

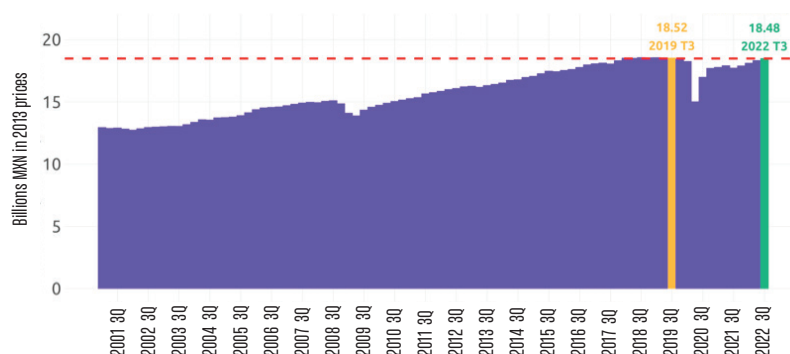
Mexico's GDP is finally back at pre-pandemic levels in 3Q22

→ In 3Q22, Mexico's GDP increased 0.9% q/q, 4.3% y/y. Out of the six most important sectors of the economy, only construction is still lagging.

- After four consecutive quarters recovering, Mexico's GDP decreased 1.1% q/q in 3Q2021, followed by an economic expansion of 1%, 1.2% and 1.1% in 4Q21, 1Q22 and 2Q22, respectively
- In 3Q22, GDP expanded 0.9% q/q, slightly below INEGI's preliminary estimate in October 2022.

3Q22 GDP, seasonally adjusted figures

Billion MXN in 2013 prices



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→ With this number, GDP has recovered the level observed back in 4Q19 (pre-pandemic level). It is worth mentioning that the Mexican economy was already observing weakness before COVID19.

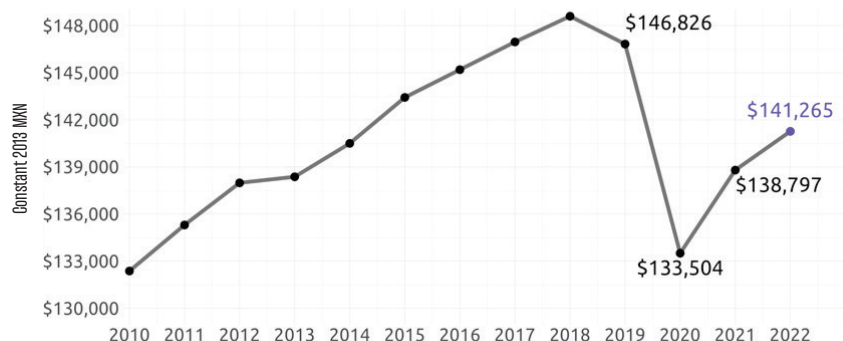
- After peaking in 3Q18, economic activity decelerated with quarterly rates of growth below 0.2% or even negative between the end of 2018 and the beginning of 2020

→ According to data in 3Q22, the level of Mexico's GDP is now similar to the one observed in 3Q19, higher than the level observed at the end of that year

→ To recover GDP per capital levels, Mexico needs an economic expansion that compensates for demographics and adverse effects on different population groups. Mexico's GDP is currently at 2014 levels, 8 years of catch up needed!

Per capita GDP

Seasonally adjusted series as of 3Q22
CONAPO population projections



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- By economic activity, the three main sectors of the economy have shown positive rates of expansion both at a quarterly and at 12-month rates. In 3Q22, the services sector -representing 66.7% of total GDP-, reached pre-pandemic levels.

Gross Domestic Product 3Q22

		Quarterly rate	Annual rate	Share of GDP*
Total GDP		0.9%	4.3%	
Primary activities		2.0%	3.2%	3.5%
Secondary activities		0.6%	3.7%	29.7%
Tertiary activities		1.1%	4.5%	66.7%

*Share of GDP is calculated with seasonally adjusted figures of 3Q22 GDP

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- Even though some sectors have already recovered to levels observed back in 1Q20 (retails and wholesale sales, agriculture, and manufacturing), some others are still lagging: mining (-5.9%); financial services (-3.3%) and construction (-7.7%), for instance
- Not only there were magnitude differences in the initial impact of COVID19, but recovery has also been uneven. Sectors as wholesale sales, manufacturing, transportation, and storage services have already surpassed its pre-pandemic level, although success in each sector has been different: 13.3%, 8.4% and 7.3%, respectively vs. 1Q20
- From the six main sectors representing 62.6% of total GDP, only construction (6.1% of total GDP) is below pre-pandemic levels at -7.7%