

Mexico

Archetype **Stalled middle**

GDP / person **\$14k**

Population **132M**

10-yr trend **1.4%**

Gradual **10.4%** · #48

Fast **16%** · #46

WHERE MEXICO STARTS

Mexico enters the AGI era as a stalled middle: middling income, middling scores, and slow growth. Ten-year trend growth is only 1.4% a year. Two scores stand out as strengths. Demographics and migration score 4.5, a young workforce with deep ties across the US border. Physical build speed is 4.1, the muscle behind the nearshoring factories and industrial parks that USMCA anchors. But the constraints are just as clear. Compute and energy access score 2.5, geopolitical positioning 2, and climate resilience 1.8. At about \$13,889 per person, Mexico is upper-middle-income. Like the rest of Latin America, it hosts hyperscaler cloud regions and a huge domestic market, yet its research base is thin: catch-up headroom scores 2.7. The economy is built to assemble, not yet to invent.

THE THREE PATHS

These are simulations, not forecasts. The Modest path is the baseline, and the two AGI scenarios fork from it. Under the Modest scenario, AI stays a normal technology. Mexico would gain a small lift: 1.7% growth a year, 123rd of 157. Nearshoring would keep adding factories, but slow trend growth would continue. Under Gradual takeoff, growth would climb for two decades and reach 10.4% a year once AGI matures around 2045. That would place Mexico 48th in the world. An economy growing at 10.4% doubles in about seven years. The long runway would give its industrial base time to absorb AI and move beyond assembly. Under Fast takeoff, growth would reach 16% a year from the early 2030s, a doubling every four to five years. Mexico's rank would rise slightly, to 46th, as its build speed and domestic market paid off sooner. Politics could slow or redirect any of these paths. How Mexicans and their government respond to transformative AI is a variable the model holds constant.

HOW YOU WOULD KNOW WHICH WORLD YOU ARE IN

The scenarios look almost the same until about 2030. In all three, the late 2020s add only fractions of a point to growth. So watch leading indicators, not GDP, and watch them live. Three global signals matter most. First, whether the METR task-horizon curve keeps doubling every four to five months through 2027–28; METR publishes it at metr.org. Second, whether frontier-lab revenue and capital spending keep compounding; Epoch AI tracks both at epoch.ai. Third, whether growth in the ten to twenty most-ready economies — the United States and China above all — breaks above trend in the early 2030s. Double-digit growth there within a couple of years of 2030 would signal a fast world. A point or two above trend by the

mid-2030s would signal a gradual one. A fade back to trend would signal a modest one. Mexico's own signals would arrive earlier than the growth data: new hyperscaler commitments in Querétaro and beyond, grid interconnection approvals for large loads, and the order books of its auto and electronics plants.

IF GROWTH GOES EXPLOSIVE

Explosive is relative. At 10.4% growth a year, Mexico would still trail the frontier, because the United States would be compounding nearly twice as fast. But it would run ahead of the Latin American median and far ahead of its own history. At 16% under fast takeoff, the economy would double roughly every five years. A child starting school today would finish in a country several times richer. Production would shift from assembling goods toward designing and servicing them, and higher wages at home would ease the pressure to emigrate north for work. There is a way this leaves Mexico worse off. It would host computing power it rents rather than owns, inside a chip regime whose rules are written in Washington. Capacity financed and controlled abroad can be throttled or repriced elsewhere. The hedge is to own more of the compute and to negotiate technology-access carve-outs. Even then, the pace-setter would move to the state, testing whether the CFE grid, energy permitting and the courts can power, approve and adjudicate fast enough.

WHAT MEXICO CAN DO NOW

Three levers follow from the scores, and one pays off whether or not AGI arrives. Start with the no-regret move: AI diffusion capacity, at 3.3, already a relative strength. Digital skills, deployment-permissive rules and digitized government services carry real weight even in the skeptic's world. A cautious government can act on them today and lose nothing if the skeptics are right. The second lever is the bet. Compute and energy access, at 2.5, barely moves growth if AI stays ordinary, but under a fast takeoff it becomes Mexico's single biggest lever. Closing it means packaging power, land and fast permits, and fixing grid interconnection so hyperscalers can anchor here. The third lever is geopolitical positioning, low at 2: deepen alignment with chip-supplying partners, protect capital-market access, and negotiate investment carve-outs. Mexico can adapt a model from its own archetype. Brazil approved a national AI plan in 2024 worth about 23 billion reais to fund compute, skills and research. To see how moving any of these scores changes Mexico's path under each scenario, open the atlas's [policy editor](#).

The three levers — and which pay off regardless

AI diffusion capacity

score 3.3 / 5 · weight 24 under skeptic → 13 under fast takeoff

Counts under the Modest scenario too (24→13). Closing this gap pays off whether or not AGI arrives.

No-regret

Compute & energy access

score 2.5 / 5 · weight 8 under skeptic → 24 under fast takeoff

Weight climbs from 8 to 24 as takeoff nears. It barely moves growth if AI stays ordinary — the lever that needs a view on the takeoff.

AGI bet

Trusted chip & tech access

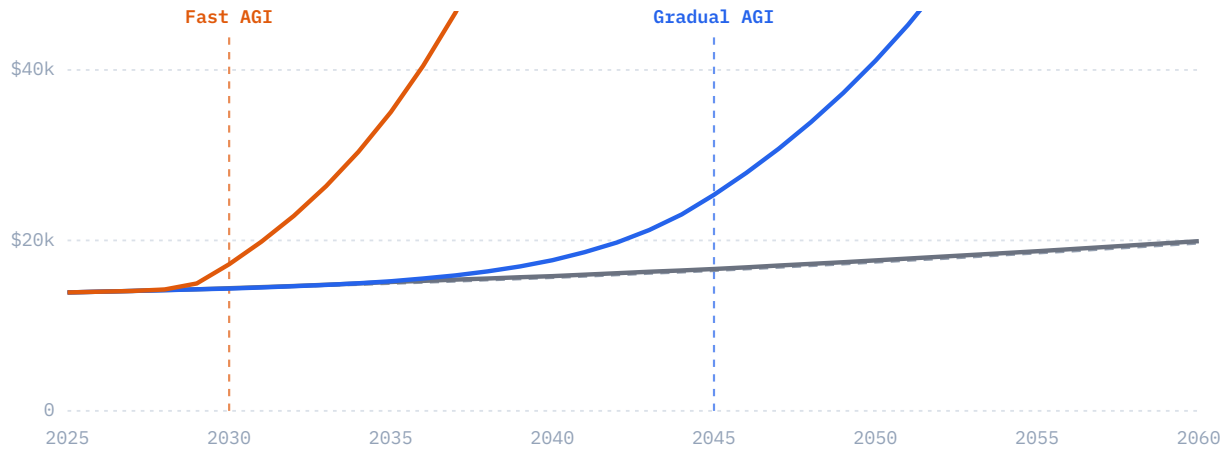
score 2 / 5 · weight 8 under skeptic → 12 under fast takeoff

Weight climbs from 8 to 12 as takeoff nears. It barely moves growth if AI stays ordinary — the lever that needs a view on the takeoff.

AGI bet

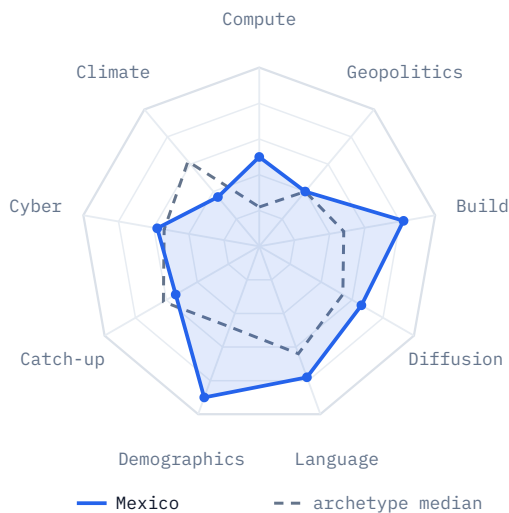
The no-regret levers pay off in every scenario, so a cautious government can act on them today. The AGI bets become decisive only if takeoff is real.

GDP per person to 2060, by scenario



Linear scale; solid lines are the three scenarios, dashed grey the no-AI baseline. Growth ramps from 2027 to each scenario's rate at its AGI year (Fast ~2030, Gradual ~2045), then holds. Timing and divergence are the point, not end levels; steep paths exit the top of the capped axis.

The nine factors



Solid: Mexico. Dashed: the median of its archetype. Scores are relative to the other 156 countries (3 ≈ global median, 5 = leading today).

Outcomes under each scenario

SCENARIO	GROWTH / YR	WORLD RANK	INDEX	DOUBLING
Modest	1.7%	123 / 157	62.6	—
Gradual	10.4%	48 / 157	61.5	7 yrs
Fast	16%	46 / 157	60.8	4.7 yrs

Post-AGI growth rate, rank among 157 countries, AGI Growth Index (0–100, scenario-weighted), and the implied economy doubling time. The Modest path is the baseline the AGI scenarios fork from.

THE THREE SCENARIOS

Modest the Acemoglu view

AI as a normal productivity tool

Intelligence was never the binding constraint on growth, so AI delivers real but ordinary gains. Each country gets a one-time boost of a couple of percent of GDP, phased in through 2035; growth then returns to trend. The mainstream-economics view.

≤0.66% TFP over a decade — a one-time gain

Mexico: 1.7% growth a year · #123 of 157

Gradual Erdil & Besiroglu, base case

Broad automation, on a long timeline

Broad automation of remote work arrives around 2045, with gains building slowly from the late 2020s. Growth then reaches up to ~20% a year for the best-positioned countries — ten times today's frontier trend. A slow arrival gives countries time to adapt, so the gains are wide but uneven.

up to ~20%/yr after 2045 — 10× the frontier trend

Mexico: 10.4% growth a year · #48 of 157

Fast Erdil & Besiroglu, fast takeoff

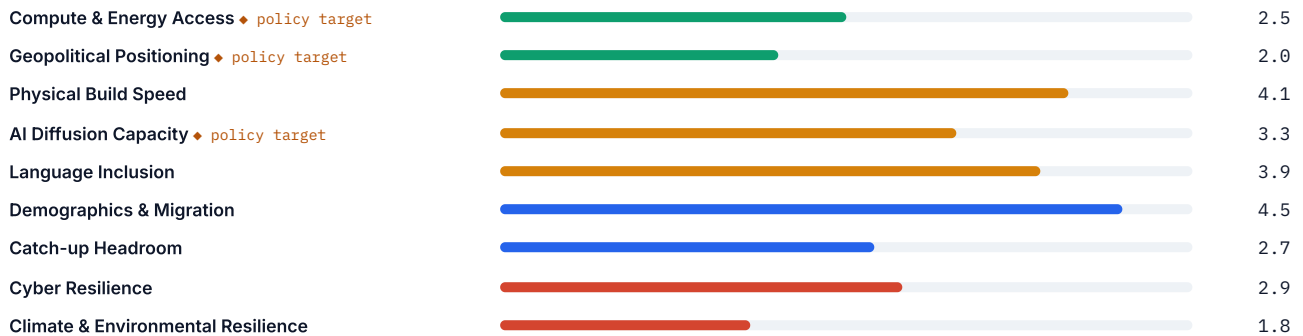
Fast takeoff — today's infrastructure decides

Transformation lands around 2030, before countries can adjust. Whoever already owns compute, capital and the ability to build wins; the gap between countries widens dramatically — and some are left growing slower than they would have without AGI.

up to ~40%/yr from 2030

Mexico: 16% growth a year · #46 of 157

Factor scores — and where policy bites



♦ marks this country's highest-leverage policy targets: the weakest factors carrying the most weight under the AGI scenarios. The atlas's interactive policy editor (agigrowth.org/#editor) simulates how raising any score changes growth under each scenario.

Archetype: Stalled middle

Neither frontier nor fragile: middling income, middling scores, slow growth — at every size, from micro-states to Brazil.

Wins: No clean window — gains arrive imported, and late.

Watch: Drift: the gap to every faster group compounds year by year.

Jordan 11.8% · #37

Brazil 11% · #43

Ecuador 10% · #54

Thailand 10% · #55

Slovakia 9.6% · #59

Argentina 9.5% · #61

Lithuania 9.3% · #63

Cabo Verde 9.3% · #64

Croatia 9.1% · #67

Nepal 9.1% · #68

The regional picture — Mid-table, and outside the blocs.

Latin America enters the era mid-table on almost every factor — and mostly outside the blocs that decide access. Chile leads on institutions and hosts real compute; Brazil and Mexico have hyperscaler regions and huge domestic markets but thin R&D; Uruguay and Costa Rica absorb well at small scale; Guyana is converting an oil windfall into the hemisphere's fastest construction boom. The region's twenty-year question is what happens to nearshoring: the manufacturing and services work that moved toward Mexico and Central America on labor costs is the work automation reprices first, and no country here has a plan B at scale. Distance from the US-China rivalry cuts both ways — few export controls apply, and few strategic investments arrive. Under the modest lens the region loses little; under fast takeoff it drifts: gains arrive, mostly imported, mostly late, and the gap to the frontier compounds year by year.

Method, in brief

Each country is scored 1–5 on nine factors from public data (World Bank, Epoch AI, ITU, IMF and national sources). A scenario-weighted average forms the AGI Growth Index (0–100), which maps to a post-AGI growth rate inside ceilings derived from Erdil & Besiroglu (2023): ~20% growth a year for the best-positioned country under Gradual takeoff (AGI ~2045), ~40% under Fast (AGI ~2030); growth ramps convexly from 2027. The scenario sets the growth rates on offer; the index only decides where each country sits within them. The Modest scenario is the skeptics' baseline — a small uplift on each country's own ten-year trend. These are simulations for structured thinking, not forecasts; no probabilities are attached to any scenario.

Watch the global signals live: the METR task-horizon curve at metr.org/time-horizons · frontier-lab revenue at epoch.ai/ai-companies · AI-chip spending at epoch.ai/ai-chip-sales.

Explore further: full methodology agigrowth.org/#methodology · map & rankings agigrowth.org/#explore · country profiles agigrowth.org/#countries · policy editor agigrowth.org/#editor