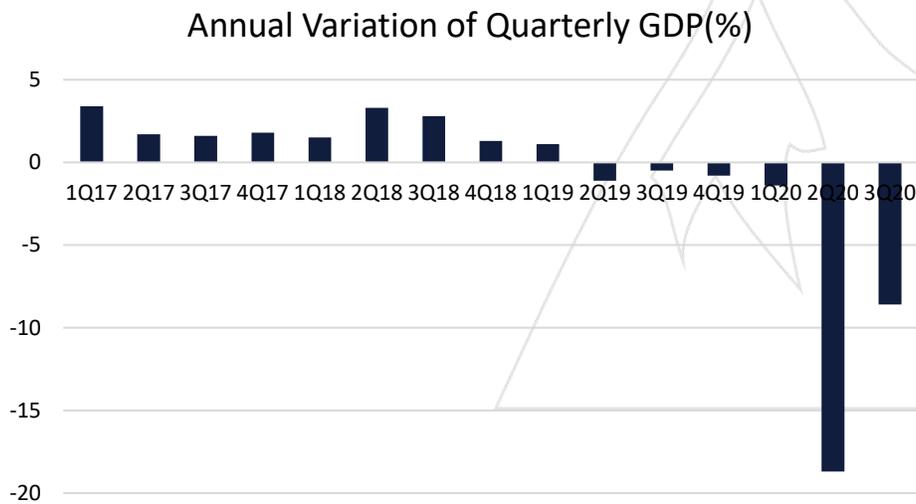


MACROECONOMIC ANALYSIS MEXICO: Gross Domestic Product in Mexico During the Third Quarter of 2020

The INEGI published this Wednesday the results of the Quarterly Gross Domestic Product (GDP), in which it reports that, in the third quarter of the year, the economy contracted 8.6% compared to the previous year as a result of the pandemic by COVID-19.

The Gross Domestic Product in the third quarter of the year rebounded 12.1% compared to the previous quarter, the largest quarterly advance on record, but it still remains with a contraction in its comparison with the previous year, with which it ran 6 consecutive quarters with negative annual figures.

The recovery occurs after a historical drop of 18.7% in the second quarter, caused by the closure of productive activities due to the COVID-19 pandemic.



By components, these were the variations compared with the same period of the previous year:

- ▲ Primary economic activity: 7.4%
- ▲ Secondary economic activity: -8.8%
- ▲ Tertiary economic activity: -8.9%

The current level of Quarterly GDP is at levels similar to those shown in 2014. Given the low government spending, which limits its ability to reactivate growth in the short term, we expect a very gradual recovery of the economy to continue for the fourth quarter of the year, expecting it to possibly continue in negative territory in an annual comparison. This recovery may be affected by the acceleration of the COVID-19 pandemic in the region.

Source: https://www.inegi.org.mx/contenidos/saladeprensa/boletines/2020/pib_pconst/pib_pconst2020_11.pdf