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Latam Daily: Mexico February Indicators—Gross Fixed Investment and Private Consumption

In February, INEGI's Monthly Gross Fixed Capital Formation Indicator showed that gross fixed investment deepened its decline, posting an annual contraction of -4.2% in original figures, compared with -3.3% previously. By component, machinery and equipment fell -9.7%, accumulating fourteen consecutive months of declines, with broad-based weakness across its subcomponents (-14.3% domestic and -6.5% imported). Construction remained in positive territory for a fourth consecutive month, growing 1.1%, driven by residential construction (2.2%). Meanwhile, private investment declined -5.4%, while public investment increased 3.5%. Overall, the data confirm that investment continues to display fragile performance, with a still-weak outlook and downside risks to growth in the absence of a clearer recovery in the coming months.

Also in February, private consumption slowed on a real annual basis, easing from 1.5% to 0.9%, mainly due to negative readings in the domestic component. Domestic goods fell by -1.5%, with broad-based declines across components: durable goods (-20.4%) and semi-durable goods (-1.5%) contributed significantly to the contraction, while services stagnated at 0.0%. Imported goods grew 11.7%, driven by non-durable goods (25.9%), followed by durable goods (2.0%). Consumption will remain relevant in 2026; however, the momentum observed last year has weakened, increasing downside risks amid a less dynamic labour market and more limited growth in real purchasing power.

Chart 1

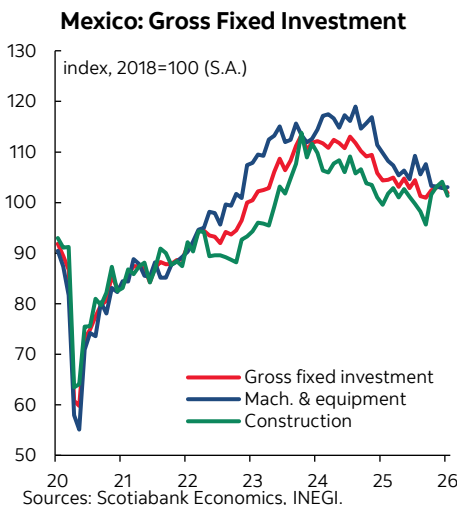


Chart 2

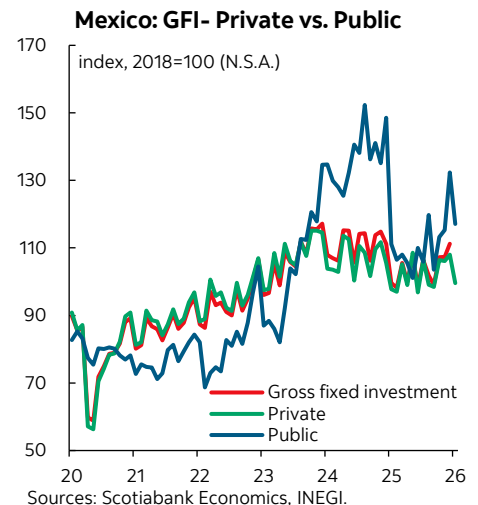
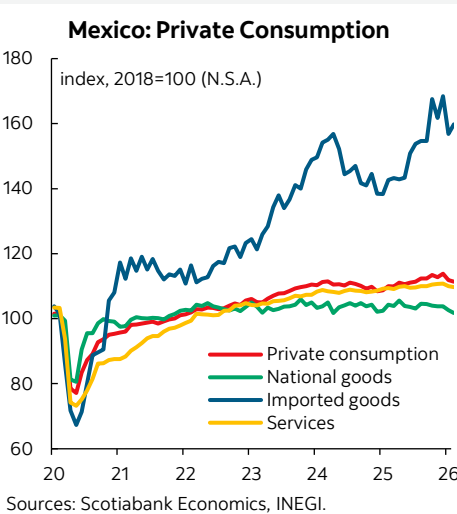


Chart 3



—Rodolfo Mitchell, Miguel Saldaña & Martha Cordova

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