Mexico has high regional disparities. GDP per capita in Mexico City – the country’s second richest region after Campeche, where natural resources significantly contribute to the economy – was more than five times higher than in Chiapas in 2016. Even when resource rich regions such as Campeche or Tabasco are excluded, regional economic disparities in Mexico remain larger than in any other OECD country. However, regional disparities in terms of GDP per capita have slightly decreased in Mexico over the last sixteen years, when the richest and poorest 20% of regions are taken into account.

With a productivity growth of 4.4% per year over the period 2010-16, Aguascalientes had the highest productivity growth and strongly converged towards the productivity level of Mexico City, the national frontier in terms of labour productivity (excluding Campeche). Tlaxcala recorded the lowest productivity growth of the country with -1% per year between 2010 and 2016 (excluding Campeche and Tabasco due to fluctuation of natural resource prices).

Mexico City has the highest youth unemployment rate (13.1% in 2017) in the country, almost ten percentage points above the youth unemployment rate in Guerrero.

Source: OECD Regional Database.
Notes: (1) Figure on regional gap in GDP per capita: OECD regions refer to the administrative tier of subnational government (large regions, Territorial Level 2); Mexico is composed of 32 large regions. (2) Figure on index of regional disparity: top (bottom) 20% regions are defined as those with the highest (lowest) GDP per capita until the equivalent of 20% of national population is reached, this indicator provides a harmonised measure to rank OECD countries, using data for small regions (Territorial Level 3) when available. (3) Productivity is measured as GDP per employee at place of work in constant prices, constant Purchasing Power Parities (reference year 2010).
The largest disparities in well-being between Mexican states are found in the areas of environment and community, with Quintana Roo ranking in the top 10% of OECD regions and San Luis Potosi and Mexico City each ranking in the bottom 10% of OECD regions in both dimensions. Wide regional disparities also exist in life satisfaction, civic engagement and jobs.

The high performing Mexican states fare better than the OECD median region in air quality, life satisfaction, unemployment rate, but fare worse in the ten other well-being indicators. The gap between Mexican states and the OECD average is largest for the indicators homicide rate, disposable income per capita, access to broadband connection and share of labour force with at least a secondary degree.

Relative ranking of the regions with the best and worst outcomes in the 11 well-being dimensions, with respect to all 402 OECD regions. The eleven dimensions are ordered by decreasing regional disparities in the country. Each well-being dimension is measured by the indicators in the table below.
**Metropolitan areas in the national economy**

OECD population is concentrated in cities*
*Percentage of population in cities, 2016*

![Circle chart showing percentage of population in cities](chart)

Source: OECD Metropolitan Database. Number of cities: 92 in Mexico and 1 138 in the OECD.

In Mexico, **67% of the population lives in cities** of more than 50 000 inhabitants. The share of population in cities with more than 500 000 people is **56%**, in line with the OECD average (55%).

**Importance of metropolitan areas**  
Cities above 500 000 people, 2016

<table>
<thead>
<tr>
<th>Metric</th>
<th>Mexico</th>
<th>OECD average</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of national GDP</td>
<td>63%</td>
<td>63%</td>
</tr>
<tr>
<td>% of national employment</td>
<td>56%</td>
<td>58%</td>
</tr>
<tr>
<td>% of national population</td>
<td>56%</td>
<td>55%</td>
</tr>
</tbody>
</table>

The metropolitan areas in Mexico account for **63%** of national GDP. Between 2000 and 2016, the Mexican metropolitan areas generated **64%** of national GDP growth, in line with their weight in the national economy.

In 2016, Monterrey was the only Mexican metropolitan area with a GDP per capita above the lowest 20% of OECD metropolitan areas.

When considering **air pollution in terms of levels of PM 2.5**, the metropolitan areas of Toluca (State of Mexico) is the least polluted metropolitan areas in Mexico, and is the only Mexican metropolitan area which is not in the 20% most polluted OECD metropolitan areas.

**OECD Metropolitan areas ranking**  
Cities above 500 000 people

![Bar chart showing GDP per capita and air pollution levels](chart)

Source: OECD Metropolitan Database. Number of metropolitan areas with a population of over 500 000: 38 in Mexico compared to 327 in the OECD.

*Note: Cities are defined here as functional urban areas, which are composed by high-density urban centres of at least 50 000 people and their areas of influence (commuting zone). For more information, see: [http://www.oecd.org/cfe/regional-policy/functionalurbanareasbycountry.htm](http://www.oecd.org/cfe/regional-policy/functionalurbanareasbycountry.htm).

Updated the 5th of March 2019
Subnational government expenditure amounts to **USD 2,243 per capita** in Mexico compared to an OECD average of USD 6,817. In Mexico, this is equivalent to **51.9% of total public expenditure** and to **12.7% of GDP**. In comparison, across the OECD, subnational government expenditure accounts for 40.4% of total public expenditure and for 16.2% of GDP.

In Mexico, subnational governments carried out **78.9% of total public investment**, compared to an OECD average of 56.9%.

### Role of subnational governments in public investment

<table>
<thead>
<tr>
<th>Mexico</th>
<th>OECD average</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>USD per capita</strong></td>
<td><strong>USD per capita</strong></td>
</tr>
<tr>
<td>Total public investment</td>
<td>USD 1,278</td>
</tr>
<tr>
<td>USD 312</td>
<td>3.0% of GDP</td>
</tr>
<tr>
<td>Subnational government investment</td>
<td>USD 246</td>
</tr>
<tr>
<td>78.9% of public invest</td>
<td>56.9% of public invest</td>
</tr>
</tbody>
</table>

Source: OECD Subnational Government Structure and Finance Database.

### OECD Regions and Cities at a Glance 2018

The 2018 edition of OECD Regions and Cities at a Glance shows how regions and cities contribute to national growth and the well-being of societies. It updates its regular set of region-by-region indicators, examining a wide range of policies and trends and identifying those regions that are outperforming or lagging behind in their country.

Consult this publication on line: [https://oe.cd/pub/2n9](https://oe.cd/pub/2n9)