Q3 - 2020 July 25, 2020

IMPACT LEVEL: Medium

Update 25: Mexico - Economy Contracts by 2.6% in May 2020 Amid COVID-19 Pandemic

- Mexico reported a decline by 2.6% in GDP in May 2020
- It is due to decrease in production caused by shutdown of factories, shops, and tourist resorts to contain COVID-19 pandemic
- National Institute of Statistics and Geography (INEGI) stated the economy contracted a record 22.7% compared to May 2019, the largest decline since 1993
- The deepening contraction came even though Mexico allowed sectors such as carmaking, mining, and construction to reopen
- A monthly data for May showed that primary activities, such as farming, fishing, and mining rose 1.6% from April
- Secondary activities, which include manufacturing, fell by 1.8% and tertiary activities, which cover the services sector, fell 3.2%
- As of now, Mexico reported 378,285 confirmed COVID-19 cases and 42,645 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://www.reuters.com/article/us-mexico-economy-gdp/mexican-economy-shrinks-further-in-may-to-darken-recovery-prospects-idUSKCN24P1OH
https://www.nasdaq.com/articles/mexican-economy-shrinks-2.6-in-may-from-april-2020-07-24
https://www.worldometers.info/coronavirus/country/mexico/

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

SUPPLY WISDOM

Related Alerts

July 17, 2020 Medium

Update 24: Mexico - Extends Border Closure for Non-Essential Services with United States Until August 21, 2020

July 13, 2020 Medium

Update 23: Mexico - Reports Fourth-Highest COVID-19 Death Toll Globally, Surpassing 35,000

July 11, 2020 Medium

Update 22: Mexico - Confirms 6,891 New COVID-19 Cases, Raising National Total to ~289,174

June 21, 2020 High

Update 21: Mexico - Delays Economic Reopening Plans as New COVID-19 Cases Increase

June 17, 2020 Medium

Update 20: Mexico - United States of America Extends Border Closure Until July 21

June 14, 2020 Medium

Update 19: Mexico - Plans to Begin Gradual Exit from COVID-19 Lockdown on June 15, 2020

May 27, 2020 High

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

May 21, 2020 High

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

SUPPLY WISDOM

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

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.