



Eyes on Mexico: Monthly Political Overview

May 2026

Top Highlights

United States-Mexico-Canada Agreement (USMCA) Review. The first formal round of USMCA review negotiations took place in Mexico City on May 27-29, 2026, following the arrival of a U.S. delegation led by Deputy U.S. Trade Representative Jeffrey Goettman. Mexico's Secretary of Economy Marcelo Ebrard expressed confidence that the talks will strengthen bilateral economic ties, and U.S. officials emphasized modernizing North America's economic partnership. Discussions were focused on 1) rules of origin, 2) economic security, 3) automotive trade, 4) steel and aluminum, 5) medical devices and 6) advanced manufacturing. A Mexican delegation is scheduled to travel to Washington, D.C., on June 16-17, 2026, to continue the dialogue.

Furthermore, U.S. Department of Homeland Security Secretary Markwayne Mullin visited Mexico on May 21, 2026, and met with Mexico's President Claudia Sheinbaum at the National Palace. The meeting focused on strengthening bilateral cooperation against drug trafficking and organized crime while reaffirming respect for Mexico's sovereignty.

Plan México: Operational Phase. President Sheinbaum launched the operational phase of Plan México on May 4, 2026, focused on accelerating investment, reducing bureaucracy and providing greater regulatory certainty. Key measures include the creation of a National Digital Investment Window and a Single Window for Foreign Trade Procedures, aimed at streamlining permits, approvals and trade-related processes. The initiative also includes simplified energy permitting, new investment opportunities in strategic sectors and a major infrastructure pipeline to support economic growth.

Modernized Global Agreement (MGA) Between Mexico and European Union (EU). Mexico and the EU signed the MGA in Mexico City on May 22, 2026, marking a major upgrade of their bilateral relationship. The agreement aims to deepen trade, investment and regulatory cooperation by expanding market access, strengthening supply chains and promoting sustainable development. It is expected to provide greater certainty for businesses, diversify Mexico's economic partnerships and enhance collaboration in strategic sectors, including energy, technology and infrastructure.

Record Foreign Direct Investment (FDI) in First Quarter of 2026. Mexico's Secretary of Economy Ebrard announced that Mexico attracted a record US\$23.6 billion in FDI during the first quarter of 2026, a 10.4 percent increase compared with the same period in 2025. Investment was concentrated in strategic sectors such as financial services, automotive manufacturing, mining, construction, electronics, transportation and logistics. The U.S. remained the largest investor, contributing more than US\$10 billion, followed by Spain, Australia, Japan and Canada – a reflection of continued confidence in Mexico's economy and industrial development.

Change of Leadership in Petróleos Mexicanos (Pemex). President Sheinbaum announced on May 14, 2026, that Juan Carlos Carpio will replace Víctor Rodríguez Padilla as CEO of Pemex. Carpio, who previously served as Pemex's chief financial officer, has extensive experience in public finance, having worked in the Ministry of Finance, where he collaborated closely with Mexico's Secretary of Energy Luz Elena González during her tenure.

as Mexico City's finance secretary. Meanwhile, Rodríguez Padilla will assume leadership of the National Institute of Electricity and Clean Energy (*Instituto Nacional de Electricidad y Energías Limpias* or INEEL).

Congressional Report

Workweek Reduction Bill. The Mexican government published a bill on May 1, 2026, to amend the [Federal Labor Law](#), proposing a gradual reduction of the standard workweek from 48 to 40 hours, along with new rules on overtime, rest periods and employer obligations. The reform would be implemented progressively under a phased schedule and includes mandatory electronic timekeeping for employees.

Executive Branch

Extraordinary Legislative Period. During the extraordinary legislative session, Mexico's House of Representatives and Senate approved constitutional reforms to [establish foreign interference as a cause for annulling elections](#), advance the judicial reform by [postponing judicial elections to 2028](#) and modifying key institutional provisions, and [create an Integrity Verification Commission](#) to assess security, criminal and financial risks of prospective candidates before their registration. The approved bills have been forwarded to the Federal Executive for promulgation and publication to continue the legislative process.

Second Call for Strategic Renewable Generation and Energy Storage Projects. Mexico's Ministry of Energy (*Secretaría de Energía* or SENER) published a [call for strategic renewable generation and energy storage projects](#) aligned with the government's binding energy planning framework. The initiative seeks to accelerate investment in projects that address national electricity demand while ensuring grid reliability and sustainability. Private developers may participate independently or through joint-development schemes with the Federal Electricity Commission (*Comisión Federal de Electricidad* or CFE), with all applications processed through the new Single Window for Strategic Energy Projects (*Ventanilla Única de Proyectos Estratégicos* or VUPE). The program is part of Mexico's broader strategy to expand generation capacity, modernize the power system and attract long-term investment in the energy sector.

National Natural Gas Strategy. Mexico is advancing a major natural gas infrastructure strategy to strengthen energy security, with the National Center for Natural Gas Control (*Centro Nacional de Control del Gas Natural* or CENAGAS) committing MX\$87 billion in investments for new pipelines, modernization projects and maintenance across the national gas network. In addition, CFE is expanding gas-fired power generation and developing strategic pipelines to improve supply in northern and southeastern Mexico. Together, these projects will add more than 1.2 billion cubic feet per day of transportation capacity and support the expansion of electricity generation. The government views natural gas as a key transition fuel, currently accounting for roughly 60 percent of Mexico's electricity generation.

Mexico's Ruling Political Party Experiences Leadership Changes. Luisa María Alcalde stepped down as national president of the National Regeneration Movement (*Movimiento Regeneración Nacional* or MORENA) to join President Sheinbaum's administration as legal counsel to the Federal Executive. She was succeeded by Ariadna Montiel Reyes, who left her position as secretary of welfare to assume leadership of the ruling party. Meanwhile, Andrés Manuel López Beltrán, son of former President Andrés Manuel López Obrador, resigned as MORENA's secretary of organization to pursue a federal congressional seat representing his home state of Tabasco. These changes are seen as part of the party's preparations for the 2027 midterm elections and the consolidation of President Sheinbaum's political leadership within MORENA.

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