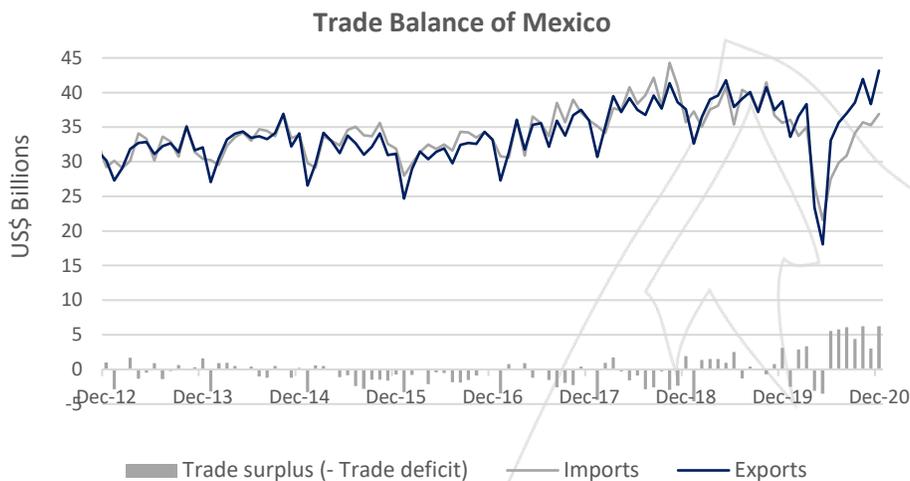


MACROECONOMIC ANALYSIS MEXICO: Trade Balance

The INEGI published this Thursday the report of the timely information on the Trade Balance for the month of December.

During December, exports from Mexico increased by 11.5% compared to the previous year, showing improvement from the growth of previous months (2.3% in November, +2.9% in October and +3.7% in September).

Imports had an increase of 3.7% compared to the previous year, mainly due to the increase in non-oil imports.



The Trade Balance of merchandise registered a new surplus of US\$6,262 million in December, showing a surplus greater than that observed in previous months. (US\$ 3,032.5 million in November, US\$6,223.8 million in October and US\$4,384.7 million in September).

We observe a gradual improvement in Mexico's trade balance after an economic reactivation plan of the "new normal" began on June 1 and in July the new Agreement between Mexico, the United States and Canada (T-MEC) became effective.

Mexico registered a record trade surplus of US\$34,476 million in 2020, the highest recorded since 1993 according to data from Banxico. Despite the fact that in the annual accumulated, Mexico exported US\$417,670.3 million, 9.3% less than in the previous year, and imports of US\$383,193.9 million, a drop of 15.8% compared to the previous year.

In our opinion, we see a significant weakness in imports before the pandemic derived from lower purchasing power in Mexico compared to external demand for domestic goods, so we expect the Trade Balance to continue to show a surplus in the following months.

Source: https://www.inegi.org.mx/contenidos/saladeprensa/boletines/2020/balcom_o/balcom_o2020_12.pdf