



Mexico and the United States: Current Challenges, Shared Solutions

The relationship between Mexico and the United States is one of the most dynamic and complex in the world. It involves trade, politics, society, and security. This presentation explores today's challenges and the opportunities for collaboration between our two nations. From bilateral trade to the fentanyl crisis and migration flows, it highlights the importance of finding shared solutions for a safe and prosperous future.

Mexico: Main trade partner of the United States



1 Dynamic Economic Relationship

The economic relationship between Mexico and the United States is one of the most dynamic in the world, with direct impacts on both countries.

3 Exports to the United States

Forty percent of Mexico's exports go to the U.S., mostly in the automotive, electronics, and agricultural sectors.

2 Mexico as a Main Partner

Mexico is the top trading partner of the United States, surpassing China and Canada, with 15.9% of total trade.

4 Historic Bilateral Trade

Bilateral trade reached \$632.29 billion in Q3 2023, a record value. Mexico accounts for a growing share of U.S. imports.



It is estimated that 11% of the U.S. population is of Mexican origin, nearly 40 million people.

Claudia Sheinbaum and Government Perspectives



◆ New Political Phase

Mexico is undergoing a **regime change** seeking to maintain stability and show sustainable growth.






◆ Collaboration Policies

From the Presidency of the Republic, efforts focus on improving cooperation between Mexico and the United States, focusing on trade relations as well as shared challenges like border management and security.



Strategic Projects for Mexico – U.S. Collaboration



Area	Key Projects
 Energy and Sustainability	<ul style="list-style-type: none">• Expand renewable energy (solar and wind).• Install solar panels for homes in northern regions.• Boost Petrochemical and fertilizer production.
 Infrastructure and Connectivity	<ul style="list-style-type: none">• Expand border bridges.• Develop 3,000 km of passenger railways.• Rehabilitate 4,000 km of highways.• Ensure universal internet access.
 Regional Development and Industrial Parks	<ul style="list-style-type: none">• Create 100 industrial parks.• Consolidate Sonora Plan (clean energy and mining).
 Environment and Water	<ul style="list-style-type: none">• Clean of polluted rivers.• Build waste recycling plants.• Modernize irrigated farmland and boost water recycling.
 Security	<ul style="list-style-type: none">• Improving intelligence and security research.



Reforms and Challenges



1

Energy Reform

The reform prioritizes CFE and Pemex, but there remains high demand for renewable energy projects. *Source: Ministry of Energy, 2024 report.*

2

Judicial Reform

Introduces the popular election of judges and digitalization of judicial processes. *Source: Federal Judiciary Council, 2024 report.*

3

Law on Simplification and Digitalization

Through the new Digital Transformation Agency, processes will be simplified, and new technological infrastructure will be created. *Source: Government of Mexico, 2024 report.*

Investment Opportunities

Nearshoring

Mexico could attract \$35 billion annually through nearshoring, boosting sectors like advanced manufacturing and logistics.

Renewable Energy

Mexico has a technical potential of 24,918 GW for solar photovoltaic energy and 3,669 GW for wind energy, representing one of the highest capacities in the region.

Information Technology

Foreign direct investment in Mexico's IT sector has by 12% annually over the last five years, solidifying its position as a regional technology hub.



Sources: Inter-American Development Bank (IDB), National Renewable Energy Laboratory (NREL), CIE Tec Monterrey.



Tariffs Announced by Trump

1

Tariff Announcement

President Donald Trump announced 25% tariffs on imports from Mexico, primarily targeting key sectors like the automotive industry

2

Impact on Exports

This measure affects sectors that collectively represent around 20% of Mexico's total exports.

3

Negative Impact

In the U.S.: Higher consumer costs, job losses, and increased car prices. In Mexico: Economic contraction, reduced GDP, and widespread job losses.

4

Claudia Sheinbaum's Initiative

After a phone call with Donald Trump, Claudia Sheinbaum emphasized fostering cooperation on Security and Migration instead of closing borders.

Source: U.S. Trade Representative's Office (USTR), El País.

Fentanyl Crisis

Overdose Deaths in the U.S.

Over 70,000 related to fentanyl.

Origin of Fentanyl in the U.S.

Addressing the fentanyl crisis requires tackling both supply and demand through prevention strategies.

Impacts

Illegal arms trafficking into Mexico helps criminal groups

Production and Trafficking

Mexico and the U.S. developed a strategy to implement 58 border points to prevent arms trafficking.

Sources: National Institute on Drug Abuse (NIDA), El País.





Migration Risks



Detentions at the Border

Over 2.5 million migrants were detained at the U.S. southern border, a 4% increase compared to 2022..



Diverse Origins

Migrants now come not only from Mexico and Latin America but also from Africa and Asia.



Impacts and Crisis

Growth in migrant caravans.
Pressure on infrastructure and resources in both countries.
Humanitarian crises.



Cooperation Efforts

Bilateral actions to improve border security. Humanitarian programs to provide assistance to vulnerable migrants.



Conclusions

1 Strategic Trade Relationship

The trade relationship remains strategic, with Mexico as the U.S.'s main trading partner, accounting for 15.9% of total trade.

3 Shared Challenges

Critical issues such as fentanyl trafficking, migration, and tariffs demand collaborative efforts and innovative, shared solutions.

2 Opportunities for Cooperation

Mexico's reforms and infrastructure projects create opportunities for enhanced bilateral cooperation in areas like energy, technology, and trade.

4 USMCA Renegotiation

Renegotiating the USMCA in 2026 will be essential to reinforcing mutual economic benefits and tackling global challenges, ensuring regional stability.

The future of Mexico and the United States is closely connected, and only through collaboration and understanding can sustainable and equitable solutions be built for both countries.