

News Release

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S&P Global Mexico Manufacturing PMI[®]

Factory orders expand for first time since mid-2024

Key findings

Downturn in output cushioned by recovery in sales

Buying levels nearly stabilise

Further rise in input costs sparks uptick in selling prices

PMI[®] data for August showed a slower decline in Mexican manufacturing production amid the first expansion in new orders for 14 months. There was also a softer reduction in international sales. Buying levels headed towards stabilisation, while employment numbers remained on a downward path. On the price front, a sharp jump in input costs compared with a relatively mild increase in selling charges.

Rising from 49.1 in July to 50.2 in August, the S&P Global Mexico Manufacturing Purchasing Managers' Index[™] (PMI) was above the neutral level of 50.0 for the first time in 14 months. That said, the latest reading was indicative of only a fractional improvement in operating conditions.

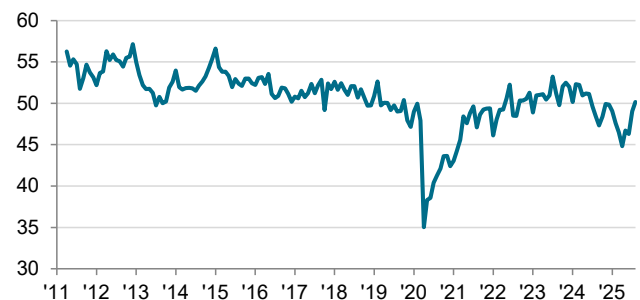
Helping push the headline number inside growth territory was a renewed expansion in new order intakes. The increase was moderate and ended a 13-month period of reduction. According to survey participants, the rise was underpinned by the approval of pending quotations and the successful launch of new products.

Output continued to fall, but did so to the least extent in the year-to-date as some firms benefited from a recovery in new order volumes. Where production levels decreased, firms cited subdued demand conditions and the detrimental impact of US tariffs.

August data revealed another contraction in international sales, though the latest fall was modest and the slowest since January. Qualitative data indicated lower sales to the US, parallel to an improvement in demand from Asia and Europe.

Input buying volumes were nearly stable, following relatively strong contractions in each of the previous seven months. Cost pressures, subdued sales and sufficient stock levels hindered purchasing at some units, but other firms bought extra materials due to backlogged orders and projects underway.

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



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

Comment

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

"The downturn in Mexican factory production continued to soften in August, as companies welcomed a recovery in new order intakes. The reinstatement of sales growth also meant that input buying levels nearly stabilised, following relatively strong contractions in the previous seven months."

"Despite these encouraging developments, trends in other PMI indices suggest that recovery prospects remain limited. Jobs were shed to a greater extent and business confidence faded substantially as competitive conditions and US tariff policy worried manufacturers. Cost pressures stayed elevated and some firms felt the need to raise their own selling charges despite a delicate demand environment."

PMI[®]

by S&P Global

Goods producers noted another increase in input costs halfway through the third quarter, with chemicals, food ingredients, metals, packaging and spare parts all reported as up in price. The overall rate of inflation softened from July, though remained historically steep.

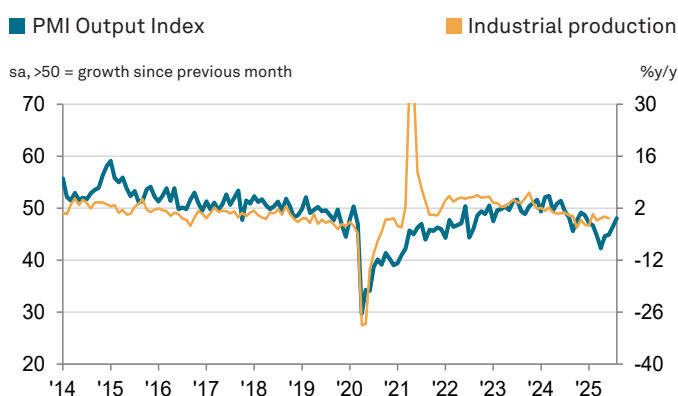
Some firms (around 3%) sought to share part of their additional cost burdens with clients by hiking selling prices, while the remaining companies left their fees unchanged. Subsequently, there was only a slight uptick in overall factory gate charges.

Goods producers reduced headcounts again in August, which they achieved through the non-renewal of temporary contracts, shift reductions and the placement of permanent staff on technical breaks. The rate of job shedding picked up pace from July, but was slight overall.

Survey participants continued to report supply bottlenecks, with issues at customs, highway insecurity and raw material shortages among suppliers all causing delivery delays. The latest deterioration in vendor performance was the most severe in 2025 so far.

Subsequently, there was another contraction in input inventories among goods producers. The rate of depletion was moderate, however, and softer than in July. Post-production stocks likewise decreased at a slower pace, one that was the weakest in four months.

Nearly 24% of panellists forecast output growth in the coming 12 months, as they expect pending projects to be authorised and demand trends to improve. Concurrently, 17% of firms predict lower production volumes amid competitive pressures and US tariff policy. The overall level of business confidence fell substantially from July.



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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