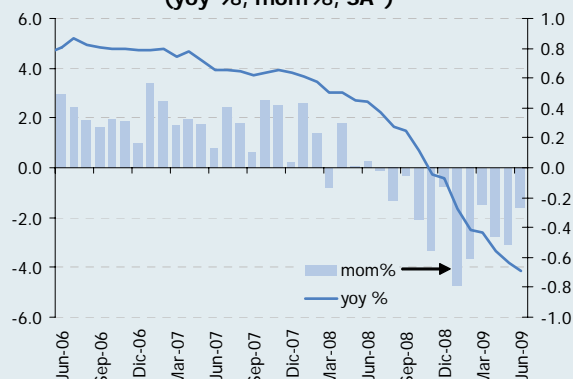




Employment continued to fall in June, although at a lower rate than in April and May

- Formal private employment increased by 19.2 thousand people in June, a growth rate of 0.1%. Once seasonal factors are taken into account, this represents a fall of 0.3%; however, this is lower than the rates in April and May and close to the average for the first five months of the year (-0.5%). The year-on-year change was -4.1%, which equates to almost 600 thousand fewer jobs than in June 2008.
- The health crisis at the end of April and during the first 10 days in May had an impact throughout the whole productive process, but in particular in the most manpower intensive activities - services. This sector accounts for around 62% of total employment, and is continuing to report negative monthly changes with no clear improvements for the most important component -permanent employment- which helps to explain the slow improvement in the labor market as a whole. One sector which has been strongly affected by the health emergency is tourism, which in June did not show any clear signs of recovery in employment, which is still around 6% lower than the same period last year.
- In manufacturing industry the fall was only marginal; however, the trend has continued for 18 months and this sector is the most heavily affected by job losses.
- The most recent information on tourist demand shows a slow but sustained recovery from the impact of the health emergency, which is a good sign as the high season for tourism approaches. However, the improvement in the labor market as a whole will only take place when there is a sustained increase in demand led by exports.

Total Private Employment
(yoy %, mom%, SA¹)



¹ SA with Tramo-Seats
Source: BBVA based on IMSS

Annual Employment Evolution

(IMSS, net creation, thousands. June09)

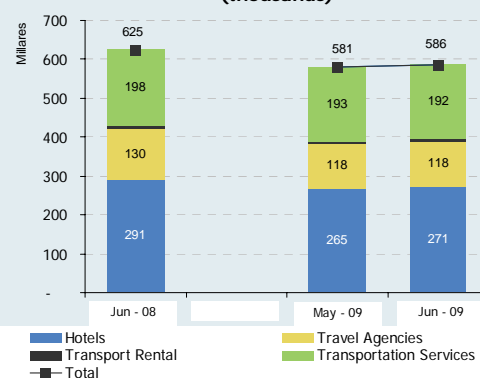
	June		yoy%		mom%
	Thous.	May	June		
Total	13,793.8	-563.9	-596.2		19.2
Agriculture	347.3	-4.7	-3.9		0.2
Industry	4,830.2	-536.9	-532.2		1.2
Mining	98.8	2.7	4.3		1.8
Manufactures	3,446.4	-422.7	-425.7		-15.1
Construction	1,113.4	-123.2	-116.1		14.4
Electric	171.7	6.3	5.4		0.1
Services	8,616.3	-22.3	-60.2		17.8
Commerce	2,829.2	-14.0	-16.4		2.8
Transport	741.0	-26.7	-28.1		0.2
Professional Servs.	3,300.5	-34.7	-79.7		10.2
Social Services	1,745.6	53.1	64.0		4.6

Source: BBVA Bancomer & IMSS

Forecast Evaluation: June
yoy%

	Forecast	Actual	Error / St. Dev.
Total	-3.9	-4.1	-0.3
Agriculture	-1.3	-1.1	0.1
Manufactures	-10.9	-11.0	-0.1
Construction	-10.1	-9.4	0.4
Other Industries	3.5	3.7	0.4
Services	-0.3	-0.7	-0.7

Employment in Tourist Sector
(thousands)



Source: IMSS