.2	4.2	3.9	3.2	3.0	3.8	3.8	6.7
Nominal lending rate k/	...	29.9	28.6	27.9	28.6	28.5	26.8	26.8	28.3
Federal government	**Percentages of GDP**								
Total revenue	22.1	22.3	22.2	23.3	22.8	23.0	24.1	22.6	21.7
Tax revenue	9.4	8.8	8.3	9.6	10.3	12.8	13.5	13.0	13.0
Total expenditure	24.9	24.8	24.8	25.7	25.9	26.4	26.6	23.7	23.8
Current expenditure	20.0	20.0	20.1	20.3	20.8	21.3	20.7	20.1	20.7
Interest	1.8	1.8	1.8	1.8	1.9	2.1	2.2	2.3	2.5
Capital expenditure	4.9	4.8	4.7	5.4	5.1	5.0	5.9	3.6	3.1
Primary balance l/	-1.0	-0.7	-0.7	-0.5	-1.2	-1.2	-0.2	1.2	0.5
Overall balance l/	-2.8	-2.5	-2.6	-2.3	-3.1	-3.4	-2.5	-1.1	-2.0
Federal government public debt	27.0	27.3	27.8	29.8	31.7	34.1	37.0	35.2	35.3
Domestic	21.7	21.5	22.4	24.2	25.3	27.4	27.9	27.0	27.3
External	5.3	5.8	5.5	5.6	6.4	7.4	9.1	8.2	8.0
Money and credit	**Percentages of GDP, end-of-year stocks**								
Domestic credit	43.6	44.1	45.6	48.5	49.1	52.5	54.7	54.9	54.4
To the public sector	20.3	19.5	19.6	19.5	19.8	20.6	20.7	19.5	19.9
To the private sector	23.3	24.6	26.0	29.0	29.3	32.0	34.0	35.3	34.6
Monetary base	5.2	5.2	5.3	5.6	6.1	6.7	7.1	7.1	7.1
Money (M1)	12.7	13.2	13.3	14.2	15.0	16.1	16.8	16.8	16.9
M2	20.4	20.8	20.9	22.1	22.5	23.9	24.4	24.3	24.8
Foreign-currency deposits	1.2	1.3	1.3	1.4	1.8	2.3	3.1	3.6	3.0

Surce: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
a/ Preliminary figures.
b/ Based on figures in local currency at constant 2013 prices.
c/ Based on values calculated in national currency and expressed in current dollars.
d/ Includes errors and omissions.
e/ A minus sign (-) indicates an increase in reserve assets.
f/ Annual average, weighted by the value of goods exports and imports.
g/ Economic Development Division, calculations for Economic Survey of Latin America and the Caribbean, 2019.
h/ Nationwide total. New measurements have been used since 2013; the data are not comparable with the previous series.
i/ Urban total.
j/ Cost of term deposits in the multibanking system.
k/ Average interest rate for credit cards from commercial banks and the TAC rate (Total Annual Cost).
l/ Includes the non-budgetary balance.

Table 2

MEXICO: MAIN QUARTERLY INDICATORS

	2017				2018				2019	
	Q.1	Q.2	Q.3	Q.4	Q.1	Q.2	Q.3	Q.4	Q.1	Q.2 a/
Gross domestic product (variation from same quarter of preceding year) b/	3.5	1.9	1.5	1.5	1.2	2.6	2.5	1.7	1.2	...
Gross international reserves (millions of dollars)	178 379	176 087	174 958	175 286	178 177	177 877	176 721	176 514	181 143	185 039 c/
Real effective exchange rate (index: 2005=100) d/	147.9	135.4	130.7	137.6	134.8	139.6	133.1	136.6	131.4	131.0 c/
Open unemployment rate e/	3.7	3.8	3.9	3.8	3.4	3.7	3.8	3.6	3.7	...
Employment rate f/	57.2	57.3	57.3	57.4	57.1	57.8	57.8	57.7	57.5	...
Consumer prices (12-month percentage variation)	5.4	6.3	6.3	6.8	5.0	4.6	5.0	4.8	4.0	4.3 c/
Wholesale prices (12-month percentage variation)	8.7	5.5	4.6	4.65	4.3	8.1	7.3	5.72	4.4	3.2 c/
Average nominal exchange rate (pesos per dollar)	20.3	18.6	17.8	19.0	18.7	19.4	18.9	19.9	19.2	19.0 c/
Nominal interest rates (average annualized percentages)										
Deposit rate g/	5.2	5.7	6.1	6.2	6.4	6.5	6.8	7.0	7.2	7.3 c/
Lending rate h/	27.3	27.6	26.5	26.7	27.4	27.8	28.9	29.0	29.6 i/	...
Interbank rate	6.4	7.0	7.4	7.4	7.8	7.9	8.1	8.3	8.6	8.5 c/
Monetary policy rates	6.2	6.8	7.0	7.1	7.4	7.6	7.8	8.0	8.3	8.3 c/
Sovereign bond spread, Embi + (basis points to end of period) j/	196	193	170	189	191	211	180	241	206	227 c/
Risk premiia on five-year credit default swap (basis points to end of period)	130	113	110	106	109	134	113	157	125	113
International bond issues (millions of dollars)	8 166	3 880	10 980	6 196	12 458	7 282	1 769	2 370	3 101	6 205
Stock price index (national index to end of period, 31 December 2005 = 100)	273	280	283	277	259	268	278	234	243	242
Domestic credit (variation from same quarter of preceding year)	10.6	7.9	6.7	7.0	8.8	13.7	10.0	8.1	5.7	6.9 k/

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
a/ Preliminary figures.
b/ Based on figures in local currency at constant 2013 prices.
c/ Figures as of May.
d/ Quarterly average, weighted by the value of goods exports and imports.
e/ Urban total.
f/ Nationwide total.
g/ Cost of term deposits in the multibanking system.
h/ Average interest rate for credit cards from commercial banks and the TAC rate (Total Annual Cost).
i/ Figures as of February.
j/ Measured by J.P.Morgan.
k/ Figures as of April.

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