MIRANDA INTELLIGENCE

Public Affairs Chatter

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One Year In, All Under Control… According to the Script

President Claudia Sheinbaum delivered her first State of the Union address yesterday in her usual tone—measured, restrained, and without major announcements. As expected, the mass public event will take place in early October to mark the anniversary of her election. In the meantime, this institutional address sought to project order, highlight legislative achievements, and avoid unnecessary political risk at a time of heightened domestic and international sensitivity.

The speech framed the 19 approved constitutional reforms as the cornerstone of the first year's accomplishments, particularly the judiciary reform, which formally took effect the same day. Social policy was also presented as a success story, with continued emphasis on welfare programs. The energy sector received particular attention, including the restructuring plans for Pemex and CFE. Infrastructure was mentioned in the context of progress on regional development hubs.

President Sheinbaum highlighted signs of economic stability amid global uncertainty: modest growth at 1.2%, record-high foreign investment, low unemployment (2.7%), and inflation at a three-year low (3.5%). The currency is stable, and federal revenues have surpassed expectations. She also noted a 12% increase in the minimum wage for 2025—part of a broader push for income justice—and reforms that extended social protections to over one million app-based workers.

The private sector also received targeted attention, though framed more as a tactical alliance than a structural partnership. Sheinbaum thanked business leaders for supporting voluntary agreements to stabilize basic food and fuel prices and called on them to join the "Plan México" industrial strategy—without elaborating on the terms or incentives. Energy, she noted, holds strong investment potential.

Domestically, the private sector has responded with cautious endorsement. COPARMEX, for example, acknowledged advances in public safety, formal dialogue channels, and wage policy, but expressed concern over key areas, including judicial reform and the health system. The tone of engagement has shifted—from confrontation to conditional cooperation—but uncertainties remain, particularly as new fiscal and regulatory proposals emerge.

Perhaps the most anticipated portion of the speech came at the end: foreign policy and national security. U.S. Senator Ted Cruz's recent visit—and his call for Mexico to accept American security assistance—prompted an unusually swift response from Mexico's Foreign Ministry: a diplomatic thank-you paired with a firm rejection. In that light, Sheinbaum closed her remarks with a pointed message: domestic peace is a matter of sovereignty. The language was cautious but deliberate, underscoring a desire to manage Washington's pressure without appearing submissive.

Mexico will host the U.S. Secretary of State on Wednesday to formalize a new framework for bilateral security cooperation. The Sheinbaum administration has emphasized that the foundation of this

agreement rests on four principles: shared responsibility; mutual trust; respect for sovereignty and territorial integrity; and cooperation without subordination. The visit aims to define common ground amid growing pressure on cross-border enforcement and drug policy, while reinforcing its stance as an equal partner.

Gearing for a Legislative Fight Amid Continued Volatility

The 2026 Economic Package is expected to be submitted to Congress on September 8. Ernestina Godoy, the President's legal counsel, confirmed that the proposal will include a reform to the General Import and Export Law, aimed at tightening controls and addressing corruption in cross-border trade. She acknowledged the measure is likely to provoke intense lobbying, as it is set to include an increase to the excise tax (IEPS) on sugary and sugar-free soft drinks, framed as part of a national campaign against soda consumption—an initiative announced by Sheinbaum last week. Although justified as a public health measure, the move carries significant economic and political implications, particularly given the high per capita consumption of these drinks in Mexico. A similar adjustment to alcohol taxes is under review, as part of a broader strategy to increase revenue without raising general tax rates.

The legislative fight will take place in a particularly volatile environment. Tensions over the leadership of the Chamber of Deputies—sparked by a dispute between PRI leader Alejandro "Alito" Moreno and outgoing Senate board president Gerardo Fernández Noroña—have exposed fractures not only among opposition blocs but also within the ruling coalition. Morena's delay in honoring the rotational agreement that would grant the speakership to the PAN, paired with internal doubts over Adán Augusto López's political weight in this new session, adds to the uncertainty. Meanwhile Noroña faces his own costly scandals, related to a luxury new home in Tepoztlán, financed in part by supposed ''donations'' to his YouTube channel, playing to the growing narrative of top Morena officials' enrichment from their time in office.

While the executive is preparing to submit a series of legislative initiatives, their viability now hinges on whether Morena can maintain internal cohesion and navigate external pressures without eroding its own legislative momentum.

Spirit, Smoke, and a Question of Independence: The New Supreme Court is Sworn In

With incense, traditional music, and an indigenous ceremony in Mexico City's Zócalo, the new era of the Supreme Court officially began. The nine justices—elected by popular vote in July—were handed ceremonial staffs of command and service by indigenous and Afro-Mexican leaders, marking the symbolic start of a judiciary "of and for the people," in the words of incoming Chief Justice Hugo Aguilar Ortiz. His message was clear: corruption, nepotism, and privilege must come to an end. "The vote you cast on July 1 will now have results," he said.

The formal swearing-in ceremony took place later in the Senate. Shortly before midnight, the Supreme Court held its inaugural session under Chief Justice Aguilar, marking the start of its 11th judicial era.

Aguilar outlined key priorities for the new Court, beginning with a commitment to austerity: he announced plans to propose that justices earn less than the president—a measure expected to save 300 million pesos annually. He also called for a more plural and accessible judiciary, promising to accelerate the digitalization of legal processes to reduce time and cost.

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