



Monarch News

Trump's Day One Actions Impacting Mexico

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Executive Summary

Within hours of his inauguration, President Trump took swift action to fulfill numerous campaign promises by issuing 46 presidential actions. These included 26 executive orders (EOs), 12 memorandums, four proclamations, and four administration staffing announcements.

It is important to note that executive orders and proclamations must be published in the Federal Register, whereas presidential memoranda are published only when the president determines they have "general applicability and legal effect."

When issued under a valid claim of authority and published, executive orders and presidential memoranda carry the force and effect of law. Given their basis in implied authority, however, it's important to assess the legal foundation of each executive order and memorandum, as well as the way the president employs these instruments.



Executive orders can be reviewed by the judicial branch and can be ratified or nullified by the legislative branch. Additionally, they are often impermanent, as subsequent presidents can revoke or amend previously issued executive orders—something President Trump has explicitly stated he is seeking to do to many of former President Biden’s presidential actions.

At MGS, we have identified 10 day-one actions from Trump that have implications for Mexico, as outlined below.

Immigration and Border Security

Executive order to secure the U.S.-Mexico border

Through this EO, President Trump revoked several Biden-era immigration policies and reinstated key measures from his first term. These include resuming border wall construction, reviving the “Remain in Mexico” policy, ending the Biden-era CBP One app, and terminating "catch-and-release" in favor of increased detention.

Executive order on plans for troop deployment to the border

This EO effectively authorizes the U.S. military to create a plan that would deploy troops to the southern border.

Executive order to tighten immigration laws and restrict federal funds for sanctuary cities

This EO introduces several policies aimed at curbing immigration. These include restricting federal funds for sanctuary jurisdictions, allocating resources to create more detention centers, and establishing Homeland Security Task Forces in every state to “ensure the use of all available law enforcement tools to faithfully execute the immigration laws of the United States.”

Proclamation declaring a ‘national emergency’ at the southern border

President Trump declared a “national emergency” that calls for military personnel and resources to help secure the southern border, including through additional physical barriers as well as drones.

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Proclamation declaring an ‘invasion’ and restricting entry into the United States

This proclamation suspends entry by “any alien engaged in the invasion across the southern border of the United States.” It also calls on the secretary of homeland security, secretary of state, and attorney general to “take all appropriate action to repel, repatriate, or remove any alien engaged in the invasion across the southern border of the United States.”

Action Against Cartels

Executive order to designate certain Latin-American gangs and cartels as terrorist organizations

Through this EO, Trump designated drug cartels, Salvadoran gang MS-13, and Venezuelan gang Tren de Aragua as foreign terrorist organizations. The classification enables the federal government to prosecute anyone seen as supporting the cartels on the charge of providing material support to terrorists. The Trump administration plans to invoke the Alien Enemies Act of 1798 to deport anyone designated as a terrorist under this order. This suggests that his administration is willing to use centuries-old statutes—originally designed for different contexts and largely unused in a protective capacity—to assert broad immigration powers.

Foreign Policy

Executive order calling for an ‘America First’ foreign policy approach

This EO directs the Secretary of State to align the State Department with his isolationist foreign policy, prioritizing "America and American citizens first." Marco Rubio, confirmed as Secretary of State on January 20, echoed this commitment, stating at his confirmation hearing, "Under President Trump, the top priority of the U.S. Department of State will be the United States.”

Executive order to rename Denali as Mount McKinley and the Gulf of Mexico as the Gulf of America

The order directs the secretary of the interior to change the name of the Gulf of Mexico on official U.S. government maps and documents to the Gulf of America. While the U.S. can



change the name it uses for a geographic feature like the gulf, other countries aren't required to use it. Multiple international bodies help mediate those discrepancies, including the United Nations Group of Experts on Geographical Names.

Executive order to pause U.S. foreign aid

This EO calls for a 90-day pause in U.S. foreign development assistance and a review of the nation's foreign aid programs. The secretary of state, however, retains the authority to waive the pause for specific programs. Republicans have long targeted foreign assistance for cuts, adding a layer of uncertainty to the future of these programs. Mexico, which received over \$120 million in U.S. disbursements in 2024, could see delays or disruptions in key development initiatives. The full impact of this EO on Mexico remains to be seen, however, given the country ranks only 8th out of 35 countries in the region and 53rd out of 175 nations globally in U.S. foreign assistance received.

Trade

Memorandum on trade

Trump issued a memorandum titled "America First Trade Policy" addressed to multiple Cabinet secretaries, the U.S. Trade Representative, the Assistant to the President for Economic Policy, the Senior Counselor for Trade and Manufacturing, and the director of the Office of Management and Budget. The memo stipulates that "unfair and unbalanced trade" should be addressed, directing Cabinet officials to investigate trade and tariff policies, including those with Mexico, Canada and China. The memo essentially requests further research, with reports on findings due from senior officials by April 1. While it may signal a more moderate approach overall, there is speculation that it could serve as a justification for Trump's proposed tariffs, providing the groundwork for their imposition as early as February.

Trump refrained from immediately imposing tariffs on Day One as previously indicated. He expressed consideration of implementing 25% tariffs on Canada and Mexico starting as soon as February 1, however, potentially using the threat as a strategic push for an early renegotiation of the USMCA.



Trump said he wasn't yet ready for universal tariffs.

President Sheinbaum's Response

In her first comments following Trump's inauguration, President Sheinbaum emphasized that she will defend Mexico's sovereignty and independence while pursuing dialogue with Trump.

Sheinbaum noted that some of Trump's day-one actions closely resemble those from his previous term, as she also sought to reassure Mexicans that she will strenuously defend their interests.

Notably, she refrained from issuing retaliatory tariff threats following Trump's suggestion that he could impose a 25% tariff on Mexican goods beginning in February. Sheinbaum limited her response to saying she will respond "step by step."

On migration, Sheinbaum said her government will attend to the needs of migrants in a "humanitarian" way, even as she also pledged to repatriate foreign migrants to their home nations.

Market Reaction

On the afternoon of January 20, the Mexican peso experienced a significant depreciation against the U.S. dollar, falling to 20.75 pesos per dollar. The peso weakened as much as 1.4% before trimming losses.

While the peso briefly reduced its losses during Sheinbaum's January 21 remarks, it later returned to earlier levels, performing the worst in a basket of global reference currencies.

On January 21, the key stock market indices of both countries—the Dow Jones and the S&P/BMV IPC—opened with gains and closed higher, following the first full day of Trump's second term.

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