

**Mexico**  
**Monthly Report**  
**February**

**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***

The Mexican economy experienced a significant slowdown during the last month of 2022. After growth of 5.5% in 2021, specialists expect GDP in 2022 to close the year with growth of 3.0 percent.

The consensus of specialists expects growth for the Mexican economy of 0.9% according to the Citibanamex Survey. For 2023, the market is expecting headline and core inflation to decrease to 5% while the target interest rate set by Banxico would end the year at a level similar to the current one of 10.5%.

The Mexican economy will be affected by the slowdown of the global economy, particularly the United States economy.

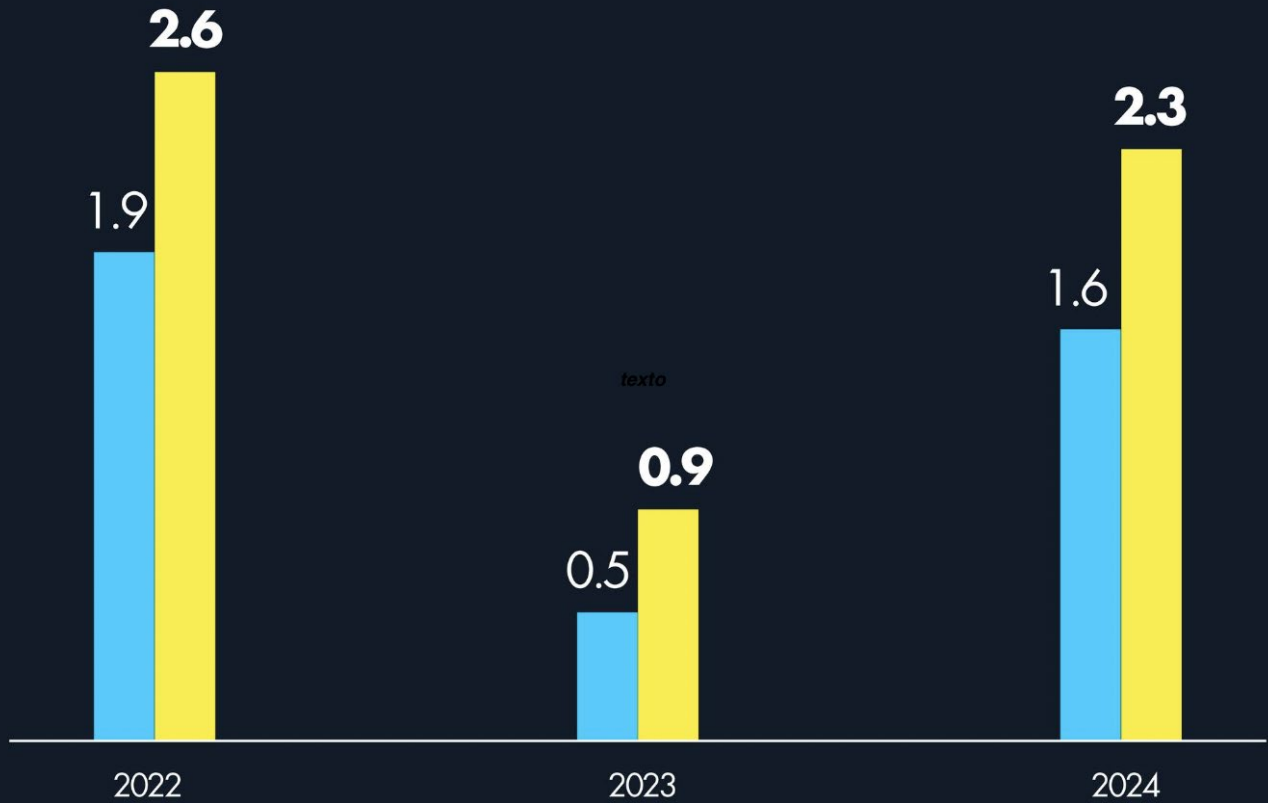
INDICATOR	PERIOD	RESULT	PERIOD	RESULT
<b>GROSS DOMESTIC PRODUCT</b>	Ene 2023	3.5%	Feb 2023 forecast	3.5%
<b>INFLATION</b>	Jan 2023	7.82%	Feb 2023 forecast	7.68%
<b>TRADE BALANCE MEXICO</b>	Dec 2022	-\$0.096 B USD	Jan 2023 forecast	\$ 0.88B

Growth Projections (US and Mexico):

# Perspectivas de PIB | EN % ANUAL

GDP Growth Perspective (annual %)

● ESTADOS UNIDOS ● MÉXICO  
United States Mexico



FUENTE: BANCO MUNDIAL  
Source: World Bank

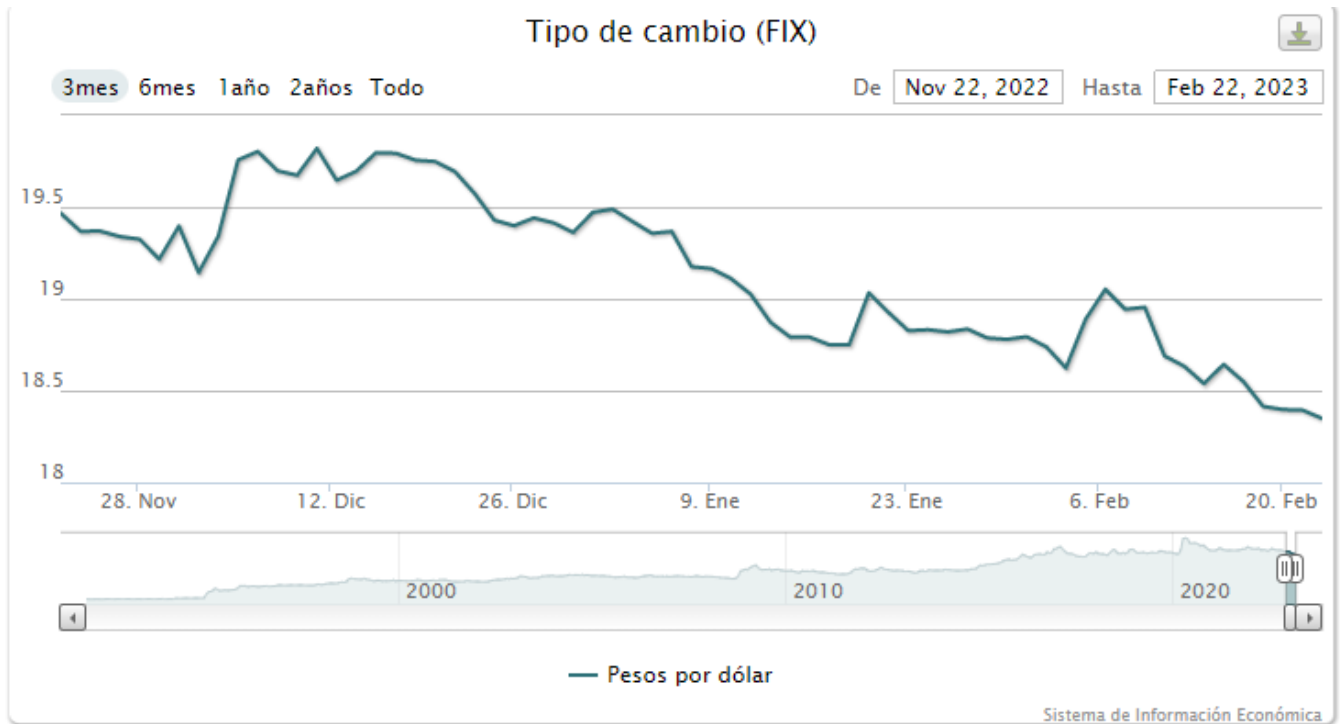
EL ECONOMISTA

## Exchange Rate

22/02/23

Level	MXN per USD
Average	\$18.3760
Maximum	\$18.4010
Minimum	\$18.3220





The USD/MXN reversed after reaching a daily high near 18.50 and dropped to 18.35, matching the lowest level since 2018. Bias in USD/MXN continues to be tilted to the downside. The area around 18.30 is the key support. A break lower could open the doors for a slide toward 18.00.

Although the flow of remittances, nearshoring investments and exports have also made an important contribution to the entry of dollars into the country, they agree that it is the return on investments in pesos that is significantly favoring the rally to weight favor. Mexico is the emerging investment grade economy that provides the highest yield.

### **Mexican Exports and Imports**

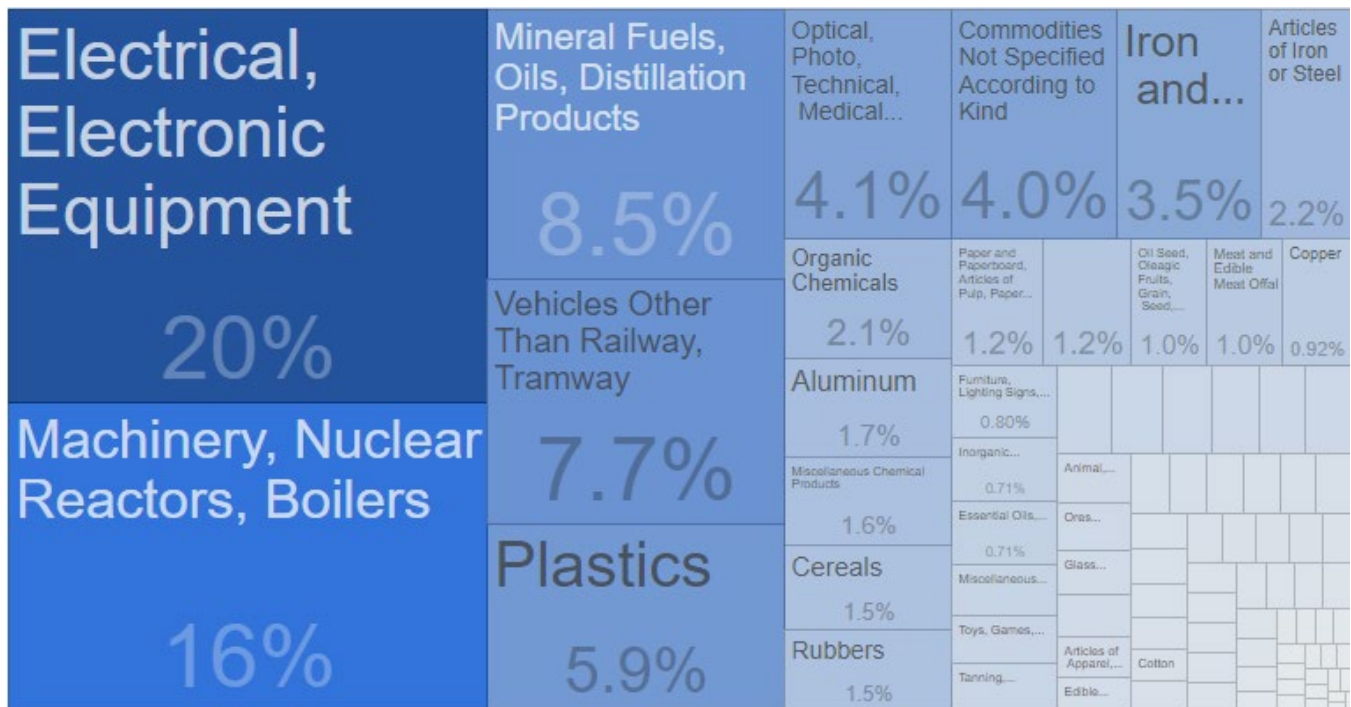
Mexico mainly imports manufactured products (87% of total purchases), namely metallic products, machinery and equipment (53%, of which automotive 13%; electrical and electronic appliances 20%; and special equipment for miscellaneous industries 15%). Oil products represent 10% of total imports, especially oil derivatives and petrochemicals. Agricultural goods account for 3%. Main import partners are: the United States (46% of total purchases), China (18%), Japan, Germany and South Korea (4%). Main imports from the United States are: other parts and accessories of vehicles (8% of total imports); electric apparatus (7%); petroleum products (6%) and computer accessories (6%).



Mexico Imports by Country	Last	Previous		
United States	20958234.00	21128599.00	USD THO	Dec/22
China	9202249.00	9044902.00	USD THO	Dec/22
South Korea	1839572.00	1940252.00	USD THO	Oct/22
Japan	1563156.00	1756580.00	USD THO	Dec/22
Germany	1540451.00	1664772.00	USD THO	Dec/22
Taiwan	1222234.00	1490643.00	USD THO	Dec/22
Canada	1211894.00	1160776.00	USD THO	Dec/22
Malaysia	1036378.00	1310737.00	USD THO	Dec/22
Brazil	1007058.00	1038734.00	USD THO	Dec/22
Thailand	737609.00	710591.00	USD THO	Dec/22
Italy	712889.00	716262.00	USD THO	Dec/22

### Principal products that Mexico Imports



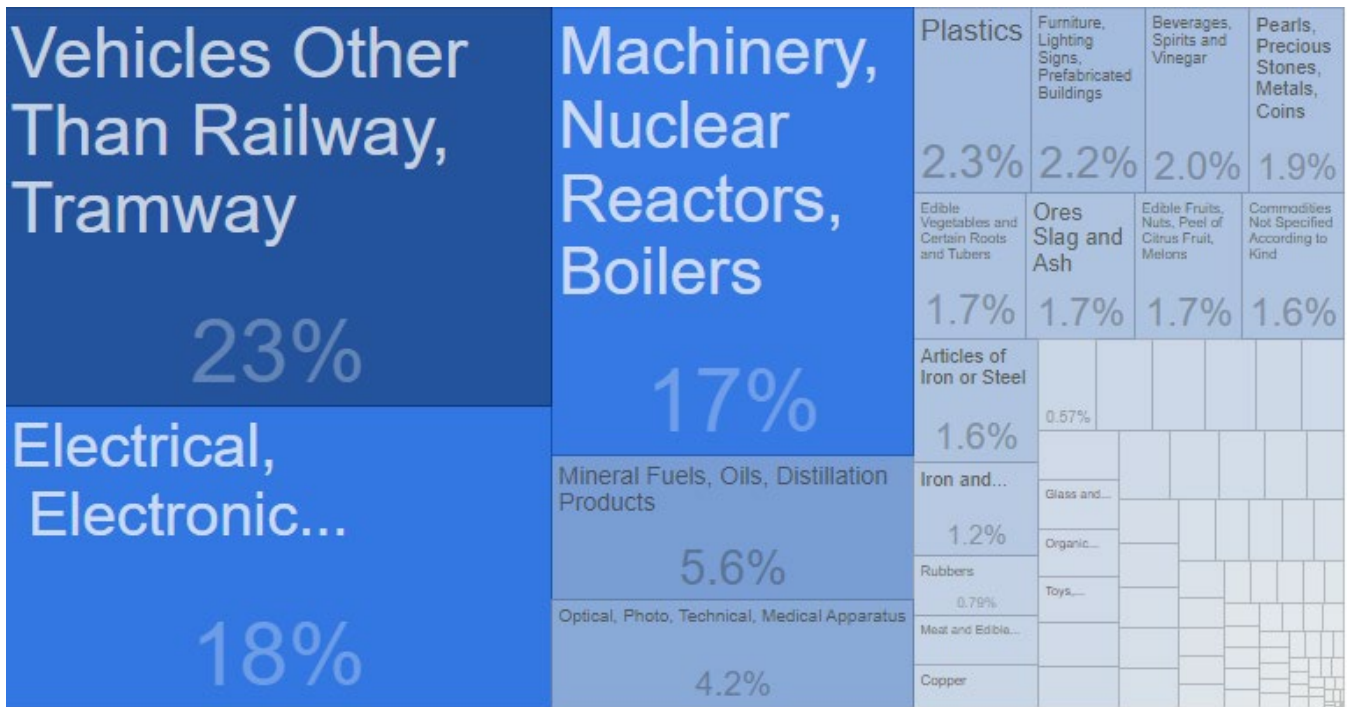


Exports from Mexico increased 3.4 percent from a year earlier to USD 49.323 billion in December 2022, of which non-oil sales rose 3.5 percent to USD 46.479 billion, and oil exports increased 1.5 percent to USD 2.844 billion. Non-oil exports to the US increased by 2.0 percent, and those to the rest of the world expanded by 11.2 percent.

Mexico Exports by Country	Last	Previous		
United States	40633699.00	40210104.00	USD THO	Dec/22
Canada	1150607.00	1362006.00	USD THO	Dec/22
Germany	885369.00	832881.00	USD THO	Dec/22
China	857294.00	940439.00	USD THO	Dec/22
Spain	589987.00	588895.00	USD THO	Dec/22
South Korea	588100.00	663002.00	USD THO	Oct/22
Brazil	403558.00	366734.00	USD THO	Dec/22
Japan	388824.00	343460.00	USD THO	Dec/22
Guatemala	273725.00	218187.00	USD THO	Dec/22
Colombia	270096.00	270280.00	USD THO	Dec/22
United Kingdom	197610.00	303978.00	USD THO	Dec/22
Belgium	150152.00	122583.00	USD THO	Dec/22

### Principal products that Mexico exports





**¿What do Mexicans expect from retail in 2023?**

The retail sector is officially embracing the hybrid business model. The way consumers shop again has been radically changed due to a global supply chain crisis that limited product selection. The 2023 retail report highlights that economic and supply chain problems did not make it easier for Mexican consumers to purchase, since 74% of them experienced product availability, price and delivery problems. This represents a 3% increase from the previous year's report, leading consumers to seek solutions to these factors before making a purchase online or in store:

The SOTI report found that 41% of Mexican consumers still prefer to shop online. While emphasizing the strength of e-commerce, the research confirms a consistent trend toward a hybrid shopping model. The clear example of this business model, "OXXO has opened its first Grab & Go store in Monterrey, Nuevo León. The location is equipped with a fully digital system and is the first of its kind in Latin America".

This is a trend that is seen globally. France (41%) and Australia (40%) report that consumers prefer to continue buying items online and picking them up in store, while consumers in Germany (68%) and Mexico (62%) are more likely to continue shopping online. the store.

58% of respondents in Mexico prefer to shop with retailers that offer a personalized experience based on their individual preferences. Additionally, 74% said delivery time and speed remain top of mind for them, followed by returns, and 59% said they are more likely to shop with an online retailer that offers multiple options for returning a product. Product.

**Ecommerce**



B2C Ecommerce market in Latin America is expected to grow by 10.73% on annual basis to reach US\$183.5 billion in 2023. The Medium to long-term growth story of B2C Ecommerce industry in Latin America promises to be attractive.

Mexico is the 15th largest market for eCommerce with a predicted revenue of US\$43,736.4 million by 2023, placing it ahead of Spain.

EFE - Retail e-commerce in Mexico had an annual rebound of 23% at the end of 2022, reaching a market value of 528 billion pesos (about \$27,794 million dollars), revealed Thursday a study by the Mexican Association of Online Sales (AMVO).

According to the "Estudio de Venta Online 2023", during 2022 more than 63 million Mexicans purchased products or services on the Internet, which means that nine out of every 10 Internet users over the age of 18 bought online. The study also showed that the age segment with the highest number of purchases was between 25 and 34 years old, who made a third of the transactions.

With sales in the Mexican Food & Personal Care market, fahorro.com generated a revenue of US\$286.6 million in 2021, which means it is the leading online store in this market. In second place is walmart.com.mx with a revenue of over US\$157.8 million, followed by amazon.com.mx with a revenue of US\$138.5 million. Altogether, the top three online stores account for a market share of about 34.3% within the top 100 stores of the given market.

