



# Business Climate Survey Mexico



## Business Climate Survey for Swedish companies in Mexico 2026

A report from Team Sweden in Mexico

# Table of Contents

Foreword .....	4
Executive summary .....	5
About the survey .....	6
Economic outlook.....	7
The market.....	10
How Swedish companies succeed in Mexico .....	16
Acting sustainably .....	22
Contact us.....	27

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# 49 respondents

(total +2,250 respondents for 41 markets)

## Current business climate

Positive sentiment declines to 27%, while neutral views dominate

## Industry turnover

# 67%

of Swedish companies expect their industry turnover to increase

## Future investments

# 44%

of Swedish companies plan to increase their investments slightly or significantly in the next 12 months

## Globally valued success factors

1. Sales competence
2. Partnerships/local relationships
3. Brand awareness

## Brand Sweden

# 84%

of Swedish companies in Mexico consider Brand Sweden to be beneficial for business

## Local conditions with high satisfaction

1. Service providers
2. Distributors
3. Specialists/Key personnel

## Local conditions with least satisfaction

1. Customs
2. Licences and permits
3. Personal safety

## Environmental considerations

# 51%

of respondents believe the environment is at least a considerable factor in their customers' purchasing decisions

## Corruption

- Mexico scored 27/100 in the 2025 CPI
- Exposure is highest in public sector interactions

## Human rights violation and labour rights abuse

- Moderate risk in emerging markets
- Low risk in advanced economies

# Foreword

The enduring appeal of the Mexican economy lies, in no small measure, in its capacity to absorb complexity and continue to evolve. Just as the Mexican people embody resilience, openness, and a resolute drive for progress, so too does the country's economic positioning reflect these qualities on the global stage. At present, Mexico remains the second-largest economy in Latin America and retains its standing among the world's top 15 economies by nominal GDP, according to the World Bank. However, Mexico continues to navigate security pressures, regulatory demands, and deep structural integration with the United States economy – factors that render it acutely sensitive to shifts in North American trade policy. That it continues to cultivate opportunity under these conditions is a compelling testament to its investment appeal, further reinforced by its active membership in the OECD.

Sweden and Mexico approach yet another year in a relationship of considerable historical depth, now surpassing 140 years of sustained bilateral engagement. This connection has been built upon legitimate commerce, shared industrialisation interests, and a mutual recognition of the value each nation brings to the other. Mexico has long served as a landscape for Swedish expansion in the Americas, while Sweden's expertise in machinery, telecommunications, sustainability, and advanced infrastructure supports the country's rapid modernisation, driven by collaboration and shared visions of progress.

To the international observer, Mexico has steadily consolidated its position as a preferred destination for companies seeking to optimise manufacturing, leverage nearshoring, and advance sustainable and technological transitions. Its strategic location, skilled and competitive workforce, and strong domestic market continue to attract Swedish companies, reinforcing long-standing ties that have consistently supported mutually beneficial growth. Nonetheless, it is notable that Mexico's investment appeal coexists with structural challenges that demand prudent navigation. This is particularly relevant as security concerns, regulatory complexity, and the country's close integration with the United States economy expose companies to external policy shifts and domestic institutional constraints.

This report presents a comprehensive overview of the state of economic affairs between Sweden and Mexico to foster collaboration and consolidate opportunities. It explores both the prospects and the challenges Swedish companies face at present, while highlighting the outcomes of bilateral cooperation.

We extend our most sincere appreciation to all companies that contributed to this edition of the survey by openly sharing their insights and experiences. This transparency has been, as always, fundamental to the integrity of the report, and we trust that the findings herein will serve as a relevant reference for future dialogue, exploration, and cooperation between Mexican and Swedish companies in the years ahead.

Sincerely,



**Gunnar Aldén**  
Ambassador of Sweden  
to Mexico



**Helena Carlsson**  
Country Manager & Trade  
Commissioner,  
Business Sweden Mexico

# Executive summary

The fifteenth edition of the Business Climate Survey for Swedish companies in Mexico finds the bilateral relationship in a period of measured resilience. Against a backdrop of decelerating growth, sustained trade policy uncertainty, and fiscal consolidation, Swedish firms have demonstrated a capacity to absorb complexity, yet the data suggest a business community navigating with greater caution than in prior years.

Performance has weakened, yet expectations remain resilient. The share of profitable companies declined to 52 per cent, while both loss-making and break-even outcomes rose to 21 per cent, reflecting a more demanding operating environment. This pressure is unevenly distributed: large firms remain more resilient, while medium-sized and newcomer companies face greater difficulty. Despite this, forward-looking sentiment has strengthened, with 67 per cent expecting turnover growth and 44 per cent planning to increase investment, indicating sustained commitment to the market.

The business climate has shifted toward neutrality. In 2026, 47 per cent of respondents assessed conditions as neutral, with positive and negative perceptions evenly split. This reflects a transition from earlier optimism to a more balanced, wait-and-see stance, consistent with Mexico's slower growth trajectory and continued exposure to external uncertainty.

Competitiveness is driven by execution rather than environment. Swedish companies succeed through sales capabilities, partnerships, and brand positioning, with the Swedish brand remaining a broadly supportive, albeit not decisive, asset. At the same time, a structural gap persists between strong commercial conditions and a friction-laden institutional framework.

The findings suggest that operational constraints are institutional rather than market-based. Trade barriers and scaling limitations are concentrated in regulatory and administrative processes, particularly customs procedures (52 per cent), duties (40 per cent), and technical regulations (33 per cent). More broadly, regulatory uncertainty, security concerns, and energy constraints continue to limit the translation of market opportunity into operational expansion.

Risk exposure is increasingly policy-driven. US trade policy shifts and domestic regulatory changes dominate the forward-looking risk landscape, reflecting the extent to which Swedish firms operate within a binational policy environment where predictability, rather than capability, increasingly shapes outcomes.

Sustainability remains integrated but secondary. Environmental considerations remain integrated into purchasing decisions, though most respondents view them as moderately relevant rather than decisive. Exposure to corruption remains relatively limited and concentrated in public sector interactions, while human rights-related incidents are rare and primarily linked to third-party relationships, highlighting the importance of continued oversight across value chains.

**“Mexico remains a key mining market with strong demand, but the business climate is challenged by regulatory uncertainty following recent mining law reforms, affecting permitting and long-term planning.”**

**Representative, metals and mining sector**  
Large multinational, established in Mexico since 1960

# About the survey

## Business Climate Survey 2026

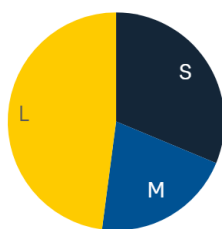
During the first quarter of 2026, the fifteenth edition of the Business Climate Survey for Swedish companies operating in Mexico was conducted by Team Sweden Mexico, commissioned by the Swedish Embassy in Mexico and Business Sweden Mexico.

The Business Climate Survey offers insights into the opportunities and challenges faced by Swedish firms in Mexico. This report presents key findings from the survey based on responses from Swedish companies operating in Mexico. It offers a unique business overview, notable economic forecasts, and relevant market factors for Swedish stakeholders. Additionally, this survey provides an important reference for bilateral trade discussions between Mexico and Sweden, offering a better understanding of Swedish companies' activities and their views on the Mexican business environment.

The questionnaire for this year was sent to Swedish companies operating in Mexico within the Business Sweden and Swedish Embassy network, with a total of 49 participating companies, categorised into three groups based on size: 48 per cent were large companies, 31 per cent were small businesses, and 21 per cent were medium-sized companies. In terms of industry: 62 per cent of the respondents operate in the industrial sector, 24 per cent in consumer goods, and 14 per cent in professional services. In terms of company maturity, 35 per cent were classified as mature (with established operations prior to 2004), 50 per cent as experienced (companies established between 2005 and 2020), and 15 per cent as newcomers (established after 2021).

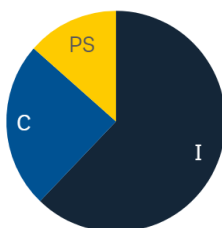
Finally, the report is structured around four thematic sections: an economic outlook; an assessment of the business climate and market conditions in Mexico; key success factors for Swedish companies operating in the country; and sustainability considerations, including exposure to corruption, environmental factors, and human rights and labour conditions.

### Size of companies



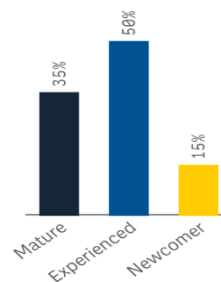
NOTE: Global employees  
 Large >1,000  
 Medium 250–1,000  
 Small 0–249

### Main industry



NOTE: Industrial 62%  
 Professional services 14%  
 Consumer 24

### Age of companies



NOTE: Mature (<2004)  
 Experienced (2005–2020)  
 Newcomer (2021–)

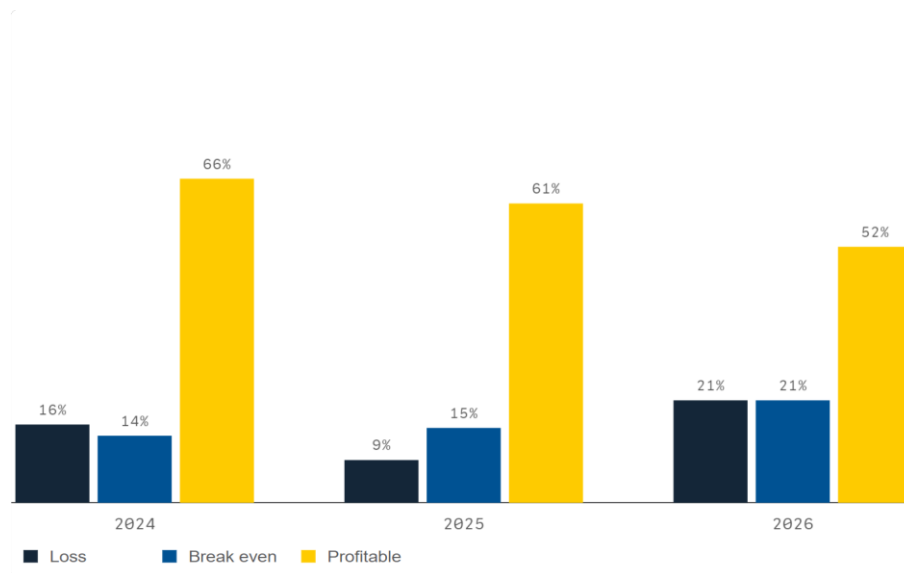
# Economic outlook

## A year of narrowing margins and tempered confidence

Swedish companies operating in Mexico reported a more challenging financial year in 2025 than in previous editions of the survey. The figures presented in this section reflect companies' financial performance during 2025, the year prior to the publication of this report. The proportion of respondents describing their company's financial performance in Mexico as profitable stood at 52 per cent, a notable contraction from the 61 per cent recorded in the previous year and the 66 per cent reported in the previous edition. Concurrently, the shares of companies reporting losses and those breaking even increased to 21 per cent each, up from 9 and 15 per cent, respectively, in the preceding year. The picture that emerges is one of broadly distributed pressure across the Swedish business community in Mexico, consistent with a macroeconomic environment marked by subdued growth, external trade uncertainty, and fiscal consolidation.

Disaggregating the results by company size reveals meaningful differences in resilience. Large companies proved considerably more robust, with 74 per cent reporting profitable operations, compared to only 33 per cent of small companies and 30 per cent of medium-sized ones. Notably, medium-sized companies registered the highest incidence of loss at 40 per cent, suggesting that firms operating at an intermediate scale, that is, those without the structural advantages of size, yet facing comparable cost exposures, confronted particular pressure during the year. By industry, professional services companies performed most strongly, with 80 per cent reporting profitability and no loss cases recorded. Consumer and industrial companies followed, with 56 and 57 per cent in profit respectively, though the consumer sector also recorded the highest break-even share at 33 per cent. Finally, company maturity proved to be a significant differentiating factor: experienced companies led with 63 per cent reporting profitability, followed by mature companies at 59 per cent, while newcomers (those established after 2021) reported zero profitable operations, split evenly between loss-making and break-even outcomes, at 43 per cent each – a finding that underscores the particular difficulty of establishing viable operations in the current environment.

### How would you describe your company's financial performance in Mexico in 2025?

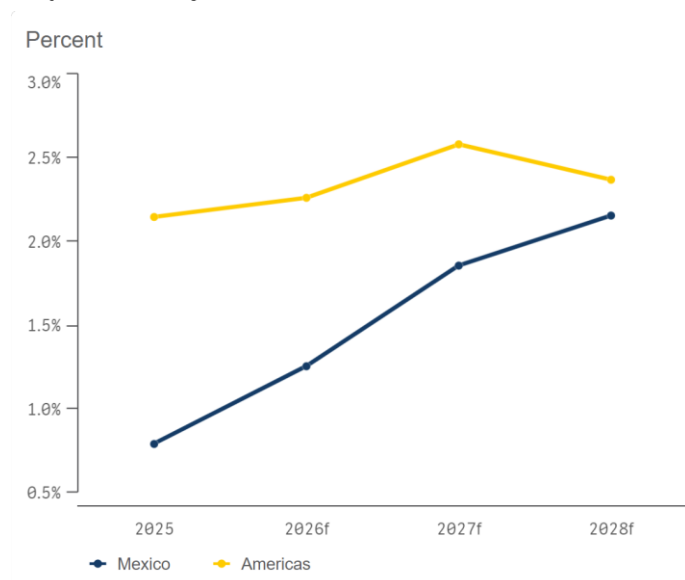


NOTE: The number of respondents for this question was 49. "Don't know/Not applicable" responses are included but not shown in figure.  
SOURCE: Business Climate Survey for Swedish Companies in Mexico 2026

## Mexico's growth is set to recover gradually but remain below regional peers amid structural constraints

Oxford Economics' projections, updated as of March 2026, place Mexico's GDP growth at approximately 0.8 per cent in 2025, rising to around 1.2 per cent in 2026, and then recovering toward 1.9 per cent in 2027 and 2.1 per cent in 2028. While this trajectory is positive, it remains substantially below the growth rates of comparable regional economies over the same period. Both the Americas aggregate and the NAFTA grouping are projected to sustain GDP growth in the range of 2.0 to 2.6 per cent across the forecast horizon, with Mexico currently positioned at the lower end of the regional distribution, though projections indicate a gradual convergence by 2028. South America shows greater variation, with a dip to approximately 2.0 per cent in 2026 before recovering, while Mexico's growth is forecast to remain below the South American average throughout the period. This persistent gap appears to reflect the cumulative effect of several constraints discussed in the macroeconomic context of this report, including the slower-than-expected translation of nearshoring potential into broad-based investment gains, the contractionary effects of fiscal tightening, and ongoing US trade policy uncertainty.

### Projected GDP growth in Mexico



NOTE: Constant prices  
SOURCE: Oxford Economics 2026

## Industry turnover expectations remain broadly optimistic

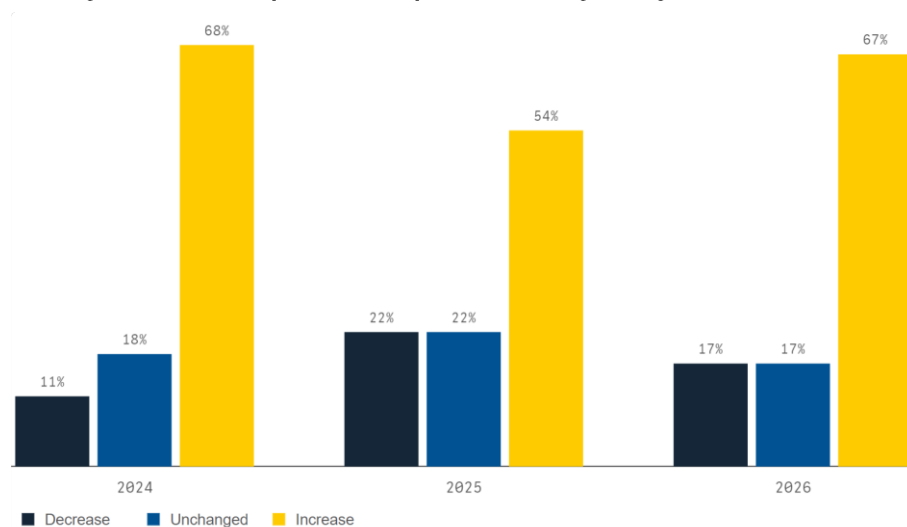
Despite a more difficult year in terms of financial performance, Swedish companies' expectations for their industry's turnover over the next 12 months present a notably more optimistic picture. A total of 67 per cent of respondents anticipated an increase in industry turnover, while 17 per cent expected a decrease and an equal 17 per cent projected no change. This result represents a meaningful recovery in forward-looking sentiment from the 54 per cent who anticipated turnover growth in the preceding survey edition and approaches once again the high-water mark of 68 per cent recorded for 2024.

Across company sizes, small companies exhibited the greatest optimism, with 73 per cent expecting an increase, followed closely by large companies at 70 per cent. Medium-sized companies were comparatively more cautious, with 50 per cent anticipating growth.

By industry, the industrial and consumer sectors led expectations, with 74 per cent of industrial companies and 67 per cent of consumer companies anticipating increases, compared to 40 per cent among professional services firms, which also recorded the highest share expecting a decrease.

By maturity, newcomers expressed the strongest positive outlook at 86 per cent, expecting turnover to increase, while mature companies followed at 76 per cent and experienced companies at 54 per cent.

### Compared to the development in the past 12 months, what are your expectations for the coming 12 months for your industry in Mexico regarding turnover?



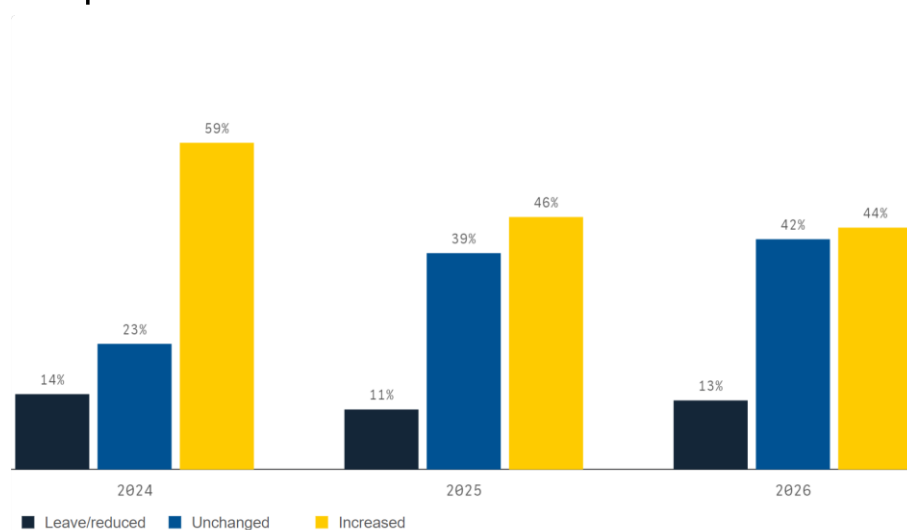
NOTE: The number of respondents for this question was 49. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Mexico 2026

## Investment plans reflect cautious but present commitment

Regarding capital allocation, 44 per cent of respondents indicated that their company's investments in Mexico would increase in the coming twelve months relative to the past year, while 42 per cent planned to keep investments unchanged and 13 per cent anticipated a reduction. Viewed over a three-year period, this represents a continuation of the gradual moderation in investment appetite that has characterised the post-pandemic period: 59 per cent of respondents signalled investment growth in 2024, declining to 46 per cent in 2025 before settling at 44 per cent in 2026. Nonetheless, it is worth noting that the proportion of companies planning to reduce or exit remains comparatively contained at 13 per cent, suggesting that, while enthusiasm for expansion has softened, commitment to the Mexican market remains largely intact across the Swedish business community.

### What are your company's investment plans for the coming 12 months in Mexico, compared to the past 12 months?



NOTE: The number of respondents for this question was 49. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Mexico 2026

# The market

## Mexico's growth decelerated markedly in 2025, amid external and domestic headwinds

The Mexican economy grew by 0.8 per cent in GDP terms in 2025, a marked deceleration compared to previous years, and the fourth consecutive year of slowing growth since the post-pandemic rebound of 2021, according to final figures released by the National Institute of Statistics and Geography (INEGI). This deceleration is consistent with the underperformance of the secondary sector, which comprises manufacturing, construction, and mining, which contracted by 1.1 per cent over the year. The anticipated momentum from nearshoring did not fully materialise, as US tariff uncertainty weighed on supply chains and export demand throughout the year.

The US economy, by contrast, expanded at approximately 2.1 per cent in 2025 according to OECD projections, further evidencing the structural divergence in growth trajectories between the two closely integrated economies. Nonetheless, it is noteworthy that the tertiary sector, which comprises commerce and services and accounts for the largest share of the Mexican economy, recorded annual growth of 0.8 per cent, and primary activities expanded by 0.4 per cent, partially offsetting the industrial contraction. Additionally, further downside pressures stemmed from the tightening of US trade policy, whose tariff measures created sustained uncertainty across industries dependent on North American supply chains. Remittances, long a stabilising pillar of the Mexican economy, declined by 4.6 per cent in 2025, the steepest annual drop since 2009, according to Banxico (Central Bank of Mexico). The contraction has been associated with a weakening US labour market and stricter immigration enforcement policies, which have reduced both the number of transfers and migrant earnings.

The Mexican government's fiscal consolidation, driven in part by reductions in public investment, is expected to narrow the budget deficit from 4.9 per cent of GDP in 2024 to 3.5 per cent in 2025. Despite these headwinds, Mexico demonstrated a degree of macroeconomic resilience throughout the year. Headline inflation remained within Banxico's variability range, standing at around 3.8 per cent toward the end of 2025. The central bank continued its easing cycle, lowering its benchmark rate from 10 per cent at the end of 2024 to 7 per cent by December 2025, its lowest level since 2022. This sustained monetary easing, together with historically low unemployment and resilient domestic consumption, provides a foundation for a modest recovery in 2026, with Banco de México projecting GDP growth of 1.1 per cent and the OECD forecasting 1.2 per cent.

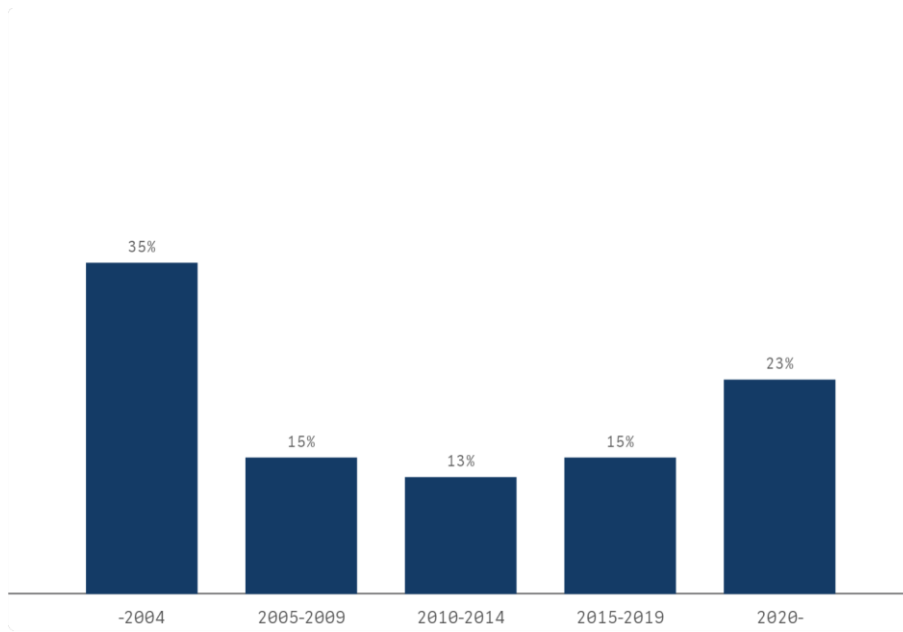
## Swedish firms in Mexico combine longevity, sectoral breadth, and selective scale

Swedish companies have maintained a longstanding and structurally embedded presence in the Mexican economy, with several firms tracing their operations back for multiple decades and, in some cases, over a century. Companies such as AstraZeneca, ABB, and Tetra Pak exemplify this enduring industrial footprint, having consistently contributed to the development of key sectors over time. This historical continuity remains a defining feature of Swedish participation in Mexico.

However, in contrast to previous years, when a notable surge of new entrants underscored Mexico's attractiveness as an investment destination, the current distribution of company establishment reflects a phase of consolidation. The proportion of newcomer firms has decreased significantly, while experienced companies now constitute the majority of respondents, accompanied by a growing share of mature enterprises. This shift suggests that the earlier momentum of market entry may have given way to a phase of operational stabilisation and longer-term commitment.

This evolution points to a maturing Swedish business presence in Mexico, increasingly defined by firms embedded in local value chains rather than by new market entrants. The coexistence of historically rooted firms and a still-present, albeit reduced, cohort of newer entrants continues to characterise the Swedish business presence in Mexico.

**In what year did your company establish operations in Mexico?**

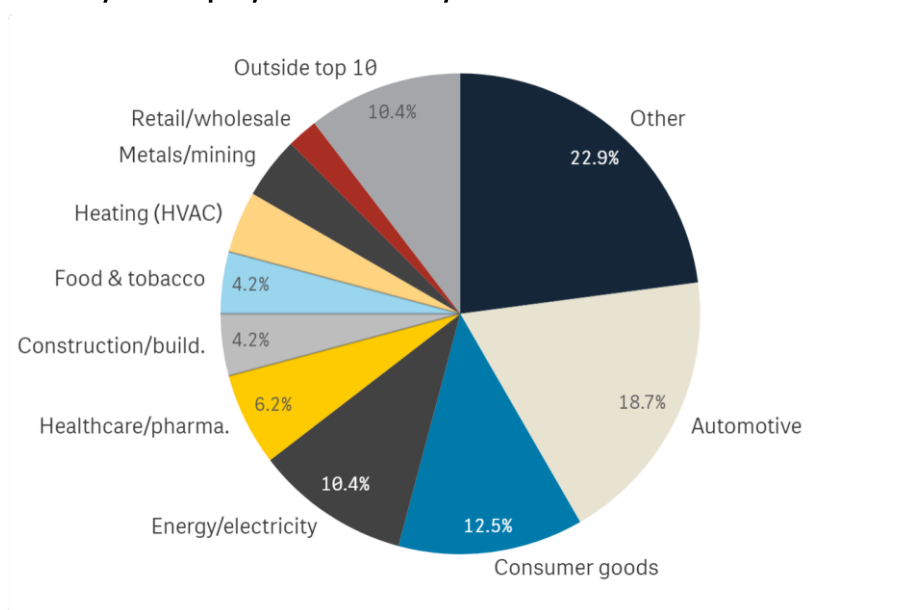


NOTE: The number of respondents for this question was 49. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Mexico 2026

The sectoral composition of surveyed Swedish companies in Mexico continues to reflect a business footprint closely aligned with the country's industrial and consumer economy. Automotive remains the largest identified sector, accounting for 18.7 per cent of respondents, followed by consumer goods at 12.5 per cent, while energy/electricity and the group classified as "outside the top 10" each account for 10.4 per cent. Healthcare and pharmaceuticals, which featured more prominently in previous editions, continue to hold a relevant, though comparatively smaller, share. Taken together, this distribution suggests that Swedish firms in Mexico remain concentrated in sectors where the country offers structural advantages, namely, manufacturing capacity, supply chain integration, industrial demand, and a large consumer market. At the same time, the distribution across smaller categories indicates that Swedish commercial presence in Mexico is not narrowly concentrated but increasingly diversified across a wider range of specialised industries.

**What is your company's main industry in Mexico?**

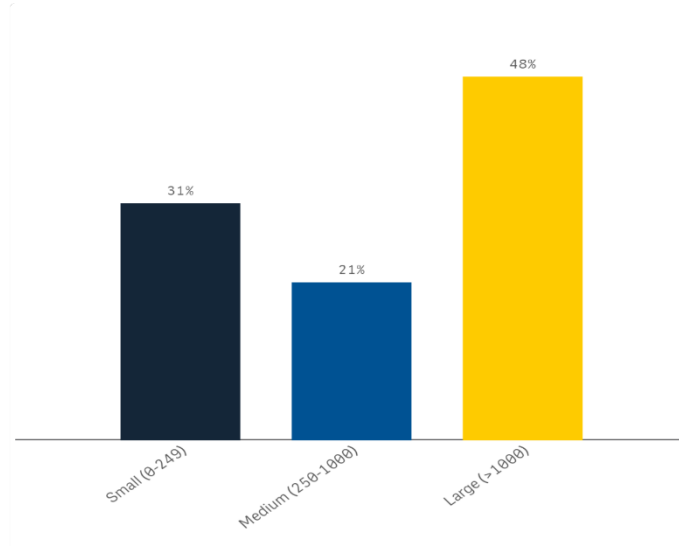


NOTE: The number of respondents for this question was 49. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Mexico 2026

The employment profile of surveyed Swedish companies in Mexico reveals an important structural distinction between global scale and local operational size. While nearly half of respondents (48 per cent) belong to globally large companies with more than 1,000 employees worldwide, only 10 per cent report a local workforce of the same scale in Mexico. Conversely, 77 per cent of surveyed firms operate locally with fewer than 250 employees, despite only 31 per cent being small globally. This contrast suggests that many Swedish firms present in Mexico form part of substantially larger multinational structures yet maintain relatively lean local organisations.

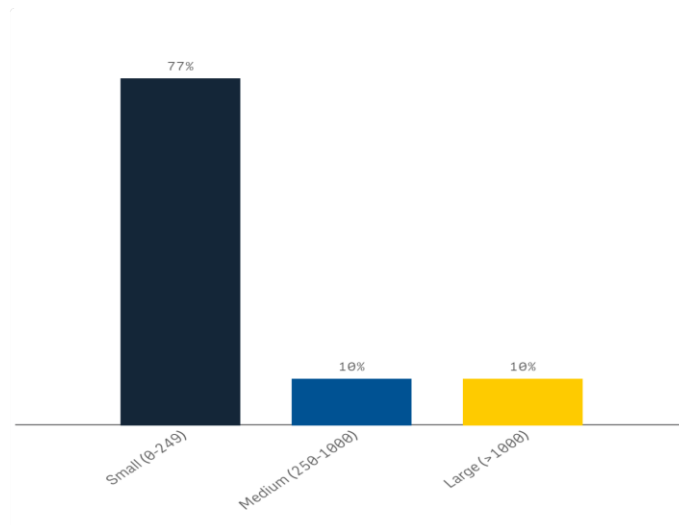
**Swedish firms’ global number of employees (full-time resources) in Mexico in 2026**



NOTE: The number of respondents for this question was 48. “Don’t know/Not applicable” responses are included but not shown in this figure.  
 SOURCE: Business Seden Climate Survey for Swedish Companies in Mexico 20206

From a strategic standpoint, this indicates that Swedish companies often use Mexico not necessarily as a labour-intensive operating base, but rather as a selective operating platform for commercial representation, specialised industrial activity, regional coordination, or targeted market participation. At the same time, the presence of a smaller group of medium-sized and large local employers demonstrates that some firms have achieved deeper operational embeddedness in the country. Taken together, the results point to a Swedish business footprint in Mexico that is globally substantial, but locally selective in scale, balancing international reach with focused on-the-ground presence.

**Swedish firms’ local number of employees in Mexico in 2026**



NOTE: The number of respondents for this question was 49. “Don’t know/Not applicable” responses are included but not shown in this figure.  
 SOURCE: Business Climate Survey for Swedish Companies in Mexico 2026

## Neutral sentiment dominates as optimism moderates across Swedish companies

Swedish companies operating in Mexico display a predominantly neutral perception of the current business climate, reflecting a cautious stance shaped by recent economic conditions. In 2026, 47 per cent of respondents assessed the business climate as neutral, while 27 per cent perceived it as positive and 27 per cent as negative. This marks a continued shift from previous years, where positive sentiment was more prominent: in 2024, 50 per cent of respondents rated the business climate as good or very good, a figure that declined to 36 per cent in 2025 and further to 27 per cent in the current edition. At the same time, negative perceptions have increased relative to earlier years, indicating a gradual softening in overall business sentiment.

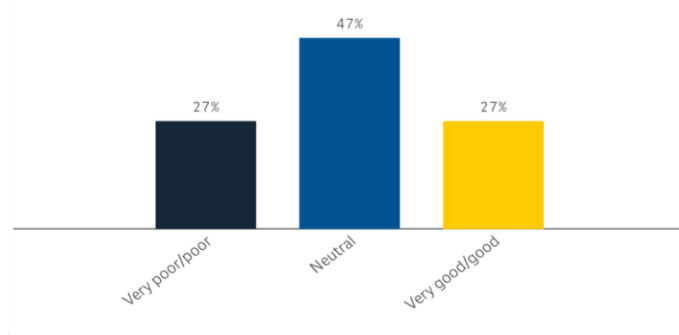
This neutrality is broadly observed across company sizes, though with notable differences in intensity. Medium-sized firms exhibit the most cautious outlook, with 50 per cent reporting a neutral perception and a relatively higher share expressing negative views. Small companies follow a similar pattern, while large firms stand out as comparatively more optimistic, with a higher proportion rating the business climate positively. The results suggest that the scale may be associated with a degree of resilience, allowing larger firms to maintain a comparatively more favourable outlook.

Differences also emerge across industries. Industrial companies display the highest degree of neutrality, while professional services show a more polarised distribution, with a significant share reporting negative perceptions alongside a smaller but notable group expressing positive views. Consumer-oriented firms occupy an intermediate position, reflecting both exposure to domestic demand conditions and sensitivity to broader macroeconomic fluctuations. These variations suggest that sector-specific dynamics play a role in shaping how companies experience the business environment.

By company maturity, newer firms appear comparatively more optimistic, with a larger share assessing the business climate positively, while mature companies report the highest proportion of negative perceptions. Experienced firms remain largely neutral. Survey results therefore point toward newer entrants holding a more forward-looking perspective, while more established firms appear more sensitive to structural constraints and recent market frictions.

Overall, respondents indicate a business climate that is neither strongly favourable nor unfavourable. Underlying opportunities persist, but are increasingly balanced by operational challenges, regulatory complexity, and external uncertainty.

### How do you perceive the current business climate in Mexico?



NOTE: The number of respondents for this question was 49. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Mexico 2026

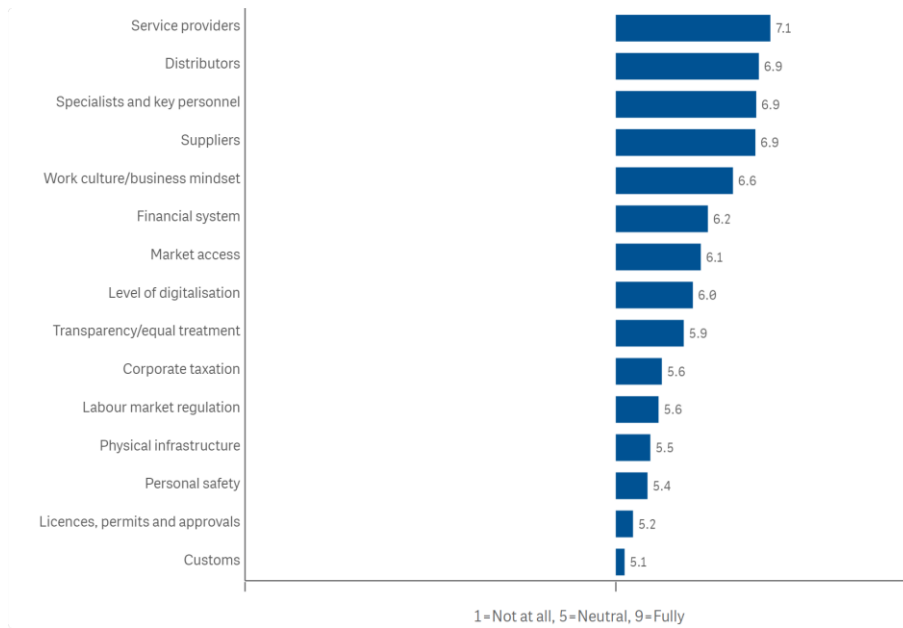
## Operational strengths remain solid, despite persistence of regulatory frictions

Surveyed Swedish companies in Mexico report a generally favourable assessment of core operational conditions, particularly those related to business execution and market functioning. Service providers (7.1), distributors (6.9), suppliers (6.9), and access to specialists and key personnel (6.9) rank among the highest-rated factors, highlighting the strength of Mexico's commercial ecosystem and its capacity to

support day-to-day business operations. Work culture and business mindset (6.6) further reinforce this positive assessment.

However, this relatively strong operational foundation is contrasted by persistent challenges in the regulatory and institutional domain. Customs (5.1), licences, permits, and approvals (5.2), and personal safety (5.4) rank among the lowest-rated factors, alongside corporate taxation and labour market regulation (both 5.6). This contrast is further reflected in the clear gap between top-rated operational enablers and the lowest-ranked regulatory conditions, underscoring a business environment where companies can operate effectively, yet continue to face friction in administrative processes and institutional frameworks.

**How well do the following conditions meet the needs of your company in Mexico?**



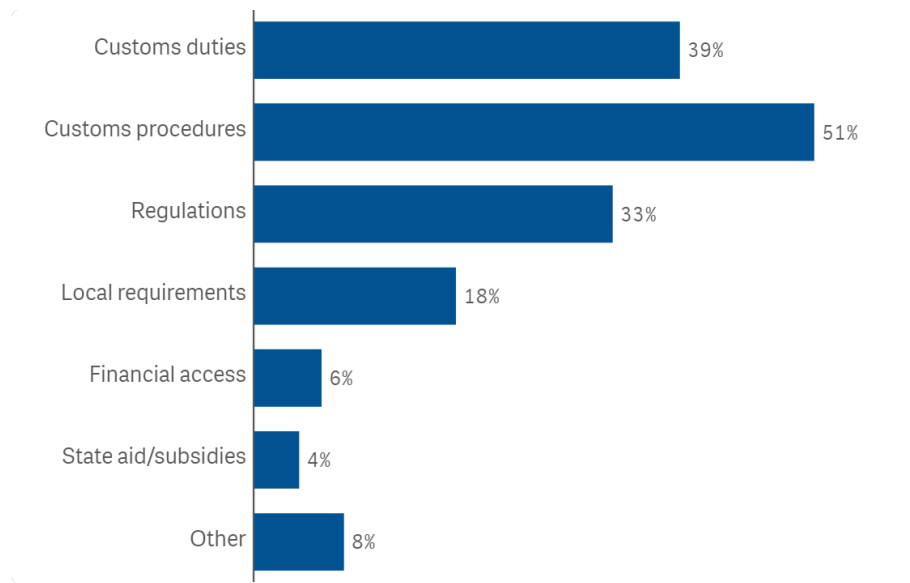
NOTE: The number of respondents for this question was 49.  
 SOURCE: Business Climate Survey for Swedish Companies in Mexico 2026

**Customs procedures and regulatory complexity remain the primary trade barriers**

Swedish companies operating in Mexico continue to identify trade-related administrative processes as the most significant barriers impacting their operations. Customs procedures stand out as the most frequently cited challenge, affecting 51 per cent of respondents, followed by customs duties at 39 per cent and broader regulatory constraints at 33 per cent.

By contrast, factors such as local requirements (18 per cent), financial access (6 per cent), and state aid or subsidies (4 per cent) are reported less frequently, suggesting that the principal obstacles to trade are concentrated not in market access itself, but in the processes governing cross-border operations and compliance.

**Has your company in the past year encountered trade barriers in Mexico with a noticeably negative impact on operations, in any of the following areas?**



NOTE: The number of respondents for this question was 49.  
SOURCE: Business Climate Survey for Swedish Companies in Mexico 2026

A closer look at the results further highlights that these barriers are not experienced uniformly. Larger companies report the highest incidence of customs-related challenges, particularly in procedures and duties, reflecting their greater exposure to international trade flows and more complex supply chains. Similarly, the industrial and consumer sectors exhibit greater sensitivity to these barriers, while professional services remain comparatively less affected. As companies mature, more established firms report greater exposure to customs and regulatory constraints, whereas newcomers appear less affected.

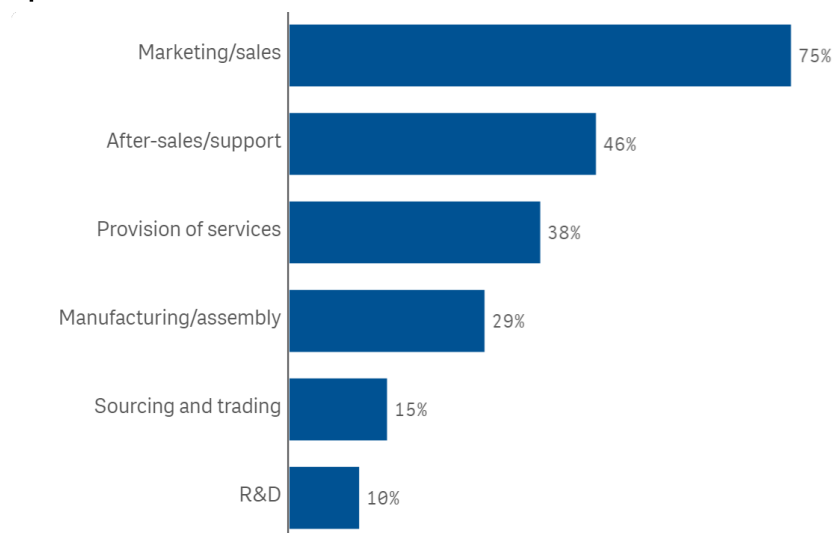
Overall, the findings suggest that the main trade challenges faced by Swedish companies in Mexico are not related to protectionism, but to administrative and procedural dimensions of trade. Addressing these frictions could significantly enhance operational efficiency and reinforce Mexico's position as a competitive and integrated trade hub.

# How Swedish companies succeed in Mexico

## Swedish firms in Mexico are primarily engaged in commercial and service-oriented activities

Swedish companies operating in Mexico are predominantly engaged in commercial functions, with 75 per cent of respondents reporting marketing and sales activities. This is followed by after-sales and support services (46 per cent) and the provision of services (38 per cent), indicating a strong emphasis on customer-facing and market development operations. Manufacturing and assembly activities are present but less widespread (29 per cent), while sourcing and trading (15 per cent) and research and development (10 per cent) remain comparatively limited. Overall, the distribution suggests that Swedish firms in Mexico tend to prioritise commercial presence and service delivery, with a more selective engagement in production and higher-value innovation activities.

### Operations of Swedish firms in the market



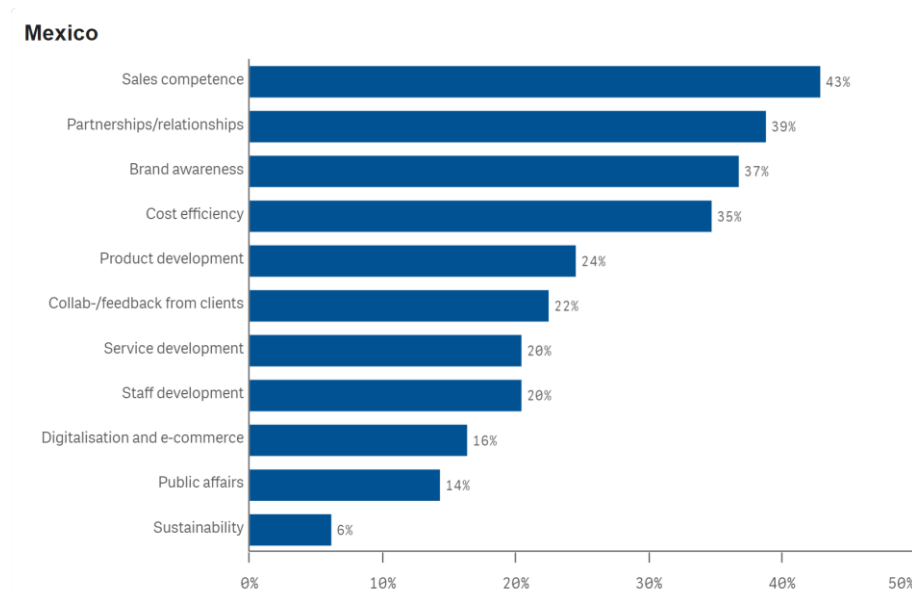
NOTE: The number of respondents for this question was 49. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Mexico 2026

## Commercial capabilities and relationships remain key drivers of competitiveness

Swedish companies in Mexico identify sales competence (43 per cent), partnerships and relationships (39 per cent), and brand awareness (37 per cent) as the most important factors in maintaining competitiveness. Cost efficiency (35 per cent) also ranks highly, reinforcing the importance of operational discipline alongside market-facing capabilities. By contrast, areas such as digitalisation (16 per cent), public affairs (14 per cent), and sustainability (6 per cent) are less frequently cited, suggesting that competitiveness is currently driven more by commercial execution and relational positioning than by broader strategic or transformational factors.

## To date, which of the following areas have been important in maintaining competitiveness in Mexico?



NOTE: The number of respondents for this question was 49. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Mexico 2026

## The Swedish brand remains a strong, though not decisive, contributor to business success

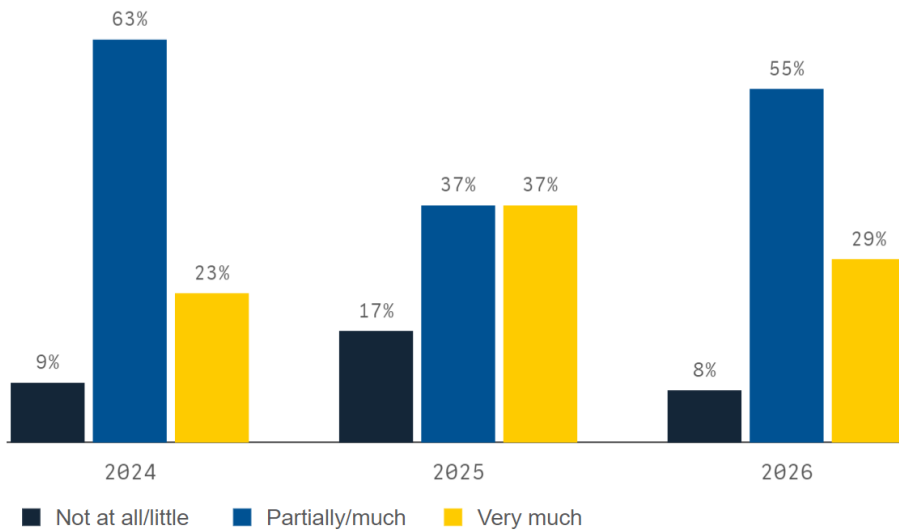
Results show that the Swedish brand continues to represent a meaningful asset for companies operating in Mexico, with a clear majority of respondents recognising its contribution to business performance. In 2026, 55 per cent of companies reported that the brand contributes "partially or much," while a further 29 per cent indicated that it contributes "very much." Only a small minority, 8 per cent, perceived little or no impact, confirming that the Swedish brand retains a broadly positive positioning in the Mexican market.

In a three-year perspective, the perceived contribution of the Swedish brand appears to have stabilised following a period of greater variability. After a notable increase in strong brand contribution reported in 2025, the share of companies indicating a "very much" contribution declined to 29 per cent in 2026, while the proportion reporting a more moderate contribution rose. This suggests a shift toward a more balanced role, where the Swedish brand supports business development but is increasingly complemented by company-specific capabilities and market strategies.

Differences across company profiles further nuance this picture. Larger firms tend to report a stronger contribution of the Swedish brand, reflecting their greater reliance on reputation, scale, and established brand equity, while smaller and medium-sized firms more frequently indicate a moderate contribution. By maturity, newer entrants display greater dependence on the brand as a signalling mechanism in the market, whereas more established companies appear to rely more on operational positioning and local integration.

Overall, the findings indicate that while the Swedish brand remains an important element of competitive positioning, it is not the sole driver of success. Rather, it serves as a supportive foundation within a broader set of factors that shape business performance in Mexico.

**To what extent would you estimate that the “Swedish brand” contributes to your business in Mexico?**



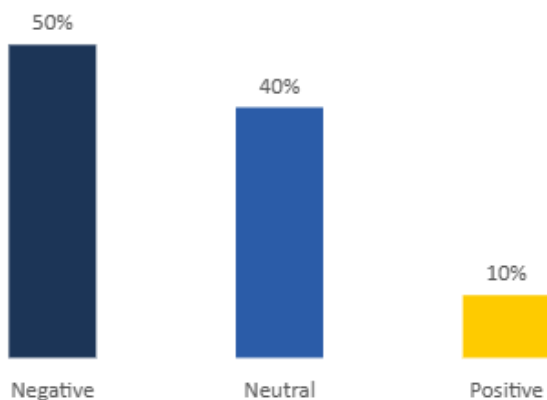
NOTE: The number of respondents for this question was 49. “Don’t know/Not applicable” responses are included but not shown in figure. SOURCE: Business Climate Survey for Swedish Companies in Mexico 2026

**The geopolitical environment weighs heavily on Swedish companies in Mexico**

Shifts in US trade policy have introduced sustained uncertainty for Mexico. Periodic tariff threats and related policy changes have weighed on foreign direct investment and generated employment pressures on both sides of the border. Additionally, Mexico’s own customs law reform, in force since January 2026, introduced higher import duties on over 1,463 tariff items, along with stricter compliance and documentation requirements, as noted by the International Trade Administration.

In this context, half of the surveyed Swedish companies report a negative impact on their operations in Mexico, with 40 per cent remaining neutral and only 10 per cent reporting a positive effect. The results reflect the degree to which Swedish firms are embedded in North American supply chains and, consequently, their heightened exposure to bilateral trade disruptions.

**How has the geopolitical environment (e.g., recent US policy changes) affected your company’s operations in Mexico?**



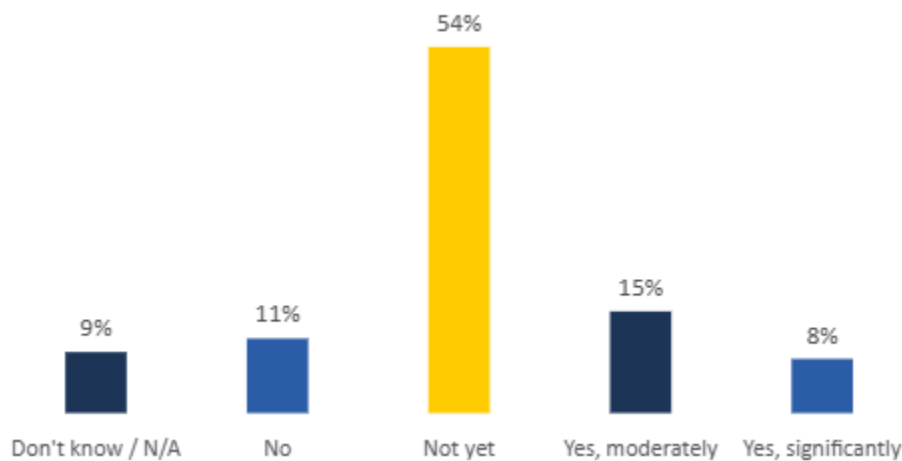
NOTE: The number of respondents for this question was 49. “Don’t know/Not applicable” responses are included but not shown in figure. SOURCE: Business Climate Survey for Swedish Companies in Mexico 2026.

## Nearshoring benefits remain largely unrealised, though early signs of materialisation emerge

Despite years of sustained momentum in nearshoring discourse, concrete business results remain elusive for most surveyed Swedish companies. Over half (54 per cent) report that nearshoring has not yet translated into tangible outcomes, while 11 per cent indicate it has generated no results at all. Only 23 per cent of respondents report positive results, split between moderate (15 per cent) and significant (8 per cent) impact.

This pattern is consistent with broader observations on nearshoring in Mexico: investment intentions have outpaced operational realisation, with infrastructure, energy, and regulatory factors cited as contributors to delays in converting planned activity into confirmed results. That said, the combined 23 per cent reporting positive results signals that, for a meaningful minority of Swedish firms, nearshoring is beginning to deliver, a figure that warrants close monitoring in editions to come.

### Has nearshoring generated concrete business results for your company in Mexico in the past 12 months?



NOTE: The number of respondents for this question was 49. "Don't know/Not applicable" responses are included but not shown in figure.

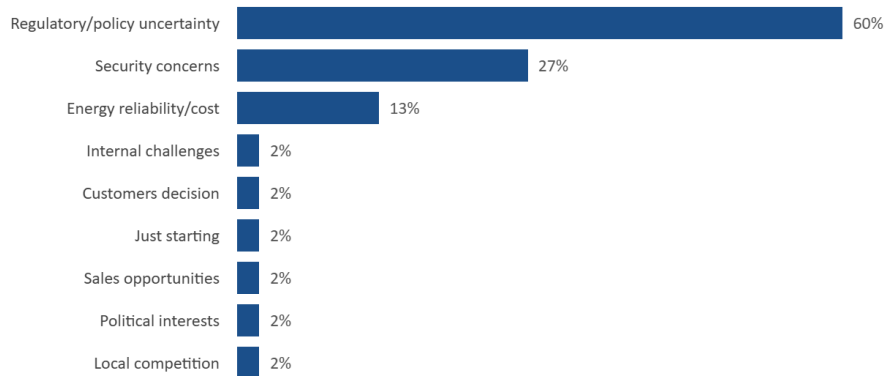
SOURCE: Business Climate Survey for Swedish Companies in Mexico 2026

## Regulatory uncertainty emerges as the primary constraint to scaling operations

Consistent with previous analysis within this report, Swedish companies in Mexico identify regulatory and policy uncertainty as the principal constraint limiting their ability to scale, cited by a significant majority of respondents (60 per cent). This is followed by security concerns (27 per cent) and energy reliability and cost (13 per cent), while all other factors remain marginal in comparison. The concentration of responses around these three areas indicates that barriers to scaling are not primarily demand-driven but rather rooted in structural and operational conditions.

This pattern is consistent with the broader findings throughout the survey. Regulatory complexity, previously highlighted in relation to permits, customs procedures, and administrative processes, continues to emerge as a central point of friction. Together, these factors suggest that the principal constraints on growth are largely external to firm-level capabilities.

### What are the main challenges limiting your ability to scale in Mexico?



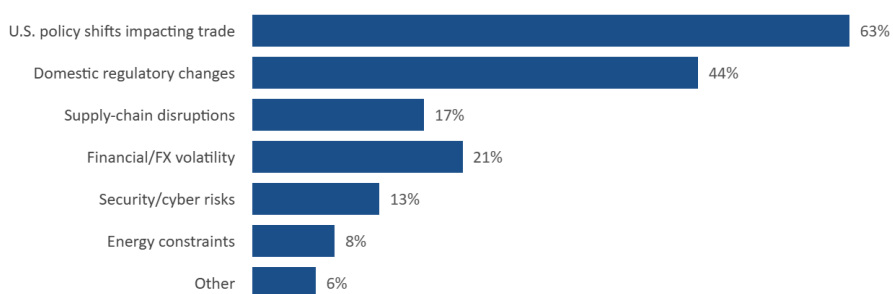
NOTE: The number of respondents for this question was 49. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Mexico 2026

## Risk exposure shifts toward policy-driven uncertainty across both sides of the border

Swedish companies in Mexico identify US policy shifts impacting trade as the most significant risk over the next 12–24 months (63 per cent), followed by domestic regulatory changes (44 per cent). The prominence of these two factors, significantly outweighing operational risks such as supply-chain disruptions (17 per cent) or security concerns (13 per cent), points to a clear shift in the nature of risk exposure, from operational execution to policy uncertainty.

This dual concentration of risk, both internal (Mexico) and external (United States), suggests that Swedish firms are increasingly navigating a binational policy environment where predictability, rather than capability, is the primary constraint. This reinforces earlier findings where regulatory complexity, trade volatility, and delayed nearshoring outcomes point to policy uncertainty as a central factor shaping business decisions. What are the top risks you foresee for your Mexico operations in the next 12–24 months?



NOTE: The number of respondents for this question was 49. "Don't know/Not applicable" responses are included but not shown in figure.

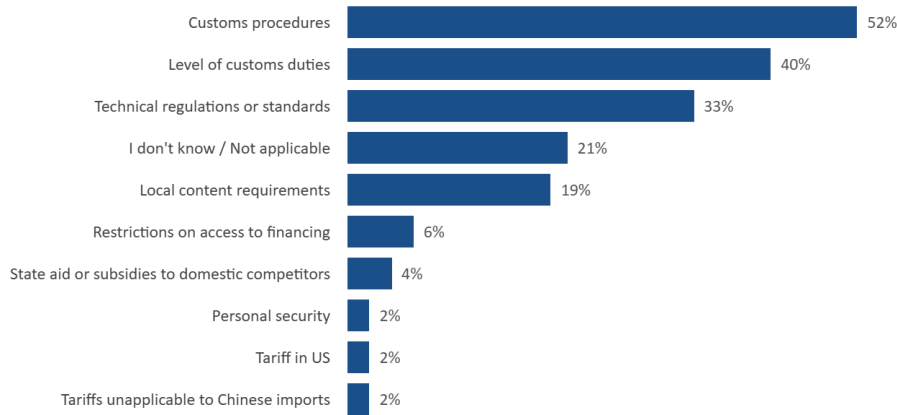
SOURCE: Business Climate Survey for Swedish Companies in Mexico 2026

## Trade frictions are primarily policy-driven, constraining execution rather than market access

The distribution across trade barriers suggests that trade frictions do not stem from restricted market access, but rather from the regulatory and administrative systems governing trade. As shown in the following graph, Swedish companies operating in Mexico report that trade barriers are concentrated in customs procedures (52 per cent), customs duties (40 per cent), and technical regulations (33 per cent), while factors such as financing restrictions (6 per cent) or subsidies (4 per cent) remain marginal.

In the context of the broader survey, this reinforces a recurring theme: the challenge for Swedish companies lies not in accessing the Mexican market, but in executing efficiently within it. Procedural and regulatory barriers, particularly those aligned with earlier findings on policy uncertainty, point toward friction that arises primarily at the interface between firms and institutions.

**Has your company in the past year encountered trade barriers in Mexico with a noticeably negative impact on operations in any of the following areas?**



NOTE: The number of respondents for this question was 49. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Mexico 2026

# Acting sustainably

## Environmental considerations remain relevant, though moderated by short-term commercial priorities

Swedish companies in Mexico report that environmental considerations continue to play a role in customer purchasing decisions, though their importance remains moderate rather than decisive. In 2026, a majority of respondents (51 per cent) indicate that environmental aspects are considered “partially or much,” while 9 per cent report that they are considered “very much.” At the same time, 32 per cent perceive that such factors are given little or no importance. This distribution suggests that sustainability considerations are embedded in purchasing behaviour, but typically as one factor among several rather than a primary driver.

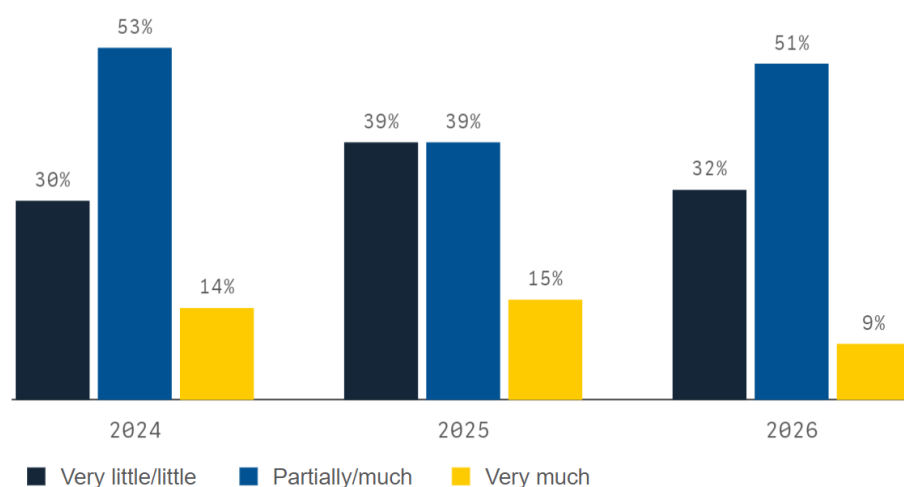
In a three-year perspective, the importance of environmental considerations appears to have fluctuated in line with broader market conditions. Following a stronger emphasis in 2024, the share of respondents indicating a moderate contribution declined in 2025 and then recovered in 2026. This temporary moderation likely reflects a reprioritisation of more immediate commercial concerns, which include, but are not limited to, cost pressures, supply chain continuity, and operational efficiency, while companies face a more challenging macroeconomic environment. In this context, environmental considerations appear not to have diminished in relevance, but rather to have been balanced against more pressing short-term constraints.

Differences across company profiles further shape this picture. Larger and more mature firms are predominantly concentrated in the “partially or much” category, suggesting that sustainability is increasingly integrated into standard business expectations, though not yet a decisive differentiator. This is consistent with the broader operational structures that maturity and scale afford, and which require greater compliance with regulatory requirements. By contrast, newer companies display a more polarised distribution, with a relatively higher share reporting strong environmental consideration, indicating that sustainability may play a more prominent role in emerging business models and positioning.

This polarisation may reflect either a stronger ethical orientation among newer entrants or, conversely, a more limited capacity to prioritise sustainability considerations relative to immediate operational demands. Environmental considerations are consistently moderate across sectors, with professional services showing the strongest concentration at mid-level importance. This likely reflects the nature of professional services, where sustainability is an established expectation in client relationships but is less frequently a decisive factor in supplier selection than cost, expertise, and delivery capabilities.

Overall, the findings suggest that environmental considerations in Mexico are transitioning from a niche or differentiating factor toward a more established, but still secondary, component of purchasing behaviour. While not yet a primary driver of demand, sustainability is increasingly integrated into customers' broader decision-making framework, and its importance is likely to strengthen as economic conditions stabilise and long-term priorities regain prominence.

## To what extent do customers in Mexico consider environmental aspects of a product or service in their purchasing decision?



NOTE: The number of respondents for this question was 49. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Mexico 2026

## Reported exposure to corruption appears limited, though concentrated in public sector interactions

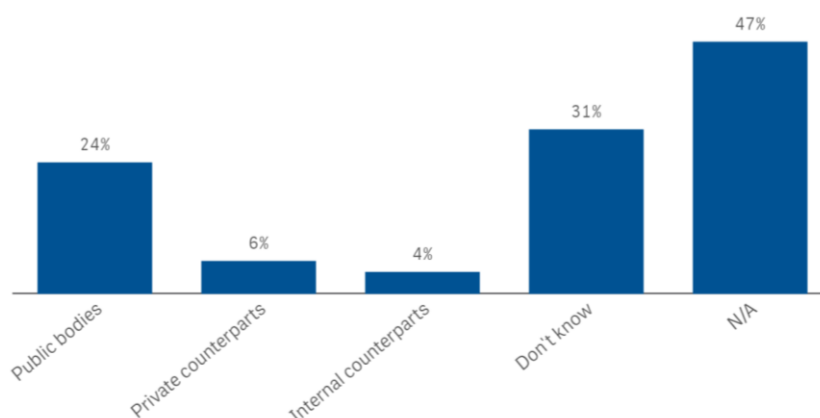
Surveyed Swedish companies in Mexico report relatively limited direct exposure to corruption-related incidents, though with important limitations regarding reporting visibility. Among those indicating exposure, interactions with public bodies are the most frequently cited context, reported by 24 per cent of respondents, compared with notably lower shares for private (6 per cent) and internal (4 per cent) counterparts. This suggests that, where corruption risks are encountered, they tend to be associated primarily with administrative or government-facing processes rather than with private-sector relationships.

At the same time, a substantial proportion of responses fall under "Don't know" (31 per cent) and "Not applicable" (47 per cent), indicating that a significant share of companies either do not directly encounter such situations or operate at a level where exposure is limited or not visible. This distribution warrants a cautious interpretation: while reported incidence appears relatively low, it may also reflect differences in operational exposure, internal reporting practices, or sensitivity to such issues.

Disaggregated results provide additional context. Larger companies report slightly higher exposure to public sector interactions, consistent with their greater involvement in regulated activities, permitting processes, and public-facing operations. Similarly, more mature firms, which tend to be more deeply integrated into local administrative and institutional frameworks, appear more likely to encounter such risks. By contrast, newer or smaller companies report lower exposure, which may reflect more limited operational scale or reduced interaction with public authorities.

In the context of the broader survey, these findings align with previously identified areas of friction, particularly regarding licences, permits, approvals, and customs procedures. While not representative of all respondents, the concentration of reported incidents around public sector interactions suggests that administrative complexity remains a key area where governance challenges may arise. Overall, the results point to a business environment in which corruption risk is not uniformly experienced, yet remains a relevant consideration in specific operational contexts.

**Has your company in Mexico been exposed to corruption, such as, but not limited to, attempts of bribery or fraud in contacts with any of the following areas?**



NOTE: The number of respondents for this question was 49. "Don't know/Not applicable" responses are included but not shown in figure.

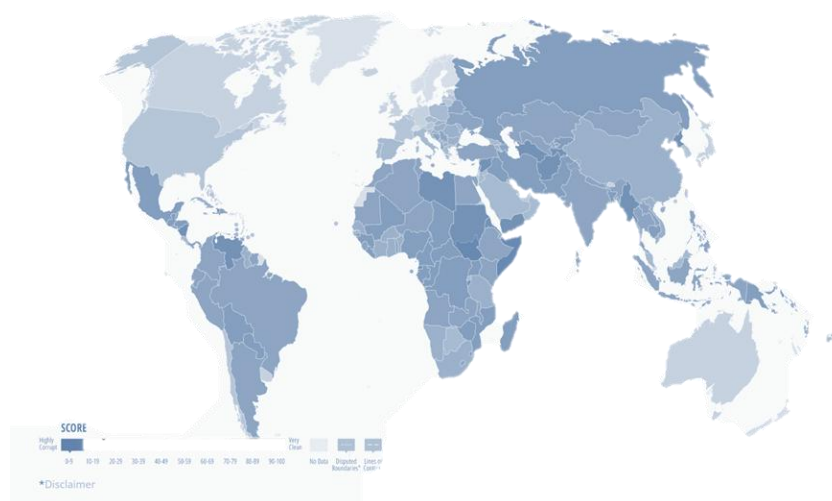
SOURCE: Business Climate Survey for Swedish Companies in Mexico 2026

The results suggest that surveyed Swedish companies operating in Mexico navigate a business environment where corruption-related risks, while not uniformly experienced, remain a relevant consideration. Reported exposure is relatively limited and concentrated mainly in interactions with public authorities, indicating that such risks tend to arise in specific administrative and regulatory contexts. These findings are broadly consistent with the Transparency International Corruption Perceptions Index (CPI) 2025, in which Mexico scores 27 out of 100, ranking 141st out of 182 countries. While this represents a marginal improvement over the previous year, the overall score still reflects persistent structural challenges in transparency, institutional effectiveness, and enforcement. Mexico ranks relatively low among countries where corruption remains a significant consideration for businesses, particularly in areas involving public-sector engagement.

Additionally, in the context of the broader survey, it is notable that previously identified areas of friction, including licences, permits, approvals, and customs procedures, also emerge as potential sources of governance-related challenges. While Swedish companies benefit from strong internal governance frameworks and a global reputation for integrity, the local operating environment requires adaptation to varying institutional conditions.

In this context, robust compliance frameworks, thorough due diligence, and clear internal reporting mechanisms remain relevant tools for managing risk and maintaining high ethical standards across operations.

## Corruption perception index 2025



NOTE: The Corruption Perceptions Index (CPI) measures perceived levels of public sector corruption on a scale from 0 (highly corrupt) to 100 (very clean). In 2025, Mexico scored 27, positioning it below the regional average for the Americas (42) and behind higher-performing peers such as Uruguay (73) and Costa Rica (56), while remaining above the lowest-scoring countries including Venezuela (10). While Mexico's score reflects a marginal year-on-year improvement, the broader regional trend indicates limited progress, suggesting that corruption risks remain structurally embedded across institutional environments.

SOURCE: Transparency International

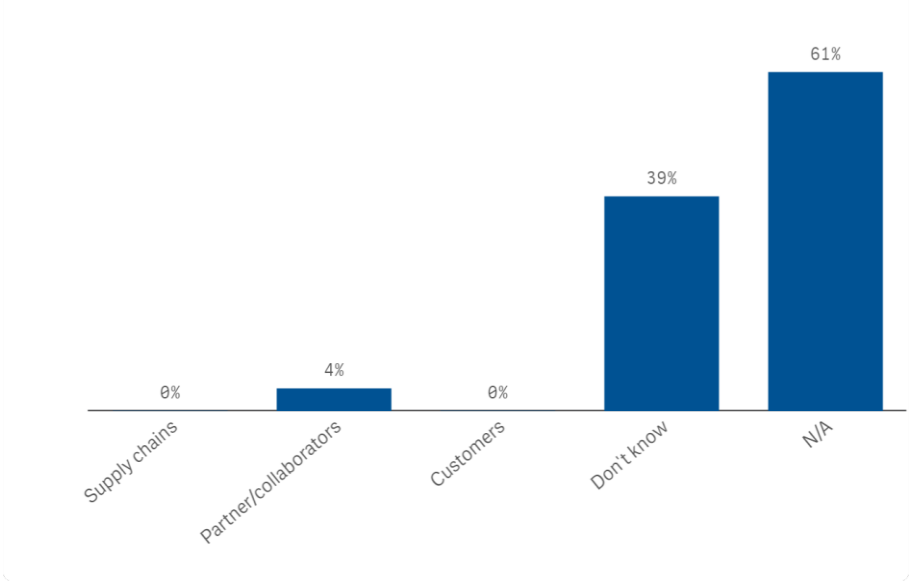
## Only two companies reported labour rights issues, linked to partner interactions and weaker control in external relationships

Surveyed Swedish companies operating in Mexico report very limited direct exposure to human rights or labour rights violations. Most responses fall under "Don't know" (39 per cent) and "Not applicable" (61 per cent), while no respondents indicate incidents linked to supply chains or customers. This suggests that, within the scope of reported operations, such risks are not widely encountered or are not directly visible to firms.

A small number of cases are, however, reported in relation to partner or collaborator interactions, identified by an experienced and a newcomer company. While limited in scale, this suggests that when risks arise, they are more likely to emerge in external relationships than within core operations. Indirect exposure through third parties typically presents greater challenges in monitoring and enforcement.

Overall, reported human rights-related incidents remain limited among surveyed Swedish companies in Mexico. As with corruption exposure, continued attention to third-party oversight remains important, particularly given the concentration of reported risks in external partner relationships.

**Has your company in Mexico encountered any form of human rights violations and/or labour rights abuses in contacts with any of the following areas?**



NOTE: The number of respondents for this question was 49. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Mexico 2026

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