

Administrative Registry of the Light Vehicle Automotive Industry, June 2025

Next publication: August 7, 2025

Automotive industry performance during 2025

Economic indicators related to the automotive sector show a considerable deterioration through April (latest data available). However, it is very possible that they have rebounded in subsequent months, given the increase in automotive production and exports in May and June.

It should be noted that, according to US trade data, tariffs have not been applied to the letter, which is consistent with the increase in exports of light vehicles from Mexico, whose main destination is the United States, accounting for 74.87% of the total in June.

Not everything has been positive, however, as domestic sales of light vehicles fell in June (5.94% annually and 3.25% monthly). Domestic sales have been affected by 1) the deterioration of the labor market in Mexico, which in June showed three consecutive months of job losses, something that has only been seen in periods of recession, 2) worsening economic expectations, 3) rising inflation, which has limited household purchasing power, and 4) high interest rates.

In the second quarter of the year, domestic sales of light vehicles fell by 3.70%, performing well below the historical average growth of 4.11% and ending a streak of 12 consecutive quarters of increases. Compared to the previous quarter, sales fell by 5.67%, well below the historical average growth of 6.52%. Exports grew 0.06% annually in the second quarter, well below the historical average of 10.8%, and rebounded 14.55% compared to the previous quarter, after falling 12.51% in the first quarter. Quarterly export growth of 14.55% was well above the historical average of 8.04%. Finally, light vehicle production in the second quarter showed an annual decline of 2.45%, well below the historical average growth of 9.95% and showing an increase of 8.06% compared to the previous quarter, well above the historical average growth of 4.68%. This behavior of exports and production may be the result of low compliance with Trump's tariffs. It should be remembered that tariffs of 25% on light vehicles came into force in the United States on April 3, with only content of US origin exempt, which according to AMIA data is around 40%. However, according to US trade data, the tariffs have not been collected to the letter, as 83% of US imports from Mexico have been tariff-free, which contrasts sharply with the 47% of imports from Mexico under the USMCA, which would in theory be the only ones exempt from the tariff.

Among the indicators affected by the drop in domestic sales and the expectation that exports could fall due to Trump's tariffs are manufacturing, industrial production, and gross fixed investment.

According to April data (the latest available) from the Monthly Manufacturing Industry Survey (EMIM), the number of people employed in manufacturing fell by 1.55% at an annual rate, representing a greater contraction compared to the rate of -0.83% recorded in March, and accumulating 26 consecutive months of annual contractions. Within the sector, the worst performing subsector at an annual rate was transportation equipment manufacturing, with a 7.32% decline, its largest drop since July 2020. In the first four months of the year, this same subsector showed a decrease of 6.29%, which is directly related to the tariff war and trade uncertainty, which has placed greater obstacles to the manufacture of products that involve a lot of cross-border exchange of goods.

Likewise, during April, the Capacity Utilization Rate (CUR) in the manufacturing industry decreased by 3.2 percentage points (pp) at an annual rate, standing at 80.10%, which is mainly attributed to the 6.40 percentage point drop in the transportation equipment manufacturing subsector. In terms of man-hours worked, there

was an annual decrease of 0.72%, with the transportation equipment manufacturing subsector performing the worst, with a drop of 7.30%.

On the other hand, the Monthly Industrial Activity Indicator (IMAI) for the transportation equipment manufacturing subsector showed a drop of 1.82% at an annual rate during April. Similarly, for the same month, the Monthly Survey of Commercial Enterprises (EMEC) reported that sales in the automobile and truck subsector fell 9.13% annually, representing the first contraction since December 2023 and the largest decline since January 2022.

In terms of investment, gross fixed investment, according to data published by INEGI, fell by 7.72% at an annual rate in April, accumulating eight consecutive months of declines, something that had not been seen since the period between November 2018 and February 2021, when Mexico faced recession and the crisis resulting from the pandemic. Domestically, the domestic transport equipment component reported an annual decline of 14.25%, its worst performance since February 2021, while imported transport equipment declined by 7.26%.

Despite the deterioration observed in the transportation equipment manufacturing subsector during April, a real increase of 14.47% in wages was reported, the highest increase since May 2020. This wage growth within the subsector is explained by the requirements of the USMCA, which require automotive companies to pay a wage of \$16 per hour in certain operations, with the aim of strengthening working conditions and improving the quality of the industry. Faced with the possibility of high tariffs on vehicle exports to the United States, companies are forced to comply with these requirements to maintain preferential tariff treatment and remain competitive in the market.

Table 1. Percentage changes in sales, production, and exports of light vehicles.

	June		Second Trimester		Year-to-date (Jan-Jun)
	Monthly growth (%)	Annual growth (%)	Quarterly growth (%)	Annual growth (%)	Annual growth (%)
Production	0.79%	4.89%	8.06%	-2.45%	0.47%
Sales	-3.25%	-5.94%	-5.67%	-3.70%	0.25%
Exports	10.10%	14.04%	14.55%	0.06%	-2.83%

Source: GF BASE with information from INEGI

Production

The Light Vehicle Automotive Industry Administrative Record for June showed that production was 361,047 units, showing annual growth of 4.89%, fifth consecutive year of annual growth during June, but remaining below the historical average of 10.48%. It is worth mentioning that production during this month reached a new historical maximum for a same month and was 2.23% above the previous one recorded in 2018. During June 2025, 91.82% of what was produced was exported, increasing 7.36 percentage points over the same month of 2024, its highest level for a same month since 2019 and for any month since December 2024 (Figure 2). Meanwhile, domestic sales in May 2025 were equivalent to 32.15% of what was produced, falling 0.04 percentage points year-over-year.¹

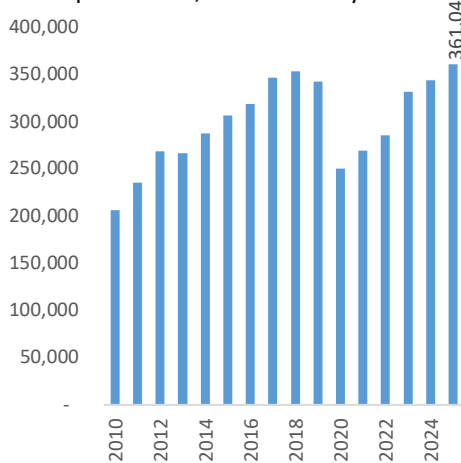
During June 2025, an inventory of -10,356 light vehicles² was recorded, a level not seen in June since 2019 and 21,375 units below June 2024. The drop in inventories during June can be explained by the high accumulation recorded during the first five months of the year of 94,012 light vehicles, equivalent to 2.86 times the level observed in the same period of 2024. This increase in inventories during the first five months of the year is associated with the cumulative 6.28% drop in exports during the first five months of the year, and the sharp drop in inventories in June is explained by the 14.04% rebound in exports during June.

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

- General Motors (20.39% of total production), with annual growth of 4.32%.
- Nissan (16.37% of total production), with an annual decrease of 2.25%.
- Ford Motor (11.21% of total production), with an annual growth of 5.42%.

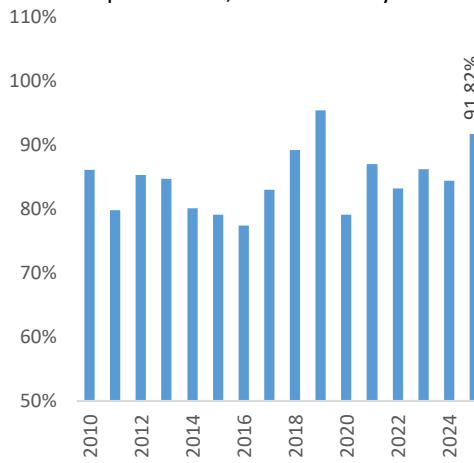
It is worth mentioning that 7 out of 15 brands registered annual growth in June (JAC, Toyota, KIA, Volkswagen, Ford Motor, General Motors and Chrysler). The production of these brands recorded an annual drop of 9.74% in the month.

Figure 1. Light vehicle production, June of each year



Source: GF BASE with information from INEGI

Figure 2. Exports as a percentage of production, June of each year



Source: GF BASE with information from INEGI

¹ The sum of the percentage of exports and domestic sales is greater than 100% because it includes sales and exports of inventory.

² Calculation for estimating inventories: Inventories = Production – exports – domestic sales of domestic origin. The figure may be negative because inventories from other months are not included.

Exports

In June, 331,517 units were exported, which represented an annual growth of 14.04% compared to the same month of 2023, fifth consecutive year of annual growths during June, above the historical average of growths during the same month of 13.10% (not considering 2020), and its highest growth for any month since February 2024 and for a same month since 2023. It is worth mentioning that exports during June marked a new all-time high for a same month and were 1.24% above the previous all-time high recorded in 2019.

The strong growth during June is explained as: 1) a rebound against the monthly drop recorded in June 2023 of 6.24% and 2) a good monthly growth of 10.10% above the historical average for June of 6.28%, without considering 2020. In the cumulative year to June, 1,666,184 light vehicles were exported, showing a 2.83% drop compared to the same period of 2023.

In June, 8 of the 15 brands registered growth in their exports, which together represented 78.76% of exports, accumulating an annual growth of 25.18%. It is worth mentioning that a drop in 8 or more brands in the same month has not been recorded since 2023.

The three brands with the highest exports of light vehicles in Mexico during June were:

- General Motors (21.82% of total exports), with an annual growth of 56.39%.
- Nissan (16.07% of total exports), with an annual growth of 27.06%.
- Ford Motor (12.28% of total exports), with an annual growth of 9.16%.

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

- The United States representing 74.87% of the total, decreasing 1.45 percentage points annually.
- Canada, representing 13.58% of the total, increasing 3.07 percentage points annually.
- Germany accounted for 3.55% of the total, falling 0.32 percentage points annually.

The United States has been the main destination for Mexico's light vehicle exports, with 79.70% of total exports in the year to date, showing a drop of 0.02 percentage points compared to the same period in 2023. Exports to Canada accounted for 10.87% of total exports during the same period, a proportion that has grown 2.57 percentage points with respect to the same period in 2023.

Figure 3. Exports of light vehicles, June of each year

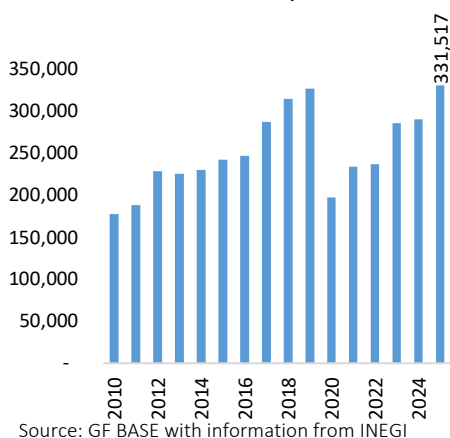
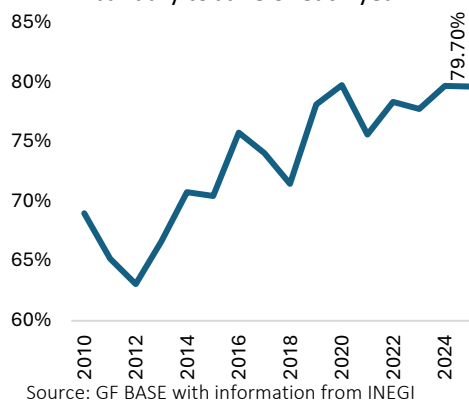


Figure 4. Share of the United States as an export destination, January to June of each year



Sales

In June 2025, 116,062 units were sold, representing an annual decline of 5.94%. Compared to the all-time high recorded for the same month in 2016, sales have fallen by 13.97%. Year-to-date sales totaled 709,344 units, down 0.25% compared to the same period in 2024.

The three brands with the highest sales of light vehicles in June 2025, which together accounted for 40.68%, were:

- Nissan (18.23% of total sales, maintaining this position for 31 consecutive months), with annual growth of 0.00%.

- General Motors (12.70% of total sales), with an annual decline of 11.98%.

- Volkswagen (9.02% of total sales), with an annual decline of 1.88%.

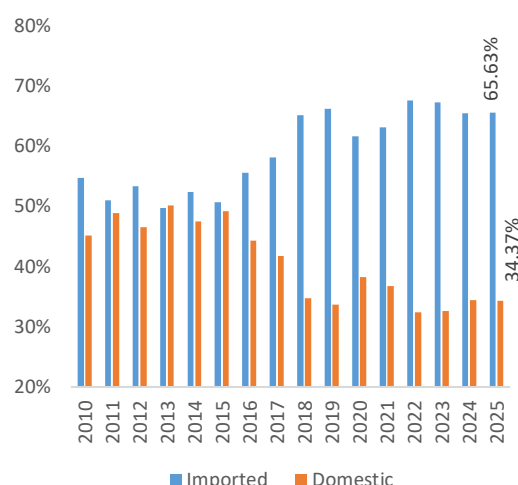
Sales of imported vs. domestic light vehicles

In June, 65.63% of sales in Mexico were imported vehicles, with 76,176 units. Domestic vehicle sales accounted for 34.37% of total sales. In the same month, 20,080 vehicles imported from China were sold, representing a 17.65% drop compared to the same month in 2024 (Figure 6). With this, Chinese-made cars ranked first in domestic sales for 34 consecutive months, followed by the United States and Brazil. Sales of vehicles imported from China in June accounted for 17.30% of total light vehicle sales in Mexico and 26.36% of total imported vehicle sales. In the same month, the United States had a 9.22% share of total sales and Brazil had an 8.88% share.

Domestic sales of hybrid and/or electric vehicles.¹

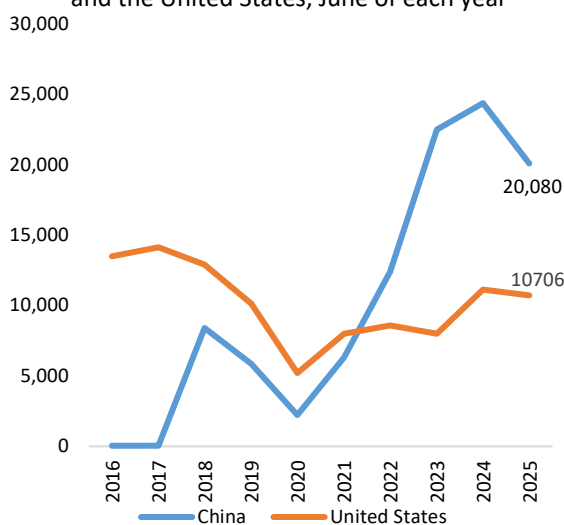
In June 2025, hybrid vehicle sales stood at 9,604 units, up 24.18% compared to the same month in 2024. Meanwhile, sales of electric vehicles stood at 1,662 units, falling 37.45% year-on-year. This shows a greater preference for hybrid vehicles over fully electric vehicles, which is expected to continue to grow in the coming months amid speculation about the likelihood of sudden fires in electric vehicles.

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



Source: GF BASE with information from INEGI

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



Source: GF BASE with information from INEGI

¹ Domestic sales of hybrid and/or electric vehicles are not included in light vehicle sales statistics; that is, they are accounted for separately.



Gabriela Siller Pagaza, PhD

Directora de Análisis Económico-Financiero

gsiller@bancobase.com

Tel. 81512200 ext. 223

Jesús Anacarsis López Flores

Subdirector de Análisis Económico-Financiero

jlopezf@bancobase.com

Paulina María Canales Siller

Practicante de Análisis Económico-Financiero

mcanales@bancobase

El presente documento ha sido elaborado por Banco Base para fines EXCLUSIVAMENTE INFORMATIVOS y basado en información y datos de fuentes consideradas como fidedignas. Sin embargo; Banco Base NO asume responsabilidad alguna por cualquier interpretación; decisión y/o uso que cualquier tercero realice con base en la información aquí presentada. La presente información pretende ser exclusivamente una herramienta de apoyo y en ningún momento deberá ser utilizada por ningún tercero para fines políticos; partidistas y/o cualquier otro fin análogo.