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Mexico's first female president pledges to strengthen economy, women's rights

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Mexico's new President Claudia Sheinbaum (Right) and outgoing President Andres Manuel Lopez Obrador during the inauguration ceremony at the Congress of the Union in Mexico City on October 1, 2024. — AFP

MEXICO CITY: Claudia Sheinbaum was sworn in as Mexico's first woman president on Tuesday, and vowed to bolster women's rights and ensure Latin America's No. 2 economy remains a secure destination for international investment.

Sheinbaum, a 62-year-old scientist and former mayor of Mexico City, took the oath of office and received the presidential sash in a boisterous ceremony in Mexico's Congress, which marks the start of her six-year term.

"It's time for transformation, it's time for women. I'm a mother, a grandmother, a scientist and a woman of faith, and from today, by the will of the Mexican people, the president," she said.

Sheinbaum also used her first speech as head of state to address investor concerns after the passing of a sweeping judicial reform pushed by her predecessor, Andres Manuel Lopez Obrador.

She reiterated that the central bank would be autonomous and said: "The investments of national and foreign shareholders will be safe in our country."

Alberto Ramos, head of Goldman Sachs Latin American economic research, said Sheinbaum will be judged on whether she can construct "a predictable and investment-friendly policy and regulatory framework."

"Disciplined management of the budget and state-owned enterprises, progress on public security and safe-guarding the integrity of key institutions will be key to

preserving market sentiment and sovereign debt ratings," he added, while emphasising the importance of heavily-indebted state oil company Pemex.

Sheinbaum pledged that the Mexican oil giant will look to maintain daily oil production at 1.8 million barrels.

Her government will present its first budget before Nov 15, which is expected to be scrutinised for clues on whether she will make good on commitments to reduce the fiscal deficit to 3.5 per cent of Gross Domestic Product (GDP) from 5.9 per cent, where it is predicted to close the year.

In an afternoon speech in the capital's Zocalo square, she offered 100 pledges, ranging from expanding public healthcare and education to building 1 million new homes, capping prices for key goods and sending Congress a package of reforms to battle gender violence and discrimination.

She said she will unveil the package tomorrow.

Lopez Obrador, whose six-year term began in late 2018, managed to double Mexico's minimum wage, reduce poverty and unemployment, broaden the base of social programmes and oversee a previous strengthening of the peso.

These successes boosted his popularity and helped usher Sheinbaum, his protégée, to a landslide victory in the June polls.

Sheinbaum, however, who has promised "continuity with change," will inherit the largest budget deficit since the 1980s and lagging economic growth.

Recently, the central bank cut its GDP growth forecast for this year to 1.5 per cent from the previous 2.4 per cent and lowered its estimate for next year to 1.2 per cent.

Nearshoring helped Mexico attract investment, but Sheinbaum will face a challenge to increase foreign investment while implementing the judicial reform.

The judicial reform, in which judges will be elected by popular vote, has scared investors and drawn criticism from the US ambassador to Mexico, who said it threatened the rule of law.

"I'll govern for everyone, and be assured that I'll put my knowledge, strength, history, and my life itself at the service of the people and the country," said Sheinbaum. — REUTERS