

Mexico
Monthly Report
July

Market Overview

Economy

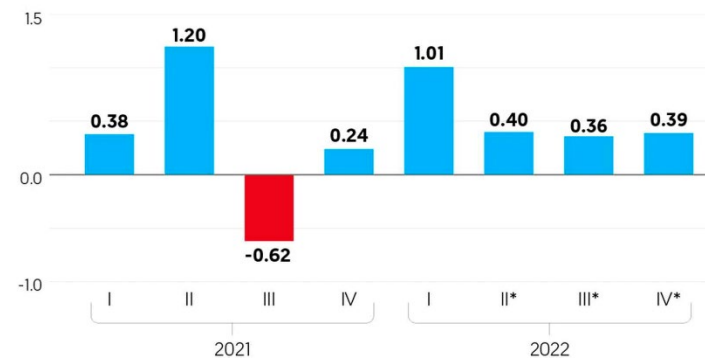
The consensus of analysts consulted by the Bank of Mexico (Banxico) forecasts an annual growth of 1.1 percent in the second quarter, below the 1.8 percent reported in the first quarter.

In the quarterly variation, in seasonally adjusted figures, the country's Gross Domestic Product (GDP) advanced 1.0 percent between January and March, and economists forecast a growth of 0.4 percent for the second quarter, 0.36 percent in the third and 0.39 percent in fourth.

GDP Monthly variation

Producto Interno Bruto

■ Var. % mensual



Citibanamex analysts indicated in a report that a moderate growth of the US economy is estimated for the second half of 2022 and 2023, so they anticipate that Mexico's exports will register a lower expansion than in the first semester, in such a way that they would accumulate a real annual growth of 7.8 percent in 2022 and 5.2 in 2023.

INDICATOR	PERIOD	RESULT	PERIOD	RESULT
GROSS DOMESTIC PRODUCT	May 2022	1%	July 2022	0.1%
			forecast	
INFLATION	July 2022	7.99%	Aug 2022 forecast	7.27%
TRADE BALANCE MEXICO	Jun 2022	-\$2.21 B USD	July 2022 forecast	\$0.2 B USD

Exchange Rate



Level	MXN per USD
Average	\$20.4997
Maximum	\$20.548
Minimum	\$20.4767

Retail Chains expansion in Mexico

Expansion in units (2019-2022)

Figura 61. Expansión en Unidades (2019-2022e)

Cadena	2019	2020	2021	2022e	20/19	21/20	22/21
Wal-Mart de México	2,571	2,634	2,756	2,902	2.5%	4.6%	5.3%
Bodega Aurrerá ¹	2,035	2,088	2,198	2,326	2.6%	5.3%	5.8%
Superama	93	95	99	107	2.2%	4.2%	8.1%
Supercenter	280	287	294	302	2.5%	2.4%	2.7%
Sam's Club	163	164	165	167	0.6%	0.6%	1.2%
Organización Soriana	810	795	798	804	-1.9%	0.4%	0.8%
Soriana Híper y Mega ²	380	368	368	369	-3.2%	0.0%	0.3%
City Club	35	34	35	37	-2.9%	2.9%	5.7%
Mercado Soriana	165	163	163	163	-1.2%	0.0%	0.0%
Soriana Express	103	105	105	106	1.9%	0.0%	1.0%
Soriana Súper	127	125	127	129	-1.6%	1.6%	1.6%
La Comer	71	72	77	84	1.4%	6.9%	9.1%
LaComer	32	32	33	34	0.0%	3.1%	3.0%
Sumesa	13	13	13	13	0.0%	0.0%	0.0%
City Market	12	12	13	15	0.0%	8.3%	15.4%
Fresko	14	15	18	22	7.1%	20.0%	22.2%
Grupo Comercial Chedraui	306	321	338	369	4.9%	5.3%	9.2%
Tiendas Chedraui	198	202	203	204	2.0%	0.5%	0.5%
Súper Chedraui	60	64	66	72	6.7%	3.1%	9.1%
Súper Che	15	11	10	8	-26.7%	-9.1%	-20.0%
Supercito	33	44	59	85	33.3%	34.1%	44.1%
Total Muestra Autoservicio	3,758	3,822	3,969	4,159	1.7%	3.8%	4.8%

Fuente: Walmex, LaComer, Chedraui, Soriana y estimaciones de Infobasic, S.A. de C.V. e: estimado. ¹Incluye Bodega Aurrerá, Mi Bodega y Bodega Express. ²A partir del primer trimestre de 2019 se presentan los hipermercados Soriana Híper y Mega en un solo rubro.



Expansion in sales (2019-2022)

Figura 62. Expansión en Área de Ventas (2019-2022e)

Cadena	2019	2020	2021	2022e	20/19	21/20	22/21
Wal-Mart de México	6,316,836	6,403,496	6,530,676	6,697,146	1.4%	2.0%	2.5%
Bodega Aurrerá ¹	2,887,038	2,924,778	2,997,515	3,100,265	1.3%	2.5%	3.4%
Superama	150,787	153,683	159,144	171,144	1.9%	3.6%	7.5%
Supercenter	2,115,584	2,153,275	2,193,747	2,231,187	1.8%	1.9%	1.7%
Sam's Club	1,163,427	1,171,760	1,180,270	1,194,550	0.7%	0.7%	1.2%
Organización Soriana	4,120,659	4,021,126	4,037,389	4,065,984	-2.4%	0.4%	0.7%
Soriana Híper y Mega ²	2,720,601	2,642,657	2,645,568	2,652,757	-2.9%	0.1%	0.3%
City Club	280,862	272,184	279,474	295,444	-3.1%	2.7%	5.7%
Mercado Soriana	719,425	711,110	711,110	711,110	-1.2%	0.0%	0.0%
Soriana Express	138,930	141,806	141,813	143,164	2.1%	0.0%	1.0%
Soriana Súper	260,841	253,369	259,424	263,509	-2.9%	2.4%	1.6%
La Comer	300,780	308,862	329,033	354,989	2.7%	6.5%	7.9%
LaComer	209,182	213,242	218,331	224,947	1.9%	2.4%	3.0%
Sumesa	10,303	10,303	10,303	10,303	0.0%	0.0%	0.0%
City Market	38,967	38,967	43,449	50,133	0.0%	11.5%	15.4%
Fresko	42,328	46,350	56,950	69,606	9.5%	22.9%	22.2%
Grupo Comercial Chedraui	1,466,714	1,493,183	1,504,010	1,527,460	1.8%	0.7%	1.6%
Tiendas Chedraui	1,313,758	1,334,409	1,337,468	1,343,668	1.6%	0.2%	0.5%
Super Chedraui	126,627	135,798	140,138	152,324	7.2%	3.2%	8.7%
Súper Che	18,093	12,561	11,861	10,375	-30.6%	-5.6%	-12.5%
Supercito	8,236	10,415	14,543	21,093	26.5%	39.6%	45.0%
Total Muestra Autoservicio	12,204,989	12,226,667	12,401,108	12,645,579	0.2%	1.4%	2.0%

Fuente: Wal-mex, LaComer, Chedraui, Soriana y estimaciones de Infobasic, S.A. de C.V. e: estimado. ¹Incluye Bodega Aurrerá, Mi Bodega y Bodega Express. ²A partir del primer trimestre de 2019 se presentan los hipermercados Soriana Híper y Mega en un solo rubro.

The forecast of both developers and retailers, who observed the growth of the C and C+ population segments, materialized in new investments in different cities of the country; they place Mexico as the leader in the shopping center business in Latin America. In this sense, Mexico is at the forefront of commercial expansion, leaving aside Brazil, which grew with large formats.

Ecommerce

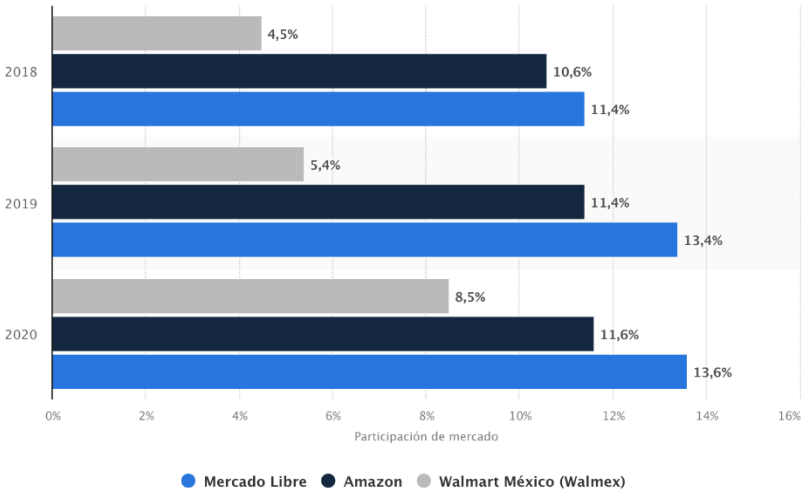
Latin America is home to approximately 300 million digital shoppers, a number that is projected to grow by more than 20% by 2025. Although e-commerce adoption in this part of the world is still lower than in other emerging regions, online retail sales in Latin America are expected to reach US\$85 billion in 2021 and approximately US\$160 billion in 2025. Regionally, Brazil and Mexico compete for the spotlight, accounting for 31% and 28 % of the Latin American e-commerce market, respectively.

Mexico has positioned itself in recent years as one of the most important e-commerce markets in Latin America. Mercado Libre is the e-commerce platform with the largest market share, according to 2020 data. During that



year, it obtained a 13.6% share of total retail sales registered online in Mexico. Amazon was the second leading company in Mexican e-commerce that year, with a market share of 11.6%. In third place was Walmart México, with 8.5%.

Market share of the main e-commerce companies in Mexico from 2018 to 2020:



2022 projects

M22GXLAPMR	Recipe development	June-October	Social media posts will conclude on Sunday and paid advertising will carry on. Currently developing the virtual recipe book and quoting the printing of 3 versions.
M22GXLAPIS	Mexico In-Store Promotions	May - August	Good to go with Walmart, finalizing formal document with activities, dates and costs for review. HEB will need to place a contract with WUSATA.
	Seafood inbound	August 21 st – 25 th	4 buyers, 1 industry journalist traveling. Purchasing flights.



M22GXLAIB	Latin America Ingredient Inbound Mission to OR/ID	October 31 st – Nov 4 th	Postponed to first week of November (Oct 31 st – Nov 4 th) Recruitment on-going.
M22GXLAPOB	Mexico HRI Outbound Mission to Mexico City & Tijuana	July 11-15	Successful trade mission. 105+ meetings. Review feedback, pending claim and final report.
M22GXLAPTS	WUSATA Pavilion at Espacio Foods Trade Show	Late September – Confirm dates.	Booths remain blocked, 1 registered company, 2 more interested. Hotel is under per diem.
	Oregon Groundfish Promotion	August - March	Implementation of inbound trade mission Aug 21 st
ATP	Onion program	Sep – March	On-going trade servicing. Calimax is looking for onions roberto.barraza@calimax.com.mx
ATP- MXHIS	Onion inbound	September 19 - 22	Working on recruitment, pending proposal.
ATP	Mega Mission MX & LATAM	December 5 th -9 th	Recruitment on-going.
M22GXLAPM2	Latin America Consumer Oriented Research	Oct 31-Dec 9	Defining next steps.

