

April, 2026

Sectoral-Regional Outlook

Mexico 26H1

Key messages

Sectoral – Regional

Low-growth environment in 2025, with signs of moderate recovery toward 2026.

Services kept the economy afloat, which will occur again in 2026, alongside a recovery in Construction and Manufacturing.

Southern states are undergoing an adjustment process following the completion of major projects.

Automotive outlook

The automotive industry enters a contraction phase following the GDP decline in 2025.

U.S. tariffs reduce exports and affect external demand, the sector's main driver.

The domestic market remains resilient, supported by credit, although shifting toward more affordable vehicles.

Mexico amid the AI boom

The driver of exports was the Computing and Electronics industry.

This industry is highly integrated into the production network, clustered in the northern and central regions.

Mexico is consolidating as an assembly platform in global value chains, with high dependence on Asian inputs. However, there are lags in the domestic adoption of AI.

Development Poles in Mexico

A key tool to organize investment, employment, and linkages.

Their success depends on productive capacities and policy continuity.

Poles with high potential:

- 1) Huamantla, Tlaxcala
- 2) Futura Capital, Puebla
- 3) San Jerónimo, Chihuahua
- 4) Puerta Logística Bajío, Guanajuato

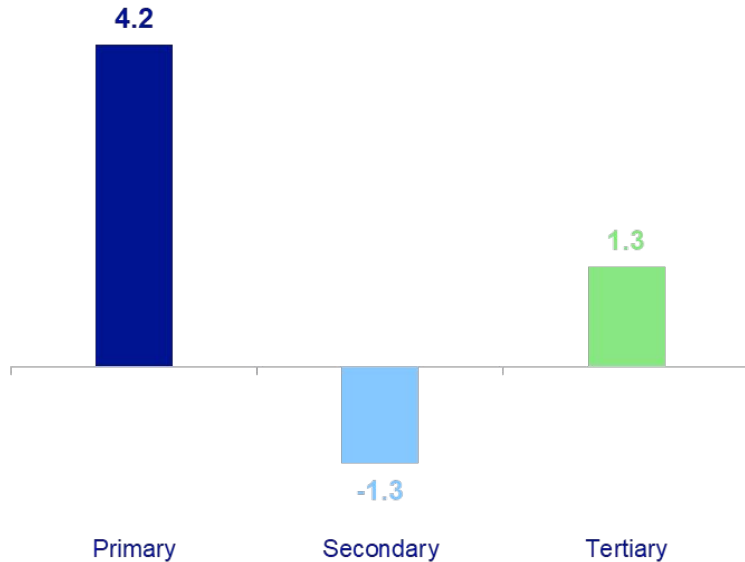
1. Construction and Manufacturing will recover in 2026

Sectoral Outlook

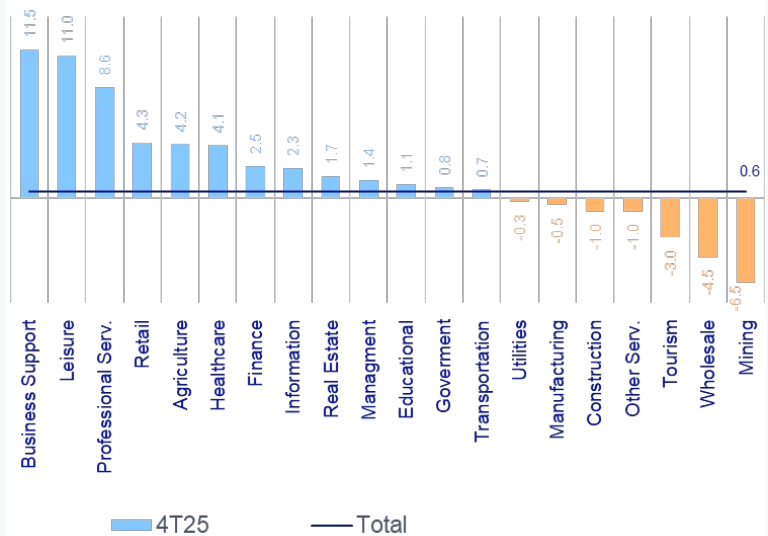
Services kept the economy afloat in Mexico

Primary sector with its best year since 2012

CUMULATIVE SECTORAL GDP 2025
(GROWTH % YoY)



CUMULATIVE SECTORAL GDP 4Q25
(GROWTH % YoY)

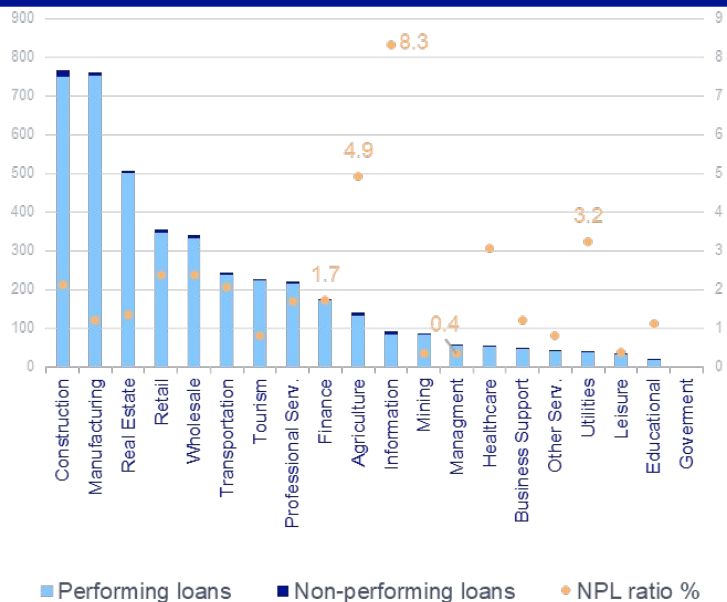


Lower demand for credit, in line with the slowdown

Despite lower demand, the quality of the credit portfolio remains stable

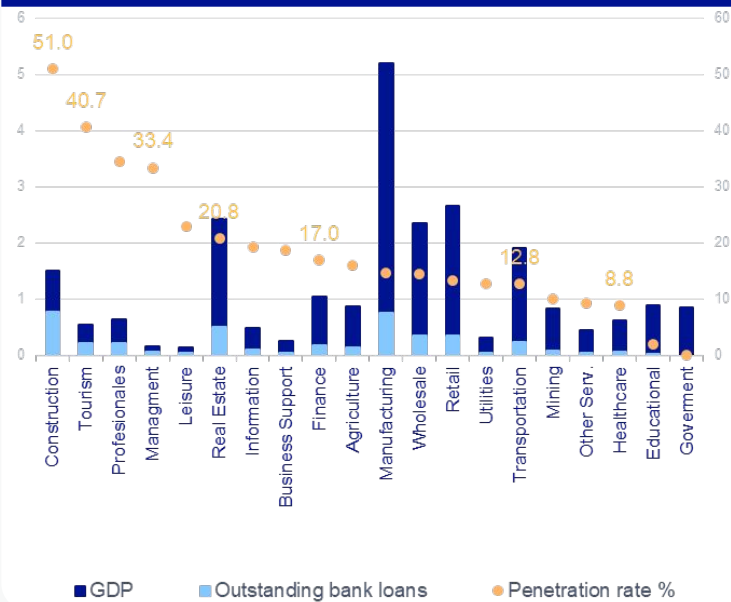
BANK CREDIT BALANCE 2025

(BILLIONS OF CONSTANT PESOS AND PERCENTAGE)



BANK CREDIT PENETRATION

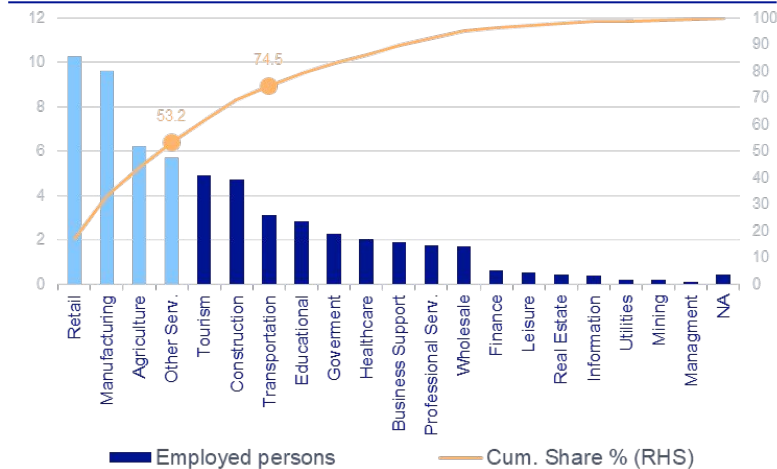
(BILLIONS OF CONSTANT PESOS AND PERCENTAGE)



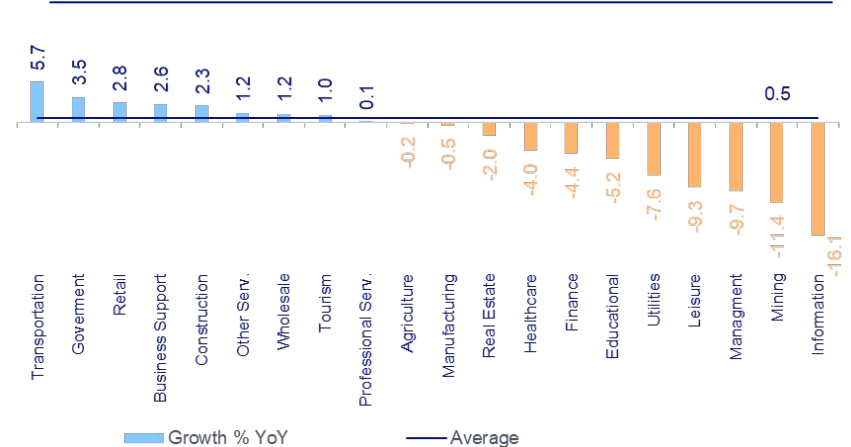
Source: BBVA Research with data from Banco de México

High sectoral concentration of employment in Mexico

EMPLOYED PERSONS AS OF 4Q25
(MILLIONS AND PERCENTAGE)



EMPLOYED PERSONS AS OF 4Q25
(GROWTH % YoY)



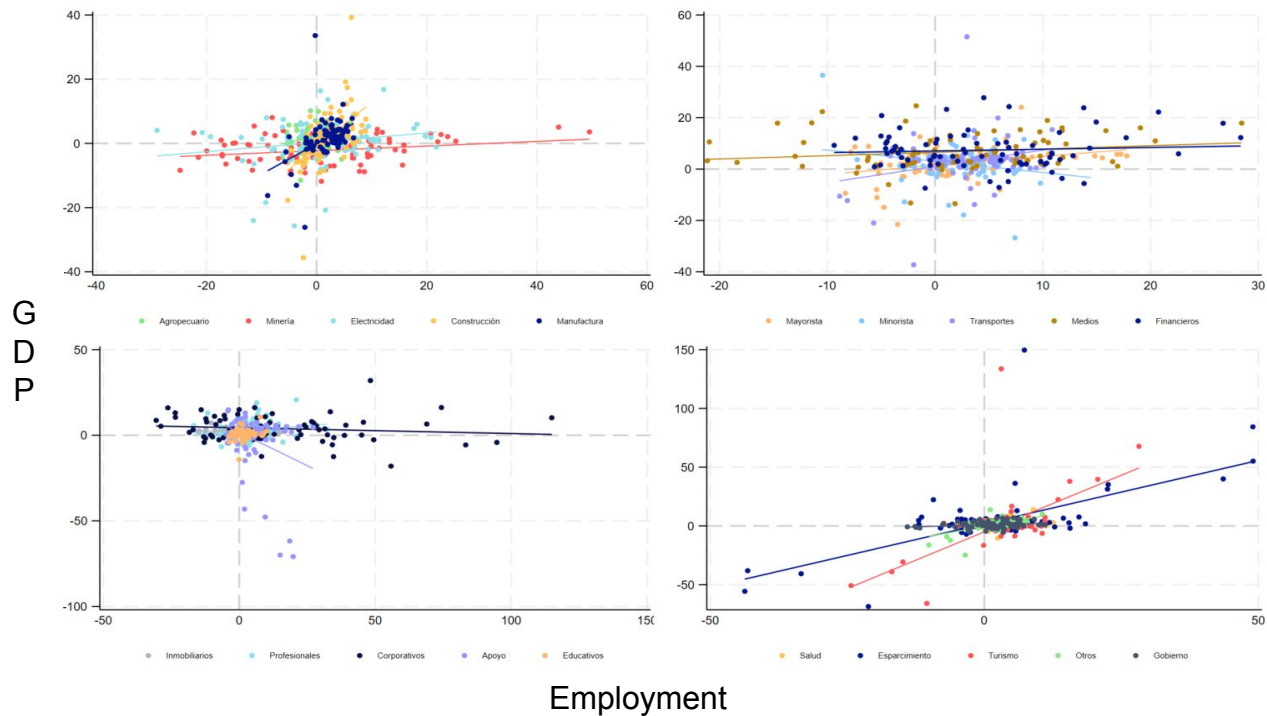
Source: BBVA Research with data from Inegi

As of 4Q25, employment increased by 298 k. The largest contributors were Retail Trade with 278k, Transportation with 167k, and Construction with 107k. Eleven sectors declined, notably Mass Media, Health, and Education, with decreases of 74k, 85k, and 153k, respectively.

Positive relationship between employment & GDP in almost all sectors

- In most sectors, there is a positive relationship between employment and GDP, although with varying magnitudes.
- The most notable negative case is the Business Support Services sector, where the expected positive relationship is not observed due to the labor outsourcing reform.

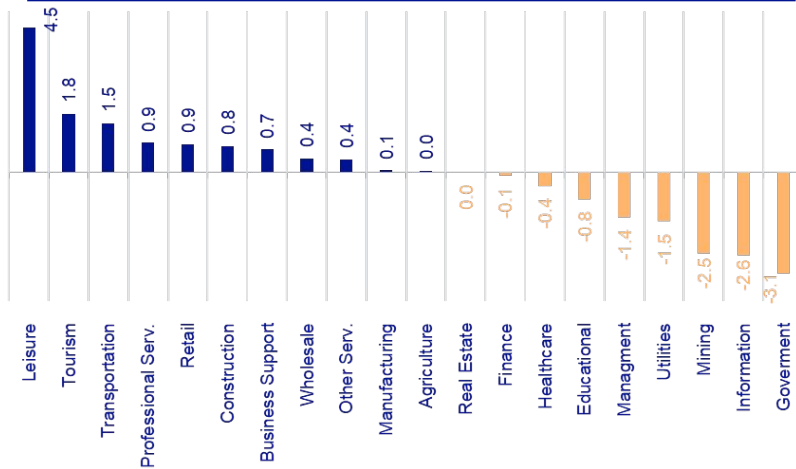
SECTORAL GDP AND TOTAL EMPLOYMENT BY LAG WITH HIGHER CORRELATION (GROWTH % YoY)



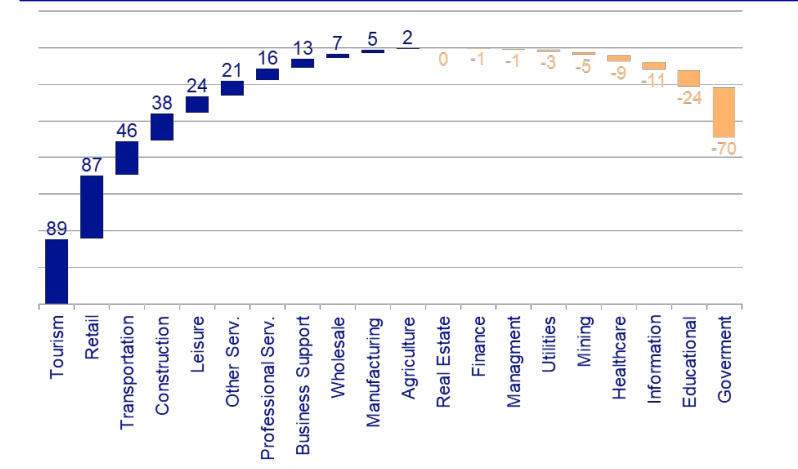
Source: BBVA Research with data from Inegi

Services will lead job creation in 2026

EMPLOYMENT ESTIMATE BY SECTOR 2026
(GROWTH % YoY)



EMPLOYMENT ESTIMATE BY SECTOR 2026
(THOUSANDS OF JOBS)



Source: BBVA Research with data from Inegi

In 2026, Entertainment, Tourism, and Transportation services will see the highest GDP growth: 4.5%, 1.8%, and 1.5%, respectively.
In contrast, Mining, Mass Media, and Government will decline by 2.5%, 2.6%, and 3.1%.

Industry will drive growth in 2026

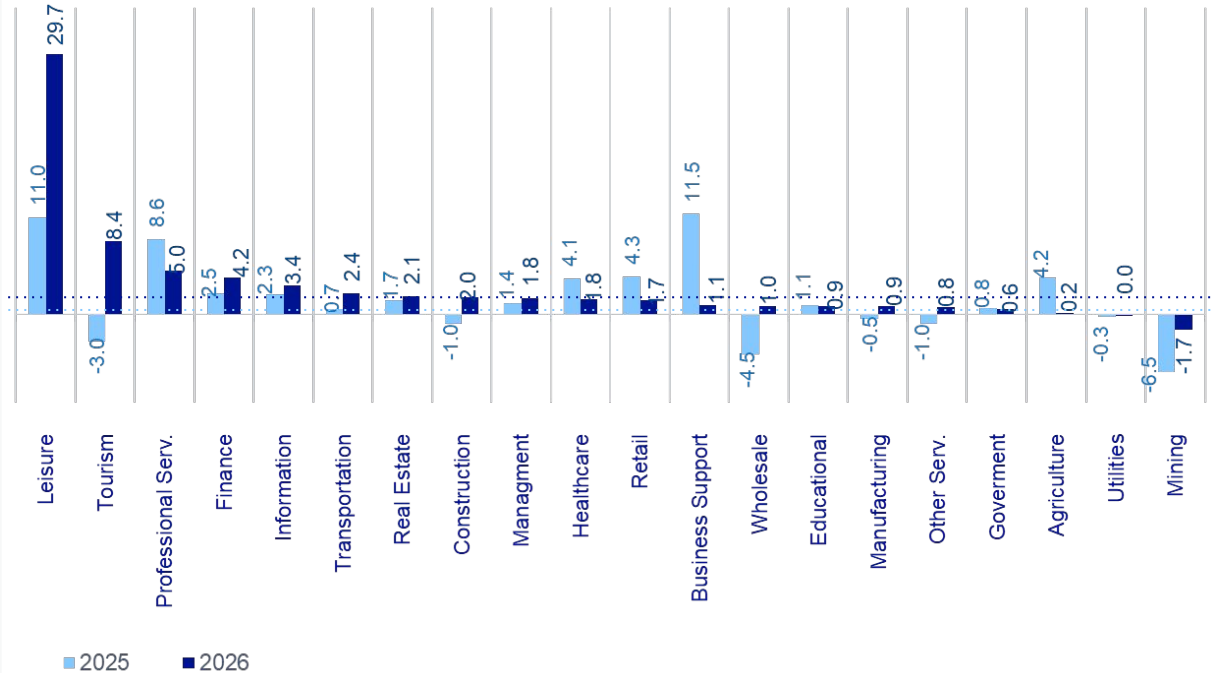
- In 2026, we expect a recovery in secondary sectors, particularly those with the largest share in GDP.
- In 2026, the services leading performance will be Entertainment, Tourism, Professional, Financial, and Mass Media services.

NATIONAL GROWTH (% YoY)

2025: 0.6%

2026 (est): 1.8%

SECTORAL GDP (GROWTH % YoY)

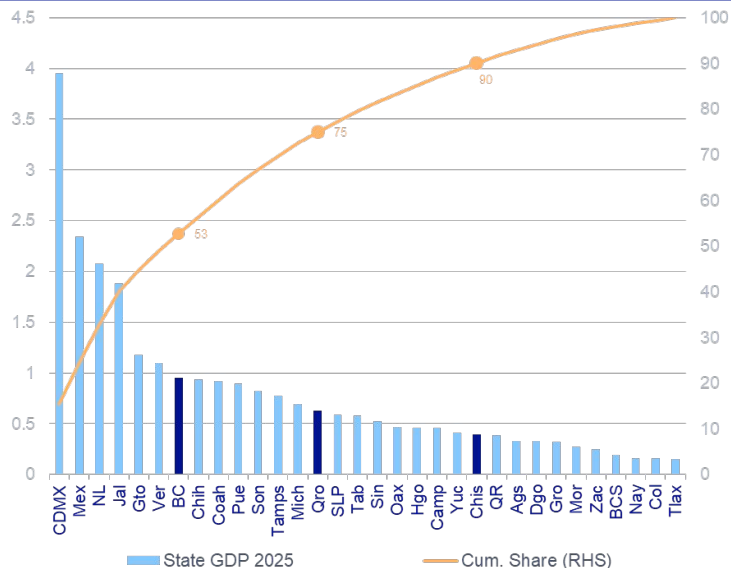


2. States in adjustment: slowdown following the end of public investment support

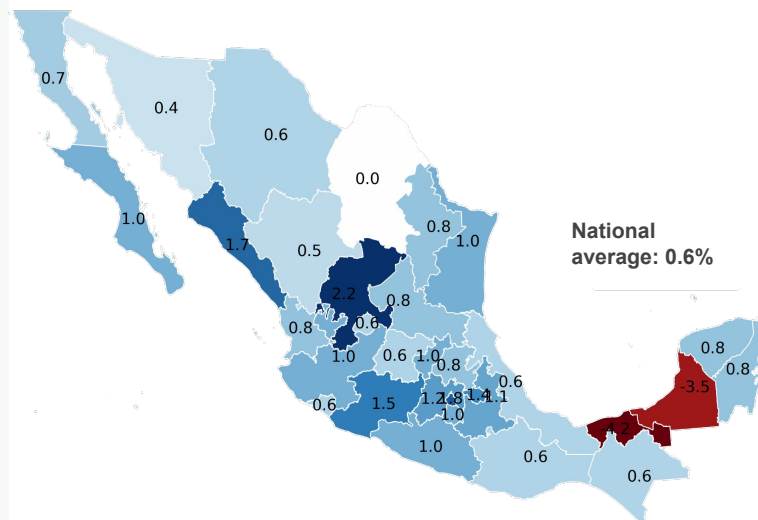
Regional Outlook

Campeche and Tabasco show a sharp correction due to their high dependence on public investment

STATE GDP ESTIMATE 2025
(TRILLIONS OF CONSTANT PESOS AND SHARE %)



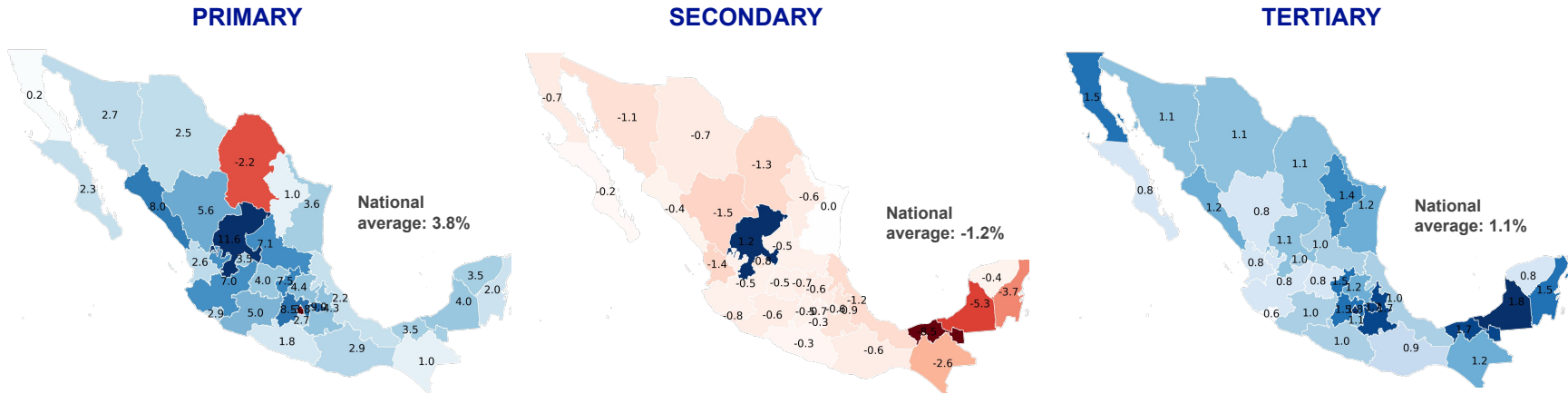
STATE GDP ESTIMATE 2025
(GROWTH % YoY)



Resilience in services and adjustment in industry

State GDP grew 3.8% in the primary sector and 1.1% in the tertiary during 2025, while the secondary sector declined 1.2%

STATE GDP ESTIMATE 2025 (GROWTH % YoY)

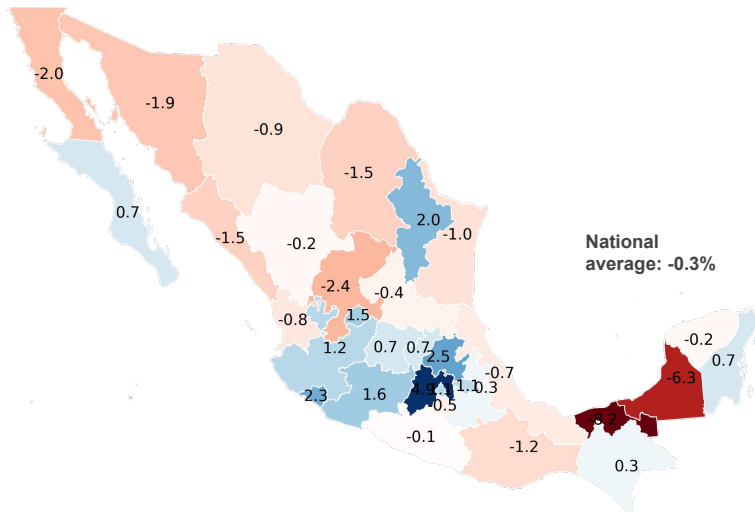


Source: BBVA Research with data from Inegi

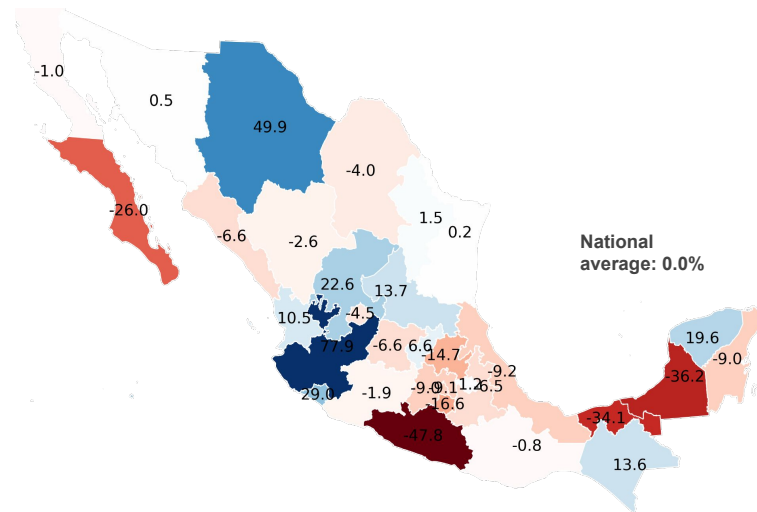
The dynamism of the tertiary sector offsets weakness in industry, while the primary sector posted its highest growth since 2012.

Weak employment, but dynamic exports

FORMAL EMPLOYMENT (IMSS) 2025 (GROWTH % YoY)



GOODS EXPORTS 2025 (GROWTH % YoY)

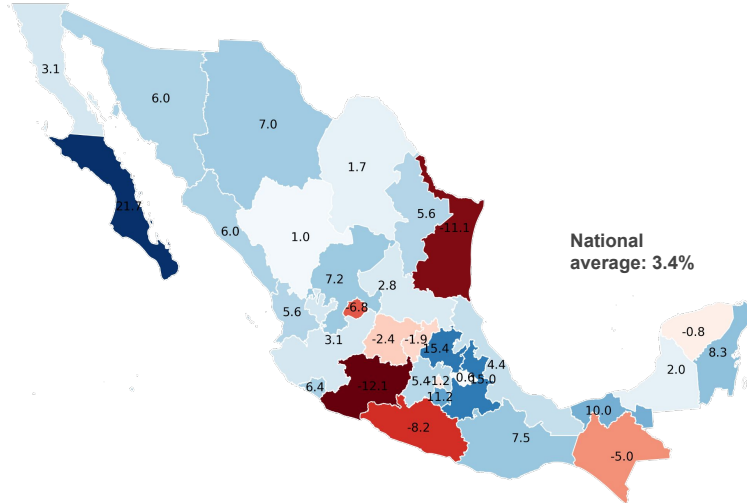


Source: BBVA Research with data from Inegi

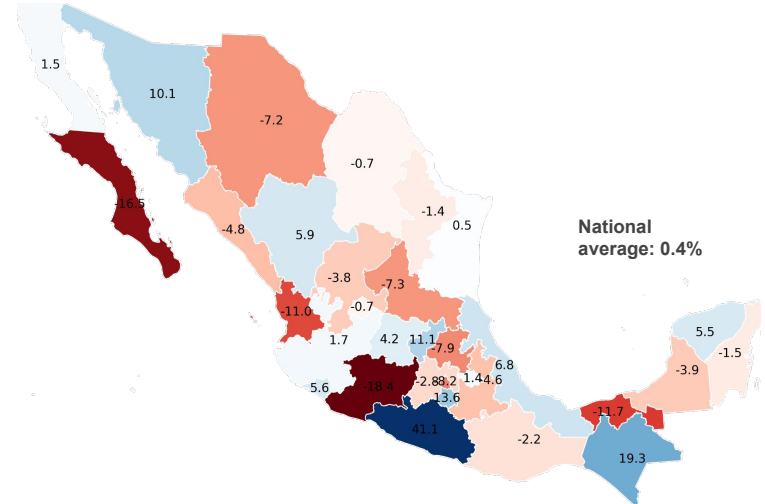
Formal employment declines in 2025 (0.3%), with sharp declines in Tabasco (8.2%) and Campeche (6.3%) due to lower public investment. Exports show strong dynamism, driven by electronics (46.8%), with outstanding growth in Jalisco (77.9%) and Chihuahua (49.9%).

Retail Trade leads employment in the country, growing 3.4%

EMPLOYED PERSONNEL IN RETAIL 4Q25
(GROWTH % YoY)



EMPLOYED PERSONNEL IN MANUFACTURING 4Q25
(GROWTH % YoY)



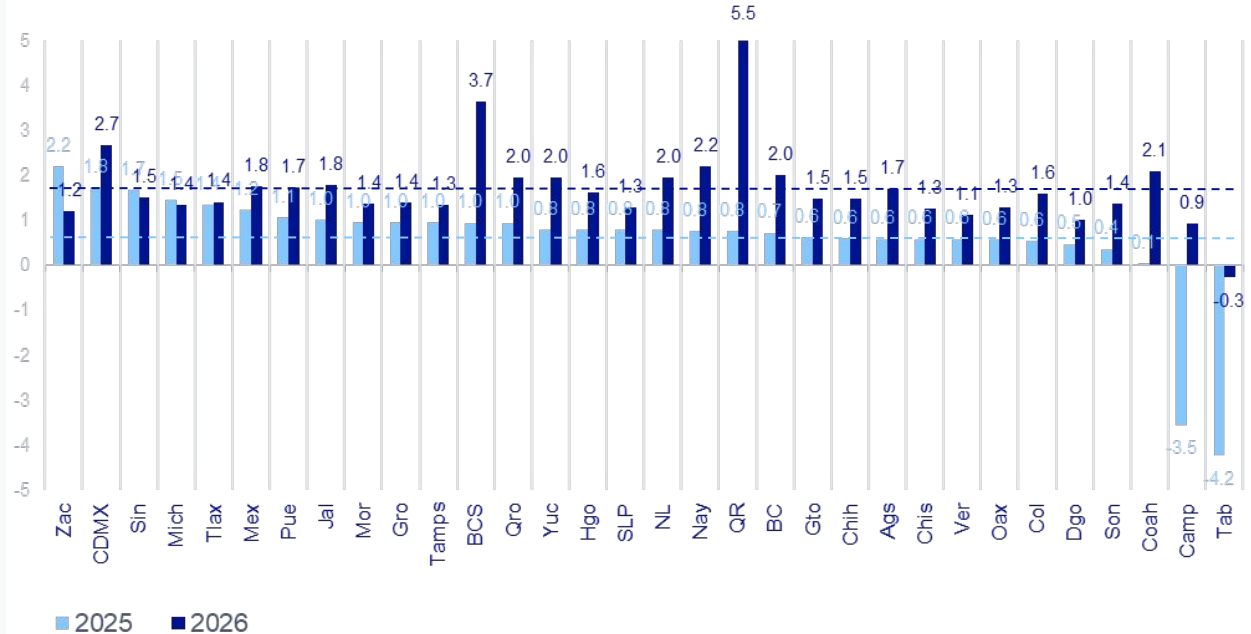
Source: BBVA Research with data from Inegi

Total employment in Retail Trade shows greater stability and a stronger link to the size of the domestic market, with higher growth in Baja California Sur (21.7%), Puebla (15.0%), and Hidalgo (15.4%). Manufacturing shows mixed dynamics, with annual growth of 0.4%.

Service-oriented states sustain growth in 2025

- 2024**
 Normalization of services and employment with a tourism rebound, along with the boost from civil works of mega-projects in the south and in industrial hubs.
- 2025**
 Moderate and more heterogeneous growth, supported by the tertiary sector, which cushions manufacturing weakness.

STATE GDP ESTIMATE (GROWTH % YoY)



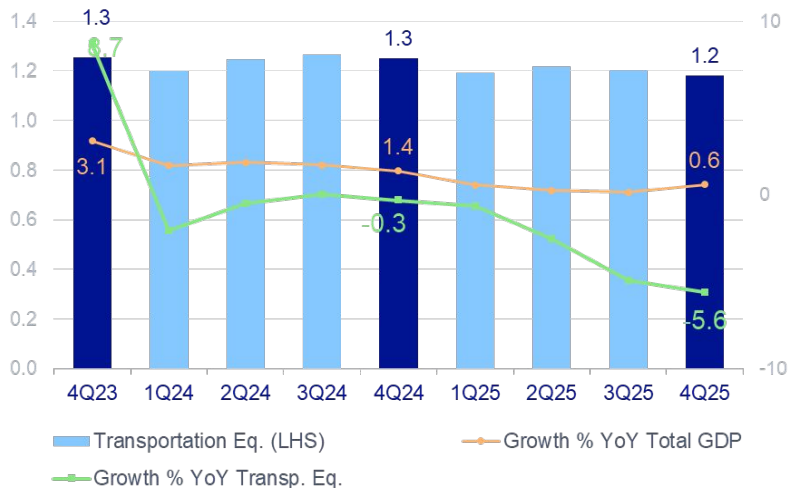
Source: BBVA Research with data from Inegi

3. Imposition of U.S. tariffs with moderate effects in 1H25

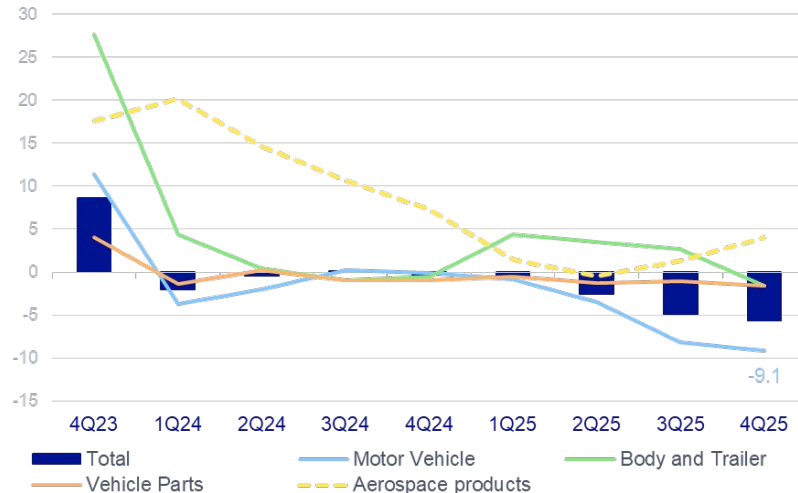
Automotive Outlook

Transport Equipment GDP dropped 5.6% during 2025

TOTAL AND TRANSPORT EQ. CUMULATIVE GDP
(TRILLIONS OF CONSTANT PESOS AND GROWTH % YoY)



CUMULATIVE GDP OF TRANSPORT EQUIPMENT
(GROWTH % YoY)

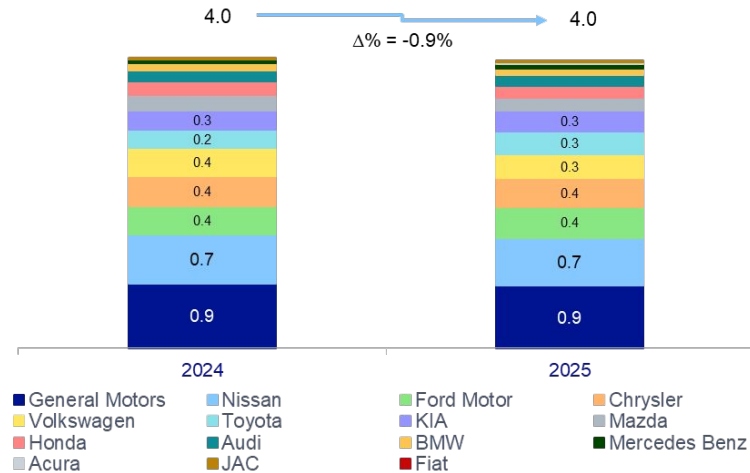


Source: BBVA Research with data from Inegi

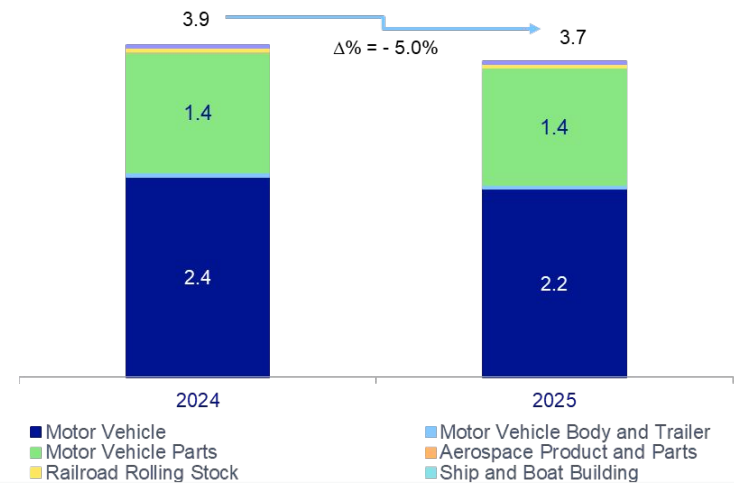
GDP declined 9.1% for Cars and Trucks during 2025, we also saw a drop of 1.6% for Auto Parts, and 1.6% for Bodies; attributable to the impact of U.S. tariffs and reduced demand for these goods.

In 2025, 36k fewer car units were produced than a year earlier

AUTOMOTIVE PRODUCTION (MILLIONS OF UNITS)



AUTOMOTIVE PRODUCTION (TRILLIONS OF CONSTANT PESOS)

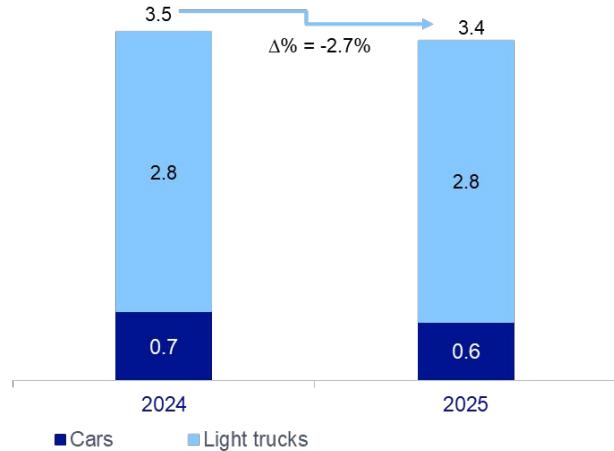


Source: BBVA Research with data from Inegi

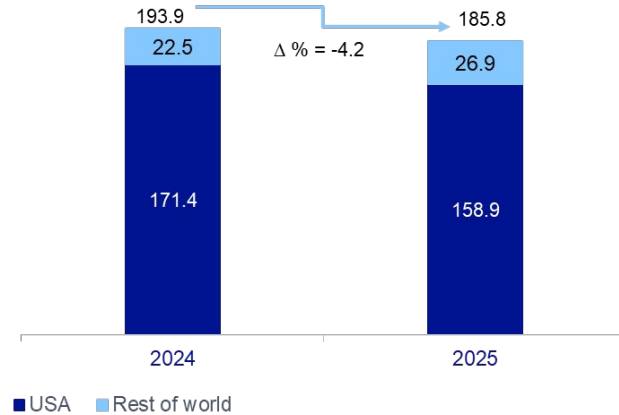
The value of automotive production was 5.0% lower in 2025, declining from 3.9 tn pesos to 3.7 tn pesos. This result could repeat in 2026 due to weaker demand and a shift in preferences toward lower-priced vehicles given the tariff burden.

Tariffs impact automotive production

AUTOMOTIVE EXPORTS (MILLIONS OF UNITS)



AUTOMOTIVE EXPORTS (CURRENT USD BILLIONS)

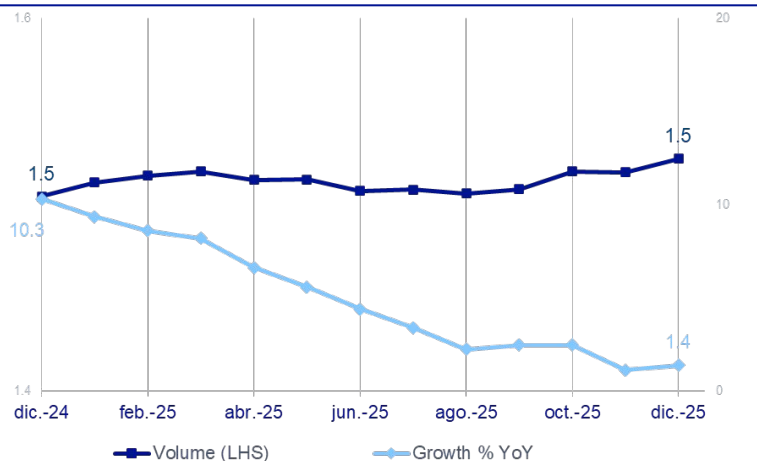


Source: BBVA Research with data from Inegi y Censur

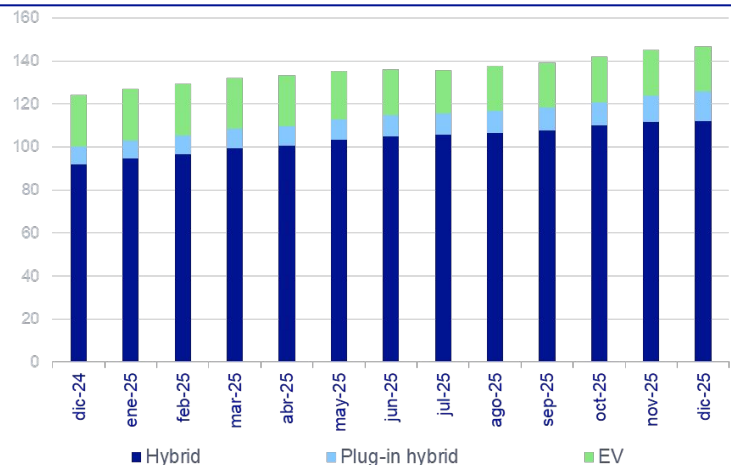
Exports to Canada stand out, with just over 375k light vehicles, marking two consecutive years above the previous 2015 record.
Tariff uncertainty led FDI to decline by 20.0% in 2025.

20k more units were sold in 2025 than the previous year

DOMESTIC AUTOMOTIVE SALES (MILLIONS OF UNITS AND GROWTH % YoY)



DOMESTIC SALES OF HYBRID CARS (THOUSANDS)



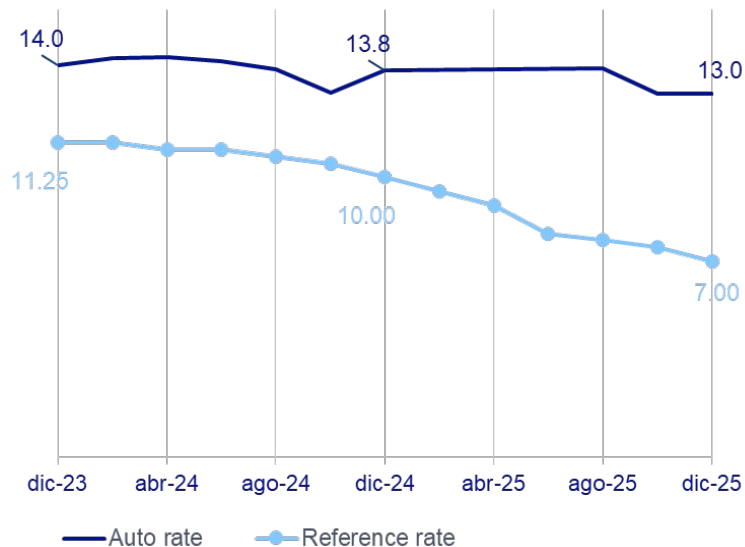
Note: Annualized figures
Source: BBVA Research with data from Inegi

Sales of hybrid and electric vehicles continue to grow; however, scaling remains difficult due to the lack of charging infrastructure.

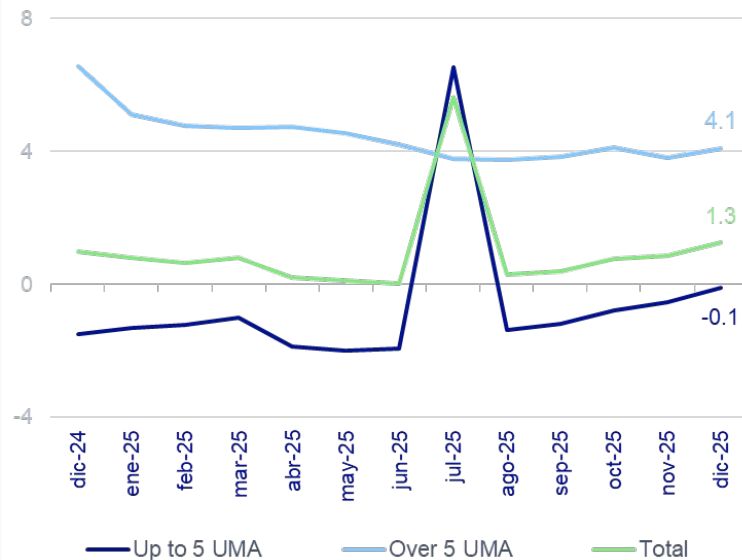
It is essential to promote the development of charging stations and increase residential electricity capacity by CFE.

Cost of credit declining, employment at 5 UMA on the rise

AUTOMOTIVE LOAN INTEREST RATE (AVERAGE NOMINAL ANNUAL RATE)



FORMAL (IMSS) EMPLOYMENT (GROWTH % YoY)



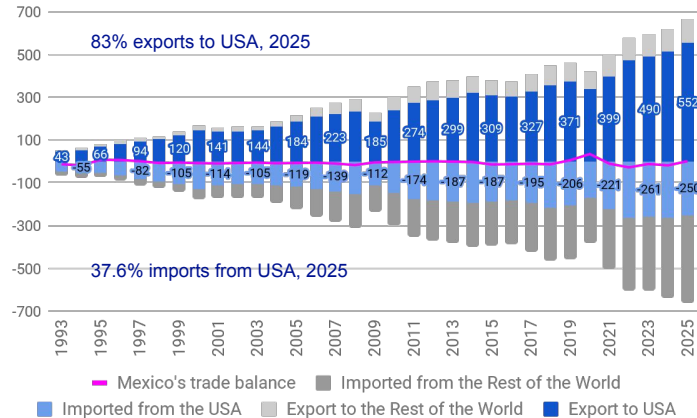
Source: BBVA Research with data from Banco de México, CNBV and IMSS

4. Opportunities and challenges for Mexico's productive network

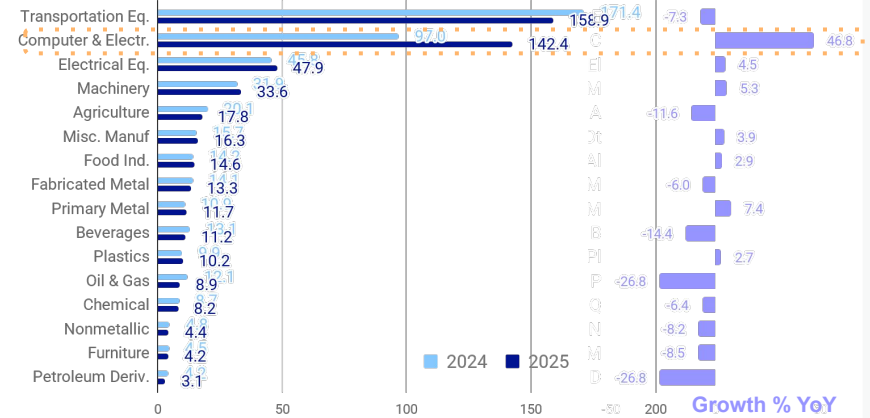
Mexico amid the AI boom

Mexico's exports grew 7.6% in 2025. What drove this growth?

MEXICO'S TRADE BALANCE (CURRENT USD BILLIONS)



U.S. IMPORTS FROM MEXICO (MILES MDD CORRIENTES AND GROWTH % YoY)



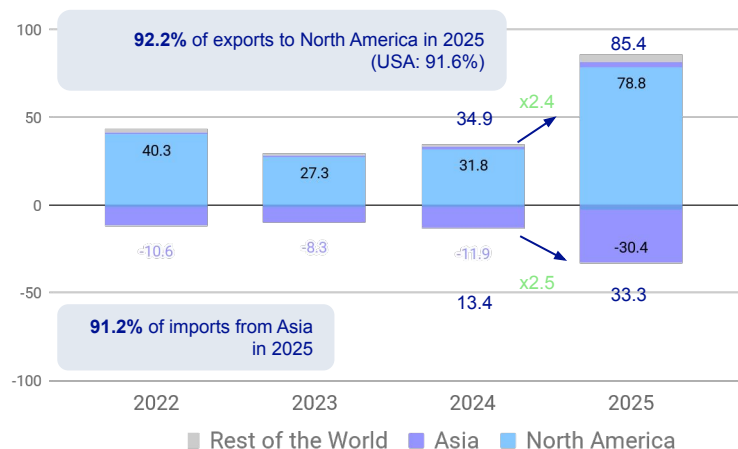
Source: BBVA Research with data from Inegi, US Census.

Mexican exports grew 7.6% in 2025, driven by a 5.8% increase in shipments to the U.S. Exports to the U.S. of Transportation Equipment fell 7.3%, while those of Computing and Electronics grew 46.8%.

Record trade surplus in Computers in 2025, reaching USD 52.1 bn ...

MEXICO COMPUTERS TRADE BALANCE

(CURRENT USD BILLIONS)



MEXICO COMPUTERS IMPORTS

(CURRENT USD BILLIONS)



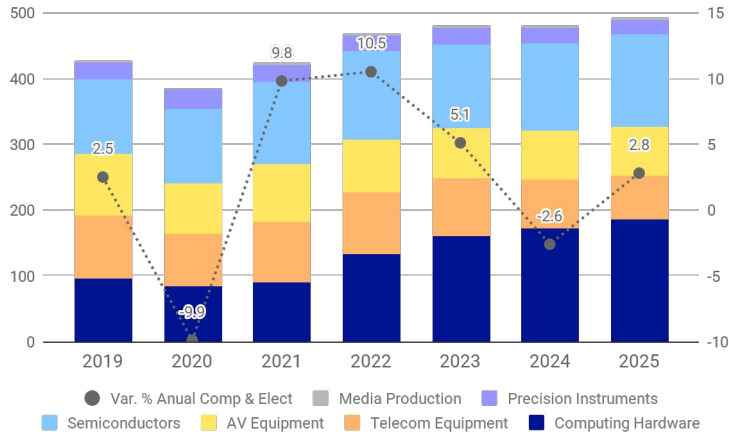
Source: BBVA Research with data from Banco de México
 Note: HS code 84.71 Data processing machines (Computers)

...but there are nuances. Imports from Taiwan grew from 0.8 to 15.5 USD bn, alongside imports from China, Vietnam, and Thailand.

Key node in the diffusion of technology in the Mexican economy

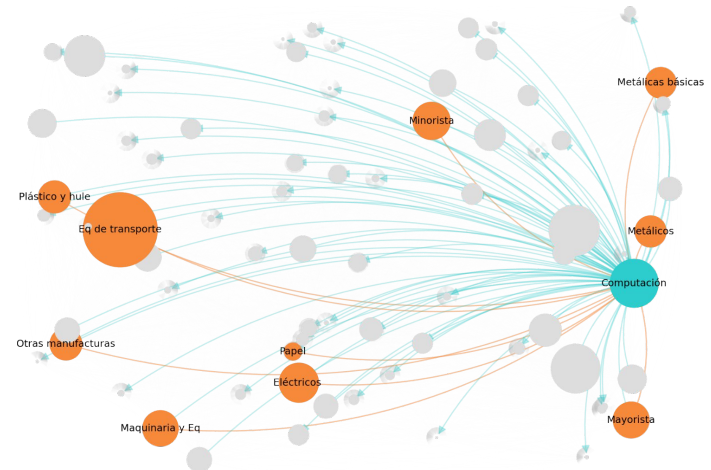
GDP COMPUTERS & ELECT.

(BILLION CONSTANT PESOS AND GROWTH % YoY)



COMPUTER & ELECTRONICS NETWORK

(KEY NODES: MAIN SUPPLIERS)



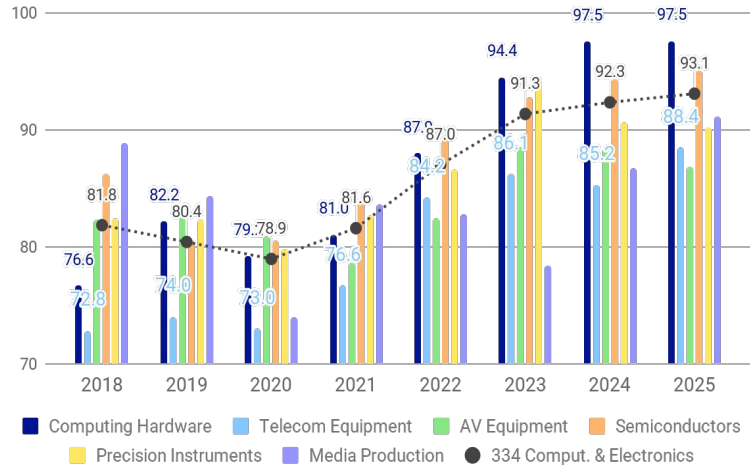
Source: BBVA Research with data from Inegi

Computing & Electronics corresponds to NAICS 334: Manufacturing of computer, communication, measurement, and other electronic equipment, components, and accessories

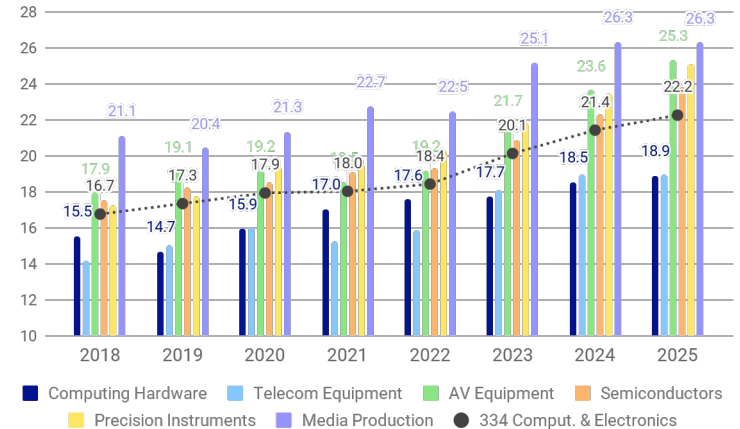
Computing and Electronics acts as a hub within the production network, connecting traditional sectors with more technology-intensive activities.

Capacity utilization at peak levels signals investment opportunities

ELECTRONICS CAPACITY UTILIZATION (PERCENTAGE)



AVERAGE ELECTRONICS WAGES (THOUSANDS OF CONSTANT 2018 PESOS PER MONTH)



Source: BBVA Research based on INEGI data. Monthly Survey of the Manufacturing Industry (EMIM)

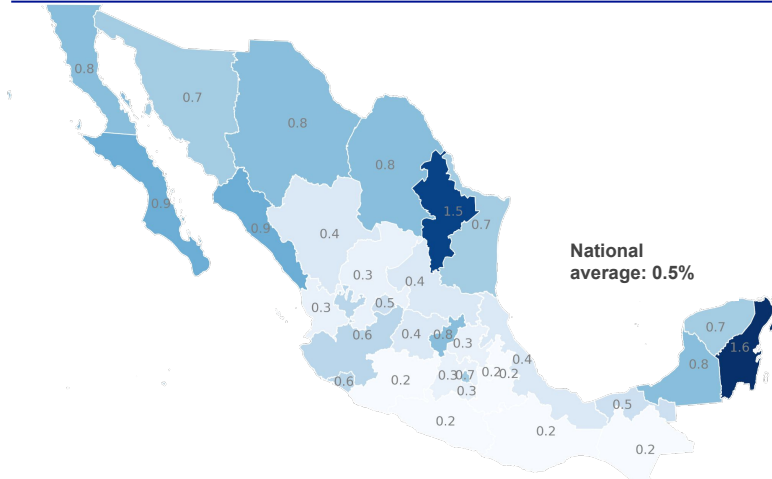
Computing & Electronics corresponds to NAICS subsector 334: Manufacturing of computer, communication, measurement, and other electronic equipment, components, and accessories

Note: Average monthly remuneration of employed personnel in constant 2018 prices (CPI)

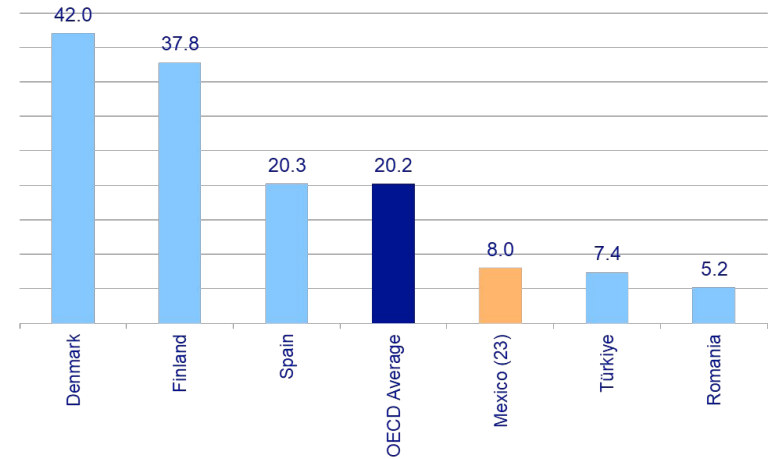
Real wages in the Electronics subsector show sustained growth. This trend reflects stronger demand for specialized labor and potential wage pressures due to a shortage of technical (STEM) talent.

Demand for technology adoption and AI use in Mexico

AI USE IN MEXICAN FIRMS (SHARE % OF TOTAL FIRMS BY STATE)



AI USE IN MEXICAN FIRMS (SHARE % OF FIRMS WITH > 10 EMPLOYEES)



Source: BBVA Research based on data from INEGI (Economic Census) and OECD
Note: Data correspond to the most recent year available from national sources. Mexico uses 2023 data.

While Mexico has become a relevant supplier in the global AI-related value chain (particularly toward the U.S.), evidence shows that the domestic diffusion of these technologies across the national production network is progressing at a slower and more uneven pace.

Opportunities and challenges for Mexico in the AI wave

- In 2025, U.S. demand for Mexican **Computing and Electronics surged** (annual growth of 46.8%).
- Mexico is integrating as an **assembly platform within global value chains**.
- High dependence on **Asian inputs**.
- **Low domestic AI adoption** (8% of firms with >10 employees).
- A key gap between strong external demand and lagging domestic adoption.



Challenges

Infrastructure and productivity

Installed capacity is already under pressure (>97%), limiting supply expansion.

Energy and connectivity constraints

AI is energy- and data-intensive; Mexico faces bottlenecks in electricity and digital coverage (lag in 5G).



Opportunities

World-class human capital

Sustained growth in STEM talent (5.2% in 2025), with potential to position as a technology hub.

Closing firms' digital gaps

Digitalize SMEs and scale AI adoption to boost productivity and growth.

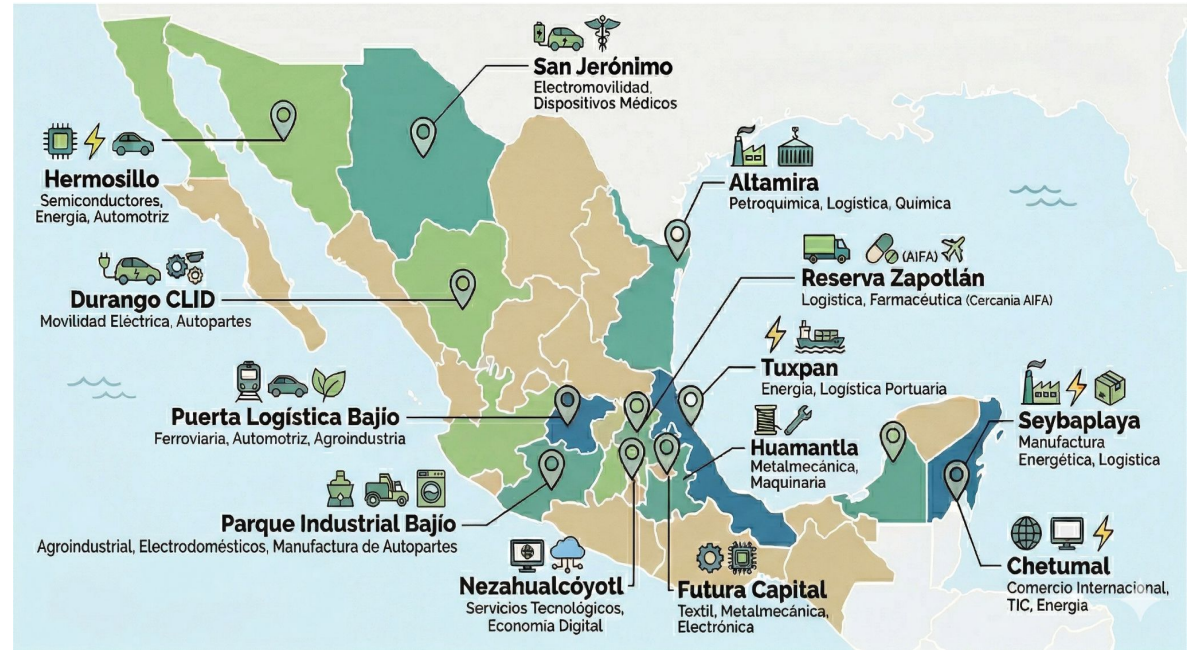
5. The economic assessment shows high heterogeneity across Poles

Economic assessment of Development Poles in Mexico

13 Poles, each with sectoral specializations

- Plan México as a **roadmap of 18 programs.**
- The Poles are pre-enabled industrial nodes, with regularized land, basic infrastructure, logistics connectivity, and tax incentives, aimed at reducing setup times and risks for firms.
- The Infrastructure Investment Plan 2026–2030 aims to address historical bottlenecks in energy, transport, water, and connectivity.

MAP OF ECONOMIC DEVELOPMENT AND WELL-BEING POLES (POLOS DE DESARROLLO ECONÓMICO Y BIENESTAR)



Source: Own elaboration based on data from the Official Gazette of the Federation (DOF)
Note: The graphic was generated with the support of the artificial intelligence tool Gemini.

From Productive Specializations to Productive Sectors

01

Collection of Public Information

We collect key statistical data at the state level to support the analysis of the Poles' productive specializations.

02

NAICS Harmonization Process

Detailed mapping linking each declared specialization with comparable economic subsectors for accurate standardization.

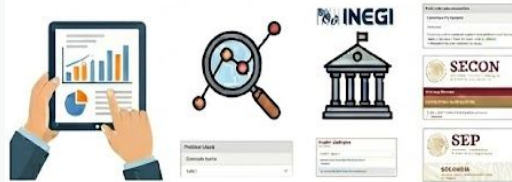
03

Sectoral and Regional Analysis

We examine key economic variables across three strategic dimensions to identify development opportunities.

ANALYSIS OF PRODUCTIVE SECTORS OF DEVELOPMENT POLES

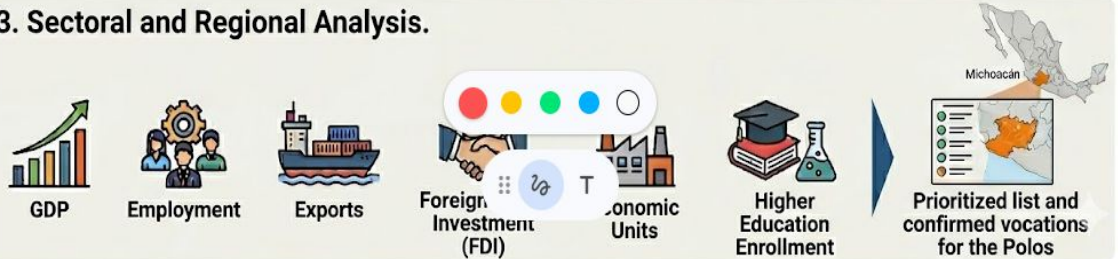
1. Collection of Public Information.



2. Productive Vocations and SCIAN Sector Homologation Process.



3. Sectoral and Regional Analysis.

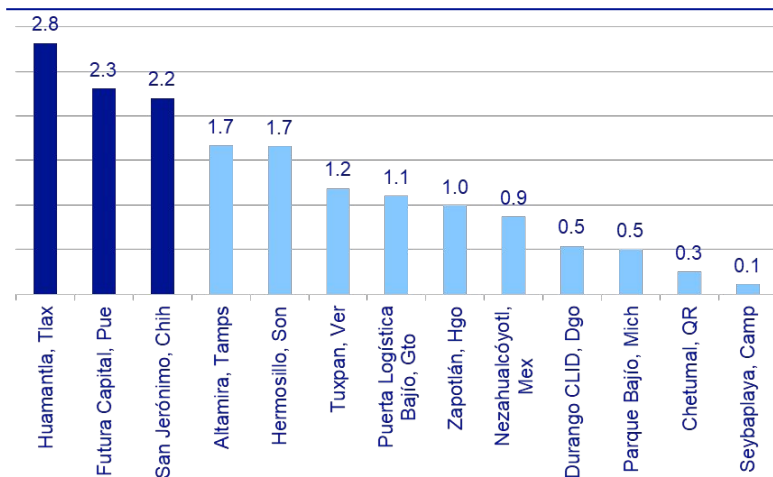


Source: BBVA Research based on data from the National Institute of Statistics and Geography (INEGI, 2024) for State GDP, exports, and economic units (DENUJE); Ministry of Economy (2024) for foreign direct investment; and the National Association of Universities and Higher Education Institutions (ANUIES, 2024) for higher education enrollment.

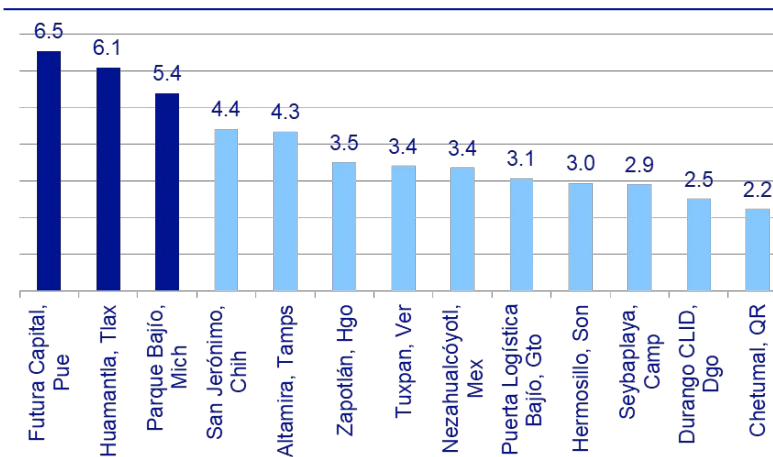
Analysis of the productive base depends on two elements:

the degree of productive specialization and the depth of its supply networks.

LOCATION QUOTIENT (LQ)
(INDEX)



POLE SUPPLY NETWORK
(STATE PERCENTAGE %)



Source: BBVA Research with data from Inegi

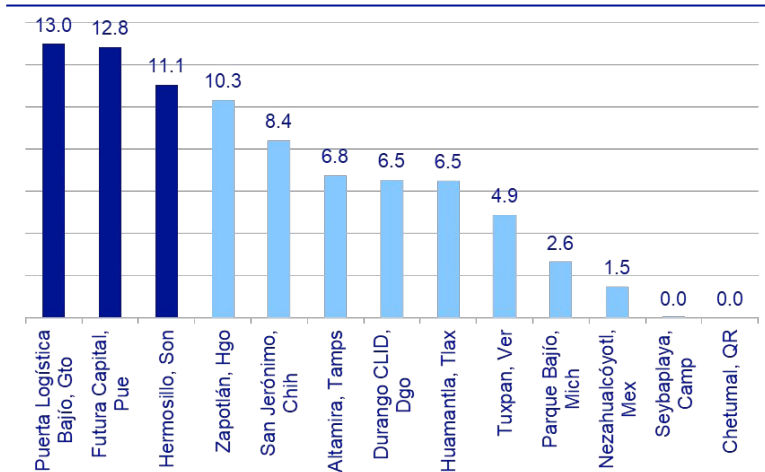
The location quotient shows that Poles with greater productive coherence rely on already consolidated sectors; meanwhile, the analysis of economic units suggests that the density and integration of their supply networks is heterogeneous.

Analysis of the Poles' external integration shows

heterogeneity and depends on both export volume and the degree of specialization.

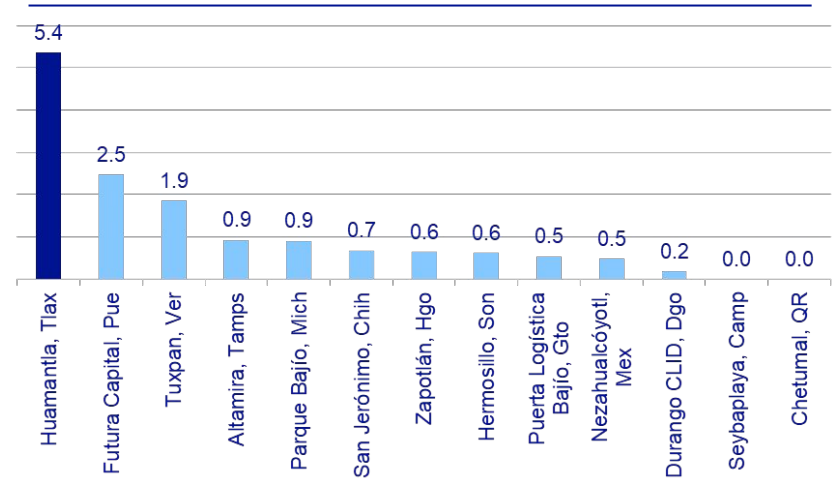
STATE EXPORTS

(STATE PERCENTAGE %)



EXPORT SPECIALIZATION

(INDEX)



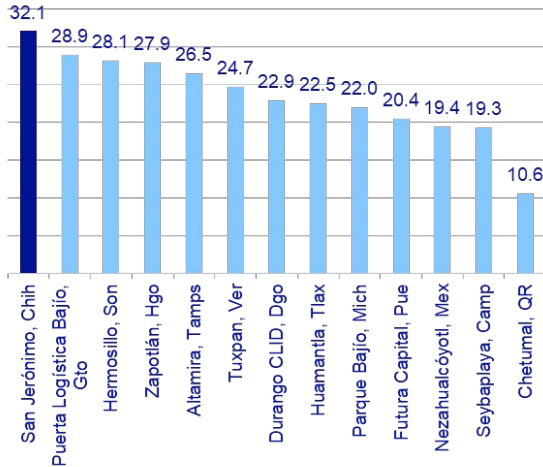
Source: BBVA Research with data from Inegi

External integration is not only determined by the scale of exports, but also by the Poles' ability to develop differentiated specializations, which is key to sustaining their competitiveness and integration into international trade over the long term.

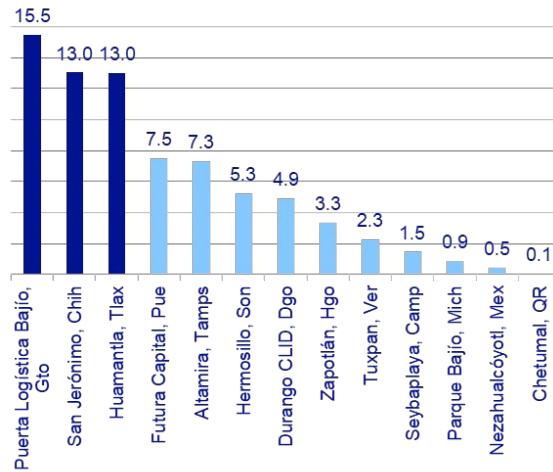
Analysis of Local Capacities with minimum conditions

in terms of human capital, investment, and employment to sustain productive activities

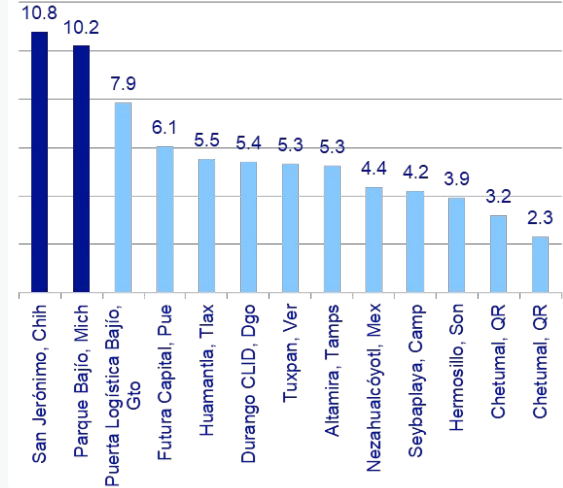
ENROLLMENT (% STATE)



FDI (% STATE)



EMPLOYMENT (% STATE)



Source: BBVA Research with data from Anuiés

Source: BBVA Research with data from SE

Source: BBVA Research with data from ENOE

FDI is concentrated in transport equipment, with a predominance of labor-intensive activities such as the food industry. Local capacities are a necessary, but not sufficient, condition for the viability of the Development Poles.

Opportunities, limits, and success conditions of the Poles

Critical challenge

The absence of an explicit methodology for selecting strategic sectors results in a clear disconnect between promoted activities and the actual productive structure.

Only 4 out of the 13 Poles show strong alignment between identified productive specializations and the region's economic reality.



Higher coherence

- **Huamantla, Tlaxcala:** leader in LQ and export specialization.
- **Futura Capital, Puebla:** leader in economic unit networks.
- **Puerta Logística Bajío, Guanajuato:** leader in exports and FDI.
- **San Jerónimo, Chihuahua:** leader in enrollment and employed population.



Medium coherence

- Altamira, Tamaulipas.
- Hermosillo, Sonora.
- Zapotlán, Hidalgo.
- Tuxpan, Veracruz.
- Parque Bajío, Michoacán.



Source: BBVA Research

Aligning sector selection with the real productive structure and regional specialization is essential to ensure the success of the Poles.

April, 2026

Sectoral-Regional Outlook

Mexico 26H1

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