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Latam Daily: Colombia Imports, Mexico Economic Activity

- **Colombia: August imports stay strong, driven by robust purchases of durable goods**
- **Mexico: Monthly recovery, annual contraction in economic activity**

COLOMBIA: AUGUST IMPORTS STAY STRONG, DRIVEN BY ROBUST PURCHASES OF DURABLE GOODS

On Tuesday, October 21st, DANE published import data for August 2025. Imports totaled US\$5.85 billion CIF (chart 1), marking a 5.7% (y/y) increase and remaining close to the highest levels since September 2022. Consumption-related imports led the gains, expanding by 23.5% y/y, driven by a robust increase in durable goods (+49.9% y/y). Capital goods imports rose by 3.8% y/y, while raw material imports contracted by 7.8% y/y due to lower purchases of fuel and chemical products.

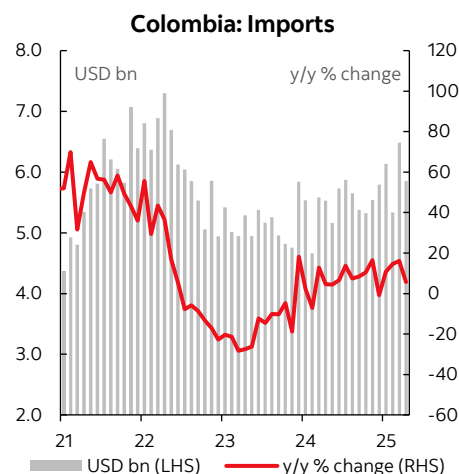
The trade deficit widened compared to the previous year, reaching USD 1.68 billion in August and USD 10.63 billion YTD through August, versus the USD 6.89 billion deficit recorded in the same period of 2024. This larger trade deficit reflects a combination of nearly stagnant exports and rising imports, with the latter responding to stronger household consumption.

It is worth noting that despite the widening trade deficit, the current account deficit remains under control, as remittance inflows continue to act as an offsetting force (chart 2). In this context, we do not foresee material pressures on the FX market. That said, factors such as government financing from foreign sources and carry trade operations—given the cautious stance of the central bank—are expected to keep the USDCOP below our estimated macrofundamental level of 4,150 pesos.

Highlights

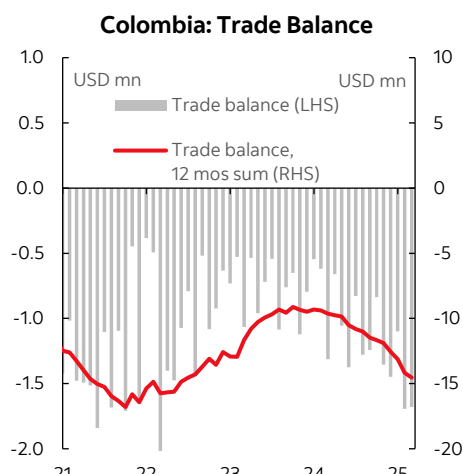
- **Consumer imports led the gains (chart 3).** In August, consumption-related imports expanded by 23.5% year-over-year (y/y), with imports of durable goods driving the increase (+49.9% y/y), while non-durable goods imports rose by 5.5% y/y. The most dynamic segment was vehicle imports, which grew by 76.8% y/y.
- **The behaviour of durable goods purchases is curious.** On the real economy front, the demand for these products has not triggered a significant increase in credit

Chart 1



Sources: Scotiabank Economics, DANE.

Chart 2



Sources: Scotiabank Economics, DANE.

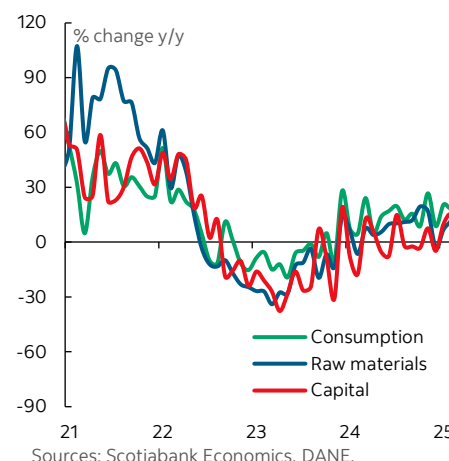
demand. Meanwhile, inflation for tradable goods has not declined, despite exchange rate conditions that could make these imports cheaper than before.

- **Both phenomena could see evidence that Colombia's recovery is being fueled by an exogenous income shock, that prevent the use of credit and reduces the stimulus of pass through of the FX appreciation on prices.**
- **Imports of raw materials contracted 7.8% y/y.** The main contraction was in fuel purchases -45.2% y/y, purchases of raw materials for agriculture increased by 15.7% y/y, showing that this sector is still very dynamic.
- **Imports of capital good expanded by 14.5% y/y.** Imports of transport equipment are very dynamic, expanding by 65.9% y/y, while in the second place we see the contribution of capital goods for the industrial sector +3% y/y.

—Jackeline Piraján & Valentina Guio

Chart 3

Colombia: Imports by Sector



MEXICO: MONTHLY RECOVERY, ANNUAL CONTRACTION IN ECONOMIC ACTIVITY

In August, the Global Indicator of Economic Activity (IGAE) grew by 0.6% month-over-month, rebounding from a -0.9% decline in July (chart 4). By sector, the primary activities saw a sharp increase of 14.5% m/m, following a -3.2% drop the previous month. In contrast, secondary activities contracted by -0.3%, driven by declines in construction (-2.2%) and mining (-0.7%). Services posted a modest monthly growth of 0.5%, with slight, broad-based increases across categories.

On an annual basis, the IGAE fell by -0.9% y/y, marking its second consecutive decline (chart 5). Primary activities surged by 16.2%, while secondary activities dropped for the fifth straight month, down -3.6%. Services also edged down slightly, by -0.1%.

Chart 4

Mexico: IGAE (GDP Monthly Proxy)

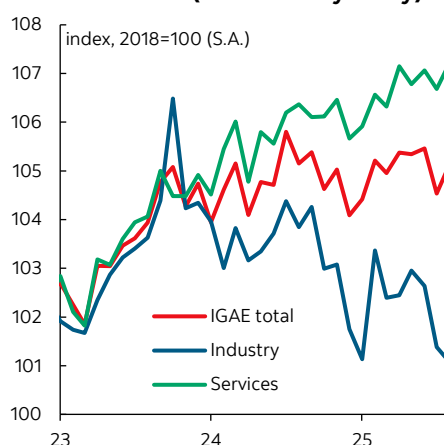
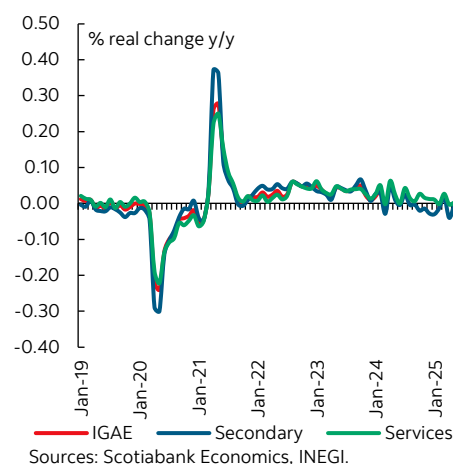


Chart 5

Mexico: IGAE and Main Components



—Rodolfo Mitchell, Miguel Saldaña & Martha Cordova

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