

News Release

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S&P Global Mexico Manufacturing PMI[®]

Factory output falls further, despite sustained growth of new orders

Key findings

Modest drop in production contrasts with marginal rise in sales

Buying levels and employment decrease

Business confidence weakens

Manufacturers in Mexico signalled another decline in production at the start of the fourth quarter, though the fall was shallow and accompanied by a marginal expansion in new order intakes. Nevertheless, input purchasing was back in contraction and more jobs were shed. Also, business optimism faded as companies became increasingly worried about US tariffs and a reluctance among clients to approve pending contracts. On the price front, the current results pointed a softer but still sharp rise in input costs. Charge inflation accelerated to an 11-month high.

At 49.5 in October, the headline S&P Global Mexico Manufacturing Purchasing Managers' Index™ (PMI[®]) was broadly similar to September's reading of 49.6 and therefore indicated a marginal deterioration in overall operating conditions. The PMI has now been in sub-50.0 contraction territory in 15 of the past 16 months, with August the sole exception.

New orders rose for the third month in a row, albeit at a marginal pace that was the weakest over this period. While some firms linked growth to the approval of projects and client restocking, others indicated that reduced customer numbers and weak demand conditions led to a fall in sales at their units.

New export orders continued its descent, falling for the twentieth consecutive month in October. The rate of reduction was marginal, however, and little-changed since September. Lower sales to Europe and the US were partially offset by better demand from Asia and South America, anecdotal evidence showed.

October data highlighted a sixteenth successive contraction in factory production across Mexico, but the pace of reduction was modest and slowed since September. Where output volumes fell, panellists remarked on elevated cost pressures, the suspension of projects and subdued demand conditions.

Mexico Manufacturing PMI
sa, >50 = growth since previous month



Source: S&P Global PMI.
Data were collected 9-23 October 2025.

Comment

Pollyanna De Lima, Economics Associate Director at S&P Global Market Intelligence, said:

"October's results showed a shallow deterioration in the health of the Mexican manufacturing industry, with some indicators showing resilience.

"For example, exports almost achieved stabilisation as companies successfully identified new clients in Asia and South America to offset reduced demand from Europe and the US. Additionally, the domestic market contributed to a modest increase in overall new order intakes.

"Output, buying levels and employment still fell in October, but rates of contraction were only modest as companies remained cautiously optimistic that pending projects would soon be approved.

"US tariffs remained a prominent theme in the qualitative findings of the survey, featuring as one of the aspects behind reduced input purchasing, rising material costs and diminished business confidence."

PMI[®]

by S&P Global

Reflecting a reduction in output requirements, goods producers continued to trim input purchases. Buying levels fell marginally, after increasing in September. Firms also lowered headcounts, reportedly via the placement of full-time staff on technical breaks and the non-renewal of temporary contracts. Jobs were shed to the greatest extent since June.

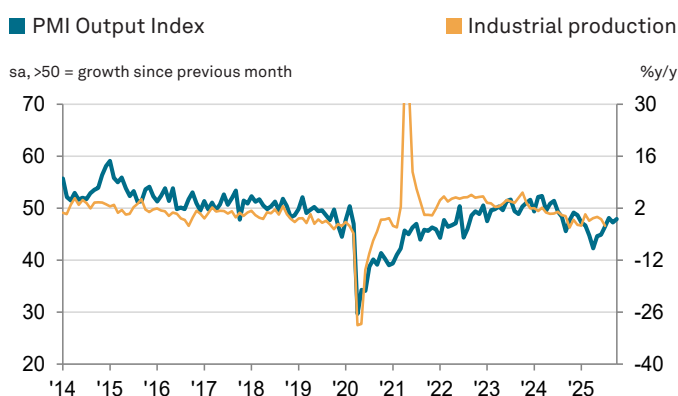
Stock trends were mixed, with an increase in finished goods inventories contrasting with a renewed decline in holdings of inputs. The former was attributed to preparations to fulfil new orders at some companies and a lack of sales at others.

Amid reports of greater outlays on materials and transportation, as well as US tariffs and unfavourable exchange rate movements, average cost burdens rose further at the start of the fourth quarter. Although weaker than in September, the rate of inflation remained sharp and historically high.

Output prices rose at a softer rate than that seen for input costs, albeit one that was the strongest in nearly a year. Where they were raised, survey participants commented on the transfer of cost increases to clients.

Elsewhere, outstanding business volumes were broadly stable in October, while supplier delivery times lengthened again. The latter was associated with payment issues, problems at customs, unfavourable weather and input scarcity.

Although business confidence remained positive, it weakened in October due to worries around US tariffs and ongoing client reluctance to commit to new projects.



Sources: S&P Global PMI, INEGI via S&P Global Market Intelligence.

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Survey methodology

The S&P Global Mexico Manufacturing PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 350 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in April 2011.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economics@spglobal.com.

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