

# News Release

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## S&P Global Mexico Manufacturing PMI®

### Manufacturing downturn eases in July

#### Key findings

PMI remains in contraction territory, but rises to 49.1

Slower declines in output, new orders and job numbers

Input cost inflation ticks higher

The health of Mexico's manufacturing industry worsened further in July, but the latest deterioration was mild and the softest since January. The S&P Global PMI® data showed slower contractions in buying levels, employment, production and total sales. Meanwhile, a sharper deterioration in supplier delivery times caused a quicker drop in input stocks. Elsewhere, charge inflation remained negligible despite a steep and accelerated increase in input costs.

Registering 49.1 in July, the S&P Global Mexico Manufacturing Purchasing Managers' Index™ (PMI) indicated a thirteenth successive deterioration in operation conditions. However, rising from 46.3 in June to a six-month high, the latest print was consistent with a slight and softer rate of contraction.

New orders continued to fall, which panel members attributed to US tariffs and the entry of Chinese products into the domestic market exacerbating competitive pressures. That said, the rate of reduction was marginal and the weakest since the current downturn began in July 2024.

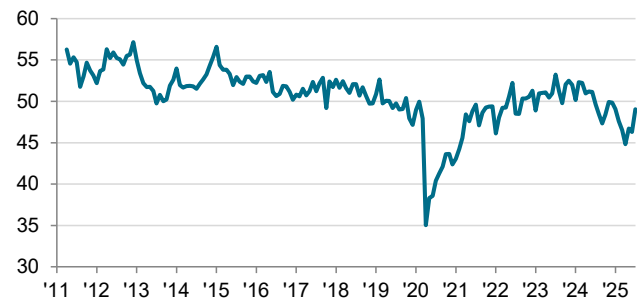
New export orders decreased at a marked pace that was quicker than seen for total sales, but the decline was nonetheless the slowest in six months. Survey participants cited weaker demand from US clients.

Ongoing contractions in new business, challenging demand trends and US tariff policy reportedly triggered another fall in factory production across Mexico. The latest decrease was marked, albeit the least pronounced since February.

Amid a lack of incoming new work, goods producers continued to shed jobs in July. Anecdotal evidence suggested that this was achieved through the non-renewal of temporary contracts and the placement of staff on technical breaks. Employment decreased at a marginal pace that was the slowest in the current 15-month period of job shedding.

Retrenchment was also seen with regards to input purchasing, which fell for the seventh straight month in July.

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



Source: S&P Global PMI.  
Data were collected 10-23 July 2025.

#### Comment

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

*"Mexico's manufacturing downturn appears to be easing, with a more moderate decline in new orders helping to slow the reduction in production volumes during July."*

*"Comments from PMI survey participants highlighted US tariff policy as a significant concern, reportedly contributing not only to a further decline in international sales but also causing clients to hesitate when finalising pending quotations. This continued to prompt caution among Mexican manufacturers regarding output management and inventory levels."*

*"Tariffs were also cited as the primary driver behind another substantial rise in input prices. However, goods producers seem to have absorbed much of the latest cost increases, as selling prices rose only slightly in July."*

*"Despite the challenges facing manufacturers, many identified growth opportunities. Some companies plan to explore niche markets and allocate marketing resources to target these segments, while others remain optimistic that pending contracts will be finalised and demand trends will improve."*

PMI®

by S&P Global

The rate of contraction was solid, though the softest over the aforementioned period.

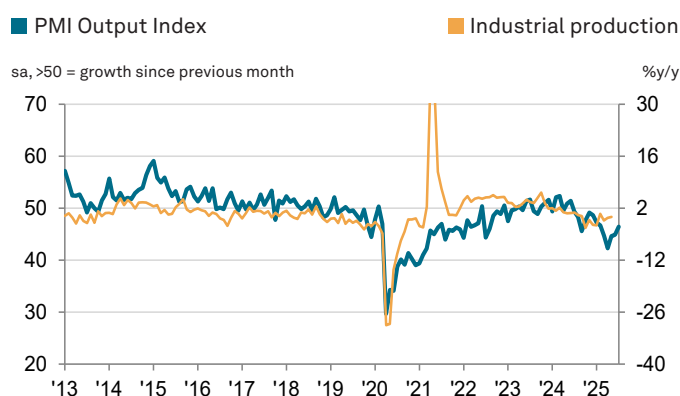
July data showed a steep increase in purchasing prices facing goods producers in Mexico. Survey members commonly blamed cost pressures on US tariffs and unfavourable exchange rates. The rate of inflation was the highest in three months and among the fastest seen in two-and-a-half years.

Despite this intensification of cost pressures, selling prices rose only marginally. Fewer than 3% of panellists reported an increase in average output charges since June, with the remaining companies reporting no change.

On the supply side, firms continued to note bottlenecks. In particular, they indicated that administrative issues at customs, sea transportation delays and highway insecurity all contributed to longer delivery times. The extent of the latest deterioration in vendor performance was the most marked since March.

Subsequently, input inventories decreased again in July. The pace of depletion was sharp and the fastest in four months. Stocks of finished goods likewise fell further.

Mexican manufacturers nevertheless looked to the future with optimism, signalling the highest overall level of positive sentiment in eight months. Predictions of output growth were pinned on hopes of better demand conditions and the approval of pending quotations. Advertising efforts and plans to explore market niches also underpinned confidence.



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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