

PLAN MEXICO: UNLOCKING NEW INVESTMENT & GROWTH OPPORTUNITIES

On January 13, 2025, Mexico's President Claudia Sheinbaum introduced "Plan Mexico"¹, a comprehensive strategy to accelerate the country's economic growth, industrial development, and global competitiveness. The initiative builds upon President Sheinbaum's broader vision of achieving 100 strategic objectives², which encompass infrastructure expansion, industrial policy, social development, and economic inclusion.

While nearshoring has been a major driving force behind Mexico's recent economic expansion, Plan Mexico goes beyond nearshoring by setting ambition to strengthen domestic industries, foster technological innovation, and expand critical infrastructure. The initiative seeks to increase national and regional content, develop resilient supply chains, and generate high-value employment in manufacturing, services, and advanced industries.

To support these objectives, the Mexican government issued on January 21, 2025, a Tax Incentives Decree, to boost liquidity, stimulate capital investment, and streamline project implementation.

Plan Mexico and the Tax Incentives Decree may create an attractive environment for foreign businesses looking to expand operations, optimize supply chains, and establish a long-term presence in Mexico. This briefing outlines the key highlights of the initiatives and what companies and investors can expect in the years ahead.

PLAN MEXICO HIGHLIGHTS

- **Investment Goals:** targeting a 28% GDP investment ratio by 2030 to support infrastructure and industrial development, with a focus on public-private partnerships, SME financing, and tax incentives to stimulate capital deployment.
- **Strategic Sectors:** emphasis on industries such as automotive, aerospace, energy, semiconductors, consumer goods and pharmaceuticals to drive economic growth.
- **Semiconductors and Advanced Manufacturing:** prioritization of semiconductor production as a key sector for nearshoring and

¹ <https://www.planmexico.gob.mx/>

² <https://www.gob.mx/presidencia/documentos/100-compromisos-para-el-segundo-piso-de-la-cuarta-transformacion>

technological development. The initiative supports the development of manufacturing plants, chip design centers, and supplier networks to integrate Mexico into global semiconductor value chains.³

- **Energy Expansion:** goals to increase energy generation capacity by 22,000 MW by 2030, prioritizing renewable energy, grid modernization, and energy security. A key component is the expansion and upgrade of the National Transmission Grid, with an initial portfolio of 100 projects to improve transmission efficiency and support industrial demand. Investments will focus on hydroelectric, solar, and wind power, while upcoming regulatory updates are expected to enhance private sector participation in energy production, storage, and distribution, ensuring a more resilient and competitive energy market.
- **Water Infrastructure:** development of 17 large-scale projects to improve water access and sustainability. The plan prioritizes wastewater treatment, desalination plants, irrigation system modernization, and industrial water recycling, with an emphasis on climate resilience and ESG-compliant investments.
- **Transportation:** ambition around the expansion of more than 3,000 km of railway infrastructure, to enhance domestic connectivity and trade efficiency. Key projects include the modernization of cross-border trade corridors, integration of new industrial hubs, and improvements in urban mobility systems.
- **Economic Vision:** a long-term strategy to position Mexico among the top 10 global economies by strengthening local markets increasing industrial output and expanding international trade partnerships.
- **Employment Growth:** creation of 1.5 million additional jobs in specialized manufacturing and strategic sectors.
- **Tax Incentives:** among others: accelerated depreciation for certain investments; additional deductions for training and innovation; SME tax incentives; and extended tax benefits through 2030 to encourage business development and economic growth.

LOOKING AHEAD

Plan Mexico represents a pivotal moment for the country's economic and industrial transformation. By integrating infrastructure expansion, supply chain localization, workforce development, and regulatory modernization, the initiative seeks to solidify Mexico's role as a global manufacturing and investment hub. The success of the initiative will depend on the country's ability to capitalize on nearshoring opportunities, while ensuring that its domestic industrial base is strengthened to meet both local and international demand.

While the plan's strategic vision is comprehensive, external factors may influence its implementation timeline and outcomes. For instance, President Trump's proposed tariffs on Mexican imports represent a factor to monitor for Plan Mexico's implementation, particularly for manufacturing sectors. Additionally, the

³ <https://publisher-prod65.cliffordchance.com/briefings/2025/01/mexico-s-plans-to-develop-its-semiconductor-industry--challenges.html>

upcoming renegotiation of the USMCA, scheduled for 2026, introduces another layer of consideration for long-term investments. Companies considering investments under the plan may benefit from developing flexible approaches that can adapt to evolving trade conditions and treaty terms. Ongoing diplomatic and economic cooperation between both countries will be important for Plan Mexico's full realization and for maintaining the regulatory certainty that cross-border investors require.

As seen in other jurisdictions and in previous infrastructure plans developed by Mexico, a multi-layered financing approach will be critical to advancing the plan combining multilateral and development bank funding, commercial lending, and capital markets to support large-scale investments. Blended finance solutions will play a key role in leveraging public sector support to attract private capital, while the involvement of export credit agencies and specialized technology funds will help diversify funding sources and accelerate investment in strategic sectors.

For companies seeking to navigate these opportunities, a strategic approach will be essential. Understanding Mexico's evolving regulatory landscape, leveraging available financial incentives, and establishing local partnerships will be key to capitalizing on long-term benefits of the Plan Mexico.

Our team at Clifford Chance is committed to supporting and assisting clients in structuring investments, and identifying and deploying strategic opportunities under the plan. For more information, please reach out to our team.

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