

Mexico
Monthly Report
January

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

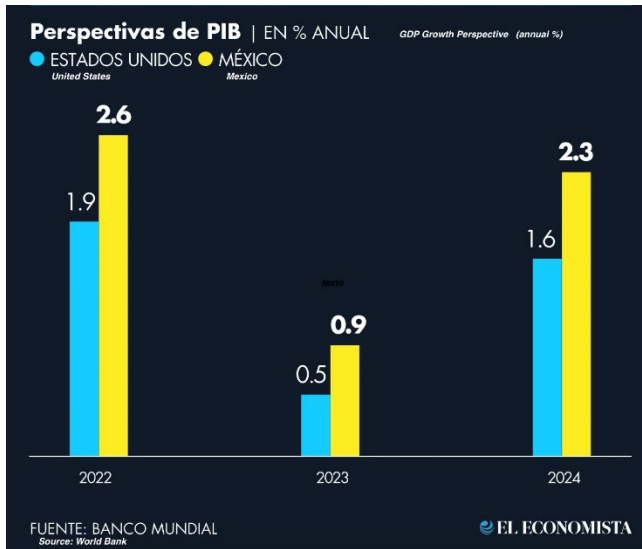
The Mexican economy experienced a significant slowdown during the last month of 2022. After growth of 5.5% in 2021, specialists expect GDP in 2022 to close the year with growth of 3.0 percent.

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
GROSS DOMESTIC PRODUCT	Q3 2022	4.3%	Q4 2022	2.3%
INFLATION	Jan 2023	7.82%	Feb 2023 forecast	7.68%
TRADE BALANCE MEXICO	Dec 2022	-\$0.096 B USD	Jan 2023 forecast	-\$2.2 B USD

Growth Projections (US and Mexico):



Exchange Rate

Level	MXN per USD
Average	\$18,8200
Maximum	\$18,8874
Minimum	\$18,7755



The dollar is below 19 pesos due to the rebound that foreigners hold in local debt, experts from Bank of America Securities agree.

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

Exports	Imports

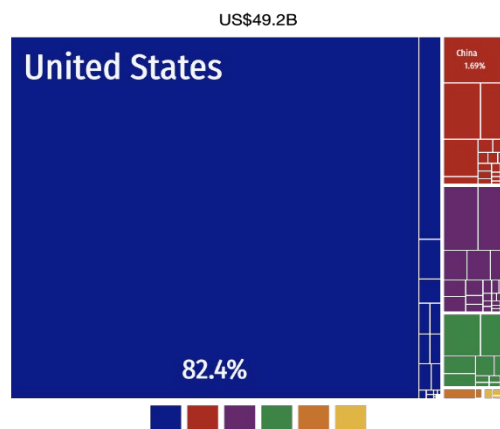


The main destinations of Mexico's exports in October 2022 were the United States (US\$40,595M), Canada (US\$1,259M) and China (US\$834M).

The main origins of Mexican imports were the United States (US\$21.850M), China (US\$10.224M) and South Korea (US\$1.840M).

General:

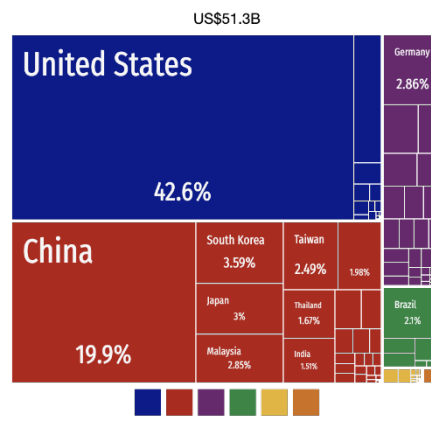
Mexico Exports by Country of Destination, INEGI (October 2022)



datamexico.org/en/profile/geo/mexico

General:

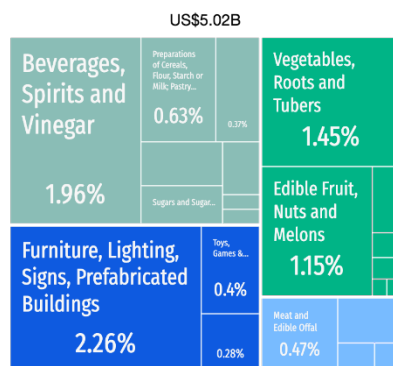
Mexico Imports by Country of Origin, INEGI (October 2022)



datamexico.org/en/profile/geo/mexico

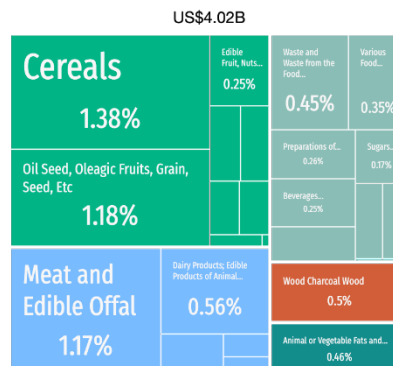
Agri-food:

Mexico Exports by Product (October 2022)



Agri-food:

Mexico Imports by Product (October 2022)



¿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.

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

Of the total businesses that participate in electronic commerce, 18.4% were retail, 13.5% from the manufacturing sector and 11.8% from wholesale.

Retail is the main economic activity with a presence in electronic commerce in Mexico, revealed the study "Business in the Internet economy", prepared by the National Institute of Statistics and Geography (Inegi for its acronym in Spanish).

The main types of payment used on Internet pages were electronic payment platforms, with 45.7%. Bank cards followed, with 30.7%; payment by check, with 3.7% and cryptocurrencies with 1.3%.

Of the 73,597 related companies, 77.2% had only a passive presence on the Internet and 14.3% had an active presence generated indirect income through this medium, since their activity is mainly in person. Online stores, online services and ICT-related services accounted for 5.6, 1.5 and 1.4%, respectively.

