Mexico
Economic Profile

2025-Quarter II

Timely Macroeconomic Report
for Decision Making

June 2025

Economic Profile of Mexico
2025-Quarter II

By mid-2025, the Mexican economy has virtually stagnated, after several years of slowdown. The change of administration in both the US and Mexico, in principle, would have led to a new economic boost in both countries. Such an impulse has not arrived. Instead, what looms is a collapse in both economies. The decline of the US economy and Trump's chaotic tariff policy do not contribute to Mexico's strong economic performance. Nor do Mexico's domestic policies contribute to this goal, which, in addition to being clearly insufficient, undermine the rule of law, the balance of power, investor confidence, and ultimately the structural foundations of the economy. However, the most surprising thing is that, in the face of Trump's tariff policy, Mexico's export sector has not suffered a substantial decline. But the Trump era is only in its initial stages, and many unknowns remain to be resolved.

Economic Slowdown Deepens.- According to preliminary estimates, the Mexican economy shrank **-0.1%** at an annual rate in the second quarter of the year (vs. +0.6% in the previous quarter). The gradual trend of further weakening of the economy is clear, and everything points to a year of stagnation for 2025. The tariff war unleashed by President Trump predicts zero or negative growth for Mexico in 2025, which could only be reversed with aggressive countercyclical domestic policies, which have so far been insufficient.

Inflation Slowly Declines.- After four long years of fighting inflation, inflation is receding with some ups and downs. At the end of 2024, it fell to 4.2% and, after a bubble, reached 4.3% in June 2025. However, the war against inflation is not won. On the one hand, the main inflation indicators are aligning, and this is favorable. On the other hand, the tariff war could exacerbate inflationary pressures worldwide and also in Mexico. In this regard, decisions are still pending, and the future is therefore uncertain.

From job creation to job loss - In 2020, formal job losses (-648,000) were recorded due to the effects of the pandemic; in 2025, job losses are likely to be recorded again. At the end of 2024, annual job creation fell to 214,000, the lowest level of the previous administration; in June 2025, it fell to 6,000 (unprecedented), pointing to negative job creation at the end of the year. The unemployment rate closed 2024 at 2.4% and rose to 2.8% in May 2025. Meanwhile, minimum wages gained purchasing power, despite inflation, and this contributed to a partial and temporary improvement in the wage bill and to a boost to consumption, which is also declining.

Up Date: July 15, 2025

Pressure on public finances.- In January-May 2025, revenues accumulated 9.7% of GDP and expenditures 10.5% of GDP, resulting a deficit of 0.6% of GDP. Given the 2024 budget gap, spending pressures persist (for unfinished infrastructure projects, new projects, social support, and to address the PEMEX issue), but a deficit correction is necessary. Consistently, debt remains moderate: it closed 2024 at 52.4% of GDP and in May 2025 it closed at 50.5% of GDP.

Private Sector Financing Begins to Reactivate.- Despite efforts to boost it, private sector financing suffered a severe setback in 2021 and a more moderate one in 2022 and 2023. However, it began to reactivate starting in 2024. In the first quarter of 2025, the annual increase (8.2%) reflects an increase in consumer financing (10.8%), a similar increase in corporate financing (10.9%), and a lower increase in housing financing (1.9%). All this in a context of high interest rates now gradually declining: they closed 2024 at levels close to 10% and ended June 2025 at levels of 8%.

Moderate Recovery in International Trade. - After two years of slowdown, international trade showed a moderate recovery in 2024, which could slow in 2025. This is worrying, given that export revenues and remittances have consolidated as sources of foreign currency and have contributed to accumulating international reserves (these closed 2024 at 229 USD Bn and reached 242 USD Bn in June 2025). At the same time, the evolution of foreign investment—especially direct investment—has been favorable (totaling 19.8 USD Bn in 2025-I), reflecting moderate progress in the relocation of companies to Mexico (nearshoring).

Economic Slowdown in the U.S. - In 2025-I, the U.S. economic decline was -0.5%, with an increase in the industrial sector (4.6%), unemployment remaining stable at around 4% (4.1% in June), and inflation under relative control (2.4% in May 2025). Trump's economic management and the tariff war are rapidly reversing this favorable performance of the U.S. economy in the recent past, paving the way for a new recession.

Economic Growth Outlook in Decline - Growth forecasts for Mexico are very pessimistic: 0.2% and 1.3% for 2025-2026. For the US, the forecasts are less pessimistic: 1.6% and 1.7% for 2025-2026. But if the tariff war escalates and the USMCA collapses, stagnation is looming in both countries.

Economic activity

Preliminary figures indicate that economic growth for the second quarter of 2025 is projected to reach 0.0%, confirming the marked slowdown in economic activity in recent years.

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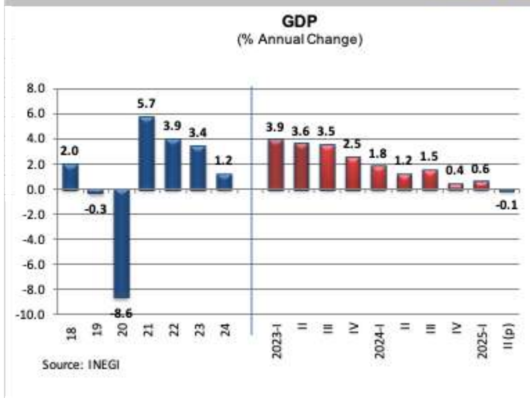
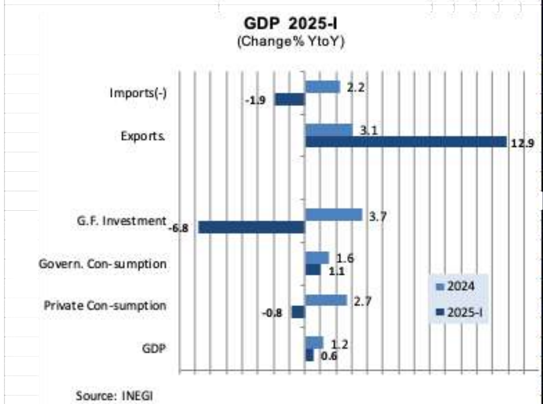
Gross Domestic Product





Year	GDP	Primary S.	Industrial S.	Services S.	Construc-tion	Transpor-tation	Mass Media
	Change % (YtoY)						
18	2.0	2.4	0.2	2.8	0.6	3.1	6.0
19	-0.3	0.4	-1.7	0.2	-4.9	0.8	1.0
20	-8.6	0.8	-9.6	-7.6	-17.4	-20.5	-1.0
21	5.7	2.4	6.7	4.9	9.7	18.9	5.8
22	3.9	1.5	5.3	3.1	2.9	13.0	2.9
23	3.4	-0.8	3.5	3.5	15.4	10.6	2.7
24	**1.2**	**-3.1**	**0.1**	**2.1**	**6.7**	**3.5**	**2.4**
2023-I	3.9	1.4	3.1	4.2	5.0	6.4	4.1
II	3.6	0.6	3.4	3.8	11.0	4.0	10.0
III	3.5	0.2	3.8	3.4	21.4	2.2	13.4
IV	2.5	-5.4	3.6	2.5	24.2	1.6	2.3
2024-I	1.8	-5.1	1.6	2.5	12.6	3.1	6.7
II	1.2	-3.9	0.6	2.0	7.2	3.3	0.0
III	1.5	2.2	0.3	2.1	0.3	4.2	0.6
IV	**0.4**	**-5.4**	**-2.1**	**2.0**	**-6.9**	**3.7**	**1.1**
2025-I	0.6	6.7	-1.3	1.1	-1.6	0.1	1.3
II (p)	**-0.1**						

Year	GDP	Private Con-sumption	Govern. Con-sumption	G.F. Investment		Exports.	Imports(-)
2018	2.2	2.4	2.8	1.0		6.6	5.6
2019	-0.2	0.4	-1.3	-4.7		1.3	-1.0
2020	-8.3	-10.5	-0.2	-17.9		-7.0	-12.3
2021	5.5	8.5	-0.6	12.4		9.5	17.7
2022	3.7	5.0	1.7	7.4		9.7	8.6
2023	3.3	4.2	1.8	16.5		-7.1	3.8
2024	1.2	2.7	1.6	3.7		3.1	2.2
2025-I	0.6	-0.8	1.1	-6.8		12.9	-1.9
2023-I	3.8	3.6	1.7	11.6		-0.9	9.1
II	3.5	3.8	1.4	15.6		-6.5	5.8
III	3.4	5.0	1.5	20.8		-13.1	-0.1
IV	2.5	4.5	2.4	18.1		-7.9	0.5
2024-I	1.8	4.3	1.9	11.1		-6.7	-0.6
II	1.2	3.3	1.8	4.8		-2.2	0.1
III	1.5	2.7	1.5	1.6		8.7	4.1
IV	0.4	0.3	1.0	-2.7		12.5	5.4
2025-I	0.6	-0.8	1.1	-6.8		12.9	-1.9

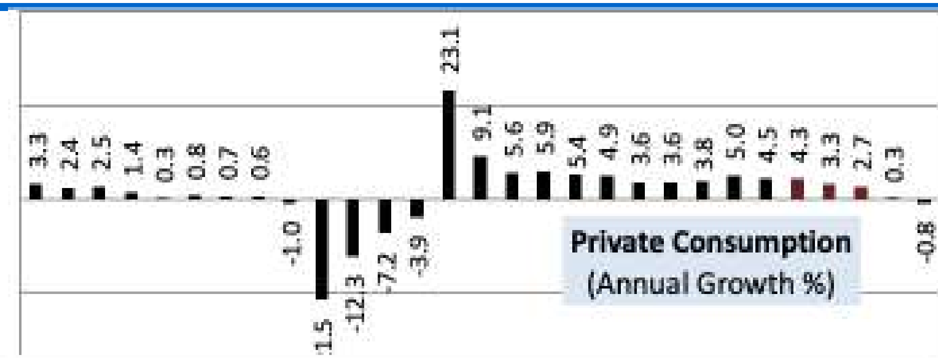
Source: INEGI (p) Preliminary

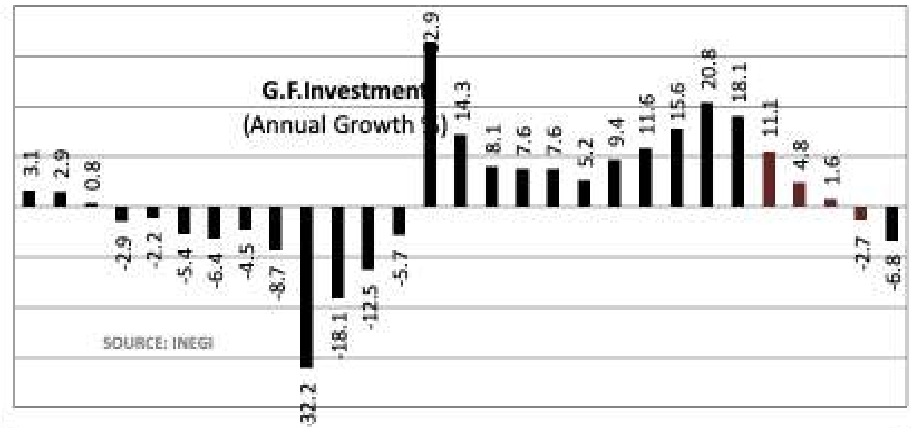
- The sharp economic slowdown in 2024 has extended into 2025, and a phase of stagnation is highly likely in 2025.
- In the first quarter of 2025, the industrial sector showed negative growth (-1.3%), while services grew moderately (1.1%), indicating a loss of momentum in economic activity.
- On the demand side, 2025-I saw a drastic loss of dynamism in the drivers of domestic demand—consumption and investment—as well as renewed momentum in exports.

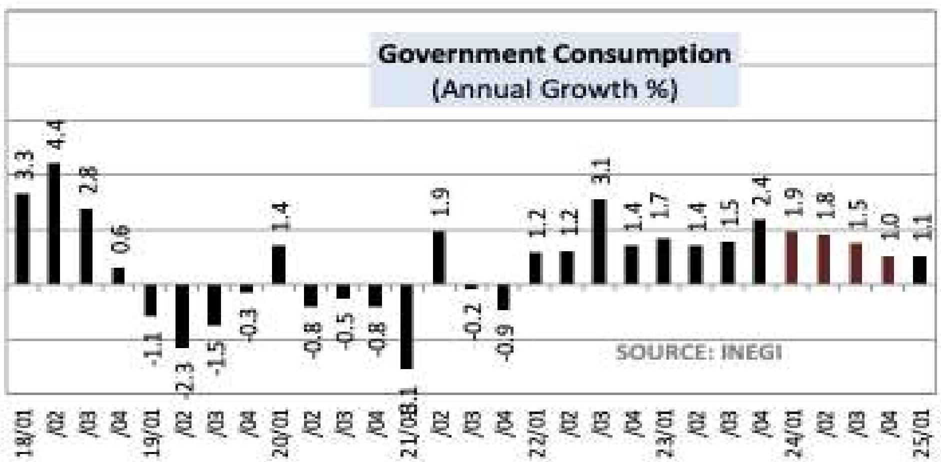
Up Date: July 15, 2025

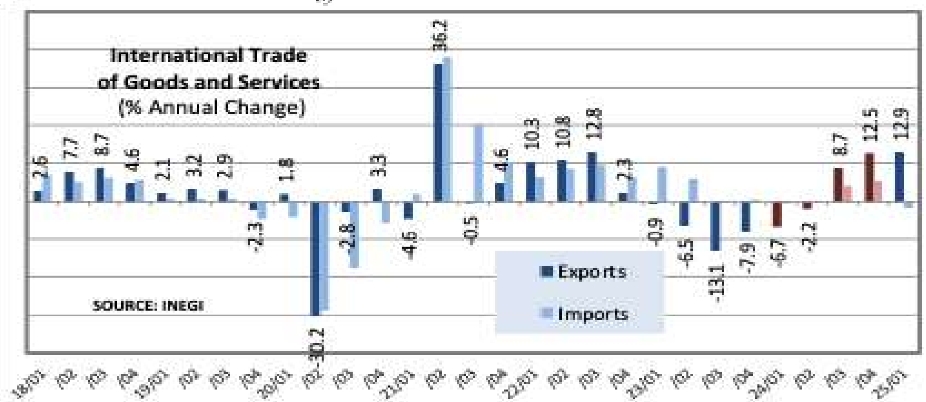
Economic Activity

In the first quarter of 2025, domestic demand—consumption and investment—was contracted, while exports began to recover.







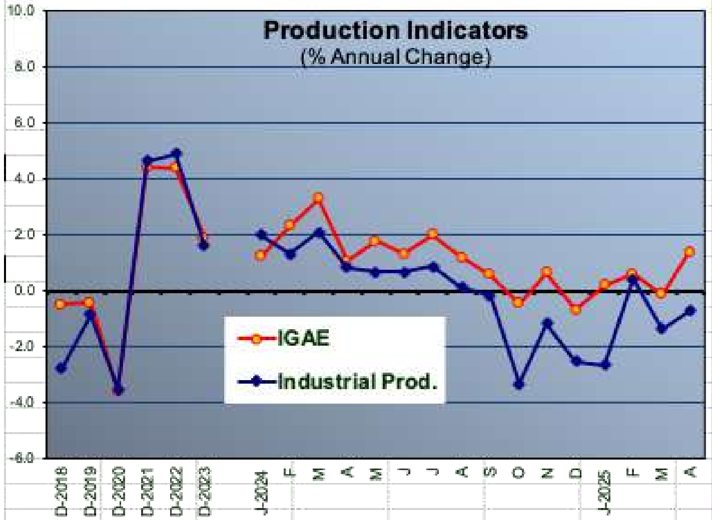


- Private consumption, the main driver of demand (two-thirds of GDP), lost momentum in 2024 and is now in negative territory in 2025 (-0.8%).
- Investment slowed rapidly in 2024 and has now plummeted in 2025 (-6.8%), despite the good intentions to boost private investment through Plan Mexico.
- For their part, exports of goods and services, after a period of decline, are beginning to recover, despite the Trump factor.

Economic Activity

From the end of 2024 and into the first part of 2025, the economic slowdown has turned into stagnation.

Production Indicators



Source: NEGI

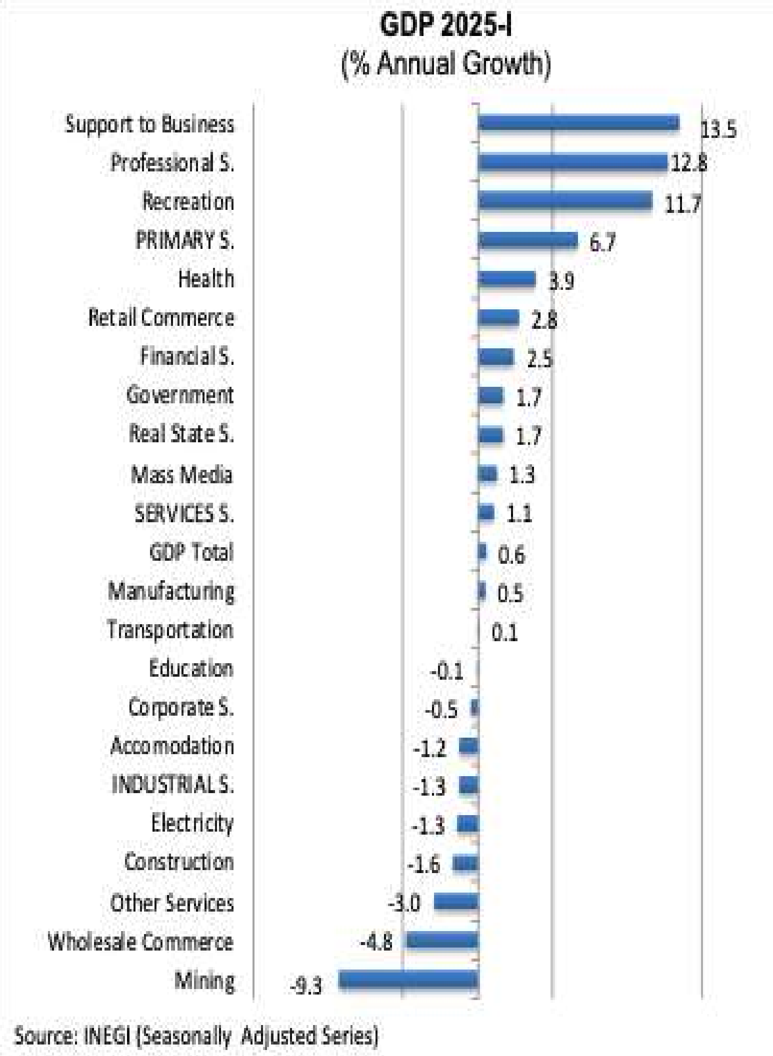
Perio-do	IGAE (Proxy of GDP)				Construc-tión	Commerce Net Sales		Trans spor-tation	Mass Media	Gross Fixed Investment	Private Consum-ption
	TOTAL	Primary S.	Industrial S.	Services S.		Wholesale	Retail				
D-2018	-0.5	3.5	-2.8	0.5	-9.0	-2.0	0.0	2.1	1.2	-7.8	0.6
D-2019	-0.4	-2.5	-0.8	0.1	-4.6	-4.2	1.3	-0.9	-2.6	-2.9	-0.2
D-2020	-3.6	-2.5	-3.5	-3.6	-12.9	3.9	-1.9	-21.3	5.1	-12.7	-6.7
D-2021	4.4	4.9	4.6	4.4	4.7	5.4	4.5	12.0	11.9	5.7	7.4
D-2022	4.4	4.1	4.9	4.4	5.5	5.2	4.3	8.3	18.7	12.3	2.5
D-2023	1.9	-3.2	1.6	2.4	17.8	7.2	3.1	0.3	-1.5	13.7	4.4
J-2024	1.2	-13.8	2.0	1.6	16.7	1.7	1.2	2.3	6.1	12.7	3.2
F	2.3	-0.2	1.3	3.3	10.8	8.0	-0.6	3.3	8.1	10.3	5.6
M	3.3	-2.0	2.1	4.2	8.4	8.1	6.0	3.9	5.5	9.0	6.3
A	1.1	-4.5	0.8	1.6	11.7	0.2	-1.9	3.1	2.3	9.2	4.3
M	1.8	-4.0	0.7	2.6	8.8	2.9	2.6	3.7	-4.0	5.2	3.4
J	1.3	-5.0	0.7	1.9	2.3	1.8	1.0	2.7	1.7	1.3	2.4
J	2.0	11.3	0.8	2.1	5.5	1.4	0.9	4.7	1.4	5.2	3.3
A	1.2	-4.3	0.1	2.2	-1.4	-0.7	3.6	4.3	0.1	1.5	2.6
S	0.6	-2.2	-0.2	1.1	-2.0	-4.9	2.9	4.1	-0.1	-2.1	1.4
O	-0.5	-6.8	-3.3	1.5	-9.2	-2.7	4.1	3.1	1.3	-4.5	0.2
N	0.7	-1.6	-1.2	1.9	-4.8	0.2	4.5	4.2	-1.5	-1.1	0.4
D	-0.7	-6.9	-2.5	0.7	-6.8	-4.9	0.8	3.4	3.9	-4.4	-1.0
J-2025	0.2	14.8	-2.7	1.1	-6.2	-4.7	3.4	0.6	4.1	-6.2	-0.8
F	0.6	-2.2	0.4	1.0	1.2	-4.7	5.8	-0.3	-0.1	-5.7	-0.5
M	**-0.1**	**7.5**	**-1.3**	**0.3**	**1.4**	**-5.5**	**1.1**	**0.1**	**-0.1**	**-5.0**	**-1.2**
A	**1.4**	**3.2**	**-0.7**	**2.2**	**-2.7**	**-2.2**	**6.9**	**1.5**	**1.3**	**-7.7**	**0.7**

Fuente: INEGI

- The IGAE (Global Indicator of Economic Activity), following the post-pandemic rebound (2021-2022), reported growth of over 3% throughout the year in 2023, but has since shown a clear slowdown that extends into 2025.
- At the sectoral level, leaving aside the agricultural sector, which tends to be very volatile, growth is primarily driven by the services sector (2.2% in April 2025), as the industrial sector has been posting negative rates in recent months (-0.7% in April).
- Regarding demand, both consumption and investment have shown negative or no growth in recent months.

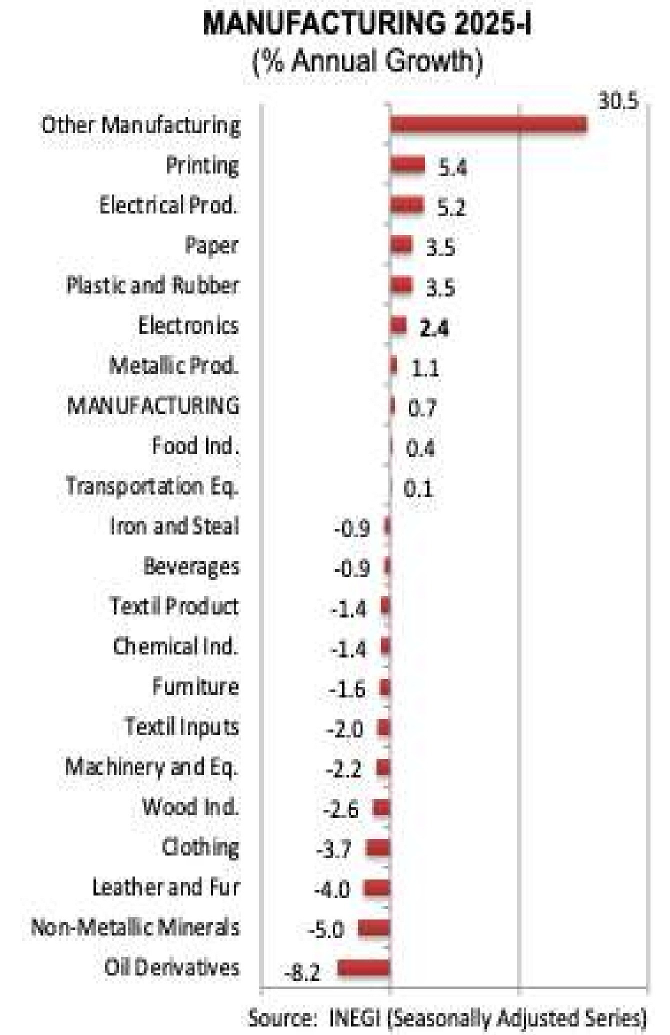
Economic Activity

In the first quarter of 2025, economic activity was led by the services sector, leaving the industrial-manufacturing sector, which is more closely linked to global trade, in second place.



The most dynamic

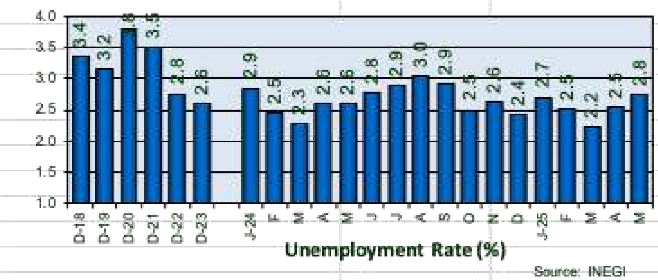
The least dynamic

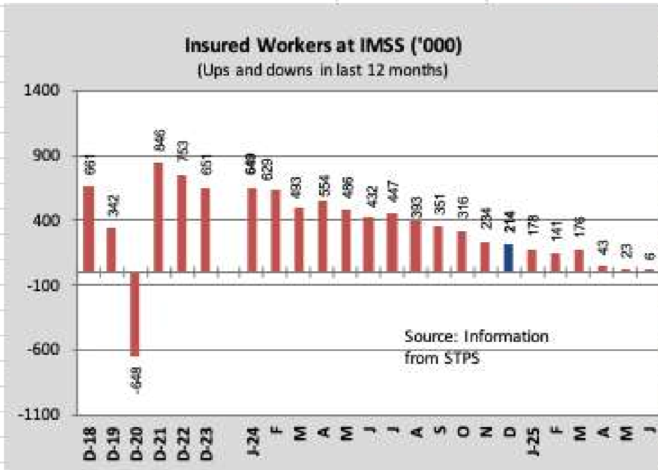


Employment and Wages

Annual job creation by the end of June 2025 is practically zero (6 thousand), after losing 139 thousand jobs in the second quarter of 2025.

Employment and Wages





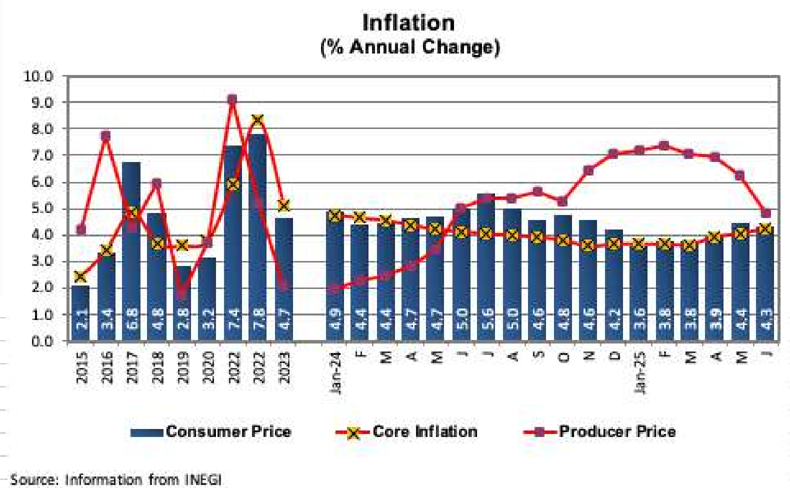
Period	Workers insured at IMSS ('000)				Employment (Annual Change %)			Wage indicators (Annual Change %)		
			Abs.Change							
Period	Unemploy-ment Rate(%)	Total	Last 12m	Last Month	Cons-truction	Manufac-turing	Financial Service	Mini-mum Wage	IMSS Wage	Contrac-tual Wage
D-18	3.4	20,079	661	-379	-5.0	2.7	0.5	10.4	5.4	5.9
D-19	3.2	20,421	342	-382	-2.3	-1.4	0.8	16.2	6.7	5.9
D-20	3.8	19,774	-648	-278	-12.7	-0.9	-11.3	20.0	7.9	6.5
D-21	3.5	20,620	846	-312.9	5.3	2.5	-16.1	15.0	7.5	7.2
D-22	2.8	21,373	753	-345.7	10.1	1.7	-2.1	22.0	11.0	9.4
D-23	2.6	22,024	651	-384.9	5.1	-1.8	0.8	20.0	10.5	12.9
J-24	2.9	22,133	649	109	5.5	-1.5	1.7	20	10.4	9.0
F	2.5	22,290	629	156	4.6	-1.7	2.6	20	10.1	9.9
M	2.3	22,289	493	0	4.7	-2.0	2.5	20	9.8	9.8
A	2.6	22,374	554	85	5.2	-1.6	1.8	20	9.6	8.1
M	2.6	22,349	486	-25	5.0	-1.8	1.6	20	9.4	10.2
J	2.8	22,319	432	-30	1.1	-2.1	1.8	20	9.5	9.0
J	2.9	22,332	447	12	1.5	-1.8	1.2	20	9.7	7.2
A	3.0	22,390	393	58	-0.3	-2.3	1.4	20	9.7	8.5
S	2.9	22,481	351	91	-1.8	-1.7	2.0	20	9.3	10.0
O	2.5	22,619	316	138	-6.5	-1.7	2.5	20	9.2	8.4
N	2.6	22,644	234	25	-9.7	-1.9	2.8	20	9.2	4.6
D	2.4	22,238	214	-405	-9.8	-1.7	1.9	20	9.2	10.6
J-25	2.7	22,312	178	73	-7.4	-1.1	1.8	12/***	7.7	9.2
F	2.5	22,431	141	119	-9.1	-1.2	0.8	12	7.5	8.2
M	2.2	22,465	176	34	-9.5	-0.8	0.9	12	7.3	8.7
A	2.5	22,418	43	-47	-8.6	-1.6	1.6	12	7.6	**7.0
M	2.8	22,372	23	-46				12	7.6	**8.6
J		22,326	6	-46				12	7.5	

Source: INEGI, STPS. /** Only Federal Jurisdiction /*** Min.Wage=$278.8 pesos/day ($419.88 on the northern border)

- The worst news of the second quarter of 2025 has been the loss of 139,000 formal jobs. This translates into job creation of only 6,000 in the last year (as of June), which compares unfavorably with the 214,000 created in 2024.
- Therefore, the unemployment rate (2.8% in May) is rising but remains at acceptable levels.
- Higher inflation has led to uneven gains in the three main wage indicators in 2025: +7.7% in the minimum wage, 3.2% in the IMSS wage, and 4.3% in the contractual wage. The wage increase is largely attributed to the annual adjustment in the minimum wage (12% in 2025) promoted by the current administration.

Prices
By June 2025, after a brief pause, inflation fell back to 4.3%, but inflationary pressures persist.

Prices



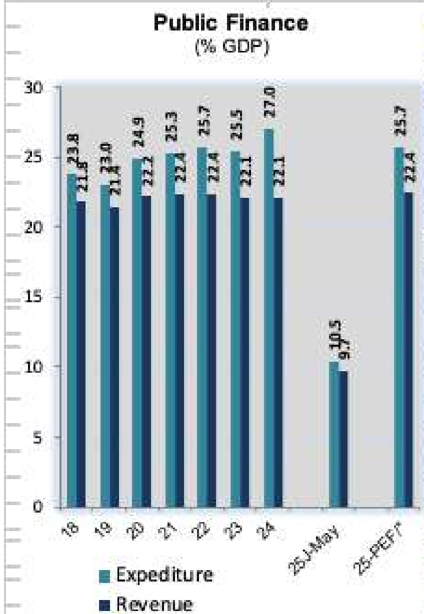
	Consumer Price (INPC)		Core Inflation	Producer Price (INPP)/*
	Annual (m/m)	Annual Avge	Annual (m/m)	Annual (m/m)
2015	2.1	2.1	2.4	4.2
2016	3.4	2.8	3.4	7.7
2017	6.8	6.0	4.9	4.2
2018	4.8	4.9	3.7	5.9
2019	2.8	3.6	3.6	1.7
2020	3.2	3.4	3.8	3.7
2022	7.4	5.7	5.9	9.1
2022	7.8	0.4	8.4	5.2
2023	4.7	0.7	5.1	2.1
	Annual (m/m)	Monthly	Annual (m/m)	Annual (m/m)
Jan-24	4.9	0.9	4.8	2.0
F	4.4	0.1	4.6	2.3
M	4.4	0.3	4.6	2.4
A	4.7	0.2	4.4	2.8
M	4.7	-0.2	4.2	3.4
J	5.0	0.4	4.1	5.0
J	5.6	1.1	4.1	5.4
A	5.0	0.0	4.0	5.4
S	4.6	0.1	3.9	5.6
O	4.8	0.6	3.8	5.3
N	4.6	0.4	3.6	6.4
D	4.2	0.4	3.7	7.1
Jan-25	3.6	0.3	3.7	7.2
F	3.8	0.3	3.7	7.4
M	3.8	0.3	3.6	7.1
A	3.9	0.3	3.9	7.0
M	4.4	0.3	4.1	6.3
J	4.3	0.3	4.2	4.8

Source: INEGI

- Inflation is trending downward, but with ups and downs. It reached 4.2% at the end of 2024 and, after downward and upward adjustments, returned to 4.3% in June 2025. What is significant is that the main inflation indicators are aligning, although inflationary pressures persist.
- This means that the war against inflation is not won and could even become more complicated in the coming months if the global tariff war intensifies.
- For now, the inflation rate is already very close to the Bank of Mexico's institutional target: 3% +/- 1%, but the near future is uncertain.

Public Finance

For January-May 2025, revenues amount to 9.7% of GDP, expenditures to 10.5% of GDP, and, consequently, a deficit of 0.6% of GDP.



Source: SHCP
/* Information from PEF 2025

Public Finance

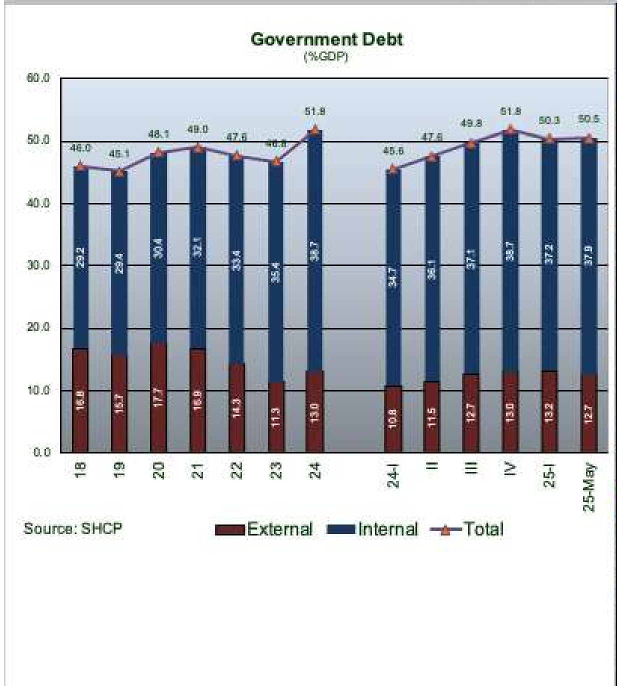
Period	Public Sector Revenues (MX Pesos Billions) TOTAL	Oil	Non oil	Taxes	Non Taxes	Gov. Enterprises	Net Expenditure (MX Pesos Billions) TOTAL	Prog.	Current	Capital	No Prog.	Public Balance
18	5,115	978	4,137	3,062	268	807	5,589	4,065	3,341	723	1,525	-495.0
19	5,384	955	4,429	3,203	372	855	5,786	4,227	3,495	731	1,560	-398.4
20	5,340	606	4,734	3,339	551	844	6,000	4,455	3,663	792	1,545	-674.2
21	5,961	1,157	4,804	3,567	385	852	6,739	5,129	3,963	1,165	1,610	-757.8
22	6,595	1,482	5,114	3,809	342	963	7,569	5,689	4,388	1,300	1,880	-978.5
23	7,039	1,079	5,960	4,517	355	1,088	8,119	5,900	4,747	1,154	2,218	-1052.6
24	7,494	959	6,535	4,953	372	1,210	9,157	6,724	5,388	1,336	2,434	-1661.8
25J-May	3,471.6	375.2	3,096.4	2,411.9	214.0	470.5	3,722.6	2,613.3	2,168.2	445.1	1,109.3	- 226.3
25-PEF/*	8,062.9	1,154.8	6,908.0	5,296.6	368.6	1,242.8	9,233.4	6,473.2	5,178.6	1,294.6	2,760.2	-1170.6
	% GDP											
18	21.8	4.2	17.6	13.0	1.1	3.4	23.8	17.3	14.2	3.1	6.5	-2.1
19	21.4	3.8	17.6	12.7	1.5	3.4	23.0	16.8	13.9	2.9	6.2	-1.6
20	22.2	2.5	19.7	13.9	2.3	3.5	24.9	18.5	15.2	3.3	6.4	-2.8
21	22.4	4.3	18.1	13.4	1.4	3.2	25.3	19.3	14.9	4.4	6.1	-2.8
22	22.4	5.0	17.4	12.9	1.2	3.3	25.7	19.3	14.9	4.4	6.4	-3.3
23	22.1	3.4	18.7	14.2	1.1	3.4	25.5	18.5	14.9	3.6	7.0	-3.3
24	22.1	2.8	19.3	14.6	1.1	3.6	27.0	19.8	15.9	3.9	7.2	-4.9
25J-May	9.7	1.1	8.7	6.8	0.6	1.3	10.5	7.3	6.1	1.2	3.1	-0.6
25-PEF/*	22.4	3.2	19.2	14.7	1.0	3.5	25.7	18.0	14.4	3.6	7.7	-3.3
	January-May (Mx Pesos Billions)											
24J-May	3,222.6	473.6	2,749.0	2,132.4	160.4	456.1	3,784.1	2,782.7	2,119.9	662.8	1,001.5	- 516.1
25J-May	3,471.6	375.2	3,096.4	2,411.9	214.0	470.5	3,722.6	2,613.3	2,168.2	445.1	1,109.3	- 226.3
% Change	7.7	-20.8	12.6	13.1	33.4	3.2	-1.6	-6.1	2.3	-32.8	10.8	n.s.
% Real Change	3.7	-23.7	8.4	8.9	28.4	-0.7	-5.3	-9.6	-1.6	-35.4	6.6	n.s.
Source: SHCP						/* PEF 2025 (Federal Budget 2025)						

- For 2025, the main challenge lies in reducing the public deficit from 4.9% of GDP (an unsustainable deficit) to 3.3% (projected for 2025).
- In January-May 2025, a drop in oil revenues is observed (-23.7%), largely offset by tax revenues (8.4%). The adjustment in spending is primarily in investment (-35.4%).
- For 2025, spending pressures persist (due to old and new flagship projects, social programs, and the PEMEX factor). Added to this will be pressures from lower revenues if the tariff war intensifies.

Public Debt

Public debt, as a percentage of GDP, remains under relative control: it fell from 51.8% at the end of 2024 to 50.5% in May 2025.

Government Debt



Period	Net Government Debt/* (Billions)		
	Internal MX$	External $USD	Total MX$
18	6,867.6	201.3	10,829.9
19	7,188.5	203.7	11,027.4
20	7,598.8	221.5	12,017.9
21	8,545.8	218.4	13,041.7
22	9,826.4	216.5	14,030.0
23	11,250.5	213.1	14,856.1
24	13,126.4	218.3	17,551.5
24-I	11,773.7	220.0	15,448.4
24-II	12,242.6	213.9	16,140.6
24-III	12,570.1	219.8	16,884.9
24-IV	13,126.4	218.3	17,551.5
25-I	13,236.9	230.6	17,923.1
25-May	13,479.1	232.3	17,985.2
%GDP			
18	29.2	16.8	46.0
19	29.4	15.7	45.1
20	30.4	17.7	48.1
21	32.1	16.9	49.0
22	33.4	14.3	47.6
23	35.4	11.3	46.8
24	38.7	13.0	51.8
24-I	34.7	10.8	45.6
II	36.1	11.5	47.6
III	37.1	12.7	49.8
IV	38.7	13.0	51.8
25-I	37.2	13.2	50.3
25-May	37.9	12.7	50.5

/* Accounting adjustment since 2009

Source: SHCP

- In global comparison, Mexico's public debt is moderate: it closed 2024 at 51.8% of GDP and in May 2025 it reached 50.5% of GDP. This compares favorably with countries such as Japan (242%), Italy (138%), France (116%), and the United States (124%), which all exceed 100% of GDP.
- Recent administrations aimed to keep debt under control at 50% of GDP, which has generally been achieved, except in 2024, when debt exceeded 50% of GDP due to a public deficit close to 5% of GDP.
- In 2025, the goal can be met. The key will be to maintain a moderate fiscal deficit and a relatively stable exchange rate. This could become more complicated in 2025.

Financial sector

In the first quarter of 2025, financing to the private sector continued to grow vigorously (8.2%), with financing for private consumption (10.8%) and businesses (10.9%) standing out.

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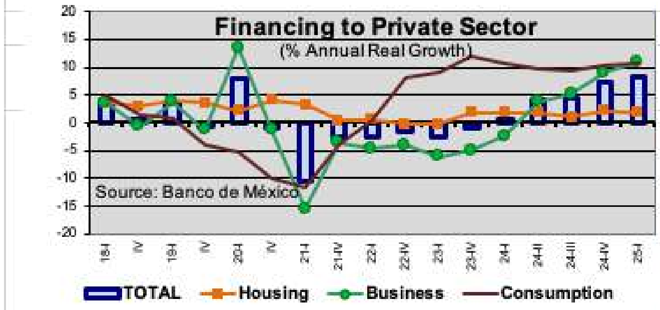
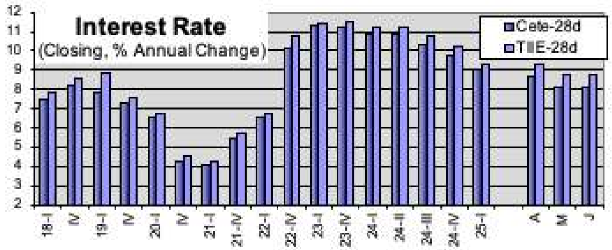
Financial Indicators





Source: Banco de México

Period	Financing to Private Sector (% Annual Real Growth)							Interest Rates (% Annual)		Stock Market	
	TOTAL		By Source		For Destination					IPC	%
	Billion MX$	% Annual Real Growth	External	Internal	Consumption	Housing	Business	CETES-28d	TIIE-28d	('000)	Growth
18-I	9,270	3.7	-2.4	5.8	4.8	3.6	3.5	7.5	7.9	46.1	-6.5
IV	9,828	0.5	-9.0	3.9	1.6	3.0	-0.7	8.2	8.6	41.6	-15.9
19-I	9,978	3.4	-1.8	5.1	0.7	4.0	3.8	7.9	8.9	43.3	3.9
IV	10,067	-0.5	-2.5	0.1	-4.0	3.6	-1.4	7.3	7.6	43.5	1.2
20-I	11,150	8.1	24.8	3.0	-5.1	2.1	13.5	6.6	6.7	34.6	-20.5
IV	10,309	-1.1	3.7	-2.6	-10.1	4.1	-1.3	4.2	4.5	43.2	15.5
21-I	10,371	-10.6	-18.0	-7.9	-11.5	3.3	-15.6	4.1	4.3	47.2	9.2
21-IV	10,744	-2.6	-2.0	-2.8	-4.0	0.4	-3.7	5.5	5.7	53.3	3.7
22-I	10,836	-2.6	-6.0	-1.5	0.5	0.6	-4.6	6.5	6.7	56.5	6.1
22-IV	11,425	-1.5	-14.8	2.8	8.2	-0.3	-4.1	10.1	10.8	48.5	8.6
23-I	11,339	-2.6	-19.9	2.7	9.1	-0.2	-6.1	11.3	11.4	53.9	11.2
23-IV	11,823	-0.9	-19.7	4.2	11.8	1.8	-5.0	11.3	11.5	57.4	12.8
24-I	11,926	0.6	-13.9	4.1	10.7	1.9	-2.4	10.9	11.2	57.4	0.0
24-II	12,401	4.0	-2.8	5.5	9.7	1.8	3.7	10.9	11.2	52.4	-8.6
24-III	12,789	4.6	2.8	5.0	9.3	1.0	5.2	10.4	10.7	52.5	0.1
24-IV	13,240	7.2	10.2	6.5	10.3	2.2	8.9	9.7	10.2	49.5	-5.6
25-I	13,382	8.2	14.0	7.0	10.8	1.9	10.9	9.0	9.3	52.5	6.0
A								8.7	9.3	56.3	7.2
M								8.1	8.8	57.8	2.8
J								8.1	8.8	56.3	-2.7

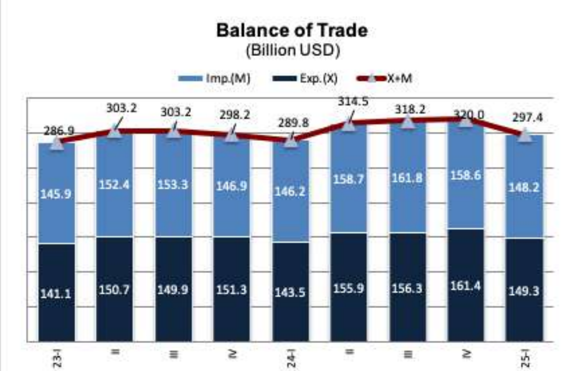
Source: Banco de México

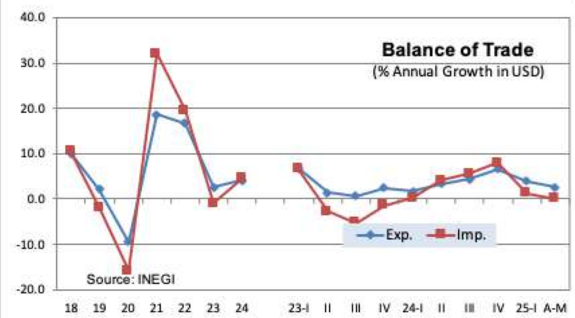
- The recent economic crisis first resulted in a slowdown in private sector financing (2020), then a decline from 2021 to 2023, before finally rebounding in 2024 and 2025.
- The annual increase in the first quarter of 2025 (8.2%) is explained by the increase in consumer financing (10.8%), a modest increase in housing financing (1.9%), and a significant increase in corporate financing (10.9%).
- To boost financing, interest rates remained low until 2021, but rebounded to over 11% in 2023, before declining in 2024 and 2025. In the second quarter of 2025, they were already around 8%. The stock market, for its part, has experienced significant ups and downs in recent years: it gained 18.4% in 2023, lost 13.7% in 2024, and gained 13.7% in the first half of 2025.

International Trade

After two years of slowdown, international trade in goods experienced a moderate recovery in 2024 but it is unlikely to consolidate in 2025 given the prevailing uncertainty.

International Trade





Period	Balance of Trade (Billion USD) Exp.(X)	Imp. (M)	X+M	% Annual Change Exp.	Imp.	X+M	Balance (Billion USD)	Remittances Billion USD	% Annual Change
18	450.7	464.3	915.0	10.1	10.5	10.3	-13.6	33.2	15.4
19	460.7	455.3	916.0	2.2	-1.9	0.1	5.4	35.9	8.1
20	417.0	383.0	800.0	-9.5	-15.9	-12.7	34.0	40.4	12.5
21	494.8	505.7	1000.5	18.6	32.0	25.1	-10.9	51.6	27.6
22	577.7	604.6	1182.3	16.8	19.6	18.2	-26.9	58.5	13.5
23	593.0	598.5	1191.5	2.6	-1.0	0.8	-5.5	63.3	8.1
24	617.1	625.3	1242.4	4.1	4.5	4.3	-8.2	64.7	2.3
23-I	141.1	145.9	286.9	6.7	6.5	6.6	-4.8	13.9	11.3
II	150.7	152.4	303.2	1.3	-2.8	-0.8	-1.7	16.3	8.2
III	149.9	153.3	303.2	0.6	-5.3	-2.5	-3.4	16.8	8.8
IV	151.3	146.9	298.2	2.4	-1.5	0.4	4.5	16.2	4.6
24-I	143.5	146.2	289.8	1.7	0.2	1.0	-2.7	14.1	1.0
II	155.9	158.7	314.5	3.4	4.1	3.7	-2.8	17.2	6.0
III	156.3	161.8	318.2	4.3	5.6	4.9	-5.5	17.0	1.3
IV	161.4	158.6	320.0	6.7	8.0	7.3	2.8	16.4	1.0
25-I	149.3	148.2	297.4	4.0	1.3	2.6	1.1	14.3	0.5
A-M	109.8	108.8	218.6	2.6	0.1	1.3	0.9	10.1	-8.3
Jan-24	42.1	46.3	88.4	-1.1	-1.0	-1.0	-4.1	4.6	3.8
F	50.7	51.3	102.0	13.0	9.7	11.3	-0.6	4.5	3.4
M	50.6	48.7	99.3	-5.4	-7.1	-6.3	2.0	5.0	-3.5
A	51.3	55.1	106.4	11.4	15.4	13.4	-3.7	5.4	8.3
M	55.7	53.7	109.4	5.4	1.4	3.4	2.0	5.6	-1.3
J	48.9	49.9	98.8	-5.7	-3.6	-4.6	-1.0	6.2	11.3
J	54.8	54.9	109.6	14.7	13.3	14.0	-0.1	5.6	-1.0
A	51.9	56.8	108.7	-1.0	5.7	2.4	-4.9	6.1	9.3
S	49.6	50.2	99.8	0.0	-1.8	-0.9	-0.6	5.4	-4.4
O	57.7	57.3	115.0	11.2	9.7	10.5	0.4	5.7	-1.5
N	52.0	52.2	104.2	3.7	5.1	4.4	-0.1	5.4	10.6
D	51.7	49.1	100.8	4.9	9.1	6.9	2.6	5.2	-5.0
Jan-25	44.4	49.0	93.5	5.5	5.9	5.7	-4.6	4.7	1.9
F	49.3	47.1	96.3	-2.9	-8.3	-5.6	2.2	4.5	-1.0
M	55.5	52.1	107.6	9.6	7.1	8.4	3.4	5.1	2.5
A	54.3	54.4	108.7	5.8	-1.2	2.2	-0.1	4.8	-12.1
M	55.5	54.4	109.9	-0.3	1.4	0.5	1.0	5.4	-4.6

Source: INEGI, Banco de México

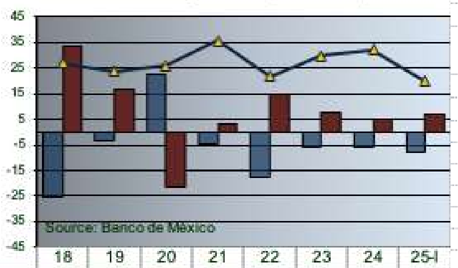
- After two years of slowdown, international trade saw a moderate recovery in 2024 (4.3%), but its momentum has slowed in 2025.
- The trade balance registered a deficit of 8.2 USD Bn in 2024, but in January-May 2025 it showed a surplus of 2 USD Bn.
- Remittances, meanwhile, are slowing: they grew 0.5% at an annual rate in the first quarter of 2025 and fell -8.3% in April-May.

External Sector

In the first quarter of 2025, the balance of payments reflected a current account deficit (-7.6 USD Bn) and a financial account surplus (6.9 USD Bn), supported by Foreign Direct Investment (19.8 USD Bn).

International Transactions

Balance of Payments (Bill. USD)



	18	19	20	21	22	23	24	25-I
Current Account	-25.3	-3.3	22.8	-4.5	-17.7	-5.6	-5.9	-7.6
Financial Account	33.5	16.5	-21.3	3.4	14.7	7.9	5.2	6.9
FDI	27.1	23.7	25.9	35.6	21.8	29.9	32.0	19.8

International Reserves (Bn USD)

Source: Banco de México

Period	Balance of Trade (Bill.USD)	Exports (Bill.USD)	Imports (Bill.USD)	Current Account (Billion USD)	Current Account (%GDP)	Financial Account (Bill.USD)	Foreign Direct Investment	Reserves Int. Change (Bill USD)	Stock of Int. Reserves (Bill.USD)
18	-13.6	450.7	464.3	-25.3	-2.0	33.5	27.1	0.8	173.6
19	5.4	460.7	455.3	-3.3	-0.3	16.5	23.7	7.3	180.9
20	34.0	417.0	383.0	22.8	2.4	-21.3	25.9	13.5	194.4
21	-10.9	494.8	505.7	-4.5	-0.3	3.4	35.6	8.0	202.4
22	-26.9	577.7	604.6	-17.7	-1.2	14.7	21.8	-3.3	199.1
23	-5.5	593.0	598.5	-5.6	-0.3	7.9	29.9	13.7	212.8
24	**-13.8**	**611.6**	**625.4**	**-5.9**	**-0.3**	**5.2**	**32.0**	**16.2**	**229.0**
25-I	**2.8**	**161.4**	**158.6**	**-7.6**	**3.0**	**6.9**	**19.8**	**8.0**	**237.0**
22-I	-4.8	132.2	136.9	-11.6	-3.7	11.6	18.1	-1.5	200.9
II	-8.0	148.8	156.8	-1.8	-0.1	0.5	3.5	-2.3	198.5
III	-12.9	149.0	161.9	-6.1	-0.5	7.0	2.1	-1.6	196.9
IV	-1.2	147.8	149.0	1.8	0.5	-4.3	-1.8	2.2	199.1
23-I	-4.8	141.1	145.9	-20.6	-5.1	17.5	24.5	3.2	202.3
II	-1.7	150.7	152.4	2.1	1.0	-0.6	6.5	0.9	203.2
III	-3.4	149.9	153.3	1.2	0.6	-0.4	-0.7	0.6	203.8
IV	4.5	151.3	146.9	11.7	2.6	-8.6	-0.4	9.0	212.8
24-I	-2.7	143.5	146.2	-22.2	-4.0	28.0	26.4	4.4	217.2
II	-2.8	155.9	158.7	2.4	0.4	-1.1	4.6	2.8	220.0
III	-2.8	155.9	158.7	1.1	0.1	-7.9	1.1	6.7	226.7
IV	-5.5	156.3	161.8	12.8	2.0	-13.9	-0.1	2.3	229.0
25-I	2.8	161.4	158.6	-7.6	3.0	6.9	19.8	8.0	237.0
A								2.7	239.7
M								0.3	240.0
J								1.7	241.7

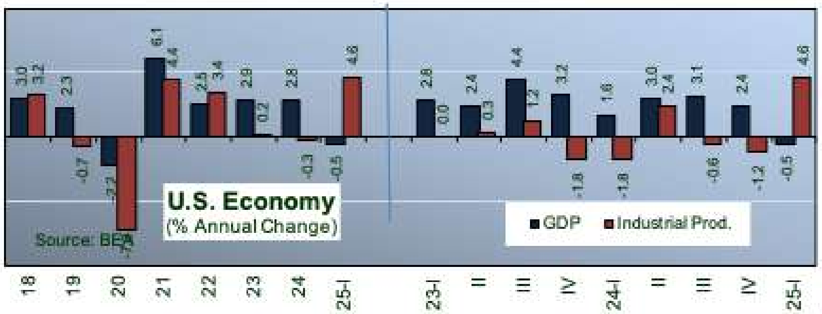
Source: Banco de México

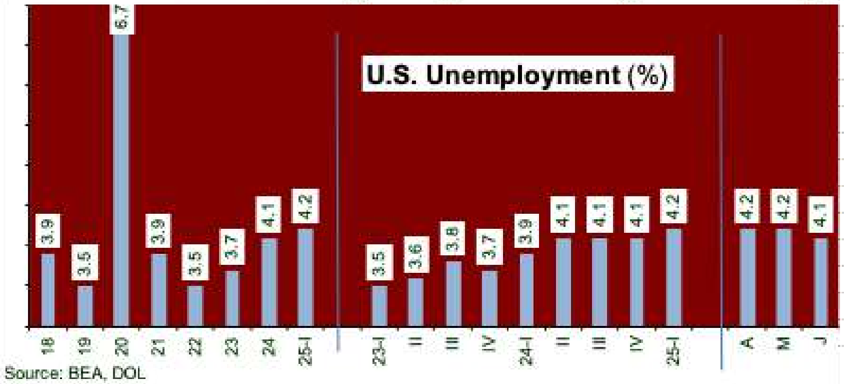
- In the first quarter of 2025, a current account deficit is offset by a financial account surplus, with foreign direct investment (19.8 billion US dollars) standing out.
- As a result of the financial account's strong performance, international reserves remain high: they closed 2024 at 229 USD Bn and increased to 242 USD Bn in June 2025.
- Nearshoring remains on hold pending clear definitions of Trump's tariff policy. To date, progress is modest, and its future is uncertain.

International economy

US GDP decreased by -0.5% in the first quarter of 2025, but not the industrial sector, which gained strength (4.6%), resulting in unemployment stagnating at around 4% (4.1% in June).

U.S. Economy





Period	GDP/*	Industrial Prod.		Manufacturing		Unemploy-ment Rate	Inflation
	% Annual Change of Quarter		% Annual Change	% Annual Change of Quarter	% Annual Change	%	% Annual Change
18	3.0	3.2		1.3		3.9	1.9
19	2.3	-0.7		-2.0		3.5	2.3
20	-2.2	-7.2		-6.6		6.7	1.4
21	6.1	4.4		4.9		3.9	7.0
22	2.5	3.4		2.7		3.5	8.6
23	2.9	0.2		-0.5		3.7	3.4
24	2.8	-0.3		-0.5		4.1	2.9
25-I	-0.5	4.6		3.9		4.2	2.4
23-I	2.8	0.0	0.9	0.3	-0.2	3.5	5.0
II	2.4	0.3	0.0	-0.2	-0.8	3.6	3.0
III	4.4	1.2	0.0	-0.4	-0.9	3.8	3.7
IV	3.2	-1.8	0.0	-1.4	-0.4	3.7	3.4
24-I	1.6	-1.8	-0.4	-0.9	-0.6	3.9	3.2
II	3.0	2.4	0.2	1.3	-0.3	4.1	3.0
III	3.1	-0.6	-0.5	-0.8	-0.4	4.1	2.4
IV	2.4	-1.2	-0.3	-1.7	-0.5	4.1	2.9
25-I	-0.5	4.6	1.3	3.9	0.7	4.2	2.4
A		1.2	1.4	-5.8	1.0	4.2	2.3
M		-2.3	0.6	1.2	0.5	4.2	2.4
J						4.1	

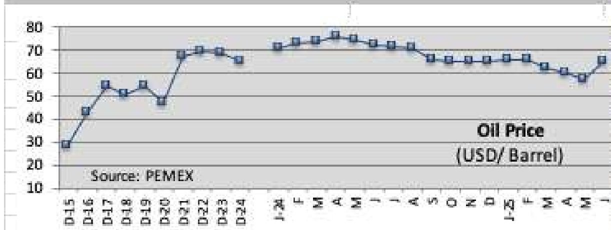
Source: U.S. Bureau of Economic Analysis (BEA); The Federal Reserve System (FRS); Department of Labor (DOL)

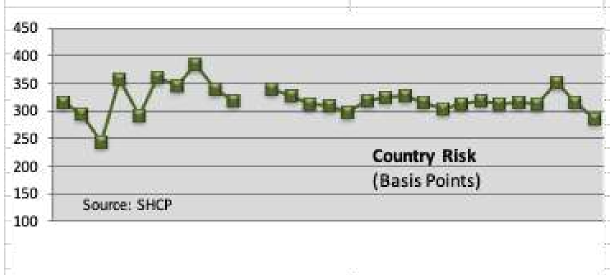
- In 2025-I, the US economy lost momentum (-0.5%). In contrast, the industrial sector grew vigorously (4.6%), while unemployment remains stagnant at around 4% (4.1% in June 2025).
- Inflation remains relatively under control: 2.4% in May.
- Trump's arrival represents a truly fundamental transformation of the US, North American, and global economies. We are moving from globalization, free markets, and competitiveness to a world dominated by isolationism, protectionist barriers, political favors, and economic management by decree.

Key Prices

At the end of the second quarter of 2025, the price of crude oil halted its decline and rebounded to 65 DPB; the exchange rate continued to decline (19 PPD), as did the country risk (287 basis points).

Key Prices





Period	MX Oil Price (USD/ Barrel)	MX Crude Oil: Production Barrels ('000)/Day	MX Crude Oil: Exports Barrels ('000)/Day	MX Crude Oil: Exports Million USD)	Exchange Rate $MX/Dll	Exchange Rate $MX/Euro	Risk Country/* (Basis Point) Mexico	Brazil	Argentina
D-15	28.7	2,275	1,008	896	17.2	19.0	315	548	438
D-16	42.8	2,035	1,115	1,478	20.6	21.8	296	330	455
D-17	54.1	1,873	1,401	2,351	19.7	23.6	245	232	351
D-18	50.5	1,710	1,198	1,876	19.7	22.5	357	273	817
D-19	54.5	1,706	1,115	1,884	18.8	21.2	292	212	1744
D-20	47.2	1,695	1,243	1,727	19.9	24.4	361	250	1368
D-21	67.6	1,752	1,037	2,173	20.6	23.3	347	306	1688
D-22	69.8	1,797	900	1,947	19.4	20.8	386	258	2196
D-23	69.0	1,826	1,027	2,196	16.9	18.7	340	200	1907
D-24	64.8	1,601	807	1,622	20.3	21.5	319	246	635
J-24	70.9	1,809	950	2,089	17.2	18.6	341	224	1964
F	73.4	1,800	940	2,002	17.1	18.5	328	202	1702
M	73.8	1,792	687	1,570	16.7	17.9	314	201	1452
A	75.9	1,767	681	1,552	17.2	18.3	309	202	1215
M	74.5	1,767	911	2,104	17.0	18.5	299	202	1341
J	72.3	1,764	754	1,635	18.4	19.6	319	220	1455
J	71.4	1,755	779	1,723	18.1	20.1	324	222	1510
A	70.7	1,752	731	1,601	19.2	21.8	327	214	1433
S	65.6	1,731	656	1,291	19.6	21.9	315	210	1284
O	65.4	1,702	831	1,712	20.0	21.8	304	198	984
N	64.9	1,656	951	1,856	20.4	21.5	313	218	755
D	64.8	1,601	807	1,622	20.3	21.5	319	246	635
J-25	66.2	1,597	532	1,092	20.6	21.4	313	232	694
F	65.8	1,600	710	1,308	20.4	21.3	316	227	606
M	62.6	1,591	751	1,458	20.3	22.1	312	220	699
A	60.3	1,611	648	1,172	19.6	22.3	351	230	722
M	57.2	1,618	674	1,195	19.3	22.0	315	220	678
J	65.0				18.9	22.1	287	214	701

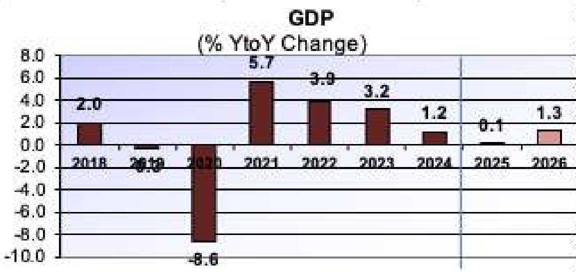
Source: PEMEX, BANXICO, INEGI, JP Morgan, Invenómica, BC Chile

/* The series are preliminary and continually reviewed.

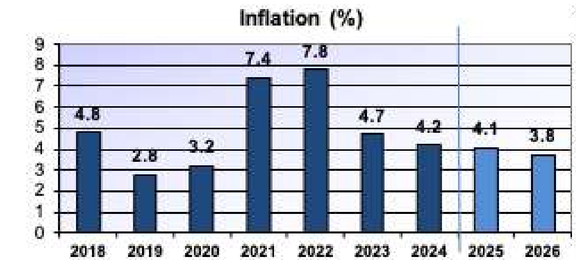
- The price of crude oil closed 2024 at around 65 DBP and, after a six-month decline, returned to 65 DBP.
- Uncertainty surrounding the change of government and legal reforms have put upward pressure on the exchange rate: in 2024, it went from 17 to 20 PPD, then slipped to 19 PPD in June.
- For its part, country risk in the post-pandemic period has fluctuated: it closed 2024 at 319 and fell to 287 basis points in June 2025.

Macroeconomic Framework of Mexico

According to Mexican economic experts, growth expectations for 2025-2026 were again adjusted downward (0.1% and 1.3%), while inflation expectations were adjusted upward: 4.1% and 3.8% for both years.



Source: INEGI, EEEE-SP



Source: INEGI, EEEE-SP

Macroeconomic Framework

	Historical							CGPE/*		EEESP/**	
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2025	2026
GDP											
% Annual Growth	2.0	-0.3	-8.6	5.7	3.9	3.2	1.2	1.9	2.0	0.1	1.3
GDP Current (MX Billions)	24,177	25,143	24,082	26,619	29,453	31,768	33,914	35,921	38,131	35,452	37,353
GDP Deflator	5.2	4.3	4.8	4.5	6.4	4.5	4.9	4.4	4.0	4.4	4.0
Inflation											
Dec/ Dec	4.8	2.8	3.2	7.4	7.8	4.7	4.2	3.5	3.0	4.1	3.8
Exchange Rate											
Average				20.4	20.06	17.6	18.4	20.2	19.9		
Closing	19.7	18.8	19.949	20.58	19.4	16.9	20.3	20.0	19.7	20.2	20.6
Interest Rate (Cete 28d)											
Average	7.8			4.6	8.4	11.2	10.66	8.8	7.4		
Closing	8.2	7.3	4.23	5.5	10.1	11.3	9.7	8	7.0	7.53	7.0
Current Account											
Billions USD	-22.2	-2.4	26.6	-4.9	-13.4	-5.7	-6.0	-1.8	-7.7	-10.6	-13.7
% GDP	-1.9	-0.2	2.4	-0.4	-0.9	-0.8	-0.4	-1.8	-0.4	-0.6	-0.8
Public Balance											
% GDP	-2.1	-1.6	-2.9	-2.9	-3.4	-3.3	-4.9	-3.3	-2.7	-3.7	-3.3
USA											
GDP (%Annual Growth)	2.9	2.3	-3.5	5.7	2.1	2.5	2.8	2.0	2.0	1.6	1.7
MX Crude Oil											
Avg. Price (USD/ Barrel)	61.4	55.5	35.8	65.3	89.0	70.8	70.3	62	55		
Exports ('000 barrels/day)	1,186	1105.6	1,120	1,018	900.0	1032.0	806	765	767		
Production ('000 barrels/day	1,813	1,678	1,686	1,736	1,797	1,868	1,741	1762	1775		

/* CGPE-(Criterios Generales de Política Económica 2025; Precriterios 2026).- Base Document for Macroeconomic Policy

/** Encuesta de Expectivas de Especialistas en Economía del Sector Privado-EEEE-SP/ Survey of Mexican Experts (June 2025)

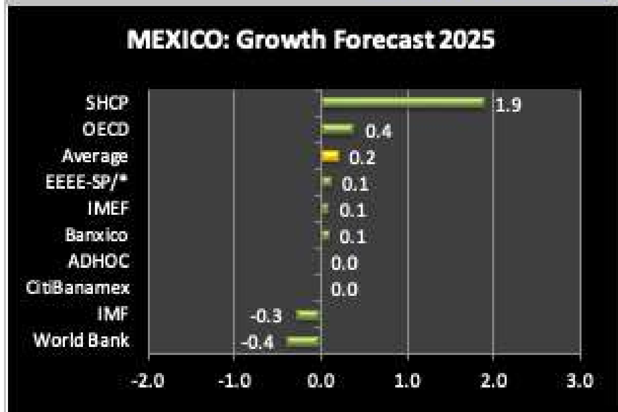
(p) Projected

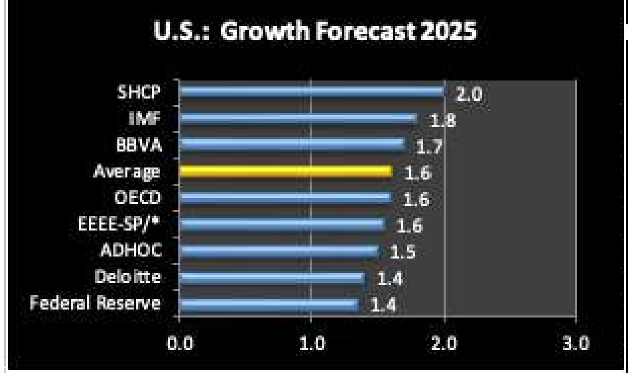
- For 2025-2026, experts forecast more moderate economic growth: 0.1% and 1.3% for both years.
- An upwardly adjusted inflation rate is estimated: 4.1% and 3.8% for both years.
- According to their forecasts, the fundamental balances will remain under control, although the fiscal deficit tends to overflow (-3.7% and -3.3% of GDP for both years), while the current account balance does not exceed 1% of GDP for both years.
- According to their forecasts, the US economy is expected to have moderate growth for two years: in 2025 (1.6%) and in 2026 (1.7%). This does not take into account the negative impact of the tariff war.

Growth Forecasts 2025-2026

According to specialized agencies, growth is expected for 2025 at 0.2% for Mexico and 1.6% for the US. For 2026, growth is projected at 1.3% for Mexico and 1.7% for the US.

Growth Forecasts 2025-2026





MEXICO Growth Forecast

	2025	2026
EEEE-SP/*	0.1	1.3
SHCP	1.9	2.0
Banxico	0.1	0.9
IMF	-0.3	1.4
CitiBanamex	0.0	1.7
IMEF	0.1	1.5
OECD	0.4	1.1
World Bank	-0.4	1.2
ADHOC	0.0	1.0
Average	**0.2**	**1.3**

U.S. Growth Forecast

	2024	2025
EEEE-SP/*	1.6	1.7
SHCP	2.0	2.0
Federal Reserve	1.4	1.7
IMF	1.8	1.7
OECD	1.6	1.5
Deloitte	1.4	1.5
BBVA	1.7	2.0
ADHOC	1.5	1.5
Average	**1.6**	**1.7**

/* Survey of Mexican Experts (June 2025)
Source: Organizations, as indicated

- For Mexico, forecasts from nine specialized organizations range between -0.4% and 1.9% in 2025, with an average of 0.2%. For 2026, the average forecast is 1.3%.
- For the US, forecasts from eight specialized organizations range between 1.4% and 2.0% for 2025, with an average of 1.6%. For 2026, the average forecast is 1.7%.
- As can be seen, both economies show moderate growth, although this is projected to be lower in Mexico's case.

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