

Mexico
Monthly Report
May

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

So far this year, the Mexican peso has skyrocketed against the dollar with a rise of close to 11%, reaching levels not seen for seven years. This rapid escalation adds to the accumulated increase that the "superpeso" brings since last year, driven by a greater flow of dollars to the country that arrives not only due to a growth in exports, remittances and foreign investment, but also because the High interest rates work like a magnet for investors. The Ministry of Economy reports that, during the first quarter of 2023, Foreign Direct Investment (FDI) was 18 thousand 636 million dollars (mdd), an amount 48 percent higher than the first quarter compared to the year 2022, which registered 12 thousand 553 million dollars

INDICATOR	PERIOD	RESULT	PERIOD	RESULT
GROSS DOMESTIC PRODUCT	March 2023	3.6%	April 2023	2.3%
INFLATION	March 2023	6.85%	April 2023	6.62%
TRADE BALANCE MEXICO	March 2023	\$-1844.35	April 2023	\$1168.73

Exchange Rate

23/05/23



Level	MXN per USD
Average	\$17.8448
Maximum	\$17.9614
Minimum	\$17.7509

Retail

Retail sales in Mexico advanced by 2.5% from the previous year in March of 2023, following a 3.4% increase in the prior month and missing market estimates of a 2.9% rise.

Some Retail Trends in Mexico

- **Disruptive technology:** A general vision of reconvert shopping malls into places of experience prevails. Some stores are choosing to have a lot of screens and a lot of technology. There are traditional stores that are opening an e-commerce segment. For example, some Inditex stores do it better than others, but it is being implemented.
- **From e-commerce to the physical space:** Stores that started on the internet realized that people like to see the items in physical stores; so, they implemented already physical stores in strategic locations near their customers.
- **Natural fit:** Regarding restaurants in Mexico, the best strategy is to only have establishments inside the mall and not many, since the consumer prefers to have options and choose for themselves where they want to eat.

Ecommerce

The Hot Sale is preparing to be one of the most relevant moments for the e-commerce industry which, after years of strengthening because of the post-pandemic digitalization, today is expected to grow by 8.9% for this 2023 edition.

According to Taboola, a global leader in content recommendations for the open web, helps people discover things they might like. For this Hot Sale are technology, arts and entertainment, and the food and beverage sector are expected to be the 3 main categories with the highest sales in this year's edition.

During 2022, the Hot Sale generated more than 23 million pesos in total online sales (more than 25% more than the previous year), with the travel and services sectors standing out with more than 41% of total purchases by Internet users; today, this category dropped to 7th place in open web search preferences.

This year will take place from May 23, 2023, and has presented a significant increase in page views of more than 4891%, considering the topics related to the dates, duration of the season, as well as recommendations for safe shopping, being digital sources the preferred medium for 40% of internet users to search for details about Hot Sale and the consumption of content related to shopping interests, which determined by promotions and discounts, as well as saving time and comparing prices for smarter shopping.



