

MEXICO: MAIN MACRO-FINANCIAL INDICATORS

International Economics and Euro Area
Department

BANCO DE **ESPAÑA**
Eurosistema



Cut-off date: 30.6.2022

Table 1

Mexico: main economic and social indicators

	2020				2020		
GDP per capita (constant \$)	8,329				Life expectancy (years)		75.1
GDP per capita (PPP)	18,444				Poverty rate (% of the population) (a)		43.9
GDP (\$bn)	1,073.9				Inequality (Gini)		45.4
Population (million)	128.9				Inflation target (2022)		3.0% (± 1.0 pp)
	2000-2004 average	2005-2009 average	2010-2014 average	2015-2019 average	2020	2021	
GDP (year-on-year rate)	2.0	1.0	3.3	2.0	-8.3	-5.9	
CPI (year-on-year rate)	6.0	4.4	3.9	4.0	3.4	5.7	
Core CPI (year-on-year rate)	5.7	4.1	3.3	3.5	3.8	4.7	
Policy interest rate (%)	7.7	7.1	4.0	6.4	4.3	5.5	
Unemployment rate (%)	3.1	4.0	5.0	3.7	4.5	4.4	
Budget balance (% of GDP)	-0.7	-0.5	-2.6	-2.1	-2.9	-2.9	
Primary budget balance (% of GDP)	1.9	1.7	-0.7	0.4	0.1	-0.3	
Public debt (% of GDP)	—	26.2	36.4	47.0	53.1	51.5	
External sector							
Trade openness (% of GDP)	46.5	52.7	60.5	72.0	75.5	76.9	
Current account balance (% of GDP)	-1.8	-0.9	-1.5	-1.8	2.4	-0.4	
Foreign direct investment received (% of GDP)	3.1	2.6	2.5	3.0	2.9	2.5	
Portfolio capital inflows (% of GDP)	0.5	-0.3	2.8	0.7	-0.4		
Reserves (months of imports)	2.9	3.4	4.5	4.3	5.2	4.4	
Reserves (% of GDP)	6.6	7.7	10.4	8.3	8.5	7.9	
ARA metrics (IMF) (b)	0.9	0.9	1.3	1.2	1.3	1.3	
External debt (% of GDP)	21.3	16.6	22.1	20.5	30.9	28.6	
Domestic debt held by non-residents (% of total)	7.3	20.0	44.6	60.5	51.5	44.5	
Financial markets							
Exchange rate against the euro	10.5	15.4	17.0	20.9	25.5	24.4	
Exchange rate against the dollar	10.2	11.3	12.9	18.3	22.2	20.0	
10-year government debt yield (%)	10.1	8.3	5.9	6.7	6.0	6.7	
Average government debt maturity (months)	26.0	59.2	89.6	95.3	92.3	88.0	
Sovereign CDS (basis points)			117	120	160.7	93.5	
Pemex CDS (basis points)			143	225	551.5	376.1	
Banking sector							
Size of the sector (% of GDP)	34.5	32.5	34.4	39.2	43.4	42.0	
Credit to the private sector (% of GDP)	—	—	16.0	19.3	20.7	19.1	
Credit-to-GDP gap (c)	-7.8	1.6	5.0	5.6	2.8	0.0	
Housing prices (year-on-year)	—	1.7	-0.5	4.0	1.9	0.9	
Regulatory capital/risk-weighted assets	—	15.6	16.0	15.5	17.7		
Tier 1	—	14.2	13.9	13.9	16.1		
Risk-weighted assets/total assets	—	0.0	65.6	65.2	60.9	59.9	
Non-performing loans (% of portfolio)	—	2.3	2.6	2.2	2.4	0.0	
ROA (d)	—	—	1.4	1.5	1.3	1.2	
ROE (e)	—	—	13.6	14.1	12.4	11.0	
Liquidity ratio	—	—	36.2	24.8	24.0	24.3	
Primary expenditure (% of total revenues)	—	—	68.5	66.2	68.9	70.8	
Net interest income (% of gross revenues) (f)	—	—	7.0	5.5	7.1	7.9	

SOURCES: IMF, Thomson Reuters and national statistics.

- a Percentage of population with income of less than 3.2 dollars (purchasing power parity) per day.
b Drawing on the IMF's calculations for assessing reserve adequacy, which takes into account the level of reserves relative to different aggregates and the related opportunity cost.
c Difference between the level observed and the trend in credit to the private sector as a percentage of GDP.
d Return on Assets (ROA) is defined as profit as a percentage of assets in the banking sector portfolio.
e Return on Equity (ROE) is defined as profit as a percentage of capital in the banking sector.
f Defined as the ratio of net income from financial intermediation to operating income. Provisioning expenses are not included in the numerator. Operating income comprises income from financial intermediation, income from services, income from shares and other operating income/expenditure, except for administration expenses.

Table 2

Mexico: situation of vulnerability (a)

	Time series										With respect to other emerging economies Latest figure
	2017		2018		2019		2020		2021		
	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	
Sovereign spread (bp)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Stock market (quarterly change)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Exchange rate (quarterly change)	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Sovereign spread (quarterly change)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
GDP (year-on-year)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Inflation	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Industrial output	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Currency overvaluation	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
Budget balance (% of GDP)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Gross public sector debt (% of GDP)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Credit (real, year-on-year)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Deposits (real, year-on-year)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Net foreign assets of banks (% of GDP)	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
Non-performing loans (% of portfolio)	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
Loan-to-deposit ratio	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Banks' equity index (quarterly change)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Banks' external debt spread	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
Interbank interest rate	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Net interest income	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Banking risk (BICRA)	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
Banking risk (IHS)	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
Current account balance (% of GDP)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Foreign direct investment (% of GDP)	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
External debt (% of GDP)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Short-term external debt (% of reserves)	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
Reserves (% of GDP)	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
External debt service (% of exports)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Portfolio investment (% of GDP)	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
GDP per capita (change)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Political risk (IHS)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Geopolitical risk (GPR)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Sovereign rating	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
Doing business (percentil)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Stability/Absence of violence (percentile)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow

SOURCE: I. Alonso and L. Molina (2021), "A GPS navigator to monitor risks in emerging economies: the vulnerability dashboard", *Occasional Paper* No 2111, Banco de España.

a The risk level is indicated with shades of green (associated with lower levels of vulnerability), yellow (medium vulnerability) and red (variables in the higher risk percentiles).

Table 3

Spain and euro area exposure to Mexico (2020 unless otherwise indicated)

	\$bn		Percentage of GDP		Percentage of total		Ranking	
	Euro area	Spain	Euro area	Spain	Euro area	Spain	Euro area	Spain
Exports of goods	31.1	3.7	0.2	0.3	0.7	1.2	26	14
Imports of goods	21.7	3.5	0.2	0.3	0.5	1.1	32	19
Exports of services	16.7	1.9	0.1	0.1	0.8	2.1	27	12
Imports of services	7.9	0.7	0.1	0.1	0.4	1.1	39	14
International Investment Position: Foreign Direct Investment. Assets	197.8	42.4	1.5	3.3	2.9	7.3	19	4
International Investment Position: Foreign Direct Investment. Liabilities	52.3	8.7	0.4	0.7	0.4	1.1	31	14
International Investment Position: Portfolio Investment. Assets (June 2021)	116.9	4.8	0.9	0.4	0.4	0.5	26	16
International Investment Position: Portfolio Investment. Liabilities (June 2021)	17.4	0.3	0.1	0.0	0.1	0.0	39	37
Credit exposure to Mexico of BIS reporting banks (a) (September 2021)	203.0	183.2	1.4	12.8	1.7	9.3	16	3
Claims of Mexican banks vis-à-vis residents of the euro area or Spain (September 2021)	1.3	0.2	0.0	0.0	0.0	0.0	23	23
Debt of Mexican residents to banks from the euro area or Spain (b) (September 2021)	203.0	183.2	15.7	14.1	50.2	45.3	—	1

SOURCES: IMF, OECD, Eurostat, BIS and national statistics.

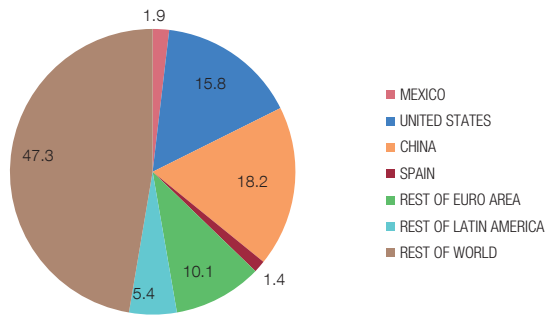
a With respect to euro area and Spanish figures.

b With respect to Brazilian figures.

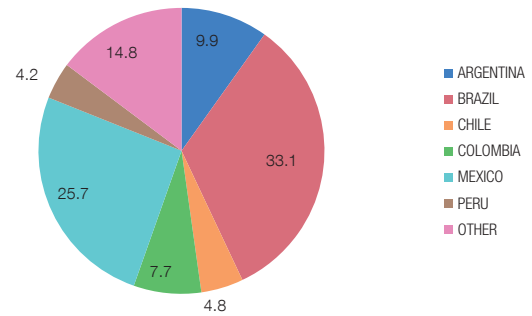
Chart 1

Mexico: Structural economic data

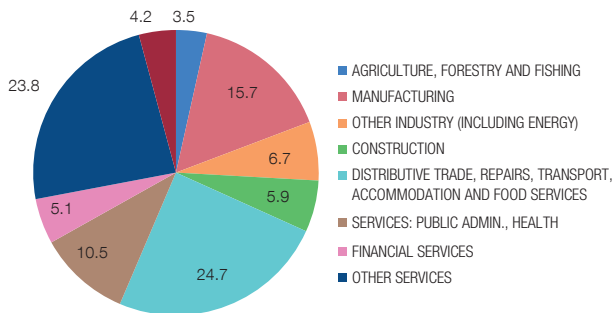
1 SHARE OF GLOBAL GDP (2020) (%)



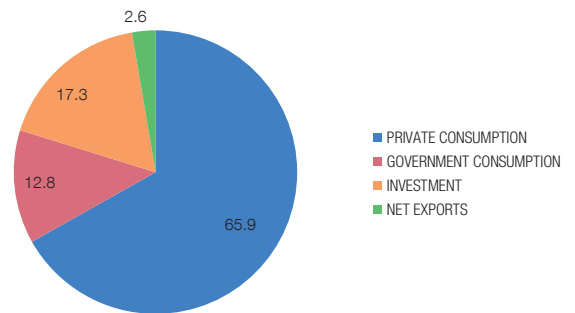
2 SHARE OF LATIN AMERICAN GDP (2020) (%)



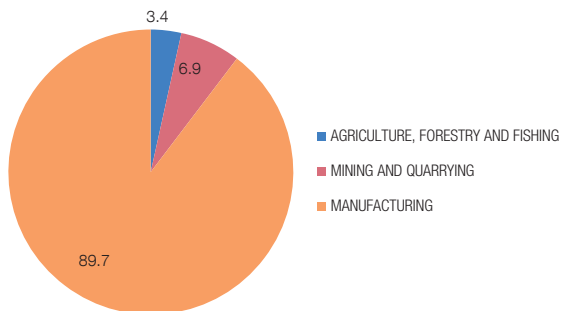
3 BREAKDOWN OF GDP - SUPPLY (%) (2020)



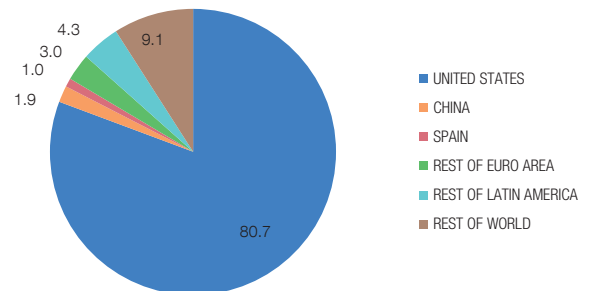
4 BREAKDOWN OF GDP - DEMAND (%) (2020)



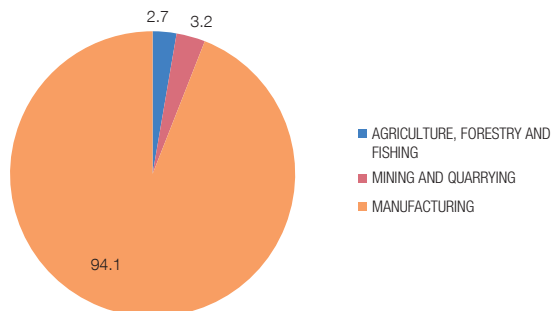
5 EXPORTS OF GOODS, BY SECTOR (2021) (%)



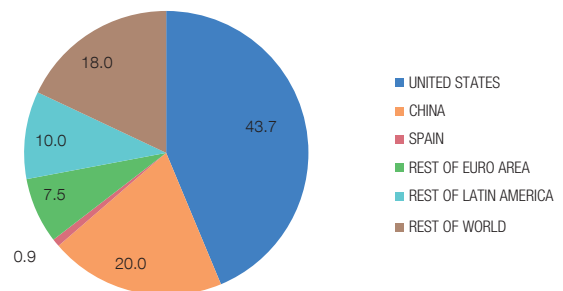
6 EXPORTS OF GOODS, BY DESTINATION (2021) (%)



7 IMPORTS OF GOODS, BY SECTOR (2021) (%)



8 IMPORTS OF GOODS, BY ORIGIN (2021) (%)



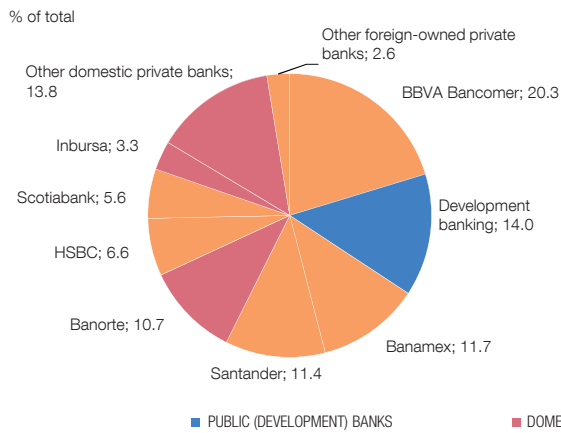
SOURCES: OECD and IMF.



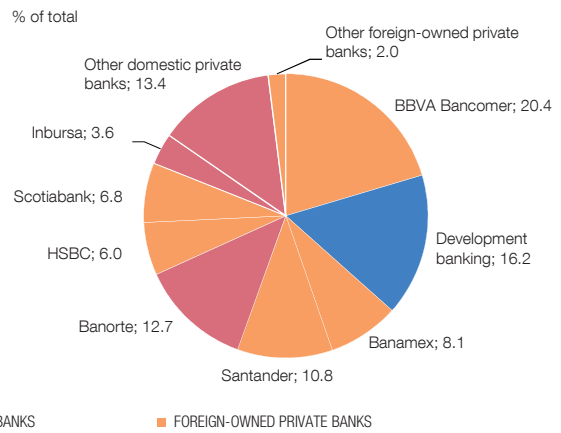
Chart 2

Mexico: Structure of the banking sector

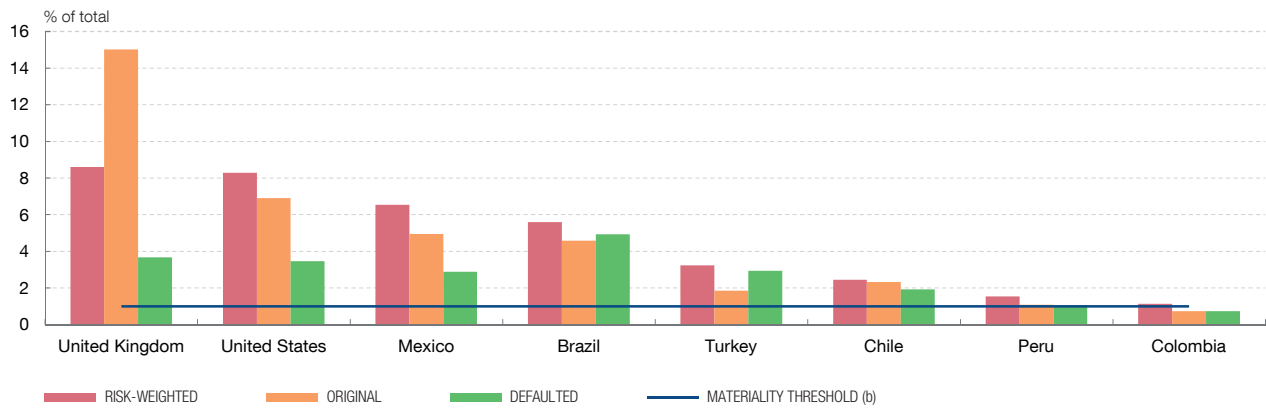
1 MEXICAN BANKING SECTOR: DEPOSITS



2 MEXICAN BANKING SECTOR: CREDIT



3 EXPOSURES TO MATERIAL THIRD COUNTRIES, BY TYPE OF EXPOSURE (2020) (a)



SOURCES: Comisión Nacional Bancaria y de Valores (CNBV) and Banco de España.

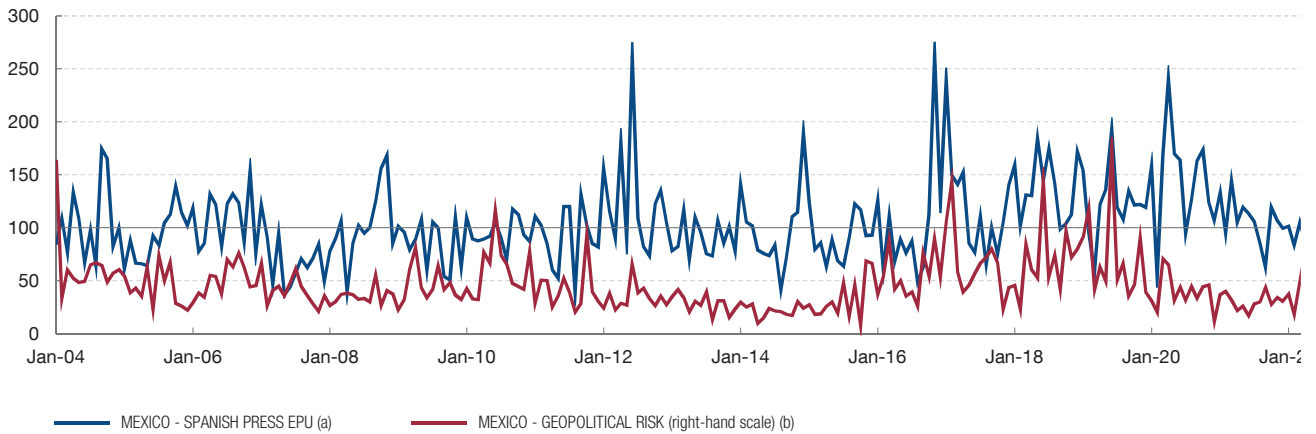
a Credit and other claims on households and non-financial corporations, excluding public entities and financial institutions.
 b 1% of any of the types of exposure.



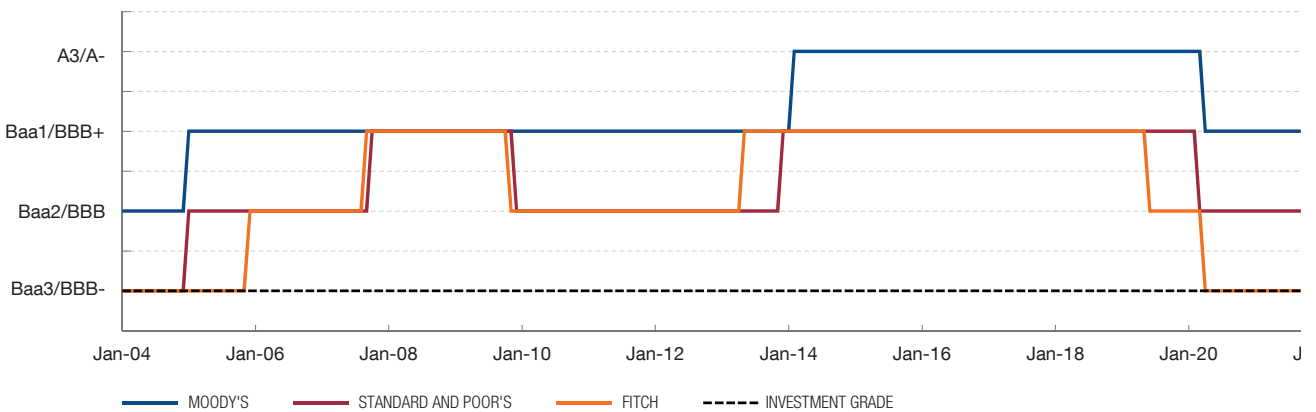
Chart 3

Mexico: uncertainty indicators, geopolitical risks and sovereign ratings

1 NEWS-BASED INDICATORS



2 SOVEREIGN RATINGS



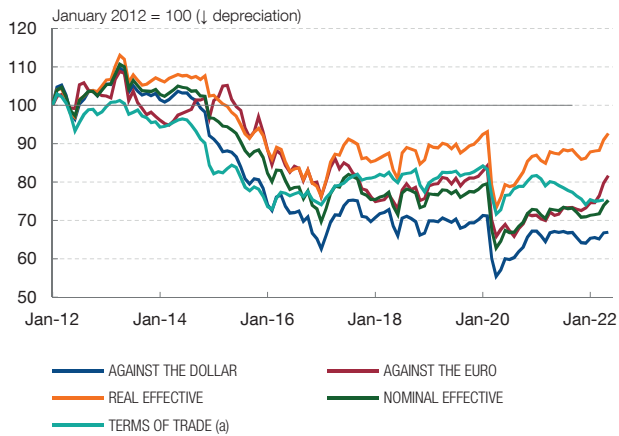
SOURCES: Banco de España, D. Caldara and M. Iacoviello (2021), "Measuring Geopolitical Risk", *American Economic Review*, April, Vol. 112(4), pp. 1194-1225, C. Ghirelli, J. Pérez and A. Urtasun (2021), "The spillover effects of economic policy uncertainty in Latin America on the Spanish economy", *Latin American Journal of Central Banking*, Vol. 2(2), Moody's, Standard and Poor's and Fitch.

- a The Economic Policy Uncertainty (EPU) index is constructed drawing on the local press using words related to uncertainty over economic policies, based on the methodology of S. Baker, N. Bloom and S. Davis (2016), "Measuring economic policy uncertainty", *Quarterly Journal of Economics*, Vol. 131(4), pp. 1593-1636.
- b The Geopolitical Risk (GPR) index is a measure of adverse geopolitical events based on a survey of newspaper articles in the English-speaking press covering geopolitical unrest.

Chart 4

Mexico: exchange rates, stock market, financial conditions and financial stress

1 EXCHANGE RATES OF THE MEXICAN PESO



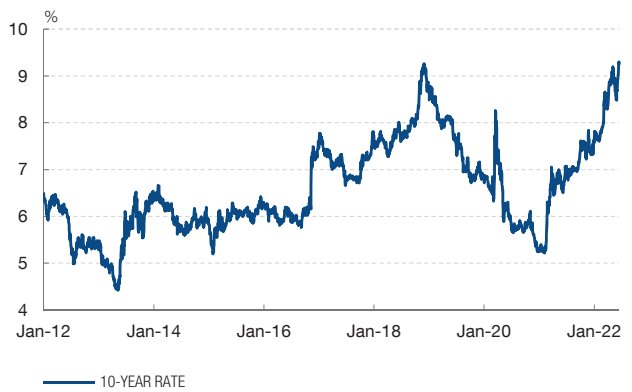
2 STOCK EXCHANGE INDEX



3 SOVEREIGN SPREAD



4 LONG-TERM INTEREST RATE IN MEXICAN PESOS



5 FINANCIAL CONDITIONS INDEX



6 FINANCIAL STRESS INDEX



SOURCES: Banco de España and Thomson Reuters.

- a Ratio between export prices and import prices.
- b Prepared using a principal component methodology drawing on changes in the stock market, short and long-term interest rates, the price of commodities and exchange rate fluctuations.
- c Prepared on the basis of the volatilities and spreads of six market segments, standardised and grouped discounting any cross-correlations.

