



December 2025



## Top Highlights

**USMCA Review.** The federal government confirmed that the formal review of the United States-Mexico-Canada Agreement (USMCA) will begin in January 2026, building on ongoing bilateral and trilateral discussions. Mexico President Claudia Sheinbaum ruled out negotiations for a new treaty, stressing that the process will focus on adjustments to the existing agreement. She highlighted coordination with U.S. counterparts – including the U.S. Trade Representative (USTR), along with the U.S. Departments of Commerce and the Treasury – and noted USTR statements recognizing the agreement's benefits with room for improvement. Mexico stated it is prepared for a potentially complex review to be led by the current government team with possible private-sector participation.

**Trilateral Meeting.** President Sheinbaum held the first trilateral meeting with U.S. President Donald Trump and Canadian Prime Minister Mark Carney in the context of the 2026 FIFA World Cup. Trade was identified as the central issue, with discussions focused on advancing negotiations related to tariffs on automobiles, steel and aluminum. The dialogue underscored the importance of maintaining trilateral coordination on trade and economic integration in North America.

**Minimum Wage Increase.** Secretary of Labor and Social Welfare Marath Bolaños announced a 13 percent increase in the general minimum wage effective Jan. 1, 2026. The daily wage will rise from 278.80 pesos to 315.04 pesos (approximately 9,582.47 pesos per month), while in the Northern Border Free Zone it will increase by 5 percent to 440.87 pesos per day. Authorities noted that the 2026 adjustment will allow the minimum wage to recover 154.2 percent of its purchasing power compared to 2018.

**Investment Promotion Council.** President Sheinbaum announced the creation of the Investment Promotion Council as a strategic body under Plan México. The Council aims to promote investment in infrastructure, energy and services by streamlining procedures, accelerating capital deployment and strengthening coordination with the private sector nationwide. It will operate through dedicated working groups and periodic meetings with federal cabinet members to advance priority projects.



## Congress Report

**Ordinary Period Closure.** In closing the ordinary session on Dec. 11, 2025, Congress approved several key legislative bills, including 1) reforms to the [General Water Law](#), aimed at ensuring equitable access to water and preventing the hoarding of concessions, 2) the enactment of the Circular Economy Law, introducing new responsibilities across product life cycles to promote recycling and reuse, and 3) amendments to the General Health Law prohibiting the production, distribution, sale and advertising of electronic cigarettes and vaping devices. Congress also amended the [General Import and Export Tax Law](#), increasing tariffs on more than 60 imported products – particularly textiles, footwear and auto parts – to protect domestic production and employment. Following the formal adjournment, the permanent commission was installed to operate during the recess through Jan. 31, 2026, and the next ordinary session of the Congress is set to begin on Feb. 1, 2026.

**Workweek Reduction Bills.** President Sheinbaum submitted to the Senate a constitutional reform to gradually implement a 40-hour workweek starting in 2026, reaching full implementation by 2030 and benefiting an estimated 13.4 million workers. The proposal, presented by Secretary of Labor and Social Welfare Bolaños phases in a two-hour annual reduction without cutting wages or benefits and prohibits overtime for minors. It establishes new rules



for ordinary and extraordinary work hours, caps excessive overtime and mandates electronic timekeeping by employers to ensure compliance.



## Executive Branch

**2026 Federal Executive Outlook.** President Sheinbaum highlighted priorities for the coming year, including increased public infrastructure investment, advancement of Plan México with a focus on food and energy self-sufficiency, consolidation of social welfare programs and strengthening the public health system, including universal health registration starting in 2026. She concluded that fiscal achievements and social investment are possible only through transparent governance, reaffirming responsibility, justice and social sensitivity as guiding principles of her administration.

**Energy Sector Program 2025–2030.** The [Program](#) was published in the *Official Gazette* on Dec. 22, 2025. It establishes the guiding and binding framework for Mexico's national energy policy, aligned with the National Development Plan 2025–2030, to steer state planning and action in the sector. It aims to strengthen energy self-sufficiency, sovereignty and security, as well as ensure equitable access to energy under the principle of Energy Justice and advance a sustainable energy transition.

**Electricity Self-Consumption Provisions.** On Dec. 12, 2025, the National Energy Commission issued [General Administrative Provisions](#) regulating electricity self-consumption under an agreement presented by the Secretary of Energy. The rules define modalities, permitting requirements, private network operation and the handling of energy surpluses and deficits to ensure the reliability and security of the National Electric System.

**Economy Sector Program 2025–2030.** The [Program](#) was published in the *Official Gazette* on Dec. 22, 2025, setting the framework for Mexico's economic policy aligned with the National Development Plan 2025–2030. It focuses on leveraging nearshoring and strengthening domestic content and micro, small and medium-sized enterprises (MSMEs), as well as diversifying exports and promoting innovation and competition to drive inclusive and sustainable growth.

**Security Implementation Group.** Mexico and the U.S. held the second meeting of the Security Implementation Group to advance joint actions on border security and the fight against organized crime and fentanyl trafficking. The meeting followed up on commitments under the Border Security Cooperation Program and bilateral agreement signed in September 2025. Both governments agreed to deepen information sharing on arms trafficking, continue extraditions and strengthen investigations on fuel theft.

**Changes in Federal Cabinet.** Alejandro Gertz Manero stepped down as attorney general (FGR) on Nov. 27, 2025, ahead of the end of his term in January 2028. On Dec. 3, 2025, the Senate confirmed Ernestina Godoy as the new attorney general. Following Godoy's move to the FGR, President Sheinbaum appointed Esthela Damián Peralta as the new legal counsel to the presidency.

**1944 Water Treaty.** Mexico and the U.S. reached an agreement under the 1944 Water Treaty, easing tensions and averting a proposed 5 percent tariff threatened by President Trump. Mexico began releasing 249.163 million cubic meters of water on Dec. 15, 2025, with both governments committing to finalize an implementation plan by Jan. 31, 2026. Both countries reaffirmed coordinated cooperation through the International Boundary and Water Commission and noted that each retains sovereign rights in case of noncompliance.



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