

Mexico
Monthly Report
August 2023

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

Mexico's economy grew 0.9 percent in the second quarter of 2023, compared to the previous quarter, driven by services and trade, but also with the support of the industry, spinning seven consecutive quarters upwards. In releasing the preliminary data on Mexico's gross domestic product (GDP) in the second quarter of the year, with figures adjusted for seasonality, Inegi said that after the expansion in March-June of this year, higher than the market consensus (0.6 percent), the country's economic activity reached a growth of 3.6 percent, compared to the second quarter of 2022. And, considering that figures are already available for the first six months of the year, the Mexican economy rebounded by a preliminary 3.6 percent in the first half of 2023, compared to the same period last year.

| INDICATOR | PERIOD | RESULT | PERIOD | RESULT |
|-------------------------------|-----------|------------|-----------|-----------|
| GROSS DOMESTIC PRODUCT | June 2023 | 3.9% | July 2023 | 3.7% |
| INFLATION | June 2023 | 5.06% | July 2023 | 4.79%. |
| TRADE BALANCE MEXICO | May 2023 | -0.074\$ B | June 2023 | 0.038\$ B |

Exchange Rate
22/08/23

| Level | MXN per USD |
|---------|-------------|
| Average | \$17.0313 |
| Maximum | \$17.0929 |
| Minimum | \$17,0776 |



The exchange rate in Mexico presented discrete movements in the dollar price this Tuesday, August 22. The Mexican peso showed an appreciation of 0.42% against the dollar, standing at \$16.9493 per unit in Mexico City at 5:24 hours. This day marked the fifth consecutive day in which the Mexican currency registered a positive behavior, accumulating an appreciation of 1.16% in this period.

Retail

The increase in the supply of vegan products and the number of people who opt for a plant-based diet has been increasing in Mexico. According to data provided by the company Nielsen, Mexico is positioned as the country with the most vegans in Latin America.

At the national level the number of transactions made in July increased 26% compared to 2022, also an increase of 36% in the number of items sold per transaction.

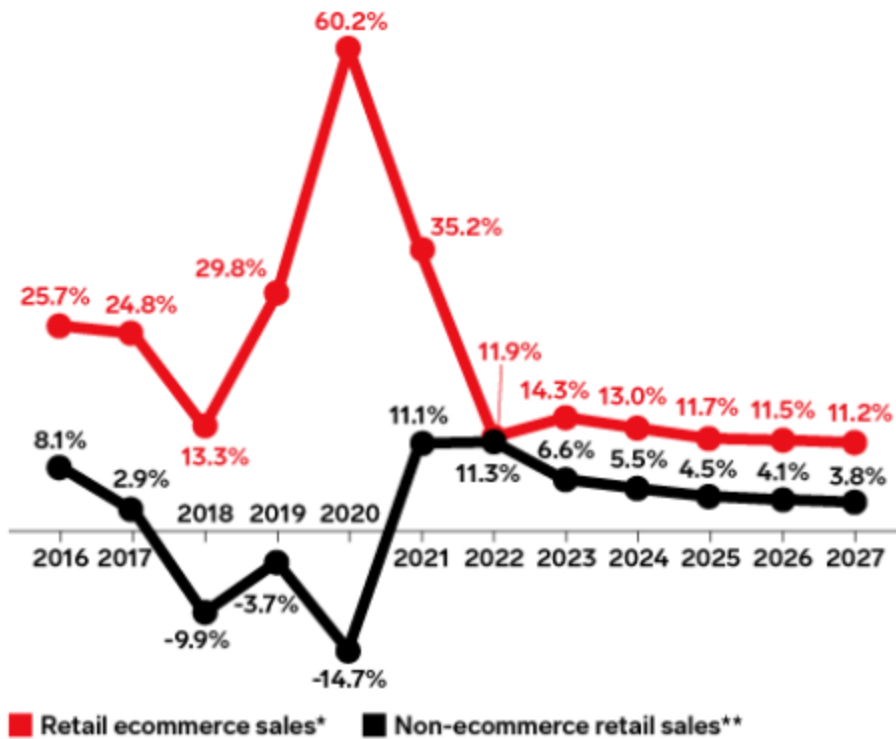
Ecommerce

Mexico ranked in the top five of the countries with the highest growth rate of e-commerce worldwide, being surpassed by countries such as India, the Philippines and Indonesia. The global average increase was 7.4 percent. Despite high inflation and sluggish economic activity, we expect digital sales growth this year in several key markets we forecast.



Retail Ecommerce vs. Non-Ecommerce Sales Growth in Latin America, 2016-2027

% change



Regulations in Mexico

392 tariff fractions will increase between 5 and 25 percent taxes on imports of products from countries with which Mexico has no free trade agreement, seeks to promote the development of national industry, supporting the domestic market and strengthening the integration of domestic producers into value chains. These measures are prevented from being pushed until 2025.

The trans fat law will be in force from the second week of September, starting the weekend of September 9, which it is established that food, non-alcoholic beverages, oils and fats "may not exceed two parts of industrially produced trans fatty acids per hundred parts of total fatty acids".

