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Latam Daily: Mexico's Trade Surplus Shrinks in March

- Mexico: Lower non-oil exports in March result in smaller trade surplus

MEXICO: LOWER NON-OIL EXPORTS IN MARCH RESULT IN SMALLER TRADE SURPLUS

According to data released by the [INEGI](#) statistical agency on April 27, the trade balance recorded a surplus of USD 198.7 mn in March, down from USD 1,293 mn in February. Exports totaled USD 52.0 bn (chart 1), equivalent to a 20.9% annual increase, driven by a 67.5% rise in oil exports, in line with higher international energy index prices. Non-oil exports rose 18.4% y/y in March, down from 26.5% y/y in February, while manufacturing exports moderated from a 27.7% y/y increase in February to a gain of 19.9% in March. Imports jumped 12.7% y/y in March, to USD 51.8 bn (chart 1 again), driven by a 37.4% increase in consumer goods (3.95% previously), together with a 13.3% y/y rise in imports of capital goods (12.6%), and a 9.4% increase in intermediate goods imports (35.8%).

On a monthly seasonally-adjusted comparison, exports fell -2.71% m/m from 16.0% m/m in February (following a resumption in trade after the pause caused by supply chain disruptions from the omicron variant), while imports moderated from 9.3% m/m to 1.0% m/m.

Looking ahead, downside risks prevail in both non-oil exports and imports due to disruptions in global supply chains. In this sense, trade during the second quarter might suffer adversely from China lockdowns. Moreover, although the conflict in Europe doesn't directly affect Mexico's trade volume, the possibility of escalation in the conflict, both in duration and its geographical extension, poses another important risk for trade in the rest of the year.

—Miguel Saldaña

Chart 1



Sources: Scotiabank Economics, INEGI.

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