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GLOBAL ECONOMICS

LATAM INSIGHTS

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Mexico: 2025 Auto Sector Review

- ***Resilient domestic sales*: In 2025, light-vehicle sales grew 1.4%, reaching 1.52 million units, their highest level since 2017, driven by new competitors, although with a lower official market share for Chinese brands**
- ***Production and exports in decline*: Light-vehicle production fell 0.9% and exports dropped 2.7% in 2025, affected by trade uncertainty with the U.S., input shortages, and strategic adjustments by automakers**
- ***Heavy vehicles in sharp contraction*: Heavy-vehicle sales fell by nearly one third, with drops of up to 51% in wholesale sales and 34% in production, reflecting low investment and high uncertainty**
- ***Forward-looking risk factors*: Tariffs on Chinese vehicles (50%) and on Mexican heavy vehicles in the U.S. (25%), along with lower investment and stalled formal employment, will limit demand**
- ***2026 outlook*: The industry will most likely face challenges from trade volatility, input shortages, and low investment, but also opportunities from nearshoring, technological shifts, and new players in the domestic market**

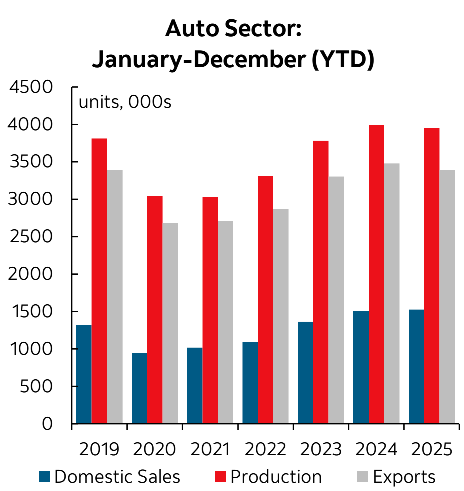
DOMESTIC DEMAND: SLIGHT RISE IN SALES

Mexico's automotive industry faced a deterioration in the outlook for light vehicles during 2025, with significant declines in production and exports, accompanied by a widespread collapse in heavy vehicles. Domestic light-vehicle sales were the only indicator that showed growth during the year (table 1).

In December, domestic sales of light vehicles grew 5.0% annually, rebounding from the -0.3% drop in the previous month. With this positive close, domestic sales averaged 1.4% growth throughout 2025, totaling 1,524,638 units (charts 1 and 2). This is the highest level since 2017 (1.534 million units) and approaches the historical record of 2016 (1.607 million).

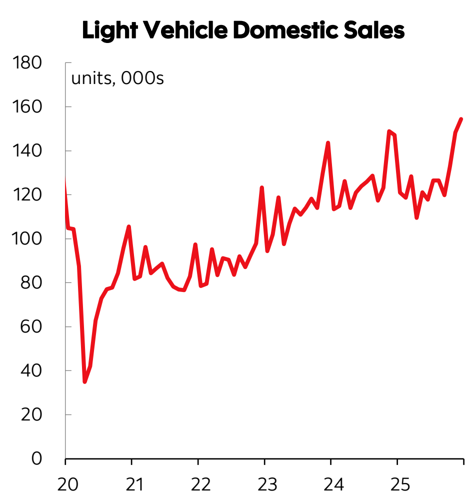
As in previous years, sales benefited from the entry of new competitors, particularly Chinese brands (table 2). However, compared with 2024, the official share of these brands fell for the first time, representing 9.2% of the total, down from 9.9% the year before. Notably, Chirey was removed from the administrative registry, and several electric-vehicle brands such as BYD and Tesla were absent, meaning their market share is not included in

Chart 1



Sources: Scotiabank Economics, INEGI.

Chart 2



Sources: Scotiabank Economics, INEGI.

the RAIAVL (Administrative Registry of the Light-Vehicle Automotive Industry). According to the Mexican Association of Automotive Distributors (AMDA), total sales of Chinese brands, including those not reported, could reach 244,000 units—equivalent to a 15% market share, higher than the official figures suggest.

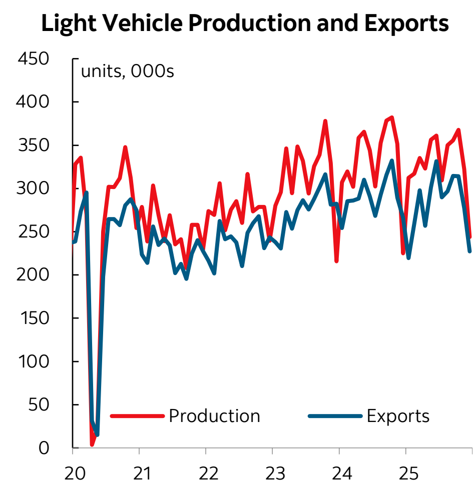
Among registered vehicles, Nissan stood out as the leader with an 18.0% share, supported by 7.6% growth (274,461 units). It was followed by General Motors and Volkswagen, with 13.0% and 9.0% shares, respectively, although both recorded annual declines of -3.4% and -0.2%.

The performance of domestic sales will depend on factors such as stagnation in the formal labour market, the imposition of 50% tariffs on Chinese vehicles as stipulated in the 2026 Revenue Law, and weaker remittance flows, which could limit demand. Nonetheless, lower interest rates and the expansion of new market players could partially cushion these risks.

WEAK LIGHT-VEHICLE PRODUCTION AND EXPORTS

Amid international uncertainty and changes in U.S. trade policy, light-vehicle production and exports declined in 2025 compared to the previous year (chart 3). In December alone, production grew 8.5% annually; however, this final rebound was insufficient to prevent an accumulated contraction of -0.9%, totaling 3.953 million units, compared to 3.989 million in 2024, when production reached a record high.

Chart 3



Sources: Scotiabank Economics, INEGI.

Throughout the year, production – was affected by assembly-line adjustments driven by strategic changes in anticipation of potential U.S. tariff modifications, as well as input shortages—especially semiconductors. The decline was practically widespread across brands (table 3), with the exception of new production by Acura and a 27% increase at Toyota, both with facilities in Guanajuato, and gains at Ford (8%) and Audi (2%). In contrast, notable declines were seen at Honda (-18%), Mazda (-17%), and Volkswagen (-12%). In terms of market share, General Motors maintained its lead at 21.7%, followed by Nissan at 16.7%, and Ford at 10.6%.

Exports suffered a larger contraction during 2025, mainly due to changes in U.S. trade policy. In December, foreign sales fell -14.5%, marking the fourth consecutive month of declines and totaling eight negative months during the year. As a result, light-vehicle exports dropped -2.7% annually, totaling 3.385 million units, compared with the 2024 record of 3.479 million. By brand (table 4), Toyota stood out with a 30% increase, consistent with its higher production levels, along with gains by Ford (11%) and KIA (5.4%). In contrast, the most affected brands were Mazda (-37%), Honda (-20%), and Volkswagen (-16%).

The industry will continue adjusting production lines amid nearshoring dynamics toward the U.S. and input shortages, particularly semiconductors. These same factors will pressure exports, making the upcoming mid-year USMCA review critical for automakers' strategic planning.

DEPRESSED HEAVY-VEHICLE DEMAND AND SUPPLY

The impact of rising uncertainty and changes in U.S. trade policy was most evident in heavy-vehicle indicators, which saw contractions of nearly one third in both domestic sales and production/export volumes, reaching their lowest levels since the 2020 pandemic (charts 4 and 5).

In the domestic market, heavy-vehicle sales declined in 2025 in both retail and wholesale categories, with a sharper fall in the latter: -51% in wholesale and -27% in retail, totaling just 21,763 and 30,644 units, respectively. This weakness in internal demand, especially in wholesale sales, is linked to stagnant investment and weak business confidence, influenced by both international factors and domestic issues, including uncertainty surrounding the judicial reform and worsening security conditions.

External demand also deteriorated sharply due to U.S. tariffs. However, in the last two months of the year, exports moderated their decline to -22% in November and -1.3% in December, after four months of drops exceeding -50%. Even so, exports totaled 113,931 units for the year, down -28.6%. U.S.

Table 1: Summary of Indicators

	Retail	Wholesale	Production	Exports
December 2024	3306	3498	12547	10527
December 2025	5132	5587	16860	12459
% y/y change	-35.6	-37.4	-25.6	-15.5
Jan-Dec 2024	39833	30673	138954	113931
Jan-Dec 2025	42269	45135	162096	123857
% YTD change	-5.8	-32.0	-14.3	-8.0

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

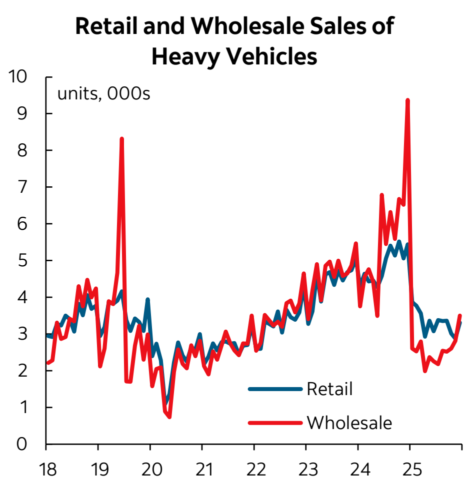
efforts to promote reindustrialization in strategic regions with domestically produced vehicles represent an additional risk for Mexico's competitive position.

In this context, the 25% tariffs imposed by the U.S. on heavy vehicles from Mexico—justified on national security grounds—will significantly increase export costs, undermining automakers' competitiveness. Although USMCA grants tariff preferences to products that meet rules of origin, the application of these tariffs has generated tensions, given that many Mexican vehicles do comply (91%, according to AMIA). Nonetheless, the lack of clarity regarding exemptions and political pressure in the U.S. have cast doubt on the USMCA's effectiveness as a commercial shield. In parallel, Mexico has responded with proposals for 50% tariffs on Chinese vehicles, seeking alignment with the U.S. and strengthening the North American bloc, potentially serving as leverage in the 2026 USMCA review.

Finally, heavy-vehicle production deteriorated similarly throughout 2025, accumulating a -34% annual drop. Yet, declines moderated in the last two months, with production falling "only" -19% in December after average slides near -59% in Q3. The adverse domestic environment, combined with expectations of a more complicated trade relationship with the U.S., remain key factors shaping medium-term supply prospects, although nearshoring opportunities could present upside risks for the industry.

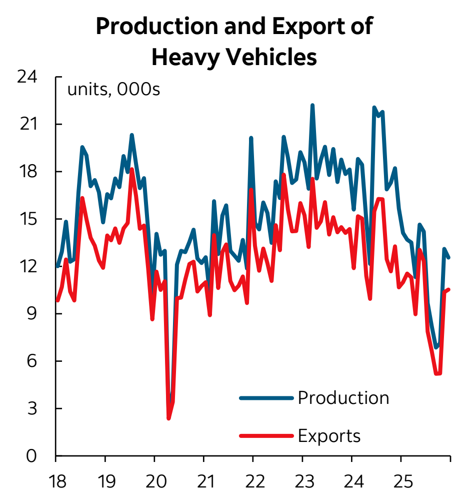
The heavy-vehicle sector will remain relatively stagnant under high uncertainty and low investment. Although annual rates may show apparent improvement in upcoming months, this will mostly reflect arithmetic effects from the sharp declines early in 2025. That is, year-on-year comparisons will naturally look less negative—or even positive—due to the low base, even if underlying activity remains weak in absolute terms. The lack of investment, persistent uncertainty, and risks tied to U.S. trade relations will continue to limit a sustained recovery. Taken together, the industry faces a scenario of limited dynamism, shaped by weak investment prospects and high international and domestic uncertainty.

Chart 4



Sources: Scotiabank Economics, INEGI.

Chart 5



Sources: Scotiabank Economics, INEGI.

IN CONCLUSION

The performance of the automotive industry during 2025 reflects a sector pressured by weakening domestic demand, strategic adjustments by automakers, and a challenging and uncertain external environment. While light-vehicle sales proved resilient and reached their highest levels since 2017, production and exports suffered from U.S. trade uncertainty and supply-chain fragilities. In the heavy-vehicle segment, severe contractions in both domestic and export markets underscore weak investment and the sector's high sensitivity to global geopolitical developments. Although some growth figures may appear to improve due to base effects, the sector's activity will remain dependent on the evolution of regional trade conditions, input availability, and automakers' ability to adapt to a volatile and competitive landscape. Accordingly, the industry faces significant challenges in 2026, but also opportunities linked to Mexico's commercial positioning, technological transitions, and the arrival of new players in the domestic market.

Table 2: Sales of Light Vehicles, by Company

Company Name	Brand	Dec 2025	% y/y	Jan-Dec 2025	% YTD	Participation 2025	Market Share 2025
Audi México, S.A. de C.V.	Audi	990	-24.4	9232	-12.1	0.6	0.6
BMW de México, S.A. de C.V.	BMW	1426	17.0	15046	6.9	1.0	1.3
	MINI	341	-7.3	3907	19.7	0.3	0.0
Chirey Motor México S. de R.L. de C.V.	Chirey	0	-100.0	3642	-82.2	0.2	0.4
	Omoda	0	-	1917	-70.1	0.1	0.0
Ford Motor Company, S.A. de C.V.	Ford Motors	5218	-3.7	53825	2.8	3.6	3.8
	Lincoln	202	-11.0	2066	11.7	0.1	0.0
General Motors de México, S. de R.L. de C.V.	General Motors	21508	11.2	198153	-3.4	13.3	13.3
Honda de México, S.A. de C.V.	Acura	85	19.7	741	-26.0	0.0	2.8
	Honda	3740	-4.5	40416	-4.5	2.7	0.0
Hyundai Motor de México, S. de R.L. de C.V.	Hyundai	5652	5.1	54497	2.2	3.7	3.7
Isuzu Motors de México, S. de R.L.	Isuzu	314	22.7	2488	0.9	0.2	0.2
Jaguar Land Rover México, S.A.P.I. de C.V.	Jaguar	0	-100.0	5	-92.7	0.0	0.1
	Land Rover	117	-41.8	1967	8.7	0.1	0.0
Kia Motors México, S.A. de C.V.	KIA	10393	9.4	111172	6.5	7.5	7.5
Mazda Motor de México, S. De R.L. de C.V.	Mazda	8843	1.9	107004	7.2	7.2	7.2
Mercedes Benz México, S. de R.L. de C.V.	Mercedes Benz	955	-22.2	10663	-17.4	0.7	0.7
Mitsubishi Motors de México, S.A. de C.V.	Mitsubishi Motors	2328	7.8	27994	13.3	1.9	1.9
Nissan Mexicana, S.A. de C.V.	Infiniti	104	-5.5	1201	8.1	0.1	18.6
	Nissan	29279	16.0	274461	7.6	18.5	0.0
Renault México, S.A. de C.V.	Renault	3134	14.3	33265	11.3	2.2	2.2
SAIC Motor México, S. de R.L. de C.V.	MG Motor	5108	-42.8	48816	-18.9	3.3	3.3
Stellantis México, S.A. de C.V.	Alfa Romeo	12	-57.1	311	-30.6	0.0	6.1
	Chrysler	8165	-0.1	66912	4.4	4.5	0.0
	Fiat	339	-44.5	5273	-49.2	0.4	0.0
	Peugeot	2243	58.7	18719	-0.7	1.3	0.0
Subaru Automotriz México, S.A. de C.V.	Subaru	513	55.5	4436	33.6	0.3	0.3
Suzuki Motor de México, S.A de C.V.	Suzuki	4138	-4.5	39436	-9.7	2.7	2.7
Toyota Motor Sales de México, S. de R.L. de C.V.	Lexus	294	5.8	2826	4.0	0.2	8.7
	Toyota	12584	18.7	126358	3.6	8.5	0.0
Volvo Group México, S.A. de C.V.	Volvo	453	-12.4	5915	-16.8	0.4	0.4
Volkswagen De México, S.A. de C.V.	Bentley	0	-100.0	14	7.7	0.0	10.7
	Porsche-Rover	0	0.2	0	0.0	0.0	0.0
	Seat	2043	-12.0	21722	-16.5	1.5	0.0
	Volkswagen	14128	-0.6	137970	-0.2	9.3	0.0
Companies not affiliated with AMIA			0.0		0.0	0.0	0.0
Autos Orientales Picacho S.A. Promotora de Inversión	MOTORNATION	62	-93.1	2680	-74.5	0.2	0.2
Changan Auto México, S. de R.L. de C.V.	Changan	1773	0.0	19308	0.0	-	-
Giant Motors Latinoamérica S.A. de C.V.	JAC	2205	-12.7	24445	-1.5	1.6	1.6
Great Wall Motor México, S. de R.L. de C.V.	GWM	0	-	0	0.0	0.0	0.0
LDR Solutions S.A. de C.V.	Foton	87	-36.5	2260	-8.0	0.2	0.2
	JETOUR	0	-100.0	195	-93.8	0.0	0.0
Total		149177	1.9	1486006	9.8	100.0	100.0

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

Table 3: Light Vehicle Production, by Brand

Brand	Dec 2024	Dec 2025	% y/y	Jan-Dec 2024	Jan-Dec 2025	% YTD	Market Share 2025
Acura	56277	39504	-	889072	857431	-	21.7
Nissan	33796	35556	5.2	669941	658536	-1.7	16.7
Ford Motors	22375	34811	55.6	386776	417280	7.9	10.6
Chrysler	26104	33412	28.0	419426	396281	-5.5	10.0
Toyota	18501	21442	15.9	245007	310152	26.6	7.8
Kia	19900	21170	6.4	270700	288100	6.4	7.3
Volkswagen	12852	18078	40.7	382312	335716	-12.2	8.5
Honda	10601	10220	-3.6	194612	158757	-18.4	4.0
Mazda	13646	9606	-29.6	209303	174524	-16.6	4.4
Audi	6716	8820	31.3	144223	146579	1.6	3.7
Mercedes Benz	1839	4133	124.7	57539	57063	-0.8	1.4
BMW	0	3840	-	95151	95449	0.3	2.4
Acura	30	2251	7403.3	30	32943	109710.0	0.8
Jac	2306	1118	-51.5	25391	24683	-2.8	0.6
Total	224943	243961	8.5	3989483	3953494	-0.9	100.0

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

Table 4: Export of Light Vehicles, by Brand							
Brand	**Dec 2024**	**Dec 2025**	**% y/y**	**Jan-Dec 2024**	**Jan-Dec 2025**	**% YTD**	**Market Share 2025**
Acura	67694	49759	-	830820	822858	-	21.9
Ford Motors	30001	32493	8.3	379849	423283	11.4	14.3
Chrysler	27074	29437	8.7	353307	336149	-4.9	13.0
Toyota	20530	26562	29.4	245121	318812	30.1	11.7
Nissan	35459	18542	-47.7	456866	401242	-12.2	8.2
Volkswagen	17366	17583	1.3	326217	273410	-16.2	7.7
Kia	15373	15431	0.4	206246	217440	5.4	6.8
Audi	9288	10522	13.3	143783	140687	-2.2	4.6
Honda	18760	10216	-45.5	232433	184745	-20.5	4.5
BMW	8561	6251	-27.0	98712	91490	-7.3	2.8
Mercedes Benz	5156	5734	11.2	63799	55137	-13.6	2.5
Mazda	10692	2791	-73.9	141933	88576	-37.6	1.2
Acura	0	1941	-	0	31956	-	0.9
Total	265954	227262	-14.5	3479086	3385785	-2.7	100.0

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