

February 2025



## Top Highlights

- **Tariff Discussions Between Mexico and the United States.** On Feb. 20, 2025, Minister of Economy Marcelo Ebrard met with U.S. Secretary of Commerce Howard Lutnick to discuss the possibility of Mexico imposing tariffs on China as a condition to avoid the increase of tariffs on Mexican steel and aluminum. In addition, Mexico's security cabinet arrived in Washington, D.C., to meet with U.S. Secretary of State Marco Rubio, and staff from the Ministry of Finance and Public Credit are holding meetings with the U.S. government with the aim of avoiding the imposition of tariffs. For her part, Mexico President Claudia Sheinbaum emphasized that Mexico prioritizes its relationship with the U.S. but will not accept impositions that affect its trade with China, as it does not have a free trade agreement with that country. She also emphasized that the deadline for reaching an agreement and avoiding tariffs is March 4, 2025, in line with the announcement of President Donald Trump, who stated that the tariffs are still ongoing.
- **Made In Mexico Initiative.** On Feb. 18, 2025, Minister of Economy Marcelo Ebrard presented the "Hecho en México" (Made in Mexico) initiative, which aims to protect domestic industry and position the country as a leader in various sectors during trade negotiations. The initiative began with the installation of an Honorary Promotional Council that will foster pride in consumption of domestic products.
- **Interest Rate Reduction.** The Bank of Mexico (Banxico) decided to reduce its interest rate by 50 basis points, reaching its lowest level since September 2022, due to the inflationary outlook. Banxico indicated that overall inflation in the first half of the year was 3.69 percent, the lowest level since 2021, while core inflation stood at 3.72 percent, close to the 2023 average.



## Congress Report

- **Secondary Energy Laws.** On Feb. 26, 2025, the Senate approved a bill to issue various secondary energy laws, including the Law on the State-Owned Company for the Federal Electricity Commission (CFE), Law on the State-Owned Company for Petróleos Mexicanos (Pemex), Law on the Electricity Sector, Law on the Hydrocarbons Sector, Law on Energy Planning and Transition, Biofuels Act, Geothermal Act and National Energy Commission Act. In addition, provisions of the Mexican Petroleum Fund for Stabilization and Development Act are amended, and articles of the Organic Law of the Federal Public Administration have been modified. The aim of this bill is to restructure the legal framework of the energy sector in Mexico, strengthening state-owned companies (CFE and Pemex) and redefining the regulatory frameworks of the electricity, hydrocarbons, biofuels and geothermal sectors through the creation of new laws and reforms to existing ones. The bill has been sent to the House of Representatives to continue its legislative process. Additionally, the Hydrocarbons Revenue Law was approved with modifications by the House of Representatives. More specifically, a reservation submitted by Deputy Reginaldo Sandoval Flores (PT) was approved to redefine Contractual Value of Natural Gas, establishing that it is calculated by multiplying the contractual price of natural gas by the volume determined at base condition. The bill was sent to the Senate for further legislative processing.



- **Nepotism and Non-Reelection.** On Feb. 25, 2025, the Senate approved a constitutional reform proposed by President Sheinbaum, which aims to prevent electoral nepotism by banning candidates with family ties to current officeholders. It applies to all government levels, including federal, state and municipal positions. Although originally set to take effect in 2027, a last-minute change proposed by the Morena parliamentary group postponed the ban until 2030. This allows politicians with family ties in power to run in the 2027 elections.
- **Ban on the Cultivation of Transgenic Corn.** On Feb. 25, 2025, the House of Representatives approved a bill to reform Articles 4 and 27 of Mexico's Constitution to ban the cultivation of transgenic corn in Mexico. The reform was sent to the Senate for discussion and approval.
- **Amparo Law.** On Feb. 19, 2025, the House of Representatives approved reforms to the Amparo Law, aligning the National Supreme Court of Justice to operate only in plenary and reducing the votes necessary for binding decisions. The right to amparo against acts of the judicial administration body was also eliminated. The reform was sent to the executive branch for enactment.
- **Security and Intelligence:** On Feb. 18, 2025, the federal executive presented a bill to enact the General Law of the National Public Security System, which aims to create the National Investigation and Intelligence System (CNI) to interconnect information systems, integrate criminal investigation resources, take advantage of technological and scientific tools, generate criminal databases and produce strategic intelligence to combat high-impact crimes throughout Mexico.



## Executive Branch

- **Cooperation in Migration.** Mexico and the U.S. agreed to strengthen their cooperation on border security through coordinated patrols, increased information sharing and immediate communication. This pact was signed following a meeting between General Gregory Guillot, head of the U.S. Northern Command and North American Aerospace Defense Command, and Ricardo Trevilla Trejo, Mexico's Secretary of National Defense. The agreement respects the sovereignty of both countries while joint measures continue to be implemented. Furthermore, it is set in a context in which the U.S. has reported an 85 percent reduction in unauthorized border crossings.
- **Federal Executive Appointments.** On Feb. 14, 2025, President Sheinbaum appointed Rafael Marín Mollinedo as director of Mexico's National Customs Agency. His main task will be to coordinate the efforts of the Defense and Navy Ministries, along with civilian personnel, and enhance revenue collection. Marín previously served as Mexico's Ambassador to the World Trade Organization (WTO) and led key infrastructure projects such as the Interoceanic Corridor of the Isthmus of Tehuantepec. Additionally, President Sheinbaum appointed Roberto Fernández González as the new treasurer of the Federation. He previously held the position of treasurer of the Mexico City government.
- **Ban on the Import of Genetically Modified Corn.** On Feb. 5, 2025, a decree that eliminates the ban on the import of genetically modified corn was published in the *Official Gazette of the Federation* (DOF), thus annulling the regulations that restricted these imports after losing a trade dispute under the United States-Mexico-Canada Agreement (USMCA).



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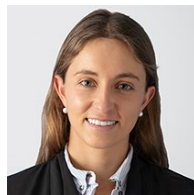
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