Administrative Registry of the Light Vehicle Automotive Industry, April 2025

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Production

The Administrative Registry of the Light Vehicle Automotive Industry for April showed that production was 326,069 units, representing a 9.07% annual drop, the largest drop for any month since March 2024 and for an April since 2020. It is worth noting that 2024 is the highest ever for an April.

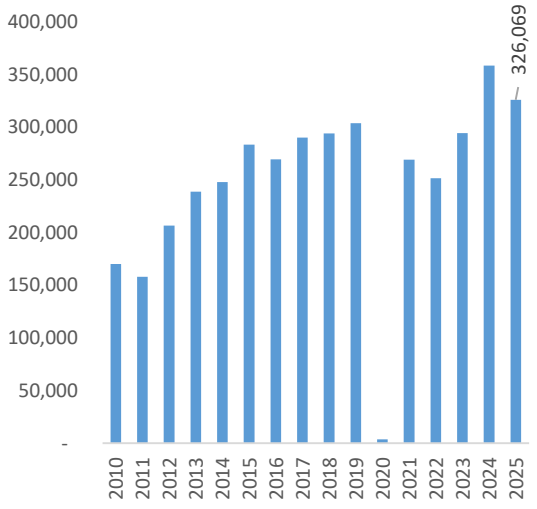
Year-to-date, light vehicle production reached 1,299,554 units, representing an annual growth of 0.94% and a decrease of 0.31% compared to the all-time high recorded for the same month in 2019. During the same period, light vehicles accounted for 76.6% of production.

In April 2025, 78.80% of total production was exported, a decrease of 1.60 percentage points compared to the same month in 2024 (Figure 2). Domestic sales in April 2025 were equivalent to 33.21% of total production.

In April 2025, the three brands with the highest production of light vehicles in Mexico were:

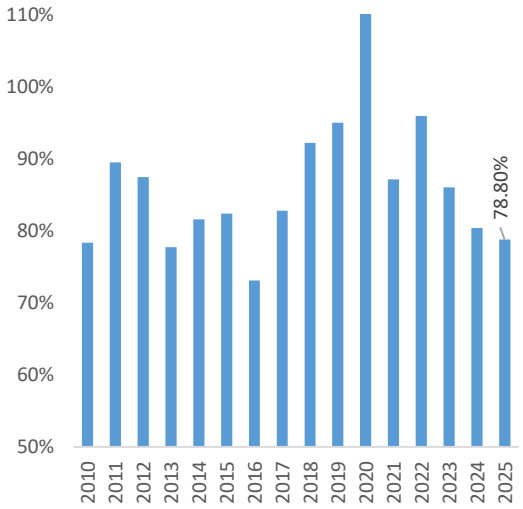
General Motors (22.25% of total production), with an annual decrease of 11.55%.
Nissan (15.42% of total production), with an annual decrease of 10.02%.
Ford Motor (11.81% of total production), with an annual increase of 0.29%.

Figure 1. Light vehicle production, April of each year



Source: GF BASE with information from INEGI

Figure 2. Export to production ratio, April of each year



Source: GF BASE with information from INEGI

Exports

In April, 256,953 units were exported, representing a 10.88% annual drop compared to the same month in 2024 and a 11.01% drop compared to the all-time high recorded for the same month in 2019. Year-to-date, 1,032,819 light vehicles were exported, representing a 7.29% drop compared to the same period in 2024.

The contraction in automobile exports to the United States is due to the fact that tariffs on automotive imports went into effect in April. Therefore, some companies chose to temporarily adjust their production and, in some cases, postponed the shipment of some products pending more favorable tariff conditions in the coming months. Additionally, nine of the 13 brands registered declines during April, which together accounted for 44.97% of exports, resulting in a cumulative annual decline of 30.19%.

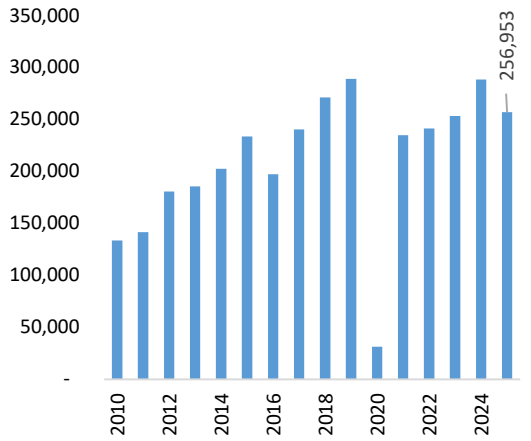
The three brands with the largest light vehicle exports in Mexico during April were:
-General Motors (29.75% of total exports), with an annual growth of 8.76%.
-Ford Motor (12.42% of total exports), with an annual growth of 1.01%.
-Toyota (11.11% of total exports), with an annual growth of 36.43%.

Year-to-date, the three countries with the largest share of Mexico's light vehicle exports were:

-The United States, representing 81.41% of the total, down 0.58 percentage points annually.
-Canada, representing 9.42% of the total, increasing 2.07 percentage points annually.
-Germany, representing 2.32% of the total, decreasing 0.69 percentage points annually.

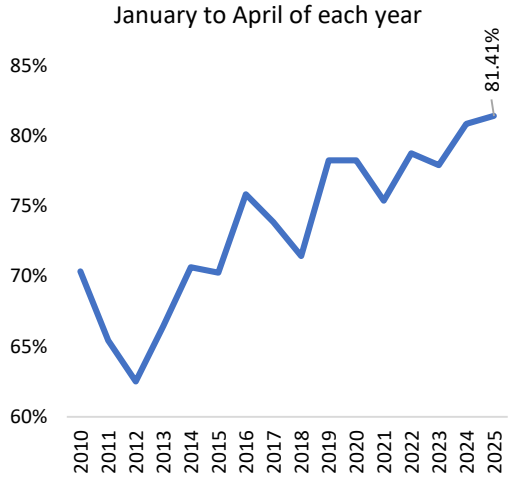
The above may indicate, in part, that a substitution effect is occurring in the destination of Mexico's automotive exports. The United States has been the main destination for Mexico's light vehicle exports. Specifically, exports to the United States accounted for 76.63% of total exports in April, showing a 14.93% annual drop in April, the largest since November 2021.

Figure 3. Light vehicle exports, April of each year



Source: GF BASE with information from INEGI

Figure 4. Share of the United States as an export destination country, January to April of each year



Source: GF BASE with information from INEGI

Sales

In April 2025, 108,298 units were sold, representing a 4.58% annual decline, the largest drop for any month since December 2021 and for any such month since 2020.

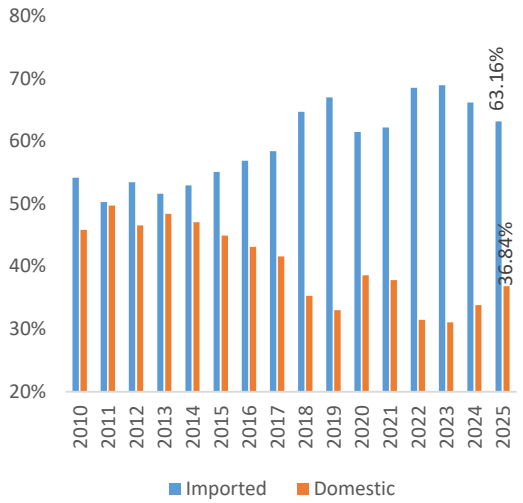
Compared to its all-time high for a single month in 2016, sales have accumulated a drop of 8.80%.

For the year to date, 473,323 units were sold, representing a 1.41% increase compared to the same period in 2024 and a 4.15% decrease compared to the all-time high recorded for a single period in 2017.

The three brands with the highest sales of light vehicles in April 2025, which together represented 40.68%, were:

-Nissan (17.74% of total sales, holding this position for 29 consecutive months), with an annual growth of 6.25%.
-General Motors (13.77% of total sales), down 13.91% year-over-year.
-Volkswagen (9.22% of total sales), down 5.08% year-over-year.

Figure 5. Sales of imported vs. domestic vehicles (%), April of each year



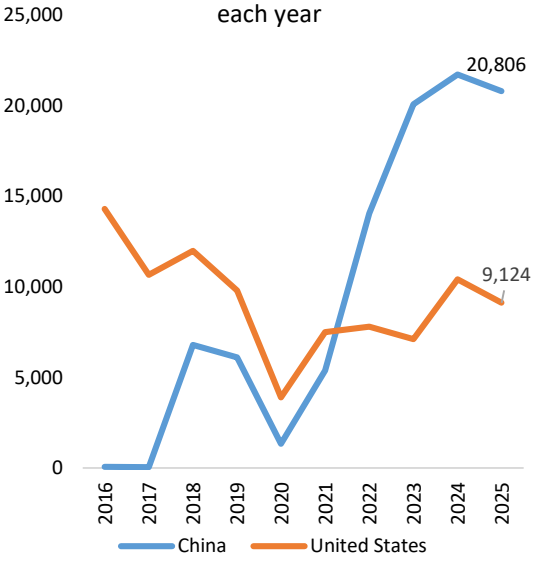
Source: GF BASE with information from INEGI

Sales of imported vs. domestic light vehicles

In April, imported vehicles accounted for 63.16% of sales in Mexico, with 68,397 units. Meanwhile, domestic vehicle sales accounted for 36.84% of total sales.

In the same month, 20,806 imported vehicles from China were sold, representing a 4.27% drop compared to the same month in 2024 (Figure 6). Thus, imported vehicles from China rank first in domestic sales, followed by the United States and Brazil. It is worth noting that Chinese vehicles have led imported vehicle sales in the country since October 2021. Sales of imported vehicles from China for April represented 19.21% of total light vehicle sales in Mexico and 30.42% of total imported vehicle sales. During the same period, the United States accounted for 8.42% of total sales, and Brazil, 7.39%.

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

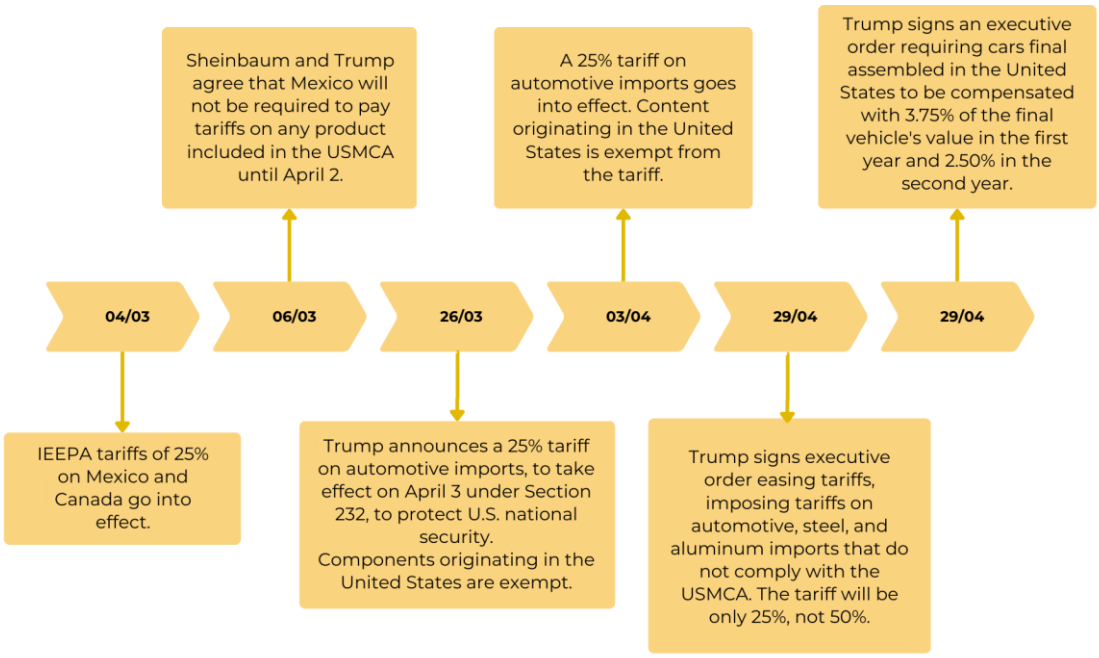


Source: GF BASE with information from INEGI

Domestic sales of hybrid and/or electric vehicles

Domestic sales of hybrid and/or electric vehicles are not included in light vehicle sales statistics; they are recorded separately. In April 2025, hybrid vehicle sales reached 8,478 units, an 18.11% increase compared to the same month in 2024. Electric vehicle sales, meanwhile, reached 6,017 units, a 75.23% annual decrease.

Tariffs on the automotive industry by the United States.



Source: Grupo Financiero Base with information from the White House.

On April 3, a 25% tariff on imports of automobiles, light trucks, and auto parts destined for the United States went into effect, protected under Section 232 of the Trade Expansion Act. The list of products eligible for this tariff includes $20,669.81 million in imports from the United States (as of March 2025), equivalent to 43.08% of total imports and 36.4% of Mexico's total exports to the world. The tariff on automobiles exempts U.S. content, which represents approximately 40% of the average amount of each vehicle, according to AMIA.

To benefit from this partial exemption, importers must submit detailed documentation to the Department of Commerce proving the value of the U.S. content incorporated into each automobile. This content may include parts wholly obtained, wholly produced, or substantially transformed within the United States. Once this information is validated, the 25% tariff will be applied only to the remaining value of the vehicle, that is, to the part that does not qualify as U.S.-origin.

Additionally, this proclamation introduced a strict enforcement mechanism that includes retroactive penalties for incorrect declarations. Specifically, the 25% tariff will be applied retroactively if CBP determines that the importer overstated the value of the U.S. content. In that case, the partial exemption is revoked, and the tariff will be applied to the full value of the vehicle, both retroactively from April 3 and prospectively, until the importer corrects the declaration. Furthermore, the adjustment will apply to all vehicles of the same model imported by the same company. This provision is intended to prevent overstated values and ensure correct and strict compliance with this measure.

On April 29, President Donald Trump signed two executive orders aimed at softening the impact of tariffs, particularly in the automotive sector. The first, Addressing Certain Tariffs on Imported Articles, establishes a tariff simplification that will take effect on May 16. This simplifies tariffs, eliminating their double application. This means that imports of steel, aluminum, automobiles, light trucks, and auto parts that do not meet USMCA requirements will only be subject to a 25% tariff, not the 50% tariff previously imposed. Furthermore, it will be retroactive for imports from Mexico and Canada starting March 4.

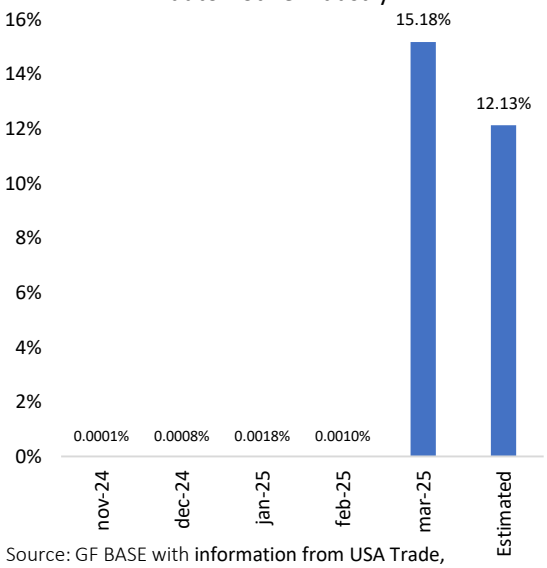
The second executive order introduces a temporary tariff compensation scheme for automobile manufacturers that assemble in the United States, which took effect on May 3:

- Compensation of 3.75% of the total value of the manufacturer's suggested retail price for vehicles assembled between April 3, 2025, and April 30, 2026.
- Compensation of 2.5% of the total value of the manufacturer's suggested retail price for vehicles assembled between May 1, 2026, and April 30, 2027.

Finally, on May 1, 2025, U.S. Customs and Border Protection (CBP) issued an update on the implementation of a new 25% tariff on certain auto parts imported from any country. This measure went into effect on May 3, 2025.

According to data from USA Trade, in March 2025, the United States imported $12,271.44 million in vehicles (Chapter 87) from Mexico, accounting for 20.94% of total imports from Mexico. Of these vehicle imports from Mexico, 81.89% were imported under the USMCA, representing a 2.88 percentage point increase compared to the February figure. In contrast, 84.37% of vehicle imports from Canada were imported under the USMCA.

Figure 7. Effective tariff on the automotive industry



Source: GF BASE with information from USA Trade, Federal Register.

Effective Tariff

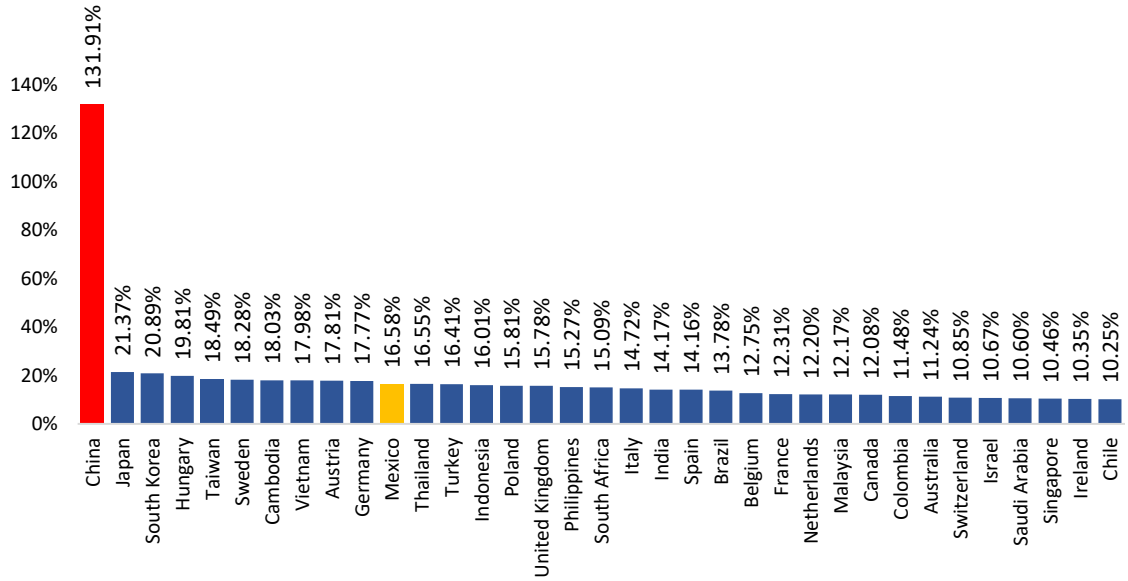
The effective tariff is an estimate that determines the average tariff paid on the total value of imports. This calculation is obtained by dividing the amount collected from tariffs by the value of imports subject to those tariffs. Unlike the normal tariff, the effective tariff takes into account the impact of all tariffs applied to a product, as well as any exemptions or benefits derived from trade agreements.

Considering the above, it is estimated that US automotive imports from Mexico have an effective tariff of 12.13%. It is estimated that, if the effective tariff remains in place for the rest of the year, automotive exports could fall 7.8%, after rising 13.3% in 2024.

The difference between the effective tariff for March (15.18%) and the estimated tariff (12.13%) is explained by the fact that CBP's official announcements with details of the exemptions and the two executive orders simplifying the tariff scheme had not yet been published in March. It wasn't until April and May that it became clear, among other things, that auto parts that comply with the USMCA would not pay the 25% tariff, that tariffs cannot be applied cumulatively, and that imports of steel, aluminum, automobiles, light trucks, and

auto parts that do not comply with USMCA requirements would be subject only to a 25% tariff, not the 50% previously estimated. All of this reduced the number of affected products, resulting in a decrease in tariff collection and, consequently, a decrease in the estimated effective tariff. Considering this, the effective tariff for Mexico's total exports stands at 13.67%, ranking Mexico 22nd among countries with the highest effective tariff (see Figure 8).

Figure 8. Effective U.S. import tariffs by country of origin. The top 35 countries of origin for imports, accounting for 92.66% of total imports in 2024.



Source: Grupo Financiero BASE with information from USA Trade, Federal Register.
Considering all countries and territories, Mexico ranks ninth on the list of countries with the highest effective tariffs. However, most of these countries have a very low share of US imports. If China is excluded, the remaining seven countries with the highest effective tariffs account for only 0.55% of US imports. For this reason, the analysis is conducted using the main trading partners.

It's important to note that the estimate uses current tariffs and the tariff simplification executive orders announced in early April, so the calculated tariff is only an approximation of what could be seen in the coming months. Furthermore, it's important to consider that Trump could announce a change in trade policy in the coming months, which would alter the results.

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