Industria Nacional de Autopartes, A.C.

INA Forecasts $127.5 Billion in Auto Parts Production for Mexico in 2025

- *USMCA, nearshoring, and Foreign Direct Investment are the key drivers behind the sector's growth.*
- *87% of auto parts production in Mexico is destined for export, mainly to the United States.*
- *Yucatán, Zacatecas, and Guanajuato stand out for their growth in auto parts production*

Mexico City, January 9, 2025.- In a press conference, Gabriel Padilla Maya, Managing Director of the National Auto Parts Industry Association (INA), presented the sector's growth projections for 2025. He emphasized that the industry will maintain its positive trajectory, supported by strong production capacity, a robust export environment, and a favorable trade balance. These factors are driven by the implementation of the United States-Mexico-Canada Agreement (USMCA), nearshoring, increasing foreign direct investment, and the expansion of existing plants in the country to meet rising demand in the North American region.

Padilla Maya also noted that total auto parts production in Mexico is expected to reach $124.5 billion by the end of 2024, reflecting an annual growth of 3.52% compared to the end of 2023. Based on current trends and demand projections in the North American region, INA forecasts that Mexico's auto parts production will grow to $127.5 billion by the end of 2025, representing a 2.42% increase compared to 2024.

However, the Director also highlighted the challenges posed by the trade landscape in 2025, including concerns over potential tariff policies that could increase export costs to the United States. Despite these challenges, the sector continues to solidify its position as a leader in the global supply chain, with notable diversification and expansion of the industry in regions such as Yucatán, Zacatecas, and Guanajuato.

Regarding the trade balance, the association reported that Mexican auto parts exports totaled $90.9 billion from January to October 2024, with the United States as the main destination, accounting for 88% of total exports. At the same time, imports in the sector also show an upward trend, with the United States representing 52.3% of total auto parts imports, resulting in a positive trade balance of $32.5 billion.

The Managing Director of INA highlighted the key factors driving the sector's growth in Mexico: the USMCA and its Regional Value Content requirements, which promote the integration of the North American supply chain; the fact that 87% of auto parts produced in Mexico are exported, with the United States as the primary trading partner; the nearshoring trend, which has attracted new investments and boosted demand for auto parts; and the expansion of manufacturing plants in Mexico due to rising demand in the North American region. These factors reinforce Mexico's position as the leading supplier of auto parts to North America in the coming years.

WeWork Artz Pedregal
Periférico Sur No. 3720 Torre 2 Piso 8
Col. Jardines del Pedregal, Álvaro Obregón
C.P. 01900, Ciudad de México

In terms of investment, Padilla Maya reported that foreign direct investment (FDI) in the sector reached $2.3 billion from January to September 2024, reflecting an 18.07% increase compared to the same period in the previous year. By the end of 2024, FDI is expected to reach $2.55 billion, representing a 25.46% growth over 2023. He also highlighted that the investment outlook for 2025 remains positive, with projected growth of 5.88%, bringing the total to $2.7 billion.

Finally, Gabriel Padilla stated that among the main auto parts manufactured in Mexico, electrical harnesses continue to be the most significant, accounting for 19.5% of total production. They are followed by transmissions and clutches (10%), fabrics, carpets, and seats (9.04%), engine parts (7.86%), and suspensions and steering systems (6.68%). Together, these products make up more than 50% of national production.

Michelle Sagrero
Communications Manager
comunicacion@ina.com.mx
+52 55 33 34 6712