

Mexico
Monthly Report
June

Market Overview

Economy

The Ministry of Finance and Public Credit (SHCP) expects the economy to grow between 1.4 percent and 3.4 percent. On the other hand, Banxico predicts that this 2022 can grow above 2 percent, because a certain recovery is perceived that could rule out an economic recession. Thus, for 2023, growth of 2.4 percent is estimated in the central scenario, lower than the previous 2.9 percent.

INDICATOR	PERIOD	RESULT	PERIOD	RESULT
GROSS DOMESTIC PRODUCT	May 2022	1%	July 2022 forecast	0.1%
INFLATION	Jun 2022	7.65%	Jul 2022 forecast	7.66%
TRADE BALANCE MEXICO	May 2022	-\$1.884 B USD	Jun 2022 forecast	-\$1.1 B USD

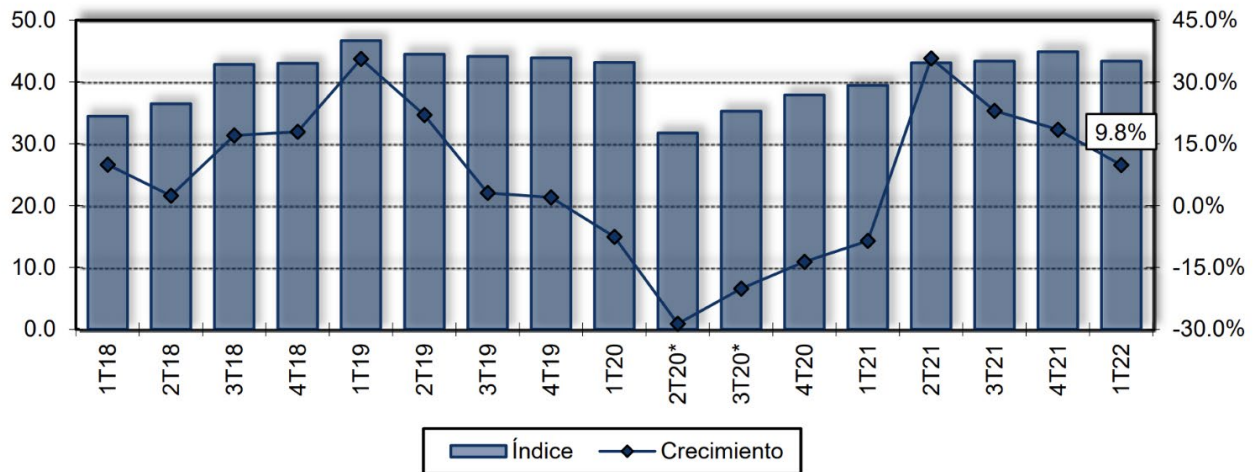
Exchange Rate

Level	MXN per USD
Average	\$20.3255
Maximum	\$20.3516
Minimum	\$20.2834

The IGAE for April was reported with a rise of +1.07% in the month and higher than expected by the rest of the market (+0.8%). Likewise, a new rebound was reflected in the recovery trend of the economy in general and particularly of services, and seems to confirm the trend that growth may be around the level we estimate for this year (2.8%).

Consumer Confidence in Mexico

Figura 6. Indicador de Confianza del Consumidor (ICC)



The omnichannel behavior of the modern customer has changed the ways they shop and pay. Specifically, collections in businesses pose a great challenge in terms of expectations.

The consumer trusts that he will pay with the same fluidity in physical stores and online. 70% prefer to buy from online sites or through physical store apps with an online presence.

The key factors to define an online purchase in Mexico: The price in Mexico is NOT the most important thing.

The top 3 in Mexico is:

1. Good customer service (75%)
2. Good product images (72%)
3. Accurate description of the product (69%).

In Mexico, "deliver it quickly" is another great determinant. Within the "Good Service", fast delivery is the most relevant attribute for Mexicans 57%

Wholesale and retail sales

Retail sales were reported at an index of 118.3, rising +0.45% in the month (vs. Mar-22), above expectations (+0.2%); while the wholesalers were reported at an index of 116.1, falling sharply -0.86%. On an annual level, a positive growth rate is maintained and that in terms of volume has taken retail sales to a new historical maximum, and that of wholesalers slightly below the previous one -that of the previous month-. In this context, retail sales register an annual increase of +4.26% to April (vs. Apr-21), +35.4% vs. April-20 -minimum level of the pandemic and recent- and +4.2% against the weighted February -March 2020; while wholesalers grow +6.8% annually (vs. Apr-21), +41.8% vs. May-20 and +10.4% vs. the pre-pandemic weighted level.

2022 projects

M22GXLAPMR	Recipe development	June-October	Samples were sent to chefs. During the next 2 weeks chefs will be working on the video-recipes to be submitted for
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			<p>approval on the week of the 18th.</p> <p>Chef and WUSATA posts will start on July 25th.</p> <p>Working on virtual recipe book, will confirm date for the first review of progress.</p>
M22GXLAPIS	Mexico In-Store Promotions	May - August	New advertisement law in Mexico is delaying the project. Working with both retailers to finalize contracting. Might move promotion to August.
	ANTAD	May 17 th to 19 th	Claim and final report submitted.
M22GXLAI12	Latin America Ingredient Inbound Mission to OR/UT	June 26-July 1 st	Postponed to first week of November (Oct 31 st – Nov 4 th) Increasing recruitment.
M22GXLAPOB	Mexico HRI Outbound Mission to Mexico City & Tijuana	July 11-15	Ready to implement. Final agendas to be sent on Friday 8 th
M22GXLAPTS	WUSATA Pavilion at Espacio Foods Trade Show	Late September – Confirm dates.	Booths are blocked and pending contract signature with Kallman to finalize space rental.
	Oregon Groundfish Promotion	August - March	Recruitment on-going for Inbound trade mission.



ATP	Onion program	Sep – March	Trade servicing planned for August
ATP- MXHIS	Onion inbound	September 19 - 22	Working on recruitment, pending proposal.
ATP	Mega Mission MX & LATAM	December 5 th -9 th	Contract received. Recruitment on-going. Will work on logistics with hotels.
M22GXLAPM2	Latin America Consumer Oriented Research	Oct 31-Dec 9	SOW submitted
M22GXLAPMR	Mexico Consumer Oriented Research -	Oct 31-Dec 9 –	SOW submitted

