

Administrative record of the light vehicle automotive industry, October 2024

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Production

The Administrative Registry of the Light Vehicle Automotive Industry for October showed that production totaled 382,101 units, showing an annual growth of 1.05%.

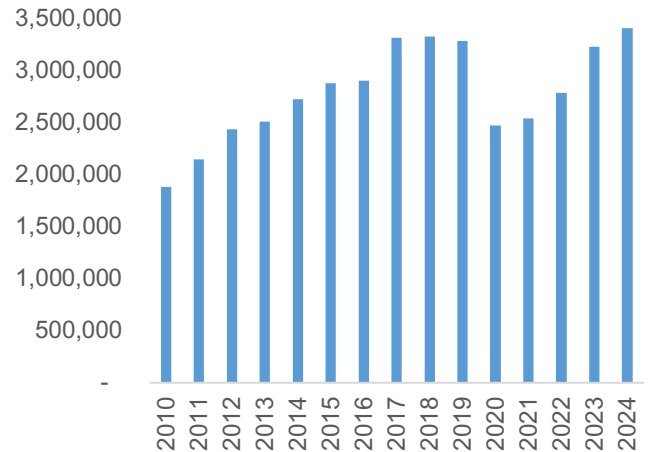
In the cumulative 2024 through October, 3,412,955 light vehicles have been produced (Figure 1), showing a growth of 5.54% with respect to production in the same period of 2023. With this, cumulative production reached a new all-time high, ranking 2.50% above the previous all-time high recorded in 2018.

In the first 10 months of 2024, 85.67% of what was produced was exported, increasing 1.03 percentage points with respect to the same period of 2023 (Figure 2). Domestic sales in the first 10 months of 2024 were equivalent to 35.20% of production¹.

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

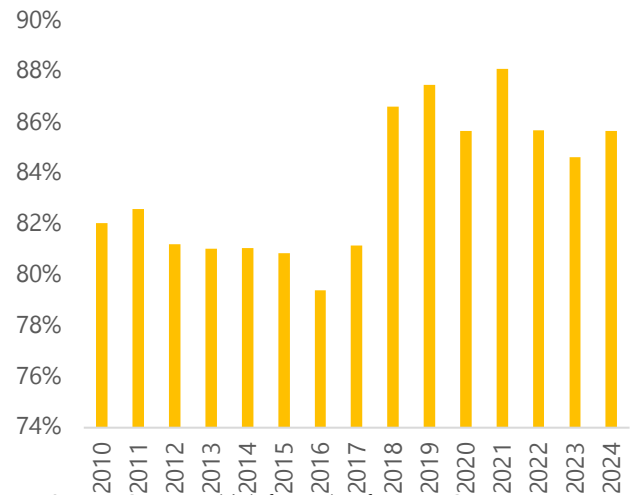
- General Motors (82,924 units), increasing 4.85% with respect to the same month of 2023. 90%
- Nissan (70,382 units), increasing 12.01% with respect to the same period of 2023.
- Ford Motor (36,358 units), increasing 47.71% with respect to the same month of 2023.

Figure 1. Light vehicle production, cumulative January-October 2024



Source: GF Base with information from INEGI.

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



Source: GF Base with information from INEGI.

¹ The percentages of sales and exports add up to more than 100%, since part of what is exported and what was sold internally in Mexico corresponds to production from previous months.

Exports

In October, 332,356 units were exported, showing an annual growth of 5.04% compared to the same month of 2023. Exports for October 2024 mark a new all-time high for the second consecutive year.

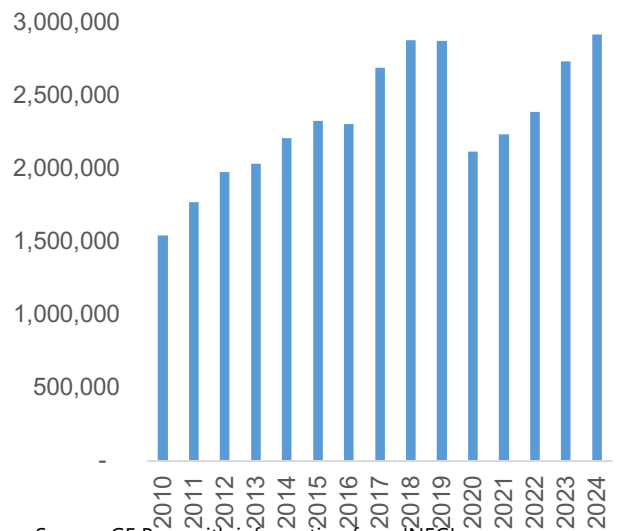
With the above, in the first ten months of the year, exports total 2,923,823 units, accumulating an annual growth of 6.82% with respect to the same period of 2023. Exports for the first ten months of the year are 1.37% above the all-time high for the first ten months of 2018, marking a new all-time high.

The top three light vehicle exporting brands in October were:

- General Motors (78,580 units), growing 12.78% at annual rate.
- Nissan (44,907 units), growing 25.99% at annual rate.
- Ford Motor (34,865 units), falling 13.09% at annual rate.

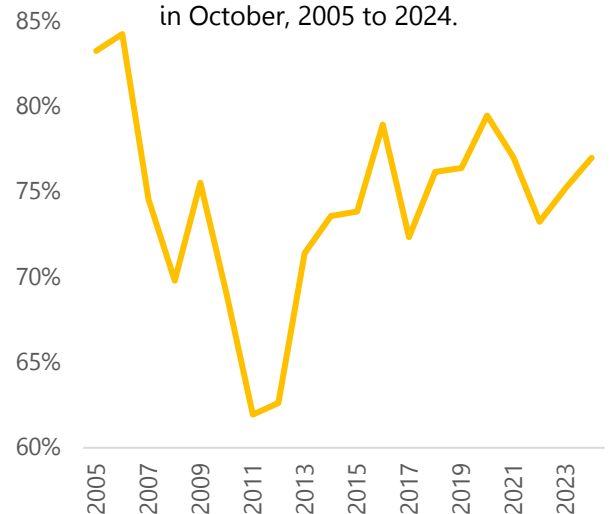
The United States has been the main destination for Mexico's light vehicle exports. In October, 255,910 vehicles were shipped, increasing 7.46% compared to the same month of the previous year. As a result, vehicles exported to this country represented 77.00% of total exports.

Figure 3. Exports of light vehicles, accumulated January-October 2024



Source: GF Base with information from INEGI.

Figure 4. Participation of the United States as an export destination country in October, 2005 to 2024.



Source: GF Base with information from INEGI.

Sales

In this month, 122,051 units were sold, showing an annual growth of 7.03%.

It is worth mentioning that sales are 11.24% below the historical high recorded in 2016 for the month of October.

In the accumulated for the first 10 months of the year, sales amount to 1,201,464 units, showing a growth of 10.17% compared to the same period of 2023.

The three brands with the highest sales of light vehicles in September were:

- Nissan (21,002 units). It is worth mentioning that Nissan has held this position for 23 consecutive months.
- General Motors (16,294 units).
- Volkswagen (11,889 units).

These three companies accounted for 40.30% of October sales.

Imported vs. domestic light vehicle sales

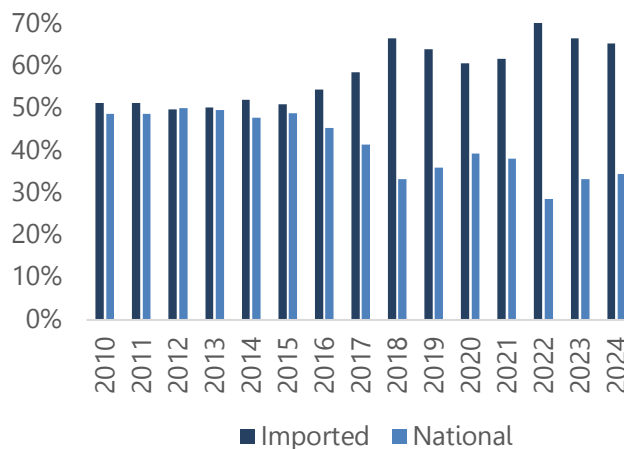
In October, 66.45% of sales in Mexico were of imported automobiles with 79,876 units. Domestic vehicle sales accounted for 34.56% of total sales.

In October, 24,903 vehicles imported from China were sold, showing an increase of 2.91% with respect to the same month of 2023 (Figure 6), ranking 1st among the countries with the highest number of imported light vehicles sold in Mexico, followed by the United States and Brazil. It is worth mentioning that, sales of imported vehicles from China for the month of October represented 20.40% of total sales of light vehicles and 31.18% of total sales of imported vehicles. In the same period, the United States accounted for 8.62% and Brazil for 7.46% of total sales.

Finally, sales of hybrid and electric vehicles for October 2024 stood at 11,030 units, reaching an all-time high for this month and increasing 65.84% over the same month of 2023.

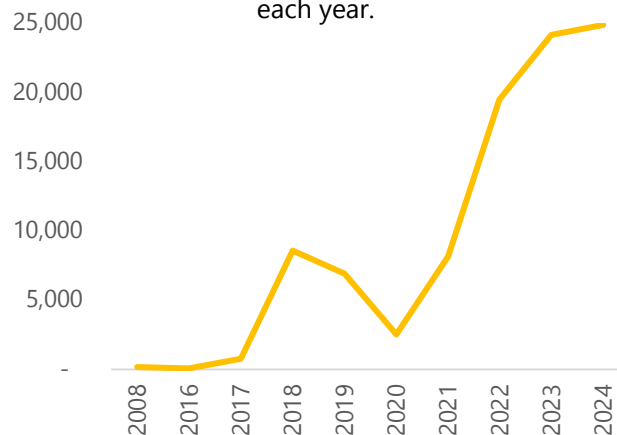
Internally, for the month of October, 1,913 electric vehicles were sold, increasing 51.95% compared to the same month of the previous year and reaching an all-time high for the month of October.

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



Source: GF Base with information from INEGI.

Figure 6. Vehicles imported from China for domestic sale, data from October of each year.



Source: GF Base with information from INEGI.

Key points

1. The recovery of automotive exports and production in Mexico, reaching historic levels, is due to the strong demand for these goods from the United States. The cumulative growth from January to October of automotive exports (5.82%) and automotive production (6.54%), published in the automotive registration statistics, is consistent with the growth observed by non-oil exports in the trade balance, specifically those of automobiles going to the United States. According to trade balance data through September (latest available information), non-oil exports to the United States accumulated an annual growth of 5.2%, while automotive exports to that country accumulated a growth of 6.5%, contrasting sharply with automotive exports to the rest of the world, which accumulated a drop of 10.50%. With this we can conclude that the recovery of automotive production and exports to historic levels is due to the strong demand for automobiles in the United States.
2. Despite the fact that production and exports have reached new historical highs, the domestic market continues to show weakness, reflected in sales, as these are 4.62% below the historical high for a January to October period (2016). This is due to the fact that in 2024 formal employment has shown a sharp deceleration in its growth. Between January and October, the IMSS register accumulated a creation of 594,556 job positions, ranking 8.26% or 53,503 positions below job creation in the same period of 2019, a year when the Mexican economy was already in recession.
3. Since October 2021 China has consolidated its position as the country with the largest share of light vehicle imports, followed by the United States in second place and Brazil in third place.
4. Due to Donald Trump winning the U.S. presidential election, there may be implications for light vehicle exports. On the one hand, one of Trump's proposals is to lower taxes, which could have a positive effect on consumer purchasing power and improve demand for imports from Mexico. However, Mexican exports are at risk with the possibility of Trump imposing tariffs on vehicle imports from Mexico. In addition, Trump has said that he will renegotiate the T-MEC, which could have a negative impact on the industry, as uncertainty is generated and investment announcements may be delayed.

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