



# Mexico Economic Profile

2025-Quarter III

Timely Macroeconomic Report  
for Decision Making

September 2025

# Economic Profile of Mexico 2025-Quarter III

By the third quarter of 2025, the Mexican economy is experiencing clear stagnation in terms of production and employment. Despite good intentions and the much-publicized Plan Mexico, the figures reveal an economy that is fundamentally failing in providing production, investment, and employment opportunities to 130 million Mexicans. Underlying this situation is an official policy that undermines democratic foundations, the balance of powers, and the rule of law, sending contradictory signals to investors. Given this, the margins for action are narrow. Weak public finances are an obstacle to generating solid economic growth from the government. Ideological reasons impede private-sector-driven economic growth. To make matters worse, Trump and his protectionism could undermine the USMCA, the great engine of growth of the last three decades. Therefore, there is only a very faint light at the end of the tunnel.

**Economic Slowdown Deepens.-** The Mexican economy grew **1.2%** at an annual rate in the second quarter of the year, and preliminary figures point to growth below 1% for the third quarter. The gradual trend of further weakening of the economy is clear, and everything points to a year of minimal growth in 2025. President Trump's tariff war predicts growth of between 0.0% and 1.0% for Mexico in 2025, which could only be reversed with aggressive countercyclical policies, which have so far proven insufficient.

**Inflation Retreats with Pauses.-** After four long years of fighting inflation, inflation is receding with some ups and downs. At the end of 2024, it fell to 4.2% and, after setbacks and advances, stood at **3.8%** in September. However, the war against inflation is not won. On the one hand, the main inflation indicators are aligning, and that is favorable. On the other hand, the tariff war could exacerbate inflationary pressures worldwide and also in Mexico, returning us to square one.

**Job creation is decreasing.** In 2020, there was a loss of formal jobs (-648,000), which recovered the following year. Since then, there has been a notable weakening in job creation. At the end of 2024, annual job creation fell to 214,000, the lowest level of the previous administration; in September 2025, it fell to **91,000**, one of the lowest levels in recent decades. Meanwhile, the unemployment rate is rising: it closed 2024 at 2.4% and rose to 2.9% in August 2025. Meanwhile, minimum wages gained purchasing power, despite inflation, and this contributed to a partial and temporary improvement in the wage bill and to bolstering consumption, which is also declining.

# Economic Profile of Mexico

## 2025-Quarter III

**Pressure on public finances.-** In January-August 2025, revenues amounted to **15%** of GDP and expenditures to **16.6%** of GDP, resulting in a deficit of **1.5%** of GDP. Given the 2024 budget imbalance, spending pressures persist (for old and new projects, for social support, and to address the growing debt and the PEMEX issue), but a deficit correction is necessary. However, debt remains moderate: it closed 2024 at 51.8% of GDP and in May 2025 it stood at **50.9%** of GDP.

**Private Sector Financing Slows Down.-** Despite efforts to boost it, private sector financing suffered a severe setback in 2021 and a more moderate one in 2022 and 2023. However, it recovered in 2024 and 2025. In the second quarter of 2025, the annual increase was lower than expected (**3.7%**) and reflects an increase in consumer financing (9.4%), a moderate increase in corporate financing (3.5%), and a much smaller increase in housing financing (1.2%). All this in a context of falling interest rates: they closed 2024 at levels close to 10% and ended September 2025 at levels of 7-8%.International

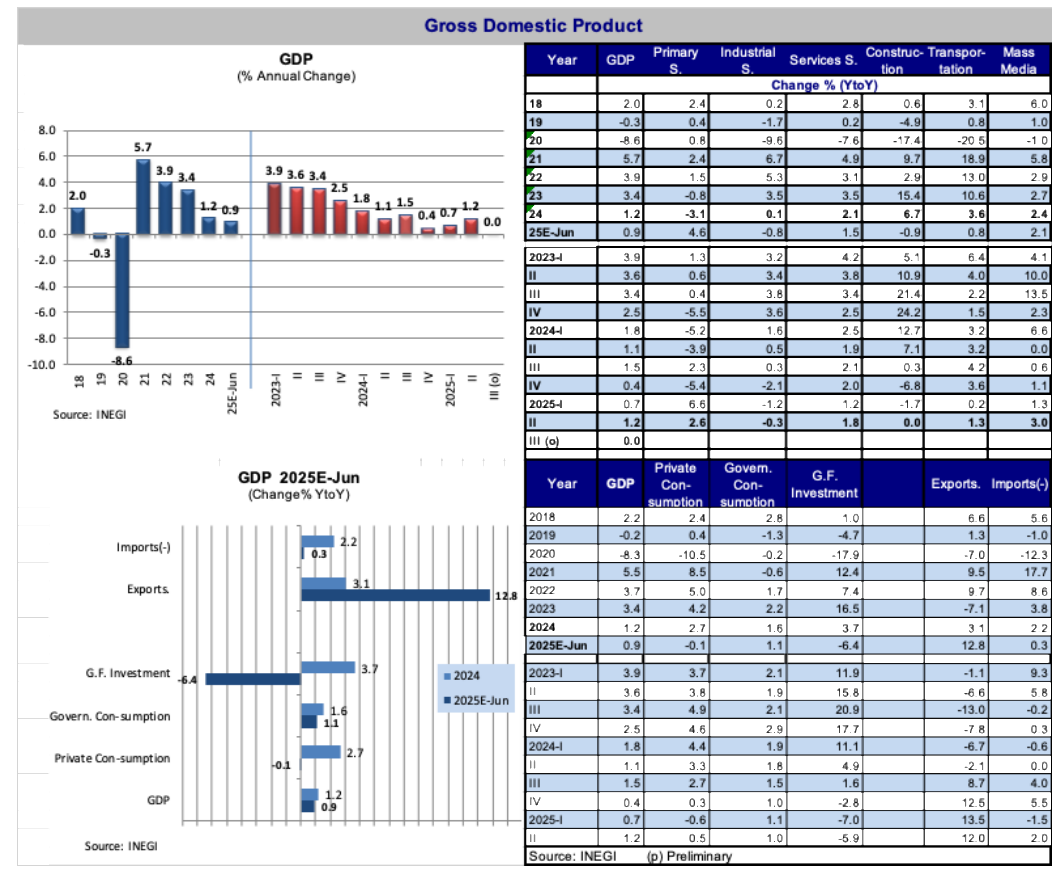
**International Trade is slowing down.** After two years of slowdown, international trade showed a moderate recovery in 2024 and a slowdown in 2025, in the import component. This is worrying, given that export revenues and remittances have consolidated as sources of foreign currency and have contributed to accumulating international reserves (these closed 2024 at 229 USD Bn and will reach 247 USD Bn in September 2025). At the same time, the evolution of foreign investment—especially direct investment—has been favorable (totaling 28 USD Bn in the first half of 2025), reflecting progress, albeit insignificant, in the relocation of companies to Mexico (nearshoring).

**Economic Slowdown in the U.S.—**In the second quarter, the U.S. economy grew **3.8%**, with a moderate increase in the industrial sector (1.6%), unemployment remaining stable at around 4% (4.3% in August), and inflation under relative control (**2.9%** in August 2025). Trump's economic management and the tariff war are rapidly reversing the favorable performance of the U.S. economy in the recent past, generating uncertainty both at home and abroad.

**Economic Growth Outlook in Decline—**Growth forecasts for Mexico improved slightly: 0.6% and 1.3% for 2025-2026. For the US, the forecasts are less pessimistic: 1.7% annually for both years. But if the tariff war escalates and the USMCA collapses, stagnation is looming in both countries.

# Economic activity

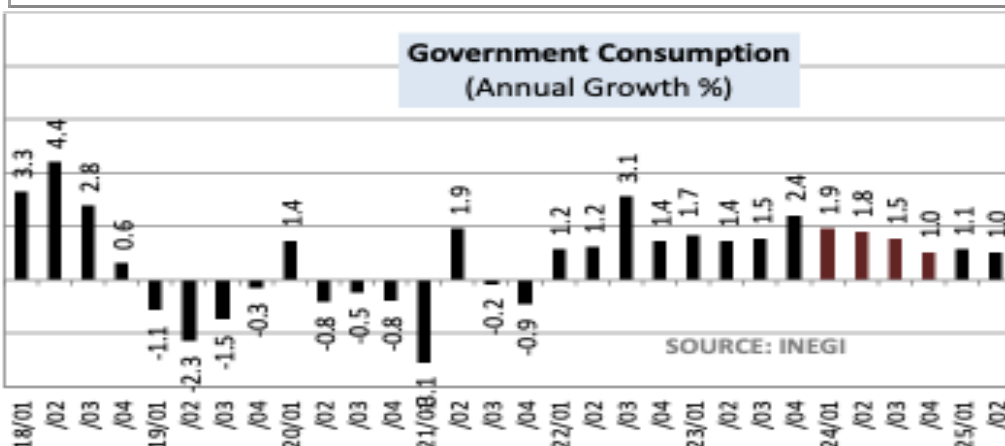
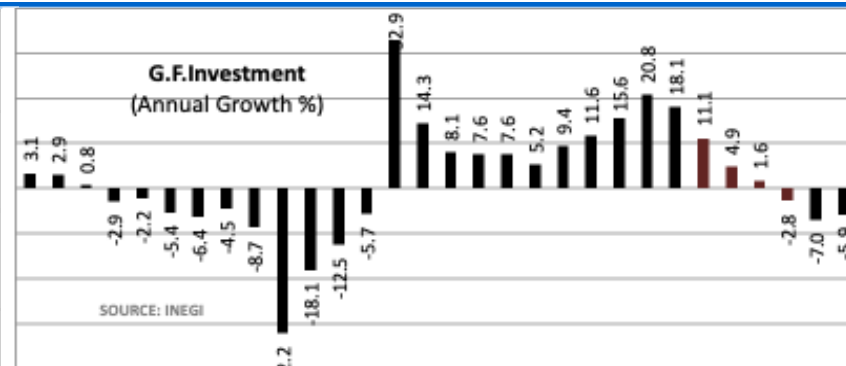
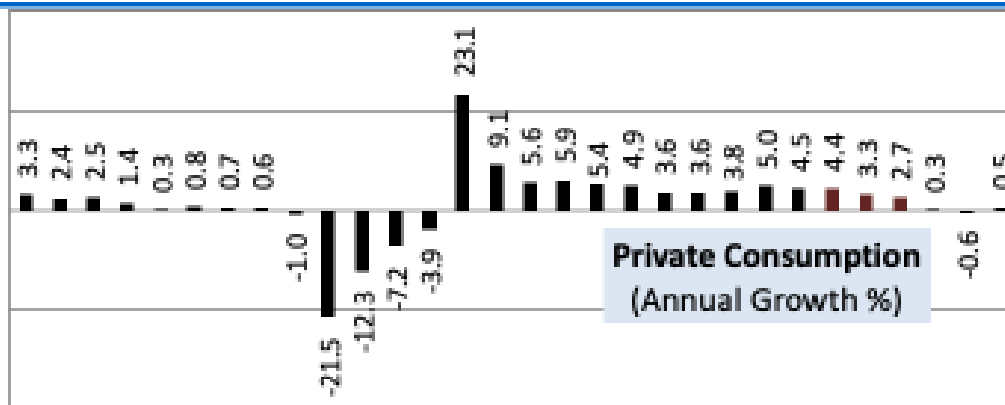
In the second quarter, annual growth of 1.2% was reported; for the third quarter, zero growth is expected.



- The sharp economic slowdown in 2024 has extended into 2025, and a phase of stagnation is likely in 2025.
- In the second quarter of 2025, the industrial sector showed negative growth (-0.3%), while services grew moderately (1.8%), indicating a slight improvement in economic activity.
- On the demand side, in 2025-II, there is significant weakness in domestic demand—consumption and investment—as well as a strong boost in exports.

# Economic Activity

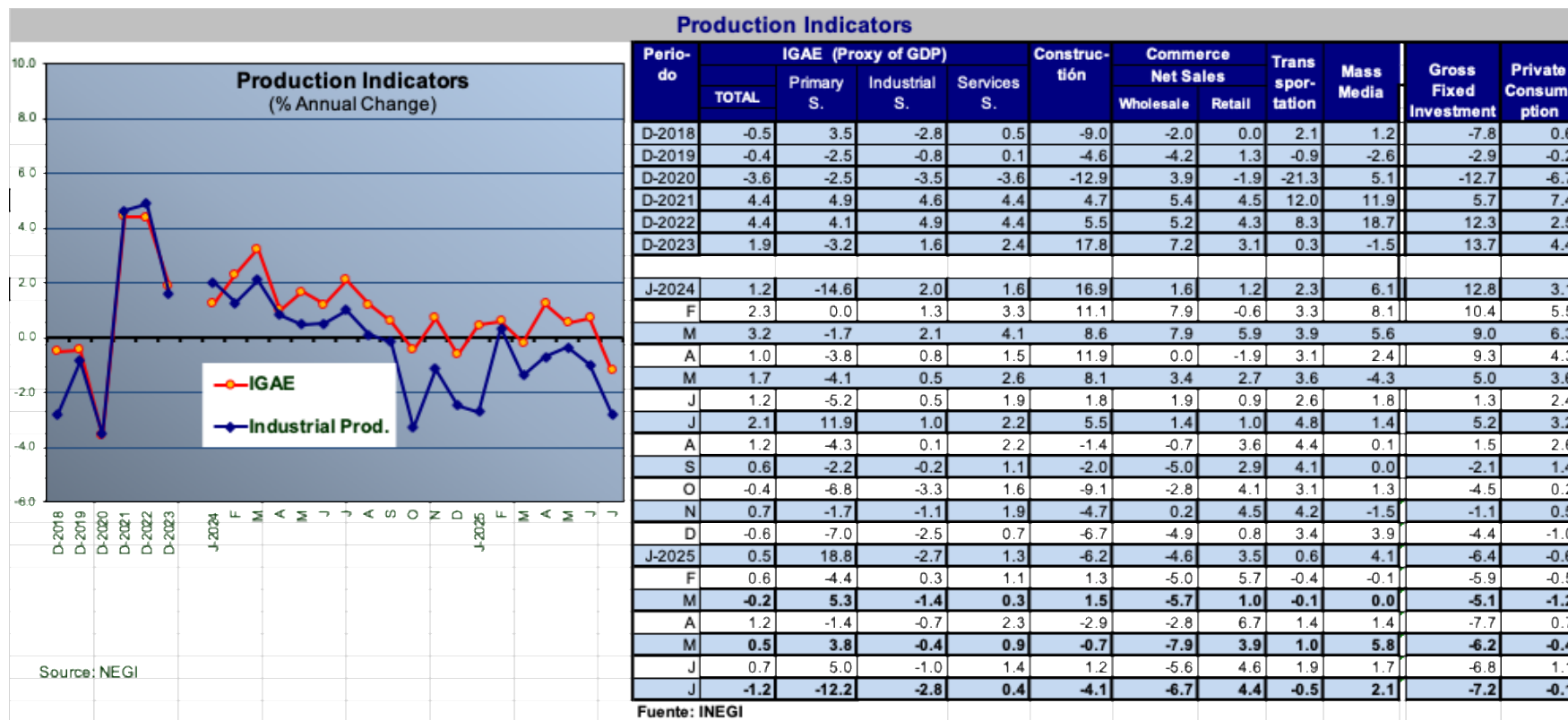
In the first half of 2025, a severe contraction in domestic demand—consumption and investment—is observed, but exports remain dynamic.



- Private consumption, the main driver of demand (two-thirds of GDP), lost strength in the second half of 2024 and is now, in 2025, practically in negative territory or almost zero (+0.5%).
- Investment slowed rapidly in 2024 and has now plummeted (-5.9%) in 2025, despite the good intentions to boost private investment through Plan Mexico.
- Meanwhile, exports of goods and services, after a period of decline, are beginning to recover, despite the Trump factor.

# Economic Activity

In the second half of 2024 and the first half of 2025, production indicators show a phase of stagnation.

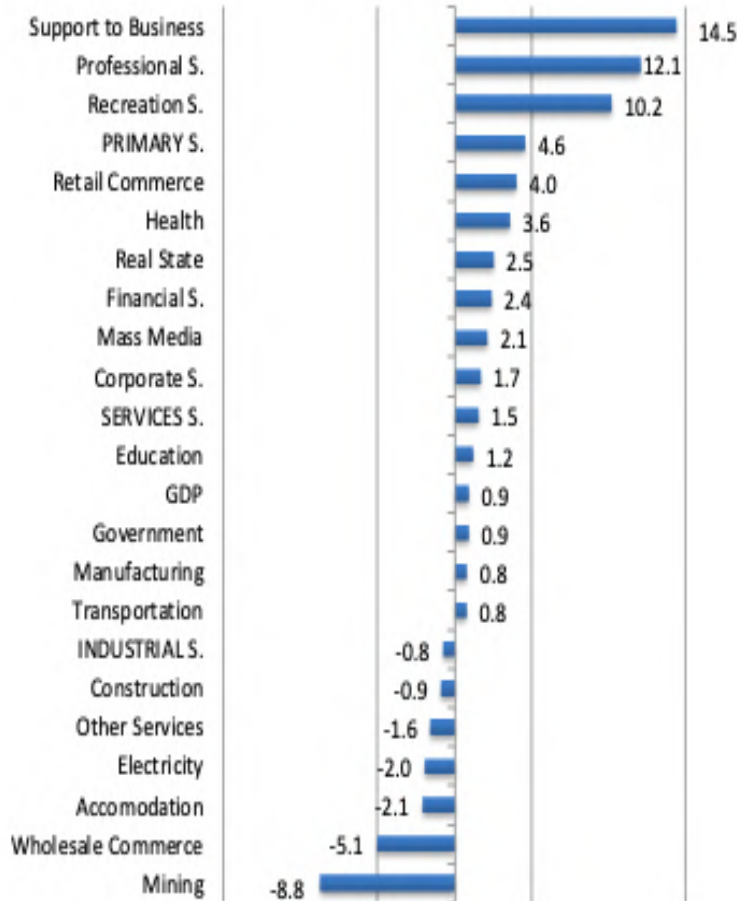


- The IGAE (Global Indicator of Economic Activity), after the post-pandemic rebound (2021-2022), reported growth above 3% throughout the year in 2023, but since then has shown a clear slowdown that extends into 2025 (with a decline of -1.2% in July).
- At the sector level, leaving aside the agricultural sector, which tends to be highly volatile, growth is primarily driven by the services sector (0.4% in July 2025), as the industrial sector has been posting negative growth rates in recent months (-2.8% in July 2025).
- Regarding demand, both consumption and investment have shown negative growth in investment or zero growth in private consumption in recent months.

# Economic Activity

In the first half of 2025, economic activity was led by the services sector, leaving behind the industrial-manufacturing sector, which is more closely linked to global trade.

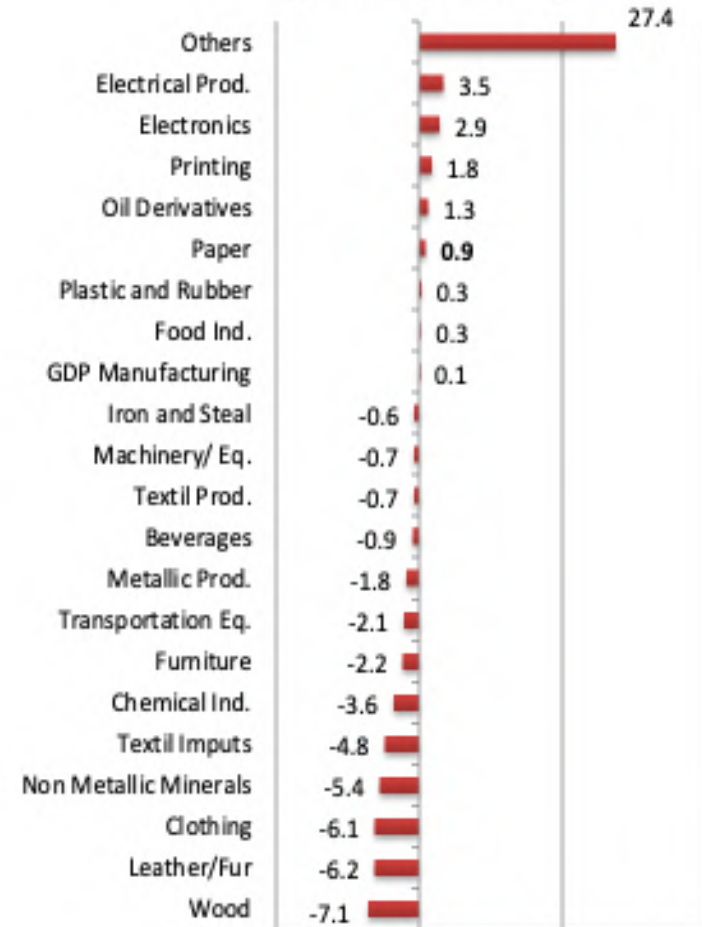
**GDP 2025-J-JUN**  
(% Annual Growth)



The most dynamic

The least dynamic

**MANUFACTURING 2025J-JUN**  
(% Annual Growth)



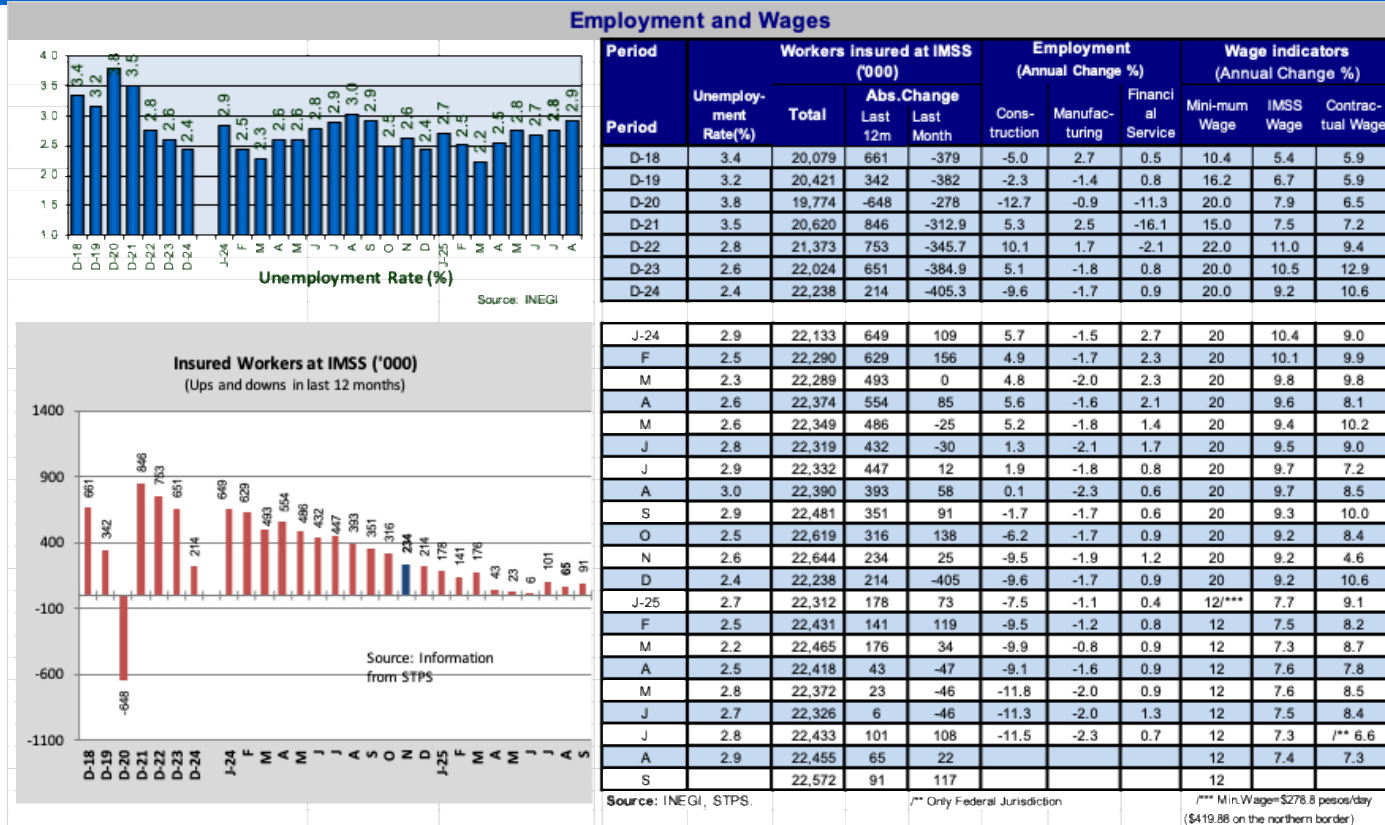
Source: INEGI (Seasonally Adjusted Series)

Source: INEGI (Seasonally Adjusted Series)

# Employment and Wages

The annual generation of formal jobs at the end of September 2025 barely reaches 91,000 jobs, a minuscule level compared to the enormous need for employment.

6

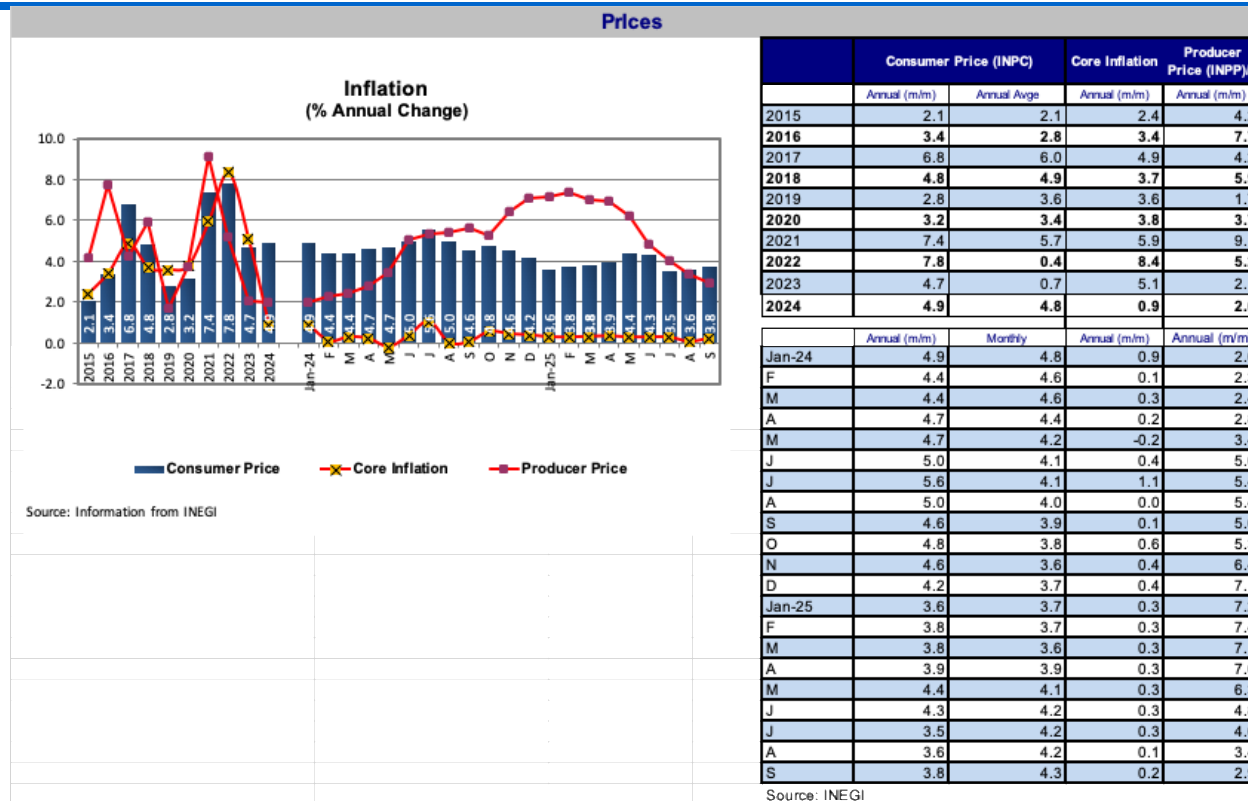


- In terms of employment, the news is very bad. In 2024, only 214,000 jobs were created, and in the final year ending September 2025, only 91,000 were generated, figures that fall far short of the enormous employment needs in a country with 130 million inhabitants.
- Consequently, the unemployment rate (2.9% in August) is on the rise and the trend is upward.
- Higher inflation has led to uneven gains in the three main wage indicators in 2025: +8.2% in the minimum wage, 3.6% in the IMSS wage, and 3.5% in the contractual wage. The wage increase is largely attributed to the annual adjustment in the minimum wage (12% in 2025) promoted by the current administration.



# Prices

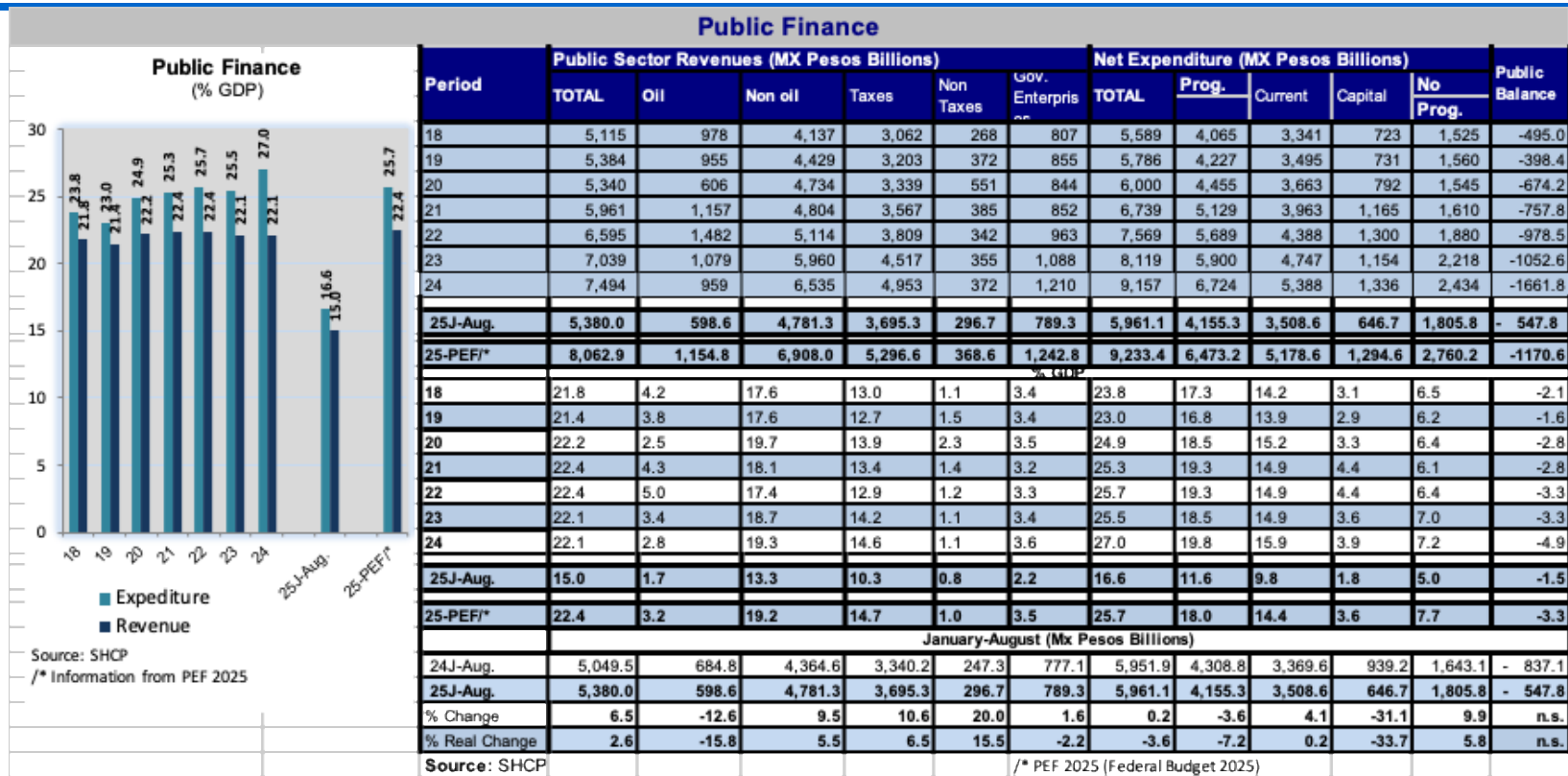
By September 2025, after a brief decline, inflation rebounded to 3.8%, although it remains within the Bank of Mexico's institutional target (3% +/- 1%).



- Inflation is trending downward but with ups and downs. It reached 4.2% at the end of 2024 and, after downward and upward adjustments, stood at 3.8% in September. What is significant is that all the inflation indicators are aligning, although inflationary pressures persist.
- This means that the war against inflation is not won and could even become more complicated in the coming months if the global tariff war intensifies.
- For now, the inflation rate is already into the Bank of Mexico's institutional target: 3% +/- 1%, but the immediate future is uncertain.

# Public Finance

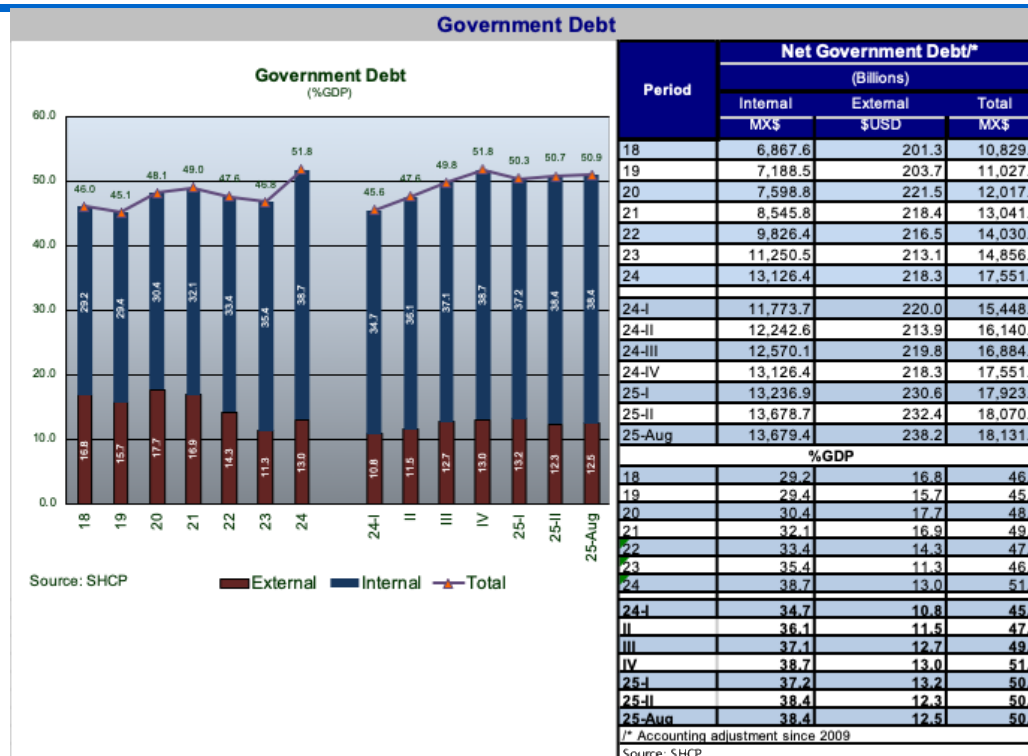
For January-August 2025, revenues will reach 15% of GDP, expenditures will reach 16.6% of GDP, and, consequently, a deficit of 1.5% of GDP.



- By 2025, the main challenge is to reduce the public deficit from 4.9% of GDP (a clearly unsustainable deficit) to 3.3% (projected for 2025). The government acknowledged that it will be at least 3.6%.
- In January-August 2025, a drop in oil revenues (-15.8%) is observed, largely offset by tax revenues (6.5%). The adjustment in spending is primarily in investment (-33.7%).
- By 2025, spending pressures persist (due to old and new flagship projects, social programs, and the PEMEX factor). Added to this will be pressures from lower revenues if the tariff war intensifies.

# Public Debt

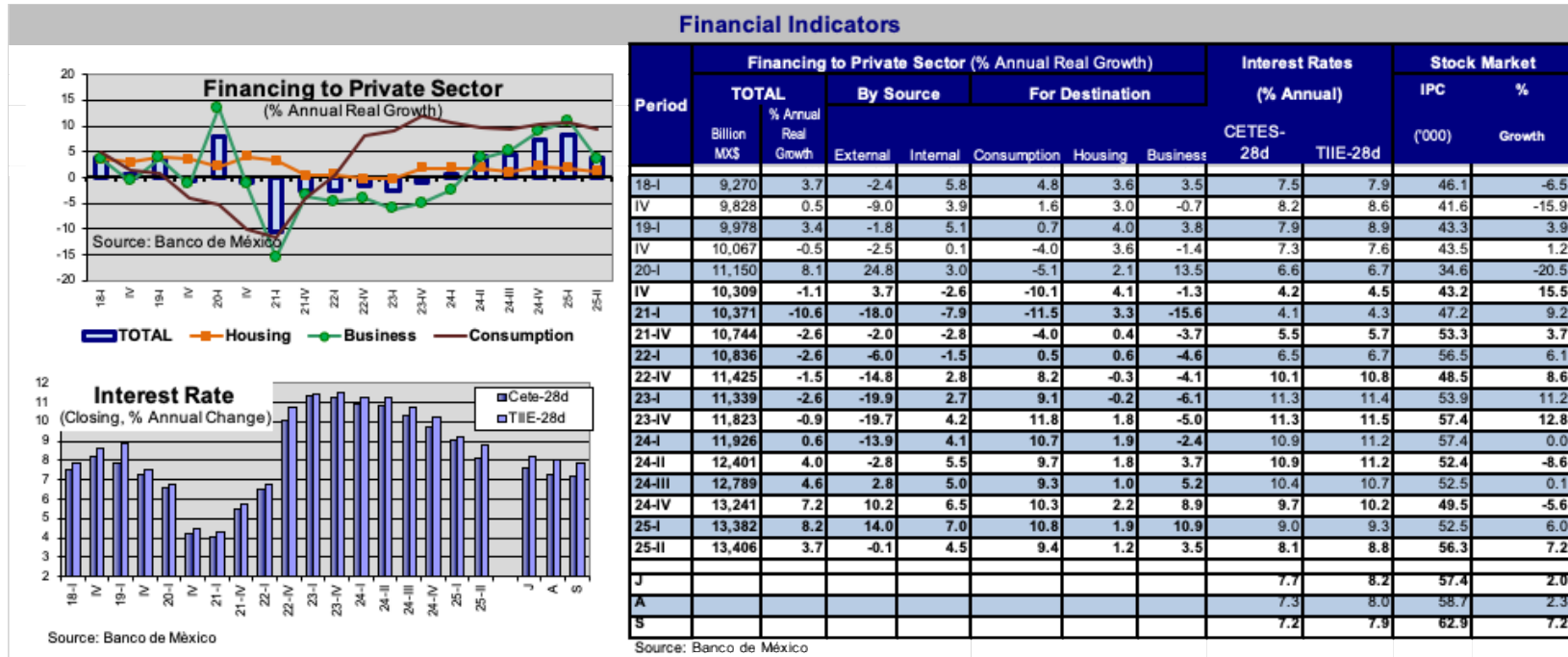
Public debt, as a percentage of GDP, remains under relative control: it fell from 51.8% at the end of 2024 to 50.9% in August 2025.



- In a global comparison, Mexico's public debt is moderate: it closed 2024 at 51.8% of GDP and in August 2025 it stood at 50.9% of GDP. In many countries, debt exceeds 100%, such as Japan (242%), Italy (138%), France (116%), and the United States (124%), all of which exceed 100% of GDP.
- Recent administrations aimed to keep debt at 50% of GDP, which has generally been achieved, except in 2024, when debt exceeded 50% of GDP due to a public deficit close to 5% of GDP. (Debt defined as RFSP does exceed 50%).
- In 2025, the goal can be met, although there may be complications. The key will be to maintain a moderate fiscal deficit and a relatively stable exchange rate.

# Financial sector

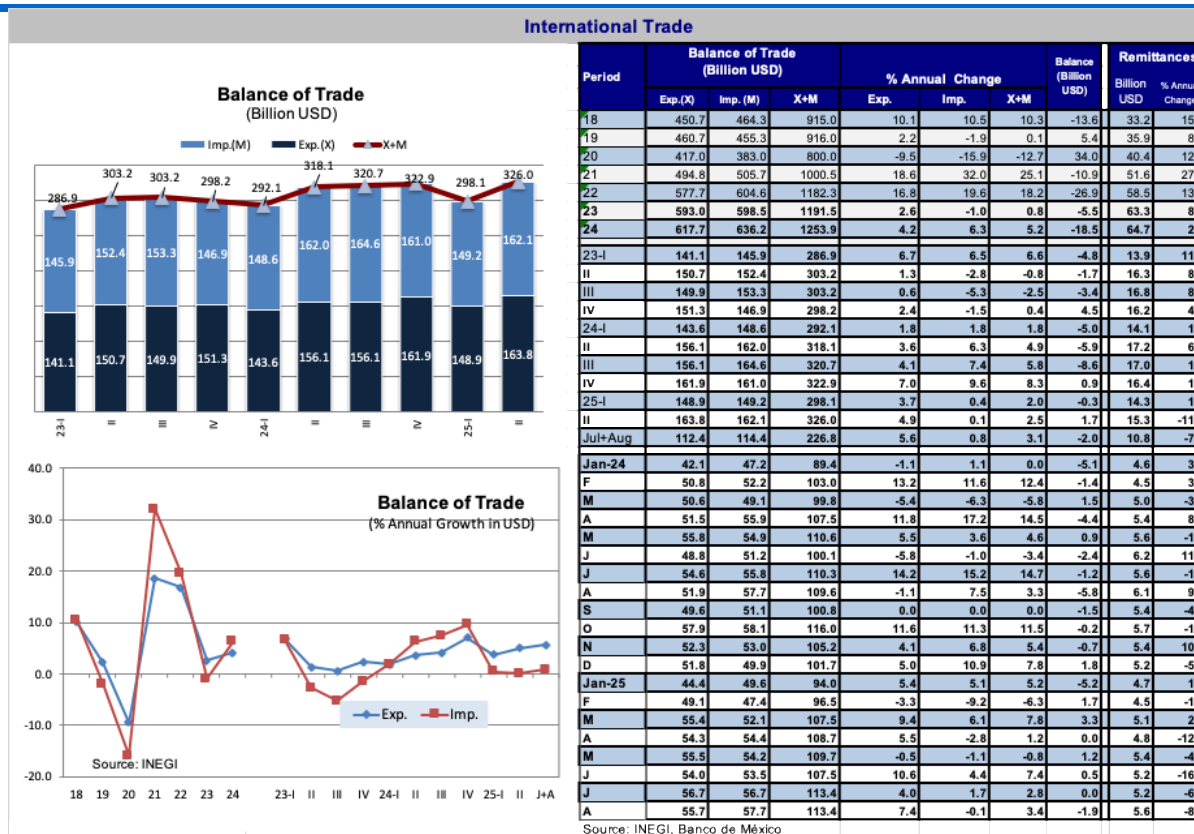
In the second quarter of 2025, financing to the private sector slowed (annual growth of 3.7%), with financing for private consumption (9.4%) and, to a lesser extent, financing for businesses (3.5%).



- The recent economic crisis first resulted in a slowdown in private sector financing (2020), then a decline from 2021 to 2023, before finally rebounding in 2024 and 2025.
- The annual increase in the second quarter of 2025 (3.7%) is explained by the increase in consumer financing (9.4%), a modest increase in housing financing (1.2%), and a significant increase in corporate financing (3.5%).
- To boost financing, interest rates have been kept low, which is why they began to decline in 2024 and 2025. In the third quarter of 2025, they are already around 7-8%. The stock market, for its part, has experienced significant ups and downs in recent years: in 2024 it lost 13.7% and in January-September 2025 it gained 27%.

# International Trade

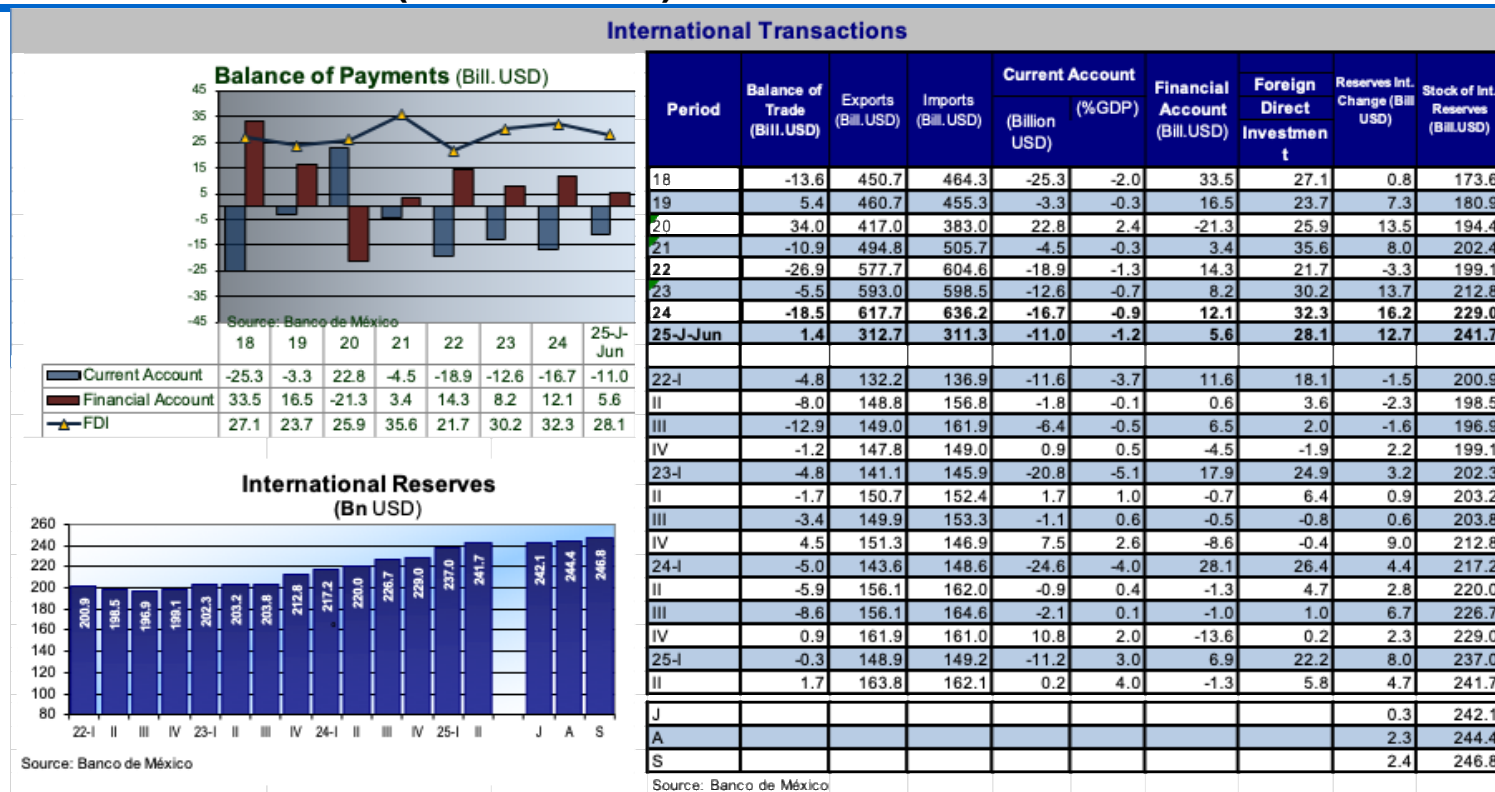
After two years of slowdown, international trade in goods experienced a moderate recovery in 2024, but the slowdown returned in 2025, especially in imports.



- After two years of slowdown, international trade saw a moderate recovery in 2024 (5.2%), but its momentum weakened in 2025, particularly in the import component.
- The trade balance registered a deficit of -18.5 billion pesos in 2024, but in January-August 2025 it showed a deficit of -0.5 billion pesos.
- Remittances, meanwhile, are decreasing: they descended -6.1% at an annual rate in the January-August period.

# External Sector

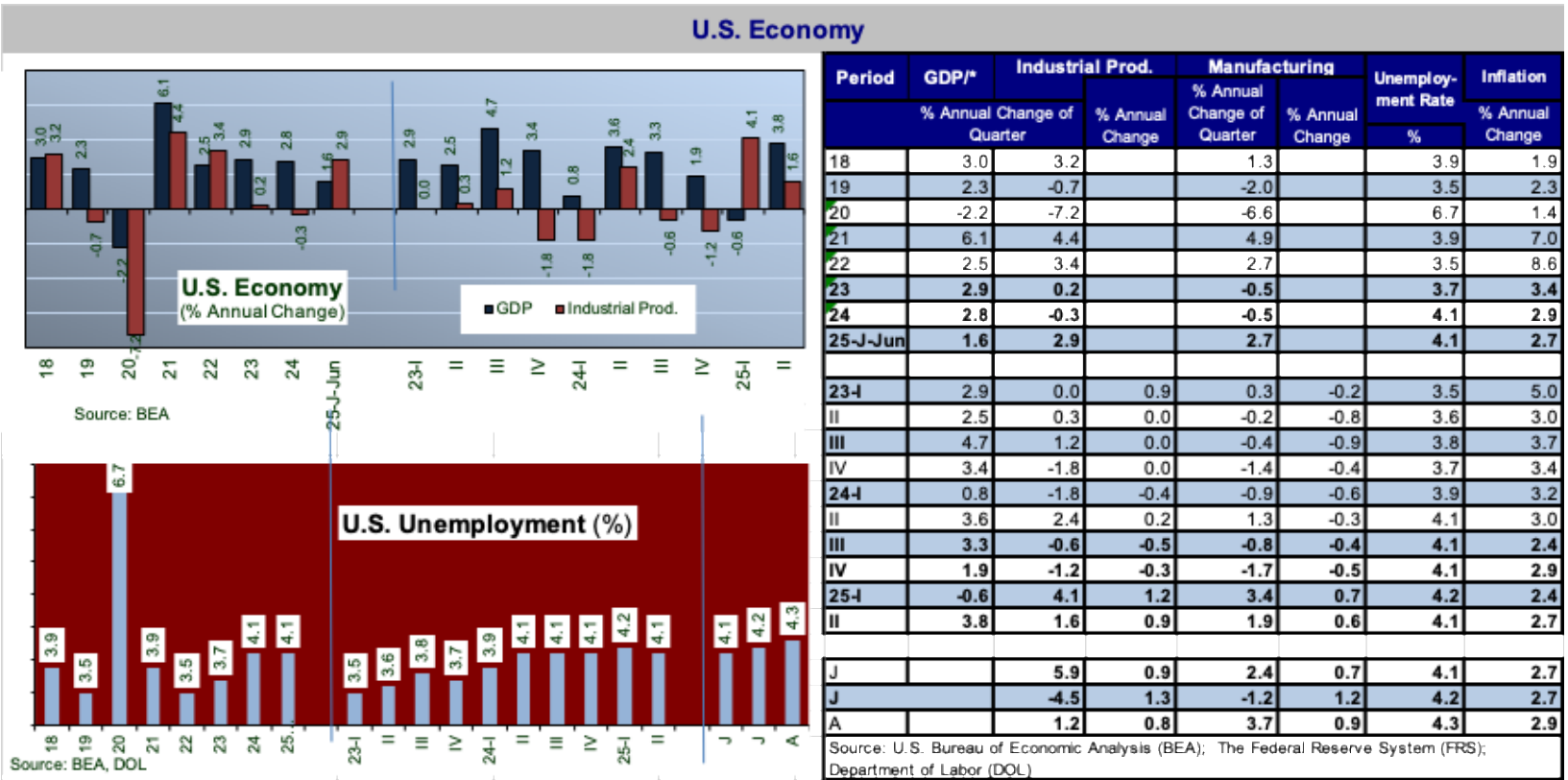
In the first half of 2025, the balance of payments reflected a current account deficit (-11 USD Bn) and a financial account surplus (5.6 USD Bn), supported by Foreign Direct Investment (28.1 USD Bn).



- In the first half of 2025, a current account deficit was offset by a financial account surplus, with foreign direct investment (28.1 USD Bn) standing out.
- As a result of the strong performance of the financial account, international reserves remain high: they closed 2024 at 229 USD Bn and increased to 247 USD Bn in September 2025.
- Nearshoring remains on hold pending clear definitions of Trump's tariff policy. To date, progress has been modest, and its future is uncertain.

# International economy

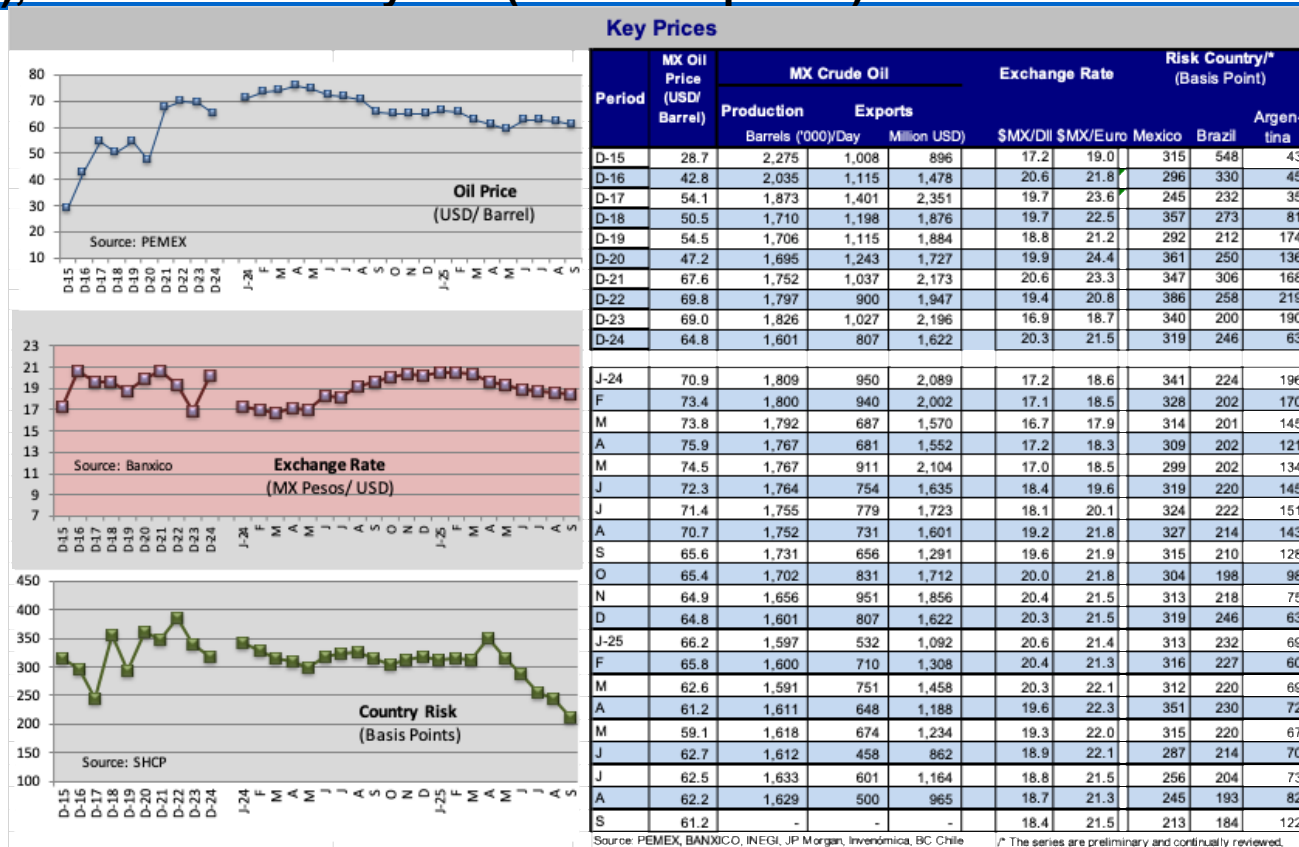
US GDP reported significant growth in the second quarter of 2025 (3.8%), which contrasts with the modest growth in the industrial sector (1.6%) and stagnant unemployment (4.3% in August).



- In 2025-II, the US economy gained strength (3.8%). In contrast, the industrial sector lost momentum (1.6%), while unemployment remains stagnant at around 4% (4.3% in August 2025).
- Inflation remains relatively under control: 2.9% in August.
- The Trump era represents a true fundamental transformation for the US, North American, and global economies. We are moving from globalization, free markets, and competitiveness to a world dominated by isolationism, protectionist barriers, political favors, and economic management by decree.

# Key Prices

At the close of the third quarter of 2025, the price of crude oil declined moderately (61 billion pesos); meanwhile, the exchange rate continued to decline (18 PPD), as did the country risk (213 basis points).

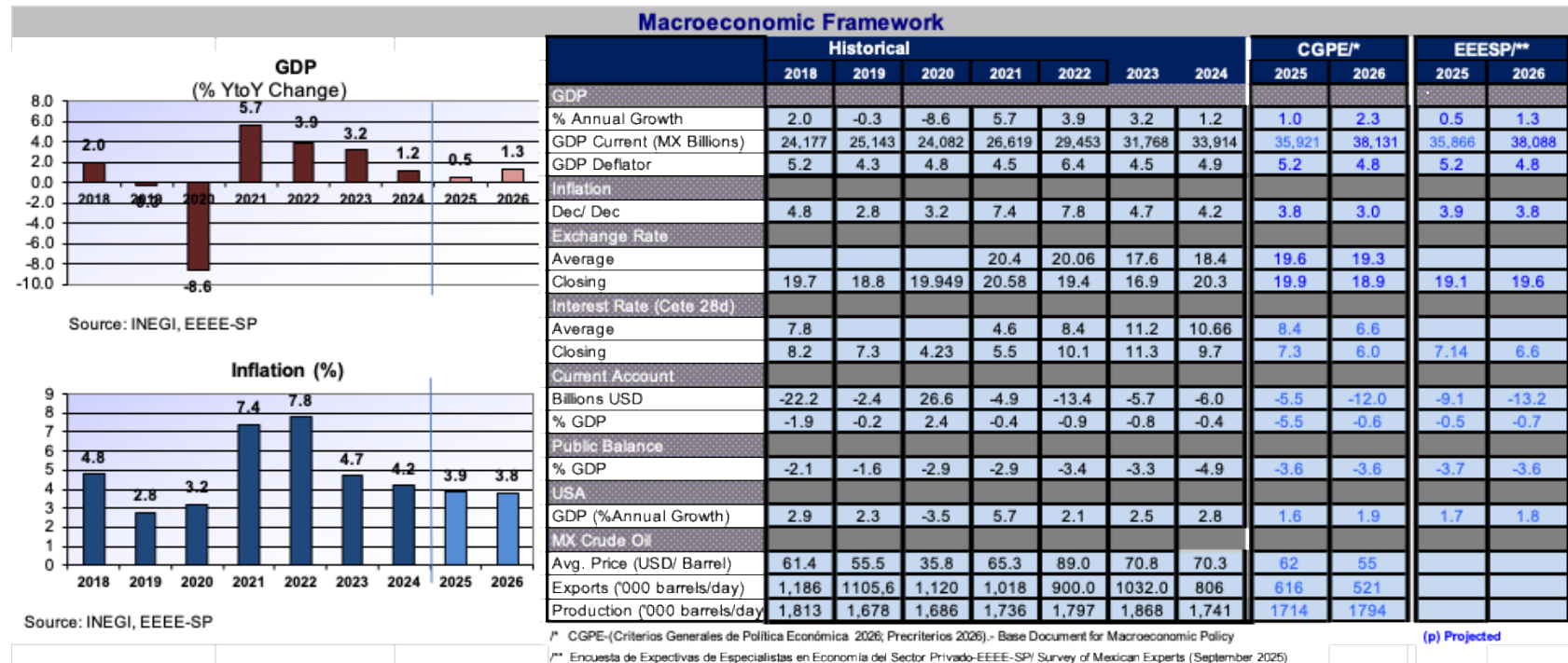


- The price of crude oil closed 2024 at around 65 DBP, and by September 2025 it descended to 61 DBP.
- Uncertainty surrounding the change of government and legal reforms have put upward pressure on the exchange rate: in 2024, it went from 17 to 20 PPD, then slipped to 18 PPD in September.
- Meanwhile, country risk in the post-pandemic period has been fluctuating, but in this year it descended from 319 (December 2024) to 213 basis points (September 2025).



# Macroeconomic Framework of Mexico

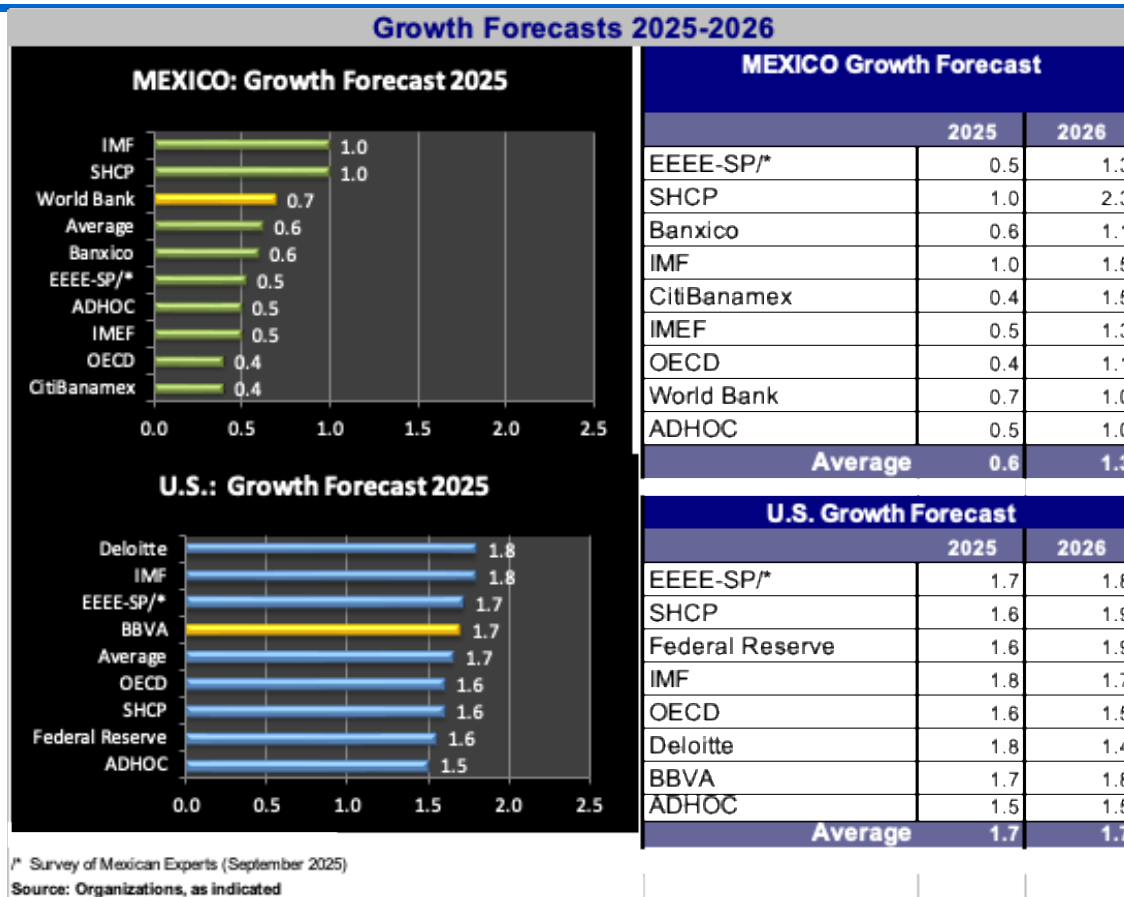
According to Mexican economic experts, growth expectations for 2025-2026 were adjusted upward (0.5% and 1.3%), while inflation expectations were adjusted downward: 3.9% and 3.8% for the biennium.



- For 2025-2026, experts predict an improvement in economic growth forecasts: 0.5% and 1.3% for the biennium.
- A downwardly adjusted inflation rate is estimated: 3.9% and 3.8% for the two-year period.
- According to their forecasts, fundamental balances will remain under control, although the fiscal deficit is tending to overflow (-3.6% for the biennium), while the current account balance does not exceed 1% of GDP for both years.
- According to their forecasts, the US economy is expected to grow moderately for two years: in 2025 (1.7%) and in 2026 (1.8%). This does not take into account the negative impact of the tariff war.

# Growth Forecasts 2025-2026

According to specialized agencies, expected growth for 2025 is 0.6% for Mexico and 1.7% for the US. For 2026, growth is projected at 1.3% for Mexico and 1.7% for the US.



- For Mexico, the forecasts of nine specialized organizations range between -0.4% and 1.0% in 2025, with an average of 0.6%. For 2026, the average forecast is 1.3%.
- For the US, the forecasts of eight specialized organizations range between 1.5% and 1.8% for 2025, with an average of 1.7%. For 2026, the average forecast is also 1.7%.
- As can be seen, both economies are showing moderate growth, although this is projected to be less dynamic in Mexico.

Database Query	Available on our website: <a href="http://www.adhocconsultores.com.mx">www.adhocconsultores.com.mx</a>
Custom Query	Carlos López Bravo Tels. 55-5202-3687 y 3484 <a href="mailto:clopez@adhocconsultores.com.mx">clopez@adhocconsultores.com.mx</a>
General Information	Aurora Mora Tels. 55-5202-3687 y 3484 <a href="mailto:amora@adhocconsultores.com.mx">amora@adhocconsultores.com.mx</a>

## Disclaimer

***Mexico Economic Profile*** is a regular publication of ADHOC Consultores Asociados, S.C. Total or partial reproduction by any means is prohibited, without the express written permission of ADHOC Consultores Asociados, S.C. Exclusive rights reserved: 04-2010-022609575200-106. ISSN Number: pending. Legality Certificates of Title and Content: pending.

The statistical information contained in this publication is freely accessible to all interested users and comes from official accredited sources. However, ADHOC is not responsible for the accuracy, consistency, content or timeliness of such information.

The statistical information is presented updated, at the time of publication with the preliminary information available; which can lead to discrepancies with the final information. ADHOC does not assume any responsibility for such discrepancies.

Additionally, ADHOC does not assume any legal responsibility or responsibility of any kind due to the use of the information contained in this publication by third parties.

## ADHOC Consultores Asociados, S.C.

**ADHOC Consultores Asociados** is a multidisciplinary group of experts in economics, finance, infrastructure, transport and energy providing tailored solutions to businesses and governments in structuring and implementation of their projects and investment programs and development.

In ADHOC we own our customers' challenges and accompany them in the difficult process of turning ideas into reality. We work together to ensure the success of their projects.



## Services

- ✧ **Planning, structuring, promotion and development of strategic investment projects.**
- ✧ **Capital budgeting and feasibility studies.**
- ✧ **Support and coordination in the implementation of investment projects.**
- ✧ **Professional assistance in public contracts and public-private projects.**
- ✧ **Communications and transportation projects: roads, railways, ports, airports and telecommunications.**
- ✧ **Urban mobility projects and mass transit.**
- ✧ **Energy projects.**
- ✧ **Integrated solutions covering financial, legal, economic, social, technical and institutional aspects.**
- ✧ **Development of programs and state and municipal projects.**
- ✧ **Macroeconomic analysis.**
- ✧ **Economic and financial advice online for making strategic decisions.**

## Contact us

*We are at your service at Mexico City:*

*ADHOC Consultores Asociados, S.C.  
Av. Paseo de las Palmas No.555-601  
Lomas de Chapultepec  
Alcaldía Miguel Hidalgo  
C.P. 11000, Ciudad de México  
MEXICO*

*Phone numbers: 52-55-5202-3484  
52-55-5202-3687*

*E-Mail:*

*[aaron.dychter@adhocconsultores.com.mx](mailto:aaron.dychter@adhocconsultores.com.mx)  
[corzo@adhocconsultores.com.mx](mailto:corzo@adhocconsultores.com.mx)  
[clopez@adhocconsultores.com.mx](mailto:clopez@adhocconsultores.com.mx)*

*Website: [www.adhocconsultores.com.mx](http://www.adhocconsultores.com.mx)*

