Building Business Ties between North Carolina and Tijuana, Mexico

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North Carolina and Tijuana, Mexico – Dynamic Regional Economic Hubs

Since the 1994 passage of the North American Free Trade Agreement (NAFTA), North Carolina and Tijuana have become two of their countries’ most dynamic areas, and are joined by growing economic links. In 2005, Mexico was the United States’ third largest trading partner and North Carolina’s third largest export destination. Since NAFTA, many North Carolina manufacturing firms have moved operations to Mexico, as the state evolves from being a leader in traditional industries like textiles/apparel and furniture to being a pioneer in knowledge-intensive fields like biotechnology, information technology, and medical products and services.

Within Mexico, the Tijuana region of Baja California has shifted from low-wage assembly work to become a high-tech hub in its own right. Tijuana is Mexico’s fourth-largest city, and benefits greatly from its proximity to the U.S. market. In recent years, the city has added high-skilled manufacturing in the computer software, medical device, semiconductor, and biotechnology industries to its traditional role as an assembly point for consumer electronics. By 2005, Tijuana boasted nearly 600 foreign-owned manufacturing plants, many tied to prominent multinationals like Sony, Hitachi, and Samsung.

Creating Business Opportunities through Collaborative Learning

North Carolina and Tijuana have tremendous potential to build economic links, and we seek to promote greater awareness of these opportunities through a unique business-academic-policy collaboration. Sponsors of this initiative hosted a delegation of Mexican experts in early June for a series of lectures and discussions on Tijuana and North Carolina, and are now planning the next step: a market analysis trip to Tijuana for a selected delegation of North Carolina leaders.

Mid-October 2006

Dr. Gereffi and other members of the Duke-UNC community will lead a group of North Carolina business leaders, as well as policymakers and business researchers, to the Tijuana region for a four-day market analysis trip, designed to highlight Tijuana’s dynamic economy. During this trip, the group will meet with business leaders, government officials, and industry researchers to study Tijuana’s economic diversification through a series of site visits, presentations, and open discussions. The trip will also include time for meetings with potential business partners, to be arranged in consultation with the North Carolina and U.S. Departments of Commerce.

A tentative schedule is listed below:

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<thead>
<tr>
<th>Morning</th>
<th>Afternoon</th>
<th>Evening</th>
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<tbody>
<tr>
<td>Tuesday</td>
<td>Fly into San Diego</td>
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<tr>
<td>Wednesday</td>
<td>Meetings/Visits in San Diego</td>
<td>Dinner in San Diego; Cross into Tijuana</td>
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<tr>
<td>Thursday</td>
<td>Seminar: Comparing Business Strategy and Regional Development Policy in Mexico</td>
<td>Regional Case Study: Baja California with SEDECO and ProduCen</td>
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<td>Friday</td>
<td>Factory Visits in Tijuana</td>
<td>Modular Time: Visits with Clients, Business Partners, Policymakers, Researchers Visit to a Baja Winery</td>
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<td>Saturday</td>
<td>Drive to Ensenada; Biotech Meetings in Ensenada</td>
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<tr>
<td>Sunday</td>
<td>Cross back into San Diego; Depart from San Diego</td>
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The North Carolina contingent will include representatives of five to ten North Carolina firms, as well as policymakers and academic researchers, with the common objective of learning more about Tijuana and the Mexican market. Target firms will be identified through consultations with the North Carolina and U.S. Departments of Commerce and local business contacts, and will ultimately be selected based on their level of interest and their industry focus. Firms will be asked to pay their own travel and lodging expenses, plus an additional fee of $3,000 per firm to cover the services received and organizational costs.

Benefits for Participating Firms and Organizations

For their registration and travel costs, firms will receive the following package of services:

- Factory visits to facilities of major foreign and domestic companies, led by knowledgeable company officials
- Free time for individual business meetings, which can be set up with the assistance of U.S. and North Carolina Department of Commerce officials
- Meetings and contacts with academic experts, policymakers, and business leaders in the Tijuana-San Diego region
- Guidance and expertise, including detailed background reports by experts from Duke, UNC-Chapel Hill, and Mexican institutions with extensive experience in the region
- Exclusive early access to completed trip reports from the mission

Sponsors: Carolina-Duke Consortium in Latin American Studies and Duke’s Center on Globalization, Governance & Competitiveness

The faculty coordinators are:

- Dr. Gary Gereffi, Director, Center on Globalization, Governance & Competitiveness, Duke University
- Dr. Jorge Carrillo, Researcher, Social Studies Department, El Colegio de la Frontera Norte

Other planning committee members include:

- Glenn Jackman, International Trade Division, North Carolina Department of Commerce
- Shirreef Loza, U.S. Commercial Service, U.S. Department of Commerce
- Saúl de los Santos, Baja California Secretariat of Economic Development (SEDECO)
- Sharon Mújica, Consortium in Latin American and Caribbean Studies, UNC-Chapel Hill
- Natalie Hartman, Duke Center for Latin American and Caribbean Studies

For further information about these events, please contact Courtney Orning, Center on Globalization, Governance & Competitiveness, at 919-681-1972 or courtney.orning@duke.edu.