

GDP (3Q15) – INEGI publishes its first GDP preliminary report

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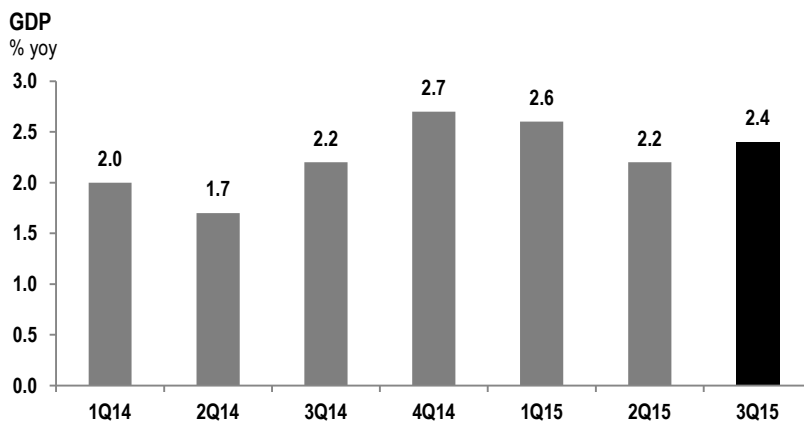
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- **INEGI released today its first preliminary GDP report**
- **GDP (3Q15 P): 0.6% q/q; 2.4% yoy**
- **For the estimation of this preliminary figure, INEGI uses the economic reports published for the first two months of each quarter, and estimated using econometric models some variables for the third month**
- **The preliminary GDP presented today will cover 80% with the direct information available, and will estimate the remaining 20%**
- **The revised figure will be published in November 20**
- **We welcome this new effort made by INEGI, given that it adopts the best international practices**

Preliminary GDP Figure. INEGI presented today its first “*Preliminary Estimation of GDP*” report. For the estimation of this preliminary figure, INEGI uses the economic reports published for the first two months of each quarter, and adds the available information for the third month. The missing figures for the last month of the quarter are estimated using econometric models. In this regard, the preliminary estimation of GDP presented today will cover 80% with the direct information available, and will estimate the remaining 20%.

In seasonally adjusted terms, GDP increased 0.6% q/q. Taking a look at the breakdown, primary activities increased 2.8% q/q, while industrial production edged-up 0.7% q/q. Moreover, services expanded 0.5% q/q. With INEGI’s original figures, the Mexican economy expanded 2.4% yoy (refer to the chart below). Primary activities increased 4.6% yoy, while the industrial sector grew a scant 1.2% yoy. Finally, services expanded 2.9% yoy.



Source: INEGI

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Adoption of best practices and opportunity areas. While this initiative is very positive-and gives market participants a more timely information on Mexico's economy-, it has some areas that could be improved, among which we highlight three: (1) Unlike other preliminary reports -as the U.S. GDP conducted by the *Bureau of Economic Analysis (BEA)*-, *INEGI's* report only includes the three main sectors. BEA's preliminary report contains a complete breakdown of the quarterly GDP; (2) *INEGI* has not published a comparable time series for seasonally adjusted series, which obscures the quarterly comparison, as these figures are usually revised with the publication of new data; and (3) *INEGI* has not published a study showing the predictive ability of this preliminary estimate.

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