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# Latam Daily: Mexico's Economy Contracts in February

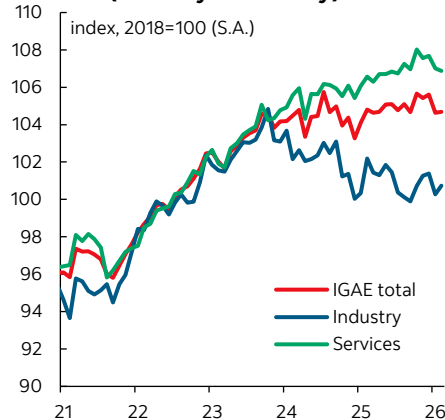
- **Mexico: Economic activity shows 0.3% fall in February, with its components remaining stagnant**

In February, the Global Indicator of Economic Activity (IGAE, chart 1) showed a contraction in economic activity of -0.3% (the same -0.3% as in January) on an annual basis using original figures. In the breakdown, primary activities posted growth of 2.3%. Industrial activity declined -1.3%, with its components showing the following changes: mining 1.1%, utilities -1.5%, construction 0.8%, and manufacturing -2.2%. Services remained flat, with a change of 0.1%. The strongest growth was recorded in health services, up 4.6%, while recreational services fell -9.7%. On a seasonally adjusted monthly basis, the IGAE increased 0.1% (vs. -0.9% previously), with widespread stagnation across activities: primary activities -0.3%, industry 0.4%, and services -0.1%.

According to INEGI, in March the labour force participation rate fell to 58.3% (chart 2), compared with 59.3% in the same period a year earlier and 59.0% in February. Meanwhile, the unemployment rate declined from 2.6% to 2.4%. In addition, the underemployment rate—that is, the percentage of individuals seeking to work more hours—stood at 6.7%, compared with 6.6% a year earlier, although below 7.0% in February. The informality rate remained unchanged at 54.8%, compared with 54.3% in March 2025. Despite an unemployment rate below the historical average, lower labour force participation together with the trend of slow formal job creation reported by the IMSS highlights the possibility of moderate consumption momentum.

**Chart 1**

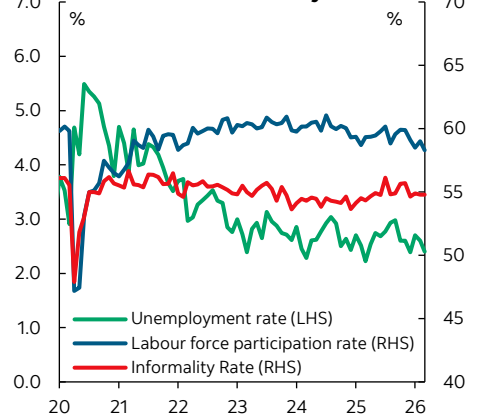
**Mexico: IGAE and its Main Components (Monthly GDP Proxy)**



Sources: Scotiabank Economics, INEGI.

**Chart 2**

**Mexico: Labour Force, Unemployment and Informality**



Sources: Scotiabank Economics, INEGI.

—Rodolfo Mitchell, Miguel Saldaña & Martha Cordova

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