

**Mexico**  
**Monthly Report**  
**June**

**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 facing the heat.**

The fruit and vegetable market has seen a considerable increase in the loss of fruits and vegetables, because if before 5% of the products were spoiled, now up to 15% are thrown away.

People must quench their thirst, they must have something to drink these days to drink to eat even though, so far this year, drinks have suffered a price increase of 10,5 percent, with bottled water and soft drinks rising from two to three pesos and beer from three to five pesos.

The elevated temperatures that have suffered in the Mexican territory have positively impacted ice cream producers, making the heat wave their best ally since they are reporting a 70 percent increase in consumption of ice cream, popsicles, and fresh water, which translates into higher production and better dividends.

INDICATOR	PERIOD	RESULT	PERIOD	RESULT
<b>GROSS DOMESTIC PRODUCT</b>	March 2023	3.6%	April 2023	2.3%
<b>INFLATION</b>	March 2023	6.85%	April 2023	6.62%
<b>TRADE BALANCE MEXICO</b>	April 2023	\$1168.73 B	May 2023	\$1059 B

## Exchange Rate

21/06/23

Level	MXN per USD
Average	\$17.1723
Maximum	\$17.2552
Minimum	\$17.1035



The peso starts the session with few changes, showing a depreciation of 0.15% or 2.5 cents trading around 17.11 pesos per dollar, with the exchange rate touching a minimum of 17.0587 and a maximum of 17.1497 pesos per dollar. The exchange rate shows a lateral behavior, in the absence of economic indicators and relevant news from the United States, because the markets in that country remain closed before the commemoration of Emancipation Day (Juneteenth).

## Retail

Retail dominates e-commerce in Mexico, according to a study by Inegi. Of the total businesses involved in e-commerce, 18.4% were retail, 13.5% of manufacturing and 11.8% of wholesale trade.

For Mexicans, the main criteria when buying a product or service are:

- Price (75%)
- Quality (70 per cent)
- Ease of purchase (49%)
- Previous experience with the brand (45%)
- Possibility to buy online (29%)

## Some Retail Trends in Mexico

- **Smart labels:** By having a better perception of demand and real-time information on stock levels, dynamic prices can be introduced to reduce food spoilage or waste.
- **Machine learning to predict demand:** One of the big challenges facing a retailer is how to improve the stock tacking or offsetting, and Artificial Intelligence solutions allow real-time monitoring of product rotation, as well as an analysis of the purchasing situation.
- **Safety and loss prevention:** As more retailers use auto-pay technology, loss prevention and attacks will be crucial. Thus, increasing the presence of computer vision can help reduce theft.

## Ecommerce

Mexico has been the country that in the last year has shown the greatest growth of e-commerce in Latin America and it is estimated that by 2023 the penetration of digital commerce will reach 59.3% of Internet users in the country.



The growth of e-commerce in Mexico is transforming retail sales and marketplaces stand out as one of the most used alternatives by companies to grow and consolidate their brand.

According to a study by KPIs on Logistics for Sale Online, among the main logistical challenges that companies have identified when selling online are:

- High shipping cost – 78
- Shipping damage - 58%
- Capture errors in customer addresses - 53%
- Deliveries in rural or remote areas - 50 per cent
- Theft and transport security - 45%

### Changes in Mexican regulations

Article 216a of the General Health Act to provide that edible oils and fats, as well as food and non-alcoholic beverages, may not contain in their presentation for sale to the public partially hydrogenated oils, known as trans fats, added during industrial processing. These changes take effect on 1 October of the current year

The next step for the elimination of industrial trans fatty acids is to work on the regulation; it is part of this administration's strategy to reduce the consumption of harmful substances contained in some foods, so that, together with other measures such as warning labelling, a comprehensive impact is achieved to combat the first public health problem that are cardiovascular diseases, deaths and lost years of life.

