

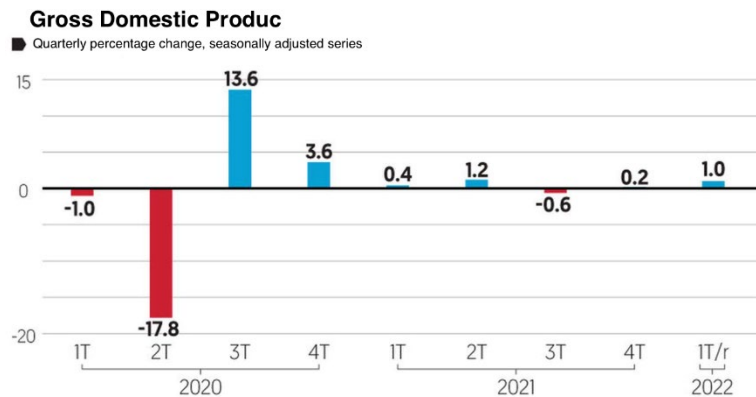
**Mexico**  
**Monthly Report**  
**May**

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**

The economy expanded at a faster pace in the first quarter but below pre-pandemic levels on fears of a US recession.

Mexico's economy grew 1 percent in the first quarter, up from 0.2 percent in the previous quarter, according to the National Institute of Statistics and Geography (Inegi). Thus, the Mexican economy adds two consecutive quarters with increases and its greatest variation since the second quarter of 2021, however, the Mexican economy could recover until next year.



INDICATOR	PERIOD	RESULT	PERIOD	RESULT
<b>GROSS DOMESTIC PRODUCT</b>	May 2022	1%	July 2022 forecast	0.1%
<b>INFLATION</b>	May 2022	7.75%	Jun 2022 forecast	7.68%
<b>TRADE BALANCE MEXICO</b>	April 2022	\$1.884 B USD	Jun 2022 forecast	-\$1.884 B USD

## Exchange Rate

Level	MXN per USD
Average	\$19.8515
Maximum	\$19.9266
Minimum	\$19.7868

## Inflation

The rise in prices breaks its upward trend and the Consumer Price Index is at its lowest level since the first half of March.

The fall in the price of electricity has been key to this decline. During the first fortnight of May, electricity registered a drop of 20%, compared to the previous fortnight, when summer rates came into force. Other products that dropped in price during the first 15 days of May were lemons, onions and serrano peppers. On the contrary, the components of the IPC that continue to rise are chayote, avocado, tomato and air transport.

## Growth Forecast

The consensus of the analysts consulted by the Bank of Mexico (Banxico) foresee a growth of 1.72 percent of the country's economy for this 2022, according to the survey carried out in April.

By 2023, Mexico's GDP would advance 2 percent, unchanged from the previous Banxico survey.

Ernesto O'Farrill, president of Grupo Bursamérica, indicated that these perspectives are due to both external and internal problems. On the external side, it is due to as there is still great uncertainty due to the war between Russia and Ukraine, new lockdowns in China and the prospect of more hikes by the United States Federal Reserve.

## Retail Updates

Logistics experts predict that the 2022 Hot Sale will generate sales of between 25 and 30 billion pesos (mp) through e-commerce.

- 53% of users consider that the speed of delivery influences their purchase decision.
- 61% do not buy if the shipping cost is high.
- 77% of Mexicans fear being victims of credit card fraud, so trust is a primary factor.
- Outsourcing operations: Working with a hybrid model, this consists of having globalized and local suppliers so as not to depend on just one.

## Digital Marketing Trends

- Influencer marketing: Create a closer link between advertisers and target.



- Prioritize mobile devices: Searching for information and shopping online are more common through cell phones than on computers
- Live stream shopping: It consists of making a live broadcast on some social network, where different products are shown and viewers buy them in real time.
- Chat bots and live chats: Installed on websites or social networks, they are very useful for solving common questions and speeding up the lead generation process.
- Brands associated with social causes.
- Tiktok and Instagram reels.

### 2022 projects

ATP 2021-2022	Onion program	Sep 2021 – March 2022	Final report submitted, invoice and claim submitted
M22GXLAPIB	SIAL Las Vegas Inbound Mission to NV	Mar 20 <sup>th</sup> - 24 <sup>th</sup>	Final report and claim submitted
M22GXLAPMR	Recipe development	June-October	Starting the import process of samples. Samples set to arrive at Laredo on the 24 <sup>th</sup>  Chef posts will start in July and continue through August.
M22GXLAPIS	Mexico In-Store Promotions	May - August	Will work with Walmart and HEB with landing pages featuring Western U.S products as well as sampling campaign. Promotion set to start mid-july.
	ANTAD	May 17 <sup>th</sup> to 19 <sup>th</sup>	Working on claim and final report.
M22GXLAI12	Latin America Ingredient Inbound Mission to OR/UT	June 26-July 1 <sup>st</sup>	4 buyers from mx and 4 from CT&SA. Will most likely push the mission to



			October and include another state.
M22GXLAPOB	Mexico HRI Outbound Mission to Mexico City & Tijuana	July 11-15	Finalizing hotel's contracts and buyer recruitment on-going.
M22GXLAPTS	WUSATA Pavilion at Espacio Foods Trade Show	Late September – Confirm dates.	Booths are blocked and pending contract signature to finalize space rental.
ATP	Onion program	Sep – March	Trade servicing planned for August
ATP- MXHIS	Onion inbound	September 19 - 22	Recruitment, proposal pending.
ATP	Mega Mission MX & LATAM	December 5 <sup>th</sup> -9 <sup>th</sup>	Contract received.
M22GXLAPM2	Latin America Consumer Oriented Research	Oct 31-Dec 9	SOW submitted
M22GXLAPMR	Mexico Consumer Oriented Research -	Oct 31-Dec 9 –	SOW submitted

