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## **TENDENCIES AND PROSPECTS OF THE MEXICO'S ECONOMIC GROWTH**

**Introduction.** The attention of the international community was attracted by the rapid development of the “new industrialized countries of Asia, Africa and Latin America”.

Due to the lack of financial support and subsidiary policies, macroeconomic stability was observed. Mexico is the most attractive source for investors in Latin America, as it has the most favorable business climate in this region. This topic is still relevant, since the Mexico's economy plays an important role in the world market development [1].

**The objective of the paper** is to study and analyse Mexican economy and its development.

**Results of the research.** Having studied the socio-economic processes in the 19th and 20th centuries, we can conclude that Mexico's economy was undermined. However, the great impetus to the development of the Mexican economy was caused by the NAFTA. Due to the participation in the NAFTA, not only industrial production rates started to increase but also the share of high-tech products in them. Also, in the last two decades, trade, especially foreign trade, has become the main area of the development of the Mexican economy [2]. By 2016, Mexico ranked 9th in the world in terms of oil production and was among the first 10th in terms of its exports. Despite the economic success of Mexico, the crisis manifested itself. One of the results of the crisis was the fact that Mexico's political and business circles clearly understood the need to reduce excessive dependence on US markets, a decisive diversification of foreign economic relations, and the intensification of interaction with developing Latin America and the BRICS [3].

We can from the table that the amount of investments increased from 23.8% in 2010 to 28.20% in 2017. It shows that Mexico is one of the most attractive countries in the world for foreign direct investment (FDI) (table 1) [4].

Table 1

Major economic indicators of Mexico (2006-2016) [4]

Indexes/years	2006	2010	2012	2016
GDP (billion USD)	1043,47	1051,33	1261,98	1144,0
GDP per capita in PPP (ths USD)	15859,47	15364,87	16157,08	16490,34
Inflation (%)	4,0	4,2	3,6	5,8
Unemployment (% of active population)	3,6	5,4	5,0	3,19

In 2017 public debt of Mexico is the highest. Thus, we can conclude that the global economic crisis had a significant negative impact on Mexico's economy and development (table 2) [4].

Table 2  
Macroeconomic indicators of Mexico (2009 and the first half of 2017) [4]

Indicators	2009	2017
Change in GDP, %	-6,1	-2,7
Inflation, %	5,3	5,82
Budget deficit, %	-2,3	-2,8
Foreign trade volatility, %	-22,6	+29,3
Government debt, % of GDP	28,0	43,2
Domestic Debt,% of GDP	18,5	18,2
Current Balance,% of GDP	-0,7	-0,5

**Conclusion.** Consequently, with the development of the world economy, the economy of Mexico has the following problems: the incompleteness of the economy modernization, state monopoly, dependence on oil, geographical proximity and excessive dependence on commodity and financial markets of the USA, the weakness of the competitive environment in the economy, mass poverty of the population, high level of corruption and crime, the influence of drug cartels on the country's life. The ways of modernizing Mexican economy suggest that the country approaches the "point of bifurcation" and must determine its political and socio-economic future – the future of a large and potentially very rich state that objectively claims to the international role of the ascending state.

### References

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