

BROOKINGS

QUALITY. INDEPENDENCE. IMPACT.

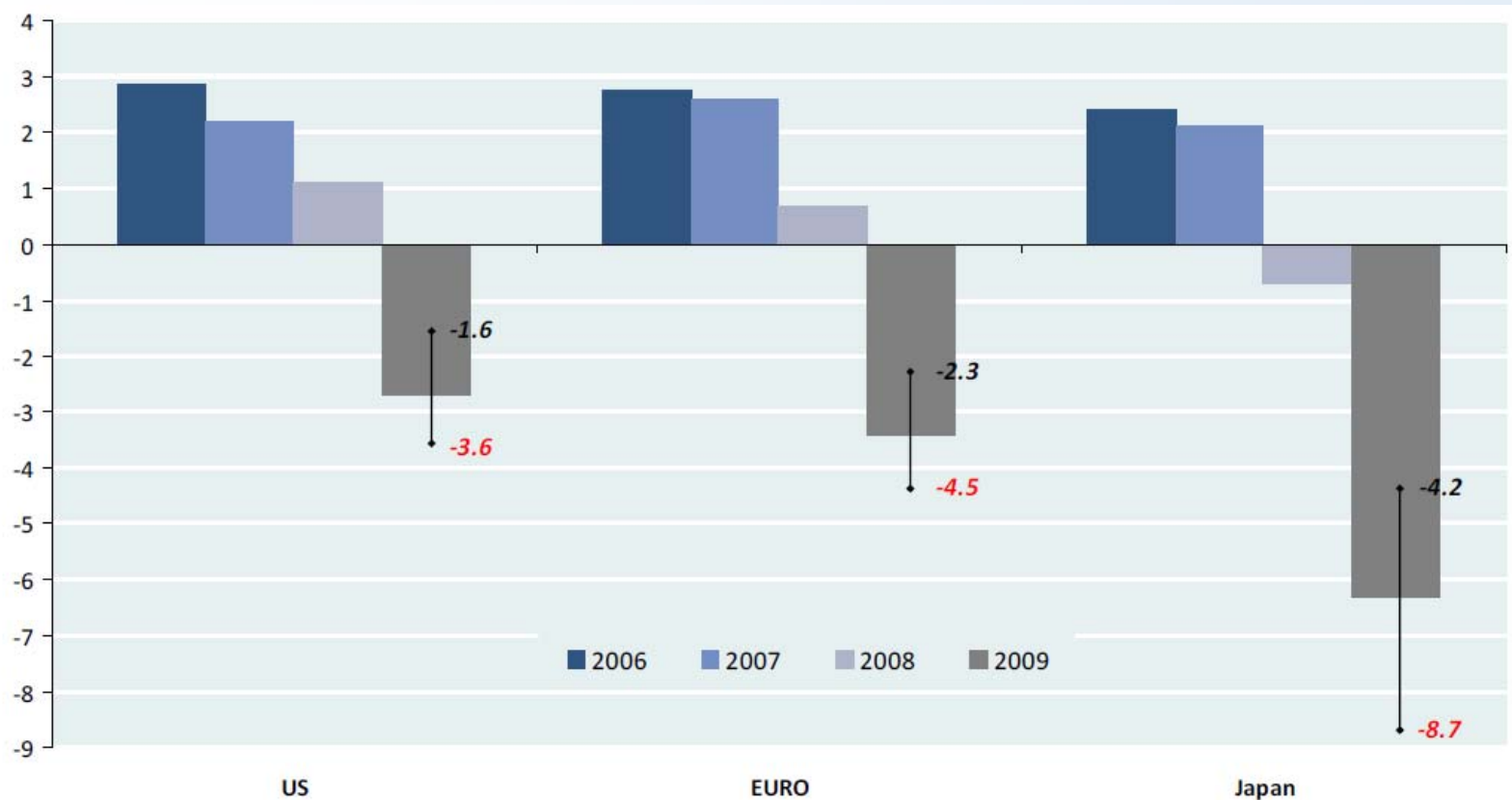
Mexico's Economy: How Bad are the News?

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Gloomy and uncertain forecasts for core economies

Recent Growth and Forecasts for 2009
annual GDP real growth rate, in %



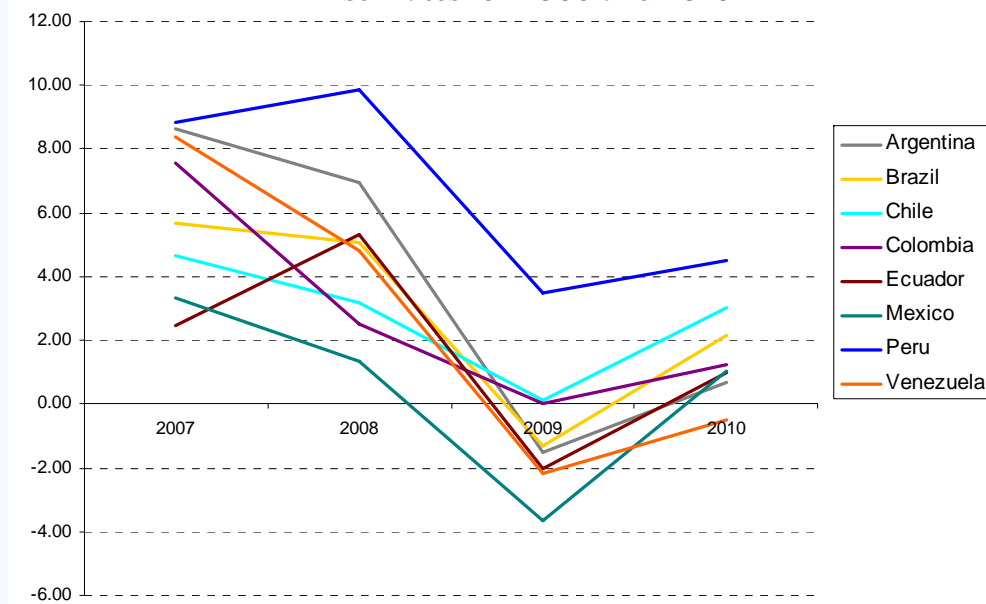
Latin America: variable impact

2009 GDP growth projections

	RGE April 2009	JP Morgan March 2009	WEO April 2009
Argentina	-1.8%	-3.0%	-1.5%
Brazil	-1.4%	-1.4%	-1.3%
Chile	-0.4%	-1.5%	0.1%
Colombia	-0.7%	0.5%	0.0%
Mexico	-4.6%	-4.0%	-3.7%
Peru	2.8%	3.5%	3.5%
Venezuela	-2.0%	-0.5%	-2.2%
Latin America	-2.1%	-2.2%	-1.5%

Sources: RGE Monitor, JP Morgan, and IMF.

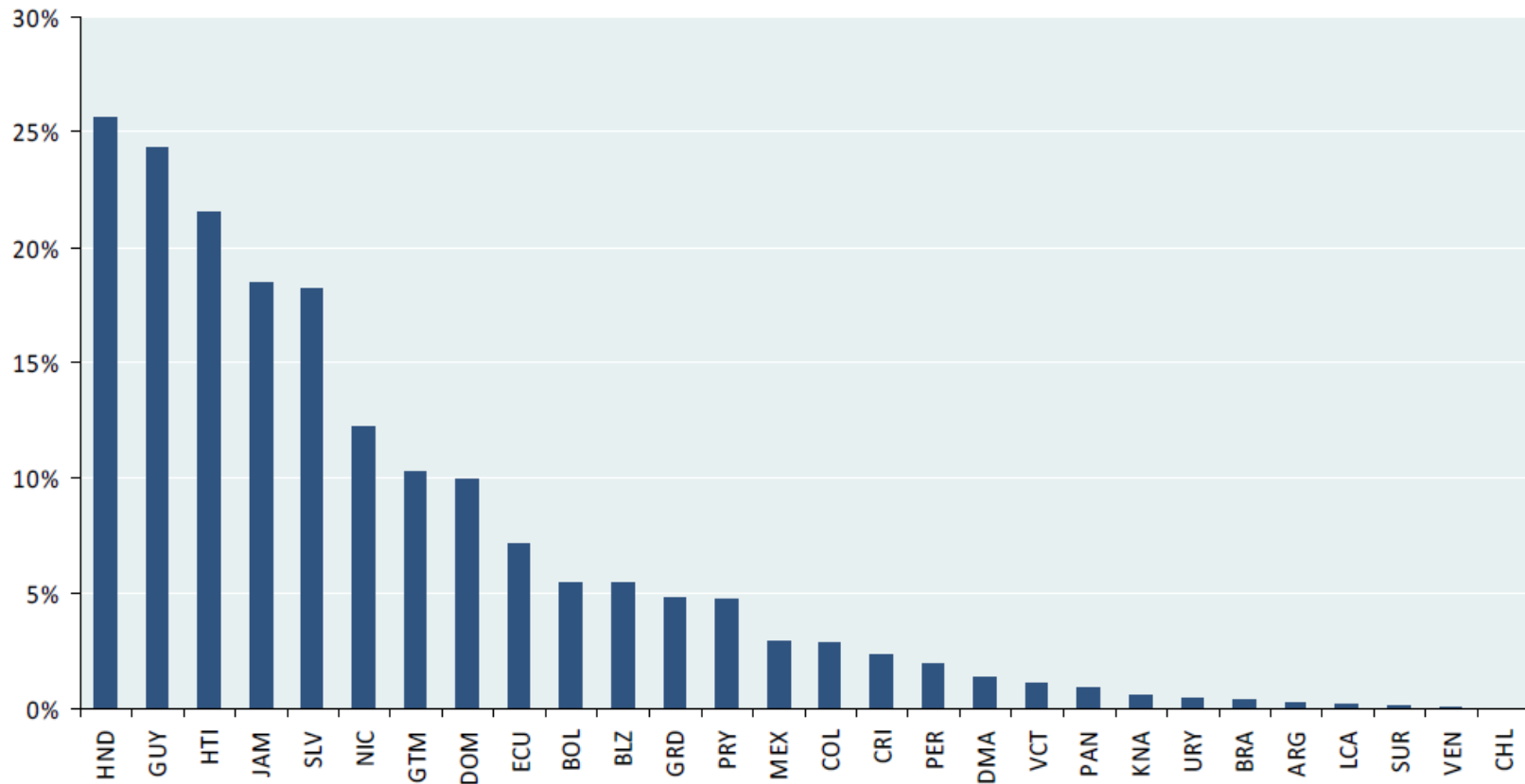
GDP (annual percentage change) Estimates for 2009 and 2010



Source: IMF, April 2009.

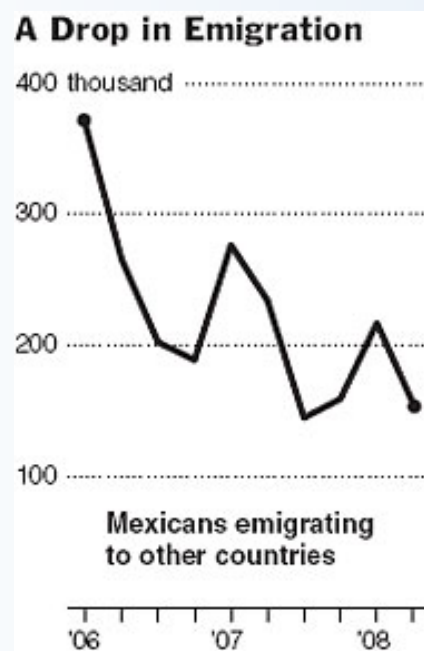
Remittances are important, but other countries are suffering more than Mexico

Remittances to LAC in 2006
(Remittances inflows as % of GDP)



As jobs in the U.S. dry up, so does emigration

Mexican emigration to other countries

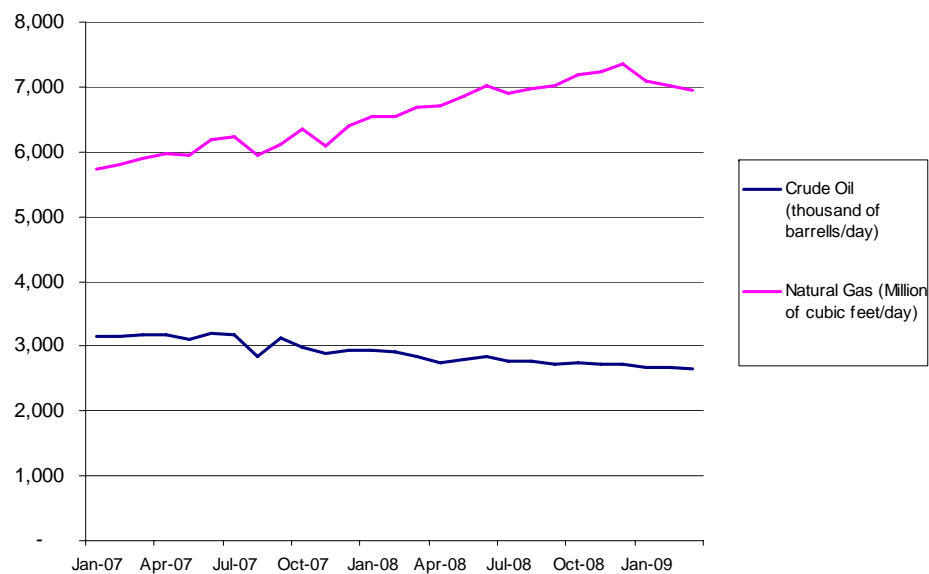


Sources: Mexico's National Statistics, Geography and Information Institute; Jeffrey S. Passel, Pew Hispanic Center

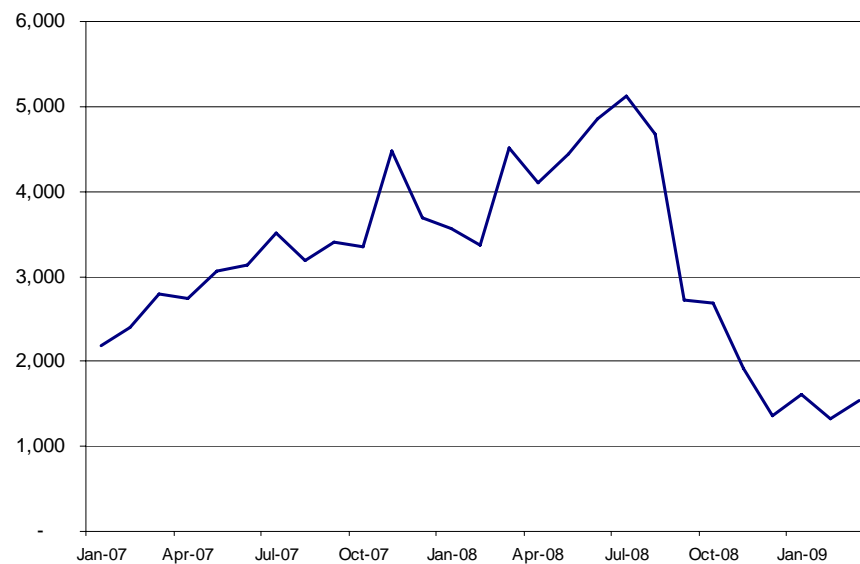
THE NEW YORK TIMES

Troubled oil exports

Production of oil and gas

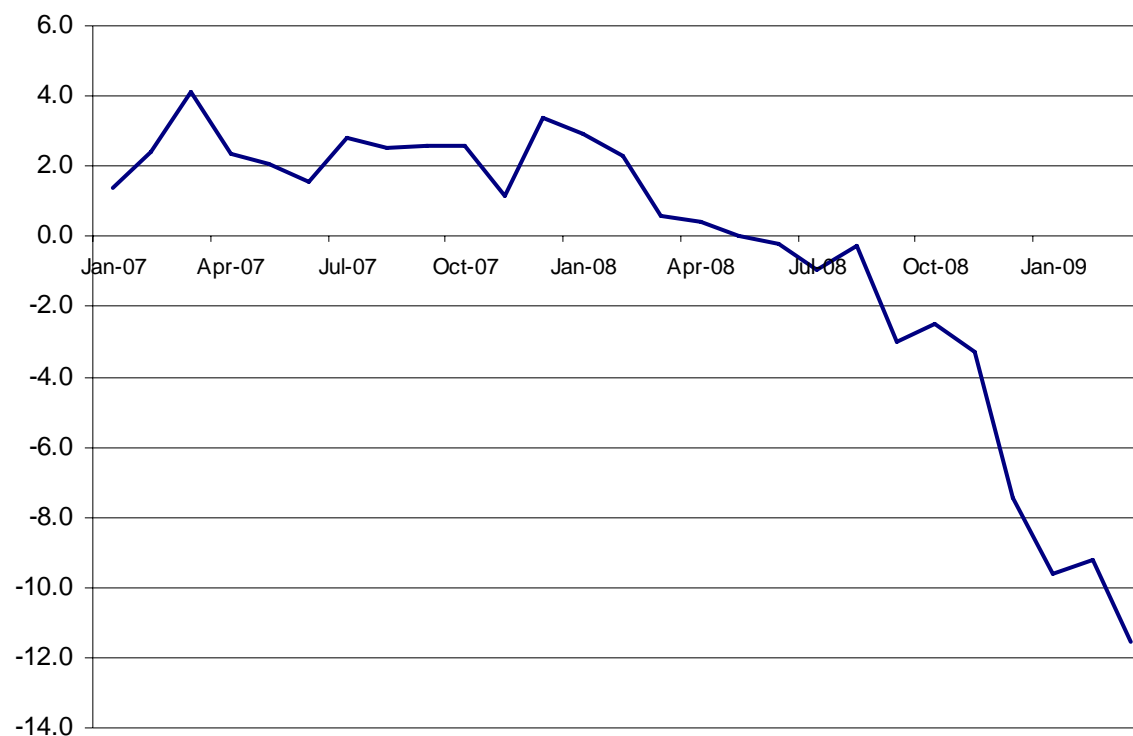


Value of crude oil exports (million of dollars)



Steep declines in industrial production

Industrial Production in Mexico
Annual % change*

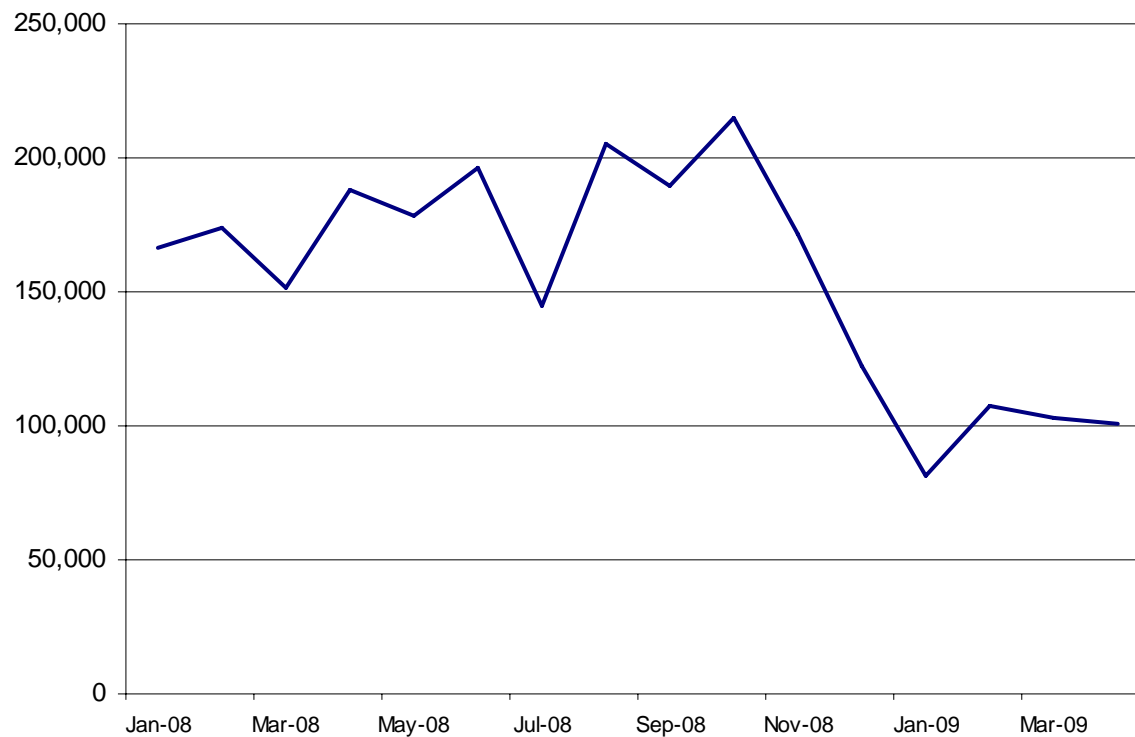


*deseasonalized figures

Source: INEGI.

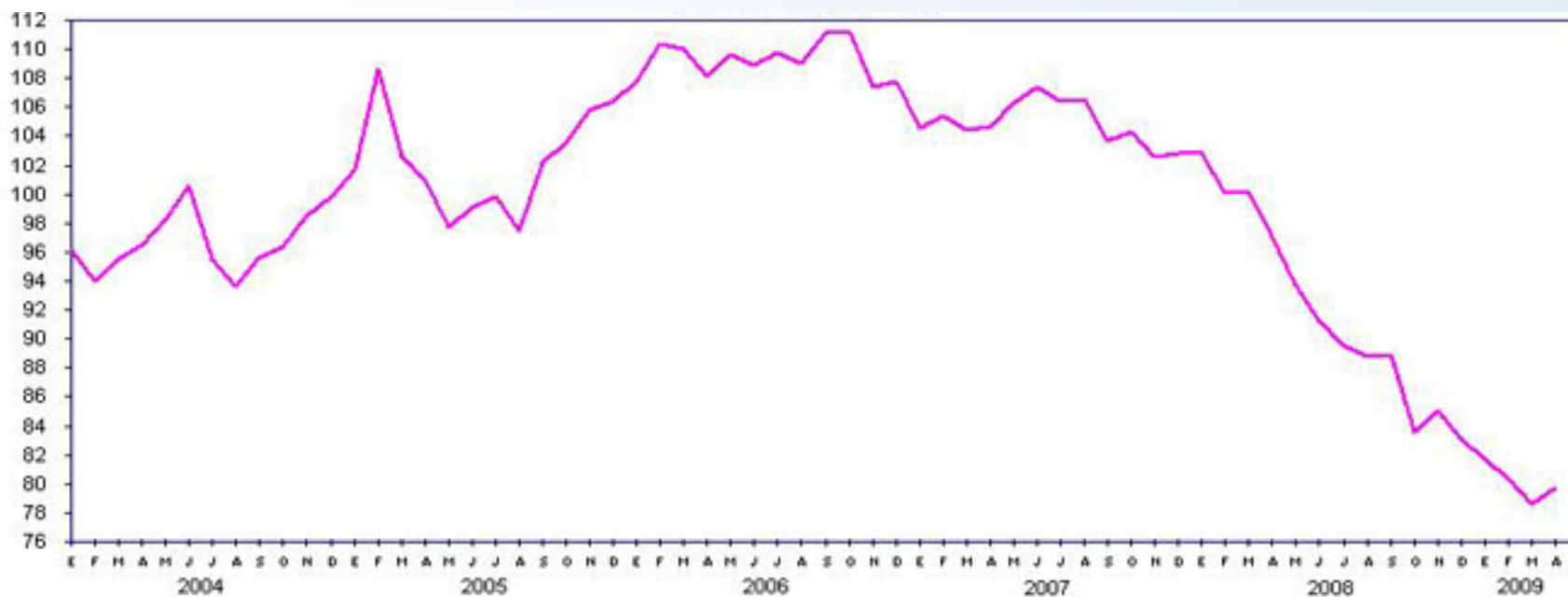
Feeling Detroit's pain

Automotive Production in Mexico
units



Nervous consumers

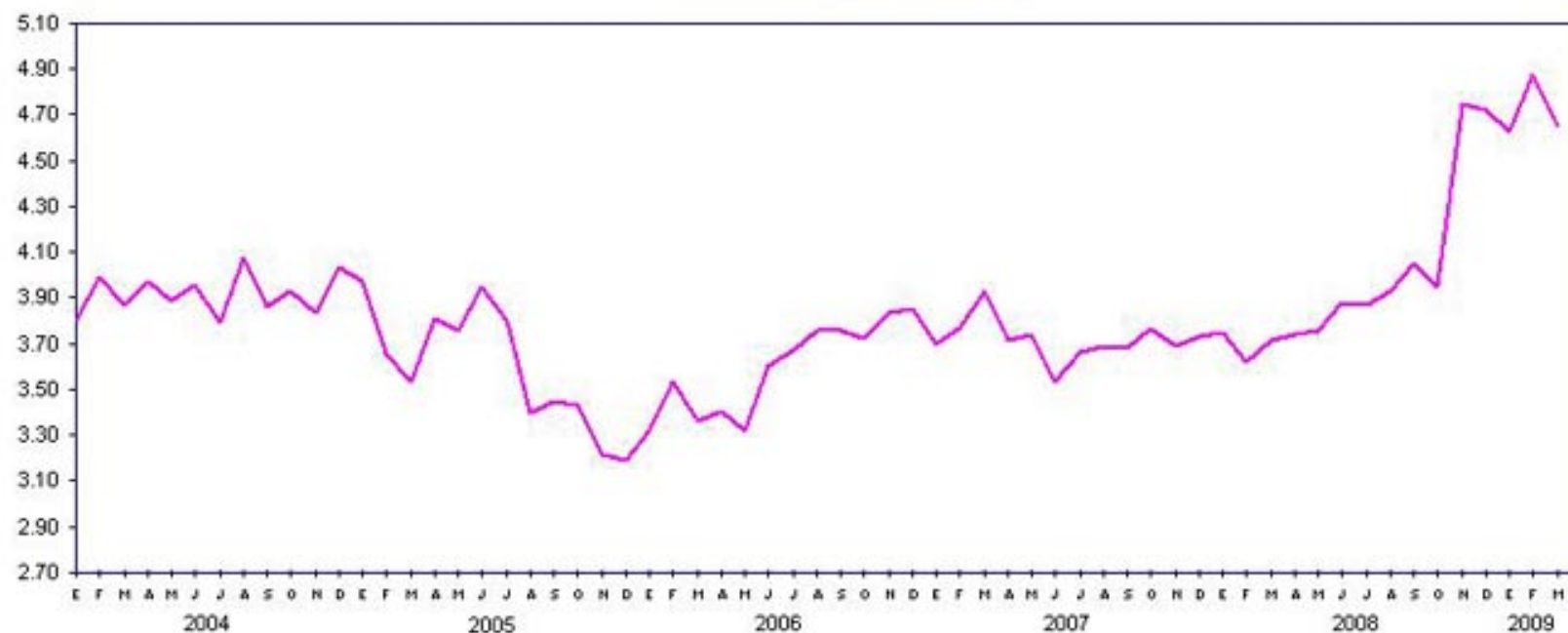
Consumer Confidence Index
(January 2003 = 100)



Source: INEGI.

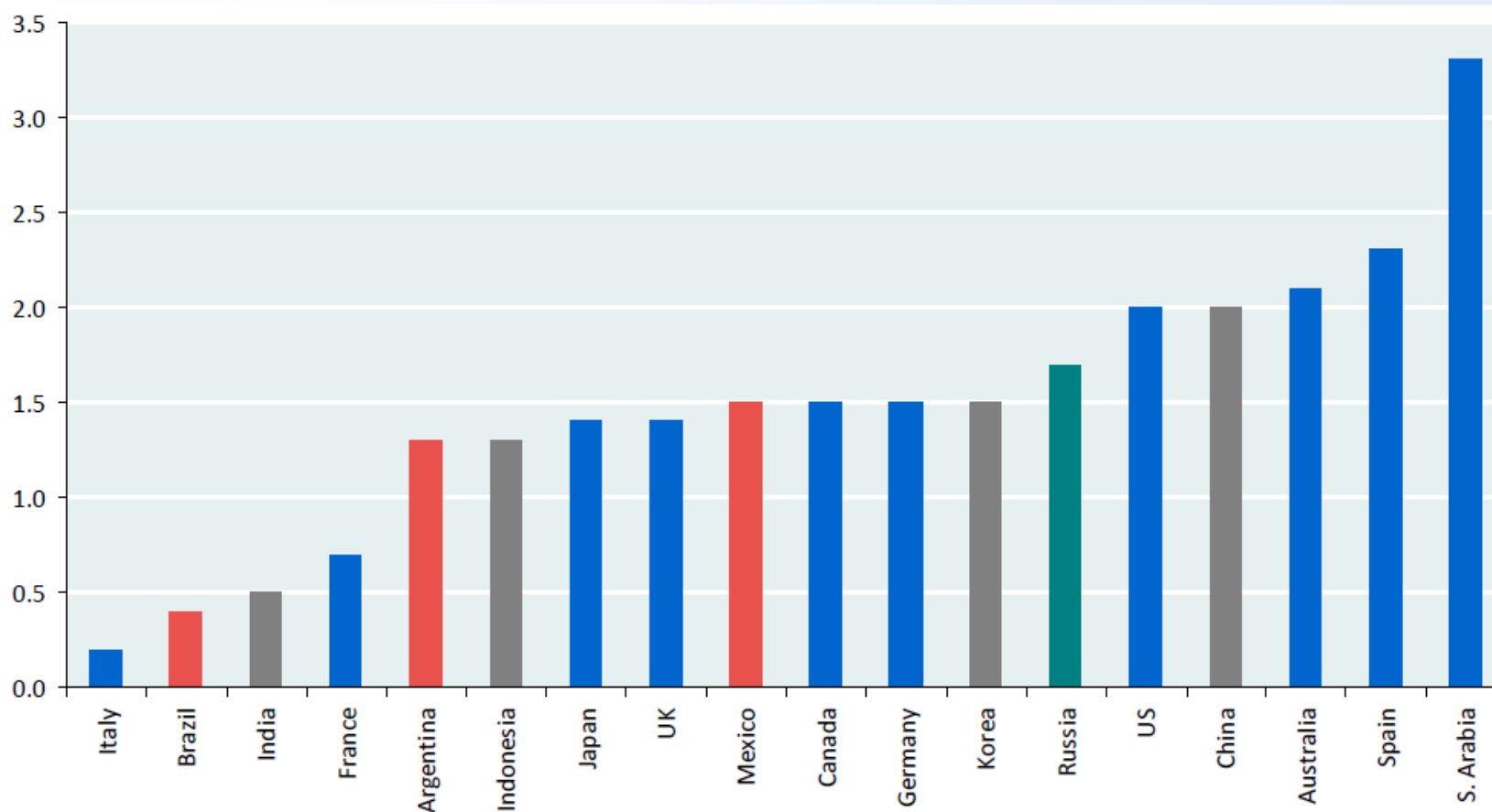
2.3 million Mexicans lost jobs in Q1 2009

Unemployment
(Percent of the EAP)



Mexico's stimulus package: 1.5% of GDP

Estimated Cost of Fiscal Discretionary Measures in 2009
as % of GDP



Slashing rates: 300bp since Dec 2008

Interest Rate and Inflation
(variation (%) YoY)

