

THE U.S.-MEXICO BORDER ECONOMY IN TRANSITION

Lessons from the 2014 Regional Economic Competitiveness Forums

"What happens on one side of the border has a major impact on the other. In no area is this clearer than in the economic development and competitiveness of the region."

Trends and Initiatives

ECONOMIC GROWTH



Longstanding negative perceptions of the border region within both nations have renewed the desire to redefine the region in terms of its economic potential, shifting from a security narrative to one based on trade and economic development.

TRADE & INDUSTRY



New initiatives such as the Mega Regions and Cluster Mapping have emerged to promote border communities as the unified economic regions that they are. Cross-border partnership is now stronger than ever, presenting a tremendous opportunity.

HUMAN CAPITAL



Growing industries along the border are putting a greater premium on high-skilled workers and are forcing companies to make investment decisions based less on the availability of cheap labor and more on the availability of high skills.

TRANSPORT & TRANSIT



Trusted traveler and shipper programs decrease wait times, minimize the need for additional staffing, and allows officials to focus attention on traffic representing a higher level of risk. Both governments have established such programs.

EDUCATION

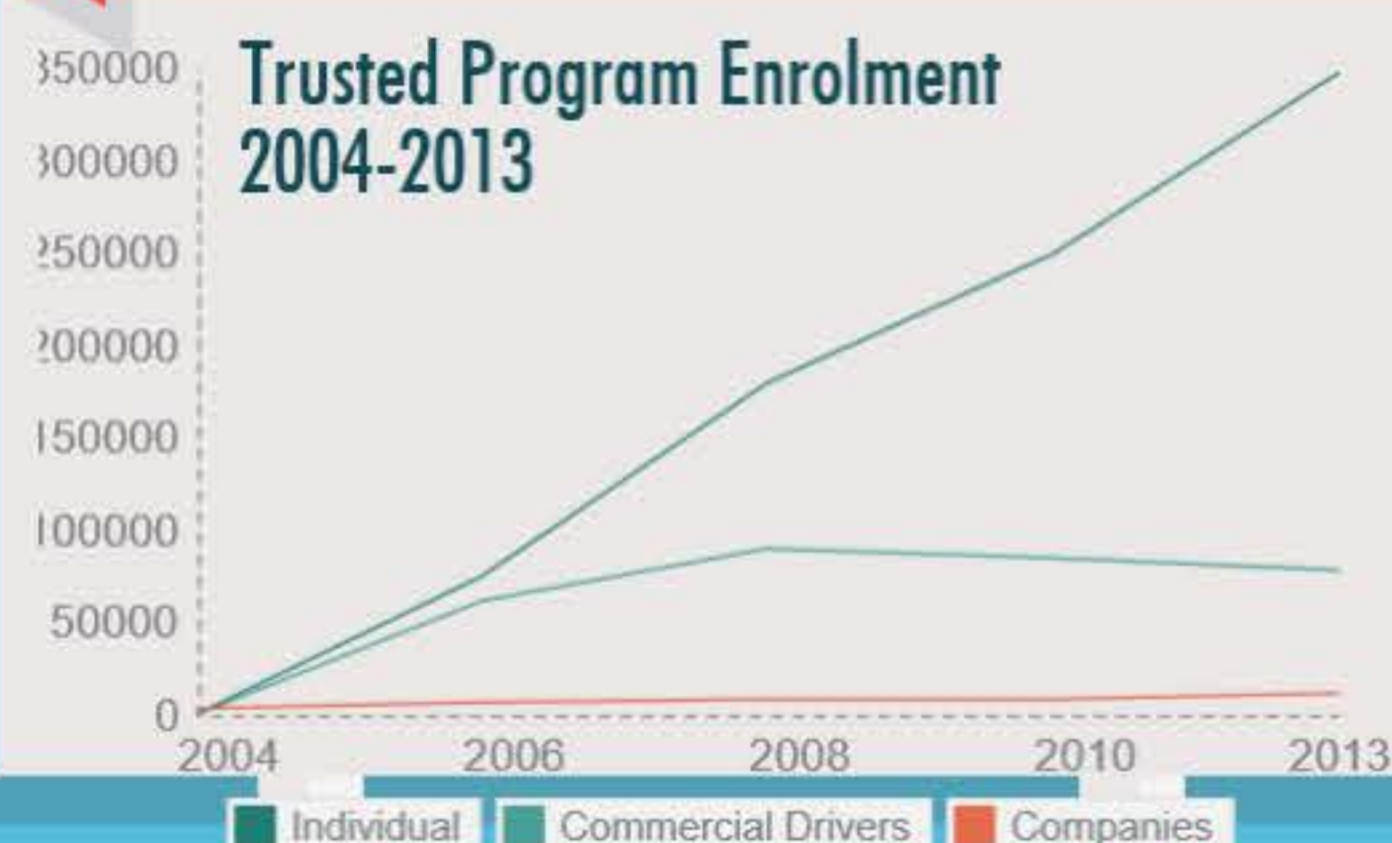


Ongoing violence in Mexico has deterred many U.S. exchange students, while the number of Mexican students studying abroad in the United States is limited but increasing quickly, with half of them attending university in the border states Arizona, New Mexico and Texas.

FACT CHECK

75%

of U.S.-Mexico trade crosses the land border and border congestion currently adds immense costs to each of those transactions.



Each day, 465,000 people enter the U.S. through the ports of entry at the southern border, accounting for nearly a million total crossings.

In 2013, a record 5.2 million trucks entered the United States along the southern border



Mexico aims to increase national electricity generation from renewables by 10% within the next ten years. Renewable energy's growth is particularly strong in the northern border states. Opening up to privatization, Mexico's recent energy reform lays the groundwork for additional investments and faster growth in renewables.

25%
2014

35%
2024



The North American aerospace industry is significantly changing the border economy. Aerospace manufacturing requires very specific skills and thus creates the need for a highly skilled workforce in places like Chihuahua. Many workers are being recruited from the auto industry and receive subsequent training to improve their skills and enable productivity.



The number of students from the United States to Mexico dropped by 42% between 2009 and 2011 largely due to violence in parts of Mexico and resulting U.S. Department of State travel warnings, which caused the suspension of several well-established study abroad programs in Mexico.



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