

Latam Economic Update

- **Mexico: 925,490 formal jobs lost in the January–July Period**
- **Peru: President Vizcarra announces new COVID-19 containment measures**

MEXICO: 925,490 FORMAL JOBS LOST IN THE JANUARY–JULY PERIOD

According to data published on August 12 by the Mexican Social Security Institute (IMSS), 3,907 formal jobs were lost in July, for a total of 925,490 so far this year (chart 1), 75% of which were permanent occupations.

Consequently, the yearly decline in employment continued to deepen its decline from -4.3% y/y to -4.4% y/y. Our macroeconomic scenario forecasts a loss of 1.6 million jobs for all of 2020; this would represent the largest contraction in formal employment on record.

—Paulina Villanueva

PERU: PRESIDENT VIZCARRA ANNOUNCES NEW COVID-19 CONTAINMENT MEASURES

- **Focalized mandatory stay-at-home expanded from 20 provinces to 34 provinces in 14 regions, in addition to five regions entirely under mandatory stay-at-home.** In all, 19 of 24 regions are under a partial or total mandatory stay-at-home regime. Although one suspects that compliance must be an issue in many of the more remote areas.
- **Mandatory stay-at-home nationwide reinstated, albeit for Sundays only.** Public transportation will not be allowed. However, unlike in the past, restaurant delivery services will continue on Sundays.
- **Family reunions not allowed.**
- **All those under the age of 14 may only leave their homes for a maximum of 30 minutes a day.** There may also be compliance issues here.

These measures will be published officially on August 13, so there may be some changes, but likely nothing major. There had been some expectation about new measures for some days, given the profile of the new Cabinet, and statements made by the Minister of Health Pilar Mazzetti.

—Guillermo Arbe

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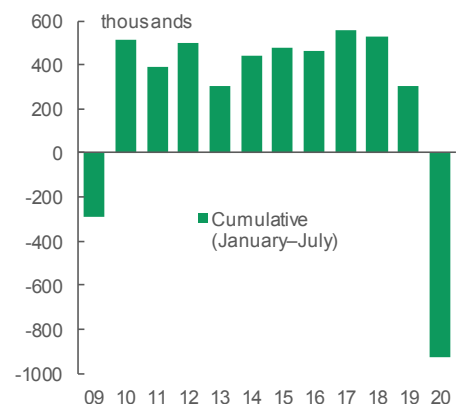
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Chart 1

Mexico: Formal Job Creation



Source: Scotiabank Economics, STPS.

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