



# Results of Tourism Activity

July, 2017

Undersecretariat of Planning and Tourism Policy

Available in <http://www.datatur.sectur.gob.mx/SitePages/versionesRAT.aspx>

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Forewarning: Figures for 2017 are preliminary and subject to revisions by sources. In August 2017 the Central Bank revised figures for the International Travelers Balance 2016 and June 2017.

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## Outstanding results

During January-July of 2017:

1. The arrival of international tourists was 22.9 million, up 2 million 469 thousand tourists to the same period of 2016 and equivalent to annual increase of 12.1%.
2. Foreign currency income from the arrival of international visitors was 13,116 million dollars equivalent to an increase of 9.7% in comparison to same period 2016.
3. The arrival of foreign air-coming visitors who reside in the United States represents 62.9% of all foreign arrivals by air. From the Latin American and the Caribbean region, the countries of residence with the highest number of foreign arrivals in Mexico were Argentina and Colombia, with 2.7% and 2.2% of total visitors respectively.
4. The balance by international visitors registered 7,307 million dollars, an increase of 15% in comparison to the same period in 2016.
5. The percentage of hotel occupation in a group of 70 resorts reached 63.2%, level 1.7 points higher in comparison to the same period of 2016.
6. The arrival of domestic tourists to hotel rooms was 34.1 million tourists (72.6%), the remaining arrivals (27.4%) were from foreign tourists.



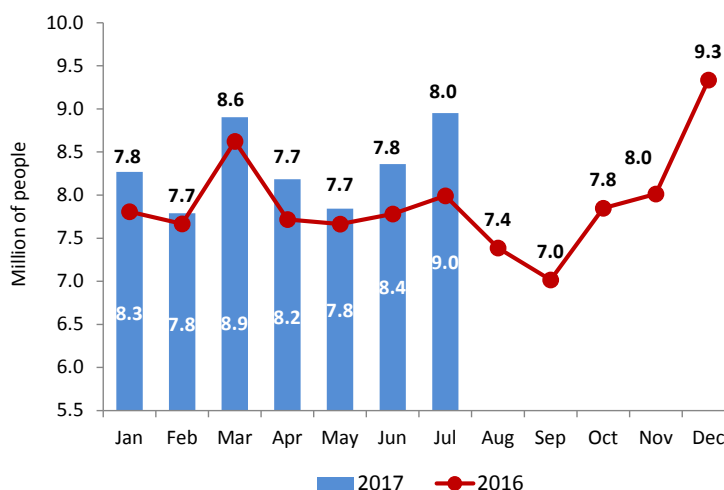
## International Visitors to Mexico



## ARRIVAL OF INTERNATIONAL VISITORS

**Chart 1.** According to Bank of Mexico, during January-July 2017 the number of international visitors arriving Mexico was **58.3 million**, that is three million 50 thousand visitors higher than January-July 2016 and equal to an increase of 5.5% in comparison to the same period of the previous year.

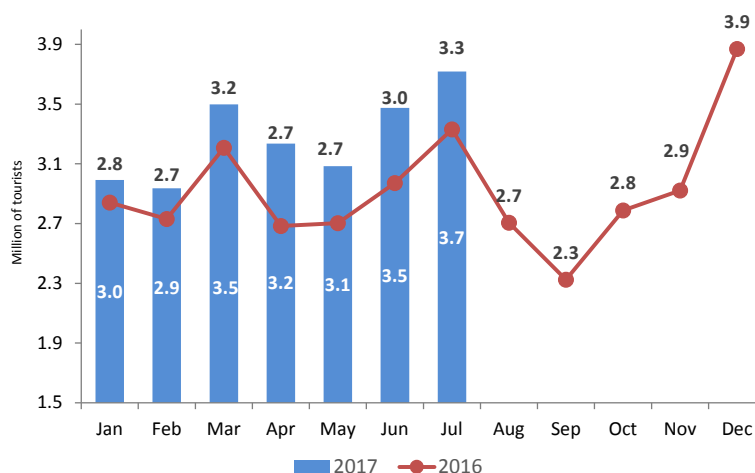
January-July	Million visitors	Change
2016	55.2	
2017	58.3	5.5%



## ARRIVAL OF INTERNATIONAL TOURISTS

**Chart 2.** The arrival of international tourists in January-July 2017 was **22.9 million**, reaching two million 469 thousand more than January-July 2016, increasing 12.1% in comparison to the same period of the previous year.

January-July	Million tourists	Change
2016	20.5	
2017	22.9	12.1%



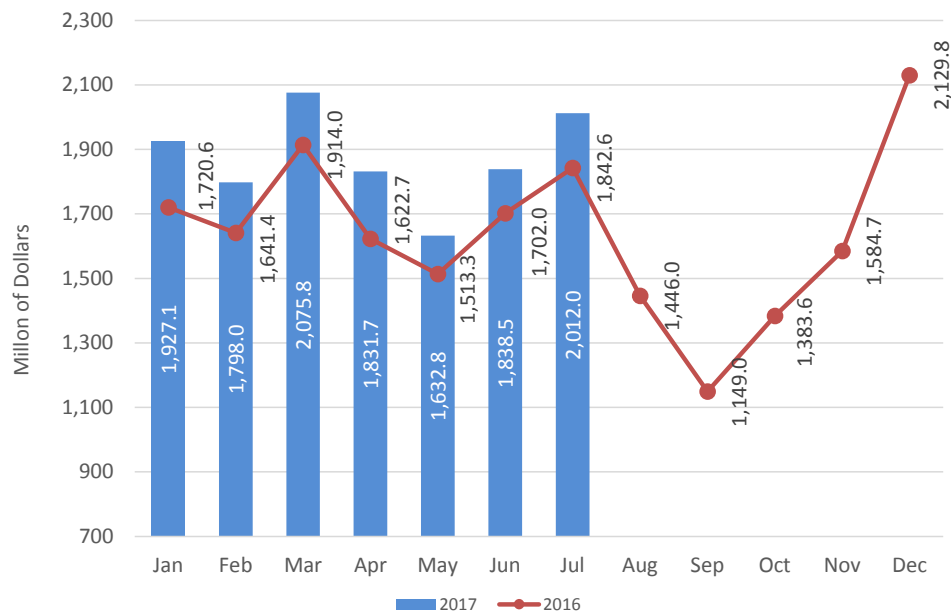
Note: In the graphs the sum of the data does not coincide with the accumulated period due to the rounding of figures.



## INTERNATIONAL TRAVEL RECEIPTS

**Chart 3.** Foreign currency income from the arrival of international visitors during January-July 2017 was **13,116 million dollars**, equivalent to an increase of 9.7% in comparison to same period 2016.

January-July	Million dollars	Change
2016	11,956.6	
2017	13,115.8	9.7%



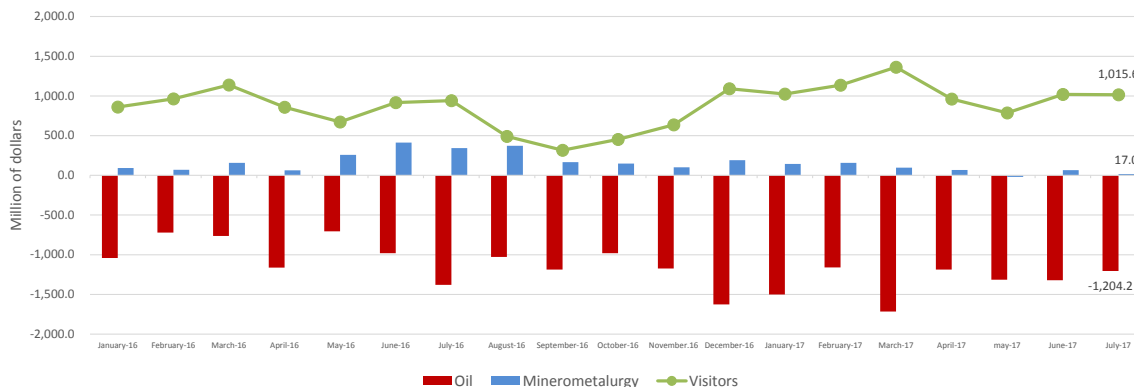


## INTERNATIONAL TRAVELERS BALANCE

**Chart 4.** The balance by international visitors in January-July 2017 registered **7,307 million dollars**, an increase of 15% in comparison to the same period in 2016.

January-July	Million dollars	Change
2016	6,355.7	
2017	7,306.8	15.0%

### Monthly Balance in the Balance of Oil, Minerometalurgy and International Travelers



Note: In the graphs the sum of the data does not coincide with the accumulated period due to the rounding of figures.

Source: Bank of Mexico, Balance of payments

<http://www.datatur.sectur.gob.mx/SitePages/VisitantesInternacionales.aspx>

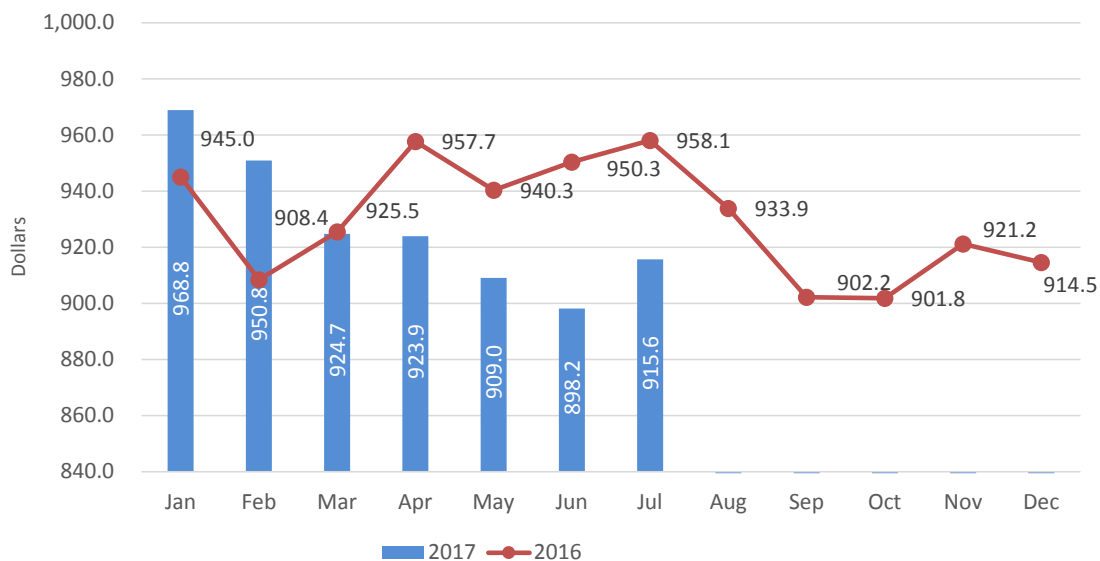




## AVERAGE EXPENDITURE OF LONG-STAY TOURISTS, AIR TRANSPORT

**Chart 5.** During January-July 2017, the average expenditure of long-stay tourists by air was **927.5 dollars**, a decrease of (-) 1.4% in comparison to January-July 2016.

January-July	Dollars	Change
2016	940.4	
2017	927.5	-1.4%



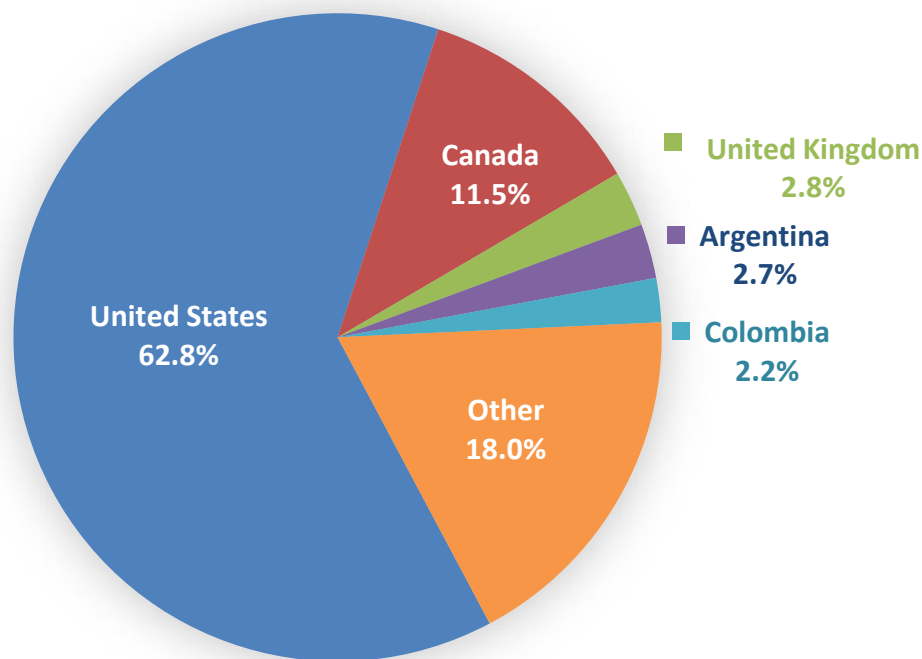


# Air Transportation



## INTERNATIONAL VISITORS TO MEXICO ARRIVING BY AIR

**Chart 6.** In January-June 2017, the arrival of foreign air-coming visitors who reside in the United States represents 62.8% of all foreign arrivals by air. From the Latin American and the Caribbean region, the countries of residence with the highest number of foreign arrivals in Mexico were Argentina and Colombia, with 2.7% and 2.2% of total visitors respectively.



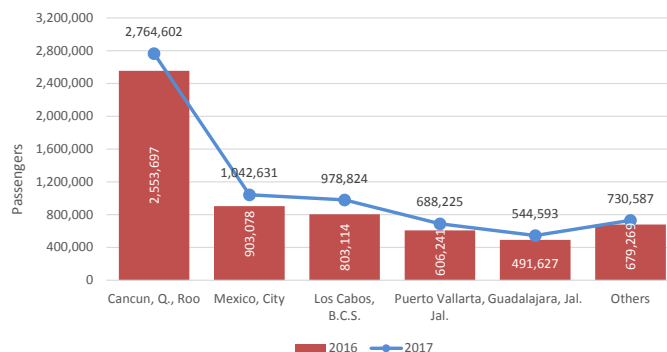
Note: In the graphs the sum of the data does not coincide with the accumulated period due to the rounding of figures



## AMERICAN PASSENGERS PER AIRPORT

**Chart 7.** The American residents who arrived to Mexico by air increased 11.8% in January-July 2017 compared to the same period of 2016, registering **six million 749 thousands passengers** who arrived firstly at the Cancun Airport, followed by Mexico City.

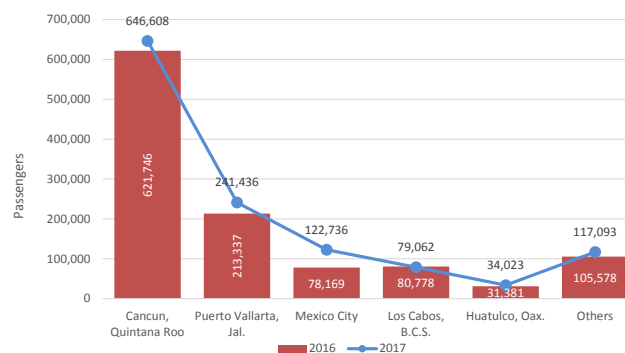
January-July	American passengers	Change
2016	6,037,026	
2017	6,749,462	11.8%



## CANADIAN PASSENGERS PER AIRPORT

**Chart 8.** The Canadian residents who arrived to Mexico by air was **9.7% higher** during January-July 2017 in comparison to January-July 2016. They firstly arrived at the Cancun Airport, followed by Puerto Vallarta Airport.

January-July	Canadian passengers	Change
2016	1,130,989	
2017	1,240,958	9.7%





## MAIN AIRPORTS OF ARRIVAL

**Figure 1.** In January-July 2017 the airports with the highest number of foreign passengers were: Cancun (4,764,311); Mexico City (2,385,850); Los Cabos (1,070,585); Puerto Vallarta (961,384); Guadalajara (584,418), Monterrey (151,542) and Cozumel (144,044); which represents 93.6% of all foreign passengers.



INTERNATIONAL PASSENGERS  
JANUARY- JULY 2017

Baja California Sur		Jalisco		Mexico, City		Quintana Roo		Nuevo Leon	
Los Cabos B.C.S.		Pto. Vallarta	Guadalajara	Mexico, City		Cancún	Cozumel	Monterrey	
2016	897,103	2016	848,422	524,210	2016	4,384,309	139,464	2016	143,163
2017	1,070,585	2017	961,384	584,418	2017	4,764,311	144,044	2017	151,542
Change	19.3%	Change	13.3%	11.5%	Change	8.7%	3.3%	Change	5.9%

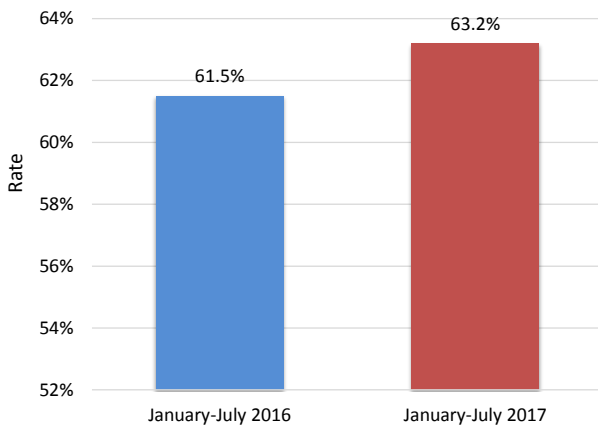
Note: Figures refers to events because the same person may have entered the country in more than one occasion. From this date only the residence of international passengers is considered and the nationality of the passengers is not longer used.



# Domestic Tourism

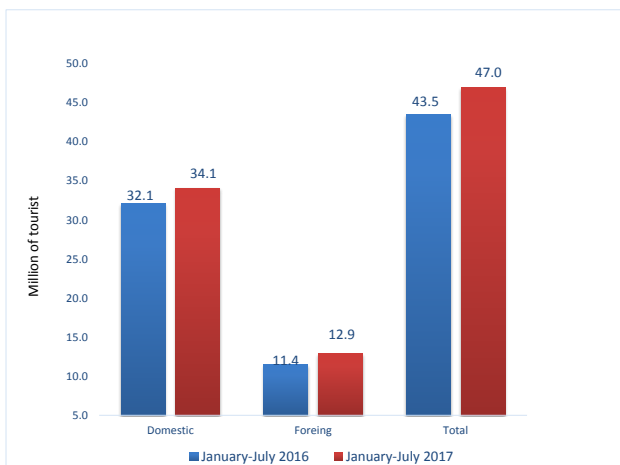


## OCCUPANCY RATE



**Chart 9.** The percentage of hotel occupation in a group of 70 resorts during January-July 2017 reached **63.2%**, level **1.7 points higher** in comparison to the same period of last year.

## ARRIVAL OF TOURISTS TO HOTELS



**Chart 10.** In January-July 2017, the arrival of domestic tourists to hotel rooms was **34.1 million tourists** (72.6%), the remaining arrivals (27.4%) were from foreign tourists.

Notes: Total occupancy is a weighted average of the 70 destinations monitored. The total arrivals of tourists to hotel rooms registered an increase of 7.9%, compared to January-July 2016.

In the graphs the sum of the data does not coincide with the accumulated period due to the rounding of figures.



# Transportation

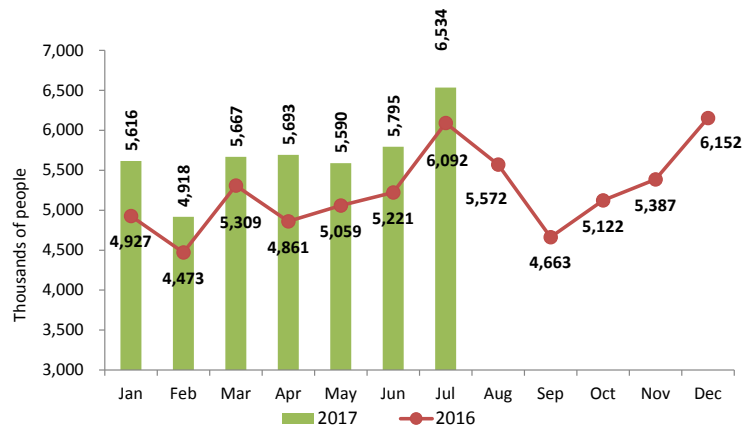




## AIR TRANSPORTATION

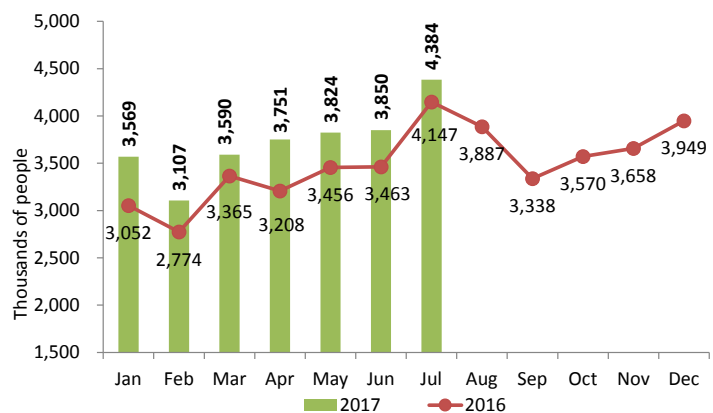
**Chart 11.** The number of passengers arriving by air increased 10.8% in January-July 2017 in comparison to the same period last year, reaching **39.8 million passengers**, equivalent to an increase of three million 870 thousand passengers.

January-July	Thousand passengers	Change
2016	35,942	
2017	39,812	10.8%



**Chart 12.** The Number of passengers arriving by air on domestic flights in January-July 2017 was **26.1 million passengers**, representing two million 611 thousand of additional passengers (11.1%), in comparison to the same period last year.

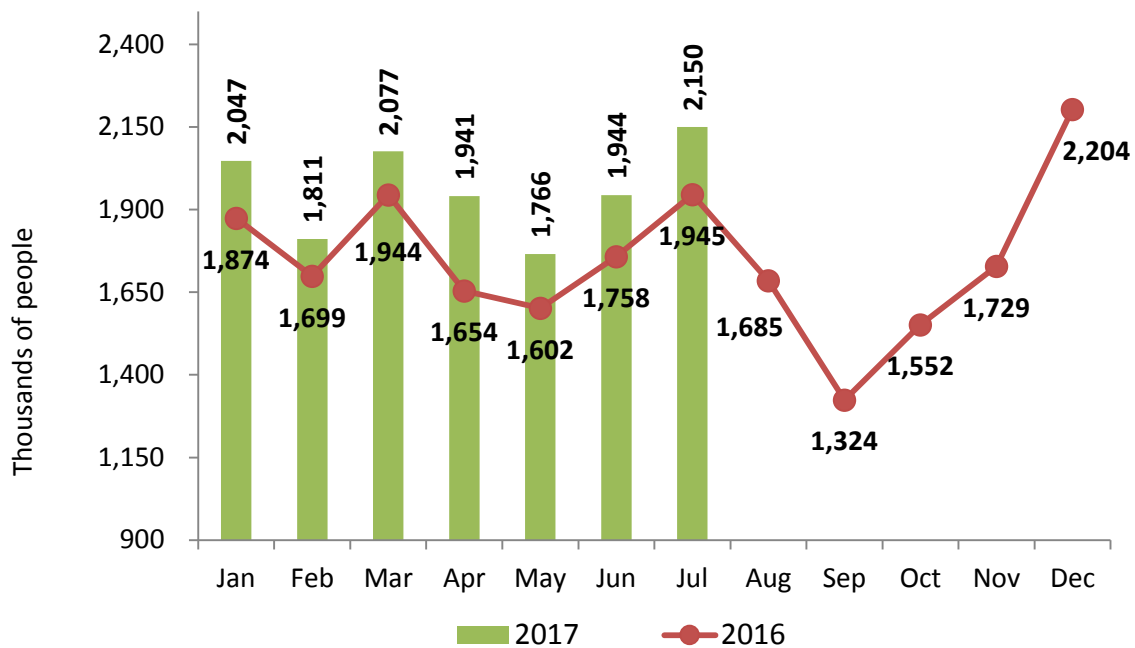
January-July	Thousand passengers	Change
2016	23,465	
2017	26,076	11.1%





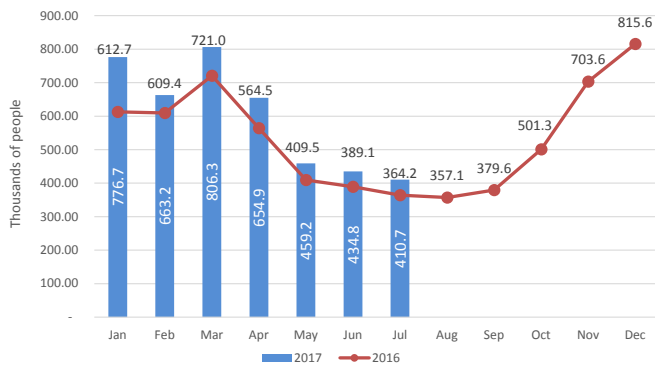
**Chart 13.** In January-July 2017, the number of passengers arriving by air on international flights increased 10.1%, reaching **13.7 million passengers**, exceeding by one thousand 258 of passengers from January-July 2016.

January-July	Thousand passengers	Change
2016	12,478	
2017	13,736	10.1%



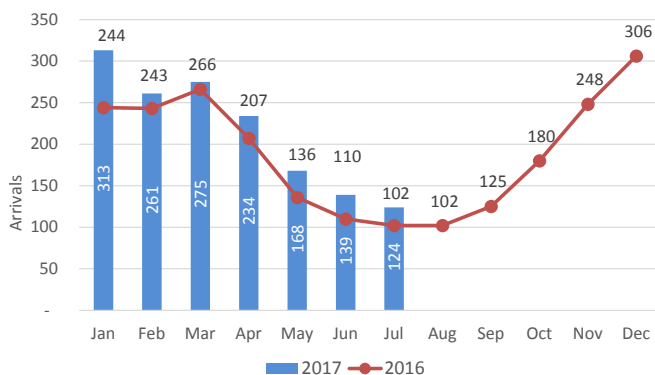


## MARITIME TRANSPORTATION



**Chart 14.** During January-July 2017, the number of cruise passengers reached **four million 206 thousand passengers**, representing an increase of 535 thousand passengers (14.6%) compared to the same period 2016.

January-July	Thousand passengers	Change
2016	3,670,432	
2017	4,205,760	14.6%



**Chart 15.** The number of cruise arrivals in January-July 2017 increased in 206, reaching **one thousand 514 cruises**, an increase of 15.7% in comparison to the same period last year.

January-July	Arrivals	Change
2016	1,308	
2017	1,514	15.7%



## MAIN PORTS

**Figure 2.** In January-July 2017 the ports that received the highest number of passengers were the following: Cozumel, Majahual and Ensenada; representing 79.2% of the total arrivals in the mentioned period.

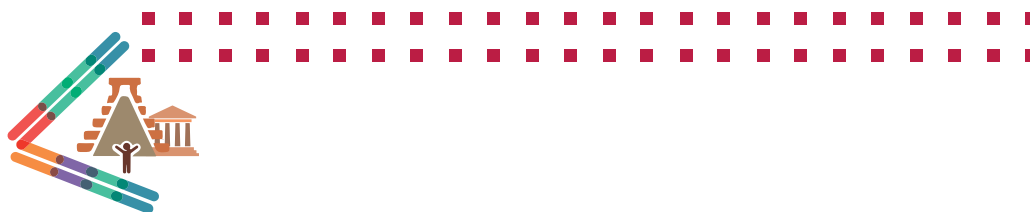


JANUARY-JULY 2017

Ensenada			Cabo San Lucas			Puerto Vallarta			Majahual			Cozumel		
	arrivals	passengers		arrivals	passengers		arrivals	passengers		arrivals	passengers		arrivals	passengers
2016	147	376,898	2016	92	210,377	2016	77	184,791	2016	121	340,808	2016	665	2,155,479
2017	151	368,318	2017	107	223,933	2017	81	188,936	2017	187	540,066	2017	745	2,420,764
Change	2.7%	-2.3%	Change	16.3%	6.4%	Change	5.2%	2.2%	Change	54.5%	58.5%	Change	12.0%	12.3%



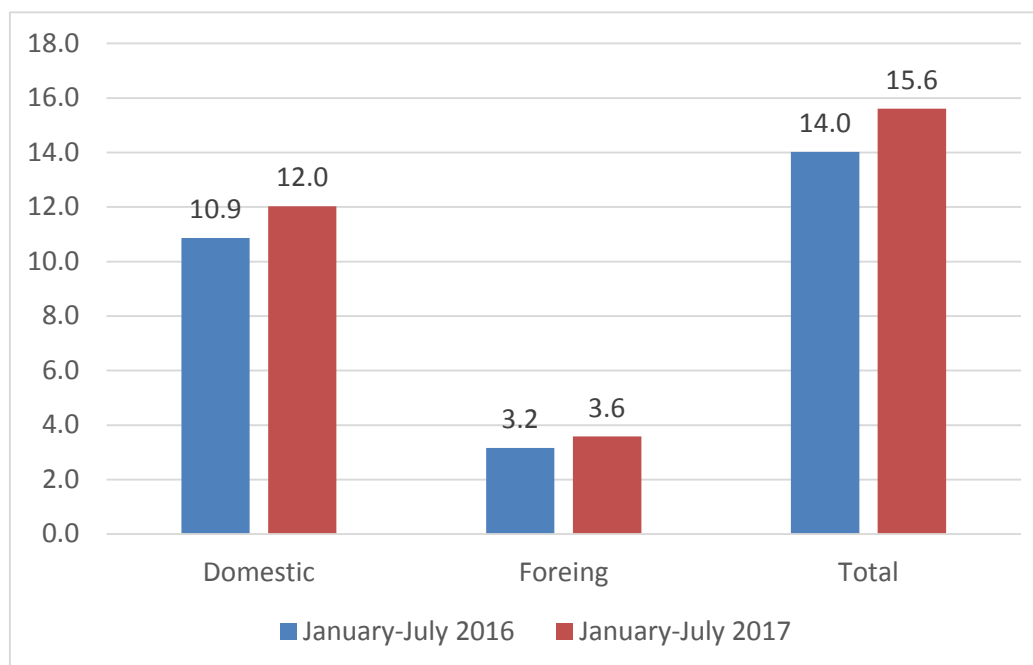
# Museums and archeological sites



## VISITORS TO MUSEUMS AND ARCHEOLOGICAL SITES

During January-July 2017, the National Institute of Anthropology and History reported **15.6 million visitors**, 11.3% higher than reported in the same period of 2016. Of the total number of visitors, 77.1% corresponded to national visitors and the 22.9% to foreigners.

January-July	Thousand visitors	Change
2016	14.0	
2017	15.6	11.3%



Source: National Institute of Anthropology and History (INAH)



# Other Indicators



## RESULTS OF TOURISM ACTIVITY

Subject	Unit of measurement	Year (January-December)				Change % 16/15	January-July		Change % 17/16
		2013	2014	2015	2016		2016	2017	
<b>International travelers balance (Banco de México)</b>									
Inbound traveler expenditures	Million dollars	13,949.0	16,208.4	17,733.7	19,649.7	10.8%	11,956.6	13,115.8	9.7%
Outbound traveler expenditures	Million dollars	9,122.4	9,605.8	10,098.1	10,303.0	2.0%	5,601.0	5,809.1	3.7%
International travelers balance	Million dollars	4,826.6	6,602.6	7,635.6	9,346.7	22.4%	6,355.7	7,306.8	15.0%
<b>International travelers to Mexico (Banco de México)</b>									
<b>Number of travelers (Thousand)</b>									
International visitors	Thousand	78,100.2	81,042.1	87,128.6	94,853.1	8.9%	55,253.0	58,302.8	5.5%
International tourists	Thousand	24,150.5	29,345.6	32,093.3	35,079.4	9.3%	20,469.9	22,939.1	12.1%
Long-stay tourists	Thousand	14,561.9	15,999.9	18,307.2	20,663.9	12.9%	12,326.2	13,475.7	9.3%
Border tourists	Thousand	9,588.6	13,345.7	13,786.1	14,415.5	4.6%	8,143.7	9,463.5	16.2%
Same-day travelers	Thousand	53,949.7	51,696.5	55,035.3	59,773.8	8.6%	34,783.1	35,363.7	1.7%
In border area travelers	Thousand	49,394.2	45,911.2	48,920.5	53,079.1	8.5%	30,936.4	30,604.0	-1.1%
In cruises travelers	Thousand	4,555.4	5,785.2	6,114.8	6,694.6	9.5%	3,846.7	4,759.7	23.7%
<b>Inbound travelers expenditure (Million dollars)</b>									
International visitors	Million dollars	13,949.0	16,208.4	17,733.7	19,649.7	10.8%	11,956.6	13,115.8	9.7%
International tourists	Million dollars	11,853.8	14,320.0	15,825.7	17,697.8	11.8%	10,811.2	11,862.6	9.7%
Long-stay tourists	Million dollars	11,311.5	13,579.9	15,035.0	16,925.8	12.6%	10,361.0	11,321.7	9.3%
Border tourists	Million dollars	542.2	740.1	790.7	772.0	-2.4%	450.3	540.9	20.1%
Same-day travelers	Million dollars	2,095.2	1,888.4	1,908.0	1,951.8	2.3%	1,145.4	1,253.3	9.4%
In border area travelers	Million dollars	1,737.1	1,469.6	1,508.9	1,558.1	3.3%	918.7	966.4	5.2%
In cruises travelers	Million dollars	358.1	418.8	399.2	393.8	-1.4%	226.7	286.9	26.6%
<b>Average expenditure (dollars)</b>									
International visitors	Dollars	178.6	200.0	203.5	207.2	1.8%	216.4	225.0	4.0%
International tourists	Dollars	490.8	488.0	493.1	504.5	2.3%	528.2	517.1	-2.1%
Long-stay tourists	Dollars	776.8	848.8	821.3	819.1	-0.3%	840.6	840.2	0.0%
Border tourists	Dollars	56.5	55.5	57.4	53.6	-6.6%	55.3	57.2	3.4%
Same-day travelers	Dollars	38.8	36.5	34.7	32.7	-5.8%	32.9	35.4	7.6%
In border area travelers	Dollars	35.2	32.0	30.8	29.4	-4.8%	29.7	31.6	6.3%
In cruises travelers	Dollars	78.6	72.4	65.3	58.8	-9.9%	58.9	60.3	2.3%
<b>Arrival of passengers on domestic and international flights (ASA)</b>									
Total passengers arriving by air	Thousands	46,122.1	49,955.8	56,367.6	62,838.2	11.5%	35,942.4	39,812.1	10.8%
International flights	Thousands	15,703.3	17,125.6	19,279.3	20,971.7	8.8%	12,477.6	13,736.0	10.1%
Domestic flights	Thousands	30,418.8	32,830.2	37,088.3	41,866.6	12.9%	23,464.8	26,076.1	11.1%
<b>Foreign visitors by air and country of residence (Unidad de Política Migratoria)</b>									
United States of America	Thousands	6,630.3	7,348.5	8,604.6	9,643.9	12.1%	6,037	6,749	11.8%
Canada	Thousands	1,574.3	1,646.2	1,707.8	1,734.6	1.6%	1,131	1,241	9.7%
United Kingdom	Thousands	391.8	432.3	477.3	513.8	7.6%	288	298	3.6%
Argentina	Thousands	233.4	218.4	309.6	375.2	21.2%	229	291	27.4%
Colombia	Thousands	230.1	292.4	363.2	390.2	7.5%	206	236	15.0%
<b>Movements cruise (SCT, Dirección General de Puertos)</b>									
Passenger in cruises	Thousands	4,348.9	5,563.1	5,929.2	6,427.7	8.4%	3,670.4	4,205.8	14.6%
Cruise's arrivals	Number	1,622.0	2,091.0	2,180.0	2,269.0	4.1%	1,308.0	1,514.0	15.7%
<b>Hotel business* (SECTUR)</b>									
Porcentaje de hotel ocupación	Percentage	55.6	57.1	59.6	60.4	0.78	61.5	63.2	1.6
Arrival of tourists to hotel rooms	Thousands	62,394.0	65,000.2	69,827.3	74,505.3	6.7%	43,538.2	46,986.7	7.9%
<b>Number of tourist jobs** (SECTUR based on ENOE)</b>									
Tourism employment	Thousands	3,628.2	3,641.0	3,803.4	3,951.9	3.9%	3,609.2	3,879.0	8.0%
<b>Quarterly Indicator of Tourism Activity*** (index 2008=100, seasonally adjusted series) INEGI.</b>									
Tourism GDP	Annual percentages	0.8	2.1	5.0	2.5	2.5	4.1	3.3	3.3
Goods	Annual percentages	-4.5	-6.2	2.5	3.5	3.5	1.3	-0.2	(0.2)
Services	Annual percentages	2.2	3.7	5.4	2.6	2.6	4.5	3.9	3.9
Internal tourism consumption	Annual percentages	1.4	0.8	6.0	4.7	4.8	6.2	2.6	2.6
Domestic tourism consumption	Annual percentages	0.8	-1.9	3.0	1.1	1.2	2.9	-0.4	(0.4)
Inbound tourism consumption	Annual percentages	6.9	21.6	24.8	24.0	24.0	24.8	16.2	16.2

\* A report from the Hotel Occupancy monitored weekly in 70 centers. Changes in percentage points in the case of hotel occupancy.

\*\* Quarterly figures, excluding induced employment.

\*\*\* For annual percentage change data for the last quarter of the current year compared to the last quarter of the previous year.

NA Not apply

Sources: Bank of Mexico. ASA e INEGI, UPM, SCT, SECTUR.

14/09/2017





## MACROECONOMIC INDICATORS, PROSPECTS

Entity	Gross Domestic Product		Inflation	
	Constant prices (percent change)		(% dec/dec)	
	2017	2018	2017	2018
International Monetary Fund	1.90	2.00	4.61	3.09
OCDE	1.94	1.97	5.34	3.79
Banco de México Survey	2.16	2.27	6.24	3.85
Ministry of the Treasury and Public Credit	2.0 a 2.6	2.0 a 3.0	5.80	3.00

Source: **IMF**, World Economic Outlook Database (July 2017); **OECD**, Economic Outlook (2017/06); **Bank of Mexico**, Expectations Survey Economic Specialist Private Sector (01/09/17); **Secretaría de Hacienda y Crédito Público**, General Criteria for Economic Policy 2018 (September, 2017)



## MEXICO'S KEY ECONOMIC INDICATORS

KEY ECONOMIC INDICATORS OF MEXICO

Entries	2011	2012	2013	2014	2015	2016	2017.I	2017.II	April 17	May 17	June 17	July 18
<b>General Economic Activity and Services Identified with Tourism</b>												
<b>Gross Domestic Product</b>												
. Millions of current pesos	14,550,014	15,626,907	16,118,031	17,259,799	18,261,422	19,539,870	20,610,925.3	20,777,742.6				
. Constant prices annual variations in %	4.0	4.0	1.4	2.3	2.6	2.3	2.8	1.8				
<b>Tertiary activities</b>												
- <b>Air Transportation (481)</b>												
. Millions of current pesos	24,367	27,720	27,063	34,708	39,827	50,112	42,443.5	61,131.1				
. Constant prices annual variations in %	-0.3	7.3	8.1	9.4	7.7	16.5	8.9	17.9				
- <b>Temporary Lodging Services (721)</b>												
. Millions of current pesos	137,648	151,099	163,718	179,525	200,137	219,572	238,130.6	246,711.5				
. Constant prices annual variations in %	2.4	8.2	5.6	6.0	5.6	3.8	1.5	10.0				
- <b>Food and Beverages Preparation Services (722)</b>												
. Millions of current pesos	160,238	172,438	177,145	185,939	208,668	225,523	221,911.5	235,160.8				
. Constant prices annual variations in %	0.8	3.0	-1.7	-0.3	6.1	3.8	-0.6	5.0				
<b>Quarterly Indicators of Tourism Activity</b>												
<b>Tourism GDP</b>												
. Annual variations in %	2.9	4.6	0.6	1.7	3.6	3.5	3.2					
<b>Internal tourism consumption</b>												
. Annual variations in %	1.8	2.9	0.9	0.9	4.5	5.9	2.5					
<b>Domestic tourism consumption</b>												
. Annual variations in %	2.9	2.3	1.0	-0.8	1.1	2.7	-0.6					
<b>Inbound tourism consumption</b>												
. Annual variations in %	-6.2	7.8	0.5	14.7	28.8	24.0	16.0					
<b>Tourism Employment</b>												
<b>People Employed in the Tourism Sector (SECTUR)*</b>	3,409,804	3,536,686	3,628,195	3,640,970	3,803,442	3,951,887	3,987,430	4,030,762				
<b>Total number of IMSS-insure Workers</b>												
Employees insured by IMSS (average of the period)	15,153,643	15,856,137	16,409,302	16,990,724	17,724,222	18,401,344	18,849,402	24,480,789	19,021,083	19,047,825	19,134,058	19,172,222
. Permanent	13,101,612	13,637,937	14,123,077	14,570,291	15,170,986	15,785,784	16,147,909	16,361,089	16,285,224	16,349,612	16,448,430	16,474,863
. Non-permanent (urban and field)	2,052,031	2,218,200	2,286,225	2,420,433	2,553,236	2,615,560	2,701,493	8,119,700	2,735,859	2,698,213	2,685,628	2,697,359
<b>Unemployment National Rate ** (closing of the period)</b>												
. Total Percentage of PEA	4.51	4.40	4.89	4.16	4.33	3.65	3.39		3.53	3.46	3.28	3.24
<b>Prices and Exchange Rate***</b>												
<b>National Price Index (closing of the period)</b>												
Consumer (percent variation)	3.8%	3.6%	4.0%	4.1%	2.1%	3.4%	5.4%	6.3%	5.82%	2.60%	6.3%	6.4%
. Air transport (percent variation)	7.6%	-7.7%	0.2%	16.7%	3.2%	9.8%	4.4%	4.5%	17.92%	4.20%	4.5%	6.2%
. Hotel (percent variation)	6.4%	1.1%	3.1%	4.8%	4.2%	7.8%	6.1%	7.5%	9.51%	4.99%	7.5%	7.3%
. Package Tourist Services (percent variation)	5.7%	1.6%	4.9%	5.1%	7.6%	6.4%	5.3%	6.3%	18.50%	4.38%	6.3%	7.7%
. Restaurants (percent variation)	4.4%	4.2%	3.6%	6.0%	4.9%	5.5%	6.4%	6.3%	6.15%	5.16%	6.3%	6.4%
<b>Exchange Rate (peso / dollar)</b>												
. Average of the period	12.423	13.169	12.772	13.292	15.848	18.664	20.387	18.578	18.758	18.786	18.190	17.851
<b>Business Cycle Indicators and Consumer Confidence (monthly difference****)</b>												
. Coincident Indicator	0.060	-0.064	-0.031	0.029	-0.027	0.033	-0.019	ND	-0.028	-0.028	ND	ND
. Forward Indicator	0.027	0.094	0.006	-0.086	-0.077	-0.062	0.154	0.212	0.187	0.205	0.212	ND
. Confidence Consumer Index	0.113	0.072	-0.266	0.057	0.074	-0.050	0.078	0.222	0.211	0.264	0.283	0.290

N.D. Not available.

\* For 2016 figures for the third quarter.

\*\* For 2016 figures for the fourth quarter. The Tourism Employment dataset is smoothed by averaging the last four quarters of it. The objective is to eliminate irregular fluctuations in the short and medium term.

\*\*\* Percentage of all the economically active population. Data at the end of the period for annual and monthly figures and average period for quarterly information.

\*\*\*\* For prices of the consumer: at the end of the year are annual variations and same month previous year is for monthly data variation.

\*\*\*\*\* Point monthly difference (closing of the period).

Sources: SECTUR, INEGI, STYPS, Bank of Mexico.



## ECONOMIC CONTEXT

### International

Global economic activity recorded a significant recovery during 2017, after experiencing a phase of slow-down in previous years. In advanced countries, the US grew at a moderate pace during the second half of 2016, and recovered significantly in the second quarter of this year, driven mainly by the performance of private consumption. On the other hand, the labor market strengthened, which allowed the FED to continue with the normalization of its monetary policy in this period.

In the euro area, the economy developed steadily in the second half of 2016; and in the second quarter of 2017 has shown a moderate acceleration in its growth rate. In addition, inflation begins to show signs of recovery, despite remaining below the target of the European Central Bank (ECB).

In this context, the ECB has reduced the monthly amount of asset purchases under its monetary stimulus program, although it extended the program until December 2017. Meanwhile, the Japanese economy has recovered significantly, driven by good internal market dynamics. Given the performance of advanced economies, it is important to note that there is a perception in the market that the main central banks in advanced economies will begin to implement more restrictive monetary policies.

### Domestic

The Mexican economy has shown resilience and sustained and balanced growth in the face of an external outlook that, while showing signs of a more synchronized global economic recovery, still presents downward risks.

Available economic data indicates a performance better than expected at 2017 at the beginning of the year, when uncertainty over the incoming US administration's economic policies caused a negative shock to Mexico's growth expectations. Of note is the creation of 555,598 formal jobs in the period January-July 2017, the largest generation of jobs for a similar period since 2000. In addition, commercial banking loans to the private sector expanded at a rate of 5.9 real annual percentage during July. Associated with these results, private consumption increased 3.6 percent annually during January-June with seasonally adjusted figures, the highest growth since 2012 for that period.

Economic expectations for the end of the year have improved and are encouraging, as a result of the favorable performance of the domestic market, the reactivation of external demand and greater confidence in the strength of the relationship with our main trading partner. The available information leads to an increase in the economic growth estimate for 2017 from 1.5 to 2.5 percent, ranging from 2.0 to 2.6 percent, consistent with private sector expectations.