Baja California’s economic development strategy

June 2006.
**Geographic location**

Close neighbor to California.

The busiest border in the world.

**SOME DISTANCES**

<table>
<thead>
<tr>
<th>Location</th>
<th>Distance</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Diego, CA</td>
<td>20 miles</td>
</tr>
<tr>
<td>Los Angeles, CA.</td>
<td>180 miles</td>
</tr>
<tr>
<td>Hermosillo, Son.</td>
<td>425 miles</td>
</tr>
<tr>
<td>México City</td>
<td>1,435 miles</td>
</tr>
</tbody>
</table>
- 5 Municipalities
- Population of 3’000,000+ (2/3 in Tijuana)
- Border with 2 US states
- Border with 2 Mexican states
Strategic instruments

- Economic development policy
- Economic development law
- Infrastructure projects
- Business development programs
- Educational programs re-structuring
- Institutional linkage and cooperation
- Business - academia linkage programs
- Innovation and technology development initiatives
Baja California’s Business Development Policy

Premises for the state’s economic development:

- Vocations
  - Reasonable
  - To drive
  - To incubate

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Centro de Inteligencia Estratégica
REASONABLE VOCATIONS

- Electronics industry
- Non-food related commerce
- Food related commerce
- Turism

VOCATIONS TO DRIVE

- Construction
- Wood products manufacturing
- Automotive industry
- Medical device industry

VOCATIONS TO INCUBATE

- Retirement housing and services
Technology based cluster location in Baja California

- Display devices (electronics)
- Medical devices
- Automotive
- Aerospace
- Biotecnology and aquaculture
- Semiconductors
- Information technologies
Consistency curve for industry clusters in Baja California

<table>
<thead>
<tr>
<th>Embronics</th>
<th>Growth</th>
<th>Maturity</th>
<th>Decay</th>
</tr>
</thead>
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<tr>
<td>Emerging industries</td>
<td>Growth</td>
<td>Maturity</td>
<td>Decay</td>
</tr>
<tr>
<td>Risk industries</td>
<td>PC MANUFACTURING</td>
<td></td>
<td></td>
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<tr>
<td>CONSUMER ELECTRONICS</td>
<td></td>
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<tr>
<td>TEXTILE</td>
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</tbody>
</table>

- AUTO Mat
- SPECIALIZED ELECTRONICS
- OPTICS
- SEMICONDUCTORS
- AEROESPACE
- AUTO Mat
- SOFTWARE
- AUTO Mat
- AUTOMOTIVE
- BIO-TECH
Profile of operations

- Production volume
- Physical cube
- Labor-intensive
- Intellectual-intensive
- Response time
- Fields with barriers of entry
A strategy for turning: The city with the highest index of scientists per capita in the country into The city with the highest concentration of biotech firms in the country.

Ensenada, B.C.
MENTIONED VOCATIONS FOR ENSENADA:
- Biotechnology

Ensenada’s Biotech cluster development program
(Long term vision)

Projects:
- Tech-park / incubator
- HR development
- Investment promotion
- Local companies:

Bio-business Development council
Leadership

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Programa para el desarrollo del Cluster de Productos Médicos de Baja California

Abril 2005.
High proximity – binational operations (21 firms)

In US counties:
- San Diego - 8
- Imperial - 1
- Riverside - 1
- San Bernardino - 1
- Orange - 3
- Los Angeles - 7

In Mexican municipalities:
- Tijuana - 12
- Tecate - 1
- Mexicali - 5
- Ensenada - 3
About ProduCen

- Created in 2000 as a non-profit organization
- Mixed funding by government and private sector
- Focused on strategy development for key industry sectors
- The key advisor to the state in cluster development strategy
- Recently recognized by the federal government as the best agency in promotion of regional productive systems

Mission

To be the Strategic Intelligence Center that drives the development of Baja California’s technological industry, in order to increase competitiveness and added value, contributing to an increase in the quality of life of it’s population.
Services to government and institutions

- Cluster analysis and strategy
- Specialized information for decision making purposes
- Strategies and projects for economic-industrial development and public policy definition.

Consulting

Services to private companies*

- Specialized industrial directories
- Industry profiles
- Specialized information

* Services provided through our web site.
3 key areas of work:

- Intelligence
- Strategy
- Articulation

All labors are aimed at region-sector combinations of interest to Baja California.

* Implementation phases of projects become part of the activities of institutions directly linked to private companies, thus are considered outside the scope of ProduCen.
Organizational chart:

Executive Board

Director
SAUL DE LOS SANTOS

Strategic Information Mgr.
ILSE ESPARZA

Development Projects Mgr.
GILBERTO ELIAS

Industrial Linkage Mgr.
OMAR MARQUEZ

Administration
HELGA ROLON

ING. SERGIO TAGLIAPIETRA
ING. JORGE A. SANCHEZ
ING. RICARDO SALCIDO
LIC. MIGUEL VELASCO
ING. SERGIO TAGLIAPIETRA
Scope of operations

ProduCen

Government

Economic Development Councils

Chambers and Associations

SME’s

Maquiladora Industry

National Industry

Investment Prospects
National resources

NORTHEASTERN VICEPRESIDENCY

- Baja California
- Baja California Sur
- Sonora
- Sinaloa
- Chihuahua
- Durango

ProduCen
CEDEP
CCIJ-Integra
Cadelec
Cedigraf
Canacintra
VEN
Moltro
Fundación Tabasco

RENAP
RED NACIONAL DE ARTICULACIÓN PRODUCTIVA