MEXICO

1. General trends

Mexico posted economic growth of 2.0% in 2017, lower than the level seen in 2016 (2.9%). This marked slowdown stemmed from a fall in investment (mainly public) and the negative impact of natural disasters, which offset stronger momentum in the external sector.

Year-on-year inflation reached 6.8% in December 2017 (compared with 3.4% in 2016), well above the central bank's target range of 2%–4%. On average, national unemployment came down to 3.4%, from 3.9% in 2016. The public sector fiscal deficit narrowed to 1.1% of GDP, from 2.5% in 2016, thanks to a primary surplus for the first time since 2008 (representing 1.4% of GDP). The balance-of-payments current account deficit came to 1.7% of GDP (as against 2.2% in 2016).

The elections in July 2018 led to changes in the presidency, senate, chamber of deputies and other positions of authority. The recent election was won by Andrés Manuel López Obrador, the candidate of the Juntos Haremos Historia (Together we will make history) coalition, with the largest majority in the country's history. On the basis of his first speech, which focused on certainty and reconciliation, moderate changes are expected on the economic front during the first years in office.

ECLAC projects an economic growth rate of 2.2% for Mexico in 2018, because of the prospect of improvements in global trade (particularly with the United States), rising public revenues from oil and the reconstruction work required after the natural disasters of 2017. However, there are risks that could weigh on GDP growth if they were to materialize. These risks are associated with changing international financial conditions arising from a rapid increase in external interest rates, financial uncertainty stemming from geopolitical conflict, the negative impact that tax reform in the United States could have on investment flows into Mexico, and uncertainty surrounding the protectionist policies of the United States and the renegotiation of the North American Free Trade Agreement (NAFTA).

Inflation is expected to reach 4% in 2018, the upper limit of the central bank's target range, and the unemployment rate is forecast to come in at 3.3%. The public sector fiscal deficit will likely come to 2.5% of GDP (with a primary surplus of 0.8% of GDP), and the balance-of-payments current account deficit should close 2018 at 1.9% of GDP.

2. Economic policy

In early 2017, forceful fiscal and monetary policy measures were implemented in the context of the strong depreciation of the Mexican peso, inflation above the central bank's target range and the considerable uncertainty linked to the NAFTA renegotiation process.

(a) Fiscal policy

On the fiscal front, strenuous efforts by the Ministry of Finance and Public Credit to improve public accounts lowered the public sector deficit to 1.1% of GDP, resulting in a primary surplus representing 1.4% of GDP. In March 2017, the Bank of Mexico transferred an operating surplus of 321.653 billion pesos (equivalent to 1.5% of GDP) to the federal government.

Total public sector spending declined by 8.6% in real terms in 2017, compared with the previous year, in line with the strategy to improve the country's budgetary and debt position. Part of this decrease in spending was attributable to the roll-back of subsidies paid on motor-fuel prices, before these were liberalized in December.

Programmable spending decreased by 12.5% in real terms. This expenditure allows federal government institutions to provide services linked to education, health, highways and relations with other countries. It does not include public debt or disbursements to federal and municipal entities, which are the other components of total spending. The reduction targeted capital spending (-36.8%), especially on physical investment, which posted its sharpest decline since the 1995 economic crisis (-26.3%). There were marked decreases of between 60% and 99% in categories such as financial and budgetary affairs, science, technology and innovation, coordination of government policy, justice and communications. Meanwhile, only foreign affairs and recreation and culture posted moderate increases. Spending on financial investment plummeted 53.8% while current spending edged down by just 2.9%, all in real terms.

Public sector revenues contracted by 3.7% in real terms in 2017 compared with 2016, owing to a 4.2% drop in non-oil revenue (which accounted for 83.3% of the total). Non-tax receipts fell by 6% in real terms, while public sector tax revenue fell by 0.9%. Public sector oil revenues also decreased by 1.2% in real terms. The tax burden represented 13.1% of GDP, which was four tenths of a percentage point lower than in 2016. In real terms, there were declines in revenues stemming from value added tax (VAT) (2.8%), from the special production and services tax (15.7%) and from the general import tax (2.4%). By contrast, income tax receipts and revenue from the exploration and extraction of hydrocarbons posted increases of 4.3% and 2.2%, respectively, in real terms.

In December 2017, public sector net debt stood at 43.9% of GDP, which was 1.4 percentage points lower than at the end of 2016. The decrease derived from a higher projected GDP given the change in base year and from the primary surplus, without which debt would come to around 48%. The historical balance of public sector financial requirements (the broadest calculation of the country's debt) stood at 46.1% of GDP towards the end of 2017 (compared with 48.7% of GDP in 2016), which includes the Bank of Mexico's operating surplus. The debt profile does not imply pressure in the short term as most loans are at fixed rates, with average maturities of 8 years for debt in local currency and 21 years for foreign-currency-denominated debt. The Ministry of Finance and Public Credit estimates that the historical balance of public sector financial requirements will come to 45.5% of GDP at the end of 2018.

Public sector budgetary revenues fell by 10.3% in real terms in the first half of 2018, compared with the year-earlier period. Excluding the Bank of Mexico's 2017 operating surplus, these revenues were 2.1% higher in real terms. Meanwhile, net public sector budgetary spending grew by 4.9% in real terms. This derived from increases in financial costs (mainly interest) and in current spending, as capital spending fell by 14.8%. The motor-fuel subsidy in the first half of the year exceeded 60% of the special production and services tax. In the first half of 2018, the public balance recorded a deficit equivalent to 1.0% of GDP, in contrast with the surplus of 0.7% of GDP recorded in the year-earlier period.

(b) Monetary and financial policy

On the monetary policy front, between February and December 2017, the overnight rate, which is the Bank of Mexico's benchmark rate, was raised five times for a cumulative total of 150 basis points. Between February and June 2018, the rate was raised a further 25 basis points on two occasions, resulting in a benchmark rate of 7.75% (at the end of 2016 this stood at 5.75%). These increases were intended to anchor inflation expectations, which were under upward pressure from the increase in motor-fuel prices and exchange-rate volatility resulting from higher interest rates in the United States and uncertainty about the renegotiation of NAFTA. Monetary policy measures reduced exchange-rate volatility and stabilized inflation.

The average lending rate for credit cards and mortgages stood at 27% in 2017 in nominal terms (19.8% in real terms, 3.5 percentage points lower than in the year-earlier period). Meanwhile, the nominal deposit rate, defined as the cost of deposit-taking for full-service banks, stood at 5.8% (-0.2% in real terms, or 1.1 percentage points less than in 2016). Although the higher central bank benchmark rate only slightly affected nominal rates in the financial system, it had a larger impact on perception and the financing decisions of economic agents.

In December 2017, the active loan portfolio held by commercial banks for the private sector posted a year-on-year increase of 5% in real terms. Business, mortgage and consumption loans were up by 7.9%, 1.6% and 1.3%, respectively, which represents a significant slowdown compared with the close of the previous year (when the corresponding figures were 14.2%, 7.2% and 8.5%). This result was largely on account of lower real disposable incomes (owing to rising inflation) and expectations of higher credit costs.

In May 2018, the current loan portfolio held by commercial banks for the private sector grew by 7.7% year-on-year in real terms, thanks to rising lending in the consumer (3.1%), housing (3.6%), and company and self-employed (12.3%) categories, all slightly lower rates than in May 2017.

The credit rating agencies Fitch, S&P and Moody’s maintained investment grade sovereign bond ratings for Mexico in 2017 and until mid-2018.

(c) Exchange-rate policy

January 2017 saw the biggest nominal monthly depreciation of the peso against the dollar in recent history, when the exchange rate reached 21.9 pesos to the dollar, 14.1% higher than before the United States elections in November 2016, on account of the uncertainty triggered by protectionist statements made by the Government of the United States. Uncertainty eased over the following months, however, and, by December 2017, the peso had appreciated nominally by 10% (16.6% in real terms) compared with the close of 2016. This may also be attributed to a slight improvement in prices for Mexico’s crude oil mix, the monetary and exchange-rate policy measures adopted by the Bank of Mexico and a less volatile international financial market.

To combat volatility in the currency market, in February 2017 the foreign-exchange commission of the Bank of Mexico and the Ministry of Finance and Public Credit announced a programme of foreign-exchange hedges, payable in pesos upon maturity and capped at US$ 20 billion. This measure preserved reserve levels and reduced exchange-rate volatility, as it generated more liquidity in the foreign-exchange market, decreased incentives for currency speculation and encouraged more orderly functioning of the exchange market. By the end of 2017, a total of US$ 5.5 billion had been auctioned.

Throughout 2017 and in the first half of 2018, however, there were various episodes of exchange-rate volatility, linked to geopolitical tensions, rising commodity prices (mainly energy products), increasing international interest rates, protectionist trade policies of the United States and the renegotiation of NAFTA. Since the dollar peaked on 19 June 2018 (at 20.7 Mexican pesos per dollar), the peso appreciated by 10.4% following the elections on 1 July and the exchange rate stood at 18.6 per dollar at the end of July.

In December 2017, the central bank reported international reserves of US$ 172.802 billion, reflecting a decline of 2.1% since the end of 2016. In July 2018 it reported reserves of more than US$ 173.0 billion. In addition, the US$ 88 billion precautionary credit line from the International Monetary Fund (IMF) remains in effect until 2019.

(d) Other policies

As part of the energy reform adopted in 2013, between June and July 2017 and January and March 2018, the National Hydrocarbons Commission (CNH) launched tenders for various areas for shallow-water exploration and extraction of oil and natural gas in the Gulf of Mexico. To date, investment of roughly US$ 200 billion is expected over a period of 35 to 50 years. In 2017, the country recorded foreign direct investment inflows of US$ 413 million for oil exploration activities.

The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (TPP-11) was ratified by the senate in April 2018. The new TPP (following the withdrawal of the United States) will enter into force 60 days after the date on which at least six signatories of the agreement have completed legal procedures in their respective countries. This is expected to occur in 2019.

The NAFTA renegotiation process began in August 2017 and, although it was expected to be concluded in May 2018, the discussions between Canada, Mexico and the United States are ongoing. The modernization of the agreement until now includes improvements in rules of origin and new issues such as small and medium-sized enterprises (SMEs), competition, technical barriers to trade, customs facilitation, e-commerce, the environment and corruption. The main points under discussion have been the rules of origin in the automobile sector, trade dispute settlements, seasonal agriculture, the five-year sunset provision (or automatic expiration clause) of the agreement, government procurement and the labour market. Negotiations are expected to advance over the next few months and a new NAFTA is expected to be adopted by each congress in the respective countries in 2019. This is likely to increase commercial transactions, investment and potential GDP for Mexico in the medium term.

At the end of May 2018, the Government of the United States imposed tariffs on imports of aluminium (10%) and steel (25%) from Canada and Mexico, in light of insufficient progress in the renegotiation of NAFTA. In response, both countries imposed equivalent measures on various United States products, which will remain in effect as long as that country maintains its tariffs. They have also brought the case before the World Trade Organization (WTO).

3. The main variables

(a) The external sector

In comparison with 2016, total exports grew by 9.5% year-on-year, thanks to a 25.5% jump in oil exports and an 8.5% rise in non-oil exports. The increase in oil exports stemmed from higher prices, given that volumes slumped by 9.5%, the lowest level seen since 1980. Within the non-oil exports category, those going to the United States (80% of the total) rose by 8.1% year-on-year, on account of a better performance by that country’s industrial sector, while those to the rest of the world grew by 16.8%. The main export category was automobiles, which accounted for 23.9% of the total and posted growth of

13.6%. Exports of data processing machines and electrical apparatus for line telephony also showed strong momentum.

The value of total imports over the same period rose by 8.6%, mainly because of the significant spike in oil imports (32.6%), while non-oil imports rose by 6.4%. Imports of consumer, intermediate and capital goods posted annualized growth rates of 10.4%, 9% and 3.2%, respectively. The trade balance posted a cumulative deficit of US$ 10.990 billion in 2017 (16.6% lower than in the same period of 2016). The terms of trade increased by 4.5%, compared with a decline of 6.1% in 2016.

In 2017, family remittances rose by 6.6% compared with 2016, to roughly US$ 28.80 billion. Meanwhile, tourism-related income came to about US$ 21.30 billion, which was 8.6% higher than in 2016. Both factors played a key role in offsetting the goods trade deficit.

The balance-of-payments current account deficit in 2017 amounted to roughly US$ 19.40 billion (17% less than in 2016), which was equivalent to 1.7% of GDP, compared with 2.2% in 2016. This result stemmed from the increase in exports, primarily of manufactured products.

Foreign direct investment flows in 2017 came to about US$ 31.726 billion, which was 8.8% lower than in 2016. Manufacturing attracted the largest amount of capital, accounting for close to 50% of inflows. In this category, investments in transportation equipment stood out (up 33.6%), representing 23.5% of the total in 2017, up from 17.7% in 2016. However, foreign direct investment declined in chemicals (-81.5%), plastics (-54%) and beverages (-31.7%). Transnational companies' operations in Mexico generated growth and these companies were the main source of flows in 2017 (46.8% of the total).

Between January and June 2018, total goods exports posted annual growth of 11.0%. Meanwhile, the value of total imports rose by 11.6%. The trade balance posted a deficit of US$ 4.549 billion, 48.1% higher than in the year-earlier period. In the first half of 2018, family remittances to Mexico amounted to US$ 16.244 billion, 11.6% over the prior-year figure. Foreign-exchange earnings from international tourism from January to May 2018 were 4.6% upon the year-earlier period. However, foreign direct investment declined by 37% in the first quarter.

(b) Economic activity

GDP grew by 2.0% in 2017. Analysis by broad economic sector shows that, on average, output was up by 3.0% for tertiary activities and 3.4% for the primary industries, but contracted by 0.6% in the secondary sector. Figures already take into account the new measurement of GDP with the change in base year of the System of National accounts from 2008 to 2013, and were published in November by the National Institute of Statistics and Geography (INEGI). This led to an increase in GDP owing to a more exact measurement of production activity, particularly in manufacturing and services.

On the supply side, the three subsectors with the strongest momentum were: manufacturing of machinery and equipment, manufacturing of transportation equipment (linked to healthier external demand, mainly from the United States), and financial and insurance services. Mining posted a 9.8% decline. On the demand side, private consumption rose by an average of 3.0% in 2017 (compared with 3.7% in 2016), but gross fixed investment fell by 1.5% over the same period (it grew by 1.1% in 2016), mostly because of weaker public investment (down by 26.3%).

ECLAC calculates that the hurricanes and earthquakes that struck Mexico in September 2017 will shave 0.14 of a percentage point off GDP growth, owing to increased costs and negative externalities for various sectors of the economy, particularly services, which will more than offset the positive impulse from the first reconstruction efforts.

GDP grew by 2.0% year-on-year in the first half of 2018. Primary activities expanded by 3.5% on an annual basis and tertiary activities did so by 2.7%, while secondary activities declined by 0.3%. The coincident and leading indicators for consumption point to a moderate slowdown in the coming months. Meanwhile, gross fixed investment improved slightly, mainly in residential construction, owing to reconstruction work in the aftermath of the natural disasters in 2017.

(c) Prices, wages and employment

In December 2017, the year-on-year general inflation rate stood at 6.8%, caused partly by the knock-on effects of the depreciating exchange rate, increased energy prices (related to a fiscal measure to reduce fuel subsidies), higher food and beverage prices, and rising charges for public goods and services. This average price increase was the largest since May 2001. Core inflation stood at 4.9%. The September 2017 earthquakes had a moderate and temporary negative impact on price levels.

Against the backdrop of moderate economic growth, the employment rate remained relatively stable but, owing to a 0.4 percentage point decline in the national participation rate, the average unemployment rate fell to 3.4% of the economically active population for the year (the lowest level since 2008), while the underemployment rate came to 7.1% (lower than the 7.8% seen the previous year). Informal employment stood at 56.9%, slightly lower than the year-earlier period (57.3%). These results stemmed largely from efforts by the Ministry of Labour and Social Security to formalize and oversee the labour market since 2013.

To strengthen the domestic market and prevent a drop in families' purchasing power, in January 2017 the minimum wage was increased by 9.6% in nominal terms —equal to a real-term raise of 2.8%— to 80.04 pesos per day. However, the real wages of beneficiaries of the Mexican Social Security Institute (IMSS) fell by 1.2%.

In June 2018, average annual inflation came to 4.65% (compared with 6.31% in June 2017). Prices of fuels (especially gasoline), electricity tariffs and some agricultural products continued to rise, although more slowly than in 2017. Producer price inflation edged up to 6.95% (from 6.69% in June 2017). Average national unemployment in the first half of 2018 stood at 3.3% (compared with 3.4% in the year-earlier period) and the underemployment rate came to 6.9% of the employed population (compared with 7.1% in the year-earlier period).

The Council of Representatives of the National Commission for Minimum Wages (CONASAMI) agreed to bring forward to 1 December 2017 the 3.9% nominal increase in minimum wage, which raised the general minimum wage from 85.04 to 88.36 pesos per day. In light of inflation trends, the real minimum wage is not expected to increase at the end of 2018.

Table 1

MEXICO: MAIN ECONOMIC INDICATORS

	2009	2010	2011	2012	2013	2014	2015	2016	2017 a/
	Annual growth rates b/								
Gross domestic product	-5.3	5.1	3.7	3.6	1.4	2.8	3.3	2.9	2.0
Per capita gross domestic product	-6.8	3.5	2.2	2.2	0.0	1.4	1.9	1.6	0.7
Gross domestic product, by sector									
Agriculture, livestock, hunting, forestry and fishing	-2.1	2.5	-3.8	6.4	2.3	3.8	2.1	3.5	3.4
Mining and quarrying	-5.0	1.1	0.4	1.1	-0.6	-1.9	-4.4	-4.3	-9.8
Manufacturing	-10.1	8.7	3.2	3.9	0.5	4.0	3.0	1.5	2.9
Electricity, gas and water	1.4	4.5	6.1	2.0	0.6	8.1	1.7	0.1	-0.2
Construction	-6.1	0.0	4.0	2.4	-1.6	2.7	2.4	1.9	-1.1
Wholesale and retail commerce, restaurants and hotels	-11.9	10.4	7.7	3.8	1.7	3.4	4.7	3.0	3.4
Transport, storage and communications	-4.3	6.2	3.9	5.9	3.0	3.7	7.3	7.3	4.1
Financial institutions, insurance, real estate and business services	-0.3	4.4	3.8	4.5	3.5	2.7	4.7	4.8	-49.0
Community, social and personal services	1.3	1.4	1.6	2.8	0.4	0.8	0.9	1.3	0.8
Gross domestic product, by type of expenditure									
Final consumption expenditure	-4.9	3.4	3.3	2.5	1.6	2.2	2.6	3.6	2.6
Government consumption	2.9	2.3	3.0	3.4	0.5	2.6	1.9	2.3	0.1
Private consumption	-6.3	3.6	3.4	2.3	1.8	2.1	2.7	3.8	3.0
Gross capital formation	-11.9	6.8	6.5	5.3	-2.1	1.7	4.3	1.3	-1.6
Exports (goods and services)	-10.9	22.4	7.7	6.5	1.4	7.0	8.4	3.5	3.8
Imports (goods and services)	-15.9	17.1	5.6	5.4	2.1	5.9	5.9	2.9	6.5
Investment and saving c/	**Percentajes of GDP**								
Gross capital formation	22.9	22.8	23.3	23.9	22.5	21.9	23.3	23.7	23.1
National saving	22.0	22.3	22.2	22.3	20.1	20.1	20.7	21.6	21.4
External saving	0.9	0.5	1.1	1.5	2.4	1.8	2.5	2.2	1.7
Balance of payments	**Millions of dollars**								
Current account balance	-7 876	-5 241	-12 514	-18 572	-31 013	-23 999	-29 775	-23 321	-19 354
Goods balance	-4 926	-2 943	-1 205	291	-909	-2 790	-14 597	-13 065	-10 990
Exports, f.o.b.	229 975	298 860	350 004	371 442	380 729	397 650	380 976	374 304	409 775
Imports, f.o.b.	234 901	301 803	351 209	371 151	381 638	400 440	395 573	387 369	420 765
Services trade balance	-9 928	-11 387	-15 591	-14 905	-14 056	-13 278	-9 738	-8 883	-9 785
Income balance	-14 503	-12 345	-18 580	-26 388	-37 572	-30 703	-29 570	-27 900	-26 675
Net current transfers	21 480	21 434	22 862	22 430	21 525	22 772	24 131	26 527	28 095
Capital and financial balance d/	12 378	25 955	40 744	36 097	48 801	40 328	14 108	23 186	14 589
Net foreign direct investment	8 291	12 951	11 989	-1 130	33 771	23 322	24 266	28 181	25 610
Other capital movements	4 087	13 004	28 755	37 227	15 031	17 006	-10 158	-4 995	-11 021
Overall balance	4 502	20 714	28 230	17 524	17 789	16 329	-15 667	-136	-4 765
Variation in reserve assets e/	-4 502	-20 714	-28 230	-17 524	-17 789	-16 329	15 667	136	4 765
Other external-sector indicators									
Real effective exchange rate (index: 2005=100) f/	117.9	109.1	109.1	112.6	106.8	108.0	122.2	140.8	138.0
Terms of trade for goods (index: 2010=100)	92.9	100.0	106.8	102.9	102.8	97.6	93.0	89.7	91.2
Net resource transfer (millions of dollars)	-2 125	13 610	22 164	9 708	11 230	9 625	-15 462	-4 714	-12 086
Total gross external debt (millions of dollars)	160 427	194 766	210 713	226 492	259 977	286 624	298 398	316 177	334 033
Employment	**Average annual rates**								
Labour force participation rate g/	58.6	58.4	58.6	59.2	60.3	59.8	59.8	59.7	59.3
Open unemployment rate h/	5.9	5.9	5.6	5.4	5.4	5.3	4.7	4.3	3.8
Visible underemployment rate g/	8.8	8.7	8.6	8.5	8.3	8.1	8.3	7.6	7.0

Table 1 (concluded)

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Prices	**Annual percentages**								
Variation in consumer prices									
(December-December)	3.6	4.4	3.8	3.6	4.0	4.1	2.1	3.4	6.8
Variation in industrial producer prices									
(December-December)	4.1	4.7	8.8	0.4	1.5	1.8	3.0	9.1	4.7
Variation in nominal exchange rate									
(annual average)	21.1	-6.5	-1.5	5.7	-3.0	4.3	19.2	17.6	1.4
Variation in average real wage	-1.0	-0.9	1.1	0.0	0.1	0.4	1.4	0.9	-1.2
Nominal deposit rate i/	5.1	4.2	4.2	4.2	3.9	3.2	3.0	3.8	3.8
Nominal lending rate j/	...	...	29.9	28.6	27.9	28.6	28.5	26.8	26.8
Federal government	**Percentajes of GDP**								
Total revenue	23.2	22.1	22.3	22.2	23.3	22.8	23.0	24.1	22.7
Tax revenue	9.3	9.4	8.8	8.3	9.6	10.3	12.8	13.5	13.1
Total expenditure	25.4	24.9	24.8	24.8	25.7	25.9	26.4	26.6	23.8
Current expenditure	20.4	20.0	20.0	20.1	20.3	20.8	21.3	20.7	20.1
Interest	1.9	1.8	1.8	1.8	1.8	1.9	2.1	2.2	2.3
Capital expenditure	5.0	4.9	4.8	4.7	5.4	5.1	5.0	5.9	3.6
Primary balance	-0.3	-1.0	-0.7	-0.7	-0.5	-1.2	-1.2	-0.2	1.2
Overall balance	-2.2	-2.8	-2.5	-2.6	-2.3	-3.1	-3.4	-2.5	-1.1
Federal government public debt	27.0	27.0	27.3	27.8	29.8	31.7	34.1	37.1	35.4
Domestic	21.9	21.7	21.5	22.4	24.2	25.3	27.4	28.0	27.1
External	5.2	5.3	5.8	5.5	5.6	6.4	7.4	9.1	8.3
Money and credit	**Percentages of GDP, end-of-year stocks**								
Domestic credit	42.9	43.6	44.1	45.6	48.5	49.1	52.5	54.7	55.2
To the public sector	20.2	20.3	19.5	19.6	19.5	19.8	20.6	20.7	19.6
To the private sector	22.7	23.3	24.6	26.0	29.0	29.3	32.0	34.0	35.5
Monetary base	0.2	5.2	5.2	5.3	5.6	6.1	6.7	7.1	7.1
Money (M1)	12.1	12.7	13.2	13.3	14.2	15.0	16.1	16.8	16.9
M2	20.8	20.4	20.8	20.9	22.1	22.5	23.9	24.4	24.5
Foreign-currency deposits	1.4	1.2	1.3	1.3	1.4	1.8	2.3	3.1	3.6

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/ Urban total.
i/ Cost of term deposits in the multibanking system.
j/ Weighted average rate of private debt issues of up to 1 year, expressed as a 28-day curve.
Includes only stock certificates.

Table 2
MEXICO: MAIN QUARTERLY INDICATORS

	2016				2017				2018	
	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/	3.0	3.3	2.0	3.3	3.3	1.8	1.6	1.5	1.3	...
Gross international reserves (millions of dollars)	178 146	180 100	179 329	176 929	178 379	176 087	174 958	175 286	178 177	177 977
Real effective exchange rate (index: 2005=100) c/	134.7	138.2	143.0	147.2	147.9	135.5	130.8	137.9	135.1	140.0
Open unemployment rate d/	4.4	4.4	4.4	3.9	3.7	3.8	3.9	3.8	3.4	...
Employment rate e/	56.8	57.3	57.8	57.6	57.2	57.3	57.3	57.4	57.1	...
Consumer prices (12-month percentage variation)	2.6	2.5	3.0	3.4	5.4	6.3	6.3	6.8	5.0	4.7
Wholesale prices (12-month percentage variation)	4.0	5.8	6.4	9.06	8.7	5.5	4.6	4.65	4.2	6.7
Average nominal exchange rate (pesos per dollar)	18.0	18.1	18.8	19.7	20.3	18.6	17.8	19.0	18.7	19.4
Nominal interest rates (average annualized percentages)										
Deposit rate f/	3.2	3.5	3.9	4.4	5.2	5.7	6.1	6.2	6.4	6.5
Lending rate g/	27.6	26.7	26.5	26.4	27.3	27.6	26.5	26.7	26.6	26.7 h/
Interbank rate	3.8	4.1	4.6	5.4	6.4	7.0	7.4	7.4	7.8	7.9
Monetary policy rates	3.6	3.8	4.3	5.3	6.2	6.8	7.0	7.1	7.4	7.6
Sovereign bond spread, Embi + (basis points to end of period) i/	227	213	221	232	196	193	170	189	191	211
Risk premiia on five-year credit default swap (basis points to end of period)	162	159	167	156	130	113	110	106	109	134
International bond issues (millions of dollars)	16 291	4 180	12 498	8 570	8 166	3 880	10 980	6 196	12 458	7 282
Stock price index (national index to end of period, 31 December 2005 = 100)	258	258	265	256	273	280	283	277	259	268
Domestic credit (variation from same quarter of preceding year)	15.5	13.9	13.6	13.5	10.6	7.9	6.7	7.0	8.8	13.8 h/
Non-performing loans as a percentage of total credit	2.6	2.5	2.4	2.2	2.2	2.2	2.1	2.2	2.2	2.2

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/ Urban total.
e/ Nationwide total.
f/ Cost of term deposits in the multibanking system.
g/ Weighted average rate of private debt issues of up to 1 year, expressed as a 28-day curve. Includes only stock certificates.
h/ Figures as of April.
i/ Measured by J.P.Morgan.

.