

News Release

Embargoed until 0900 CST (1500 UTC) 1 July 2025

S&P Global Mexico Manufacturing PMI®

Mexican manufacturers face another marked drop in new orders and rising input prices

Key findings

June data reveal further declines in sales and production

Cost pressures recede, but remain elevated

Job shedding gathers pace

Mexico's manufacturing sector remained firmly in contraction territory throughout June. The latest S&P Global PMI® survey indicated significant declines in total new business and international sales, as clients often postponed orders. In response, goods producers trimmed output volumes, cut input purchases and scaled back employment. Business optimism also suffered, with the respective index nearly 13 points below its long-run average.

Companies experienced another sharp rise in input prices. Amid heightened competitive pressures, only a small proportion of firms passed higher costs on to clients. The rate of output charge inflation was slight and the weakest in three months.

The S&P Global Mexico Manufacturing Purchasing Managers' Index™ (PMI) slipped slightly to 46.3 in June, from 46.7 in May. This reading indicated a marked deterioration in operating conditions, and extended the current downturn to a year. Moreover, the average figure for the second quarter of 2025 was the lowest since Q1 2021.

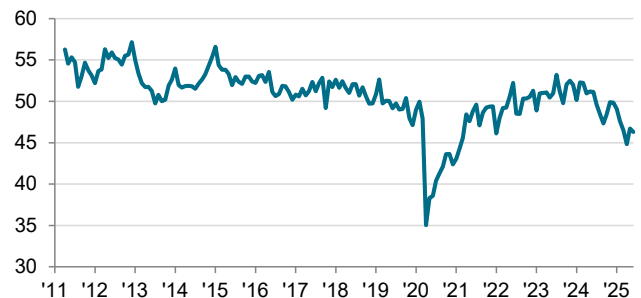
New order volumes at Mexican manufacturers fell sharply again in June, reportedly driven by demand weakness, projects on hold, subdued retail sales and US tariff policy. The overall drop in sales was among the fastest since the pandemic.

Additionally, survey members highlighted another steep drop in new orders from abroad. The US market was cited as the main source of international sales weakness.

Subsequently, Mexican factory production fell further midway through the year as companies responded to weaker sales. The contraction in output was the softest since February, albeit still one of the steepest seen over the past three years.

In line with falling output and new orders, Mexican manufacturers reduced buying levels again in June. High

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



Source: S&P Global PMI.
Data were collected 12-20 June 2025.

Comment

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

"The Mexican manufacturing sector continued to show signs of weakness, with manufacturing output declining again in June as new orders and international sales exhibited significant drops. Client hesitancy and US tariff policy were commonly cited by companies as the main drags on new business.

"Firms were further squeezed by sharply rising input costs, which prompted them to trim buying levels and, in a very few instances, increase selling charges. Limited pricing power remained prevalent, however, with several companies absorbing additional cost burdens due to competitive pressures and attempts to boost sales.

"Factory jobs fell to greatest degree in over three years, reflecting lower new business intakes and subdued confidence in the outlook. Only 22% of PMI panellists foresee output growth in the year ahead, as several companies listed headwinds such as fierce competition and a difficult trade climate."

PMI®

by S&P Global

input costs also featured as a key determinant of lower input purchasing.

Another factor that dampened buying levels was firms' efforts to destock. June data highlighted a marked reduction in holdings of raw materials and essential components, although the rate of depletion did ease to the weakest since January.

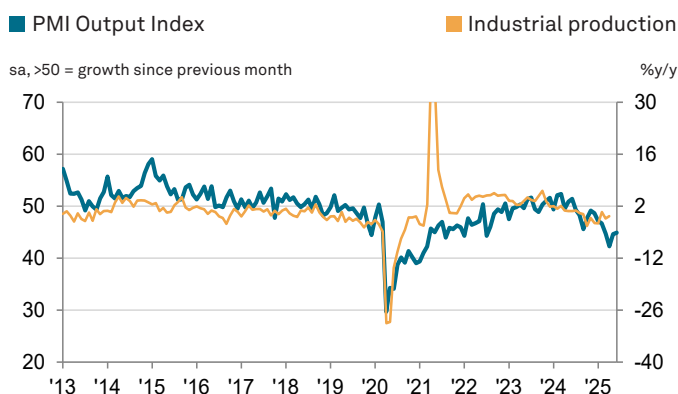
Manufacturing employment declined for the fourteenth month in a row in June. The decrease was marked and the fastest in nearly three-and-a-half years.

Job shedding occurred amid a general lack of capacity pressures, as evidenced by only a fractional rise in backlogs of work.

Mexican manufacturing firms reported a further rise in input costs, with the rate of inflation remaining historically high despite receding to a four-month low. List price adjustments at suppliers, unfavourable exchange rates and US tariffs were some of the reasons behind rising cost burdens, according to panellists.

Factory gate prices rose for the fifth straight month in June, albeit only slightly as a lack of new work prevented some companies from hiking their fees.

Looking ahead, business sentiment stayed in optimistic territory, though output expectations were subdued in the context of the survey history. Some firms were hopeful of a recovery in demand, while others expressed concerns regarding competition and global trade conditions.



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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