

## Administrative Registry of the Light Vehicle Automotive Industry, January 2025

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### Production

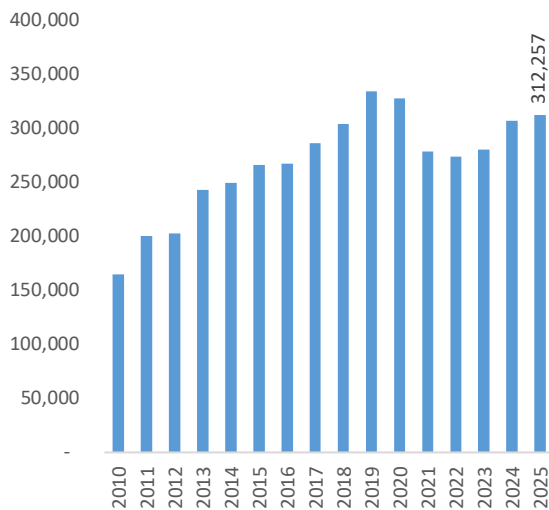
The Administrative Registry of the Mexican Light Vehicle Automotive Industry showed that production totaled 312,257 units in January, showing an annual growth of 1.68%.

During January 2025, 70.27% of production was exported, a decrease of 12.56 percentage points compared to the same month in 2024 (Figure 2). On the other hand, domestic sales were equivalent to 38.37% of production.

The three brands with the highest production of light vehicles in Mexico were:

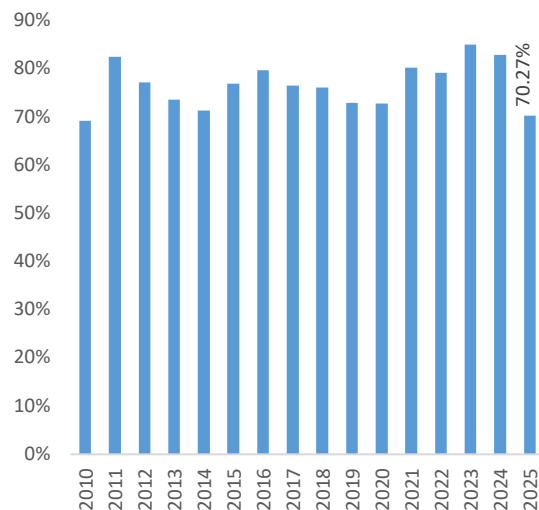
- Nissan (19.56% of total production), with an annual increase of 7.99%.
- General Motors (19.25% of total production), with an annual contraction of 10.73%.
- Ford Motor (10.44% of total production), with an annual contraction of 5.15%.

**Figure 1.** Production of light vehicles, January of each year



Source: GF BASE with information from INEGI.

**Figure 2.** Ratio of exports to production, January of each year



Source: GF BASE with information from INEGI.

## Exports

In January, 219,414 units were exported, representing an annual decrease of 13.74%, the largest drop for a January month since 2009. Compared to the all-time high for a January month, recorded in 2024, the decrease was 13.74%.

In January, the three brands with the highest exports of light vehicles in Mexico were:

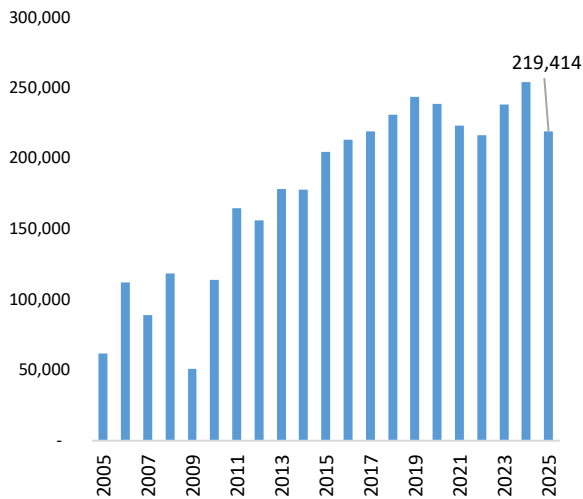
- General Motors (22.23% of total exports), with an annual drop of 23.80%.
- Nissan (13.13% of total exports), with an annual drop of 22.85%.
- Chrysler (10.92% of total exports), with an annual growth of 4.72%.

In the same month, the three countries with the highest participation as receptors of Mexico's light vehicle exports were:

- The United States representing 83.55% of the total, with an increase of 2.75 percentage points with respect to January 2024.
- Canada representing 9.89% of the total, increasing 1.90 percentage points with respect to January 2024.
- Germany representing 1.84% of the total, decreasing 0.78 percentage points with respect to January 2024.

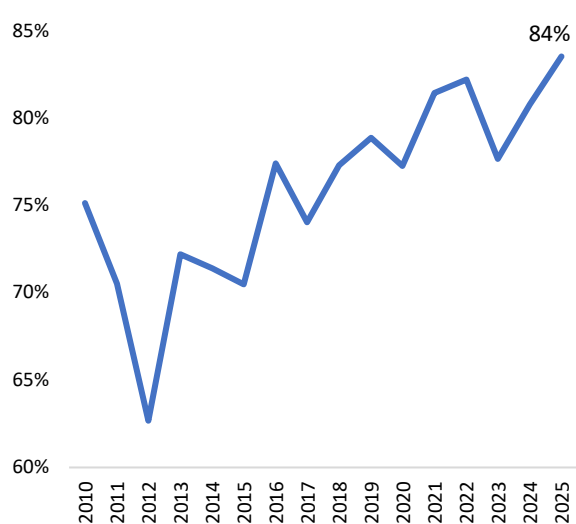
The United States has been the main destination for Mexico's light vehicle exports. In January 2025, 183,321 vehicles were shipped, dropping 10.80% with respect to the previous year.

**Figure 3.** Exports of light vehicles, January of each year



Source: GF BASE with information from INEGI.

**Figure 4.** United States share as export destination country, January of each year



Source: GF BASE with information from INEGI.

## Sales

In January 2025, 119,811 units were sold, showing an annual growth of 5.94%, the lowest for a January since 2022, when a drop of 3.76% was recorded.

It is worth mentioning that sales are 2.95% below the all-time high recorded in 2017 for the month of January.

The three brands with the highest sales of light vehicles in Mexico in January 2025 were:

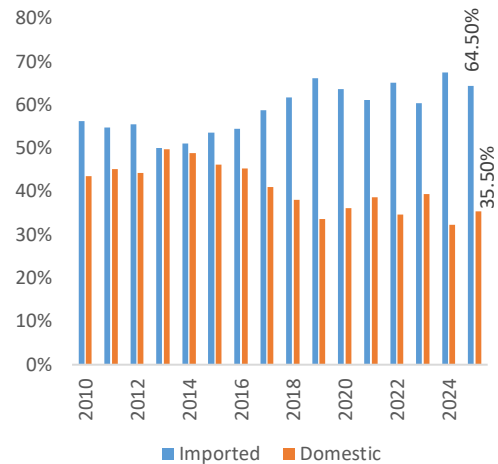
- Nissan (16.93% of total sales), accumulating 26 consecutive months as the top selling brand.
  - General Motors (13.12% of total sales).
  - Volkswagen (10.14% of total sales).
- These three brands accounted for 40.19% of total light vehicle sales in Mexico in January 2025.

### Imported vs. domestic light vehicle sales

In January, 64.50% of sales in Mexico were of imported automobiles with 77,282 units. Domestic vehicle sales accounted for 35.50% of total sales.

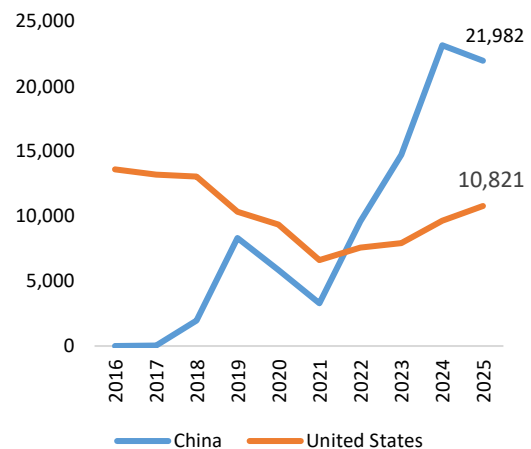
In the same period, 21,982 vehicles imported from China were sold, showing a decrease of 5.21% with respect to the same month of 2024 (Figure 6). Despite this, imported cars of Chinese origin rank first in domestic sales, followed by the United States and Brazil. It is worth mentioning that, as of October 2021, Chinese cars lead imported vehicle sales in the country with a share of 18.35% of total light vehicle sales in Mexico and 28.44% of total imported vehicle sales. The United States had a 9.03% share of total sales and Brazil had a 7.98% share of total sales.

**Figure 5.** Imported vs. domestic vehicle sales (%), January of each year



Source: GF BASE with information from INEGI.

**Figure 6.** Vehicles imported from China and the United States, December of each year



Source: GF BASE with information from INEGI.

### **Domestic sales of hybrid and/or electric vehicles**

Domestic sales of hybrid and/or electric vehicles are not considered in the light vehicle sales statistics, i.e., they are accounted for independently. In January 2025, hybrid vehicle sales stood at 10,881 units, reaching an all-time high for this month and increasing 35.62% with respect to the same month in 2024. Sales of electric vehicles reached 1,316 units, increasing 2.72% annually.

### **Tariffs on Mexican products in the United States.**

On February 1, 2025, it was announced in the United States the implementation of a 25% tariff on all products imported from Mexico and Canada, as well as an additional 10% tariff on China, starting on February 4. This decision was made on the grounds that the United States wants to stop drug trafficking and the immigration of undocumented persons. This measure generated concern in several economic sectors, especially in the automotive industry, where both countries have closely linked supply chains. It should be recalled that 47% of the auto parts imported by the United States come from Mexico and Canada.

According to data from the Bank of Mexico, close to 28% of total Mexican exports to the United States correspond to transportation material (Section 17), with an approximate value of 143 billion dollars, close to 7.8% of Mexico's GDP in the same year. A 25% tariff on these Mexican exports would represent an estimated income for the U.S. government of 35.7 billion dollars, but would result in higher prices for U.S. consumers.

Exports of passenger cars alone (passenger cars, excluding heavy transport and other transportation equipment) accounted for 9.1% of Mexico's total exports to the United States in 2024 and about 2.5% of Mexico's GDP in the same year. Of all passenger car exports from Mexico, 75% are destined for the United States.

If tariffs were imposed on the automotive sector, the most affected states in Mexico would be mainly those that concentrate these exports: Coahuila, Guanajuato, Nuevo Leon, Chihuahua, Puebla, San Luis Potosi, State of Mexico, Baja California, Aguascalientes and Tamaulipas. Together, these states account for 86.7% of Mexico's automotive exports.

Should automotive companies attempt to shift all of their production to the United States, costs would increase by 24.9%, which would put upward pressure on prices and affect the sector's competitiveness. If the tariff is implemented and only half of the impact is passed on to the final consumer, U.S. inflation would increase by approximately 0.75 percentage points, which could push it back above 3.5% annually. The reduction in profits at the affected companies could limit the hiring of personnel or even cause job losses on both sides of the border. Furthermore, the implementation of this tariff would cause disruptions in supply chains and possible shortages of automobiles and auto parts in the United States (similar to what happened during the pandemic).

In light of this, the imposition of tariffs on Mexico only makes sense if:

- The U.S. government seeks to force Mexico into greater regional economic integration and isolation from China
- The U.S. sees Mexico as a risk because of the possibility that with increased imports, Mexico will increase its bargaining power
- Trump wants to limit the amount imported from anywhere in the world
- The U.S. government wants to increase its tax revenue in the face of high indebtedness



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Because of the above, it is unlikely that Trump will decide to impose the tariff on all imports from Mexico. Instead, he is expected to impose bait tariffs only on specific products.

The entry into force of the universal 25% tariff was postponed for a month and is very likely to be further postponed, as it is not in the interest of any of the countries. However, it is likely that Trump wants to bring forward the T-MEC review, scheduled for July 2026, to pressure Mexico and Canada on migration and security. In this review of the T-MEC, the automotive industry will be key due to the increased participation of imports from China.

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