



Economic Activity Observatory

February 24, 2009

Trade Deficit in January of US\$ 1.558 billion, lower than expected

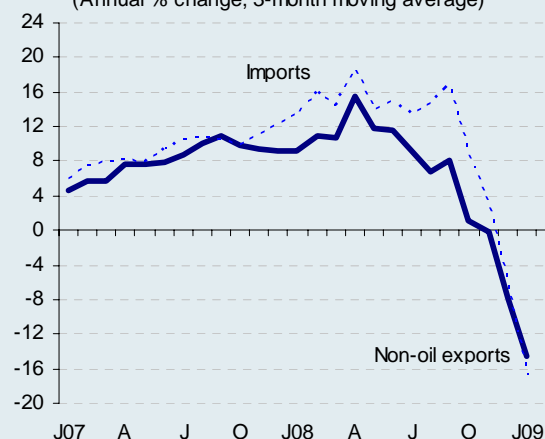
- The January Trade Balance surprised when it registered a deficit of (-)US\$1.56 billion (consensus of -US\$2.31 billion), representing an 11.68% decrease compared to January 2008.
- Exports fell -31.5%, due to the reduction in manufacturing, which decreased and represents 82.9% of the total, and in oil, which fell -54.2% and represents 12.5% of the total.
- The contraction in external demand was generalized by region, with a particular emphasis in the automobile industry and oil.
- Imports were lower by -30%, mainly due to the reduction in the purchases of intermediate goods that decreased 30.1% and represent 71.3% of imports in the month, and energy products, which were reduced (-)49.3%, although they only represent 5.18% of the total.
- The contraction in imports, more pronounced than expected, caused a lower deficit.
- The expectation of a softer slowdown in imports implied that the deficit would expand. However, the abrupt decline in purchases abroad indicated that domestic demand has deteriorated to a greater extent than anticipated.
- Outlook: The global recession is being transmitted to the trade balance in a contraction of the trade volume, and pressure on oil prices.

Trade Balance, 2009

	Jan-08	Jan-09	Jan-08	Jan-08
	(US million)		(Annual % chge)	
Total exports	22,233.0	15,231.5	17.0	-31.5
Oil	4,167.7	1,908.0	59.2	-54.2
Crude oil	3,563.7	1,593.8	63.6	-55.3
Other	604.0	314.1	37.4	-48.0
Non-oil	18,065.2	13,323.6	10.3	-26.2
Agriculture	766.1	690.9	8.4	-9.8
Mining	173.4	98.3	105.4	-43.3
Manufacturing	17,125.8	12,534.4	9.8	-26.8
Total imports	23,996.5	16,789.1	16.1	-30.0
Consumer goods	3,959.4	2,209.6	30.3	-44.2
Intermediate goods	17,122.1	11,965.4	13.4	-30.1
Capital goods	2,915.0	2,614.1	15.0	-10.3
Trade balance	-1,763.5	-1,557.6	0.0	-11.7
Without oil exports	-5,931.3	-3,465.5	38.1	-41.6

Non-oil Exports vs. Total Imports

(Annual % change, 3-month moving average)

Non-oil Exports
to Different Markets in January 2008

(Percentage)

	Participation	Annual % chge
Total	100.00	-26.3
U.S.	80.88	-26.1
Automobile	12.73	-50.0
Other	68.16	-18.9
Rest of the world	19.12	-26.8
Automobile	2.89	-51.4
Other	16.23	-19.5

Source: BBVA Bancomer with INEGI data

Imports

(Annual % change, 3-month mov. ave.)

