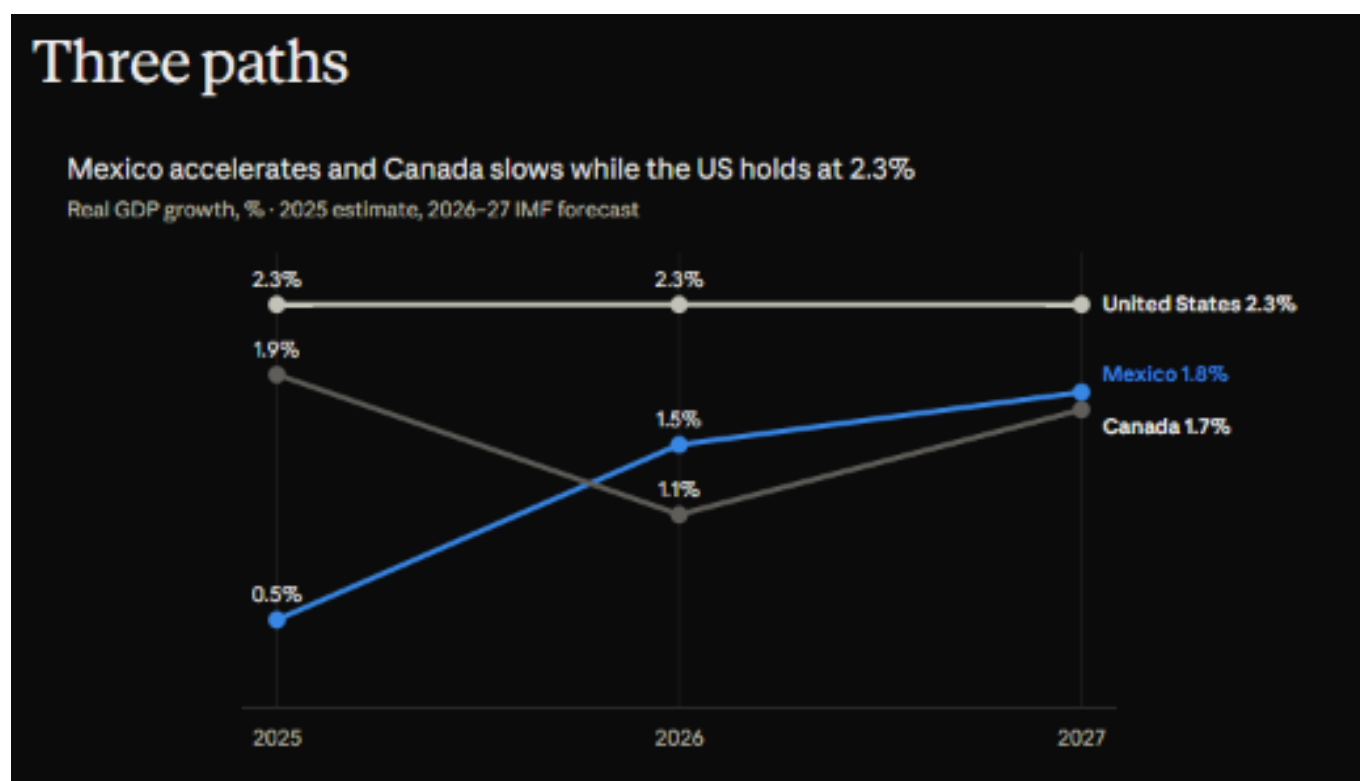


## NEWS | MEGATRENDS

# Growth Without Jobs?: US, Mexico and Canada in 2026

The US grows 2.3% through an oil shock while payrolls stall. The IMF hints AI may be lifting productivity, as Mexico builds the servers and Canada slows.

By **Manasee Kurlekar** | October 14, 2026



The US economy will grow 2.3% in 2026, straight through a 41% oil price spike. In July it shed 23,000 jobs. The IMF thinks that combination may be the first sign of AI showing up in the national numbers.

In its October 2026 World Economic Outlook, the Fund notes that US payroll growth has been revised down while GDP growth stayed robust. That gap "may be an early indication of an AI-driven boost showing up in macroeconomic statistics." Next door, Mexico is plugging into the same boom by building America's AI servers. Canada, for now, is missing out.

The US line is flat at 2.3%; the story is underneath it, in who is hired and who builds the hardware.

## **The US: output up, hiring flat**

The IMF keeps US growth at 2.3% for both 2026 and 2027. It credits strong consumer spending, fiscal support, easy financial conditions and technology investment. As a net energy exporter, the US also feels little direct damage from the war.

The jobs data tell a different story. Payrolls fell by 23,000 in July, and the previous two months were revised down by a combined 103,000. The three-month average of about 20,000 new jobs a month sits below the roughly 50,000 needed to keep pace ([KKR, Aug 2026](#)). Jobs most exposed to AI have been shrinking by about 4,000 a month on a three-year average.

More output from fewer new hires is the definition of rising productivity. The IMF stays cautious: firm-level studies show big gains, but economy-wide evidence is still thin. That it flags the US data at all is the signal worth noting.

## **Mexico plugs in, Canada doesn't**

**Mexico** triples its growth rate, from 0.5% in 2025 to 1.5% in 2026, and the IMF names "AI value chains" as a support. Servers and related hardware made up almost one-fifth of Mexico's \$317 billion in exports in January–May 2026, more than double a year earlier. Mexico now supplies roughly 40% of US imports of AI data-centre servers, and passed Taiwan in monthly server shipments to the US in May ([Channel Insider, Aug 2026](#)). Taiwanese firms such as Foxconn have put more than \$1.6 billion into Mexican factories since 2020.

There is a catch. USMCA lets these servers into the US duty-free with no regional content rule, so assemblers can use imported parts freely ([IELP, Aug 2026](#)). Mexico gets the assembly lines,

but much of the value is made elsewhere.

**Canada** goes the other way, slowing from 1.9% to 1.1%, a 0.4-point cut since April. It is an energy exporter with favourable terms of trade, but has no comparable AI hardware role. Unemployment sits at 6.5%, and the IMF cites weaker momentum and trade uncertainty.

## What could break it

The low-hire boom rests on AI spending continuing. The IMF's own risk models give about a 30% chance that US growth falls below 1% in 2027, a mild recession, down from 35% in April. They give the same 30% chance that US inflation tops 4% next year; the IMF already sees it at 3.6% in 2026.

If AI profit expectations are reassessed, the IMF warns investment "could slow sharply," and Mexico's server lines would feel it first. Watch three numbers: monthly payrolls, quarterly productivity, and Mexico's server exports.

For workers, the question is uncomfortable. If this is AI productivity arriving, it is arriving as growth that does not need many new hires.

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