

Administrative record of the light vehicle automotive industry, October 2023

Next update: December 6, 2023

Production

The administrative record of the light vehicle automotive industry showed that in October of 2023, 378,129 vehicles were produced. Indicating a growth of 35.77% compared to the same month in 2022. Furthermore, production has fully recovered from the pandemic crisis, as the figure is 18.26% above what was observed in the same month of 2019.

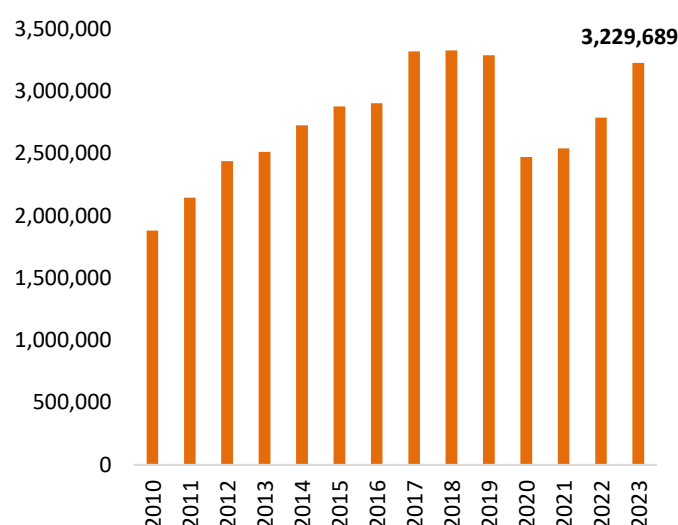
In the cumulative total of the first ten months of the year, light vehicle production grew 15.76% with respect to the same period of the previous year, summing up 3,229,689 units (Figure 1). It is important to mention that, a lag of 1.82% is observed with respect to the same period of 2019 (pre-pandemic). However, this has been decreasing, indicating a gradual improvement.

Regarding exports, in October, 83.68% in relation with the production was exported¹ (Figure 2), decreasing 12.51 percentage points compared to the same period of the previous year. Furthermore, compared to the production in October, 29.69% were sold, the lowest value in the month of October since 2020.

The type of vehicle most produced in October it is still the SUV, with 188,278 units. The preference for this type has been prevalent since 2017. Furthermore, General Motors has positioned itself as the brand with the highest vehicle production, for the second consecutive month, after Nissan held this position for three consecutive months, producing 79,089 vehicles in October.

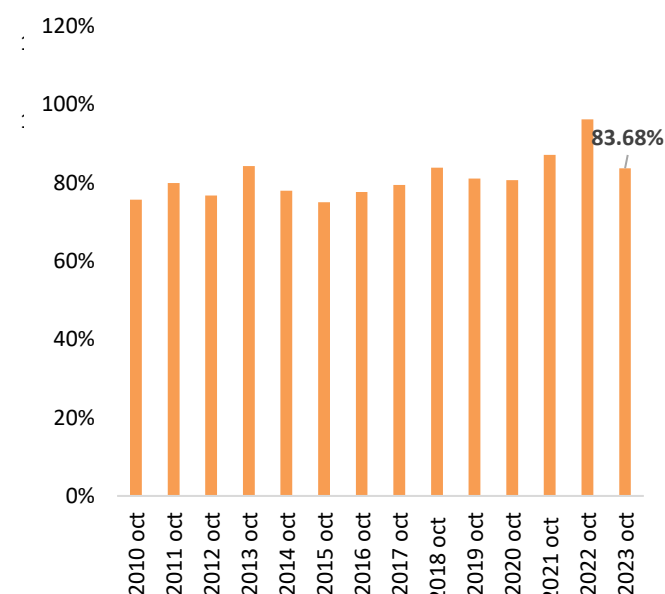
According to the Monthly Survey of Manufacturing Industry (EMIM), the plant capacity utilization for the production of automobiles and trucks in the month of August remained unchanged compared to the previous month, standing at 86.1%, increasing by 0.7 percentage points compared to the same period last year. It is worth mentioning that it remains the lowest capacity since

Figure 1. Production of light vehicles accumulated in the first ten months of the year



Source: GF Base with information from INEGI.

Figure 2. Export-to-Production ratio



Source: GF Base with information from INEGI.

¹ The ratio of exports and sales in relation to production add up to more than 100% because inventory is taken into account.

January 2023, due to this it is below the peak recorded in May 2023 (98.7%). For the month of August, it is the highest capacity reached since August 2018 (87.3%).

Exports

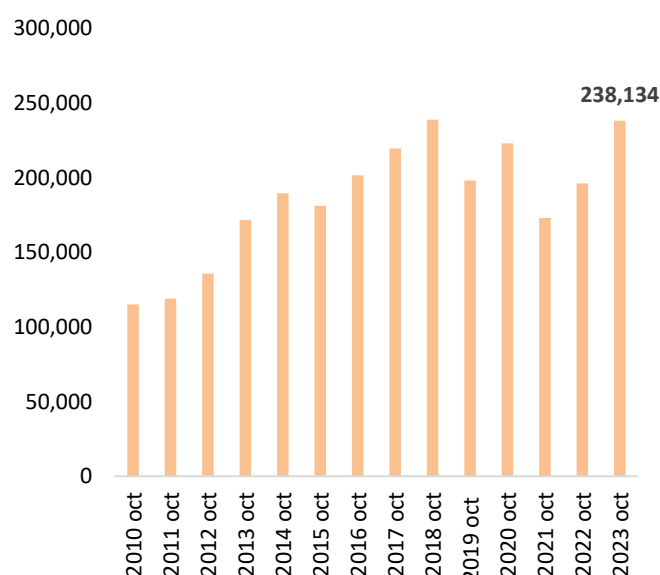
In October, a total of 316,421 vehicles were exported, the maximum value on record, marking a 18.11% increase compared to October of the previous year. Compared to the same month in 2019, there is an increase of 22.10%, indicating a complete recovery. Furthermore, exports experienced a month-on-month increase of 5.00%.

In the first ten months of 2023, vehicle exports accumulated 2,741,578 units, marking an annual growth of 14.65%. Relative to the corresponding period in 2019 (prior to the pandemic), the exports during the initial ten months of this year showed a lag of 4.69%.

General Motors continues as the leading exporter in the month of October, with 69,674 units. Moreover, it experienced an increase of 9.83% in the units exported compared to the same period of the previous year. It is important to emphasize that GM has held this position since November 2021.

On another note, the United States has consistently ranked as the primary destination for light vehicle exports from Mexico. In October, 238,134 vehicles were shipped (Figure 3), reflecting an increase of 21.32% compared to the same month of the previous year. Furthermore, compared to the same month in 2019, it stands, for the first time, 20.23% above what was observed in 2019, indicating complete recovery. It is of significance to highlight that the vehicles shipped to this country constituted 75.26% of the overall exports, a trend sustained at levels surpassing 70% since September 2021.

Figure 3. Exports of light vehicles to the United States (units)



Source: GF Base with information from INEGI.

Sales

In October, the sale of light vehicles in the domestic market reached 112,261 units, showing an increase of 21.24% when contrasted with the same month in 2022. Compared to the corresponding month in 2019, there is a rise of 4.81%. However, it's essential to highlight that sales are still 18.36% below the peak achieved in October 2016.

In the first ten months of the 2023, sales of light vehicles accumulated a total of 1,088,102 units, indicating a growth of 24.55% compared to the same period in 2022. Comparing with the cumulative figures for the first ten months of 2019, sales are showing a recovery of 2.39%.

During this month, Nissan secured the top spot as the brand with the most sales of light vehicles (19,147), maintaining this position for eleven consecutive months. The rivalry for the top position has been between Nissan and General Motors since January 2005. It's worth noting that in October, Nissan experienced a significant year-on-year growth of 76.21%, while General Motors achieved a growth of 21.88%.

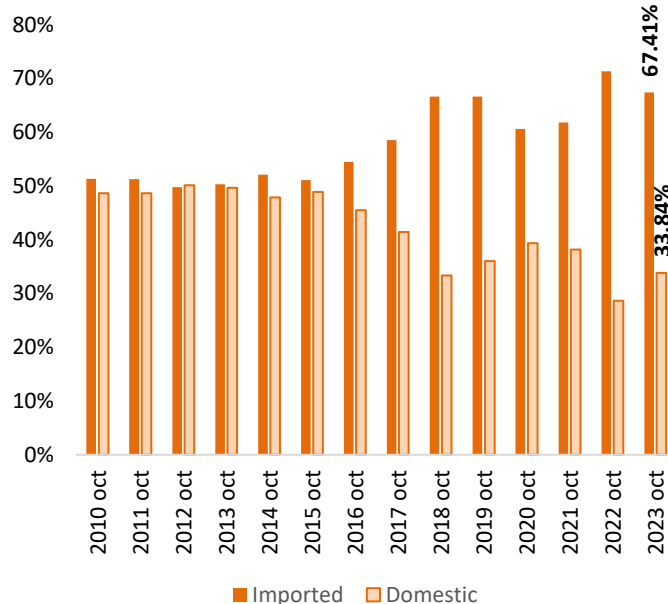
Imported vs. Domestic

In the month of October, 67.41% of sales in Mexico were comprised of imported cars, totaling 75,679 units (Figure 4), primarily coming from China. Consequently, sales of domestic vehicles constituted 33.84% of the total sales.

During this month, 21,988 vehicles were imported from China (Figure 5), reflecting a growth of 12.60% compared to the same month in 2022. It is worth noting that these units constituted 29.05% of the total imports of light vehicles.

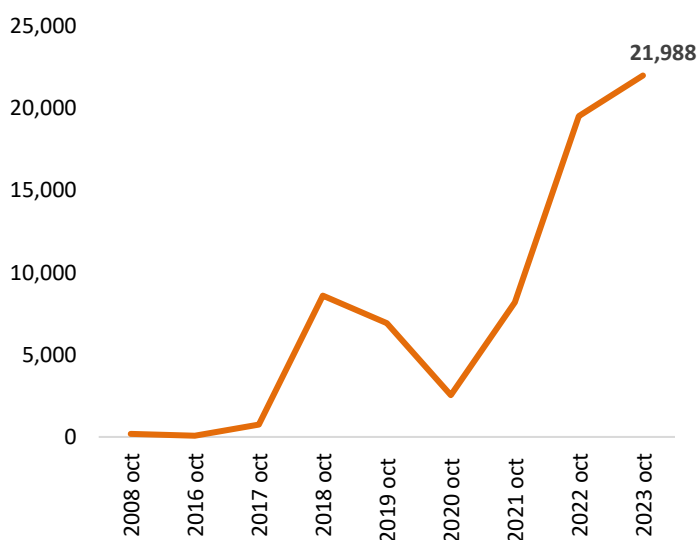
The shortage of car carriers (madrinas) continues to decrease the flow of operations in the light vehicle trade. Additionally, the industry providing this service has not provided a response. As a result, delays in vehicle arrivals at dealerships have occurred, leading to a significant increase in the waiting time to receive a new vehicle. However, no negative impact is observed on the sales or exports of light vehicles, suggesting that it does not have a direct impact.

Figure. 4 Sales of Imported vs. Domestic vehicles (%)



Source: GF Base with information from INEGI.

Figure 5. Imported vehicles from China for domestic sale (units)



Source: GF Base with information from INEGI.

Automotive Strike in the United States

The automotive strike that began on Friday, September 15 in the United States lasted 45 days. According to the Administrative Registry of Light Vehicles, the production and exports of vehicles in Mexico were not affected, but the possibility of an impact in the future is not ruled out, as the companies involved in the strike ceased production but did not stop purchasing auto parts, which could imply an overstock.

Summary

1. In September 2023, the production of light vehicles was 1.04% below the peak level achieved in October 2017.
2. 316,421 units were exported, the highest figure recorded to date.
3. Sales of light vehicles are 18.36% below the historical peak level of October 2016.
4. 83.68% of the production in Mexico is exported.
5. Out of the total light vehicle exports, 75.26% are directed towards the United States.
6. There has been an annual increase of 12.60% in the sale of Chinese vehicles in Mexico.
7. The most produced type of vehicle in Mexico is the SUV.
8. The company General Motors is positioned as the leading producer of light vehicles.
9. The effects of the automotive strike on the autoparts industry in Mexico are expected to be seen in the coming months.

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