

Winter 2024

Mexico Consensus Economic Forecast, Volume 27, Number 1

Thomas M. Fullerton Jr.
University of Texas at El Paso, tomf@utep.edu

Steven L. Fullerton
University of Texas at El Paso, sfullerton@utep.edu

Follow this and additional works at: https://scholarworks.utep.edu/border_region



Part of the [Regional Economics Commons](#)

Comments:

T.M. Fullerton, Jr. and S.L. Fullerton, 2024, "Ballots, Budgets, and Business Cycles" *Mexico Consensus Economic Forecast* 27(1), 1-4.

Recommended Citation

Fullerton, Thomas M. Jr. and Fullerton, Steven L., "Mexico Consensus Economic Forecast, Volume 27, Number 1" (2024). *Border Region Modeling Project*. 184.
https://scholarworks.utep.edu/border_region/184

This Article is brought to you for free and open access by the Economics and Finance Department at ScholarWorks@UTEP. It has been accepted for inclusion in Border Region Modeling Project by an authorized administrator of ScholarWorks@UTEP. For more information, please contact lweber@utep.edu.



Consensus Economic Forecast MÉXICO

University of Texas at El Paso
Border Region Modeling Project

Action Economics!

Dr. Deborah L. Riner

BBVA Bancomer

Iván Martínez Urquijo

Cecilia Posadas

Javier Amador Díaz

Dr. Arnulfo Rodríguez Hernández

Universidad Autónoma de Ciudad Juárez

Dra. Patricia Barraza de Anda

Dra. Cely Ronquillo Chávez

El Colegio de la Frontera Norte

Dr. Eduardo Mendoza Cota

Instituto Tecnológico y de Estudios Superiores de Monterrey

Dr. Jorge Ibarra Salazar

Universidad Autónoma de Coahuila

Dr. Alejandro Dávila Flores

Universidad Autónoma de Nuevo León

Dra. Cinthya Caamal Olvera

UTEP Miner Shoppe

[Click Here](#)

BRMP Website

[Border Region Modeling
Project](#)

Mexico Consensus Economic Forecast, Volume 27, Number 1, 1st Quarter 2024

Ballots, Budgets, and Business Cycles

The 2024 presidential election campaign is causing policy uncertainty to run rampant across Mexico this quarter. While that usually causes economic outlooks to move like roller coasters, the consensus forecast for 2024 real gross domestic product (GDP) did not budge from 2.4 percent this quarter. Reminiscent of recent political business cycles in Mexico, the panelists anticipate growth to decelerate in 2025.

Private consumption is now expected to grow by 3.4 percent in real terms this year. That represent an 80 basis point increase from the previous forecast. Individual predictions range from 2.0 percent up to 5.5 percent. Retail conditions are exhibiting more resiliency than what was anticipated last year.

The consensus projection for government consumption in 2024 has also been revised upwards by 80 basis points this quarter. This adjustment is line with what historically transpires during election years in Mexico. The rate of growth for real public sector expenditures is forecast to decelerate by 120 basis points to 1.6 percent in 2025, also in line with post-election budgetary history in Mexico.

Greater optimism is also tallied for total investment, where the consensus 2024 real growth rate has been elevated by 100 basis points to 4.8 percent. Against the backdrop of private sector qualms regarding election prospects, that adjustment is particularly notable. A more subdued outlook for investment activity is projected for 2025.

Predictions for exports and imports have both been revised downward for 2024. In the case of exports, panelist forecasts range from -10 percent to 5.8 percent after adjusting for inflation. For imports, the real percentage changes very from a low of 1.0 percent to a high of 7.2 percent. Similar patterns are exhibited among the 2025 data.

Much more agreement is displayed among the 2024 Inflation forecasts where the consensus consumer price index (CPI) growth rate is 4.0 percent. That figure is almost identical to the CPI prediction recorded last quarter. The 2025 CPI forecast of 3.7 percent suggests that the post-electoral federal deficit may remain under control. The benign outlook for the CPI is partially due to ongoing strength of the peso. The consensus forecast for the exchange rate is 18.02 pesos per dollar for 2024. Only minor slippage to 18.58 pesos per dollar is predicted for 2025.

One reason for prospective peso buoyancy during this dual presidential election year is that the 28-Day Treasury Certificates (CETES) yield is comfortably above inflation. In 2024 the 28-day CETES rate is predicted to average 10.21 percent. In 2025, it is expected to drop to 8.73 percent. That implies a slightly more accommodative monetary policy stance next year.

The election creates substantial policy uncertainty this year. In spite of that, the national economic outlook remains fairly optimistic. Macroeconomic transitions during this century have proven much less convulsive than those of the 20th century. It would be helpful if that pattern was maintained again in 2025.

Thomas M. Fullerton, Jr. and Steven L. Fullerton,
University of Texas at El Paso Border Region Modeling Project

							Annual Averages		
Historical Data	GDP (2018 Pesos, billions)	Private Consumption (2018 Pesos, billions)	Government Consumption (2018 Pesos, billions)	Total Investment (2018 Pesos, billions)	Exports (2018 Pesos, billions)	Imports (2018 Pesos, billions)	Consumer Price Index Jul 2018 = 100	Nominal Exchange Rate Pesos/ Dollars	CETES 28 Day
2023	24,789.08	16,746.8	2,707.9	6,094.4	9,648.1	11,428.3	129.3	17.74	11.10
Percent Change	2.3%	5.2%	1.3%	8.7%	-6.8%	5.8%	5.53%	-0.8%	
2022	24,220.85	16,746.8	2,673.0	5,206.7	10,346.6	10,797.0	122.5	20.12	7.63
Percent Change	3.9%	5.2%	1.2%	7.7%	8.7%	8.3%	7.90%	-0.8%	
2021	23,300.7	15,921.6	2,642.5	4,834.2	9,520.0	9,969.1	113.5	20.28	4.42
Percent Change	5.7%	8.1%	-0.5%	9.7%	7.2%	15.0%	5.69%	-5.7%	
2020	22,036.0	14,729.8	2,654.5	4,406.1	8,879.2	8,665.0	107.4	21.49	5.33
Percent Change	-8.6%	-10.6%	-0.7%	-17.3%	-7.0%	-12.0%	3.40%	11.6%	
2019	24,115.9	16,483.1	2,674.1	5,327.5	9,549.4	9,845.6	103.9	19.26	7.84
Percent Change	-0.3%	1.2%	-1.7%	-4.4%	1.2%	-1.1%	3.64%	0.1%	
2018	24,176.7	16,292.9	2,721.4	5,572.1	9,439.5	9,953.2	100.3	19.24	7.62
Percent Change	2.0%	1.5%	3.1%	0.6%	6.5%	5.6%	4.90%	1.7%	
2017	23,709.1	16,058.0	2,640.8	5,537.1	8,861.1	9,425.0	95.6	18.92	6.69
Percent Change	1.9%	1.7%	0.4%	-0.5%	3.2%	5.6%	6.04%	1.2%	
2016	23,273.5	15,785.9	2,631.5	5,567.5	8,586.6	8,921.1	90.1	18.69	4.15
Percent Change	1.8%	1.9%	1.9%	0.6%	3.1%	2.5%	2.82%	17.8%	
2015	22,868.2	15,487.6	2,582.9	5,536.4	8,331.0	8,700.7	87.7	15.87	2.98
Percent Change	2.7%	2.7%	1.7%	4.4%	7.0%	4.9%	2.72%	19.3%	
2014	22,266.4	15,082.4	2,538.9	5,300.6	7,783.9	8,290.4	85.3	13.31	3.00
Percent Change	2.5%	2.0%	2.3%	2.4%	7.6%	6.0%	4.02%	4.2%	
2013	21,722.6	14,789.6	2,481.4	5,176.5	7,236.0	7,823.9	82.0	12.77	3.75
Percent Change	0.9%	2.6%	0.8%	-4.0%	2.7%	3.6%	3.81%	-3.0%	
2012	21,539.0	14,418.2	2,461.7	5,390.5	7,045.6	7,549.9	79.0	13.16	4.24
Percent Change	3.6%	2.2%	3.0%	3.7%	7.9%	5.6%	4.11%	5.8%	
2011	20,800.0	14,114.3	2,390.0	5,196.5	6,528.7	7,146.3	75.9	12.44	4.24
Percent Change	3.4%	4.7%	3.2%	8.7%	9.3%	6.2%	3.41%	-1.5%	
2010	20,107.5	13,485.1	2,316.5	4,781.1	5,973.9	6,726.9	73.4	12.63	4.40
Percent Change	5.0%	4.6%	2.0%	6.2%	23.1%	17.1%	4.16%	-6.5%	
2009	19,155.2	12,887.5	2,271.0	4,500.6	4,853.7	5,744.0	70.5	13.51	5.43
Percent Change	-6.3%	-7.1%	2.9%	-11.9%	-10.1%	-16.4%	5.30%	21.1%	
2008	20,442.1	13,877.4	2,207.6	5,110.1	5,399.2	6,869.8	66.9	11.15	7.68
Percent Change	0.9%	1.0%	2.8%	6.5%	-2.1%	3.8%	5.12%	2.0%	
2007	20,251.0	13,740.7	2,148.5	4,796.8	5,512.5	6,617.5	63.7	10.93	7.19
Percent Change	2.1%	1.2%	1.9%	7.0%	2.5%	5.7%	3.97%	0.3%	
*GDP: Producto Interno Bruto, INEGI, 2018 Pesos									
*Private Consumption: Consumo Privado, INEGI, 2018 Pesos									
*Government Consumption: Consumo de Gobierno, INEGI, 2018 Pesos									
*Total Investment: Formacion bruta de capital fijo, INEGI, 2018 Pesos									
*Exports: Exportacion de bienes y servicios, INEGI, 2018 Pesos									
*Imports: Importacion de bienes y servicios, INEGI, 2018 Pesos									
*CPI, Banco de Mexico, Annual Average, Base = Jul 2018									
*Exchange Rate, Banco de Mexico, Peso-to-dollar, Fecha de Liquidacion, Annual Average									
*CETES 28 Days, Banco de Mexico, Annual Average									

University of Texas at El Paso
Heather Wilson, President
John Wiebe, Provost
Ahmad M. Itani, Vice President for Research

Woody L. Hunt College of Business
John Hadjimarcou, Interim Dean
Erik Devos, Associate Dean
Faith Xie, Associate Dean
Eddie Wei, Hedrick Professor of Trade & Finance

UTEP Border Region Modeling Project Corporate and Institutional Sponsors

El Paso Water
Raiz FCU
Woody L. Hunt College of Business
UTEP Department of Economics & Finance
UTEP Center for the Study of Western Hemispheric Trade

Mexico Consensus Economic Forecast is a quarterly publication of the Border Region Modeling Project (BRMP), a research unit within the Department of Economics & Finance at the College of Business Administration of The University of Texas at El Paso. BRMP information is available at: <https://www.utep.edu/business/border-region-modeling-project/index.html>. For additional information, contact the Border Region Modeling Project - CBA 236, UTEP Department of Economics & Finance, 500 West University Avenue, El Paso, TX 79968-0543, USA, (915) 747-7775.