



May 2025



Top Highlights

Auto Industry Tariffs. According to Mexico's Minister of Economy Marcelo Ebrard, vehicles manufactured in Mexico and exported to the U.S. will face a reduced average tariff of 15 percent, down from the originally imposed tariff of 25 percent. The cut, under Proclamation 10908, offers a significant competitive advantage over other countries and applies exclusively to Mexican-made vehicles. Additionally, auto parts assembled in the U.S. will count as domestic content under the United States-Mexico-Canada Agreement (USMCA). This change supports cross-border supply chains and strengthens Mexico's auto industry in the U.S. market.

Launch of National Energy Commission. The Ministry of Energy announced on May 21, 2025, the launch of the new National Energy Commission (CNE), an independent regulatory body that substitutes the functions of the Regulatory Energy Commission (CRE) and Hydrocarbons National Commission (CNH). It will be led by Juan Carlos Solís Ávila and supported by a technical committee made up of senior officials from the Ministry of Energy (SENER), such as the heads and deputy secretaries of electricity and hydrocarbons, as well as technical energy experts. The CNE will be responsible for granting permits, overseeing compliance, sanctioning irregularities, calculating tariffs and implementing binding planning for Mexico's energy sector.

Advancements of Development Poles for Well-Being. The Mexican government, led by President Claudia Sheinbaum, is advancing Plan México with 11 active and 14 approved Economic Development Poles for Well-Being (PODEBIS or *Polos de Desarrollo Económico Para el Bienestar*), in addition to four that are under evaluation. These hubs target key sectors such as automotive, energy, petrochemicals, semiconductors and the circular economy across more than 20 states. On May 22, 2025, operational guidelines were published, outlining selection criteria and committee roles. A decree also introduced fiscal incentives for investors starting activities within these development poles, promoting regional growth and innovation tied to tax compliance and collaboration in education or technology projects.

U.S. Ambassador to Mexico. Ronald Johnson was sworn in as the U.S. Ambassador to Mexico on May 13, 2025, marking a shift in Mexico-U.S. relations since the start of the Trump Administration. President Sheinbaum met him on May 19, 2025, to reaffirm bilateral ties and discuss trade, migration, security and ongoing agreements. Additionally, she proposed hosting the next bilateral security meeting in Mexico, signaling continued cooperation.



Congress Report

Workweek Reduction. President Sheinbaum announced the gradual implementation of a 40-hour workweek starting January 2030. As part of this effort organized by Mexico's House of Representatives and Ministry of Labor, discussions will be held from June 2 to July 7, 2025, with workers, businesses and unions to build consensus.

Telecommunications Forums. The Mexican Senate held five forums to shape the new Telecommunications and Broadcasting Law. Key topics included digital access, media regulation, user rights and audience protections. Discussions expanded to cover inclusion, freedom of speech and regulatory balance. Furthermore, the bill is expected to be analyzed and voted upon during an extraordinary session in the second week of June 2025.



Extraordinary Period of Sessions. Rep. Ricardo Monreal (Morena) announced two extraordinary sessions in Congress: June 9 to June 17, 2025, and early August. Approximately 22 regulatory laws will be discussed, including the new General Law on Forced Disappearance, as well as key reforms regarding organized crime, criminal procedure, telecommunications and the Amparo Law. Economic and administrative laws, such as the Customs Law and General Health Law, will also be addressed.



Executive Branch

Made in Mexico. As part of "Plan Mexico," Economy Minister Ebrard announced a national strategy to boost domestic consumption and support local industry by promoting "Made in Mexico" products. The goal is to increase the share of national goods on store shelves – from 50 to 70 percent in supermarkets and from 30 to 42 percent in department stores by 2028. A three-year campaign to promote the "Made in Mexico" brand will launch in June 2025.

Price Agreement. President Sheinbaum also signed the renewal of the Anti-Inflation and High Cost Agreement (PACIC) on May 13, 2025, with representatives from retail chains, food producers and agricultural sectors. The deal ensures that prices for the 24 basic food basket products will not increase, protecting household economies.

Screwworm Plague. Following the outbreak of the screwworm plague, the U.S. closed its border to Mexican cattle exports in early May 2025. In response, Mexico and the U.S., along with private sector representatives, established a binational group to address the crisis. Agricultural officials from both countries have held meetings to contain the outbreak and reopen trade. President Sheinbaum confirmed that a U.S. inspection mission is expected from June 1 to June 7, 2025, which could lead to reopening the border.



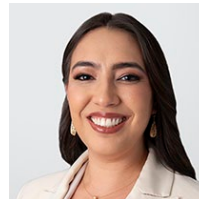
Elections

Inaugural Judicial Branch Elections. Elections for the Judicial Branch will be held for the first time on June 1, 2025. Citizens will elect more than 1,800 federal and local judicial positions, including Supreme Court justices and Electoral Tribunal magistrates.

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