



January 2025



## Top Highlights

- **Economic Outlook for Growth.** The World Bank forecasts that Mexico's gross domestic product (GDP) will grow 1.5 percent in 2025 due to high interest rates and fiscal consolidation, with a marginal improvement to 1.6 percent in 2026. The slowdown in consumption and investment and a restrictive monetary policy limits the economic outlook, while inflation remains close to Mexico's central bank's target.
- **Possible Dispute Settlement Panel for Tariffs.** Mexico's Secretary of Economy Marcelo Ebrard stated in the morning conference on Jan. 31 that Mexico could resort to dispute resolution mechanisms if U.S. President Donald Trump imposes 25 percent tariffs on Mexican products. He also asked to wait for the U.S. government's final decision and highlighted that President Trump ordered a review of the trade agreement between Mexico, the U.S. and Canada.
- **Modernization of the European Union (EU)-Mexico Global Agreement.** The EU announced on Jan. 17 the conclusion of negotiations, initially initiated in 2016, to modernize its bilateral comprehensive agreement with Mexico. This new framework, which will replace the one in place since 2000, seeks to deepen political dialogue, expand economic cooperation and generate new trade opportunities, especially in the agri-food sector, following talks between the European Commissioner for Trade Valdis Dombrovskis and Mexico's Secretary of Economy Marcelo Ebrard.
- **Oil Production and Prices.** In December 2024, the "Olmeca" refinery in Dos Bocas, Mexico, processed 43,100 barrels of oil per day, which represents a decrease of 27.4 percent with respect to the previous month and is still far from reaching its goal of 340,000 barrels per day that was established in August 2024. This is due to multiple postponements in its opening and months in which the desired production was not achieved. On the other hand, on Jan. 27, oil prices fell more than 2 percent in two weeks, which was driven by the drop in technology and energy shares on Wall Street, placing the Mexican export mix at 69.22 dollars per barrel, which is equivalent to a 2.08 percent drop.



## Congress Report

- **Approval of Reforms to Secondary Laws.** On Jan. 20, Mexican Senate Majority Leader Ricardo Monreal, coordinator of the National Regeneration Movement (Morena) parliamentary group, stated that during the second ordinary period of sessions (starting on February 2025) at least 73 reforms to secondary laws will be approved.
- **Security and Citizen Protection Reform.** On Jan. 1, a reform that expands the powers of the Secretariat of Security and Citizen Protection (SSPC), led by Secretary of Security Omar García Harfuch, went into effect. Now, the SSPC will coordinate Mexico's National Security Strategy and collaborate with President Claudia Sheinbaum's government on national security matters.



## Executive Branch

- **Secondary Energy Reforms.** On Jan. 29, President Sheinbaum and Energy Secretary Luz Elena González presented secondary reforms to Mexico's energy policy, aiming to restructure the sector with a focus on national control and sustainability. The reforms maintain a 54 percent share of electricity generation for the Federal Electricity Commission (CFE), a state-owned utility, while the private sector will hold the remaining 46 percent. This change builds on the constitutional energy reforms passed in 2013, which had opened the sector to private investment but faced criticism for undermining state sovereignty over energy resources. In the hydrocarbons sector, Mexico's state-owned oil company Pemex will be strengthened through the elimination of its subsidiaries and the introduction of mixed contracts for exploration and production, signaling a shift toward greater state participation. A cornerstone of the reforms is the establishment of the National Energy Commission (CNE), which will absorb the responsibilities of the Energy Regulatory Commission (CRE) and the National Hydrocarbons Commission (CNH) to streamline regulatory oversight. The reforms also introduce the Energy Justice and Connectivity Plan, a strategic initiative to expand internet coverage, electrify underserved communities and foster renewable energy through public-private partnerships (PPPs), aiming to address both energy inequity and environmental sustainability in marginalized regions.
- **Job Offers Increase for Repatriated Mexicans.** On Jan. 29, Mexico's private sector increased its job offer to 50,000 for deported Mexicans, up from 35,000, in response to President Trump's mass deportation plans. Interior Minister Rosa Icela Rodríguez praised the Business Coordinating Council (CCE) for supporting migrant reintegration through the Labor Inclusion Program for Repatriated People.
- **Tax Incentives.** On Jan. 21, the government published a decree as part of Plan Mexico, granting tax incentives of up to 72 percent to encourage strategic investments, technological innovation and regional development until 2030, with a focus on sectors such as electric transportation, hydrocarbons and manufacturing, in addition to support for micro, small and medium-sized enterprises (MSMEs) and innovation projects.
- **Plan Mexico.** On Jan. 13, President Sheinbaum, in conjunction with the Advisory Council for Regional Economic Development and Relocation (CADERR), presented Plan Mexico: National Strategy for Industrialization and Shared Prosperity. The plan includes significant investments in energy such as \$23.4 billion for generation, transmission and distribution, with a focus on renewable energy and projects in electromobility, petrochemicals and natural gas. It also highlights initiatives to improve water infrastructure, promote advanced manufacturing, attract foreign investment, create jobs in strategic sectors and simplify administrative procedures, hence promoting sustainability.
- **Genetically Modified (GM) Corn Ban Proposal.** President Sheinbaum sent a constitutional reform proposal to Congress to ban the cultivation of GM corn in Mexico. The proposal seeks to ensure that corn grown in the country remains free from GM organisms and define corn as an "element of national identity" in the constitution. It aims to modify Articles 4 and 27 to protect and conserve native corn varieties.
- **Launch of Project "Olinia."** President Sheinbaum presented "Olinia," the first electric mini-vehicle assembly plant developed in Mexico, aimed at offering safe, efficient and sustainable urban mobility. Roberto Capuano Tripp, coordinator of the project, highlighted the goal of launching three models before the end of the six-year term: one for personal mobility, another for motorcycle cabs and one for last-mile



deliveries, with estimated prices between 90,000 pesos and 150,000 pesos through accessible financing plans.

- **Fuel Tax Stimulus.** The federal government increased fiscal incentives to counteract record fuel prices in 2025. Thus, Magna gasoline receives 1.28 pesos per liter and diesel, whose subsidy was doubled to 1.90 pesos, while premium gasoline continues without support. These measures also reduce the Special Tax on Production and Services (IEPS) quotas for Magna gasoline and diesel, in a context where prices reached 24.33 pesos per liter for Magna, 25.68 for premium and 26.01 for diesel.

## Contact Us



**Rodolfo Rueda**  
Partner  
Mexico City  
+52.55.3602.0634  
Houston  
+1.713.244.8208  
[rodolfo.rueda@hklaw.com](mailto:rodolfo.rueda@hklaw.com)



**Maite Laris**  
Senior Policy Advisor  
Mexico City  
+52.55.3602.8069  
[maite.laris@hklaw.com](mailto:maite.laris@hklaw.com)

## Offices

Algiers | Atlanta | Austin | Birmingham | Bogotá | Boston | Century City | Charlotte | Chattanooga | Chicago | Dallas  
Denver | Fort Lauderdale | Houston | Jacksonville | London | Los Angeles | Mexico City | Miami | Monterrey | Nashville  
Newport Beach | New York | Orlando | Philadelphia | Portland | Richmond | San Francisco | Stamford | Tallahassee  
Tampa | Tysons | Washington, D.C. | West Palm Beach