

LET'S TALK ABOUT INVESTMENTS

Mexico closed 2025 with a historic foreign direct investment record, capturing USD40.87 billion, the highest figure ever registered since the Ministry of Economy began tracking flows in 1993. The result marks five consecutive years of growth and a 10.8% increase over 2024. More telling still: while FDI flows to developing economies contracted by 2% in 2025 according to UNCTAD, Mexico moved in the opposite direction.

Global instability has accelerated the search for alternative jurisdictions, and Mexico has emerged as fertile ground. The composition of 2025's inflows tells the story: the US led with USD15.88 billion (38.8% of the total), followed by Spain with USD4.43 billion, a notable climb that placed it second, then Canada, the Netherlands, and Japan. The US, by proximity and logic, has led nearshoring since the postwar period and now concentrates its capital in the country's most productive sectors: maquila, auto parts, data centers, technology, agriculture, and fisheries. Spain's rise and the sustained weight of North American capital together reflect an integration that reaches well beyond trade.

A caveat deserves attention. Nearly 68% of the 2025 inflow corresponds to reinvestment of profits; new investments accounted for only 18%, though that figure did grow 133% year-over-year. The headline number is real, but the composition tells us that much of this capital is already inside Mexico, and what sustains it is not tax incentives or labor cost, but legal certainty. Independent analysts have made the same point: the Kearney FDI Confidence Index identifies institutional quality, regulatory efficiency, and legal certainty as the decisive variables for FDI today, ahead of cost factors. This is the terrain where the cycle will be won or lost.

Security and investment cannot be read in isolation. Despite structural shifts across the judiciary, the legislature, and the executive, markets have not registered a loss of confidence – contrary to prevailing narratives. The federal government has staked its credibility on attracting FDI and has backed that bet with credentialed commitments to infrastructure, security, and education. Social spending, whatever its political framing, has strengthened the domestic market and expanded the human-capital base that investors ulti-

mately price in.

Costco illustrates the point. The company has thrived in Mexico in recent years and its expansion plans remain ambitious, even after navigating governmental friction and aggressive audits from the tax authority. Neither has weakened its commitment to the country. The contrast with BestBuy is instructive: its withdrawal reflected a failure of strategic vision and a misreading of the Mexican consumer, specifically, the low domestic uptake of electronics insurance, a margin driver in its home market. BestBuy also underestimated e-commerce, a miscalculation that continues to pressure the model even in its core geography.

The real risk this cycle carries is internal. A capital influx of this magnitude intensifies competition for firms already operating in the country. Multinationals arrive equipped with sophisticated risk-containment infrastructure; small and mid-sized Mexican businesses rarely do. Many still struggle to adapt to the new tax-collection and enforcement frameworks, whether from inertia, lack of foresight, or the persistent view that investing in legal and compliance counsel is discretionary rather than essential. That view is increasingly untenable.

Mexican tax and administrative authorities are applying new technologies, more aggressive enforcement criteria, and jurisprudential interpretations that frequently cut against the taxpayer. Final resolutions, administrative, jurisdictional, or at the amparo stage, can compromise the financial health of an entity that failed to anticipate the dispute. This is the terrain where the cost of preparation is always lower than the cost of defense after the fact.

At Legal Treviño y Sociedades, this is precisely the work we do: fiscal defense, administrative litigation, amparo, and patrimonial protection for companies that understand the environment has changed. Investment decisions made today require a legal architecture capable of absorbing audits, contesting arbitrary acts of authority, and protecting the assets that sustain the operation. The firms that will consolidate their position in this cycle, Mexican or foreign, are those that treat legal strategy as part of the investment thesis, not as a contingency.