

News Release

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S&P Global Mexico Manufacturing PMI[®]

Downturn in production slows amid reinstatement of new order growth

Key findings

Overall sales rise for first time in seven months

Slowest fall in output since December 2024

Cost pressures among highest in survey history

The main positive developments seen in the May Manufacturing PMI[®] data for Mexico included a return to growth of new business intakes and an improvement in business confidence. Overall operating conditions remained challenging, however, with firms indicating that cashflow issues, cost pressures, competition, subdued investment, tariffs and the war in the Middle East triggered further production cutbacks, job shedding, reduced purchasing activity and destocking.

Registering 49.6 in May, the headline **S&P Global Mexico Manufacturing Purchasing Managers' Index[™] (PMI)** indicated a further deterioration in the health of the sector. However, rising from 47.7 in April, the latest figure highlighted the joint-slowest contraction in the current nine-month sequence of worsening operating conditions (equal to September 2025).

Factory production decreased further, though it did so moderately and to the least extent in close to a year-and-a-half. The drop was curtailed by the reinstatement of sales growth, following six consecutive months of contraction.

Whereas some survey members indicated that the upcoming FIFA World Cup and the approval of pending projects supported sales and production at their units, others reported further declines due to financial strain, elevated cost pressures, competition, tariffs and the war in Middle East.

Moreover, the rise in overall sales was centred on the domestic market as evidenced through another contraction in new export orders. The fall in international sales was the most marked in three months, with panellists signalling weaker demand from clients in Europe, Japan and the US.

Attempts to support sales stymied charge inflation in May, with fewer than 3% of manufacturers raising their output charges despite nearly 41% reporting an increase in overall input costs.

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



Source: S&P Global PMI.
Data were collected 12-20 May 2026.

Comment

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

"Mexican manufacturing firms continued to experience financial difficulties in May, as steep rises in their expenses could not be passed on through higher selling prices due to a highly challenging demand environment and fierce market competition.

"This was not only observed in the anecdotal evidence, but also in the underlying survey data. Fewer than 3% of manufacturers increased factory gate prices, despite nearly 41% facing rising costs. The most striking comments came from PMI panellists reporting cost increases of between 10% and 30%, with some raw materials costing even double what they had previously.

"Although this margin compression helps to keep inflation across the wider economy in check for now, it has prompted firms to tighten their purse strings. Cost considerations remained a key feature behind production cutbacks, job shedding, reduced input purchasing and destocking."

PMI[®]

by **S&P Global**

The overall rate of charge inflation was modest and just below its long-run average, whilst the increase in input prices was the fifth strongest seen in more than 15 years of data collection.

Companies commonly indicated that tariffs and the war in the Middle East pushed up energy, fuel, raw material and transportation costs.

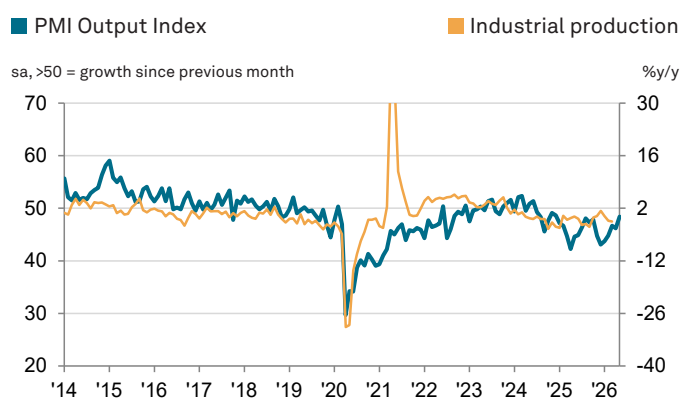
Amid elevated cost pressures and cash shortages, companies limited input purchasing in May. An overall decline in buying levels was recorded, albeit one that was the weakest since last October.

Stocks of purchases across Mexico's manufacturing industry continued to fall in May. Having accelerated to the fastest in three months, the rate of depletion was marked. Holdings of finished goods likewise decreased, marking a seven-month sequence of contraction, but here the drop was marginal.

Goods producers signalled another deterioration in vendor performance, with input lead times reportedly lengthening as a result of highway insecurity, problems with sea transportation, supplier shortages and the war in the Middle East.

With regards to operating capacities, the latest results showed a negligible increase in outstanding business volumes and another solid reduction in payroll numbers. The rise in backlogs was linked by monitored companies to supplier delivery delays, while job shedding was associated with subdued sales performances.

Finally, business confidence turned positive in May, though the overall level of optimism was subdued by historical standards.



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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