

Voluntary Report – Voluntary - Public Distribution

Date: August 03, 2023

Report Number: MX2023-0039

Report Name: Market Snapshot Report - Mexico City

Country: Mexico

Post: Mexico City ATO

Report Category: Agricultural Situation, Agriculture in the Economy, Market Development Reports

Prepared By: Violetta Denise Soria

Approved By: Jonn Slette

Report Highlights:

The following report is the latest in a series of ‘snapshots’ of specific Mexican markets for U.S. food and beverage products, prepared by the Agricultural Trade Offices (ATOs) in Mexico City and Monterrey. This report features Mexico City, Mexico’s largest city and sub-national market. The information contained in this report is intended to identify market opportunities for U.S.-origin food and agricultural products in Mexico’s political center, global culinary capital, and major engine of the country’s economy.

I. INTRODUCTION

Mexico's urban centers account for 80 percent of its gross domestic product (GDP), as well as almost 80 percent of Mexican citizens. Mexico's five-largest metropolitan areas, in descending order, are Mexico City, Monterrey, Guadalajara, Puebla-Tlaxcala, and Toluca. This report will focus on the Greater Mexico City metropolitan area.

Mexico City (*Ciudad de México* or CDMX per the Spanish acronym) is the capital of Mexico and is also one of the largest, most populous cities in the world with a land area of 1,485 km². It is located in the Valley of Mexico in the center of the country (see Map 1) at 7,350 feet above sea level (2,240 mts). The city is divided into 16 boroughs or *Alcaldías*¹, which are further subdivided into neighborhoods or *colonias* (see Map 2).

Map 1: Mexico City's Location within Mexico



Mexico City is the seat of federal political power, as well a primary driver of the country's economy. In 2020, Mexico City's gross domestic product (GDP) reached \$142.85 billion and contributed 15.8 percent to the total national GDP. In 2022, CDMX's contribution to national GDP was 15.3 percent.

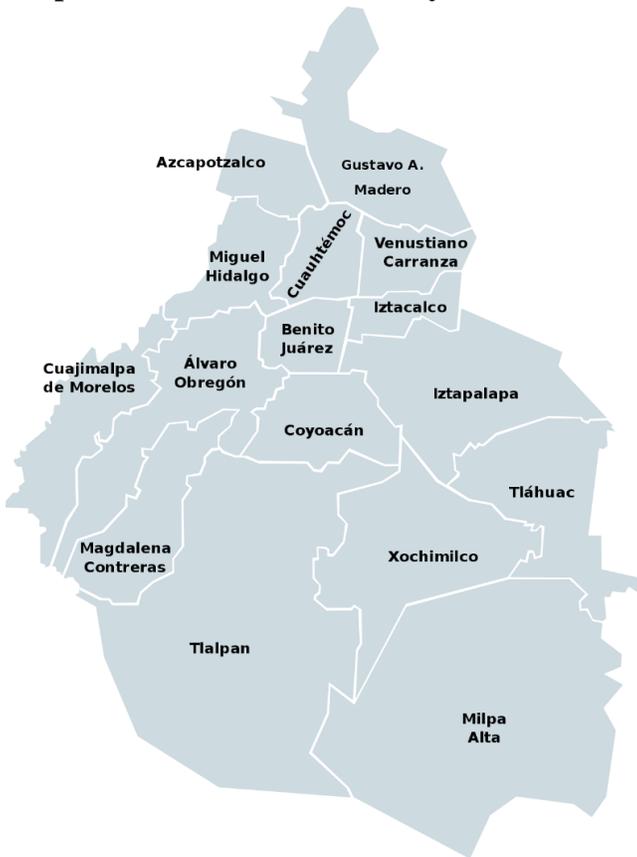
Mexico City's 2020 population reached 9.21 million (latest official data). 24 percent of CDMX's population is between 20 and 34 years old.² The CDMX Metropolitan Area, also called 'Greater Mexico City', includes Mexico City and 60 adjacent municipalities located in the neighboring States of Mexico and Hidalgo. According to the most recent census in 2020³, Greater Mexico City's total population is 21.8 million and accounted for 22 percent of Mexico's total GDP.

¹ The 16 Alcaldías are: Alvaro Obregón, Azcapotzalco, Benito Juárez, Coyoacán, Cuajimalpa, Cuauhtémoc, Gustavo A. Madero, Iztacalco, Iztapalapa, Magdalena Contreras, Miguel Hidalgo, Milpa Alta, Tláhuac, Tlalpan, Venustiano Carranza, and Xochimilco.

² Source: [INEGI, Data Mexico](#)

³ Idem.

Map 2: Alcaldías in Mexico City



II. ECONOMY

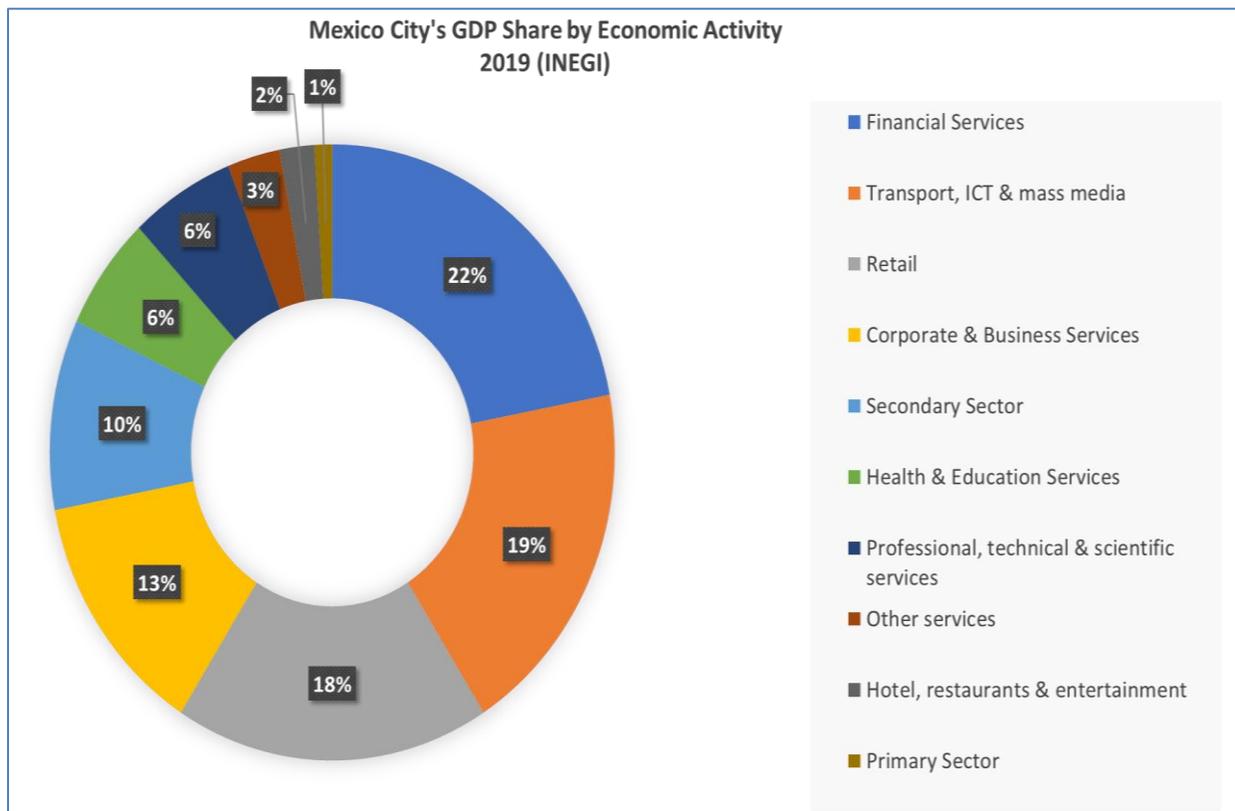
Coupled with Mexico City’s significant economic contributions is its high Human Development Index (HDI) score of 0.837 (Mexico’s national HDI score is 0.774⁴). In 2019, boroughs Benito Juárez and Miguel Hidalgo achieved HDI 0.944 and 0.917, respectively, roughly on par with Switzerland’s score of 0.942).⁵

In 2020, Greater Mexico City was the 9th most populous urban center in the world and the largest city in the Americas. Mexico City’s high GDP per capita and low employment make it among Latin America’s top-performing cities. In 2020, Greater Mexico City’s GDP reached \$142.84, down from \$159.3 billion in 2019. See Graph 1 below for a breakdown of Mexico City’s major economic sectors.

⁴HDI is considered high when it is equal to 0.8 or more, with 1 being the maximum possible score.

⁵ Source: [Mexico News Daily](#).

Graph 1: Mexico City's GDP Share by Economic Activity in 2019



Source: National Institute of Statistics and Geography (INEGI)

Historically, Mexico City's economy included more industrial production, services, and a large administrative sector. Major food processing companies, chiefly Nestle, Pepsico, Danone, Conagra Foods, Unilever, Lala, Herdez, Bimbo, La Costeña, GRUMA, Sigma, Mondelez, and Coca-Cola, among others, had primary production facilities in CDMX. However, changes in environmental regulations forced many factories to relocate outside of the city, although most companies maintained their corporate headquarters within CDMX. Although some industrial manufacturing continues (about 10 percent of CDMX's GDP), the tertiary sector now accounts for 83 percent of the city's GDP, with the construction industry adding another six percent.

A 2022 Economic Census showed that the 'Retail Trade sector, Other Services except Government Activities, and Temporary Accommodation and Food and Beverage Preparation Services' accounted for the city's most economic units⁶. In 2021, five Mexican cities were included among Latin America's top-ten for highest local purchasing power in Latin America and the Caribbean with Mexico City in the tenth place.⁷

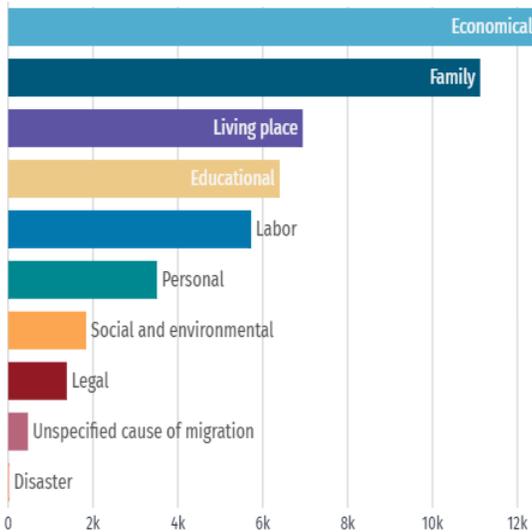
Mexico City attracts many people from within Mexico and beyond. From within Mexico, most transplants come from the States of Mexico, Veracruz, and Puebla. Over the last five years, U.S. citizens account for the largest number of international immigrants to Mexico City (11,200), followed by

⁶ Source: [INEGI, Data Mexico](#)

⁷ Source: [Statista](#).

Venezuela (7,950), and Colombia (4,750). The primary drivers for people to emigrate to Mexico City are economic, familial reasons, and housing (see Graph 2 below).

Graph 2: Main Causes of Immigration to Mexico City



Source: INEGI, Data Mexico

While Mexico City is known for its economic, political, and cultural prominence, one-third of the city's population lives below the poverty line. Although this figure is lower than the national average, it is compounded in Mexico City due to population density and economic disparity, which divides the city's richest and poorest residents.

Mexico City is well-connected via five national highways and two commercial airports, including the Benito Juarez International Airport and Felipe Angeles Airport, which offers local flights to Guadalajara, Cancun, Villahermosa, and other destinations. Moreover, Mexico City has an extensive public transportation system with local bus lines and a metro system.

III. THE CONSUMER

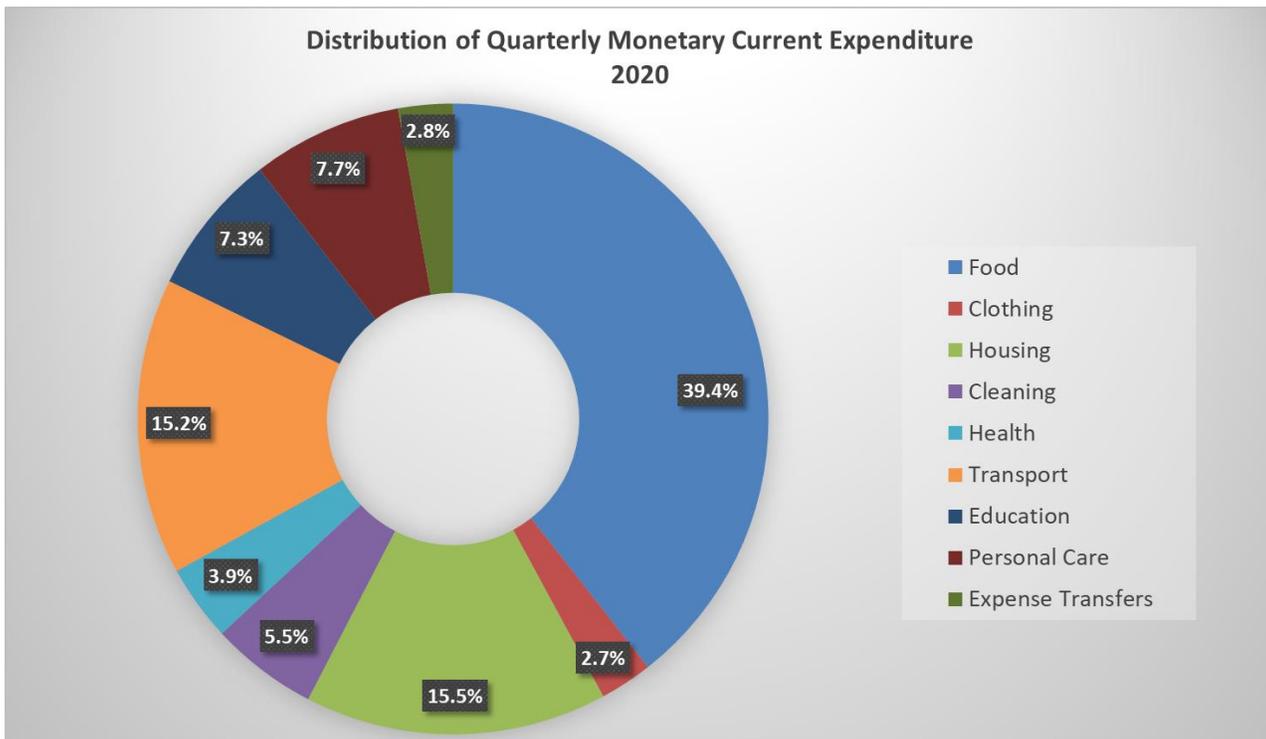
U.S. food and beverage exporters typically target Greater Mexico City's middle and upper-income consumers, particularly for retail and the hotel, restaurant, and institutional sectors (HRI). Other U.S. agricultural and food processing ingredient exporters target Greater Mexico City's food processing industries.

The average Mexico City households spend 39.4 percent of their income on food, 15.5 percent on housing, and 15.2 percent on transportation⁸. From 2018 to 2020, the 'health' category saw the biggest increase in household spending, doubling to nearly four percent.⁹ A portion of the population (both locals and transitory residents, mainly expats) has high levels of purchasing power, which makes Mexico City an attractive for high-quality and luxury products.

⁸ Source: [INEGI, Data Mexico](#)

⁹ Source: [INEGI, Data Mexico](#)

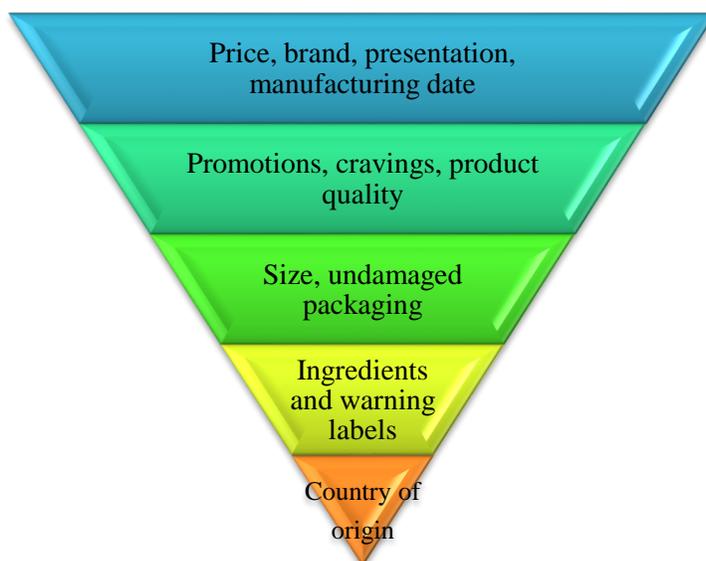
Graph 3: Quarterly Monetary Current Expenditure 2020



Source: INEGI, Data Mexico

In 2021, ATO Mexico City conducted a consumer survey to explore COVID-19’s effects on Mexican consumer trends and purchasing habits (view the report [here](#)). According to the survey, people in Mexico City tend to favor Mexican-made products, but also tend to view U.S.-origin products as safe and high quality. Also, according to the survey, CDMX denizens consider price, branding, and presentation when purchasing food. Women also tended to give more consideration to manufacturing dates. Middle- and upper-income consumers in Mexico City tended to be more increased interest in how their purchases and consumption impact the environment. See Graph 4 below for additional information.

Graph 4: Mexican Consumer Consideration for Food Purchases



IV. TRADE SHOWS

Given its size, Mexico City hosts several notable food and beverage trade shows annually. The table below shows some of the regular trade shows in the food sector.

Table 1: Food and Beverage Trade Shows in Mexico City

Trade Show	Subject	When?
CerveFest Mexico	International Beer Fair	March
Abastur	Hospitality and Gastronomy Fair	August
Expo Restaurantes	Mexican Trade Fair for hotels and restaurants	September
Expo Café	Coffee trade show	September
Gourmet Show	Promotion of specialized food. For professionals of the hospitality industry and gourmet world.	September
Salón Chocolate y Cacao	Chocolate specialized expo.	September
Wine Room	Wine culture and wine consumption	September
Food Tech Summit & Expo	Expo of ingredients, additives, and solutions for food and beverages	September
Cerveza Mexico	International beer exhibition (expo+congress+competition)	October

V. RETAIL SECTOR

Mexico City's food retail market ranges from very basic to luxury. Throughout Great Mexico City, consumers can experience a range of options, both in-person and virtual, modern and traditional. For Mexicans in general, traditional retail channels remain important (e.g. public markets, *tianguis*, mom & pops) for convenience and for the close ties consumers develop with family-owned and local businesses.

Mexico City is home to *Central de Abasto*, the largest wholesale market in the world, located in Iztapalapa. *Central de Abasto* supplies almost all of the city's markets and *tianguis*, as well as most supermarkets, restaurants, hotels, and some individual shoppers. It has around 2,000 "stalls" spread across 3.27km². *Central de Abasto* receives and sells over 30,000 tons of fresh produce, food products, flowers, meat, and more from all over the country every day, employing 70,000 people and serving more than 300,000 costumers daily¹⁰. In the same complex, the customer can also find the *La Nueva Viga* seafood market.

Mexico City largest modern retail stakeholders include Walmart, Soriana, Chedraui, and Grupo La Comer. Each company includes various of formats, including megamarkets, hypermarkets, supermarkets, price clubs, discount stores, convenience stores, and mini markets, to cater to different socio-economic levels. Walmart has the biggest footprint throughout Mexico. In Mexico City, Walmart includes all six abovementioned formats: Walmart SuperCenter, Bodega Aurrera, Mi Bodega Aurrera,

¹⁰ Source: [Central de Abasto de la Ciudad de México \(CEDA\) \(cec.org\)](http://Central de Abasto de la Ciudad de México (CEDA) (cec.org))

Bodega Aurrera Express, Walmart Express, and Sam's Club (with 16 Sam's Clube outlets in Mexico City). Soriana is also an important player, with four formats: hypermarkets, supermarkets, express markets, and Mega Soriana. Chedraui Supermarkets and Chedraui Selecto generally focus on consumers with higher purchasing power. Grupo La Comer is present in Mexico City with their formats La Comer (14 stores in Mexico City), Fresko (three stores), City Market (six stores), and Sumesa (five stores in the city). City Market focuses on higher-income consumers and features gourmet, luxury, and imported products. Costco is also present in Greater Mexico City with 10 stores. Other supermarkets and convenience stores in the city include 3B, Oxxo, 7-Eleven, Tiendas Extra, Tiendas Kiosko, El Zorro Abarrotero (more than 80 stores in Greater Mexico City), El Puma Abarrotero, and Abarrotes Escorpión (42 stores in the metropolitan area).

Overall, Mexico City contains more supermarkets and convenience stores than the next three largest cities (Monterrey, Guadalajara, and Puebla) combined. Due to the COVID-19 pandemic, most retailers adopted an omnichannel strategy having physical stores and digital platforms and developing delivery apps or working with existing apps to satisfy consumer demand.

VI. TOURISM AND FOOD SERVICE SECTOR

Tourism is very important for Mexico's economy, that could be why it was one of the few countries that did not put in place restrictions to travelers during the COVID-19 pandemic (it was the third most visited country in 2020); even with this non restriction policies, the tourism sector suffered losses of 70 percent and had a hard time recovering. In 2022, 38.3 million people visited Mexico, meaning that the tourism sector finally recovered pre-pandemic levels, growing 20.3 percent from 2021. The tourist sector meant 8.3 percent of the country's GDP in 2022. Mexico City was the most visited city in the country (2022), and it is also regarded as a culinary destination.

In August 2022, Mexico City counted 640 active hotels, including 100 five-star hotels, for a total of 53,135 rooms. The area with the most hotels is Cuauhtémoc (which includes downtown Mexico City) with 359 hotels. In 2019, the economic contribution of hotel guests in the city accounted for \$5.9 billion.

According to Mexico City's Ministry of Tourism, from January to June 2023, 5.4 million people checked into a Mexico City hotel room. With this data, they estimate a total annual of 15 million tourists through calendar year 2023. This represents a growth of 26 percent from the 11.9 million hotel guests in 2022. Of these visitors, most were national tourists (8.7 million) and the rest (3.2 million) came from different countries, mainly from the United States and Canada.

Mexico City's gastronomic tradition is world-renowned, from traditional street food to internationally recognized restaurants. Mexico City's culinary scene often fuses traditional with modern; chefs have created a unique food ecosystem that incorporates cuisines and techniques from other parts of Mexico along with other places in the world. From street vendors to a fine dining, Mexico City has options for every palate and every budget. The restaurant industry mainly consists of small businesses (employing up to ten people) and generates two million jobs in Mexico City, with restaurants representing 12.2 percent of the city's businesses.

With the closedown forced by the COVID-19 pandemic in 2020 and part of 2021, the restaurant industry saw 29.3-percent decline, with many restaurants closures. In Mexico City alone, 13,500 restaurants closed because of the pandemic as of January 2021. Consumers changed consumption patterns and

therefore negatively affected the restaurant industry. For example, in 2018 the average family spent 22.8 percent of their food and beverages budget outside of home, in 2020 this declined to 13.4 percent.

The culinary sector's recovery after the COVID-19 pandemic has been slow, but it is underway. Because the restaurant industry was forced to innovate, they increased delivery services and introduced the use of apps to be able to replace the restaurant experience. Vaccination rates and other sanitary measures also helped this recovery, which by the end of 2022 was almost back to pre-pandemic levels.

VII. SOME FACTS AND ADDITIONAL INFORMATION ABOUT MEXICO CITY

- It is known as the City of Palaces, because of all the mansions and palaces in it, which date mainly from the 19th century and are considered architectonic gems.
- People from Mexico City are known throughout as “*chilangos*”. While some wear this term with pride, others find it to be derogatory. They are also called “*capitalinos*”, in allusion to Mexico City's status as the national capital.
- Following London, Mexico City has the second-most number of museums in the world, with 170 museums and 43 galleries.¹¹
- Normal business hours are Mondays through Fridays from 9:00 a.m. to 7:00 p.m. Lunchtimes usually occur between 1:00 and 3:00 p.m.
- Regarding tips, the custom is to leave at least 10 percent. This could go up to 15-20 percent if the service was exceptional. Tips are presented in restaurants, bars, and cafes and to street vendors selling prepared foods. It is also customary to leave service tips for valets, gas station attendants, bellmen, and similar service providers. Not tipping is often considered rude. Mexicans typically do not tip taxi drivers.
- Part of what makes cooking (and eating) in Mexico City so interesting is that multiple regional cuisines meet and interact, as explained above.
- After the COVID-19 pandemic, several surveys considered Mexico City as one of the best cities in the world to telework considering factors such as band with access, coworking spaces, cost of living, friendliness, quality of life, restaurant scene, etc.

VIII. RECOMMENDATIONS

Mexico City is one of the largest and most dynamic sub-national economies in Latin America, Mexico's center for politics, many industries, education, culture, art, gastronomy, and an important tourism destination. The growth of the tourism sector also provides opportunities for U.S. products, particularly in the HRI sectors. Mexico City is a good place to launch new products, as successful products in Mexico City often provide indication of potential successful in other Mexican cities. Post recommendations for current and prospective exporters include:

- Explore and consider the best entry strategy for your product(s). The size of the city and its cosmopolitan nature opens different avenues and opportunities.
- ATO Mexico City highly recommends working closely with U.S. marketing organizations or regional trade associations for food and agricultural products. Post also recommends working with established importers and customs brokers to facilitate trade.
- Take advantage of hotel and supermarket chains already established in the market.

¹¹ Source: [AD Magazine](#).

- Social media platforms are popular, especially with the younger consumers.

The primary mission of the ATOs in Mexico City and Monterrey is to assist the market development and promote U.S. food and agricultural products in the Mexican market. The ATOs and our cooperator partners make available a wide variety of activities and services to help develop U.S. agricultural interests in Mexico. If you have any questions or comments regarding this report or need assistance exporting U.S.-origin agricultural products, foods, beverages, and food processing ingredients to Mexico, please contact the ATO in Mexico City or Monterrey.

FOR MORE INFORMATION

For all available USDA programs please visit this [website](#). Please review [FAS Mexico website](#) for a current list of cooperators working in Mexico. Please also consult the [FAS website](#) for more general information on what FAS does for American producers and exporters. Visit the [FAS Global Agricultural Information Network \(GAIN\)](#) to find a complete selection of Mexico-specific agricultural reporting.

ATO Mexico City

Liverpool #31, Col. Juarez
Mexico City, CDMX 06600
T: +52 (55) 5080-2000 ext. 5282
E: AgMexico@usda.gov

ATO Monterrey

Prol. Av. Alfonso Reyes #150, Col. Valle
Poniente
Santa Catarina, NL 66196
T: + 52 (81) 8047-3100 ext. 3232
E: AgMexico@usda.gov

Attachments:

No Attachments.