

MEXICO

1. General trends

The Economic Commission for Latin America and the Caribbean (ECLAC) expects Mexican GDP to decline by 9.0% in 2020 as a result of the coronavirus disease (COVID-19) pandemic. This would be the third-largest contraction in Mexican economic activity since 1900, after the 10.0% and 14.8% falls in 1914 and 1932, respectively, with shrinking domestic supply and demand being compounded by declining economic activity around the world, and particularly in the United States. Furthermore, there are risks that could result in a larger decline in GDP if they materialize, such as financial uncertainty associated with a slow recovery in global economic growth, a long drawn-out exit from the health crisis and a collapse in public revenues if there were to be sharp falls in international prices for Mexico's oil mix.

The Government of Mexico confirmed the first case of COVID-19 in the country on 28 February 2020. On 30 March, the Board of Health declared a medical emergency. On 21 April, the Ministry of Health declared the start of phase 3 of the response to COVID-19, decreed the temporary closure of parks, stadiums, bars, beaches and places of worship and ordered restrictions on movement. The government implemented a number of economic and social instruments to counteract the negative impact of the health crisis. Fiscal support equivalent to 1.1% of GDP has been provided without taking on new debt. Despite a high rate of infection, economic activity in the country began to gradually reopen on 1 June.

Inflation is expected to be around 3.6% and the unemployment rate close to 6.3% in 2020. Projections are for a fiscal deficit in the non-financial public sector of about 4.4% of GDP (which implies abandoning the target of a primary surplus of 0.7% of GDP and running a primary deficit of 0.6% of GDP) and for a balance-of-payments current account deficit of 0.1% of GDP.

The Mexican economy was on a downward trend when the COVID-19 pandemic began. Real GDP fell by 0.3% in 2019, a far cry from the 2.2% growth seen in 2018. The domestic context was affected by falling investment and low levels of consumption, both public and private, and by adjustments in the implementation of the public budget. On the external front, Mexican exports slowed amid declining international trade flows, themselves affected by global trade tensions. Inflation was 2.8% (4.8% in 2018), remaining within the central bank's target range of 2.0% to 4.0% thanks to sound monetary policy management and a significant drop in demand. In addition, the unemployment rate rose to 3.5% (3.3% in 2018) as a result of the slowdown in economic activity. The non-financial public sector fiscal deficit stood at 1.6% of GDP (with a primary surplus of 1.1% of GDP), compared to 2.1% of GDP in 2018. The balance-of-payments current account deficit narrowed significantly from 2.1% of GDP in 2018 to 0.3% of GDP at the end of 2019, as buoyant non-oil exports offset the sharp drop in oil exports and imports.

2. Economic policy

(a) Fiscal policy

The first effects of the health crisis on revenue were seen in April 2020, when it fell 19.0% year on year. The declines in May and June were 23.1% and 6.9%, respectively. However, total public sector budget revenues fell by just 3.7% in real terms from January to June 2020 compared with the same period in 2019,

thanks to an increase in non-oil revenues (3.3%) that offset the collapse in oil revenues (41.3%). Meanwhile, net public sector budgetary expenditure increased by 2.1% in real terms. This was the result of an increase in current expenditure (0.8%), capital expenditure (23.1%) and the financial cost of the public sector (0.4%). The public deficit in the first half of 2020 was up by 137.2% in real terms on the same period of 2019.

On 18 March 2020, the Chamber of Deputies approved the creation of the Emergency Prevention and Response Fund, which would receive financing of 180.733 billion pesos (0.7% of GDP) to deal with the COVID-19 pandemic. To raise these resources, the government was authorized to reduce by up to 100% the primary surplus equivalent to 0.7% of GDP mandated in the 2020 General Economic Policy Criteria.

In 2019, the drop in economic activity led to a slowdown in public revenue growth. Receipts increased by only 1.6% in real terms over 2018, owing mainly to the administrative and oversight measures taken by the Tax Administration Service (SAT). Non-oil revenues (82.3% of the total) increased by 3.3%, but oil revenues fell by 5.7% because of lower international energy prices and declining oil production. Total public sector expenditure in 2019 was no higher in real terms than the previous year (0%). This performance was mainly due to a reduction in capital expenditure (2.5%) resulting from a decline in physical investment (11.8%), partially offset by higher current expenditure (1.1%).

In September 2019, the Ministry of Finance and Public Credit published the General Economic Policy Criteria for 2020, establishing that the average price of the Mexican oil mix would be US\$ 49 per barrel and average output for export would be 1.134 million barrels per day. The drop in prices for the Mexican oil mix and the production cut mandated in the agreement of the Organization of Petroleum Exporting Countries (OPEC) and partner countries will have a negative impact on the public finances and the country's economic growth, even though resources will be forthcoming from oil hedging contracts. These could be worth in the region of US\$ 6.7 billion, depending how far the price of the Mexican oil mix falls below US\$ 49 per barrel.

Total net public sector debt was equivalent to 45.5% of GDP at the close of 2019, 0.5 percentage points lower than at the end of 2018. It is estimated that the debt will climb to at least 56.0% of GDP in 2020, mainly because of the depreciation of the exchange rate and the contraction of economic activity, even if there is no further public borrowing.

In December 2019, the Ministry of Finance and Public Credit used 121.227 billion pesos (0.5% of GDP) of the resources available in the Budgetary Revenue Stabilization Fund (FEIP) to compensate for the decline in federal government revenues. In June 2020, the government had 267.535 billion pesos (equivalent to US\$ 12.216 billion) in the public finance stabilization funds, 11.6% more than at the end of 2019. It is estimated that in 2020 almost all these resources and those in various trusts (accounted for as non-oil non-tax revenues) will be used to offset the loss of federal government revenue due to the pandemic.

(b) Monetary and financial policy

In February 2020, the one-day interbank interest rate, which is the Bank of Mexico's reference rate, was cut by 25 basis points to 7.0%. Given the sharp fall in international oil prices at the start of the year and the expansion of the COVID-19 pandemic, the board of directors of the Bank of Mexico decided to lower this rate by a further 50 basis points on four occasions (March, April, May and June 2020), bringing it down to 5.0%, its lowest level since 2016. This rate had already been cut four times in 2019 by a cumulative total of 100 basis points, from 8.25% in 2018 to 7.25% at the end of 2019.

In addition to reducing the reference interest rate, the Bank of Mexico adopted measures worth 750 billion pesos (equivalent to 3.3% of GDP) to promote the orderly functioning of financial markets in the face of the pandemic, strengthen lending channels and provide liquidity to the financial system.

In June 2020, the commercial banking sector's outstanding portfolio of credit to the private sector showed year-on-year growth of 3.0% in real terms, driven by the expansion of housing loans (5.5%) and loans to companies and individual traders (6.0%). Meanwhile, consumer lending fell by 6.4%. The growth in business lending was slightly higher than in the same month of 2019, owing mainly to an accounting effect associated with the valuation of foreign currency-denominated balances and, to a lesser extent, to companies drawing on credit lines to meet their short-term liquidity needs. The rates of growth in consumer and mortgage lending were lower because it was negatively affected by rising unemployment and the partial shutdown of the economy as a result of the pandemic.

From January to May 2020, the average lending interest rate for credit cards and mortgage loans was a nominal 31.1% (equivalent to 27.2% in real terms, 2.6 percentage points more than in the same period of 2019). Meanwhile, the deposit rate, defined as the cost to full service banks of accepting term deposits, was a nominal 5.9% (equivalent to 2.6% in real terms, which was 0.4 percentage points less than in the same period of 2019).

In March 2020, Standard & Poor's downgraded the credit rating of Petróleos Mexicanos (PEMEX) and the country's sovereign debt, both from BBB+ to BBB, with a negative outlook, although they kept their investment grade. This adjustment was made because the spread of COVID-19 in Mexico and the United States, its main trading partner, coupled with the fall in international oil prices, was expected to have a pronounced negative impact on the economy. In April, Fitch Ratings also downgraded the credit rating of PEMEX, which had been speculative grade since June 2019, from BB+ to BB-, with a negative outlook, because the State-owned producer has liabilities of about US\$ 106 billion and has been running operating losses, despite recent efforts by the federal government to clean up its finances. This agency also changed the credit rating of the country's sovereign debt from BBB to BBB- (still investment grade), with a stable outlook. In late April, Moody's Investors Service lowered Mexico's sovereign debt rating from A3 to Baa1 and PEMEX's credit rating from Baa3 to Ba2, bringing the latter below investment grade.

(c) Exchange-rate policy

From January to July 2020, the peso was hit hard by the health crisis. By the end of July, the exchange rate against the dollar had weakened by 3.3 pesos relative to the official rate at the end of 2019, from 18.9 to 22.2 pesos per dollar, equivalent to a nominal depreciation of 17.7%. In March 2020, the Foreign Exchange Commission announced that the size of the peso hedge programme would be increased from US\$ 20 billion to US\$ 30 billion with the aim of protecting the orderly functioning of the currency market. That same month, the Bank of Mexico held two auctions worth US\$ 2 billion each to support the peso's exchange rate against the dollar.

In 2019, there was a small average nominal depreciation of the peso against the dollar (0.1%), although in real terms this represented a depreciation of 1.8% relative to the end of 2018.

The central bank reported that the international reserves balance stood at US\$ 192.606 billion on 31 July 2020, up 6.6% from the end of 2019. In addition, the flexible credit line of US\$ 61 billion with the International Monetary Fund (IMF) is operational. This gives the Bank of Mexico over US\$ 253 billion to deal with exchange-rate and financial turbulence.

(d) Other policies

The Agreement between the United States, Mexico and Canada (USMCA) came into force on 1 July 2020 following notification from each partner to its counterparty that domestic ratification had been completed. With this, the North American Free Trade Agreement (NAFTA) was replaced after 26 years of operation. The new agreement is expected to bring a small boost to economic activity and higher foreign investment.

At the end of April 2020, Mexico and the European Union concluded negotiations on public procurement, which was the last uncompleted stage in the negotiations to modernize the free trade agreement in force since July 2000. The new agreement is considered state-of-the-art and includes new trade areas such as energy and raw materials, sustainable development, small and medium-sized enterprises, good regulatory practices, and issues such as transparency and anti-corruption provisions.

3. The main variables**(a) The external sector**

The COVID-19 pandemic has greatly affected the performance of the external sector. From January to June 2020, total merchandise exports and imports each fell at a year-on-year rate of 19.5% by value. The trade balance thus presented a surplus of US\$ 2.659 billion, 17.8% down on the surplus for the same period in 2019. There was a strikingly large decline in May, when exports fell by 56.7% and imports by 47.1%. In the reference period, non-oil exports to the United States, which represented 82.0% of total exports, fell at an annual rate of 17.8%, while shipments to the rest of the world contracted by 18.9%.

Family remittances sent to Mexico in the first half of 2020 totalled a cumulative US\$ 19.075 billion, 10.6% up on the figure for the same period in 2019. Even though remittances were down by 2.6% year on year in April (the largest drop in four years), no contraction is expected for 2020 overall, mainly owing to the solidarity of migrants in the face of the health and economic crisis. Family remittances totalled US\$ 36.049 billion in 2019, 7.0% more than in 2018.

The balance-of-payments current account was in deficit by US\$ 982 million in the first quarter of 2020, equivalent to 0.1% of GDP and less than the deficit of 0.9% of GDP in the first quarter of 2019. In addition, holdings of government securities declined by an unprecedented 250 billion pesos in March as investors opted for safer assets in view of the negative effects of COVID-19 on the country's economy.

Net foreign direct investment (NFDI) in the first quarter of 2020 was US\$ 9.061 billion, 20.1% less than in the same period of 2019. This represented the fourth-largest drop for the same period since 2006. It is estimated that this investment will have fallen by about 20.0% by the end of the year. This negative performance must owe something to the pandemic, but also to the uncertainty created by recent public policies, such as the cancellation of work on the Texcoco airport and the Constellation Brands brewery, the legal controversy surrounding pipeline contracts and the unfavourable change in the ground rules applying to investment in renewable energies. This will make it harder to restore FDI flows despite the implementation of USMCA. NFDI flows were 13.0% lower in 2019 than in 2018. In addition, foreign exchange generated by tourism fell by 49.9% in the first half of 2020 relative to the same period of 2019.

Total merchandise exports increased at a year-on-year rate of 2.2% in 2019, which helped mitigate the decline in economic activity. Oil exports fell by 15.6% that year, and non-oil exports increased by 3.4%. The value of total imports fell by 1.9% in the same period, with declines in both oil (12.2%) and non-oil

(0.7%) imports. Imports of intermediate-use goods, consumer goods and capital goods fell by 0.8%, 3.1% and 8.9% in annual terms, respectively. This resulted in a trade surplus of US\$ 5.212 billion, as compared with a deficit of US\$ 13.767 billion in 2018. The balance-of-payments current account deficit was US\$ 4.341 billion in 2019, which was lower than the deficit of US\$ 25.258 billion in 2018.

(b) Economic activity

GDP is estimated to have fallen by a seasonally adjusted 10.5% in the first half of 2020 compared to the same period in 2019. Primary activities expanded by 0.3% annually, while tertiary and secondary activities declined by 8.4% and 14.7%, respectively. In May, private consumption fell by 23.5% year on year and gross fixed investment by 38.4%. In both cases this was the largest decline since records began. In April and May, industrial production contracted by 29.6% and 29.7% year on year, respectively, these being likewise the largest drops since records began. In particular, the value of output in the construction sector fell by 32.1% in April. In May, furthermore, output of light vehicles, one of the country's most important industries, declined by 93.7% year on year, the largest drop ever.

The health crisis caused by the COVID-19 pandemic will have severe negative effects on the country's economic activity in 2020. ECLAC estimates that, what with the imposition of social distancing measures and restrictions on movement, the collapse of international trade in goods and services (including tourism) and the decline in oil revenues, GDP will experience one of its largest contractions in the last 100 years.

To boost medium- and long-term economic growth, it is necessary to reverse the declining trend in investment, particularly public investment, and ensure a macroeconomic framework of legal and institutional stability and certainty. The available fiscal space must be used to support businesses and not allow production and employment capacity to be destroyed. ECLAC has also proposed the distribution of an emergency basic income and an anti-hunger grant for six months to combat the problem of extreme poverty caused by COVID-19.

Private consumption showed a small increase of 0.4% in 2019, as compared to 2.4% in 2018. Gross fixed investment, on the other hand, fell by 5.1%, as against a 1.0% increase in 2018. This decline was due to the challenging international environment and uncertainty about the country's public policies.

(c) Prices, wages and employment

Annual inflation was 3.6% in July 2020, compared to 3.8% in the same month of 2019. There has been a downward trend associated with the decline in economic activity since 2019, when annual inflation was 2.8% (the second-lowest level since 1970), compared to 4.8% in 2018. In 2020, however, inflationary pressures have emerged as a result of some mass buying resulting from increases in prices for essential inputs because of the COVID-19 pandemic, and of higher prices for petrol and some public services. This is expected to result in an overall price level of around 3.6% by the end of 2020, within the target range set by the Bank of Mexico for the second year running. In July 2020, producer price growth (including oil prices) was slightly up at 3.8% year on year, as against 2.5% in July 2019.

In the first quarter of 2020, before the economic crisis caused by COVID-19, the unemployment rate was 3.4% and informality was at an all-time low (56.1%). However, the underemployment rate had increased to 8.4% from the 7.7% recorded in the fourth quarter of 2019. The labour market quickly deteriorated with the arrival of COVID-19 as economic activity in the country fell sharply. According to

information from the Mexican Social Security Institute (IMSS), a net 921,583 formal jobs registered with the IMSS were lost in the first half of the year relative to the end of 2019.

According to data from the National Institute of Statistics and Geography (INEGI), the damage done to the economy by the coronavirus pandemic and confinement measures led to a total of 12.5 million job losses in Mexico in April (2.1 million formal jobs registered with the IMSS and other social security institutions and 10.4 million informal jobs).

Although there was something of a recovery in May and June, a net loss of 1.2 million formal jobs is expected by the end of the year, bringing the unemployment rate close to 6.3%. The worst affected are expected to be young people aged between 16 and 30 and women. The largest percentage of job losses are expected in the worst-affected economic sectors, such as services (especially commerce, restaurants and tourism) and exports (aeronautics, electronics and automobiles, among others).

The average unemployment rate in 2019 was 3.5% (3.3% in 2018), while 7.5% of the working population was underemployed, up from 7.0% the previous year. These increases were associated with the slowdown in economic activity in 2019 and the reduction in the number of public sector jobs. May that year saw the approval of a major labour market reform that was in line with the USMCA agreements and aimed at strengthening trade union democracy, representativeness and transparency.

The general minimum wage increased substantially in nominal terms (16.2%) in 2019, from 88.36 to 102.68 pesos per day. At the same time, the minimum wage in 43 municipalities of the six states along Mexico's northern border increased to 176.72 pesos per day. In 2020, the general minimum wage increased by 20.0%, from 102.68 to 123.22 pesos per day. This was the largest annual increase in 44 years. The minimum wage on the northern border increased by 5.0%.

Table 1
MEXICO: MAIN ECONOMIC INDICATORS

	2011	2012	2013	2014	2015	2016	2017	2018	2019 a/
	Annual growth rates b/								
Gross domestic product	3.7	3.6	1.4	2.8	3.3	2.6	2.1	2.2	-0.3
Per capita gross domestic product	2.2	2.2	0.0	1.5	2.0	1.4	0.9	1.1	-1.4
Gross domestic product, by sector									
Agriculture, livestock, hunting, forestry and fishing	-3.8	6.4	2.3	3.7	2.1	3.5	3.4	2.3	0.4
Mining and quarrying	0.4	1.1	-0.6	-1.9	-4.4	-4.3	-8.3	-5.6	-5.1
Manufacturing	3.2	3.9	0.5	4.0	2.9	1.6	2.8	1.9	0.4
Electricity, gas and water	6.1	2.0	0.6	8.1	1.7	0.1	-0.4	7.5	2.3
Construction	4.0	2.4	-1.6	2.6	2.1	1.6	-0.4	0.4	-4.9
Wholesale and retail commerce, restaurants and hotels	7.7	3.8	1.7	3.4	4.6	2.8	3.5	3.0	-0.2
Transport, storage and communications	3.9	5.9	3.0	4.0	8.0	6.8	5.5	3.9	0.8
Financial institutions, insurance, real estate and business services	3.3	4.5	3.3	3.6	5.4	4.4	2.2	2.7	0.4
Community, social and personal services	2.5	3.1	1.2	0.4	1.0	1.4	2.2	2.5	0.3
Gross domestic product, by type of expenditure									
Final consumption expenditure	3.3	2.5	1.6	2.2	2.6	3.5	2.8	2.5	0.1
Government consumption	3.0	3.4	0.5	2.6	1.9	2.6	0.7	2.8	-1.4
Private consumption	3.4	2.3	1.8	2.1	2.7	3.7	3.2	2.4	0.4
Gross capital formation	6.5	5.3	-2.1	1.5	4.5	0.5	-1.2	0.6	-5.8
Exports (goods and services)	7.7	6.5	1.4	7.0	8.4	3.6	4.2	5.9	1.4
Imports (goods and services)	5.6	5.4	2.1	5.9	5.9	2.9	6.4	5.9	-0.9
Investment and saving c/	Percentages of GDP								
Gross capital formation	23.3	23.9	22.5	21.9	23.3	23.6	22.9	22.7	21.4
National saving	22.3	22.3	20.0	19.9	20.7	21.4	21.1	20.7	21.0
External saving	1.0	1.6	2.5	1.9	2.6	2.3	1.8	2.1	0.3
Balance of payments	Millions of dollars								
Current account balance	-11 898	-18 652	-31 522	-25 419	-31 011	-24 305	-20 391	-25 258	-4 341
Goods balance	-1 205	291	-909	-2 795	-14 599	-13 070	-10 984	-13 767	5 212
Exports, f.o.b.	350 004	371 442	380 729	397 651	380 977	374 305	409 806	451 083	461 040
Imports, f.o.b.	351 209	371 151	381 638	400 447	395 575	387 375	420 790	464 850	455 828
Services trade balance	-15 591	-14 905	-14 058	-13 292	-9 777	-8 960	-9 759	-11 188	-8 269
Income balance	-18 692	-26 676	-38 496	-32 677	-30 925	-29 354	-29 764	-33 187	-36 563
Net current transfers	23 590	22 638	21 942	23 345	24 290	27 079	30 116	32 885	35 279
Capital and financial balance d/	40 196	36 176	49 311	41 748	15 344	24 169	15 626	25 741	6 979
Net foreign direct investment	12 277	-1 142	32 717	22 922	24 749	30 627	30 257	27 117	23 591
Other capital movements	27 919	37 318	16 594	18 825	-9 405	-6 458	-14 631	-1 376	-16 612
Overall balance	28 298	17 524	17 789	16 329	-15 667	-136	-4 765	483	2 638
Variation in reserve assets e/	-28 298	-17 524	-17 789	-16 329	15 667	136	4 765	-483	-2 638
Other external-sector indicators									
Real effective exchange rate (index: 2005=100) f/	109.1	112.6	106.8	107.8	121.5	139.8	136.7	135.8	131.7
Terms of trade for goods (index: 2010=100)	97.8	97.3	97.8	97.1	93.0	93.6	96.5	96.1	98.3
Net resource transfer (millions of dollars)	21 504	9 500	10 815	9 071	-15 581	-5 185	-14 138	-7 446	-29 584
Total gross external debt (millions of dollars)	210 713	226 492	259 977	286 624	298 398	314 202	333 398	342 711	355 795
Employment g/	Average annual rates								
Labour force participation rate	58.6	59.2	60.3	59.8	59.8	59.7	59.3	59.6	60.1
Open unemployment rate	5.2	5.0	4.9	4.8	4.4	3.9	3.4	3.3	3.5
Visible underemployment rate	8.6	8.5	8.3	8.1	8.3	7.6	7.1	6.9	7.5

Table 1 (concluded)

	2011	2012	2013	2014	2015	2016	2017	2018	2019
Prices	Annual percentages								
Variation in consumer prices (December-December)	3.8	3.6	4.0	4.1	2.1	3.4	6.8	4.8	2.8
Variation in industrial producer prices (December-December)	6.6	1.0	1.5	1.8	3.0	9.1	4.7	5.7	1.7
Variation in nominal exchange rate (annual average)	-1.5	5.7	-3.0	4.3	19.2	17.6	1.4	1.7	0.1
Variation in average real wage	1.1	0.0	0.1	0.4	1.4	0.9	-1.2	0.8	2.9
Nominal deposit rate h/	4.2	4.2	3.9	3.2	3.0	3.8	3.8	6.7	7.2
Nominal lending rate i/	29.9	28.6	27.9	28.6	28.4	26.8	26.8	28.3	30.3
Federal government	Percentages of GDP								
Total revenue	22.3	22.2	23.3	22.8	23.0	24.1	22.6	21.7	22.2
Tax revenue	8.8	8.3	9.6	10.3	12.7	13.5	13.0	13.0	13.2
Total expenditure	24.8	24.8	25.7	25.9	26.3	26.6	23.6	23.8	23.9
Current expenditure	20.0	20.1	20.3	20.8	21.3	20.7	20.0	20.7	20.9
Interest	1.9	1.9	1.9	2.0	2.2	2.3	2.4	2.6	2.7
Capital expenditure	4.8	4.7	5.4	5.1	5.0	5.9	3.6	3.1	3.0
Primary balance j/	-0.6	-0.6	-0.4	-1.1	-1.2	-0.1	1.4	0.5	1.5
Overall balance j/	-2.5	-2.6	-2.3	-3.1	-3.4	-2.5	-1.1	-2.0	-1.7
Federal government public debt	27.3	27.8	29.8	31.7	34.1	37.0	35.2	35.4	36.4
Domestic	21.5	22.4	24.2	25.3	27.4	27.9	27.0	27.4	28.7
External	5.8	5.5	5.6	6.4	7.4	9.1	8.2	8.0	7.7
Money and credit	Percentages of GDP, end-of-year stocks								
Domestic credit	44.1	45.6	48.5	49.0	52.5	54.7	54.8	54.4	58.8
To the public sector	19.5	19.6	19.5	19.8	20.6	20.7	19.5	19.9	21.9
To the private sector	24.6	26.0	29.0	29.2	31.9	34.0	35.3	34.5	36.9
Monetary base	5.2	5.3	5.6	6.1	6.7	7.1	7.0	7.1	7.2
Money (M1)	13.2	13.3	14.2	15.0	16.1	16.7	16.8	16.8	17.3
M2	20.8	20.9	22.1	22.4	23.8	24.4	24.3	24.7	25.4
Foreign-currency deposits	1.3	1.3	1.4	1.8	2.3	3.1	3.5	3.0	2.6

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/ 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/ Nationwide total. New measurements have been used since 2013; the data are not comparable with the previous series.

h/ Cost of term deposits in the multibanking system.

i/ Average interest rate for credit cards from commercial banks and the TAC rate (Total Annual Cost).

j/ Includes the non-budgetary balance.

Table 2
MEXICO: MAIN QUARTERLY INDICATORS

	2018				2019				2020	
	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/	1.5	3.3	2.8	1.3	1.1	-1.1	-0.4	-0.7	-1.4	...
Gross international reserves (millions of dollars)	178 177	177 877	176 721	176 514	181 143	185 429	186 740	184 012	189 114	197 787
Real effective exchange rate (index: 2005=100) d/	134.3	139.5	133.1	136.5	131.3	131.7	133.2	130.5	133.8	158.3 d/
Open unemployment rate e/	3.1	3.3	3.5	3.3	3.4	3.5	3.7	3.4	3.4	...
Employment rate e/	57.6	57.1	57.8	57.8	57.5	58.1	58.1	58.4	57.8	...
Consumer prices (12-month percentage variation)	5.0	4.6	5.0	4.8	4.0	3.9	3.0	2.8	3.2	3.3
Wholesale prices (12-month percentage variation)	4.3	8.1	7.3	5.72	4.4	2.1	2.7	1.70	3.4	4.8 f/
Average nominal exchange rate (pesos per dollar)	18.7	19.4	18.9	19.9	19.2	19.1	19.4	19.2	20.0	23.8 d/
Nominal interest rates (average annualized percentages)										
Deposit rate g/	6.4	6.5	6.8	7.0	7.2	7.3	7.3	6.9	6.5	5.8 d/
Lending rate h/	27.4	27.9	28.9	29.0	29.7	30.1	30.5	30.9	31.1	...
Interbank rate	7.8	7.9	8.1	8.3	8.6	8.5	8.4	7.9	7.3	6.3 d/
Monetary policy rates	7.4	7.6	7.8	8.0	8.3	8.3	8.0	7.5	6.9	5.5
Sovereign bond spread, Embi + (basis points to end of period) i/	252	281	256	357	308	329	317	292	653	526
Risk premia on five-year credit default swap (basis points to end of period)	109	134	113	155	125	112	116	79	241	158
International bond issues (millions of dollars)	12 458	7 282	1 769	2 370	3 101	11 044	16 872	2 530	14 826	10 950
Stock price index (national index to end of period, 31 December 2005 = 100)	259	268	278	234	243	242	242	245	194	212
Domestic credit (variation from same quarter of preceding year)	8.8	13.7	10.0	8.1	5.6	8.6	12.2	11.2	12.3	10.0 f/

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/ Quarterly average, weighted by the value of goods exports and imports.

d/ Figures as of May.

e/ Nationwide total.

f/ Figures as of April.

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/ Measured by J.P.Morgan.