

## **Distribution of the Gross Fixed Investment and the Employment in Mexico**

Topic: Effects of Investments

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The aim of this paper is to analyse the impact of the gross fixed investment on the level of employment in Mexico, particularly, we intend to identify those sectors of the Mexican economy that, via gross fixed investment, contribute the most to the level of employment. For these purposes, from the Input-Output analysis, tools like the subsystem analysis, the employment multipliers and the indices of Rasmussen were utilized and applied to the Mexican I-O tables of 2008 (INEGI) and 2009 (WIOD). The findings were weighed and it was concluded that sectors such as construction, machinery production and transport equipment production are the sectors that contribute significantly to the level of employment in Mexico because they are labour importing sectors, they register the greatest employment multipliers and they show to be strongly connected to the rest of the system.

Keywords: Gross fixed investment, employment, Mexico, I-O tables, subsystem analysis, employment multipliers, indices of Rasmussen.

JEL Codes: C67, E22, J23