



GDP Observatory

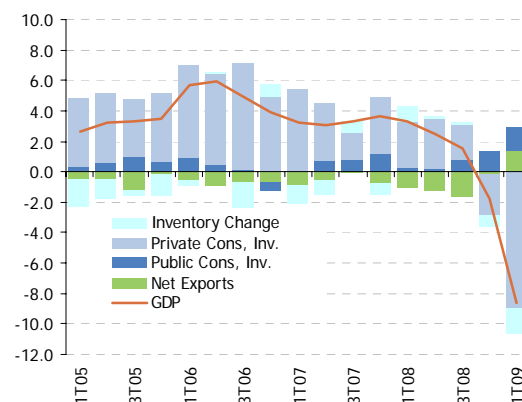
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In 1Q09, there was an increase in the negative contribution of private components to domestic demand, partially compensated by the positive contribution of public components and foreign demand.

- The drop in private components of demand, consumption and investment became more intense in the first quarter. The drop in private consumption was especially intense, -5.8% for the quarter and -9.1% for y-o-y, as a result of available household income, which is a reflection of the trend in real payrolls. Private investment fell 14% with respect to a year ago, influenced by lower expectations of business activity and profit and uncertainty regarding financial and exchange variables in the first months of this year.
- In contrast, there was a notable increase in consumption (expense) by the government and particularly in investment in the public sector. The latter approached 29% y-o-y in real terms, with three straight quarters at high levels of investment (and average of 26% in the last three quarters). The significant positive contribution of expense and investment in the public sector are coherent with the antycyclic programs announced since the end of last year.
- Lastly, the contribution of net foreign demand was positive as a result of an important adjustment of imports versus exports of goods and services. It is noteworthy to mention that although the source of the current crisis is to be found in a reduction of foreign demand, intermediate import goods and consumer goods components have fallen at a faster rate in recent periods.
- It should be noted that the capacity of putting antycyclic programs into place is a positive element that reflects the soundness of public finances as regards accrued liabilities. However, the effect of the measures announced is surpassed by far by the magnitude of the adjustment in private demand components.
- The intense adjustment that is taking place as regards expense in the private sector of the economy, the perspective of gradual recovery of foreign demand, the current limits for the implementation of additional fiscal stimulation measures and the economic impact of the influenza outbreak provide a scenario of slow recovery of the Mexican economy, beginning after the second quarter of 2009.

Julián Cubero
juan.cubero@bbva.bancomer.com
 Cecilia Posadas
c.posadas@bbva.bancomer.com

GDP & Contributions to Growth*
(yoy % & pts)



	GDP: Supply & Demand (yoy%, SA)						yoy%	Contribution
	2007	2008	mar-08	jun-08	sep-08	dic-08		
GDP	3.3	3.3	3.3	2.5	1.5	-1.7	-8.6	-8.6
Total Demand	4.2	4.2	5.1	4.0	3.0	-3.4	-11.9	-15.3
Internal	0.8	0.8	3.2	3.4	3.0	-0.7	-7.6	-8.2
Consumption	0.8	0.8	3.1	2.1	1.7	-1.1	-7.7	-6.8
Private	2.1	2.1	3.5	2.3	1.9	-1.3	-9.1	-7.1
Public	3.9	3.9	1.1	1.1	0.2	0.1	2.2	0.3
Investment	7.2	5.0	3.3	8.2	7.9	0.6	-7.4	-1.4
Private	5.9	2.0	3.4	9.5	5.2	-10.1	-14.1	-2.8
Public	11.5	13.2	3.4	2.2	16.8	30.2	29.4	1.4
Exports	-41.9	-41.9	8.0	5.2	2.3	-8.9	-20.9	-7.2
Imports	6.9	6.9	10.6	8.6	7.2	-7.7	-22.5	-8.7
Net Exports								1.5

SA: Seasonal Adjusted

Change in inventories are not considered.

	GDP: Supply & Demand (qqq%, SA)				
	mar-08	jun-08	sep-08	dic-08	mar-09
GDP	1.2	0.2	-0.6	-2.5	-5.9
Total Demand	1.9	-0.1	0.1	-5.2	-7.1
Internal	1.8	0.3	-0.4	-2.4	-5.3
Private Cons.	2.3	-0.8	-0.6	-2.2	-5.8
Public Cons.	-1.5	0.7	0.3	0.5	0.7
Investment	1.6	3.3	0.0	-4.3	-6.4
Private	0.4	2.4	-4.2	-8.6	-4.1
Public	0.0	8.1	13.8	5.9	-0.6
Exports	2.2	-0.9	-0.2	-9.9	-11.2
Imports	4.0	-0.2	1.0	-11.9	-12.7

SA: Seasonal Adjusted