SUPPLY WISDOM

IMPACT LEVEL: High

Update 18: Mexico - Economy Contracts by 1.4% in Q1 2020, Largest Decline Since 2009 Amid COVID-19 Pandemic

- Mexican economy contracted by 1.4% in Q1 2020 compared to the same period in 2019
- GDP decreased by 1.2% compared to Q4 2019
- This annual fall is highest since the fourth quarter of 2009, year of global financial crisis
- Reason is attributed to COVID-19 pandemic that affected tourism, stock markets, and caused depreciation of currency
- According to International Monetary Fund (IMF), Mexico will be third most affected Latin American economy, after Venezuela and Belize
- As of now, Mexico reported 74,560 confirmed COVID-19 cases and 8,135 deaths
- Supply Wisdom is continuously monitoring the situation and will alert you to any relevant developments
- Please consult National Institute of Public Health (https://www.insp.mx/) for latest information on COVID-19 in Mexico

Source(s)

https://gestion.pe/economia/pbi-de-mexico-cayo-en-el-primer-trimestre-un-14-menos-de-lo-previsto-nndc-noticia/?ref=gesr
https://www.infobae.com/america/mexico/2020/05/27/covid-19-en-mexico-el-numero-de-muertes-ascendio-a-8134-y-los-casos-positivos-suman-74560/
https://www.milenio.com/negocios/pib-mexico-cae-1-4-trimestre-2020-inegi

Targets Affected:

Mexico - Mexico City

Guidance

Actions to consider:

- Consider implementing suggested actions related to 'Negative Impact on Economy' under the 'COVID-19: Actions to Consider' section below / next page

Related Alerts

May 21, 2020 High

Update 17: Mexico City - Businesses to Resume Starting June 1 Despite Increase in COVID-19 Infections

May 14, 2020 High

Update 16: Mexico - Plans to Reopen Businesses from May 18 to Aid Economy amid COVID-19 Pandemic

May 8, 2020 High

Update 15: Mexico City - Plans to Gradually Resume Businesses from June 2020 Amid COVID-19 Pandemic

May 1, 2020 High

Update 14: Mexico - Economy Shrinks Amid COVID-19 Pandemic

April 28, 2020 Immediate

Update 13: Mexico - Confirms 852 New COVID-19 Cases, Totaling 15,529

April 24, 2020 Immediate

Update 12: Mexico City - New Restrictions Imposed Amid Phase 3 Transmission of COVID-19 Pandemic

April 22, 2020 Immediate

Update 11: Mexico - Declares 'Phase 3' of COVID-19 Pandemic as Confirmed Cases Increase to 8,772

April 21, 2020 Immediate

Update 10: Mexico - Extends COVID-19 Border Restrictions with United States Until May 19, 2020

April 17, 2020

Immediate

Update 9: Mexico - COVID-19 Restrictions Extended Until May 30, 2020

April 10, 2020

Immediate

Update 8: Mexico - 3,441 Confirmed COVID-19 Cases; Authorities Expect Cases to be Eight Times Higher

April 2, 2020

High

Update 7: Mexico - Economy Expected to Contract by 3.9% Amid COVID-19 Pandemic

April 1, 2020

Immediate

Update 6: Mexico City, Mexico - Announces Closure of 90% Non-Essential Businesses, Effective from April 1, 2020 to April 30, 2020

March 31, 2020

Immediate

Update 5: Mexico - Declares Health Emergency as More Than 1,000 Confirmed COVID-19 Cases Reported

March 28, 2020

Immediate

Update 4: Mexico - COVID-19 Cases Rise to 717

March 25, 2020

Immediate

Update 3: Mexico - Suspends Public and Private Gatherings for a Month Amid Local Transmission Phase of COVID-19

March 24, 2020

High

Update 2: Mexico - Losses in Micro and Small Businesses Amount to ~US$1.3 B Due to Coronavirus Pandemic

March 17, 2020

Immediate

Update 1: Mexico - Steep Rise in Coronavirus Infection Cases

March 2, 2020

Low

Mexico - Coronavirus Infection Cases

Jan. 23, 2020

Low

Mexico - Health Alert in Place as Coronavirus Spreads

Impact level Definitions

Impact Level	**Definitions**
Immediate	**Certain** - Supply Wisdom recommends considering prompt action. Examples of Immediate level alert events may include bankruptcy filings, data breaches, unexpected curfews, strikes, power black-outs, major geo-political events etc.
High	**Highly likely to occur in the near term (within 3 months)** - Supply Wisdom recommends being in a state of readiness to take quick action. Examples of High level alert events may include withdrawal of rating by ratings agencies, hostile takeover, multiple cyber-attacks, new business policies causing significant hardship etc.
Medium	**Likely to occur in the mid-term (within 3 to 6 months)** - Supply Wisdom recommends reviewing current mitigation steps and being ready to take proactive actions if and when situation deteriorates further. Examples of Medium level alert events may include unplanned C-level exits, suppliers caught in bribery cases, economy slipping into recession.
Low	**Possible in the long-term (after 6 months)** - Supply Wisdom recommends taking proactive action if situation does not resolve. Examples of Low level alert events may include lawsuits filed against suppliers, client losses, air pollution alerts issued by country's local authorities, unexpected holidays announced for the location etc.
Informational	The event is pertinent information but does not have a risk element associated with it. Examples of Info level alert events may include launch of new solutions, partnerships signed, industry outlook, positive changes in government policies, announcements regarding launch of software parks/ free trade zones/special economic zones etc.