

Mexico City, January 12th, 2023

**R&I improved Mexico's credit outlook to stable
and ratified its rating at BBB+**

- **The agency reaffirmed the rating of the long-term Mexican debt in foreign currency at BBB+ with a stable outlook.**
- **The rating agency highlighted Mexico's economic recovery and the fiscal strength of the Federal Government with a downward trend in debt as a percentage of GDP.**
- **With this announcement, the 2022 rating cycle was closed, whereas Mexico maintains the investment grade, in addition to a stable outlook, with the 8 rating agencies that evaluate its debt.**

Today, the Japanese rating agency R&I improved the outlook of Mexico's long-term sovereign debt rating in foreign currency to stable from negative. In addition, R&I ratified the rating at BBB+, three notches above investment grade. It should be noted that the stable outlook on the sovereign rating provides the certainty that the agency does not expect rating movements in the next 12 to 18 months, this is valid both for R&I and for all the other agencies that established such a stance last year.

The rating agency highlighted that the country's stable outlook underlies in the strength of the fiscal stance and that there are no concerns regarding the country's external accounts nor financial sector, despite the risks associated with a lower global economic activity in 2023.

Furthermore, the agency underlined the relevance of private consumption for Mexico's economic activity in 2022. Likewise, it recognized that private investment maintains a positive momentum due to *nearshoring*, despite the challenge that exists in the recovery of the total investment and less favorable global conditions in 2023.

R&I emphasized that Mexico holds macroeconomic stability and a high level of international reserves, coupled with a Flexible Credit Line with the IMF for 47.5 billion dollars. This limits potential risks related to short-term debt and exchange rate volatility.

This ratification of the sovereign debt reinforces Mexico's government commitment with the appropriate management of public finances, which allows to maintain a favorable access to international and national markets.

In the following link you can find the complete document from the credit rating agency:

https://www.r-i.co.jp/en/news_release_cfp/2023/01/news_release_cfp_20230112_2212010501_eng.pdf
