

Contributors

Eduardo Suárez

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

Rodolfo Mitchell

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

Brian Pérez

Quant Analyst
+52.55.5123.1221 (Mexico)
bperezgu@scotiabank.com.mx

Miguel Saldaña

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

Mexico: 2024 Auto Sector Review

In 2024, Mexico's light vehicle industry reached record levels of production and exports, while domestic sales surpassed pre-pandemic levels (table 1). Despite a slowdown in annual growth, the supply and demand for light vehicles maintained solid momentum measured by the volume of units. In production and exports, the advance of economic activity in the United States allowed for historical highs despite weakness elsewhere in manufacturing. As for domestic sales, the increase in consumption, along with a greater reach of new market participants, allowed for a recovery to pre-pandemic levels and a nearing of the historical highs of 2016.

Table 1: Summary of Indicators			
Date	Domestic Sales	Exports	Production
Dec-24	146,356	265,954	224,913
Dec-23	143,662	282,316	215,912
% y/y change	1.9	-5.8	4.2
Jan-Dec 2024	1,496,797	3,479,086	3,989,403
Jan-Dec 2023	1,363,714	3,300,876	3,779,151
% YTD change	9.8	5.4	5.6

Sources: Scotiabank Economics, INEGI.

On the domestic demand side, sales of light vehicles closed 2024 with an increase of 9.8% (vs. 24.6% a year earlier), totaling 1,496,797 units (chart 1). However, in December alone, sales rose by 1.9% with 146,356 transactions. In comparison to other retail sales sectors, according to the October INEGI (the Mexican Statistics Office) Commercial Businesses Survey, vehicle and auto parts sales accumulated a real increase of just 0.5% YTD, compared to the -0.5% drop in total retail sales. Meanwhile, vehicle price increases stalled during 2024, growing by just 0.4% y/y (chart 2), well below the headline inflation rate, which closed the year at 4.21%, and the prices of core goods and services (core inflation at 3.65% y/y).

Within domestic sales, new market participants continue to enter, although lost market share in comparison to the previous year (charts 3 and 4, and table 2, at the back). Nissan maintained market leadership despite losing market share (17.1% vs. 17.7% a year earlier), while the next three largest players, GM, Volkswagen, and Toyota, increased their market share to 13.5%, 9.2%, and 8.1%, respectively. On the other hand, new participants (Chirey, JAC, MG Motor, and more recently Great Wall, Jetour, and Foton) grew at a lower rate than the total, at 7.5%, leading to a loss of market share (9.5% vs. 9.7% in 2023). Although

Chart 1

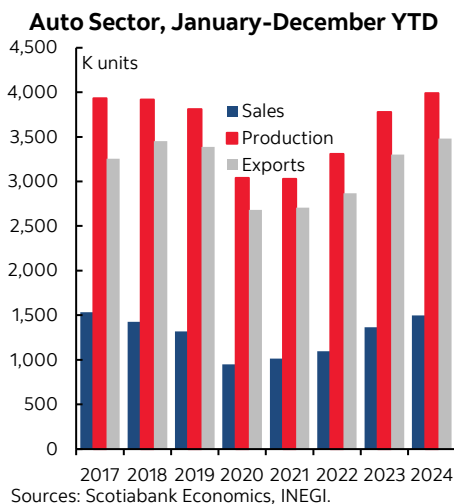
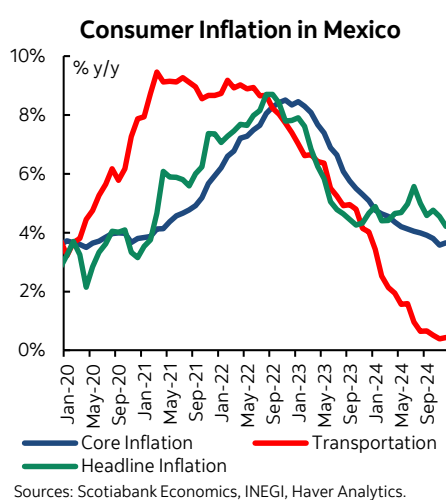


Chart 2



most new participants are Chinese-origin vehicles, the total number of cars from China increased at a higher rate than average, at 12.0%, representing 22% of total sales during 2024. In contrast, U.S.-origin vehicles grew by 20.8% during the same period, representing 9% of total sales. Domestic-made vehicles grew by 11.9%, representing 38% of total vehicles sold during 2024. The entry of new competitors, along with the normalization of global supply chains, has allowed for a price increase lower than headline and core inflation in recent years.

On the supply side, vehicle production reached record levels in 2024, totaling 3.989 million units, equivalent to a 5.6% increase (chart 1, again). Comparatively, although vehicle production growth slowed during 2024, it was higher than the average for manufacturing, which showed heterogeneous behaviour during the same period. According to INEGI's monthly figures for industrial production, during the January–November period, transportation equipment production averaged an annual real increase of 1.6% YTD, contrasting with the manufacturing average of 0.3% and overall industrial output of 0.5%.

Within production, we note contrasting results among brands. GM maintained leadership (table 3), representing 22.3% of total assemblies and achieved the highest growth compared to its competitors, increasing by 23% (chart 4, again). Similarly, Honda and JAC posted double-digit increases during the year. On the other hand, other brands showed declines in the number of units assembled. BMW had the largest decrease, falling by -19.0%, followed by Audi (-17.6%), Mercedes Benz (-15.3%), and Chrysler (-10.3%).

Regarding exports, they also reached record highs during 2024, totaling 3.479 million units on a 5.4% increase compared to the previous year (table 4). Like production, manufacturing exports slowed their growth during the year, although automotive exports have shown a higher rate than the rest of manufacturing due to market strength. By export destination, cars destined for the United States represented 80% of the total, while cars destined for Canada represented 8.5%.

In the heavy vehicle industry, domestic sales also reached record highs in 2024, although production and exports performed negatively during the year (charts 5 and 6).

Retail sales of heavy vehicles totaled 58,318 units in 2024, representing an increase of 11.1% (vs. 32.2% in 2023, chart 7 and table 5), the smallest advance since the pandemic. Within this, in a market considerably more concentrated than light vehicle sales, cargo trucks dominate, with a total share of 26% of retail units sold during the year. Mercedes-Benz passenger trucks accounted for 7% of total heavy vehicles during the period. In terms of advances, the highest growth was achieved by Dina with 10% in cargo vehicles and 2.4% in passenger vehicles, followed by Hino's cargo vehicles, which grew by 3.3%.

Wholesale sales of heavy vehicles increased by 22.8%, accumulating 67,704 units (chart 7, again, and table 6). However, we observed an acceleration in recent months, reaching a 71.5% increase in December alone, with increases above 20% and no declines during the last half of the year. Like retail sales, the market was dominated by Freightliner's cargo vehicles, with 26%, followed by Kenworth (21%) and International (16%). In passenger vehicles, Mercedes-Benz was also the best seller, with 6% of total wholesale sales.

The story is different in the production and export of heavy vehicles. Heavy vehicle assembly fell by -4.3% in 2024 (vs. 11.0% growth in 2023). Particularly, in the last quarter, it averaged a decline of -17.0%. In terms of brands (table 7), half of the

Chart 3

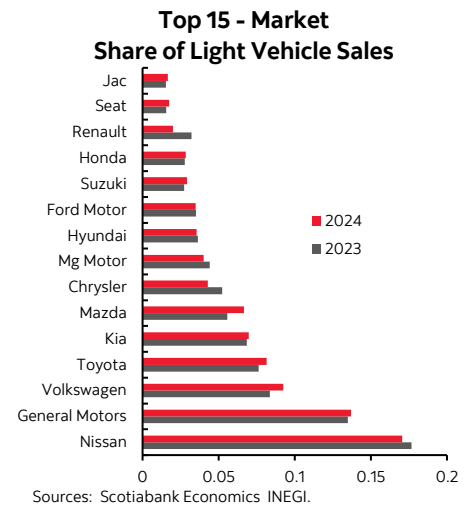


Chart 4

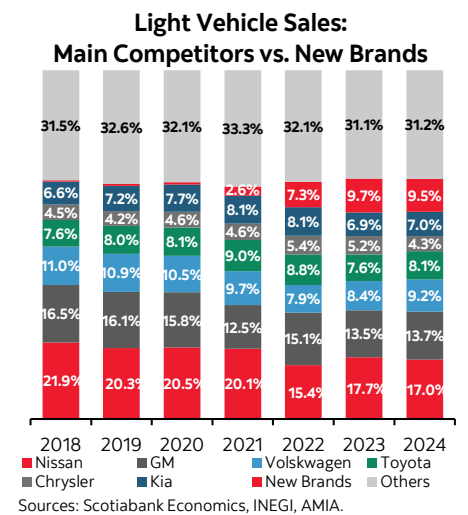
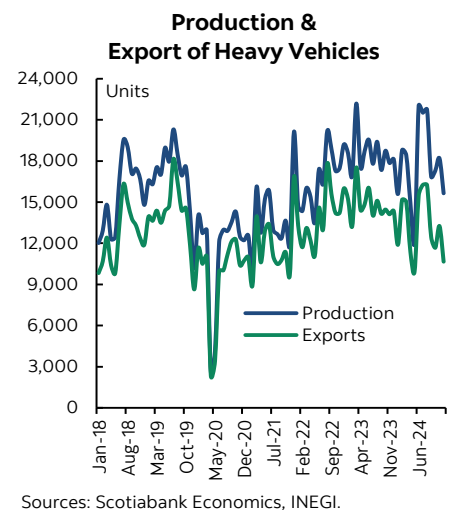


Chart 5



production corresponded to Freightliner (55%), followed by International (30%), while in cargo vehicles, Mercedes-Benz led with just 1.5% of total heavy vehicles. However, the highest growth was experienced by Dina’s passenger vehicles, which saw an increase of 4.27% compared to the previous year. Finally, heavy vehicle exports ended in negative numbers, falling sharply by -10.2% (vs. 6.4% in 2023). As with production, the declines were more noticeable in the second half of the year, averaging -6.5% in the last quarter of 2024.

Looking ahead, we believe that the entry of new players and increased internal competition will continue to drive domestic sales growth, also benefiting from a price increase dynamic below headline inflation. However, the origin of these new players’ vehicles will be a relevant issue, as an industrial policy imposing tariffs on Chinese-origin vehicles could slow sales growth.

From an international perspective, given the current uncertainty and the possibility of a more complicated trade relationship between Mexico and the United States due to Trump’s stance on promoting the U.S. automotive industry, Mexico could be affected by the imposition of tariffs on the automotive sector. In this sense, the way to avoid a significant long-term decline is for Mexico to align with U.S. needs and requirements. Hence, the recently reiterated interest by Claudia Sheinbaum’s administration in increasing the added value of the automotive chain produced in Mexico and reducing exposure to Chinese inputs.

For 2025, given the greater complexity and uncertainty in the outlook, we expect the sector to continue growing, albeit at a slower pace than last year. New Asian brands will have a significant presence in the market, partly due to their more accessible prices and consumer financing facilities. However, the first measures taken by Donald Trump’s presidency regarding tariffs will be key to defining the automotive sector’s outlook.

Chart 6

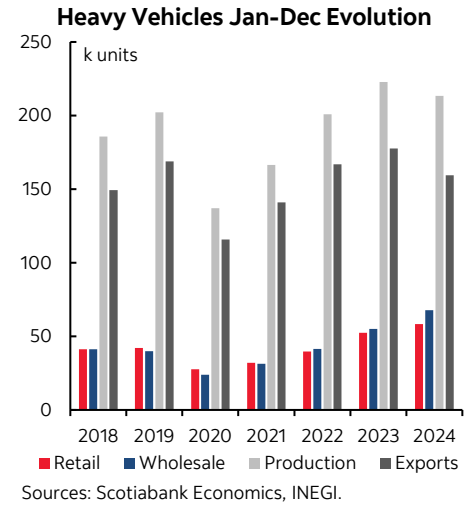


Chart 7

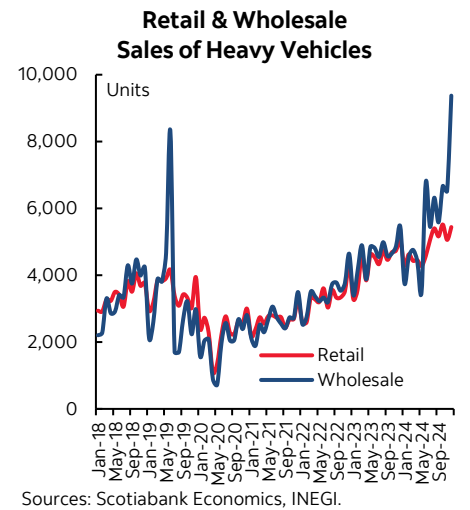


Table 2: Sales of Light Vehicles by Company & Brand

Company	Brand	December 2024	% y/y	January-December 2024	% YTD	Market Share 2024	Market Share by Company
Audi México	Audi	1309	-2.5%	10499	-19.9%	0.7%	0.7%
BMW de México	BMW	1219	-22.7%	14072	0.6%	0.9%	1.2%
	MINI	368	-1.9%	3263	-12.0%	0.2%	
Chirey Motor México	Chirey	1500	-31.7%	20442	-24.7%	1.4%	1.8%
	Omoda	501	-34.6%	6401	-43.5%	0.4%	
Ford Motor Company	Ford Motor	5421	-40.5%	52359	-12.1%	3.5%	3.6%
	Lincoln	227	102.7%	1850	45.2%	0.1%	
General Motors de México	General Motors	19334	-1.7%	205043	11.4%	13.7%	13.7%
Honda de México	Acura	71	-11.3%	1001	-10.6%	0.1%	2.9%
	Honda	3918	4.7%	42336	12.0%	2.8%	
Hyundai Motor de México	Hyundai	5378	3.2%	53305	7.1%	3.6%	3.6%
Isuzu Motors de México	Isuzu	256	80.3%	2466	68.0%	0.2%	0.2%
	Jaguar	1	-88.9%	68	-20.9%	0.0%	
Jaguar Land Rover México	Land Rover	201	21.1%	1810	2.7%	0.1%	0.1%
	KIA	9501	20.2%	104384	11.7%	7.0%	
Mazda Motor de México	Mazda	8677	18.8%	99797	31.3%	6.7%	6.7%
Mercedes Benz México	Mercedes Benz	1227	-14.5%	12905	-10.3%	0.9%	0.9%
Mitsubishi Motors de México	Mitsubishi Motors	2160	-1.9%	24706	-12.0%	1.7%	1.7%
Nissan Mexicana	Infiniti	110	20.9%	1111	12.4%	0.1%	17.1%
	Nissan	25233	2.9%	255116	5.8%	17.0%	
Renault México	Renault	2743	-49.7%	29892	-31.7%	2.0%	2.0%
SAIC Motor México	MG Motor	8924	7.3%	60168	0.1%	4.0%	4.0%
	Alfa Romeo	28	-39.1%	448	20.8%	0.0%	
Stellantis México	Chrysler	8171	-16.0%	64123	-10.2%	4.3%	6.3%
	Fiat	611	-40.5%	10383	-12.1%	0.7%	
	Peugeot	1413	19.1%	18855	42.5%	1.3%	
Subaru Automotriz México	Subaru	330	-38.2%	3321	-17.0%	0.2%	0.2%
Suzuki Motor de México	Suzuki	4334	10.8%	43661	16.8%	2.9%	2.9%
Toyota Motor Sales de México	Lexus	278	-1.1%	2717	1.3%	0.2%	8.3%
	Toyota	10606	-2.1%	121968	17.1%	8.1%	
Volvo Group México	Volvo	517	11.2%	7105	33.4%	0.5%	0.5%
	Bentley	1	-66.7%	13	-35.0%	0.0%	
Volkswagen De México	Porsche-Rover	202	32.9%	2545	52.1%	0.2%	11.1%
	Seat	2322	5.7%	26023	23.0%	1.7%	
	Volkswagen	14211	24.3%	138181	21.2%	9.2%	
Non-affiliated companies to the Mexican Association of the Automotive Industry (AMIA)							
Autos Orientales Picacho S.A. Pr	MOTORNATION	897	8.7%	10497	8.8%	0.7%	0.7%
Giant Motors Latinoamérica	JAC	2525	5.2%	24826	17.8%	1.7%	1.7%
Great Wall Motor México	GWM	1253	235.9%	14455	-	1.0%	1.0%
LDR Solutions	Foton	212	-	1534	-	0.1%	0.3%
	JETOUR	166	-50.4%	3148	93.6%	0.2%	

Sources: Scotiabank Economics, Administrative Registry of the Automotive Industry of Light Vehicles (RAIAVL), INEGI.

Table 3: Light Vehicle Production by Brand

Brand	December 2023	December 2024	% y/y	January-December 2023	January-December 2024	% YTD	Market Share 2024
Audi	7,750	6716	-13.3%	175,121	144,223	-17.6%	3.6%
BMW	5,984	0	-100.0%	117,462	95,151	-19.0%	2.4%
Chrysler	31,542	26104	-17.2%	467,459	419,426	-10.3%	10.5%
Ford Motor	27,398	22375	-18.3%	365,365	386,776	5.9%	9.7%
General Motors	42,310	56277	33.0%	722,631	889,072	23.0%	22.3%
Honda	11,155	10601	-5.0%	167,249	194,612	16.4%	4.9%
JAC	2,097	2306	10.0%	22,519	25,391	12.8%	0.6%
KIA	16,900	19900	17.8%	256,000	270,700	5.7%	6.8%
Mazda	13,996	13646	-2.5%	202,506	209,303	3.4%	5.2%
Mercedes Benz	4,589	1839	-59.9%	67,846	57,487	-15.3%	1.4%
Nissan	35,791	33796	-5.6%	615,751	669,941	8.8%	16.8%
Toyota	1,576	18501	1073.9%	250,015	245,009	-2.0%	6.1%
Volkswagen	14,824	12852	-13.3%	349,227	382,312	9.5%	9.6%
Total	215,912	224913	4.2%	3,779,151	3,989,403	5.6%	100.0%

Sources: Scotiabank Economics, Administrative Registry of the Automotive Industry of Light Vehicles (RAIAVL), INEGI.

Brand	December 2023	December 2024	% y/y	January-December 2023	January-December 2024	% YTD	Market Share 2024
Audi	15,717	9,288	-40.9%	178,387	143,783	-19.4%	4.1%
BMW	11,651	8,561	-26.5%	111,266	98,712	-11.3%	2.8%
Chrysler	34,672	27,074	-21.9%	412,892	353,307	-14.4%	10.2%
Ford Motor	32,649	30,001	-8.1%	371,087	379,849	2.4%	10.9%
General Motors	72,707	67,694	-6.9%	721,886	830,820	15.1%	23.9%
Honda	14,033	18,760	33.7%	154,255	232,433	50.7%	6.7%
KIA	11,140	15,373	38.0%	190,440	206,246	8.3%	5.9%
Mazda	17,079	10,692	-37.4%	152,739	141,933	-7.1%	4.1%
Mercedes Benz	7,058	5,156	-26.9%	66,809	63,799	-4.5%	1.8%
Nissan	34,638	35,459	2.4%	367,014	456,866	24.5%	13.1%
Toyota	3,201	20,530	541.4%	262,225	245,121	-6.5%	7.0%
Volkswagen	27,771	17,366	-37.5%	311,876	326,217	4.6%	9.4%
Total general	282,316	265,954	-5.8%	3,300,876	3,479,086	5.4%	100.0%

Sources: Scotiabank Economics, Administrative Registry of the Automotive Industry of Light Vehicles (RAIAVL), INEGI.

Company	Brand	Segment	December 2024	January-December 2024	% y/y	% YTD	Market Share 2024	
Daimler Vehículos Comerciales México	Freightliner	Cargo	1,080	15,046	0.08	0.16	25.80	
	Mercedes-Benz	Passenger	364	4,135	0.03	0.11	7.09	
Dina Camiones	Dina	Cargo	7	22	-	10.00	0.04	
		Passenger	39	210	18.50	2.44	0.36	
Hino Motors Sales México	Hino	Cargo	99	2,482	- 0.69	-0.17	4.26	
		Passenger	127	149	30.75	3.26	0.26	
Isuzu Motors de México	Isuzu	Cargo	247	3,037	- 0.24	-0.02	5.21	
		Passenger	1	3	-	-0.63	0.01	
Kenworth Mexicana, S.A. de C. V.	Kenworth	Cargo	1,393	14,113	0.26	0.14	24.20	
LDR Solutions	Foton	Cargo	98	616	- 0.74	-0.47	1.06	
		Passenger	85	394	- 0.73	-0.23	0.68	
		Cargo	24	265	23.00	0.02	0.45	
Man Truck and Bus México	MAN	Passenger	-	28	- 1.00	-0.22	0.05	
		Volkswagen Camiones y Autobuses	Cargo	187	1,996	0.73	0.32	3.42
			Passenger	65	855	- 0.29	-0.26	1.47
Navistar México de C. V.	International	Cargo	735	8,578	0.75	0.43	14.71	
		Passenger	27	1,135	- 0.74	-0.06	1.95	
Scania Comercial	Scania	Cargo	445	1,992	2.01	-0.21	3.42	
		Passenger	69	751	- 0.21	0.25	1.29	
Volvo Group México	Mack Trucks	Cargo	47	299	1.35	0.37	0.51	
		Passenger	82	1,033	- 0.07	0.19	1.77	
Non-affiliated with the National Association of Bus, Truck, and Tractor Producers (ANPACT)								
Emobility Operations	Auteco	Cargo	-	11	-	-	0.02	
Sparta Motors	Shacman	Cargo	200	557	0.27	-0.50	0.96	
		Passenger	23	611	22.00	1.69	1.05	
Total			5,444	58,318		11.10	100.00	

Sources: Scotiabank Economics, National Association of Bus, Truck, and Tractor Producers A.C. (ANPACT), INEGI.

Table 6: Wholesale Sales of Heavy Vehicles by Company

Company	Brand	Segment	December 2024	January-December 2024	% y/y	% YTD	Market Share 2024
Daimler Vehículos Comerciales México	Freightliner	Cargo	2,923	17,797	0.66	0.27	26.29
	Mercedes-Benz	Passenger	427	4,030	- 0.04	0.03	5.95
Dina Camiones	Dina	Cargo	23	38	-	18.00	0.06
		Passenger	154	325	76.00	4.33	0.48
Hino Motors Sales México	Hino	Cargo	1,089	3,785	1.69	0.23	5.59
		Passenger	24	45	5.00	0.25	0.07
Isuzu Motors de México	Isuzu	Cargo	228	2,825	- 0.45	-0.14	4.17
		Passenger	-	2	-	-0.78	0.00
Kenworth Mexicana, S.A. de C. V.	Kenworth	Cargo	1,211	14,780	0.40	0.18	21.83
LDR Solutions	Foton	Cargo	341	1,143	2.25	-0.14	1.69
		Passenger	219	534	0.52	0.21	0.79
Man Truck and Bus México	MAN	Cargo	96	453	11.00	0.69	0.67
		Passenger	2	30	- 0.86	-0.17	0.04
	Volkswagen Camiones y Autobuses	Cargo	335	2,156	1.86	0.22	3.18
		Passenger	561	1,320	4.78	0.09	1.95
Navistar México de C. V.	International	Cargo	681	11,459	0.22	0.77	16.93
		Passenger	203	1,550	6.52	0.15	2.29
Scania Comercial	Scania	Cargo	445	1,992	2.01	-0.21	2.94
		Passenger	69	751	- 0.21	0.25	1.11
Volvo Group México	Mack Trucks	Cargo	41	481	1.73	0.84	0.71
	Volvo Buses	Passenger	82	1,033	- 0.07	0.19	1.53
Non-affiliated with the National Association of Bus, Truck, and Tractor Producers (ANPACT)							
Emobility Operations	Auteco	Cargo	-	11	-	-	0.02
Sparta Motors	Shacman	Cargo	196	553	0.24	-0.50	0.82
Yutong de México	Yutong	Passenger	23	611	22.00	1.69	0.90
Total			9,373	67,704		22.80	100.00

Sources: Scotiabank Economics, National Association of Bus, Truck, and Tractor Producers A.C. (ANPACT), INEGI.

Table 7: Production of Heavy Vehicles by Company

Company	Brand	Segment	December 2024	January-December 2024	% y/y	% YTD	Market Share 2024
Daimler Vehículos Comerciales México	Freightliner	Cargo	9,288	117,054	- 0.14	-0.08	54.89
	Mercedes-Benz	Passenger	20	3,180	- 0.94	-0.18	1.49
Dina Camiones	Dina	Passenger	140	322	69.00	4.28	0.15
Hino Motors Sales México	Hino	Cargo	63	1,110	- 0.28	-0.26	0.52
		Passenger	-	24	-	0.00	0.01
Isuzu Motors México	Isuzu	Cargo	132	1,782	1.00	0.26	0.84
Kenworth Mexicana, S.A. de C. V.	Kenworth	Cargo	1,425	20,501	0.01	0.11	9.61
LDR Solutions	Foton	Cargo	122	993	0.42	-0.28	0.47
		Passenger	12	232	#NUM!	-	0.11
Man Truck & Bus México	MAN	Passenger	1	1	#NUM!	-0.50	0.00
		Cargo	13	765	- 0.68	-0.26	0.36
	Volkswagen Camiones y Autobuses	Passenger	57	1,014	1.28	0.17	0.48
Navistar México de C. V.	International	Cargo	4,265	63,541	- 0.17	-0.02	29.80
		Passenger	27	1,552	2.86	0.14	0.73
Volvo Group México	Volvo Buses	Passenger	79	1,170	- 0.25	0.09	0.55
Total			15,644	213,241		-4.30	100.00

Sources: Scotiabank Economics, National Association of Bus, Truck, and Tractor Producers A.C. (ANPACT), INEGI.

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