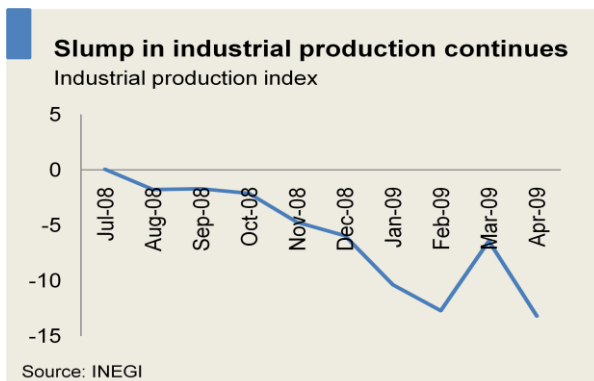


## Harbor Alert: Historical contraction of industrial production in Mexico

Mexican industrial production index fell 13.2 (April 2008 - April 2009). The index that contains the performance of four different economic sectors (mining, construction, manufacture and electricity, gas & water) and is published in a monthly basis by INEGI registered it's ninth consecutive decline and the sharpest since April 1995.



**Industrial manufacture**  
IMPI\*

Date	% change
Jan-09	-0.15
Feb-09	-0.16
Mar-09	-0.10
Apr-09	-0.18

\*Industrial Manufacture Production Index

**HARBOR perspective:** April's annuals decline in domestic and foreign automobile demand (22.06% & 19.4% respectively), caused a contraction in the national vehicle production (42%). This activity represents about 15 percent of total manufacture production in Mexico. Additionally, despite the government efforts to reactivate the economy via public expenditure in infrastructure, the construction industry fell 11 percent. This performance dragged this index to its lowest point in the past 14 years; nonetheless it was higher than expected by analysts. Although negative perspective will continue for the second and third quarter this year, we expect a slow but steady recovery beginning next October. Because of this, we estimate a 6 percent decrease in Mexican annual Gross Domestic Product for 2009.