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**Understanding the Mexican Economic Package for 2026:
Key Components and Implications.**

By Rubén Mancilla

"DILIGITE JUSTITIAM QUI JUDICATIS TERRAM." "Ye who judge the earth, give diligent love to justice"

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Introduction to the Mexican Economic Package for 2026

The Economic Package is the set of documents that the Federal Executive submits annually to the Mexican Congress to define how public finances will be managed in the following fiscal year. Its purpose is twofold: to ensure that the State has the necessary resources to meet its obligations, and at the same time to preserve the macroeconomic stability needed to promote the country's social and economic development.

This package is made up of three key components:

1. Fiscal Policy: Comprising the General Economic Policy Criteria, which establish projections for growth, inflation, exchange rate, and oil prices that serve as the foundation for the rest of the package.
2. Revenue: Defines the income the government expects to collect through taxes, fees, duties, and other sources.
3. Expenditure: Details the allocation of public spending across government agencies, social programs, investment, and infrastructure.

For 2026, the package was delivered to the Congress in September 2025 and is currently under legislative review. Once approved, it will enter effect on January 1, 2026. With projected net spending of 10.19 trillion pesos, the government aims to strengthen social programs, infrastructure investment, and federal transfers, though not without generating controversy in sectors facing budget cuts.

This article reviews the key components of the 2026 Economic Package and the challenges that may condition its implementation.

Highlights of Mexico's 2026 Economic Package

The 2026 Economic Package establishes an expansive budget focused on social programs, strategic investments, and characterized by strong reliance on robust tax collection and a historically high deficit level.

1. Macroeconomic Framework: General Economic Policy Criteria

The General Economic Policy Criteria (GEPC) define the official economic assumptions underpinning the budget proposal. Private sector analysts have pointed out that these projections particularly for growth are more optimistic than market consensus.

Variable	Official Projection (GEPC 2026)
GDP Growth (Range)	1.8% – 2.8%
Annual Inflation (Year-End)	3.0%
Exchange Rate (Average)	18.9 pesos per dollar
Average Oil Price	54.9 dollars/barrel
Public Deficit	4.1% of GDP

The projected 4.1% of GDP deficit is the most controversial element. While lower than the 5.7% recorded in 2024, it remains unusually high and pushes fiscal consolidation into future years, significantly increasing the risks associated with public debt.

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2. Revenue Strategy: Federal Revenue Law

The Federal Revenue Law for 2026 projects total budgetary revenue of approximately 8.7 trillion pesos. This estimate relies not on the creation of new taxes or increases to existing rates, but rather on enhanced tax collection efficiency and adjustments to non-tax revenues, particularly those contained in the Federal Duties Law.

The core objective of the Federal Duties Law reform is to ensure that fees and duties for government services reflect the full cost of their provision, including infrastructure investment and financial costs, while also adapting the law to new migratory flows and the realities of the aviation sector.

A. Strategic Amendments to the Federal Duties Law.

i. Adjustments to Migration Duties

The reforms seek to both increase revenue and apply a social approach in specific cases. Article 8, Section I of the Law updates the duty for granting the immigration status of visitors without authorization for remunerated activities, setting it at 983.00 pesos provisionally. In addition, a new paragraph introduces a 50% reduction in the duty for temporary and permanent residents who can prove family unity, a job offer, or an invitation from a recognized public or private institution.

Regarding new chargeable services, Article 13 incorporates extraordinary migration services that were previously not covered. Notably, it introduces a 294.01 pesos duty for issuing the Exit Authorization Form for minors and individuals under guardianship. Article 14-A specifies charges for extraordinary migration services, explicitly applying them to the review of immigration documents on non-scheduled flights, thereby eliminating the exemption previously granted to private, non-profit aircraft. This measure formalizes and updates revenue collection in special aviation operations.

ii. Air Navigation Services (SENEAM)

The package also amends Articles 154-161 of the Federal Duties Law to update duties for services provided SENEAM. These adjustments align duties with the full cost, including financial costs, of service provision. For example, certification services through inspection flights will now cost 211,618.18 pesos per flight hour. Additionally, the reform exempts SENEAM from paying duties for technical inspections carried out by the Federal Civil Aviation Agency, avoiding intra-governmental charges within the same state structure.

Other Key Revenue Measures:

- **New Selective Levy:** An 8% tax on violent video games (ratings C and D), with both fiscal and social purposes.
- **Enhanced Tax Enforcement:** Expanded powers for the Tax Administration Service, particularly regarding digital platforms and combating fake tax receipts (CFDI), aiming to boost efficiency in collection without raising taxes.

3. Spending Priorities: Federal Expenditure Budget

The Federal Expenditure Budget projects total net spending of 10.19 trillion pesos, representing a real increase of nearly 9.6% compared to 2025.

Key Priorities:

- **Social Welfare Programs:** Maintain top priority, with the largest share of resources allocated to universal pension coverage and other social transfers.
- **Energy Sector:** PEMEX and CFE continue to receive high levels of budgetary support and transfers to ensure energy sovereignty. Notably, PEMEX's budget increases by more than 11% in real terms.
- **Mandatory Spending:** Approximately 75% of total spending is tied up in unavoidable obligations such as pensions, debt servicing, and federal transfers.

This rigid structure reflects the weight of public debt servicing costs (nearly 4% of GDP) and pensions (both contributory and non-contributory), which significantly constrain fiscal flexibility and crowd out spending on investment and essential public services.

Conclusion: Challenges and Risks Associated with the Mexican Economic Package for 2026

The Economic Package for 2026 ensures the continuity of social welfare policies and financial support for State Productive Enterprises. However, it introduces a set of structural fiscal risks and challenges that will demand extremely prudent management from the administration.

The most critical element of the Package is the proposed Public Sector Financial Requirements deficit of 4.1% of GDP. This level of indebtedness effectively postpones fiscal consolidation. The associated risks are centered on the debt structure:

- **Growing Financial Cost:** The soaring cost of debt service, nearing 4% of GDP, absorbs a growing share of public revenue. This actively displaces resources that could otherwise be allocated to productive investment or essential services.
- **External Vulnerability:** High indebtedness increases the country's vulnerability to adverse movements in global interest rates and exchange rate volatility, despite the optimistic projections within the General Criteria of Economic Policy.

The revenue strategy hinges on the fiscal efficiency of the Tax Administration Service and the updating of specific duties to compensate for the absence of deep structural tax reform. While these measures support projected collections, the strategy has a high dependence on the expected GDP growth rate of 1.8% to 2.8%. A significant economic slowdown or a failure in oil revenue forecasts could severely compromise overall income, as the government lacks a large-scale compensatory tax mechanism.

Overall, the success of the 2026 Economic Package will depend not only on its approval, but also on discipline in expenditure execution, efficiency in revenue collection, and the ability to adapt to both external and internal risks. Managing these challenges will be key to consolidating economic stability and advancing toward a more equitable and sustainable development in Mexico.

SOURCES

<https://www.ppef.hacienda.gob.mx/es/PPEF2026/home>

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