



## Eyes on Mexico: Monthly Political Overview

September 2026

### Top Highlights

**Mexico Presents 2027 Economic Package.** Mexico's Secretary of Finance and Public Credit (SHCP) submitted the 2027 Economic Package to the House of Representatives on September 8, 2026, projecting gross domestic product (GDP) growth of 1.5 percent to 2.5 percent and a fiscal deficit of 3.9 percent of GDP. The package includes proposed amendments to the Income Tax Law, Federal Duties Law and Customs Law, alongside the Revenue Law and Federal Expenditure Budget. It maintains priority social programs and public investment without creating new taxes or increasing existing tax rates.

The 2027 Revenue Law must be approved by Mexico's House of Representatives by October 20, 2026, and by the Senate by October 31, 2026. The Federal Expenditure Budget, approved exclusively by the House of Representatives, must be approved by November 15, 2026.

**Mexico President's Second State of the Union Address.** President Claudia Sheinbaum's Second State of the Union Address highlighted key labor market indicators, including 60 million employed people, 2.7 percent unemployment rate, record formal-sector wages and the lowest labor poverty since 2005. Mexico reported 1.4 percent quarterly GDP growth in the second quarter of 2026, and foreign direct investment (FDI) reached US\$35 billion in the first half of 2026 – 12 percent above the same period in 2024. The administration also reported MX\$200 billion in current-spending savings, higher federal revenues and continued expansion of social programs.

Key projects include Plan México, Economic Development Hubs, public and mixed infrastructure investment, and expansion of energy, water, transportation, health and education infrastructure. The government also highlighted regulatory simplification and a [new Presidential Office for Investment Promotion](#) to accelerate strategic projects. Looking ahead, implementation will focus on translating these initiatives into measurable results, as well as balancing fiscal consolidation, social spending, infrastructure investment and economic growth.

**Indigenous and Afro-Mexican Rights Consultation.** Mexico's National Institute of Indigenous Peoples (*Instituto Nacional de los Pueblos Indígenas* or INPI) reported that 63 of 82 regional assemblies (76.8 percent) have been completed as part of the consultation to draft the General Law on the Rights of Indigenous and Afro-Mexican Peoples. The process has involved communities across 27 states, focusing on issues that include land and territory, collective property, cultural heritage, consultation rights, self-governance and direct access to public resources. Once consultations conclude, the resulting proposal will be submitted to the Mexican Congress for consideration and approval.

**Foreign Investment Law Reform.** Mexico is advancing a reform to the Foreign Investment Law to introduce national security reviews for certain foreign investments, particularly in strategic sectors, critical infrastructure and sensitive technologies. The proposed mechanism would apply, among other cases, when a foreign investor seeks to acquire more than 49 percent of the capital stock of a Mexican company. If approved, these transactions could face additional government review and potential conditions before completion.

**Central Bank Maintains Interest Rate.** The Bank of Mexico (Banxico) unanimously decided to hold its benchmark interest rate at 6.5 percent amid moderating economic activity and continued progress in the disinflation process. Banxico expects headline inflation to reach its 3 percent target by the fourth quarter of 2027 and said future monetary policy decisions will be guided by inflation, exchange rate movements and domestic economic conditions rather than automatically mirroring U.S. Federal Reserve rate changes.

## Congressional Report

**Public Hearings on New Environmental Law.** Mexico's House of Representatives opened public hearings from September 28 to September 30, 2026, to discuss the proposed new General Law of Ecological Balance and Environmental Protection (*Ley General del Equilibrio Ecológico y la Protección al Ambiente* or LGEEPA), with participation from 127 representatives from academia, communities, the private sector and government. Key issues include environmental restoration, stronger enforcement, regulatory certainty, strategic environmental assessments, and clearer federal and local responsibilities. Additionally, the Secretary of Environment and Natural Resources (*Secretaría del Medio Ambiente y Recursos Naturales* or SEMARNAT) proposed creating a registry of environmental offenders to identify repeat violations and strengthen oversight, clarifying that the new Strategic Environmental Assessment would complement – not replace – project-specific Environmental Impact Assessments. For a detailed analysis, see Holland & Knight's previous alert, "[Mexico's Executive Branch Publishes Proposed Comprehensive Overhaul of LGEEPA](#)," September 21, 2026.

## Executive Branch

**Mexico at the 81st United Nations General Assembly.** Secretary of Foreign Affairs Roberto Velasco Álvarez, in representation of President Sheinbaum, presented Mexico's foreign policy priorities at the 81st United Nations (UN) General Assembly, reaffirming the country's commitment to international law, sovereignty, human rights, peaceful conflict resolution and multilateralism. Secretary Álvarez also called for strengthening and reforming the UN and also promoted Mexico's vision of shared prosperity, international cooperation, and closer economic engagement and investment.

**FDI Outlook.** Mexico's Minister of Economy Marcelo Ebrard reported that Mexico recorded approximately US\$35 billion in FDI during the first half of 2026. He added that US\$14 billion in announced investments are already in the pipeline, with new projects potentially exceeding US\$20 billion expected to be announced in the coming months.

**Extended Timeline for Electricity Permit Migration.** The Secretary of Energy (*Secretaría de Energía* or SENER) [amended the guidelines](#) for the voluntary migration of self-supply and co-generation permits to the framework established under the Electricity Sector Law. The agreement extends the deadline to register expressions of interest to December 18, 2026, and the application period through January 15, 2027. It also simplifies certain technical and contractual requirements to facilitate the migration process.

**Quality Infrastructure Regulation.** Mexico's Secretary of Economy published the [implementing regulation](#) for the Quality Infrastructure Law, updating the framework governing the quality and compliance of products, processes and services. The regulation strengthens standardization, conformity assessment, verification, metrology and regulatory digitalization while facilitating compliance and supporting Mexican companies' integration into global value chains.

## Electoral Report

**Mexico Launches 2026-2027 Federal Electoral Process.** The National Electoral Institute (*Instituto Nacional Electoral* or INE) launched the 2026-2027 Federal Electoral Process, which will culminate with elections on June 6, 2027. More than 20,000 federal and local positions will contest, including the 500 seats in the House of Representatives, 17 governorships, local legislatures and municipal offices across the country.

**Morena Completes State Coordinator Selection for 2027.** Morena (*Movimiento de Regeneración Nacional*) has completed the designation of its 17 state coordinators for the Defense of the Transformation and National Sovereignty, covering all states that will elect governors in 2027. These appointments represent a preliminary step toward the formal selection of gubernatorial candidates, with the coordinators positioned as the party's prospective candidates ahead of the electoral process.

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