



Mexico Economic Profile

1st Bimonthly Report of 2019

Timely Macroeconomic Report
for Decision Making

February 2019

Economic Profile of Mexico

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In the first two months of 2019, the new government, with its Fourth Transformation (4T), begins to delineate the Mexico of the current six-year term. A Mexico where the priorities are to reduce poverty and inequality, build a strong government (and a strong party) without counterweights of any kind, and remain in power for many many years, in order to consolidate the populist model and bury forever the neoliberal model. For that purpose, economic priorities have changed: now the priority is not to create wealth but to distribute it; it is not about opening spaces for participation to the private sector but about closing them and instead strengthening the old state companies (as in the energy sector); now economic rationality has given way to political rationality and that sooner rather than later will bring consequences. These begin to appear.

Low Economic Growth.- GDP growth was **1.7%** in the fourth quarter of the year (vs 2.5% in the previous quarter), resulting in an annual growth of **2%** for 2018. This means that expectations are not encouraging for the first year of the so called Fourth Transformation (4T). Certainly, private consumption, which remains the main driver of demand, could be strengthened, but less dynamism in investment and exports is foreseeable. On the supply side, services and the agricultural sectors (not the industrial sector) sustain the productive activity.

Inflation Continues its Fall.- After the triggering of inflation in 2017 (from 3.4% to 6.8%), actions were taken to quickly contract inflation. In 2018 inflation fell in the first part of the year, but in the second it slowed down its decline to close the year at 4.8%. In the first months of 2019, inflation continued to contract and in February it stood at **3.9%**, which makes it foresee inflation of 3-4% by the end of 2019.

Stable unemployment.- Unemployment has remained relatively stable in recent years: it fluctuated in a range of 3-4% in the 2017-2018 biennium. In fact, it closed the year at 3.4% and in February it remained at that same level. In parallel, the annual creation of jobs showed a clear deceleration throughout 2018 and closed with 661 thousand new jobs, a figure very close to the sexennial average (670 thousand jobs per year). That same trend is maintained in 2019 and in February it fell to 604 thousand jobs.

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Government Finances under control.- In 2018, government revenues totaled 21.7% of GDP, spending 23.8% of GDP, and that resulted in a negative balance of 2.1% of GDP. These figures exceeded the goals of the PEF-2018 by 3 GDP points. As a consequence of fiscal discipline, public debt has remained stagnant since the end of 2016, reaching 44.2% of GDP in December 2018 (and 45.0% in January 2019).

Financing to the Private Sector continues to be weakened.- After the stagnation of 2017, financing to the private sector showed signs of recovery in the first part of 2018, to plummet in the second part, so that in the fourth quarter it reported an almost null annual growth (0.3%). The three financing destinations showed a moderate dynamism: housing (2.8%), consumption (1.4%), companies (-1%). This takes place in a context of interest rates that already exceed 8% and a very fluctuating Stock Market that reported a fall of 15.9% in the last quarter of 2018 and a very slow recovery in 2019.

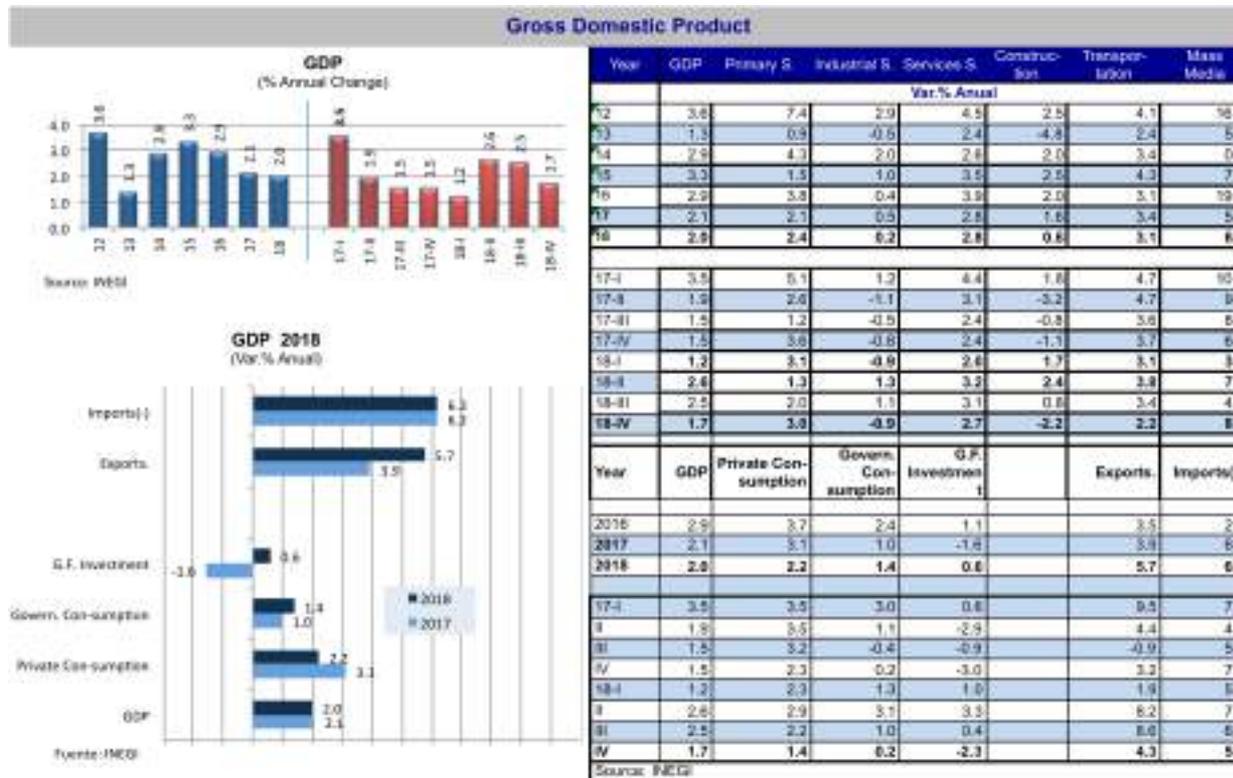
International Environment with lights and shadows.- The US economy reported a growth of 2.9% in 2018, after the results of the fourth quarter for GDP (2.6%) and the industrial sector (4%), as well as unemployment that remains low (3.9% in December and 3.8% in February 2019), which in general terms reflects a very vigorous US economy. This economic dynamism in the US, together with the renegotiation of NAFTA 2.0, is very favourable for Mexico. However, the threat of cancellation of NAFTA 2.0, trade wars and expectations of a future recession in the US muddy the scenario for the next biennium.

Added to this, we should consider the US protectionist and anti-immigrant wave, as well as the pressures on Mexico's country risk, due to the unorthodox management of the energy sector by the new administration. Hence, financial or commercial turbulence of greater or lesser intensity in the future can not be ruled out.

Uncertain Economic Perspectives.- As a result, future expectations experienced a slight deterioration for Mexico and remained stable for the US. Mexican experts expect moderate growth for Mexico of 1.6 and 1.9% for 2019-2020 versus more significant growth in the US (2.4% and 1.8%) for that biennium; all in an environment of great internal and external uncertainty.

Economic Activity

In 2018, GDP grew 2% in the year, as well as 1.7% in the fourth quarter, lower than the previous quarter (2.5%).

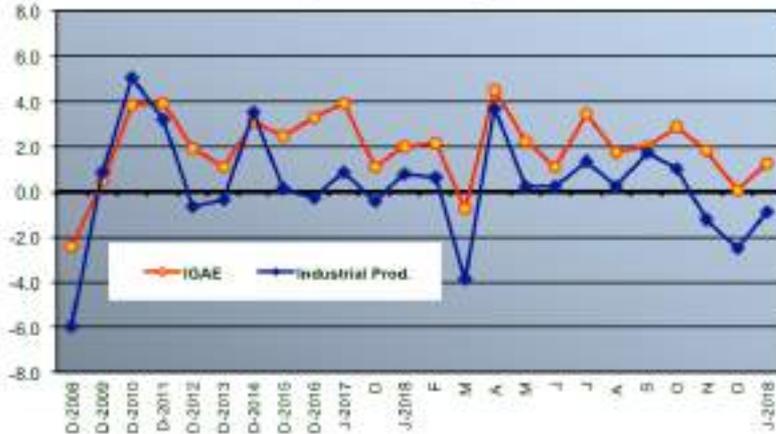


- GDP growth in the fourth quarter of 2018 was 1.7%, lower than that in the previous quarter and below the average for the year, which closed at 2%. On this basis, future expectations are not encouraging.
- At the sector level, in 2018, services show the highest dynamism (growth of 2.8%), followed by the agricultural sector (2.4%) and the industrial sector (0.2%). The weakening of the industrial sector could worsen, in the face of external threats to free trade and the policies of the new government.
- On the demand side, in 2018 private consumption (with growth of 2.2%) remains the main driver of demand, followed by exports and investment.

Economic Activity

The IGAE shows a null growth in December 2018 and a growth of 1.3% in January 2019, confirming an economic slowdown.

Production Indicators
(% Annual Change)



Source: Information from INEGI

Production Indicators

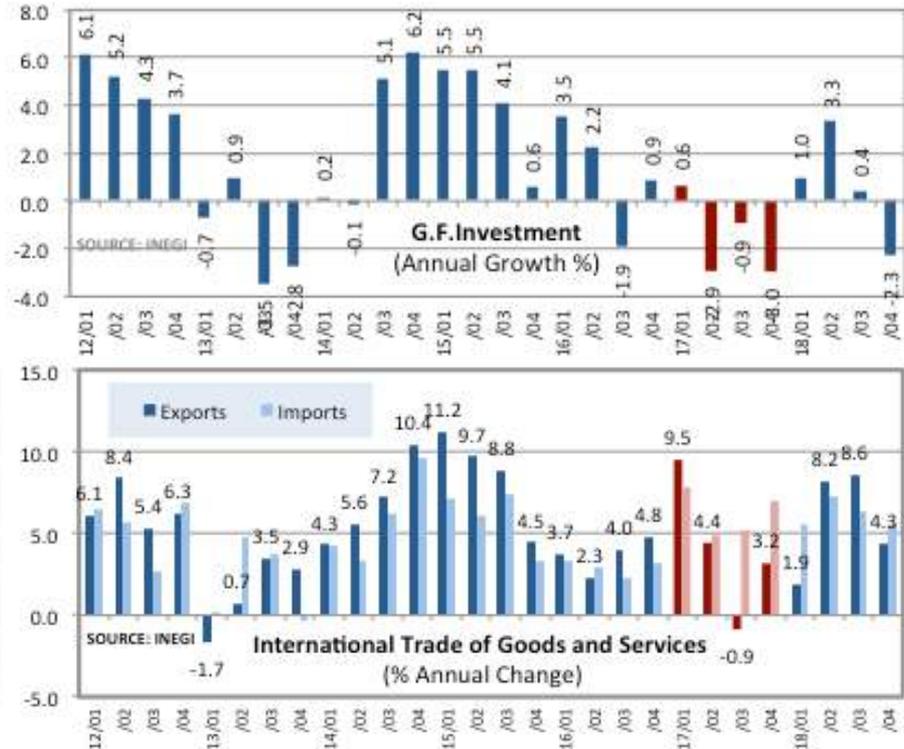
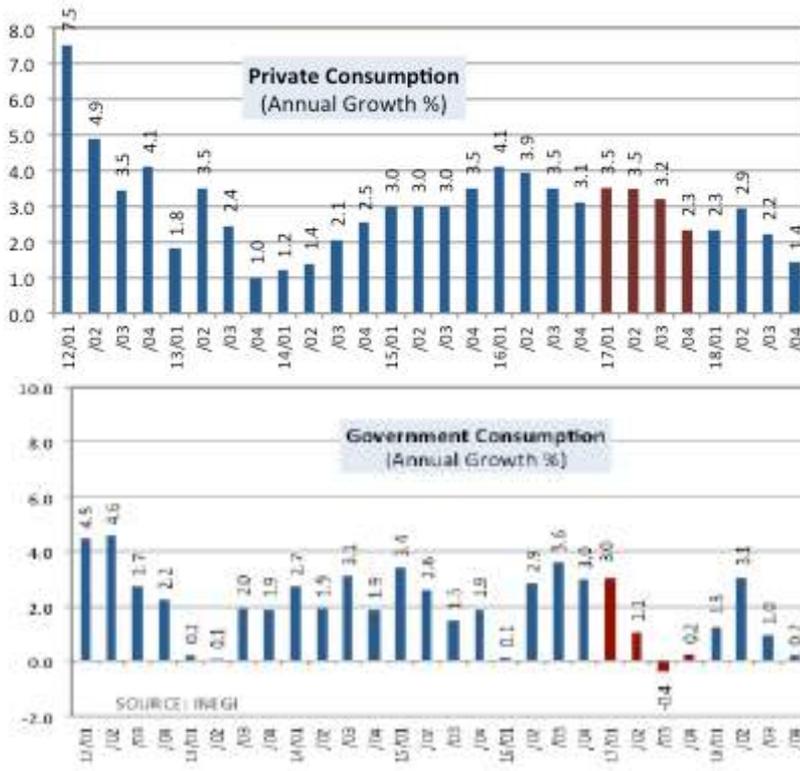
Period	IGAE (proxy of GDP)				Construcción	Commerca Net Sales		Non Financial Services			Gross Fixed Investment	Private Consumption
	TOTAL	Primary S.	Indus-trial S.	Servi-ces S.		Wholesale	Retail	Total	Trans- portation	Mass media		
D-2008	-2.4	15.7	-6.0	-1.9	-4.6	-2.6	-3.3	3.6	2.8	9.3	-0.3	-1.3
D-2009	0.5	-5.9	0.9	0.3	-8.6	-0.6	-1.0	-7.0	-3.8	-5.2	-4.1	2.1
D-2010	3.8	1.8	5.1	3.8	7.6	5.0	0.4	6.4	2.3	1.4	8.9	4.2
D-2011	3.9	6.7	3.2	4.1	3.9	9.2	3.3	5.6	7.4	-2.8	6.9	3.6
D-2012	1.9	9.5	-0.6	2.9	-2.3	-4.6	-2.0	10.4	7.2	0.2	-1.0	1.9
D-2013	1.1	1.2	-0.3	1.9	-2.0	-1.1	5.1	-0.4	1.5	-6.7	0.6	1.6
D-2014	3.1	4.3	3.5	2.8	6.7	5.0	2.4	2.5	6.6	-0.3	6.1	2.8
D-2015	2.5	2.0	0.2	3.8	-1.8	2.2	3.4	6.1	7.6	18.8	-0.3	2.9
D-2016	3.3	3.9	-0.3	6.1	-1.0	14.2	9.0	6.5	14.0	8.7	0.4	6.0
J-2017	-3.9	12.4	0.9	5.1	0.2	7.2	4.9	6.6	10.8	6.4	1.4	4.5
D	1.1	1.4	-0.4	1.8	3.8	-6.4	-2.0	3.3	1.3	3.9	-0.9	0.9
J-2018	2.0	-0.8	0.8	2.7	4.8	-1.9	0.5	1.6	1.5	-0.2	3.7	3.1
F	2.2	7.7	0.6	2.7	4.7	-1.4	1.2	1.9	3.8	-1.3	4.4	1.7
M	-0.7	6.6	-3.9	0.6	-3.9	-5.8	1.2	1.9	7.1	-0.3	-4.7	1.1
A	4.5	3.5	3.7	4.9	6.6	3.3	3.3	2.7	6.7	-1.4	9.6	4.6
M	2.2	7.8	0.2	2.9	0.0	6.5	2.5	4.6	8.7	7.1	0.5	2.6
J	1.1	-4.8	0.3	1.9	0.9	5.0	3.7	4.0	8.6	2.8	0.8	1.5
J	3.4	3.2	1.3	4.5	4.6	6.0	4.2	6.0	10.4	3.8	4.6	2.9
A	1.8	2.9	0.2	2.5	-1.9	3.6	3.9	4.5	8.3	3.8	-2.2	2.5
S	2.0	1.1	1.8	2.2	-0.5	2.1	4.1	2.9	7.4	-3.1	-0.8	1.8
O	2.9	-2.8	1.0	4.1	1.4	8.0	3.0	4.8	10.8	2.7	3.6	2.6
N	1.8	5.5	-1.2	3.1	-3.5	2.9	3.4	3.7	7.5	-1.1	-3.3	2.2
D	0.0	4.7	-2.5	0.9	-4.3	2.6	-1.3	0.3	4.5	1.4	-8.8	0.4
J-2019	1.3	3.8	-0.9	2.2	1.7	2.6	0.9	1.2	5.9	-3.6		

Source: INEGI

- The IGAE (Global Indicator of Economic Activity) showed a moderate increase in December and January 2019 (0.0% and 1.3%), which points to a deceleration in 2019.
- This moderate economic growth is mainly based on the services sector and private consumption, while the industrial sector and investment are still weak.
- On the demand side, private consumption stands out, while investment observes a new phase of negative growth.

Economic Activity

In 2018, fourth quarter, all demand components slowed down, including private consumption

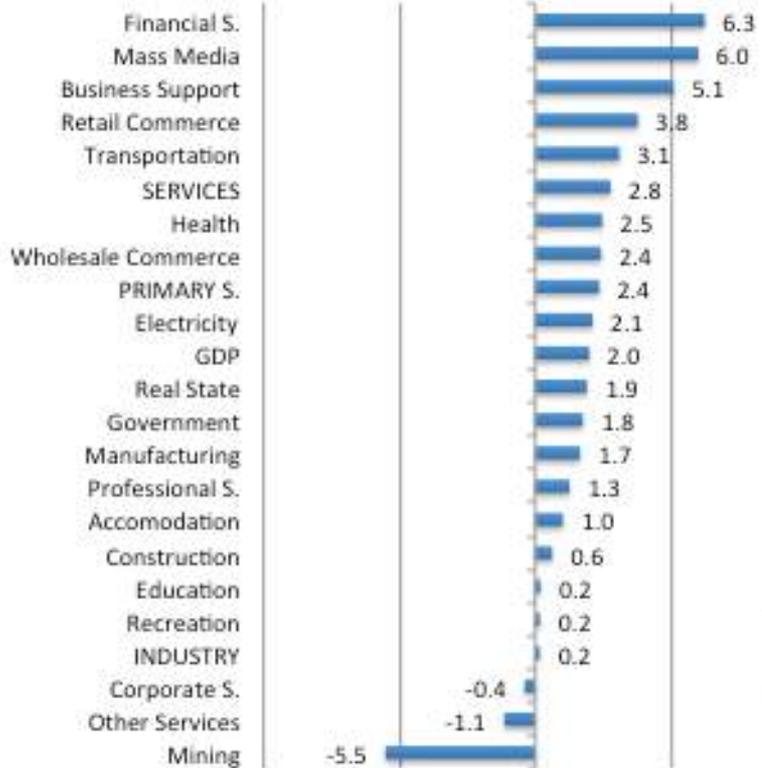


- Private consumption (two thirds of GDP), with the greatest weight in demand, showed a growth (of 1.4%) in the fourth quarter, lower than that of GDP. Very bad signal, considering that it is the main driver of demand.
- Investment, which began to recover, reported negative growth in the fourth quarter (-2.3%).
- Exports of goods and services (4.3%), together with imports, are going through a good moment, but now they are also going down, reflecting a new slowdown in US.

Economic Activity

In 2018, the economy is based on services and the agricultural sector, while industry, especially oil, continues to be weak.

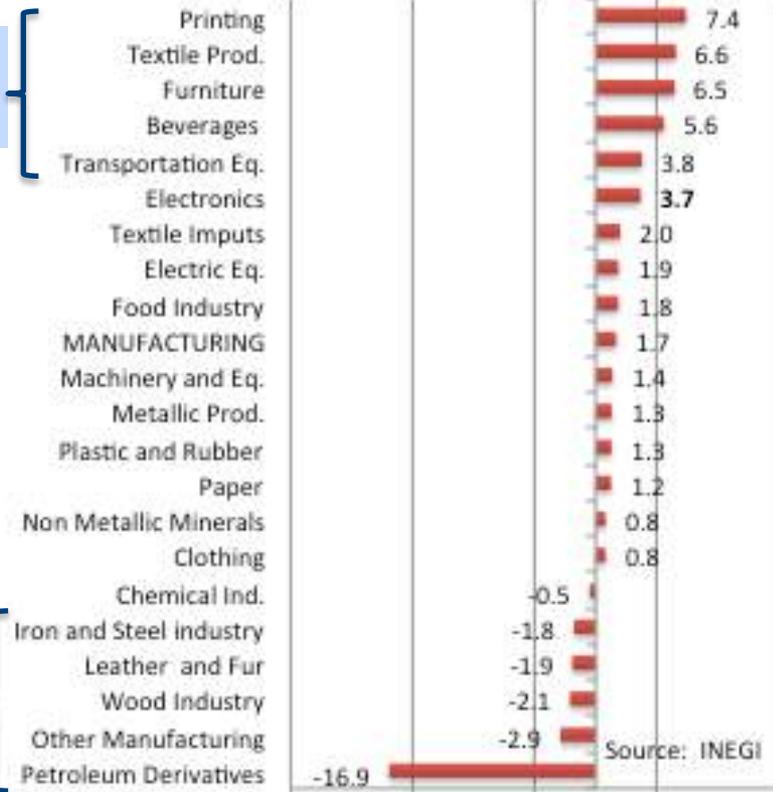
GDP 2018
(% Annual Growth)



Source: INEGI

The most dynamic

MANUFACTURING 2018
(% Annual Growth)



Source: INEGI

The least dynamic

Prices

Inflation continues to fall in 2019: in February it declines to 3.9%.

Prices



Source: Information from INEGI

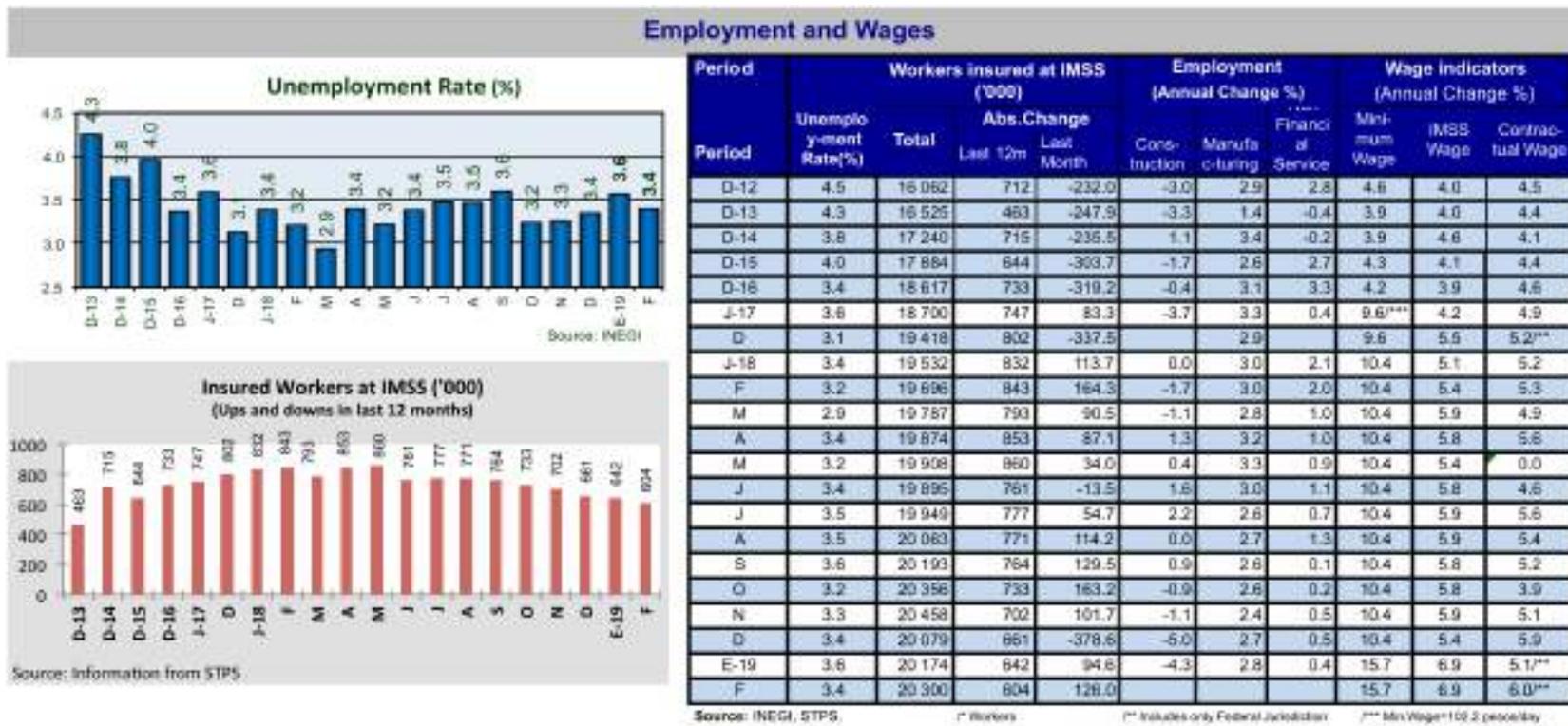
	Consumer Prices (IMPC)		Core Inflation		Producer Prices (IMPP) ^a	
	Annual (trm)	Annual (avg)	Annual (trm)	Annual (trm)	Annual (trm)	Annual (trm)
2009	3.8	4.2	5.3	4.5	3.3	3.3
2010	4.4	4.2	3.6	3.7	3.7	3.7
2011	3.8	3.4	3.4	5.7	5.7	5.7
2012	3.6	4.1	2.9	1.5	1.5	1.5
2013	4.0	3.8	2.8	1.7	1.7	1.7
2014	4.1	4.0	3.2	3.7	3.7	3.7
2015	2.1	2.1	2.4	4.2	4.2	4.2
2016	3.4	2.8	3.4	7.7	7.7	7.7
2017	6.8	0.6	4.9	4.2	4.2	4.2
	Annual (trm)	Monthly	Annual (trm)	Annual (trm)	Annual (trm)	Annual (trm)
Jan-18	6.8	0.5	4.6	3.2	3.2	3.2
F	5.3	0.3	4.3	3.0	3.0	3.0
M	5.0	0.3	4.0	3.6	3.6	3.6
A	4.6	-0.3	3.7	3.7	3.7	3.7
M	4.5	-0.2	3.7	4.9	4.9	4.9
J	4.7	0.4	3.6	6.3	6.3	6.3
J	4.8	0.5	3.6	5.6	5.6	5.6
A	4.9	0.6	3.6	5.6	5.6	5.6
S	5.0	0.4	3.7	6.0	6.0	6.0
O	4.9	0.5	3.7	5.3	5.3	5.3
N	4.7	0.9	3.6	5.8	5.8	5.8
D	4.8	0.7	3.7	5.9	5.9	5.9
Jan-19	4.4	0.1	3.6	4.8	4.8	4.8
F	3.9	0.0	3.5	4.5	4.5	4.5

FUENTE: INEGI

- After one year (2017) of rising inflation (from 3.4% to 6.8%), and one year (2018) of falling inflation (from 6.8 to 4.8%), everything points to inflation falling in 2019: in the first two months it passed from 4.8 to 3.9%.
- The lower economic dynamism reinforces the downward trend of inflation in 2019. It is foreseeable to achieve the institutional goal of the Bank of Mexico this year (3%).
- However, producer prices inflation is still high (4.5%), which can eventually be transferred to the Consumer Prices.

Laboral Sector

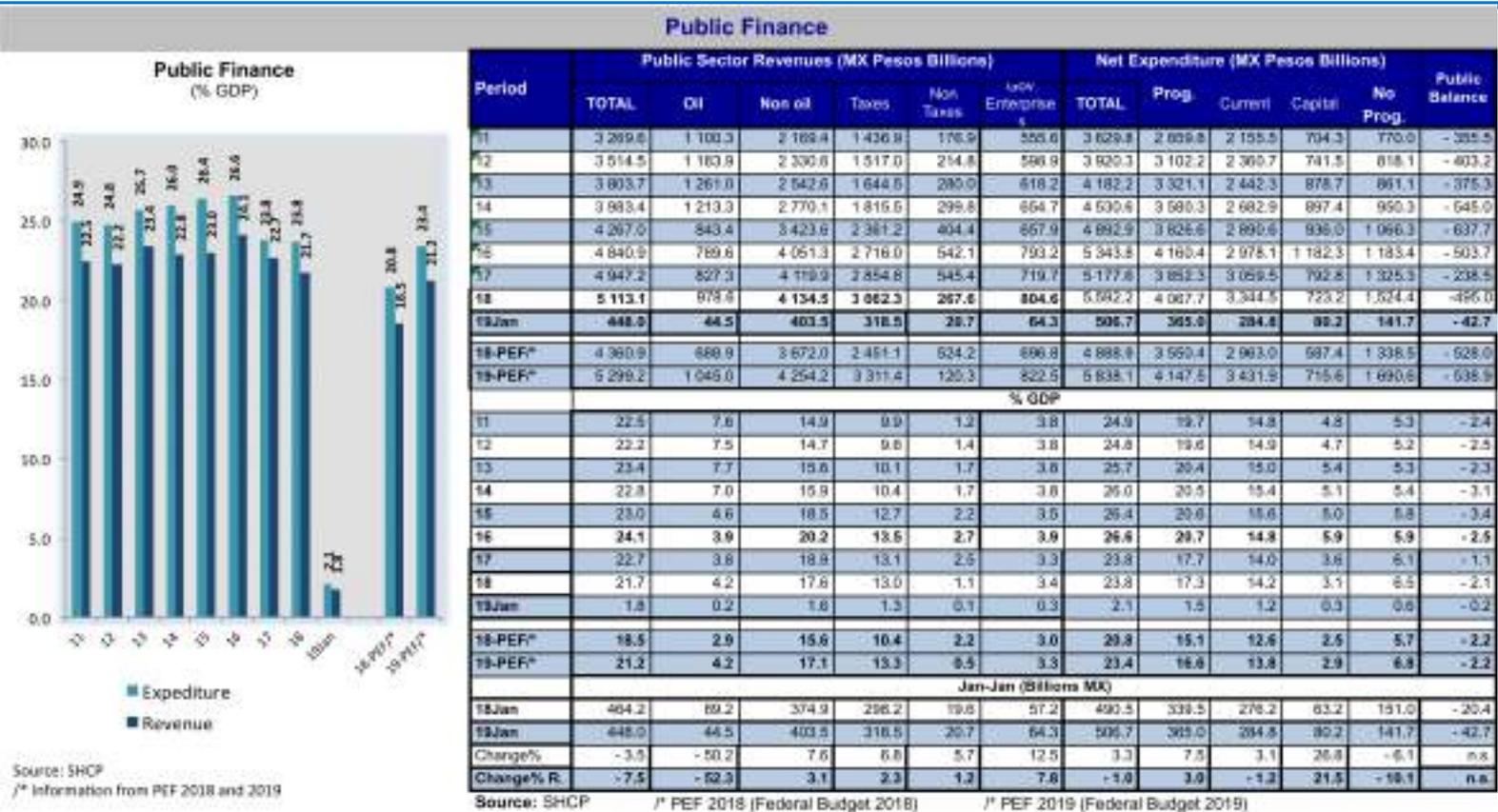
At the beginning of 2019, the unemployment rate (3.4% in February) fluctuate in the range (3-4%) of recent years; while the annual creation of jobs decreases to 604 thousand in February.



- Unemployment shows higher rates at the beginning of 2019 (3.6% and 3.4% in first months) vs those of 2018. The February rate was 3.4%, just in the range of 3-4%, and it is difficult for it to fall below that level.
- The goal of job creation (one million per year) was not achieved in the previous six years: it was an average of 670 thousand jobs per year in the 2013-2018 period. The 604 thousand reported in February 2019 are below the average of the previous sexennial period and far from the goal of 1 million.
- Wages advance in parallel with inflation and in February real gains are reported in the three main salary indicators: 11.8% in the minimum wage, 3% in the IMSS salary and 2.1% in the contractual salary. This is attributed in large part to the extraordinary adjustments in the minimum wage promoted by 4T.

Public Finance

In 2018, the year closed with: accumulated revenues of 21.7% of GDP and expenses of 23.8% of GDP, resulting in a deficit of 2.1% of GDP.



- The results of public finances in 2018 exceeded the projected PEF-2018 by 3% of GDP. For 2019, projected in the PEF: income by 21.2% of GDP and expenses by 23.4% of GDP.
- By January 2019, on the income side, two issues stand out: the sharp fall in oil revenues (-52.3%) and, on the expenditure side, the increase in investment spending (21.5%).
- Regarding the fiscal deficit, a deficit of -2.1% was reported in 2018 and for 2019, the goal is 2.2% of GDP, which means that fiscal discipline will be a basic principle of the 4T.

Public Debt

Government debt remains stagnant since the end of 2016: in 2018 it closed at 44.2% of GDP and in January 2019 it rose to 45% of GDP.



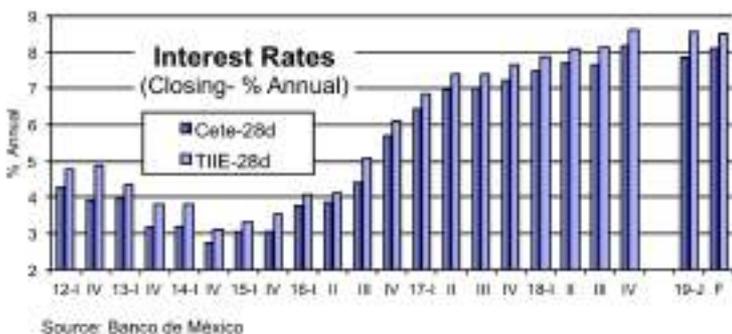
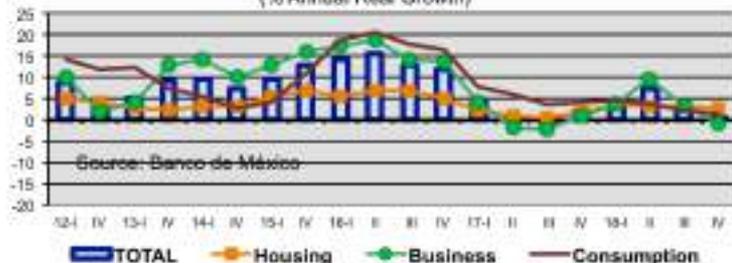
- In the global comparison, Mexico's public debt is relatively moderate: it does not exceed 50% of GDP. But from 2010 to date, it has increased by about 13% of GDP.
- Its stagnation since 2016 has been the response of the government to the alerts of analysts and rating agencies. The promise of 4T that the debt will not grow has generated greater certainty among investors.
- To achieve this goal, it is essential to maintain, as up to now, the fiscal deficit under control; and, in addition, keep the exchange rate within manageable ranges.

Financing to Private Sector

In 2018, fourth quarter, financing to the private sector reported almost zero annual growth (of 0.3%), while interest rates surpassed 8% at the beginning of 2019.

Financial Indicators

Financing to Private Sector
(% Annual Real Growth)



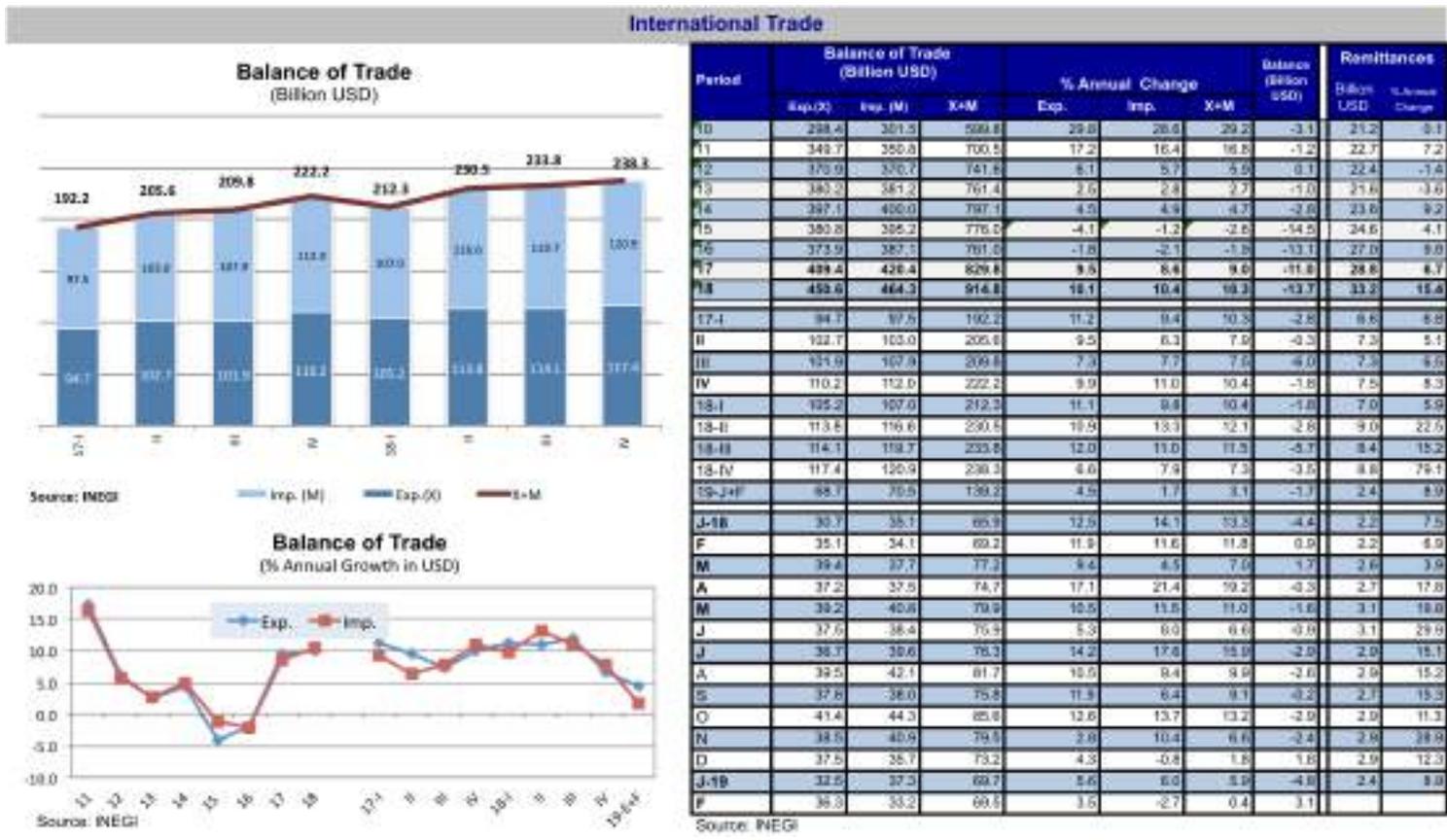
Period	Financing to Private Sector (% Annual Real Growth)								Interest Rates (% Annual)		Stock Market	
	TOTAL Billion MX\$	% Annual Real Growth	By Source		For Destination			CETES- 28d	TIIE-28d	IPC [000]	% Growth	
			External	Internal	Consumer	Housing	Business					
12-4 IV	4,663	9.0	11.0	6.5	14.5	5.3	9.9	4.28	4.77	39.5	6.6	
IV	5,055	3.9	0.1	5.1	11.9	4.2	2.7	3.91	4.65	43.7	6.9	
13-1 IV	5,071	4.9	4.1	5.1	12.4	2.9	4.3	3.95	4.35	44.1	0.8	
IV	5,713	9.0	20.9	5.7	7.3	2.3	13.0	3.18	3.90	42.7	6.3	
14-1 IV	5,790	9.6	27.2	5.0	5.6	3.3	14.1	3.19	3.82	40.5	-5.3	
IV	6,385	7.3	19.4	3.3	2.9	3.5	10.1	2.74	3.12	43.1	-4.1	
15-1 IV	6,537	9.5	18.8	6.6	4.0	5.7	12.7	3.05	3.31	43.7	-1.1	
IV	7,375	12.9	14.2	12.5	10.9	6.9	16.1	3.05	3.55	43.0	-2.3	
16-1 II	7,880	14.4	17.8	13.2	18.7	5.6	17.6	3.76	4.07	45.9	6.8	
II	8,016	15.7	18.6	14.7	20.8	7.0	18.6	3.86	4.11	46.0	0.2	
III	8,318	12.8	13.0	12.7	18.1	7.0	14.2	4.41	5.07	45.2	-1.6	
IV	8,607	11.9	14.5	11.0	16.6	5.1	13.8	5.69	6.11	45.6	0.9	
17-4 II	8,489	4.3	-0.6	6.1	7.9	2.6	4.2	6.43	6.84	48.5	6.4	
II	8,579	-0.1	-10.3	3.9	5.9	1.1	-1.8	6.96	7.37	49.9	2.7	
III	8,571	-0.8	-9.5	2.5	3.9	0.5	-2.4	7.00	7.37	48.6	-2.5	
IV	9,330	1.7	-4.7	4.2	4.0	2.0	1.1	7.22	7.63	49.4	1.6	
18-1 II	9,208	3.7	-2.4	5.8	4.8	3.6	3.5	7.49	7.65	46.1	-6.5	
II	9,654	7.4	7.6	7.3	3.8	3.4	9.9	7.70	8.10	47.7	3.3	
III	9,608	3.0	-4.0	5.4	2.3	3.1	3.2	7.65	8.12	49.5	3.9	
IV	9,824	0.3	-9.6	3.6	1.4	2.6	-1.0	8.17	8.60	41.6	-15.9	
19-1 F								7.86	8.59	44.0	5.6	
F								8.10	8.54	42.8	-2.6	

- Practically in the last two years, the growth of financing to the private sector has been very moderate or nil. In the fourth quarter of 2018, growth was only 0.3%.
- In this quarter, the three main financing destinations show moderate or negative growth: consumption (1.4%), housing (2.8%) and companies (-1.0%). The latter is particularly disappointing.
- Interest rates remain above 8% at the beginning of 2019. Meanwhile, the stock market collapsed in the last quarter of 2018 (-15.9%) and will take time to recover.

International Commerce



In 2019, the first two months, foreign trade in goods maintained its growth but at a lower rate (3.1% per year), in a process of clear deceleration.



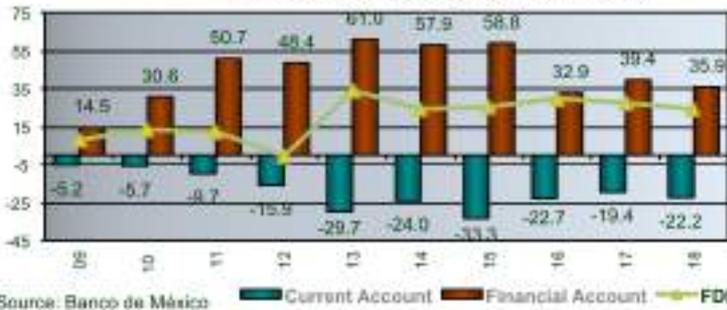
- After a remarkable dynamism of trade in the past two years, a clear deceleration was observed starting in the fourth quarter, which continues until the first two months of 2019, when growth of 3.1% is observed.
- The resulting trade deficit was USD 1.7 Bn, reflecting a parallel decline in imports and exports.
- On the other hand, remittances also seem to slow down even more gradually: they registered an annual rise of 8.9% in January 2019.

External Sector

In 2018, the balance of payments reflects a current account deficit of USD -22 Bn and a surplus in the financial account of 36 Bn, which includes a Direct Foreign Investment of 25 Bn.

International Transactions

Balance of Payments (Bill. USD)



Source: Banco de México

International Reserves (Bill. USD)



Source: Banco de México

Period	Balance of Trade (Bill. USD)	Exports (Bill. USD)	Imports (Bill. USD)	Current Account (Billion USD)	(%GDP)	Financial Account (Bill. USD)	Foreign Direct Investment	Reserves Int. Change (Bill. USD)	Stock of Int. Reserves (Bill. USD)
09	-4.7	229.7	234.4	-5.2	-0.7	14.5	8.3	5.4	90.8
10	-3.1	298.4	301.5	-5.7	-0.3	30.6	13.0	22.8	113.6
11	3.3	349.4	350.8	-9.7	-1.0	50.7	12.1	28.9	142.5
12	2.1	370.9	370.8	-15.9	-1.2	48.4	-0.9	21.0	163.5
13	-1.0	380.2	381.2	-29.7	-2.4	61.0	33.8	13.0	176.5
14	-0.1	397.7	400.0	-24.0	-1.9	57.9	24.4	16.7	193.2
15	-14.5	380.8	395.2	-33.3	-2.5	58.8	25.2	-16.5	176.7
16	-16.2	370.0	386.2	-22.7	-2.2	32.9	30.2	-0.2	176.5
17	-11.0	409.4	420.4	-19.4	-1.6	39.4	27.4	-3.7	172.8
18	-10.2	333.1	343.4	-22.2	-1.9	35.9	24.7	24.7	0.8
17-I	-2.8	94.7	97.5	-10.7	-3.8	0.6	11.5	-1.6	174.9
17-II	-0.3	102.7	103.0	-1.6	-0.4	6.6	5.5	-0.7	174.2
17-III	-6.0	101.9	107.9	-5.0	-1.8	9.1	7.4	-1.2	173.0
17-IV	-1.8	110.2	112.0	-1.9	-0.8	12.6	3.6	-0.2	172.6
18-I	-1.8	105.2	107.0	-9.9	-3.0	11.1	10.9	0.4	173.2
18-II	-2.8	113.8	116.6	-3.2	-1.1	6.6	7.4	0.0	173.2
18-III	-5.7	114.1	119.7	-5.7	-1.6	7.0	2.5	0.4	173.6
18-IV	-3.5	117.4	120.9	-3.4	-1.0	11.3	4.1	1.2	174.8
19-J								0.7	175.5
F								0.2	175.8

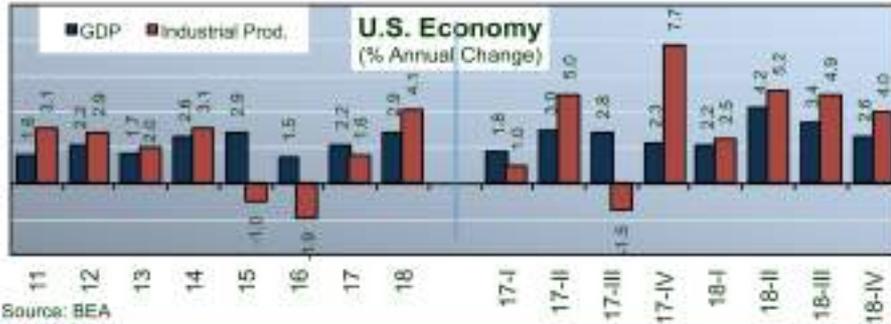
Source: Banco de México

- In 2018, the negative balance in the current account (- USD 22 Bn) was offset by the positive balance in the financial account (by USD 36 Bn), which has as its main component Foreign Investment (USD 24.7 Bn).
- In an election year, uncertainty and volatility in financial markets limited capital flows and the accumulation of reserves, whose stock showed slight variations throughout 2018: it went from USD 172.8 Bn to 174.8 Bn. In February 2019 it amounted to 175.8 Bn.
- In 2019 there is concern about the decline in investor confidence and the slowdown in capital inflows.

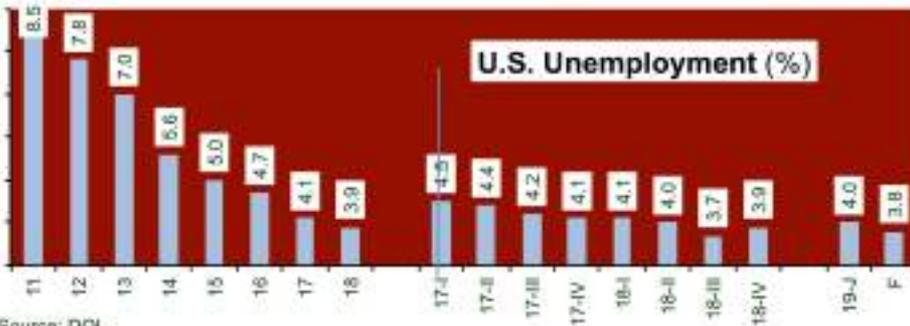
International Economy

In 2018 the US economy grew 2.9%, after reporting 2.6% in the fourth quarter (vs. 4% of the industry); meanwhile, unemployment remains at low levels: 3.8% in February 2019.

U.S. Economy



Source: BEA



Source: DOL

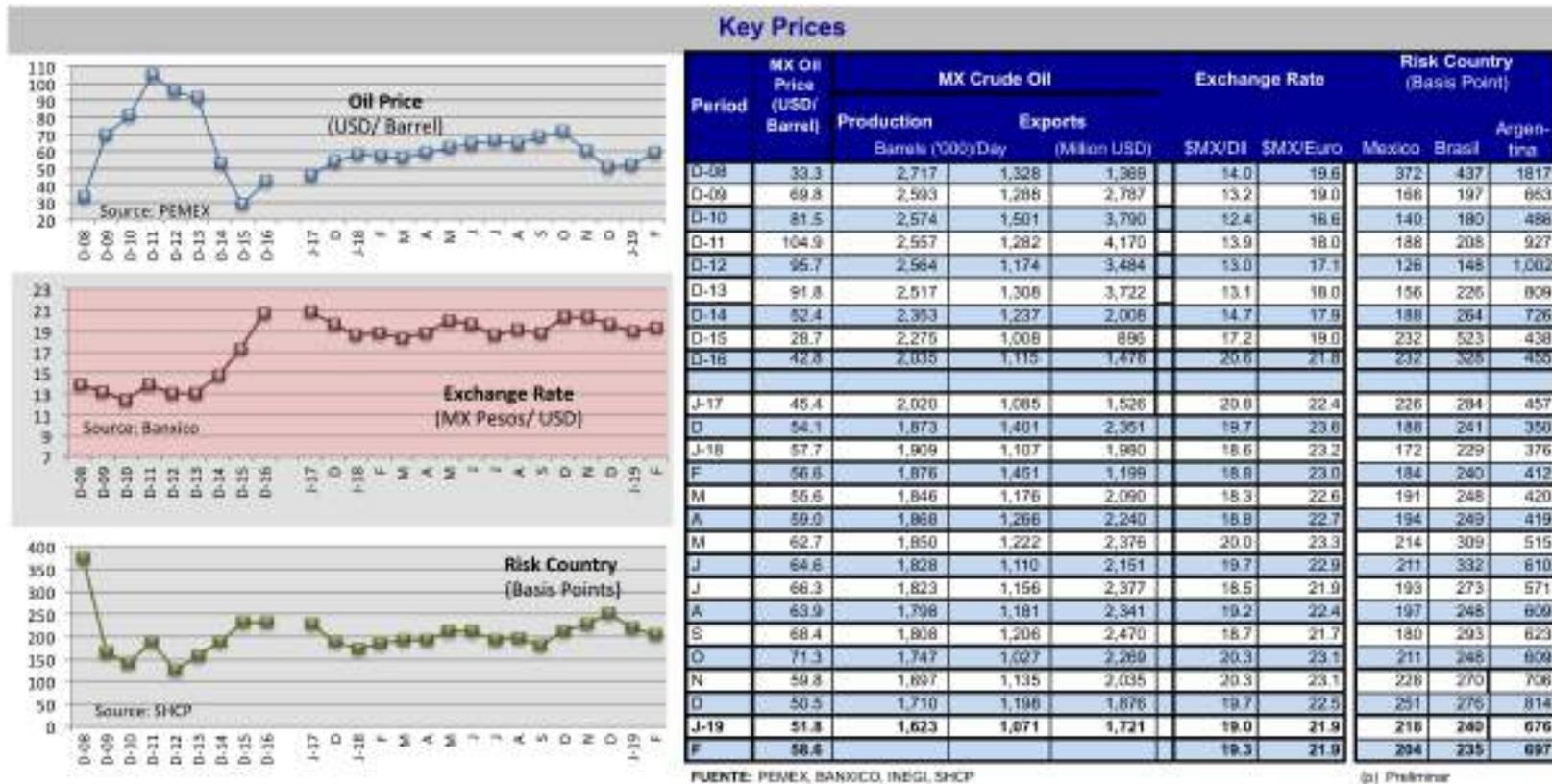
Period	GDP*	Industrial Prod.		Manufacturing		Unemployment Rate	Inflation
		% Annual Change of Quarter	% Annual Change	% Annual Change of Quarter	% Annual Change		
11	1.8	3.1		2.9		8.5	3.0
12	2.2	2.9		2.6		7.8	1.7
13	1.7	2.0		0.9		7.0	1.2
14	2.6	3.1		1.2		5.8	0.8
15	2.9	-1.0		-0.7		5.0	0.7
16	1.5	-1.9		-0.5		4.7	2.1
17	2.2	1.6		1.2		4.1	2.1
18	2.9	4.1		2.4		3.9	1.9
17-I	1.8	1.0	0.7	-1.9	0.5	4.5	2.4
17-II	3.0	5.0	2.1	2.4	1.5	4.4	1.6
17-III	2.8	-1.5	1.7	-2.1	1.1	4.2	2.2
17-IV	2.3	7.7	2.5	5.3	1.0	4.1	2.1
18-I	2.2	2.5	2.0	1.9	0.4	4.1	2.4
18-II	4.2	5.2	2.1	2.3	0.3	4.0	2.9
18-III	3.4	4.9	3.5	3.9	1.6	3.7	2.3
18-IV	2.6	4.0	3.4	1.5	1.9	3.9	1.9
19-J		-4.3	3.9	-5.5	2.8	4.0	1.6
F		3.2	3.6	-4.5	1.1	3.8	1.5

Source: U.S. Bureau of Economic Analysis (BEA); The Federal Reserve System (FRS); Department of Labor (DOL)

- The US economy reported very strong growth in 2018 (2.9%) and a low unemployment rate (3.9% at the end of the year and 3.8% in February 2019). However, there is consensus that this high growth can not be sustained and that in 2019 a slowdown is expected and very likely a recession in 2020.
- For Mexico, a scenario of low growth in the US is not favorable, especially if domestic demand fails to reactivate. In addition, the delay in the formalization of NAFTA 2.0 (T-MEC) and Trump's threats regarding the migration issue could intensify the negative impacts on the Mexican economy.

Key Prices

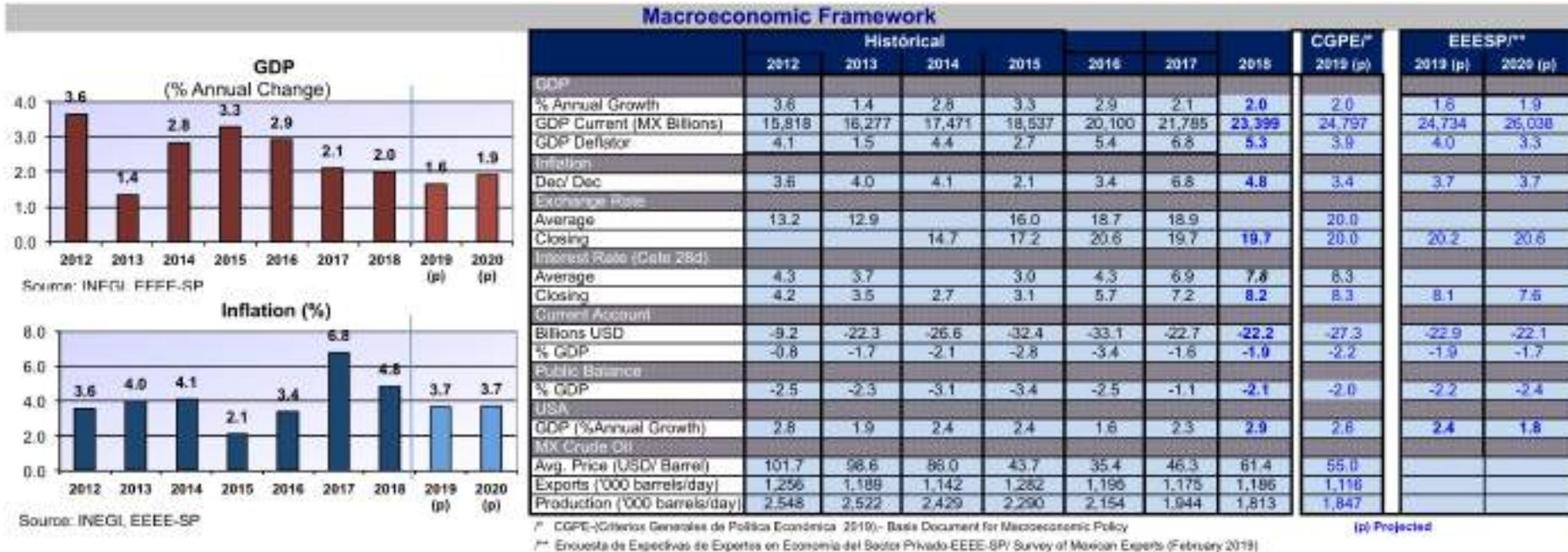
At the beginning of 2019, the price of crude oil recovers (58.6 DPB in February); the exchange rate remains in manageable ranges (19-20 PPD) and the country risk moves back (to 204 basis points in February).



- The price of crude oil, after its collapse in the last quarter of 2018 (from levels of 70 to 50 DPB), seems to recover in early 2019 and approaches 60 DPB in February.
- Despite the prevailing uncertainty, the exchange rate has shown ups and downs around 19-20 PPD, closing February at 19.3 PPD.
- After the shooting at the end of 2018, the country risk seems to resume its course at the beginning of 2019 and ends February at 204 basis points.

Mexico's Macroeconomic Framework

The growth expectations for 2019-2020 have worsened: downward growth (1.6 and 1.9% for the biennium) and inflation around 3-4% (3.7%).

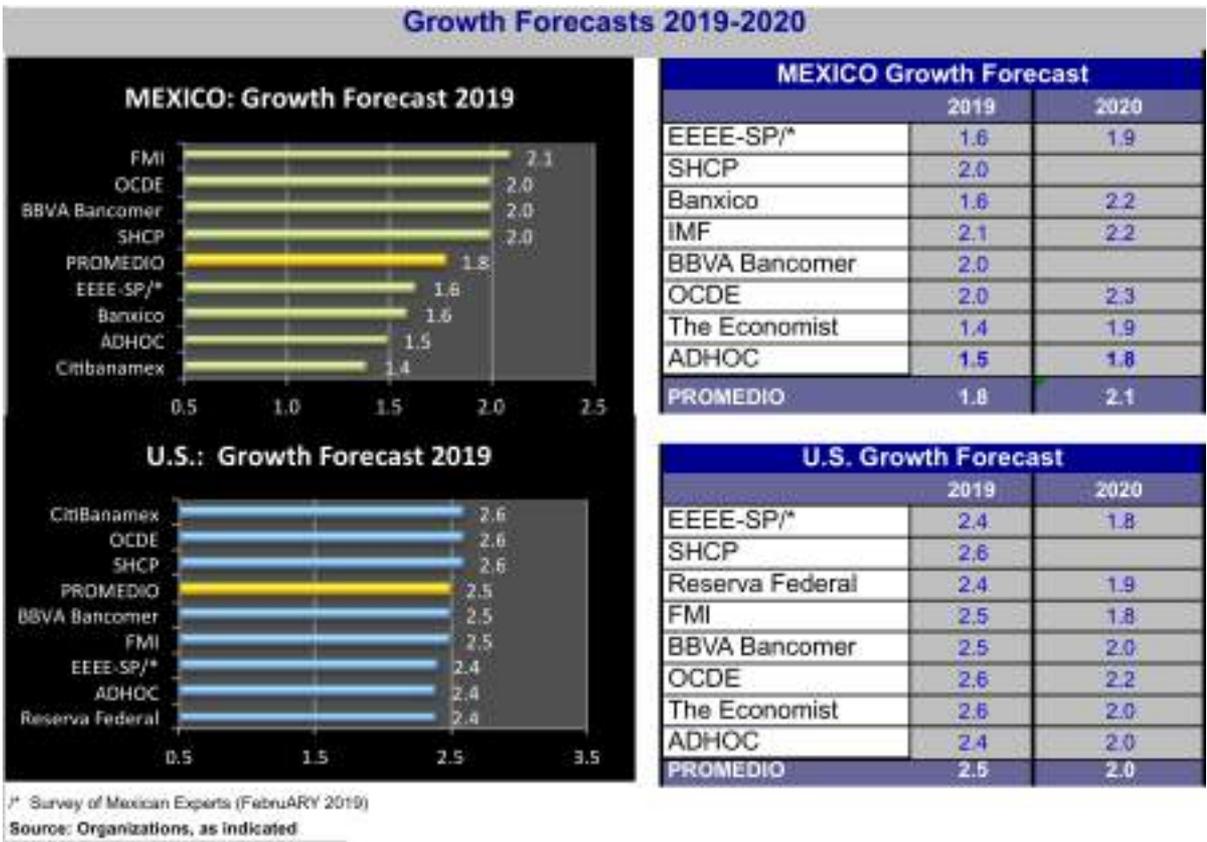


- For 2019-2020, private experts foresee more moderate economic growth than the previous ones: 1.6% and 1.9% respectively.
- For those same years, an inflation rate slightly lower than previously projected is estimated: 3.7% for both years.
- According to forecasts, the fundamental balance sheets will remain under relative control: the fiscal deficit slightly above 2% of GDP (2.2 and 2.4) and the current account deficit around 1.9-1.7% of GDP.
- According to their forecasts, the US economy will grow with less and less vigor in 2019 (2.4%) and 2020 (1.8%), reflecting a gradual deceleration.

Growth Forecasts



According to specialized agencies, the expected growth for 2019 is 1.8% for Mexico and 2.5% for the US. By 2020, the forecast is 2.1 and 2.0% for Mexico and the US, respectively.



- For Mexico, the forecasts of eight specialized organizations fluctuate between 1.4% and 2.1% in 2019, with an average of 1.8%. For 2020, the average forecast is 2.1%.
- For the US, the forecasts of eight specialized organizations fluctuate between 2.4 and 2.6% by 2019, with an average of 2.5%. By 2020, the average forecast is 2%.
- As can be seen, both economies are advancing in parallel, but the US economy is emerging as slightly more dynamic, at least in 2019.

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