



Hacienda
Secretaría de Hacienda
y Crédito Público

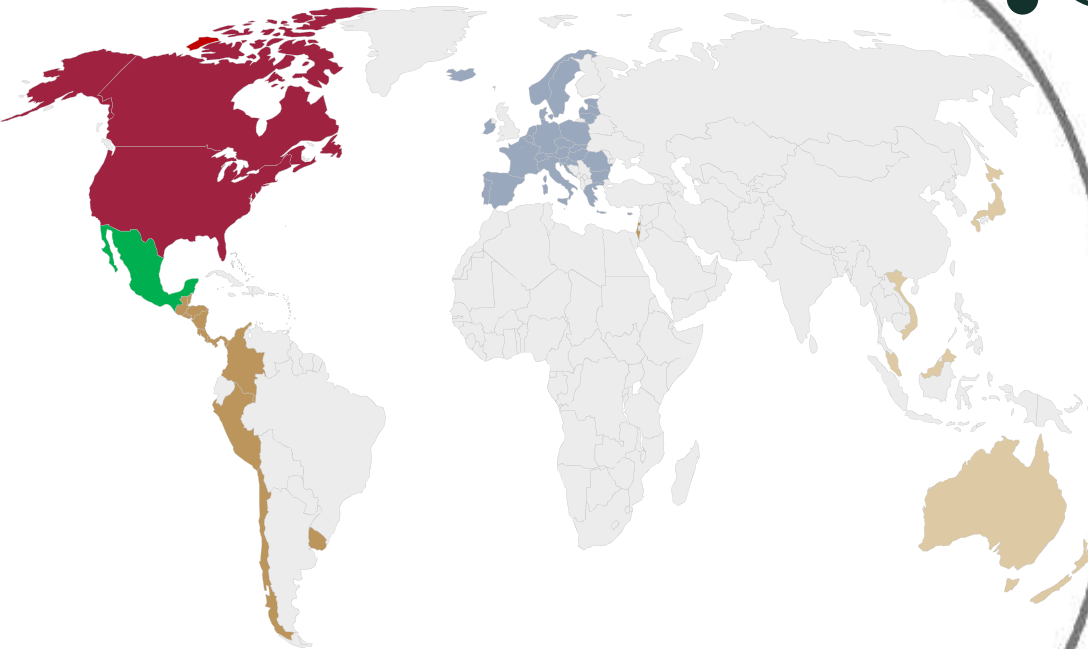


Mexico's Economic Outlook

Last update: March 1st, 2025



Our Place in the World



Main global partners with Mexico:

| | |
|-----------------|-------------------------|
| ■ USMCA: 776 bn | ■ Europe: 94 bn |
| ■ LATAM: 26 bn | ■ Asia & Oceania: 57 bn |

Note: The figures are in American dollars, and only consider countries that have a trade agreement with Mexico.



14 agreements with 50 countries, totaling 52% of the world's GDP.



Two million km² of land and plenty natural resources.



3,000 km border with the U.S. and 19 world-class customs offices.



11,100 km of coastline with 17 customs offices.



World-class infrastructure with projects to increase connectivity.



52 million people in its prime age (25-54) and an avg. of 10.5 years of schooling.

Outline



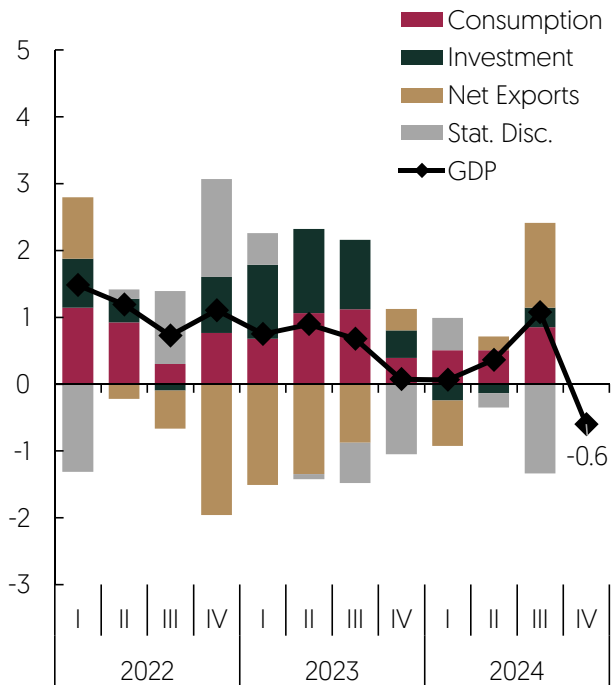
Economic Activity

Public Finances

Economic Activity

GDP

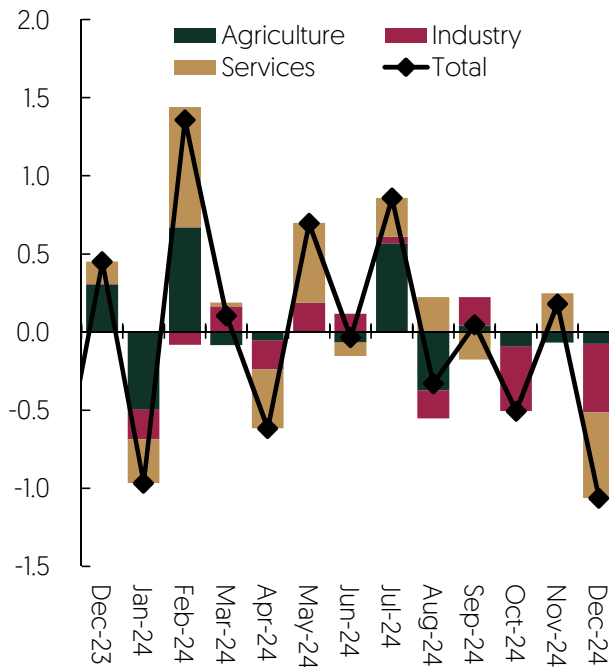
QoQ % change, percentage points



Note: Seasonally adjusted data.
Source: INEGI.

IGAE Activity Sectors

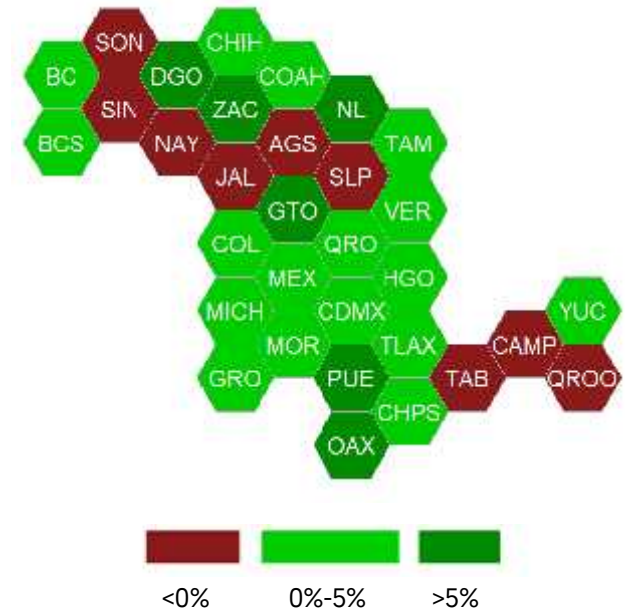
MoM % change, percentage points



Note: Seasonally adjusted data.
Source: INEGI.

State Economic Activity, 3Q24

YoY % change

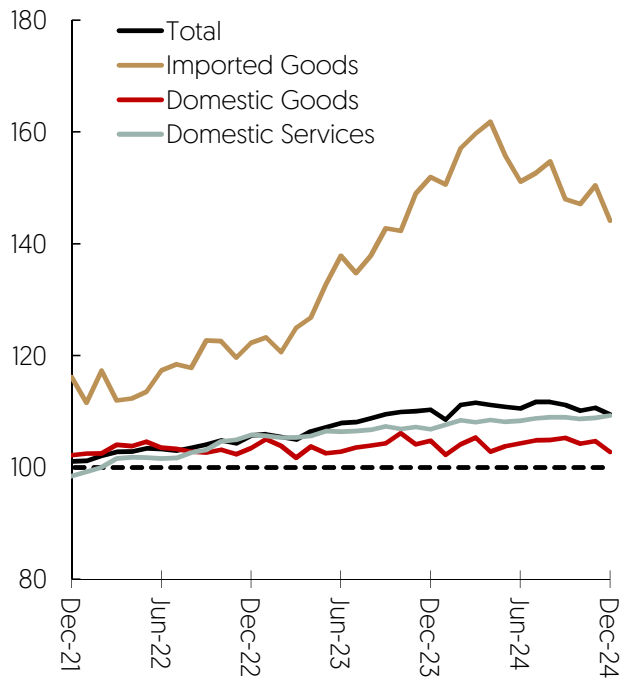


Note: Seasonally adjusted data.
Source: INEGI.

Domestic Demand

Private Consumption

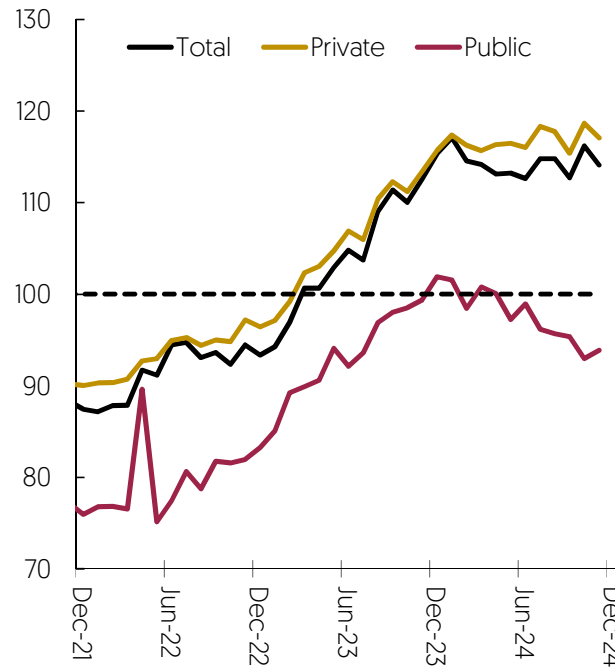
Index, 2018=100



Note: Seasonally adjusted data.
Source: INEGI.

Gross Fixed Capital Formation

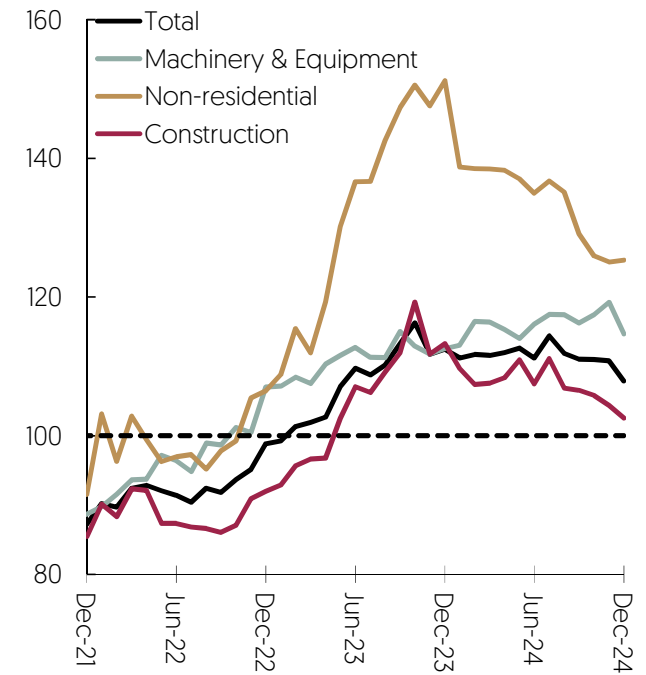
Index, 2018=100



Note: Seasonally adjusted data.
Source: INEGI.

Total Gross Fixed Capital Formation

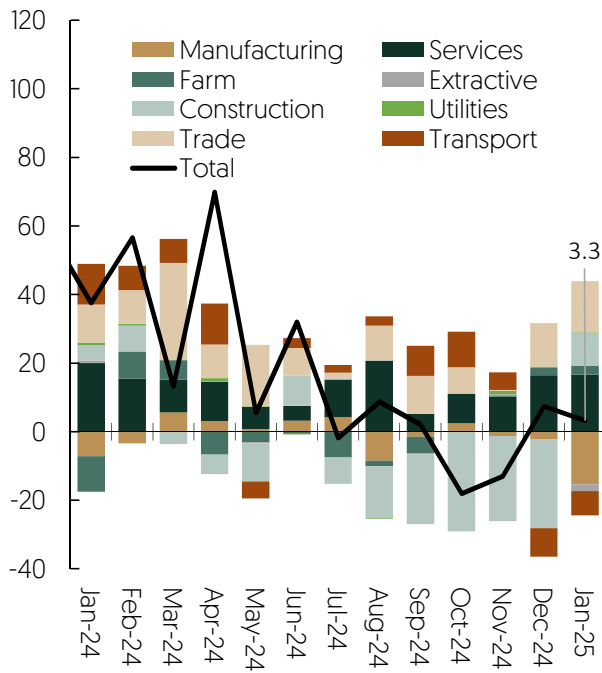
Index, 2018=100



Note: Seasonally adjusted data.
Source: INEGI.

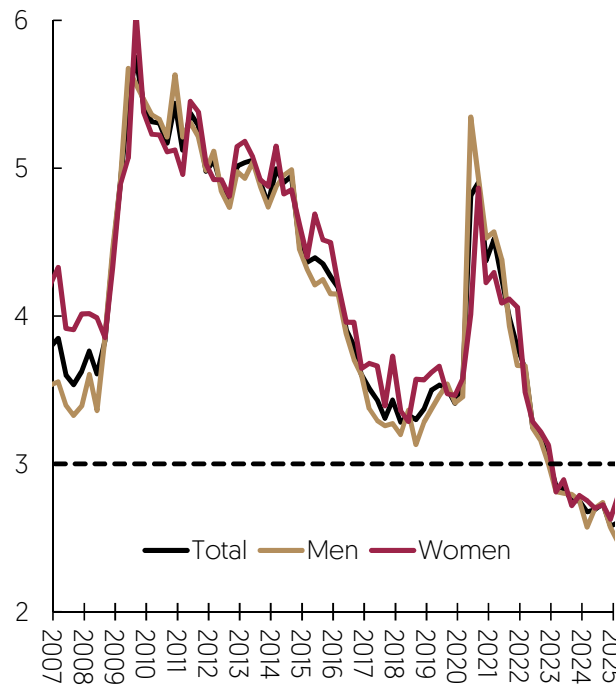
Employment

Formal Employment
MoM change, thousand jobs



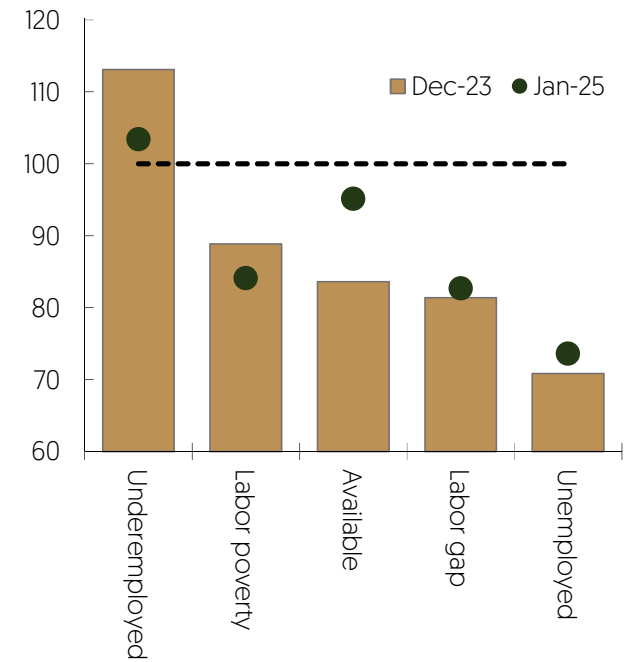
Note: Seasonally adjusted data.
Source: IMSS.

Unemployment Rate
%



Notes: Seasonally adjusted data. The dotted line represents the historical minimum of the quarterly rate.
Source: INEGI.

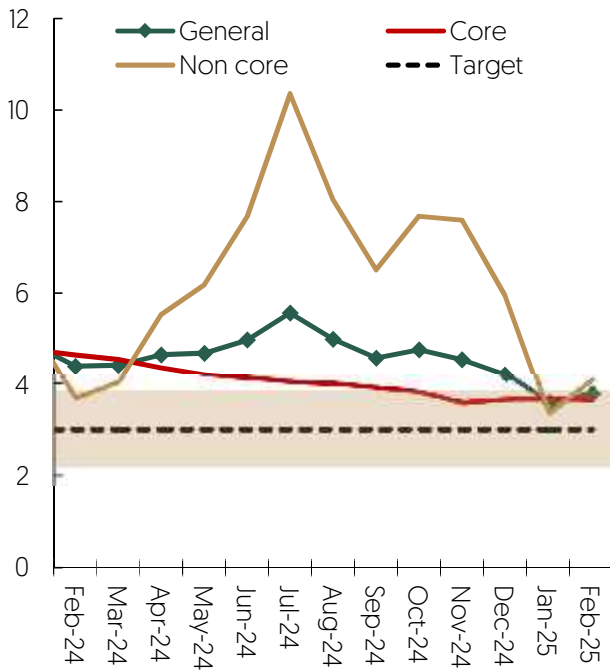
Labor Market Indicators
Index, hist. avg. = 100



Note: The historical average considers data from 2011 to 2019. Labor poverty data as of 3Q24. The labor gap is defined as the percentage of unemployed, available, and underemployed persons with respect to the economically active and available population.
Source: INEGI and CONEVAL.

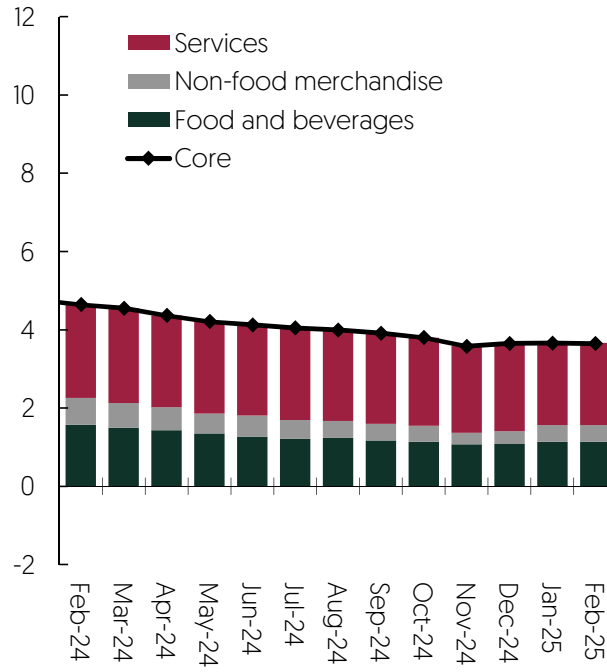
Inflation

Inflation
YoY % change



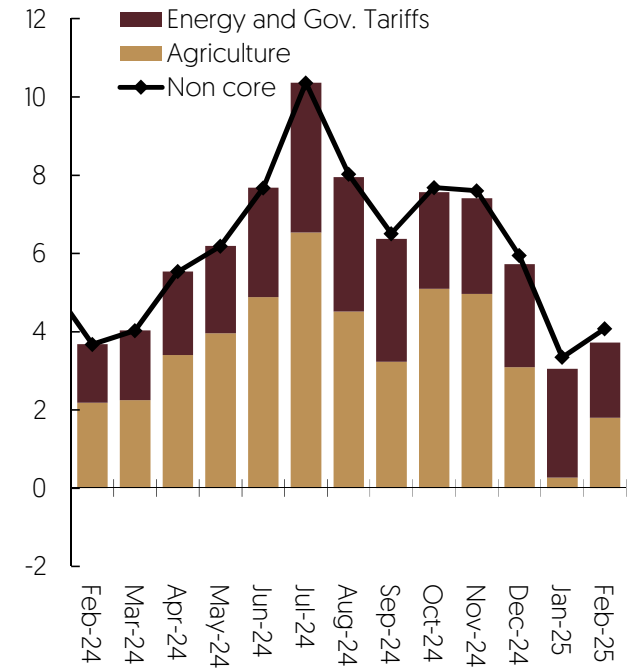
Note: The dotted line represents the target of the Central Bank.
Source: INEGI.

Core Inflation
YoY % change



Source: INEGI.

Non-core Inflation
YoY % change

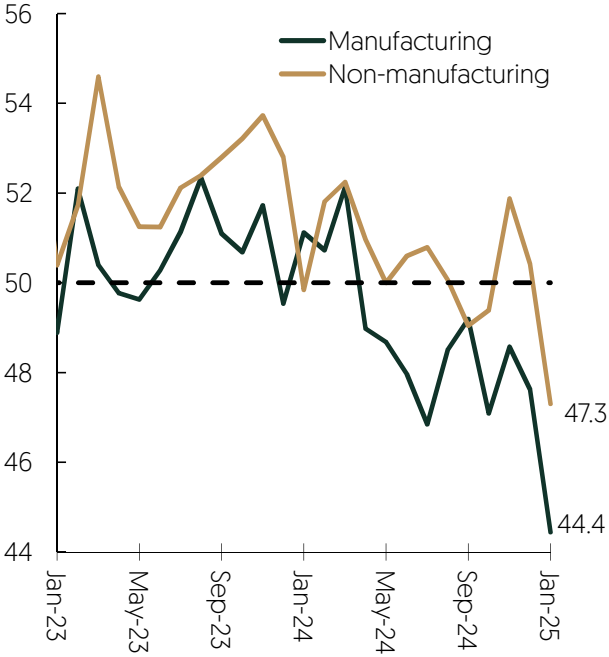


Source: INEGI.

Industrial Production

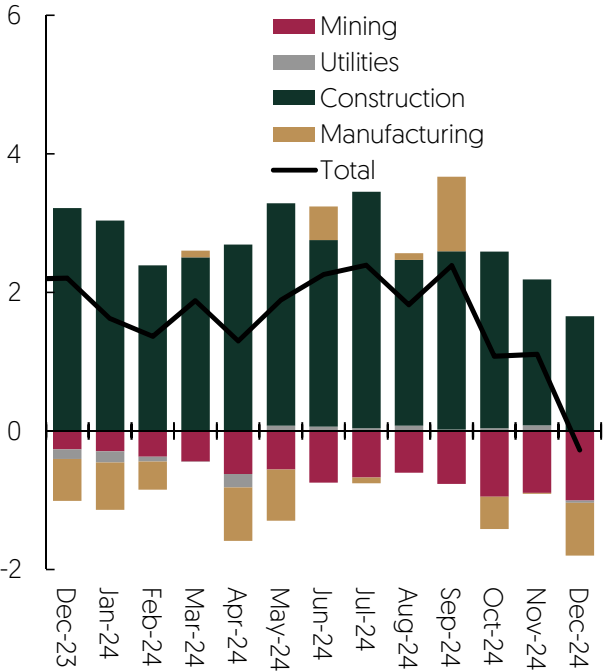


PMI Survey Index



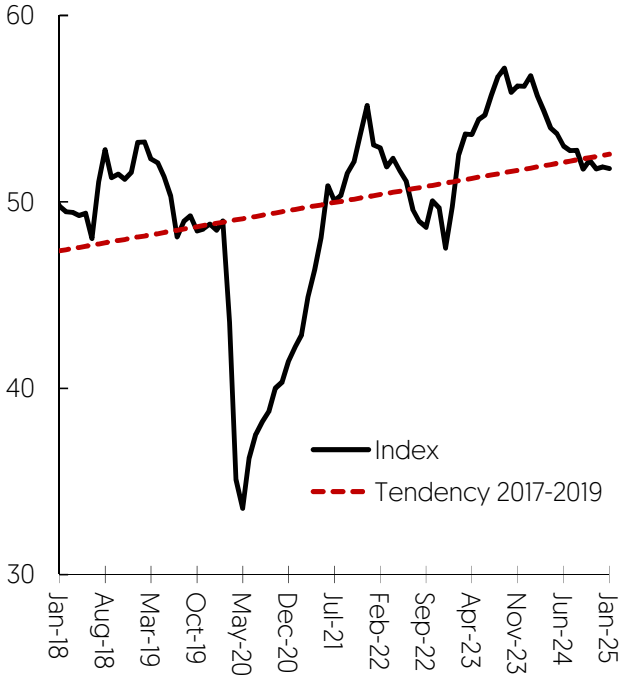
Note: Above 50 points is expansion.
Source: IMEF.

Industrial Production % change vs. Jan-23, percentage points



Note: Seasonally adjusted data.
Source: INEGI.

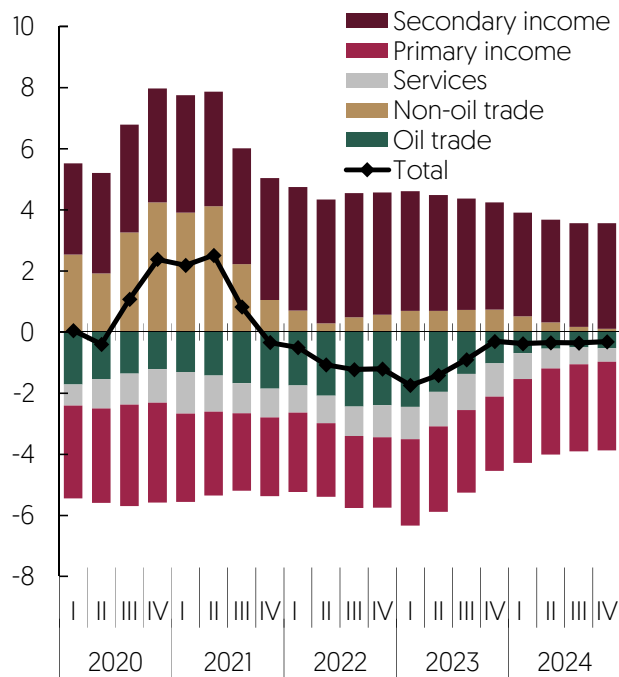
Business Confidence Points



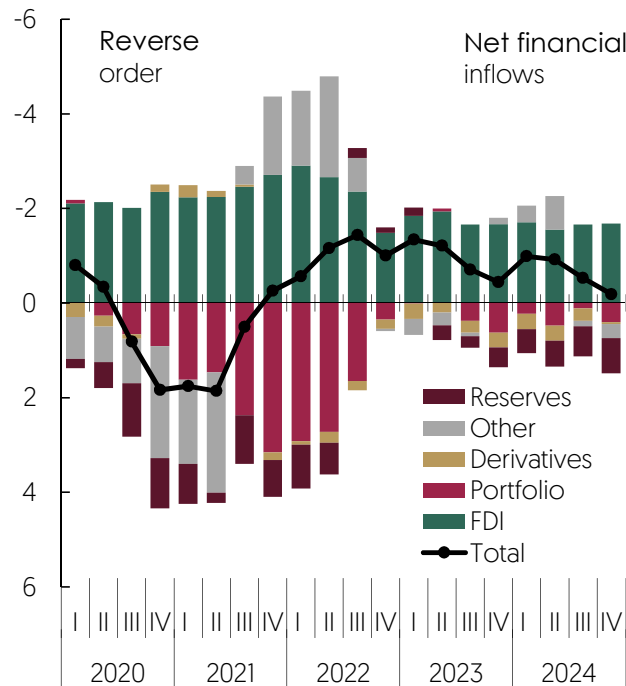
Note: Seasonally adjusted data. The dotted line represents the 2017-2019 trend.
Source: INEGI.

External Accounts

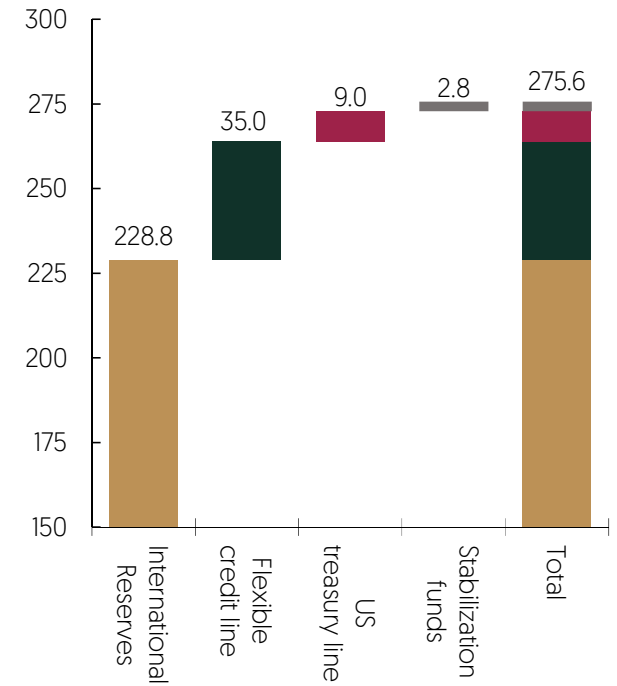
Current Account Balance
% of GDP, 4Q rolling



Financial Account Balance
% of GDP, 4Q rolling



Mexico's Financial Buffers
Billion dollars



Source: INEGI and Banxico.

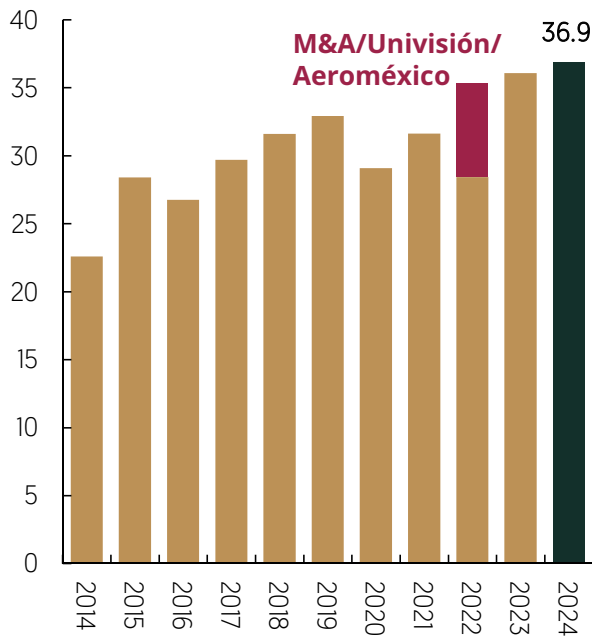
Source: INEGI and Banxico.

Note: Data as of 4Q2024.

Source: Banco de México, Mexico's Ministry of Finance, IMF, FED and US Department of the Treasury.

Foreign Direct Investment

FDI in Mexico
Billion dollars ^{1/}

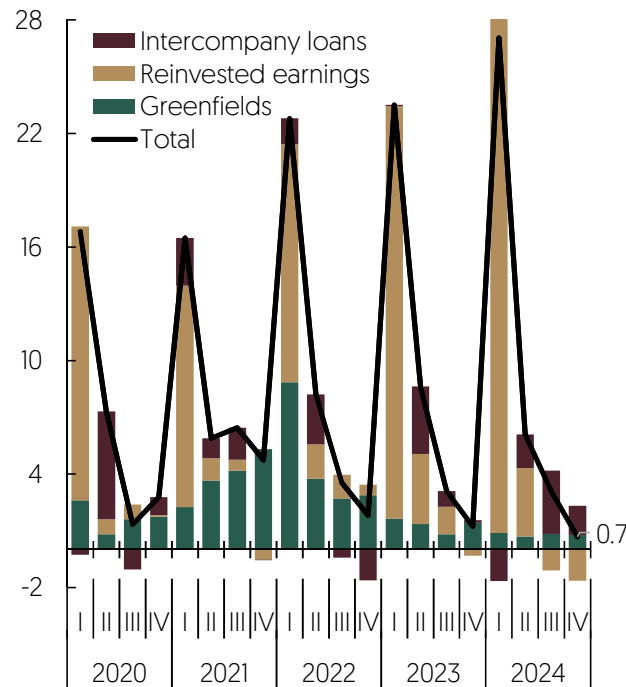


^{1/} Preliminary figures.

^{2/} Mergers and Acquisitions.

Source: Mexico's Ministry of Economy.

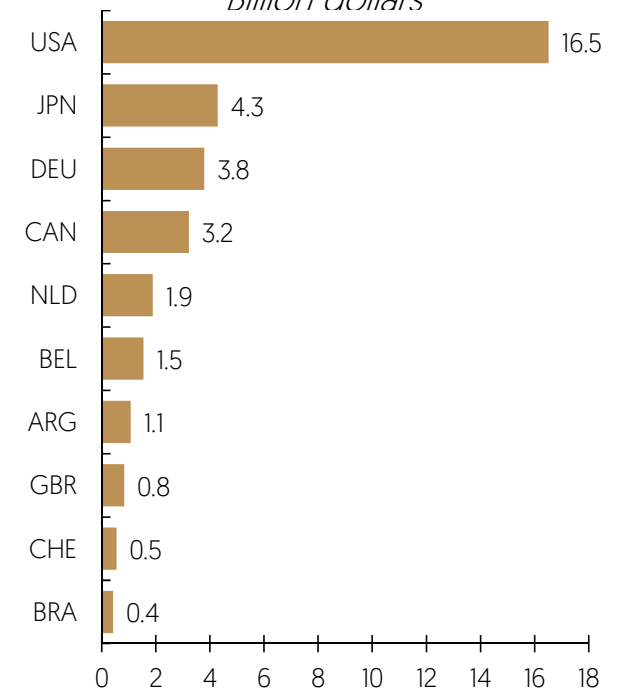
FDI in Mexico
Billion dollars ^{1/}



^{1/} Preliminary figures.

Source: Mexico's Ministry of Economy.

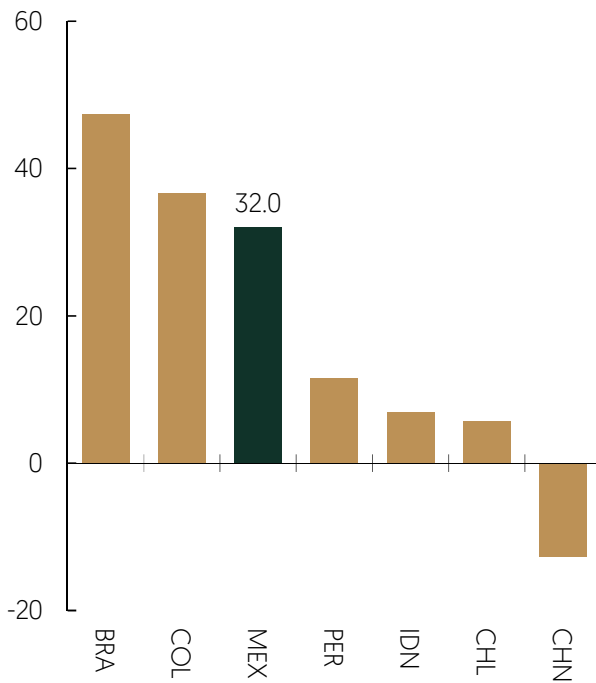
FDI in Mexico by Main Investing Countries, 4Q-2024
Billion dollars



Source: Mexico's Ministry of Economy.

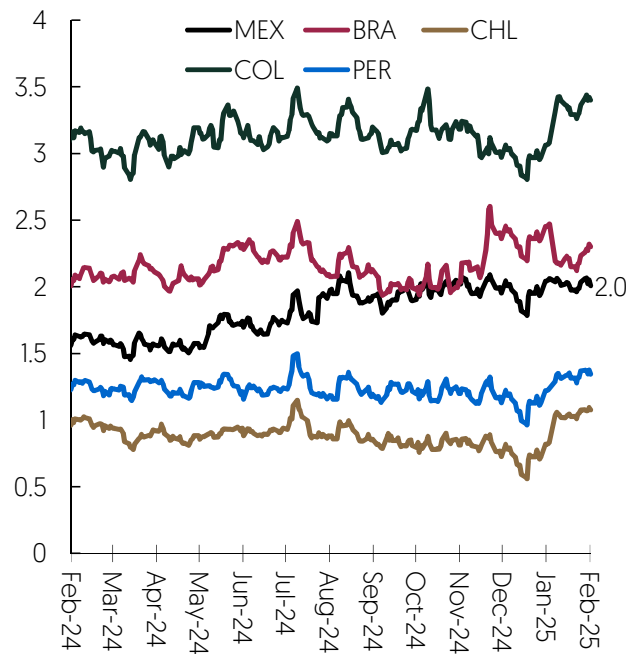
Risk Measures

Credit Default Swap 5 Yrs
Jan-24 vs. Feb-25 ^{1/}, basis points



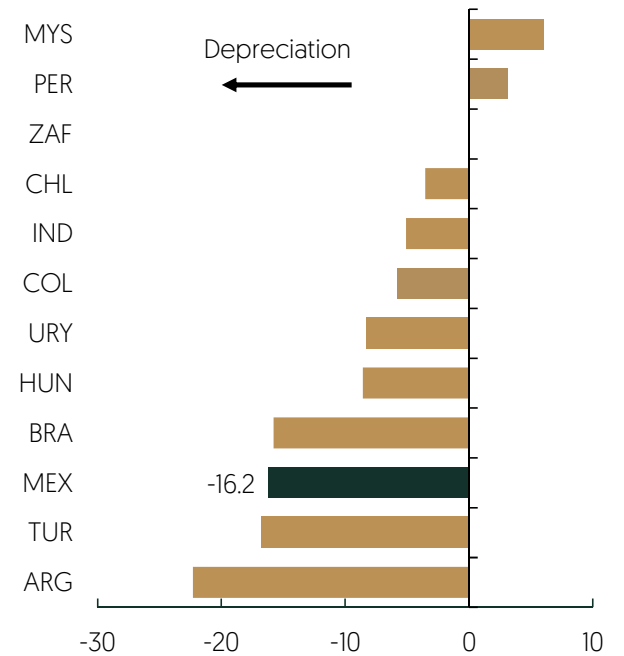
^{1/} Last data as of February 28st, 2025.
Source: Bloomberg.

Spread in Emerging Bonds ^{1/}
Deviation in percentage points



^{1/} Against USD 10-year bond.
Last data as of February 28st, 2025.
Source: Bloomberg.

Exchange Rate
Jan-24 vs. Feb-25 ^{1/}



^{1/} Last data as of February 28st, 2025.
Source: Bloomberg.

Credit Rating



Credit Highlights

- ✓ Mexico holds an investment grade with all eight credit rating agencies that evaluate its debt.
 - ✓ As of December 2024, during the current rating review cycle, eight credit rating agencies have affirmed Mexico's rating.
 - ✓ Mexico holds a **stable outlook** with six out of eight credit rating agencies.
- 4 LATAM countries maintain an investment grade rating with all three major rating agencies^{1/}.

^{1/} Chile, Peru, Uruguay and Mexico. Big 3: Moody's, Fitch and S&P.
Source: Rating Agencies.

Mexico's Foreign Currency Long-Term Debt

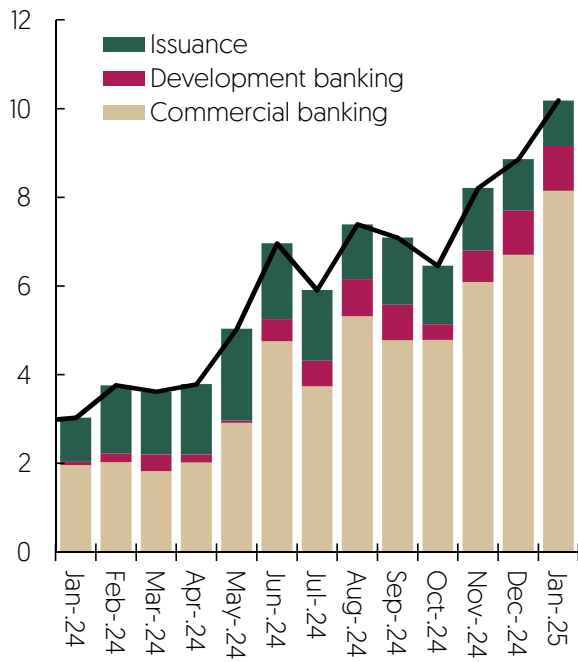
| Agency | Foreign Currency | Outlook | Last Review |
|--------|------------------|----------|-------------|
| | Long Term | | |
| | A- | Stable | 29-May-24 |
| | BBB+ | Stable | 18-Apr-24 |
| | BBB+ | Negative | 25-Nov-24 |
| | Baa2 | Negative | 14-Nov-24 |
| | BBB | Stable | 13-Dec-24 |
| | BBB | Stable | 07-May-24 |
| | BBB | Stable | 03-May-24 |
| | BBB- | Stable | 18-Jul-24 |

Source: Credit Rating Agencies.

Banking Sector

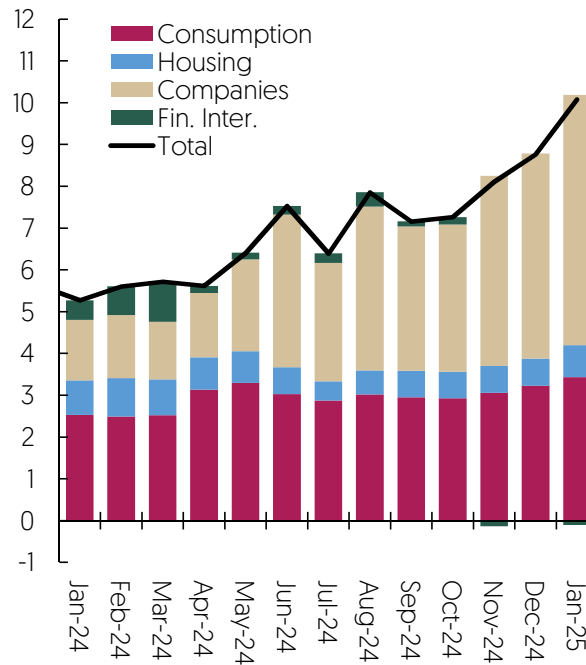


Domestic Credit to Private Sector
Real YoY % change, percentage points



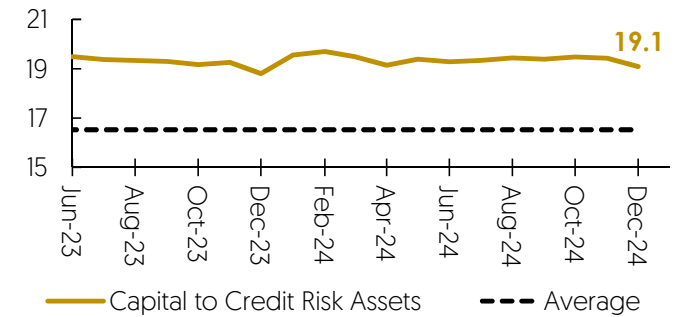
Source: Banxico.

Total Banking Sector Outstanding Credit
Real YoY % change, percentage points

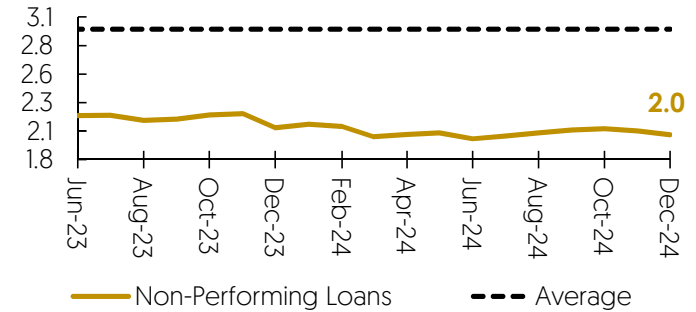


Source: Banxico

Capital to Credit Risk Assets^{1/}
%



Non-Performing Loans^{2/}
%



1/ Historical average from Jan-2006 to Dic-2024.
2/ Historical average from Dec-2000 to Dic-2024.
Source: CNBV.

Outline

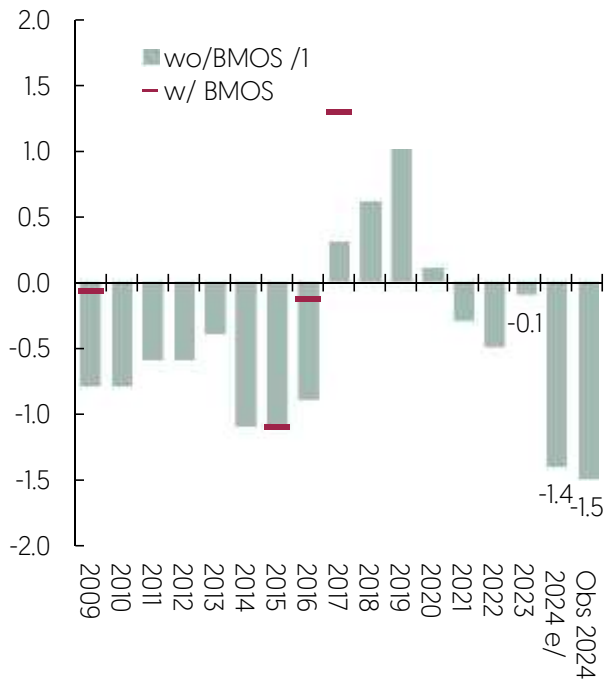


Economic Activity

Public Finances

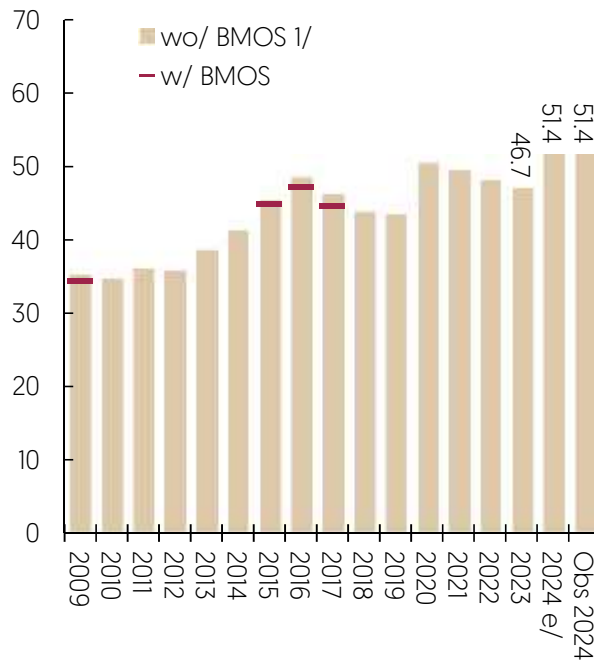
Public Finance

Primary Balance
% of GDP



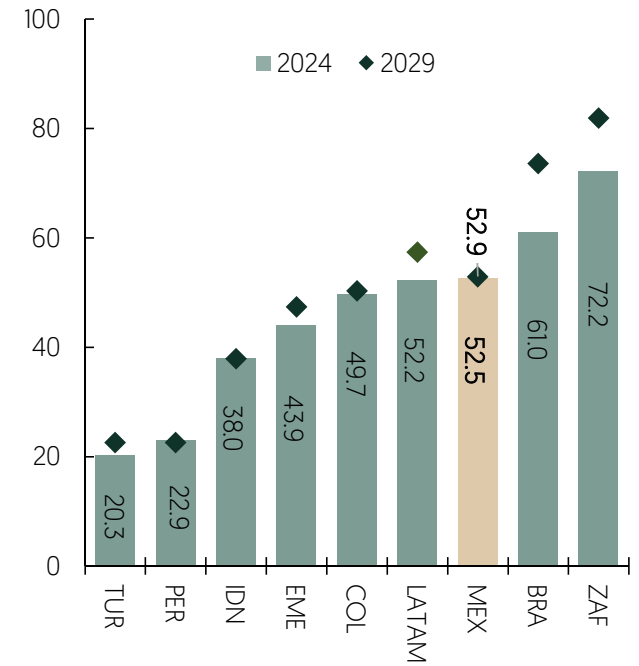
e/ Estimates from 4Q24 SHCP Public Finance Report.
1/ BMOS: Banxico's Operating Surplus.
Source: Mexico's Ministry of Finance.

Public Debt (HBPSBR)
% of GDP



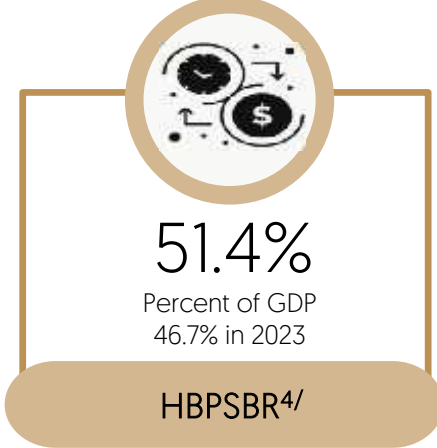
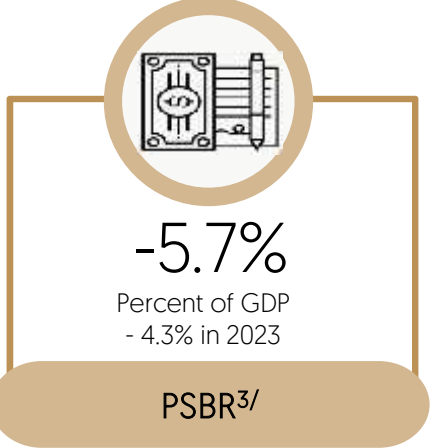
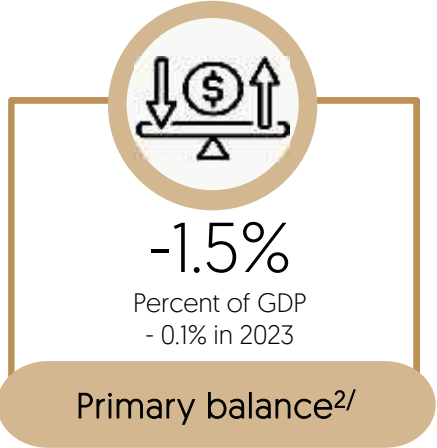
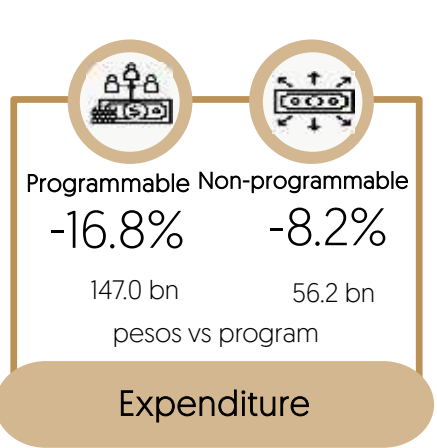
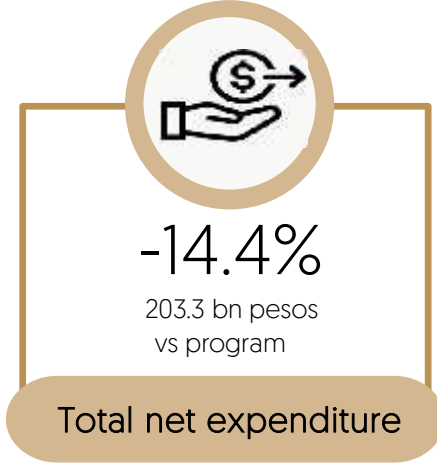
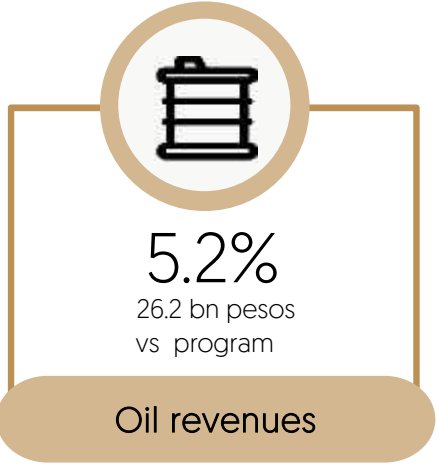
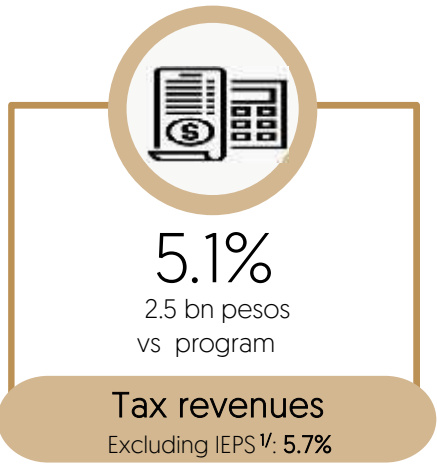
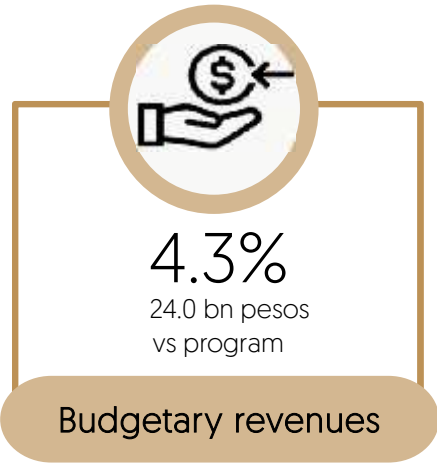
e/ Estimates from 4Q24 SHCP Public Finance Report.
1/ BMOS: Banxico's Operating Surplus.
Source: Mexico's Ministry of Finance.

General Government Net Debt
% of GDP, Oct-24



Source: IMF, Fiscal Monitor.

Public Finance | Jan-2025 YoY % Real Change



^{1/} It includes only fossil fuels excise tax (gasoline and diesel).

^{2/} The primary balance is the difference between net revenues and expenditures, excluding the financing cost of the public debt.

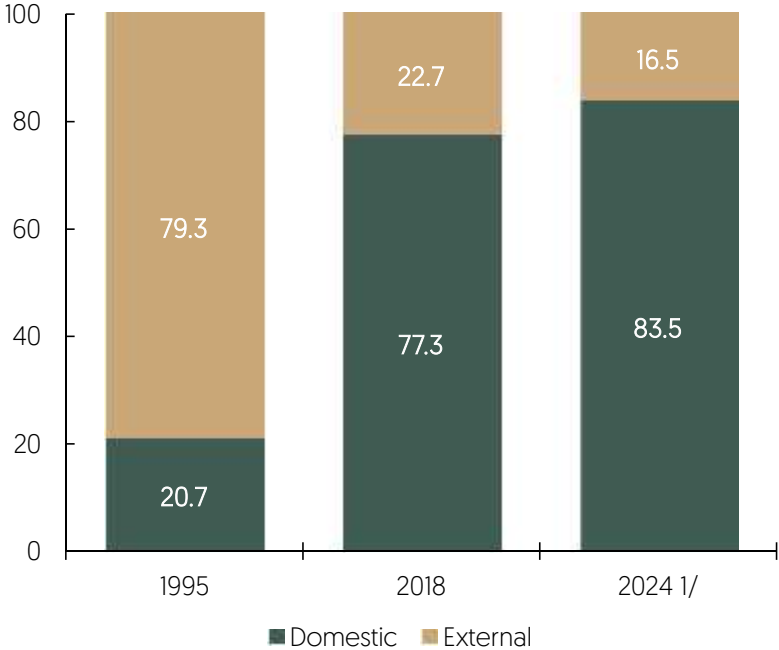
^{3/} The Public Sector Borrowing Requirement (PSBR) are the financing needs including in the budgetary balance of Public Sector and out-of-budget financing needs.

^{4/} The Historical Balance of the Public Sector Borrowing Requirements (HBPSBR) refers to the total liabilities of the Public Sector excluding financial assets; it is the broadest measure of net debt.

Federal Government Debt



Federal Government Debt Statistics, 4Q24



External Debt

- 7.5% of GDP as of 4Q24
- 18.7 years average maturity
- 100% at a fixed rate

Domestic Debt

- 38.0% of GDP as of 4Q24
- 7.8 years average maturity
- 77.3% at a fixed rate

^{1/} As of 4Q24.
Source: Mexico's Ministry of Finance.

Source: Mexico's Ministry of Finance.

Sustainable finance policy

➤ Some of the Strategy’s lines of action that are internationally recognized are as follow:



Mexico's Sustainable Taxonomy² unveiled in March 2023 as the first of its kind, since it considers social objectives and defines gender equality as a key priority.

SDG Bonds³: In September 2020, Mexico became the first country to issue a sustainable sovereign bond and began building a sustainable yield curve by issuing thematic bonds in four national and international markets.

➤ 17 bonds have been issued to date for a total amount of 21.8 billion USD.



By 2024, 83.8% of budget programs⁴ are aligned, directly or indirectly, with at least one SDG.

^{1/} [Mobilization Strategy: Consultation Document](#)
^{2/} [Mexico's Sustainable Taxonomy](#)
^{3/} The SHCP released the report: [Mexico's SDG Bond: Allocation and Impact Report 2022](#).
^{4/} [Linking the budget to the SDGs](#)

Source: Mexico's Ministry of Finance, 2023.

Mexico's SDGs Sovereign Bonds

| Issue | Currency | Amount [million] | Rate | Term |
|------------------|----------|------------------|----------------|------------------------|
| 1 st | EUR | 750 | 1.35% | 7 years |
| 2 nd | EUR | 1,250 | 2.25% | 15 years |
| 3 rd | MXN | 20,000 | TIEE + Spread | 2, 6 years |
| 4 th | MXN | 15,000 | TIEE + Spread | 3, 6 years |
| 5 th | USD | 2,203 | 4.88% | 10 years |
| 6 th | JPY | 75,600 | 1.0 - 2.52% | 3, 5, 10, 15, 20 years |
| 7 th | MXN | 10,000 | TIEE + Spread | 1, 2, 3 years |
| 8 th | USD | 2,941 | 6.338% | 30 years |
| 9 th | MXN | 15,000 | TIEE + Spread | 2, 3, 5 years |
| 10 th | MXN | 23,000 | 8.0% | 12 years |
| 11 th | MXN | 15,000 | TIEE + Spread | 1.7, 2.4, 4.4 years |
| 12 th | EUR | 2,000 | 4.9% | 8 years |
| 13 th | MXN | 20,000 | TIEE + Spread | 1,3, 3.2, 6 years |
| 14 th | MXN | 25,000 | TIEE + Spread | 2, 3, 6 years |
| 15 th | MXN | 23,000 | TIEE + Spread | 2, 4, 6 years |
| 16 th | JPY | 152,200 | 1.43 - 2.93% | 3, 5, 7, 10, 20 years |
| 17 th | MXN | 28,000 | TIEEF + Spread | .9, 3.6 y 5 años |

Source: Mexico's Ministry of Finance.