

Mexico
Monthly Report
July

Market Overview

The report provides a monthly analysis of the Mexican landscape which shows the market's dynamic. It also presents an overall inform relating the Agro-industrial most relevant news, as well as the most updated information regarding Mexican economy. Agriculture, food, and beverages companies remain attractive for investors.

Economy

Mexico's Economic Landscape 2023

Inflation for consumers in Mexico continued to give way last June, reporting its lowest level in two years at a juncture where the Bank of Mexico (Banxico) has paused its uptrend cycle. According to data from the National Institute of Statistics and Geography (INEGI), the National Consumer Price Index (INPC) reported a monthly increase of 0.30% in June, bringing the annual rate of inflation to a level of 5.06 percent. The rate reported for the sixth month of the year is the lowest level for inflation for more than two years, this is in March 2021.

Imports of grains and oilseeds in our country reached the figure of 14 million tons, which means that compared to the same period last year, an increase of 12.7% was experienced. According to the figures reported by the Agricultural Markets Advisory Group (GCMA), in economic terms, this represented an expense for Mexico of 5.610 million dollars in the purchase of corn, soybeans, wheat, sorghum, beans and rice, that is, 14.1% more in comparison year-on-year.

INDICATOR	PERIOD	RESULT	PERIOD	RESULT
GROSS DOMESTIC PRODUCT	March 2023	3.6%	April 2023	2.3%
INFLATION	May 2023	5.84%	June 2023	5.96%
TRADE BALANCE MEXICO	May 2023	-\$1508 B	June 2023	-\$74.085 B

Exchange Rate

19/07/23

Level	MXN per USD
Average	\$16,7348
Maximum	\$16,7787
Minimum	\$16,6962



The exchange rate between the Mexican peso and the dollar has remained between a maximum of \$18.80 and a minimum of \$16.00 pesos

The peso remains in third place among the currencies of emerging economies that perform best against the dollar. Our currency has an appreciation of 14.04% so far this year, according to the Bloomberg financial platform.

Retail

The Mexican consumer is willing to spend more during the seasons that best promotions offer, an example of this is Hot Sale, in this year this temporality had a growth of 25% in total sales in 2022, double what was generated in 2019, in addition, the average ticket in the main categories was 1 629 pesos".

60% of households have adjusted in their purchases in the face of rising prices:

- Migrate to cheaper brands, 41%.
- Make your products perform more, 32%.
- Stop buying non-core products, 31%.
- Compare before buying, 30%.
- Be more alert to promotions, 19%; among others.

Ecommerce

The customization of services, although automated and digital processes are efficient to perform sales transactions, consumers want to feel that they are being served by real people and not by bots, especially in the customer service area.

Retailers have to offer an almost unforgettable customer experience, to achieve this they must be more efficient, with loyalty programs, fully supported by technology, but taking care of several factors such as:

- The privacy of consumers (cookie less)
- Customization
- Loyalty paid subscriptions, with which you receive more sophisticated products and services

In 2025, ecommerce will represent only 25% of Mexico's total retail sales, according to estimates by Google Mexico and Euromonitor. However, the search for consumer products via digital for the comparison of items is a reality.

