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In early July, the Finance Secretariat (SHCP) reported that the country's trade surplus reached a whopping US$3 billion in January-May, largely because of a significant increase in exports during the five-month period. According to the report, exports totalled US$38 billion, an increase of 22.5% compared with January-May 1995. As a result, this year's January-May trade surplus was 19.4% higher than in 1995. According to the SHCP, exports for May alone set a record of US$8.04 billion, contributing to a trade surplus of US$558 million during that month. Manufactured products represented roughly 83% of total exports during May, while petroleum products accounted for another 11.75% of the total. The remaining exports included agricultural and mining products.

Some private analysts said the trade balance report presented some evidence that the Mexican economy is in a recovery mode. "The increase in imports indicate a very good rhythm of (economic) growth," said analyst Enrique Ramirez of Santander brokerage in Mexico City. The SHCP also reported total imports at US$7.48 billion for May, which brought the January-May import bill to US $35 billion. Total imports in January-May were up 18.1% from the same five-month period in 1995. According to the report, capital goods accounted for 12% of imports in May, while intermediate goods comprised 81% of imports that month. This means that consumer goods only accounted for about 7% of imports. Analyst Felix Boni of James Capel brokerage in Mexico City cautioned that the growth in imports of intermediate goods does not always indicate renewed consumption. He said such products are intended to boost export production and do not necessarily reach the general population. "Economic improvement is not broad-based," Boni told the Mexico City daily English-language newspaper The News. "The big debate is that we are seeing far greater recovery in certain sectors than others."

Other analysts said the seemingly positive export statistics were also a reason for caution, since overseas shipments have been supported by an artificial means: a devalued peso. According to Grupo Financiero Invermexico, the weak peso has been, in effect, a "subsidy" for certain sectors that, under normal circumstances, would not be able to compete on the export market. "Our export sector should not have to depend on a weak peso to remain competitive," said InverMexico. The analysis said the weak peso creates other problems for the Mexican economy, such as a reduction in domestic demand or an increase in inflation. On the other hand, a survey conducted by the Banco de Mexico (central bank) showed that 75% of exporters who responded to the inquiry expect their sales to overseas customers to continue to increase in the second half of 1996. The survey included a wide cross section of businesses, ranging from large corporations to small and medium-sized enterprises.

On a related matter, an analysis in the daily newspaper Excelsior pointed out that Mexican exports have grown at a faster rate than any other country in Latin America. Citing statistics from the Organization for Economic Development and Cooperation (OECD), the UN's Economic Commission for Latin America and the Caribbean (ECLAC), and the Mexican government, Excelsior

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said Mexican exports have increased at a faster rate than even Chile, which is considered more "economically sound" by the financial markets. The report said Mexican exports have grown by 14.3% annually between 1990 and 1995, compared with 13.8% for Chile, 11% for Argentina, 8.1% for Brazil, and 8% for Colombia. Similarly, the newspaper noted that Mexican imports during the five-year period increased by an annual average of 11.7% for Mexico, compared with 15.1% for Chile, 37.6% for Argentina, 19.7% for Brazil, and 20% for Colombia. (Sources: Excelsior, 07/10/96; La Jornada, The News, Novedades, 07/10/96, 07/16/96)

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