

## Mexico

**Composite Rating:** BBB

**Bond:** Mex 4.125 26

**Outlook:** Stable

### Country Overview

- Mexico, the second largest economy in Latin America and among the world's top 15, generated an estimated GDP of USD 1.79 trillion in 2023. (World Bank, 2023).
- While the World Bank classifies Mexico as an “Upper-Middle Income, Developing” economy with a per capita GDP of USD 24,766.6 (2023), MSCI's 2024 Market Classification Review designates it as an Emerging Market, indicating that it is adequate but still developing.
- Though a net importer, Mexico boasts a robust export sector, primarily in petroleum, digital processing units, and automobiles, which generated approximately USD 82.8 billion in revenue (WITS, 2022). This economic activity is largely fueled by the services sector, contributing roughly 60% to GDP, and an increasingly skilled, yet affordable, workforce (Global Finance Magazine, 2024).

### Macro Fundamentals

- Mexico has a strong fiscal track record, attaining consistent fiscal targets and maintaining low public debt. High tax revenues allow for breathing room to prudently allocate funds to address key socioeconomic sectors such as education, infrastructure, and the fight against corruption (OECD, 2024)
- Private Sector Analysts expect the country's economic growth rate to sit at 1.00% by the end of 2025 and 1.12% for 2026 (Reuters, 2025).
- Recent data show Mexico's debt-to-GDP figures at 45.3% for 2023, a slight uptick from the previous year's 44%, and 44.9% for 2021 (World Bank, 2023).

### Risk & Catalysts

- The Mexican economy is heavily reliant on the US economy, which constitutes 75% of its total exports. Any additional increase in tariffs may have a significant repercussion on the US economy.
- There is a possibility of increased fiscal deficits given the rising financing needs associated with Pemex.

## Key Macro Indicators

	2022	2023	2024	2025 (f)
Real GDP Growth	3.7	3.2	1.5	1.3
GDP per Capita (US\$, Thousands)	11.26	13.64	13.97	13.63
Inflation, Average	7.9	5.5	4.7	3.8
Unemployment Rate (% of the Labor Force)	3.3	2.8	3.0	3.3
Current Account Balance (US\$, Billions)	-17.6	-5.48	-13.7	-15.5
General Government Fiscal Balance (% of GDP)	-4.3	-4.3	-5.9	-3.5

Table 1. Key Macro Indicators, retrieved from <https://www.imf.org/external/datamapper/profile/MEX>

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