

integralia

Special Report

Economic Package 2025

November 2024



integralia

For more information on Integralia's services to identify political risks and potential opportunities for your sector, please contact Denise Canto, our Finance Director: denise.canto@integralia.com.mx.

We invite you to learn more about our other public affairs and political risk advisory services on our website: <https://integralia.com.mx>.

Collaborators

Luis Gerardo Mejia
Daniel Garcia
Jafet Sanchez
Alberto Quiroz

Design and Editing

Ana Padilla
Carlos Rubio










INDEX

- I. MAIN POINTS OF THE 2025 ECONOMIC PACKAGE**
- II. MACROECONOMIC FRAMEWORK**
- III. FISCAL DEFICIT**
- IV. FISCAL SPACE**
- V. INCOME**
- VI. FEDERAL LAW OF RIGHTS**
- VII. PROPOSED BUDGET FOR EXPENDITURES IN 2025**
 - A. EXPENDITURE ON MAIN ITEMS**
 - B. EXPENDITURE BY FUNCTIONAL CLASSIFICATION**
 - C. SOCIAL PROGRAMS**
 - D. INFRASTRUCTURE PROJECTS**
 - E. FEDERALIZED EXPENDITURE**
 - F. AUTONOMOUS BODIES**
- VIII. COMMENTS AND IMPLICATIONS**
- IX. LEGISLATIVE PROCESS**

I. MAIN POINTS OF THE 2025 ECONOMIC PACKAGE

- It is made up of the General Economic Policy Guidelines, the Federal Revenue Law Bill (ILIF), the Federal Expenditure Budget Bill 2025 (PPEF) and the Federal Duties Law Initiative. **In general, the Package looks optimistic with estimates such as the one of the growth of the Gross Domestic Product (GDP), the exchange rate, among others, which are better than the projections of most analysts and international organizations.**
- The federal government will give priority to the new social programs proposed by President Claudia Sheinbaum, such as support for women aged 60 to 64, the popular housing program, and scholarships for students. Likewise, **the vision of not carrying out a tax reform is maintained, but with changes in the Federal Duties Law regarding mining, water and protected natural areas. Likewise, technological and digital modernization measures will be implemented to strengthen tax collection.**
- **Regarding the fiscal deficit in its broadest sense**, the Ministry of Finance estimates that in 2024 it will close at 5.9%, in line with previous forecasts. **For 2025, the Ministry of Finance estimates that this indicator will be 3.9%, a figure that, although it complies with the federal government's commitment to reduce the deficit for next year (by 2 percentage points of GDP), is still above the 3.0% forecast in the preliminary guidelines.** Likewise, by 2025, debt, in its broadest sense, is projected to reach 51.4% of GDP, a level that would be similar to that estimated for 2024.
- **Regarding estimated GDP growth for 2025, the Ministry of Finance estimates an increase of 2.3%, higher than the analysts' consensus of 1%.**
- **Regarding infrastructure issues, the government proposes railroad expansion as one of the priority investment programs in 2025.** The largest investments will be made in the Mayan Train, the Mexico-Queretaro Train, the Inter-Oceanic Train and the AIFA-Pachuca Train. Likewise, the modernization of strategic ports such as Coatzacoalcos, Lázaro Cárdenas, Salina Cruz and Veracruz is proposed in order to increase their logistics capacity.
- Regarding the **nearshoring** strategy, the government plans to develop 14 industrial hubs integrated into 100 industrial parks. Physical investment spending is projected at 2.3% of GDP.
- Finally, it **should be noted that although it is expected that the law for the disappearance of the autonomous bodies -such as INAI, COFECE or IFT- will be approved in the next few days, the granting of resources is still contemplated in this Package.** If the bill is approved, these resources will have to be reallocated to the agencies in charge of their administration.

II. MACROECONOMIC FRAMEWORK

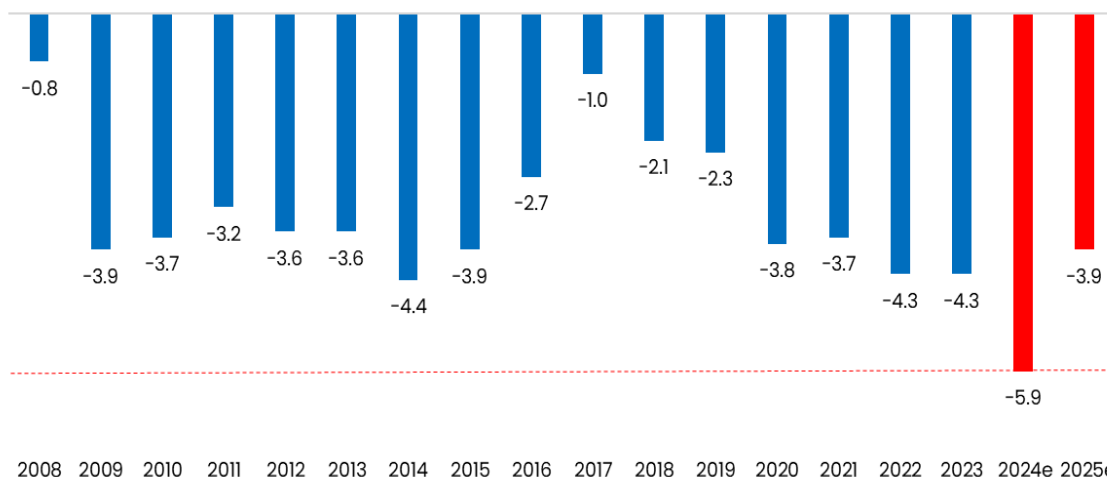
Table 1. Macroeconomic Framework 2025			
Main variables	Estimated 2024	2025	Change Est. 2024 vs. 2025
 GDP growth	2.0%	2.5%	0.5 pp
 Inflation, Dec-Dec (%)	4.7%	3.8%	-0.9 pp
 Average exchange rate (pesos per dollar)	18.2	18.7	2.7%
 Oil price (dollars)	70.7	57.8	-18.2%
 Oil platform (mbd)	1,877	1,891	0.7%
 Budget (billions of pesos of 2025)	9.4	9.2	-2.1%
 Primary balance (% of GDP)	-1.4%	0.6%	2.0 pp

*pp=percentage points; mbd=thousands of barrels per day
Source: Integralia with information from CGPE 2025.

III. FISCAL DEFICIT

By 2024, Public Sector Borrowing Requirements (PSBR), which is the fiscal deficit in its broadest version, is estimated to reach (-)5.9% of GDP, which remains in line with the estimate presented in April. However, by 2025, this deficit is estimated to close at (-)3.9%, which compares unfavorably with the preliminary guidelines, which implied an adjustment to (-)3.0%. By the end of 2025, the Historical Borrowing Requirements (HPSBR) are estimated to stand at 51.4% as a % of GDP.

Graph 1. Public Sector Borrowing Requirements (% of GDP)



Source: Integralia with information from the Ministry of Finance.

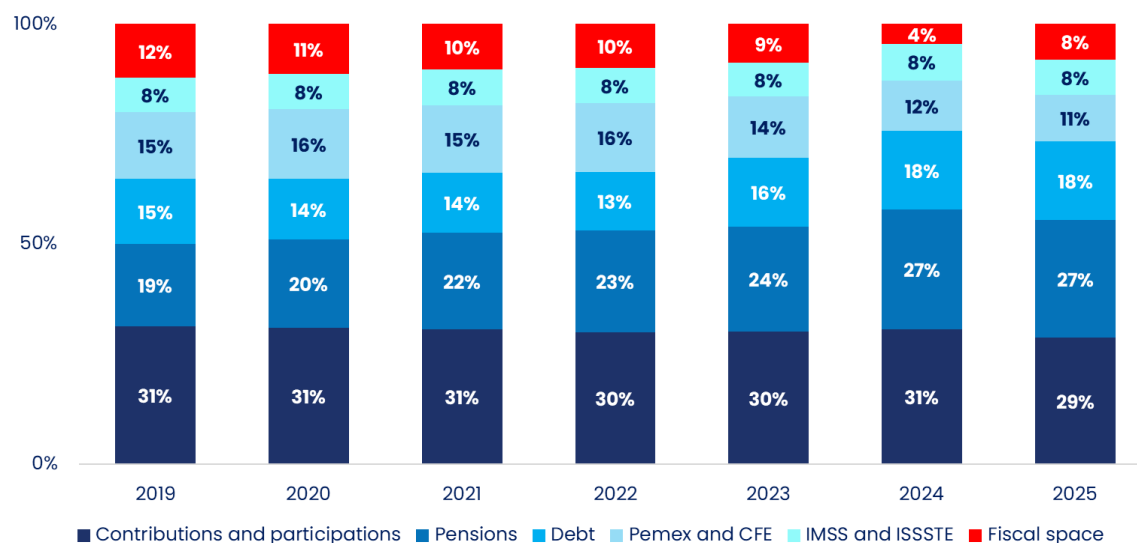
IV. FISCAL SPACE

The federal government's unavoidable expenses amount to 92% of total revenues and are broken down into the following items:

- Contributions and participations to federal entities (2.32 billion pesos).
- Pension payments, which include both contributory pensions and social programs for the elderly and the disabled (2.15 trillion pesos).
- Debt payment, which includes the financial cost and tax debts (1.43 trillion pesos).
- Programmable spending of public enterprises: Pemex and CFE (862 billion pesos).
- Programmable spending of directly controlled entities: IMSS and ISSSTE (638 billion pesos).

Compared to last year, fiscal space is estimated to increase by 4 percentage points. This is due to a decrease in spending on contributions to federal entities and in Pemex's programmable spending.

Graph 2. Fiscal space and unavoidable expenditures of the Federal Government (% of budgetary revenues)



Source: Integralia with information from the Ministry of Finance. Information from 2019 to 2024 of the Federal Expenditure Budget and 2025 of the Proposed Federal Expenditure Budget.

V. INCOME

Federal Revenue Law Bill (ILIF) for the Fiscal Year 2025

The ILIF estimates a total budget revenue of 8.1 trillion pesos, which represents an increase of 3.3% in real terms compared to the figures estimated for the end of 2024 (figures used throughout this report). In line with the above, oil revenues are expected to increase by 4.3%, while a production platform of 1,891 thousand barrels per day and a Mexican Export Blend price of USD 57.8 per barrel are forecast.

Table 2. Budget revenues (million pesos in 2025)

	2018	2022	2023	2024	2025	Real change 2025 vs 2024 (%)	Real change 2025 vs 2018 (%)
Oil	1,385,791	1,759,597	1,440,058	1,095,100	1,142,022	4.3	-17.6
Non-oil	5,859,409	6,082,243	6,345,159	6,706,305	6,913,628	3.1	18.0

Source: Integralia with information from the Ministry of Finance.

Tax revenues

- Tax revenues are expected to increase by 3.0% in real annual terms. It should be noted that VAT will underpin these revenues, as it is expected to increase by 5.5% annually in real terms.

- The Treasury decided, as was the case in 2024, not to present a tax miscellaneous within this Economic Package.

Table 3. Tax Revenues (million pesos of 2025)							
	2018	2022	2023	2024	2025	Real change 2025 vs 2024 (%)	Real change 2025 vs 2018 (%)
Tax revenues	4,337,584	4,523,405	5,049,361	5,140,765	5,296,426	3.0	22.1
ISR (income tax)	2,357,283	2,695,439	2,745,610	2,825,122	2,859,575	1.2	21.3
VAT	1,306,287	1,451,072	1,551,319	1,386,989	1,463,280	5.5	12.0
IEPS (special taxes)	492,118	139,588	531,380	717,340	713,844	-0.5	45.1
Others	181,896	237,307	221,052	211,314	259,727	22.9	42.8

Source: Integralia with information from the Ministry of Finance.

Authorized Donors

- In Article 25, sections B and C, it is stated that the report of the authorized donatarias will be continued. The report must include the states in which they are located, classifying them by type, in accordance with Articles 79, 82 and 83 of the LISR and its regulations.
- For the generation of the report, it is proposed to establish the definition of administrative and operating expenses, and that the information to integrate the report be obtained from the data reported on the SAT website, in the Transparency Section of Authorized Donors.
- The information will be obtained from the information that the donees are required to submit in the 2024 corporate income tax return, in accordance with the 3rd paragraph of Article 86 of the Income Tax Law.

VI. FEDERAL LAW OF RIGHTS

This bill is the one that proposes the most changes within the Economic Package, since it includes several adjustments in the tariffs applied in areas such as mining, water, airport services, immigration, among others.

MAIN CHANGES

- Regarding **telecommunications**, it is proposed to exempt indigenous peoples and Afro-Mexican communities from the payment of fees for various services in this sector. Likewise, it is proposed to exempt from payment of the fee for the study of the application and, if applicable, issuance of the title or extension of concessions for private use for amateur radio purposes to those persons who develop activities in the area of civil protection and who are part of volunteer groups that have the registration and proof of the same.
- In this same item, it is proposed that for fiscal year 2025 the fees for the use, enjoyment or exploitation of the radio electric spectrum, related to mobile telecommunication services, will not be updated for inflation. It is proposed that the fees in force for the year 2024 be maintained for the fiscal year 2025, thus seeking to extend the support granted since 2023 in order to reduce the payment of mobile telecommunication services made by citizens.
- In the **area of water**, the federal government proposes to update and align tax legislation with sectoral legislation and the various administrative provisions issued in this area. In the **area of wastewater discharges**, the Federal Law on Duties is harmonized with Official Mexican Norm NOM-001-SEMARNAT-2021, which establishes the permissible limits of pollutants in wastewater discharges into receiving bodies of water owned by the Nation.
- With respect to **mining**, the initiative proposes to eliminate the request for concessions as an assumption for the payment of the fee and instead establish that the payment of fees is updated by the issuance of the mining concession title, which must be delivered to whoever obtains the decision of the corresponding public bidding contest for having offered the best conditions for such purpose. On the other hand, it is proposed to amend articles 268 and 270 of the Federal Law of Rights, related to the special and extraordinary mining rights, in order to increase from 7.5% to 8.5% the first one and from 0.5% to 1% the second one.
- With respect to **airport services**, it is proposed to allocate 60% of the resources derived from the fee for the use of federal airports to the Ministry of National Defense and 40% to the Ministry of the Navy. Likewise, it is established that the Ministries of National Defense and the Navy will contribute the respective resources to the trusts created for the strengthening of the airport systems.
- In connection with **immigration services**, an adjustment is proposed in the fee for obtaining the status of visitor's stay without permission to engage in remunerated activities, as well as the fee for immigration services at airports for passengers on international flights leaving the national territory. Likewise, it is proposed to reactivate the collection of the fee related to the issuance of the visitor's stay condition without permission to carry out remunerated activities to foreign passengers who enter the national territory by sea on board cruise ships. The resources obtained will be allocated to the companies of majority participation of the Ministry of National Defense.

- With respect to the **payment of fees for the use, enjoyment or exploitation of beaches**, the federal maritime-terrestrial zone and land reclaimed from the sea or any other deposit of maritime waters, the initiative proposes to update the list of municipalities contained in the zones referred to in the Federal Law of Fees, to incorporate or remove those that have presented modifications in their territory, with respect to such property.
- Regarding **financial services**, the initiative proposes the elimination of the inspection and surveillance service that the National Banking and Securities Commission provided to Financiera Rural, given its extinction in 2023.
- Regarding **Natural Protected Areas**, we propose to modify access fees in order to strengthen their protection, conservation and restoration.

VII. PROPOSED BUDGET FOR EXPENDITURES IN 2025

A. EXPENDITURE ON MAIN ITEMS

- Total spending in 2025 is estimated to decrease (-)1.6% in real terms compared to 2024.
- The Ministry of Health will see a real annual reduction of (-)34%, Energy (-20.9%) and Education (-)1.5%. On the other hand, the largest areas in which spending will increase will be in ISSSTE and CFE with 10.5% each, respectively, followed by the 9.2% increase in IMSS.

Table 4. Spending in main branches (million pesos of 2025)					
	2018	2024	2025	Real change 2025 vs 2024 (%)	Real change 2025 vs 2018 (%)
Total	7,478,282	9,451,525	9,302,016	-1.6	24.4
Education	397,974	457,685	450,888	-1.5	13.3
Health	173,594	101,114	66,693	-34.0	-61.6
Energy	3,499	174,868	138,307	-20.9	3852.8
Welfare	151,056	567,060	579,884	2.3	283.9
Pemex	502,756	599,363	612,146	2.1	21.8
Programmable	391,946	456,021	464,255	1.8	18.4
Non-programmable	110,810	143,341	147,891	3.2	33.5
CFE	412,964	528,533	583,951	10.5	41.4
Programmable	387,589	493,381	545,472	10.6	40.7
Non-programmable	25,375	35,152	38,479	9.5	51.6
IMSS	962,159	1,345,951	1,469,410	9.2	52.7
ISSSTE	400,329	475,829	525,615	10.5	31.3

Source: Integralia with information from the Ministry of Finance.



B. EXPENDITURE BY FUNCTIONAL CLASSIFICATION

- Increases are expected in social development, which had already been anticipated by President Sheinbaum. On the other hand, in economic development there is a drop due to cuts in the subcomponents of transportation, fuels and energy. In the area of government, there will be a drop in absolute terms in areas such as security and citizen protection, as well as defense, which would complicate the fulfillment of one of the problems that most affects citizens.

Table 5. Expenditures by functional classification (billion pesos of 2025)						
	2018	2023	2024	2025	Real change 2025 vs 2024 (%)	Real change 2025 vs 2018 (%)
Total	5,684	6,512	6,766	6,528	-3.5	14.8
Government	538	535	578	481	-16.8	-10.5
Social Development	3,443	4,263	4,571	4,549	-0.5	32.1
Economic Development	1,703	1,714	1,617	1,497	-7.4	-12.1

Source: Integralia with information from the Ministry of Finance



C. SOCIAL PROGRAMS

- It should be noted that the budget for flagship social programs is 18.5% higher than what was contemplated at the end of López Obrador's administration. This increase is explained because it includes the budget for President Claudia Sheinbaum's social programs, including the "Rita Cetina" universal scholarship for basic education, support for women between 60 and 64 years, and the social housing program.

Table 6. Budget of AMLO's and Sheinbaum's priority social programs. (million pesos of 2025)						
	2019	2023	2024	2025	Real change 2025 vs 2019 (%)	Real change 2025 vs 2024 (%)
Total	272,909	515,375	650,739	771,257	182.6%	18.5%

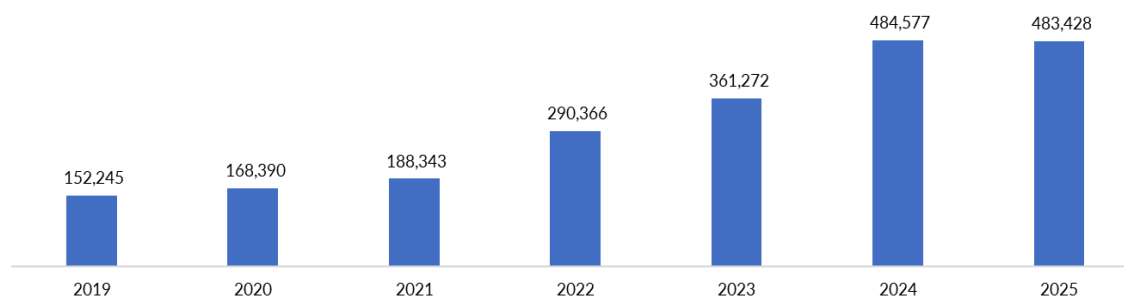
Pension for the Elderly	152,245	361,272	484,822	483,428	217.5%	-0.3%
Youth Building the Future	29,661	24,342	25,234	24,205	-18.4%	-4.1%
Benito Juárez Scholarships for Higher Secondary Education	33,813	39,563	41,041	40,922	21.0%	-0.3%
Sowing Life	19,059	37,477	40,584	39,100	105.2%	-3.7%
Production for Well-Being	15,107	16,625	16,946	16,300	7.9%	-3.8%
Pension for Persons with Disabilities	12,107	23,028	29,045	28,961	139.2%	-0.3%
Warranty Pricing	10,916	13,068	13,067	12,500	14.5%	-4.3%
Rita Cetina Universal Basic Education Scholarship*.				78,841	NA	NA
Support for women from 60 to 64 years*.				15,000	NA	NA
Social Housing Program				32,000	NA	NA

*Claudia Sheinbaum's new social programs
Source: Integralia with information from the Ministry of Finance.

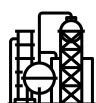
UNIVERSAL PENSION FOR ELDERLY PEOPLE

- Although when compared to 2024, this program shows a slight reduction of (-)0.3% in its allocated budget for 2025, it will remain as the social program that will receive the most resources from the federal government during the following year.

Evolution of the budget allocated to the pension program for elderly people (2019 - 2025, million pesos of 2025)



Source: Integralia with information from the Ministry of Finance.



D. INFRASTRUCTURE PROJECTS

- It highlights a real annual increase of 0.8% that contemplates budget for the flagship projects of the previous administration (Dos Bocas, Tren Maya, AIFA,

and CIIT), as well as budget for President Sheinbaum's projects, including an investment of 124 billion pesos in the new government's railroad projects.

- It should be noted that it is not clear whether the resources granted for the coordination of the hydrocarbon energy policy are destined in their entirety to the Dos Bocas refinery or whether they contemplate any additional project.
- In addition to the flagship projects, resources were allocated to road construction and maintenance.

Table 7. Budget for priority infrastructure projects (million pesos of 2025)

Project	2019	2023	2024	2025	Real change 2025 vs 2024 (%)	Real change 2025 vs 2019 (%)
Dos Bocas refinery	64,960	19,013	178,353	136,349	-23.6	109.9
Mayan Train	8,086	156,364	12,102	41,508	-66.8	413.3
AIFA	20,216	1,366	1,564	3,025	93.5	-85.0
CIIT	1	8,396	17,861	25,000	40.0	NR
Mexico-Queretaro Train				30,000	NA	NA
AIFA-Pachuca Train				25,000	NA	NA
Conagua's hydraulic works				20,000	NA	NA
Construction and maintenance of roads				20,000	NA	NA
Saltillo-Nuevo Laredo Train				10,000	NA	NA
Querétaro-Irapuato Train				10,000	NA	NA
Interurban Train				6,000	NA	NA
Lechería-AIFA Train				3,000	NA	NA
Total	93,263	185,139	322,881	325,349	0.8	246.2

*The Santa Lucia airport was not included in the PEF 2019. However, the General Economic Policy Criteria contemplated a budget of 18 billion pesos for the "modernization and rehabilitation of airport infrastructure and connectivity", which includes the airport.

Source: Integralia with information from the Ministry of Finance.



E. FEDERALIZED EXPENDITURE

Although the Treasury expects economic growth of 2.3% for 2025, the federalized spending contemplated, which includes contributions to the IMSS, did not increase by the same proportion, as it grew 1.8% in terms of participations. However, contributions are projected to increase more than the estimated GDP.

Table 8. Federalized Spending (million pesos of 2025)						
	2018	2023	2024	2025	Variation 2025 vs 2024	Variation 2025 vs 2018
Participations	1,150,045	1,333,630	1,316,482	1,340,211	1.8%	16.5%
Contributions	974,988	1,010,199	1,026,344	1,06,600	3.4%	8.9%

Source: Integralia with information from the Ministry of Finance



F. AUTONOMOUS BODIES

- A 6.25% annual increase is proposed for the autonomous institutions, mainly driven by a higher budget for INE, which will be in charge of organizing the elections to elect the new members of the Judiciary in 2025.
- However, there were significant decreases in most of these bodies, among which the reduction in the budget of INEGI, INAI, IFT and COFECE stands out. It should be noted that the latter three are at risk of extinction through a constitutional reform that will be discussed in the coming weeks.

Table 9. Budget of Autonomous Bodies (million pesos of 2025)						
	2018	2023	2024	2025	Real Change 2025 vs 2018	Real Change 2025 vs 2024
Total	167,325	150,687	158,855	168,782	0.9%	6.25%
Federal Economic Competition Commission	876	717	748	688	-21.4%	-8.0%
National Human Rights Commission	2,880	1,965	1,872	1,722	-40.2%	-8.0%
Attorney General of The Nation	23,008	20,715	21,012	20,126	-12.5%	-4.2%
Telecommunications Institute	2,830	1,816	1,826	1,680	-40.6%	-8.0%
Federal Institute for Access to Public Information	1,556	1,144	1,193	994	-36.1%	-16.7%
The National Electoral Institute	34,299	22,100	35,613	40,476	18.0%	13.7%
Judicial Branch	101,086	84,748	85,130	85,026	-15.9%	-0.1%
Legislative Branch	22,060	17,480	18,216	18,070	-18.1%	-0.8%
INEGI	11,032	10,793	15,482	12,245	11.0%	-20.9%
Deputies	11,954	9,369	10,342	9,603	-19.7%	-7.1%
Senate	6,948	5,168	5,594	5,228	-24.8%	-6.5%

Federal Superior Auditor	3,159	2,944	3,244	3,239	2.5%	-0.2%
Supreme Court	7,982	6,154	6,369	5,923	-25.8%	-7.0%
CJF	87,589	75,338	77,973	75,143	-14.2%	-3.6%
TFJA	4,290	3,446	3,445	3,305	-23.0%	-4.1%

Source: Integralia with information from the Ministry of Finance.

VIII. COMMENTS AND IMPLICATIONS

- In general, the economic program estimated by the Ministry of Finance for 2025 shows an optimistic view compared to estimates on economic activity carried out by other institutions. This is framed in a context of a strong deceleration that threatens to turn into a recession, derived from the increase in domestic uncertainty and growing external risks after the election of Donald Trump.
- Among the risks indicated by the Ministry of Finance for the coming year, there are no political risks derived from the recently approved constitutional reforms, such as that of the Judiciary, or the arrival of Donald Trump to the presidency of the United States.
- The government will make a significant adjustment in the expenditure component, mainly through a reduction in investment spending, which will further complicate the growth outlook.
- Spending pressures from social programs, pensions and the financial cost of debt are growing, in a context where revenues are not growing at the same rate. This situation makes it highly likely that the federal government will reconsider fiscal reform in the future—as early as next year.
- The revenue estimate looks optimistic in light of the expectation of anemic economic growth.
- Despite the optimistic view of the Economic Package, it does not break with the government's promise to carry out a major spending and deficit adjustment, so it seems to be in line with the expectations of financial markets and rating agencies.
- In any case, and following the change in Mexico's sovereign rating outlook from stable to negative by Moody's rating agency, the country is under greater scrutiny, so the evolution of revenues and spending in 2025 will be greater than in the past.
- For the private sector, the astringency of public resources opens up opportunities for collaboration in future government projects.
- However, the PPEF 2025 does not yet reflect the reallocations derived from the constitutional reform project on organic simplification, as it is proposed to allocate resources to the INAI, IFT, Cofece, CRE and the CNH. However, this does not guarantee their existence in 2025, since once the reform is approved, the deputies will have to make the corresponding adjustments to reallocate those funds to the Federal Public Administration agencies that would assume the powers of the bodies that will disappear.

IX. LEGISLATIVE PROCESS OF THE ECONOMIC PACKAGE



PRESENTATION

NOV 15 Presentation of the Economic Package 2025



APPROVAL NO LATER THAN

DEC 31 Revenue Law 2025 in the Chamber of Deputies.

DEC 31 Revenue Law 2025 in the Senate.

DEC 31 Expenditure Budget 2025 in the Chamber of Deputies.



PUBLICATION IN THE OFFICIAL JOURNAL OF THE FEDERATION (DOF)

No later than 20 days after its approval in Congress

integralia

Entendemos
el presente, nos
anticipamos al futuro.

Insurgentes Sur 1647-7, Col. San José Insurgentes, 03900, CDMX
integralia.com.mx