

# News Release

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## S&P Global Mexico Manufacturing PMI®

### Mexican manufacturing sector contracts further in May

#### Key findings

Shrinking export orders weigh on output

Backlogs rise sharply amid reports of material shortages

Business confidence picks up but remains historically weak

May was another challenging month for Mexican manufacturers, latest PMI® data from S&P Global showed, as a sharp fall in new orders, particularly from export markets, restricted production volumes and prompted firms to retrench. Purchasing activity declined at the most rapid pace since December 2020, while both inventories and employment saw further cuts.

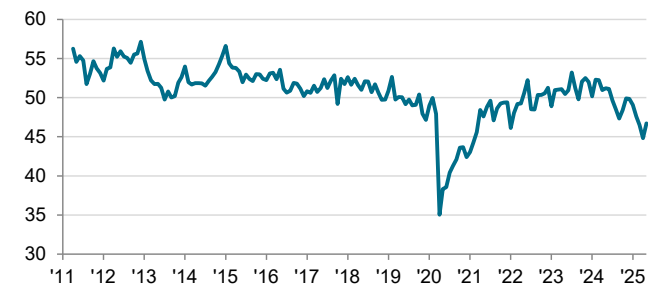
Firms also had to contend with intense cost pressures, in part due to unfavourable exchange rate movements. Shortages of materials meanwhile resulted in delivery delays and a considerable rise in backlogs of work. There was a pick-up in business confidence, but expectations remained historically subdued.

The **S&P Global Mexico Manufacturing Purchasing Managers' Index™ (PMI)** signalled a further deterioration in the health of Mexico's manufacturing industry. Despite rising from April's 50-month low of 44.8, the headline index posted 46.7, pointing to a solid decline in business conditions.

A prominent theme throughout the latest survey results, both in terms of the quantitative and qualitative data, was demand weakness. New orders shrank markedly and for an eleventh month running during May. A substantial drag on sales volumes came from abroad, with new export business decreasing at the second-fastest rate since February 2021. US tariffs were once again widely cited as a drag on demand for Mexican goods, although some panellists reported project delays, generally subdued market conditions and lower interest from customers in Central America.

Production volumes subsequently fell in May. Albeit softer than April's 49-month record, the contraction was marked. In addition to demand-related factors, supply-side constraints were also a hindrance to output, according to panellists. Backlogs of work rose sharply and to one of the sharpest degrees in the series history during the latest survey period, with material shortages cited as a reason for increased

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



Source: S&P Global PMI.  
Data were collected 12-21 May 2025.

#### Comment

Joe Hayes, Principal Economist at S&P Global Market Intelligence, said:

"Mexico's manufacturing sector was squeezed by both demand-side and supply-side challenges in May. A sharp fall in new orders, particularly from abroad, drove output volumes lower and encouraged deeper retrenchment by firms. US tariffs were frequently noted as a reason for lower new orders, driving exports down at the second-fastest rate since February 2021. Purchasing activity fell at its fastest pace since December 2020, suggesting that firms are anticipating this soft patch in demand will persist.

"The latest survey results also highlighted disrupted supply chains for Mexican factories. Backlogs of work rose at one of the strongest rates on record in May, with panellists noting that input shortages had prevented them from completing orders.

"Demand and supply headwinds muddy the near-term outlook for the Mexico's manufacturing sector. Although we did see some improvement in business sentiment compared to April, expectations for the coming year remain heavily suppressed."

PMI®

by S&P Global

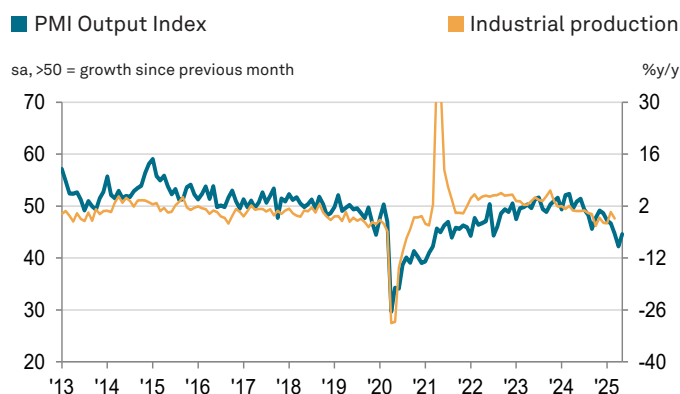
volumes of outstanding business.

Indeed, there was evidence of delivery delays from suppliers as average input lead times lengthened. Both stocks of finished goods and purchased items were reduced at an accelerated rate in May, reflecting intentional inventory reductions due to weak demand conditions, but also to accommodate for supply shortfalls.

Nevertheless, the downturn in purchasing activity intensified during the latest survey period. Input buying volumes decreased at the quickest pace since December 2020 as Mexican manufacturers retrenched. Reduced production requirements also led Mexican factory employment to decline. Some panellists reportedly made temporary layoffs to their staff. The rate of job shedding was the slowest since January, however.

Turning to inflation, May survey data signalled steep cost pressures for Mexican manufacturers. Although the rate of increase in input prices eased, it remained elevated. Unfavourable exchange rate movements were cited by panellists, as were price hikes from vendors and US tariffs. Prices charged rose, albeit only marginally and at a softer pace.

Finally, there was a modest improvement in business confidence midway through the second quarter, but growth expectations were historically muted. US tariffs, uncertainty, delayed investment plans and economic fragility reportedly dampened sentiment.



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](mailto:economics@spglobal.com).

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