Scotiabank

GLOBAL ECONOMICS

LATAM DAILY

December 3, 2025

Contributors

Juan Manuel Herrera, Senior Economist
+52.55.2299.6675 (Mexico)
juanmanuel.herrera@scotiabank.com

Guillermo Arbe, Head Economist, Peru
+51.1.211.6052 (Peru)
guillermo.arbe@scotiabank.com.pe

Jorge Selaive, Head Economist, Chile
+56.2.2619.5435 (Chile)
jorge.selaive@scotiabank.cl

Eduardo Suárez, VP, Latin America Economics
+52.55.9179.5174 (Mexico)
esuarezm@scotiabank.com.mx

TODAY'S CONTRIBUTORS:

Rodolfo Mitchell, Director of Economic and Sectoral Analysis
+52.55.3977.4556 (Mexico)
mitchell.cervera@scotiabank.com.mx

Miguel Saldaña, Economist
+52.55.5123.1718 (Mexico)
msaldanab@scotiabank.com.mx

Martha Cordova, Economic Research Specialist
+52.55.5435.4824 (Mexico)
martha.cordovamendez@scotiabank.com.mx

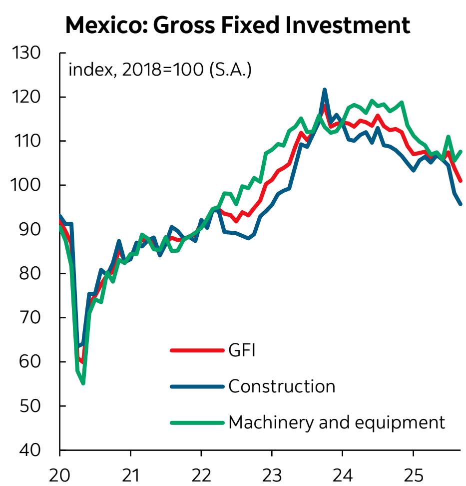
Latam Daily: Mexican Investment Weakness Against Consumption Strength

In September, gross fixed investment remained in negative territory, although with a smaller annual decline than the previous month, moving from -10.4% to -6.7% y/y, marking thirteen consecutive months of contraction (chart 1). By category, machinery and equipment moderated its drop to -2.4% (vs. -13.7% in August), though it has been falling since January, driven by a sharper decline in transportation equipment (-13.3% domestic and -16.8% imported). Meanwhile, construction fell -10.6% (vs. -7.4%), deepening its negative trend since August 2024 with widespread declines: non-residential construction at -16.3% and residential at -3.1%. For the January–September period, investment posted an annual decrease of -7.6% YTD, with broad-based declines, notably in non-residential construction (-17.1%) and machinery and equipment (-8.6%). Looking ahead, we consider that persistent uncertainty at both domestic and international levels, combined with reduced public investment and an unfavourable security environment, will continue to negatively impact investment decisions.

Also in September, real private consumption accelerated to 3.6% year-over-year (chart 2) from the previous 0.6% (revised from 0.1%). Within its components, the strongest increase came from a rebound in imported goods consumption, which surged to 14.8% from 0.8%, driven mainly by a 31% rise in imported non-durable goods. On the other hand, domestic goods posted a modest recovery, from -1.1% to 1.6%, supported by a 3.6% increase in non-durable goods and 1.2% in durable goods, although semi-durables continued to decline by -6.6%. Services also showed stronger growth, rising to 1.5% from 0.7% previously. Despite this faster pace in September, cumulative private consumption over the first three quarters remained unchanged (0.0% YTD) due to earlier declines. Similarly, on a seasonally adjusted monthly basis, consumption showed no change (0.0%), reflecting stagnation in both domestic and imported components. Looking ahead, we expect consumption to maintain a modest pace, constrained by the weakening formal labour market.

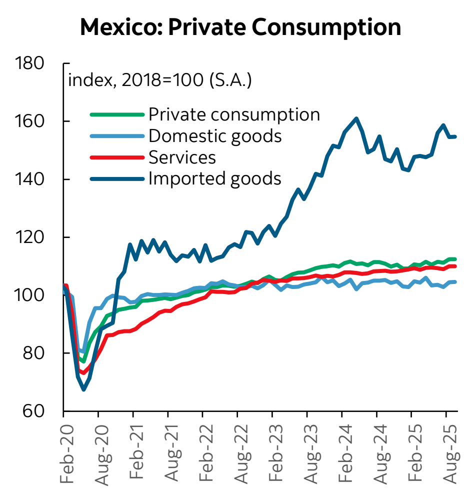
In November, sales of light vehicles posted an annual decline of -0.3% (vs. 6.0% in October), totaling 148,359 units. Year-to-date sales show a modest increase of 1.0%, with a total of 1,370,186 vehicles, reflecting weak demand that may be influenced by recent consumption trends. Figures on production and exports are expected to be released soon.

Chart 1



Sources: Scotiabank Economics, INEGI.

Chart 2



Sources: Scotiabank Economics, INEGI.

—Rodolfo Mitchell, Miguel Saldaña & Martha Cordova