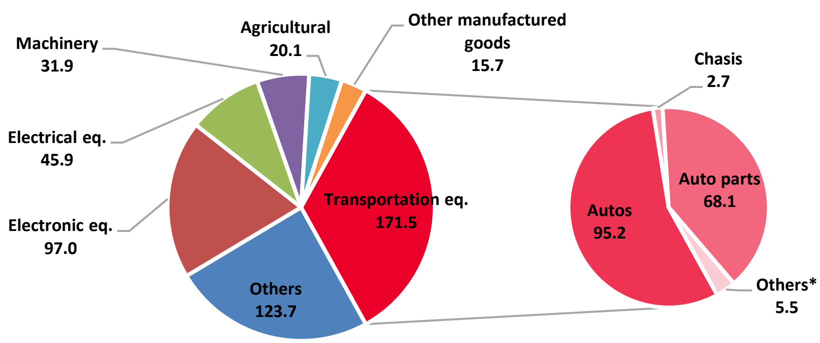
March 27, 2025

US – Mexico: 25% tariffs on foreign auto imports are announced

- **On Wednesday, President Trump signed an order establishing 25% tariffs on autos imported into the US, regardless of their country of origin. These actions will come into effect in the early hours of April 3rd**
- **In addition to the abovementioned tariff, the document includes several relevant points, including:**
  - **(1) The percentage of the US-origin content in autos traded through USMCA will be exempt from the tariff; and**
  - **(2) For now, tariffs on auto parts –both those belonging to USMCA and others– are not contemplated, although it does indicate that they will go into effect once a process is established (within 90 days of the order's proclamation)**
- **The US government is using 'Section 232' of the Trade Expansion Act of 1962, the same law that was used to implement [tariffs on steel and aluminum]**
- **In terms of market share in the US, according to *GlobalData* figures, 16.2% of autos sold in that country in 2024 came from Mexico**
- **On the other hand, Mexican auto exports –both of light and heavy vehicles– to the US last year reached US$95.2 billion, equivalent to 18.8% of our total shipments to said country**
- **In terms of units, INEGI figures shows that 2.8 million units were exported to the US, with the majority of these corresponding to US companies such as GM (25.7%), Ford (12.9%), and Chrysler (11.3%)**
- **According to the *Peterson Institute for International Economics* (PIIE), about 38% of the content of vehicles imported by the US from Mexico is of US origin, meaning that the remaining 62% of the value would be subject to tariffs**
- **During today's conference press, President Sheinbaum indicated that our country's reply will be announced on April 3rd, as part of an integral response to the additional measures that will be announced on the 2nd of that month**
- **Economy Secretary, Marcelo Ebrard, indicated that in his meetings they have achieved certain concessions, including a one-time payment for auto parts –regardless of how many times they cross the border– once the measures against them go into effect**
- **We recognize that this action, along with [other measures announced] by the US government, represent significant challenges for global and regional supply chains**

Mexico: Exports to the US in 2024 by economic activity sector
US$ billion



*Others includes aerospace, train, and maritime vehicles. Source: Banorte with data from the *US Census*


Alejandro Padilla Santana
Chief Economist and Head of Research
alejandro.padilla@banorte.com

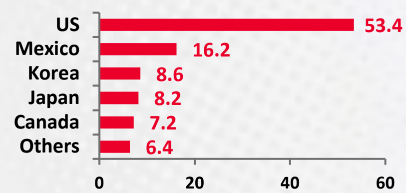

Juan Carlos Alderete Macal, CFA
Executive Director of Economic Research and Market Strategy
juan.alderete.macal@banorte.com


Francisco José Flores Serrano
Director of Economic Research, Mexico
francisco.flores.serrano@banorte.com


Yazmín Selene Pérez Enríquez
Senior Economist, Mexico
yazmin.perez.enriquez@banorte.com

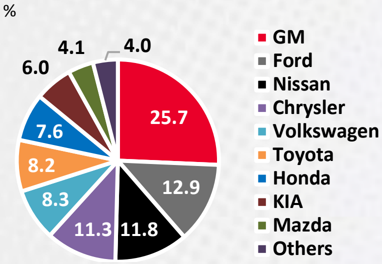

Cintia Gisela Nava Roa
Senior Economist, Mexico
cintia.nava.roa@banorte.com

US auto sales in 2024 by country of origin
%



*Source: Banorte with data from GlobalData

Mexican vehicle exports to the US in 2024 by brand
%



Source: Banorte with data from RAIAVL of INEGI

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@analisis_fundam

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	Reference
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Directory
Research and Strategy

Alejandro Padilla Santana
Chief Economist and Head of Research
alejandro.padilla@banorte.com
(55) 1103 - 4043

Raquel Vázquez Godinez
Assistant
raquel.vazquez@banorte.com
(55) 1670 – 2967

Itzel Martínez Rojas
Analyst
itzel.martinez.rojas@banorte.com
(55) 1670 - 2251

Lourdes Calvo Fernández
Analyst (Edition)
lourdes.calvo@banorte.com
(55) 1103 - 4000 x 2611

María Fernanda Vargas Santoyo
Analyst
maria.vargas.santoyo@banorte.com
(55) 1103 - 4000 x 2586

Economic Research

Juan Carlos Alderete Macal, CFA
Executive Director of Economic Research and Market Strategy
juan.alderete.macal@banorte.com
(55) 1103 - 4046

Francisco José Flores Serrano
Director of Economic Research, Mexico
francisco.flores.serrano@banorte.com
(55) 1670 - 2957

Katia Celina Goya Ostos
Director of Economic Research, Global
katia.goya@banorte.com
(55) 1670 - 1821

Yazmín Selene Pérez Enríquez
Senior Economist, Mexico
yazmin.perez.enriquez@banorte.com
(55) 5268 - 1694

Cintia Gisela Nava Roa
Senior Economist, Mexico
cintia.nava.roa@banorte.com
(55) 1105 - 1438

Luis Leopoldo López Salinas
Economist, Global
luis.lopez.salinas@banorte.com
(55) 1103 - 4000 x 2707

Market Strategy

Santiago Leal Singer
Director of Market Strategy
santiago.leal@banorte.com
(55) 1670 - 1751

Marissa Garza Ostos
Director of Equity Strategy
marissa.garza@banorte.com
(55) 1670 - 1719

Víctor Hugo Cortes Castro
Senior Strategist, Technical
victorh.cortes@banorte.com
(55) 1670 - 1800

Carlos Hernández García
Senior Strategist, Equity
carlos.hernandez.garcia@banorte.com
(55) 1670 – 2250

Hugo Armando Gómez Solís
Senior Strategist, Equity
hugoa.gomez@banorte.com
(55) 1670 - 2247

Leslie Thalía Orozco Vélez
Senior Strategist, Fixed Income and FX
leslie.orozco.velez@banorte.com
(55) 5268 - 1698

Marcos Saúl García Hernandez
Analyst, Fixed Income, FX and Commodities
marcos.garcia.hernandez@banorte.com
(55) 1670 - 2296

Gerardo Daniel Valle Trujillo
Senior Analyst, Corporate Debt
gerardo.valle.trujillo@banorte.com
(55) 1670 - 2248

Ana Laura Zaragoza Félix
Strategist, Corporate Debt
ana.zaragoza.felix@banorte.com
(55) 1103 - 4000

Juan Carlos Mercado Garduño
Strategist, Equity
juan.mercado.garduno@banorte.com
(55) 1103 - 4000 x 1746

Ana Gabriela Martínez Mosqueda
Strategist, Equity
ana.martinez.mosqueda@banorte.com
(55) 5261 - 4882

Paula Lozoya Valadez
Analyst, Equity
paula.lozoya.valadez@banorte.com
(55) 1103 - 4000 x 2060

Quantitative Analysis

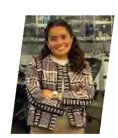
Alejandro Cervantes Llamas
Executive Director of Quantitative Analysis
alejandro.cervantes@banorte.com
(55) 1670 - 2972

José Luis García Casales
Director of Quantitative Analysis
jose.garcia.casales@banorte.com
(55) 8510 - 4608

José De Jesús Ramírez Martínez
Senior Analyst, Quantitative Analysis
jose.ramirez.martinez@banorte.com
(55) 1103 - 4000

Daniel Sebastián Sosa Aguilar
Senior Analyst, Quantitative Analysis
daniel.sosa@banorte.com
(55) 1103 - 4000 x 2124

Jazmin Daniela Cuautencos Mora
Strategist, Quantitative Analysis
jazmin.cuautencos.mora@banorte.com
(55) 1670 - 2904



Andrea Muñoz Sánchez
Strategist, Quantitative Analysis
andrea.muñoz.sanchez@banorte.com
(55) 1105 - 1430