



Meet our non-regional member country

# México



## With 30 years of supporting the Central American region through CABEI, Mexico has been one of the first extra-regional members of the Central American Bank for Economic Integration (CABEI).

**About Mexico:** The United Mexican States, by its official name, has an area of approximately 2 million square kilometers comprised of 32 states and is located in the southern part of North America. It is bordered to the north by the United States, to the southeast by Belize and Guatemala, to the east by the Gulf of Mexico and the Caribbean Sea, and to the west by the Pacific Ocean.

Mexico is a country rich in archaeological sites and its territory is home to the largest pyramid in the world: Tlachihualtépetl, also known as the Pyramid of Cholula, in Puebla, whose pyramidal base is 400 meters high and is hidden under a mountain.

**Ethnic wealth:** According to the National Institute of Statistics, Geography and Informatics (INEGI), it has a population of approximately 126 million inhabitants, making it the eleventh most populous country in the world. It is estimated that more than 87% live in urban areas and 12% in rural areas. The official language is Spanish, but there are 68 indigenous languages, with Mazahua and Otomí being the most common. It is known that close to 7 million people over 5 years of age speak an indigenous language.

**Economic growth and recovery:** The Mexican economy, whose official currency is the peso, grew by 1.0% quarter-over-quarter real and 1.9% year-over-year in the second quarter of 2022. In addition, in the same period it achieved a gross domestic product of 29,236,541.9 Mexican pesos (US\$1,460,920.76), highlighting the variety of sectors with important economic performances, such as services, which in the first quarter of 2022 accounted for the largest share of GDP in the first quarter of 2022.

63.32% of GDP and 61.07% of the labor force, followed by the industrial sector with 28.92% and 25.12% respectively.

**30 years as strategic partners:** Since 1992, Mexico has contributed to the Central American region through CABEI with Banco Nacional de Comercio Exterior S.N.C. (Banco-mext), channeling historic support of US\$520.8 million. In addition, important agreements have been established, such as the Infrastructure Fund for the Countries of Mesoamerica and the Caribbean (FIMCA), which has approved US\$72.8 million, including a donation of US\$3.9 million for the construction of the Anguiatú bridge in El Salvador.

In parallel, the country has achieved a preponderant place for the Bank in its participation in the Securities Market, representing 19.2% of the historical bond transactions it has carried out for US\$2.821 billion and a total of 24 bond issues between 2007 and 2021; The first "social" bond COVID-19 issued by CABEI as a multilateral bank in the Mexican market stands out, in local currency equivalent to US\$500 million, the largest and lowest cost issue placed as of the date of its issuance in 2021, which has made it possible to confront the pandemic and counteract its negative effects. In this way, Mexico continues to play a key role in the economic growth and socioeconomic development of Central America, as a solid partner in times of crisis, such as those caused by the pandemic and natural disasters.

Among the agreements are the Yucatan Agreement, an Infrastructure Fund for Mesoamerica for US\$160.0 million to address development projects; the San Jose Agreement, signed by Mexico and Venezuela to ensure the supply of oil to participating countries, benefiting 8,032 low-income households; and the Puebla Panama Plan, now known as the Mesoamerica Project. In 2008, through CABEL, the Government of Mexico launched the "Program for the Development of Social Housing in Central America" to develop a sustainable market.

In 2022, Merida, capital of the state of Yucatan, will host the LXII Assembly of Governors of CABEL, where, in addition to discussing important decisions focused on the financial soundness of the multilateral institution, the Bank's top country representatives and senior officials will celebrate three decades of close relationship and support in the country itself.

### Main CABEL priorities in the country

| Operations in management   | Public Sector Operations  | Private Sector Operations  |
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| <p>-Second Circuit of the Electrical Interconnection System for Central American Countries (SIEPAC II)".</p> <p>It will benefit the countries that make up the Central American Regional Electricity Market (MER). The request is under review by the Mexican authorities of FIMCA's Technical Committee. Financial support will be granted for up to US\$15.0 million.</p> <p>Road Infrastructure Studies and Design Program in Guatemala. The draft of the technical sheet is being prepared for submission to the FIMCA Trustee for Consideration and the request amounts to US\$3.7 million.</p> | <ul style="list-style-type: none"> <li>• In 2021, US\$1 million was disbursed from approved cooperation to support the government's efforts to respond to the needs generated by the pandemic. The funds enabled the purchase of 11 advanced emergency ground ambulances.</li> <li>• In 2017, US\$500 thousand was disbursed to support the reconstruction of homes affected by the earthquakes in the State of Chiapas and the State of Puebla.</li> </ul> | <p>As of 2021, there is a portfolio balance of USD 74.9 million corresponds to an operation formalized in 2016 with the German bank Deutsche Bank, as a syndicated loan structurer.</p> <p>The objectives of this loan are public works projects developed by the Federal Electricity Commission and framed within the investment scheme called "Productive Infrastructure Projects with Differential Impact on the Expenditure Register (PIDIREGAS)".</p> |

**Mexico, non-regional member: Mexico is celebrating its 30th anniversary supporting Central America. With subscribed capital of US\$306.3 million, accumulated capital contributions of US\$76.6 million and a Free Trade Agreement between Mexico and the region, which improves competitiveness, increases economic and social development, and eliminates trade barriers, facilitating trade between the two regions.**



Zacatecas, México

#### About CABEI

CABEI was created in 1960 as the region's integration and development financial arm. Its resources are continuously invested in projects with developmental impact to reduce poverty and inequality, strengthen regional integration and the competitive insertion of its members in the global economy, with special attention to environmental sustainability. CABEI is headquartered in Tegucigalpa with offices throughout Central America.

CABEI's financial soundness as the best credit in Latin America is backed by its high credit rating granted by different international agencies: Standard & Poor's with a rating of AA, Moody's with a rating of Aa3, and Japan Credit Rating with AA.