

## **2024 U.S.-Mexico High-Level Economic Dialogue Mid-Year Review Fact Sheet**

Government officials from the United States and Mexico met virtually today, April 19, 2024, for the U.S.-Mexico High-Level Economic Dialogue (HLED) Mid-Year Review. HLED principals discussed joint accomplishments and progress on the dialogue's ongoing workstreams since the third HLED Ministerial in Washington, D.C. on September 29, 2023. The U.S. delegation was led by Under Secretary of Commerce for International Trade Marisa Lago, Under Secretary of State for Economic Growth, Energy, and the Environment Jose W. Fernandez, and Senior Advisor to the United States Trade Representative Cara Morrow. The Mexican delegation was led by Under Secretary of Foreign Trade Alejandro Encinas and Secretariat of Foreign Affairs Chief Officer for North America Roberto Velasco.

The United States and Mexico share a powerful economic and commercial partnership that continues to grow. Mexico was the United States' top trading partner in 2023 with total two-way goods trade at \$799 billion. Our countries rely on closely integrated supply chains to power our economies and strengthen our global competitiveness.

U.S.-Mexico engagement under the HLED complements and strengthens our dynamic commercial relationship. In 2021, the United States and Mexico relaunched the HLED to advance shared strategic economic and commercial priorities. The HLED provides a platform for the United States and Mexico to leverage their strong economic integration to foster regional prosperity, expand job creation, promote investment in our people, and reduce inequality and poverty.

The HLED has continued its work over the last six months under the dialogue's four pillars: 1. Building Back Together; 2. Promoting Sustainable Economic and Social Development in Southern Mexico and Central America; 3. Securing the Tools for Future Prosperity; and 4. Investing in Our People.

As part of the dialogue, our two governments engaged stakeholders to inform and advise on HLED workstreams and considered stakeholder recommendations in areas such as semiconductor supply chain coordination, commercial cybersecurity and ICT, workforce development, and border infrastructure and trade facilitation efforts.

HLED accomplishments over the last six months are highlighted in the specific pillars below:

### **PILLAR I: BUILDING BACK TOGETHER**

*The governments of the United States and Mexico have collaborated closely on initiatives to strengthen the region's supply chains and reduce the risk of their interruption in the face of possible threats in the current international context.*

## **Strengthening supply chains and coordinating crisis management**

- The United States and Mexico are coordinating efforts through a joint semiconductor supply chain action plan with the following objectives: 1) supporting the integration of regional semiconductor supply chains; 2) scaling existing activities in the region by improving the investment climate, and attracting new investments in assembly, testing, and packaging (ATP); 3) promoting the diversification of investment towards activities not yet present in the region or which could have an expanded presence; 4) fostering state and local-level dialogues to promote investments in the semiconductor industry; and 5) supporting workforce development efforts in the region's semiconductor industry.
- The United States and Mexico are advancing semiconductor workforce development through a community college initiative taking place during the January - May 2024 semester. This U.S.-funded pilot sent eleven Mexican engineering students to Mesa Community College in Arizona to pursue the Automated Industrial Technology program. The program will help catalyze further academic collaboration between both countries to train specialized talent in the semiconductor and ICT sectors in Mexico.
- In 2023, Mexico's Secretariat of Economy launched its Ventanilla Única para Inversionistas (VUI) or One-Stop Shop for Investors to promote investment among business communities globally. The website provides relevant information to help interested stakeholders make informed decisions about investing in Mexico. In 2024, Mexico has promoted the VUI to technology investors and the U.S. semiconductor industry and plans to promote with state governments in Arizona, California and Texas, to bolster the semiconductor ecosystem in Mexico.
- In February 2024, the Mexican Chamber of Electronics, Telecommunications, and Information Technologies (CANIETI), with U.S. Embassy support, convened in Guadalajara, Jalisco the first of four quarterly semiconductor forums attended by over 160 participants. The forums catalyze dialogue among the U.S. and Mexican federal governments, Mexican states, municipalities, the private sector, academia, and other organizations to promote development of semiconductor supply chains in North America. The remaining quarterly forums will be held in Baja California, Chihuahua, and Mexico City.
- The Organization for Economic Cooperation and Development (OECD) is working with Mexico on a study of the country's semiconductor ecosystem funded by the U.S. CHIPS and Science Act International Technology, Security, and Innovation Fund (ITSI). This report focuses on the Assembly, Testing and Packaging (ATP) segment of the supply chain, and includes a comprehensive assessment of the industry in Mexico. The study will provide joint recommendations to foster the semiconductor ecosystem.

- In February 2024, Mexico hosted a two-day OECD Semiconductor Informal Exchange Network meeting in Mexico City, covering topics such as the semiconductor ecosystem, workforce development needs, R&D innovation, and supply chain resilience.

### **Cooperation on Environmental Technologies**

- On October 16, 2023, Environmental Protection Agency (EPA) and Secretariat of Environment and Natural Resources (SEMARNAT) co-hosted a webinar on Challenges and Best Practices to address plastic waste and marine litter. Speakers from the U.S. and Mexico outlined national approaches to plastics and marine litter and showcased state level projects that aim to address plastic pollution and marine litter in the US-Mexico border region.
- On February 15, 2024, a workgroup of the US-Mexico Border 2025 environmental cooperation program hosted the first of two webinars on scrap tire management. The first session helped connect ongoing border wide work on scrap tire management by outlining state policies and initiatives, highlighting available resources, and providing a space for discussion to identify gaps, priority issues and opportunities for future work. The topics discussed in session one informed the agenda for the second session, which will focus on specific priority challenges and solutions. Over 100 virtual participants attended the first session.

### **Improving border conditions to facilitate travel and legal trade**

The United States and Mexico continue to improve and expand border infrastructure, and to coordinate these activities through our bilateral border coordination mechanisms, including the Western Regional Binational Bridges and Border Crossing Group (BBBXG) in October 2023, and the January 2024, 21<sup>st</sup> Century Border Executive Steering Committee, and the Eastern Regional BBBXG meeting in March 2024. All meetings supported bilateral efforts to increase secure, licit trade flows across our shared border.

Recent accomplishments include the modernization and expansion of the Otay Mesa Port of Entry (POE) in January 2024; completion of the enhanced feasibility study for the modernization and expansion of the Bridge of the Americas POE in November 2023; the completion of the Program Development Study on the BIL-funded Brownsville Gateway project; and the start of southbound transit of empty commercial vehicles at the Donna POE. Additionally:

- The U.S. General Services Administration (GSA) expects to conclude feasibility studies for the Santa Teresa POE in April 2024 and the Nogales DeConcini POE in October 2024.
- The United States signed a memorandum of understanding allowing project sponsors to move forward with the 30 percent design of the Otay Mesa East POE.

- GSA expects to complete the Environmental Impact Statement regarding a new commercial crossing at the Douglas Agua Prieta POE in May 2024, with the project design-build process starting summer 2024.
- Mexico’s Secretariat of National Defense (SEDENA) reports a progress of almost 60% on the Mexican side of the construction of the new border crossing at Otay Mesa II. It is expected to be completed by September 21, 2024.
- Regarding Piedras Negras-Eagle Pass II, SEDENA reports a progress of 44% and expects to complete works by June 7, 2024.
- The Mexican National Customs Agency (ANAM) has concluded the necessary equipment installation to allow the crossing of empty cargo vehicles at the Rio Bravo-Donna International Bridge.
- Mexico’s Secretariat of Infrastructure, Communications, and Transportation (SICT) expects to conclude the construction on the Mexican side for the second span of the Nuevo Amanecer (Reynosa)-Pharr international bridge by October 2024.

#### **Partnership for the facilitation of trade in medical equipment**

- The U.S. Agency for International Development (USAID) completed in November 2023 its public-private Medical Devices Regulatory Convergence (MDRC) project with Mexico, which provided training and technical assistance to Mexico’s Federal Commission for Protection from Sanitary Risks (COFEPRIS) and other regulatory agencies of the Americas region.
- Under the MDRC, experts supported by USAID provided technical assistance, which along with other efforts, contributed to COFEPRIS’ improvements in implementing Good Regulatory Practices as shown in the publication of its Regulatory Certainty Strategy for the Medical Device Sector in October 2023.
- The U.S. Food and Drug Administration (FDA) continues collaborating with COFEPRIS, which met important milestones by becoming an affiliate member of the Medical Device Single Audit Program (MDSAP) in November 2023, and an affiliate member of the International Medical Device Regulators’ Forum (IMDRF) in March 2024. In February 2024, COFEPRIS published for public comment a new equivalence agreement proposal to increase the number of authorizations of medical devices by recognition of the decisions of regulatory authorities in other countries, strengthening regulatory convergence. These advances will help COFEPRIS align with international standards and international best practices.

#### **PILLAR II: PROMOTING SUSTAINABLE ECONOMIC AND SOCIAL DEVELOPMENT IN SOUTHERN MEXICO AND CENTRAL AMERICA**

*The United States and Mexico are working together to improve the livelihoods of the population of southern Mexico and northern Central America to mitigate the root causes of irregular migration through the creation of jobs and opportunities in the region.*

- The United States and Mexico have been partnering to address the root causes of irregular migration in southern Mexico and northern Central America, since the Mexican Agency for International Development Cooperation (AMEXCID) and USAID launched Sembrando Oportunidades, a strategic collaboration, in December 2021. This collaboration has built upon AMEXCID's successful Sembrando Vida and Jóvenes Construyendo el Futuro projects in El Salvador and Honduras and USAID's complementary youth employment and agriculture projects in Central America. As of December 2023, Sembrando Oportunidades in Honduras and El Salvador has benefited 3,300 farmers and young people.
- In late 2023, USAID and AMEXCID extended their work under Sembrando Oportunidades to Guatemala. In early 2024, USAID and AMEXCID concluded the capacity building training of AMEXCID's Sembrando Vida technicians in Guatemala on agri-business, good agricultural practices, and regenerative agriculture.
- USAID and AMEXCID cooperation will benefit farmers through AMEXCID's Sembrando Vida program in Guatemala. Field visits were conducted in February to identify municipalities for coordinated implementation of the Agricultural Innovation and Market Access Program. This activity is expected to begin in spring 2024.
- USAID and AMEXCID also institutionalized trilateral cooperation in Honduras with Global Affairs Canada (GAC). In October 2023, GAC conducted a training with USAID and AMEXCID missions in Honduras to improve gender approaches and increase the participation of women in regional value chains, and another training in January 2024 on gender mainstreaming in development projects. GAC also announced a \$17.5 million (over 5 years) call for proposals for programs benefiting youth, and gender equality in Honduras. This project is expected to begin in summer 2024 and one of the objectives is to complement the bilateral Sembrando Oportunidades framework.
- In southern Mexico, USAID continues to work closely with state and municipal governments, small rural and indigenous communities, and businesses to create jobs, sales, investment, and positive environmental impacts. Over the last two years, USAID mobilized over \$33 million in economic development investments that advance HLED goals, improving economic opportunities to over 30,000 people in southern Mexico. In 2024, USAID is launching two calls for proposals for programs working with community development organizations to increase efficiency, product quality and access to markets. The programs aim to mobilize \$10 million within three years.

### **PILLAR III: SECURING THE TOOLS FOR FUTURE PROSPERITY**

*The United States and Mexico strengthened cooperation efforts in the implementation of commercial cybersecurity practices and new technologies in telecommunications and ICT to mitigate risks related to these sectors.*

- In April, the U.S. Department of Commerce in collaboration with SICT, convened a technical workshop on cybersecurity with Mexican government officials and industry to preview National Institute of Standards & Technology's (NIST) new Cybersecurity Framework 2.0 and approaches to implementation. The workshop was an opportunity to present and discuss government and industry efforts and perspectives on cybersecurity, as well as ways for organizations to develop their own cybersecurity framework. NIST's Cybersecurity Framework is based on existing international standards, guidelines, and practices for organizations to better manage and reduce cybersecurity risk.

### **PILLAR IV: INVESTING IN OUR PEOPLE**

*The United States and Mexico promoted measures to develop and prepare the workforce to meet the needs that current strategic industries demand.*

#### **Workforce development in strategic industries**

- The United States and Mexico continue to work closely to develop, deploy and expand initiatives to improve workforce training and readiness to support the semiconductor, automotive, aerospace, medical devices, ICT, agroindustry and other strategic sectors of the regional economy.
- Mexico and the United States developed a comprehensive cooperative workforce development workplan outlining initiatives to be completed in 2024. These include:
  - Mexico's Secretariat of Public Education (SEP) signed in February 2024 a final licensing agreement with Arizona State University to begin an online pilot program on English for the Semiconductor Industry. SEP launched the twelve-week pilot program in March 2024 with an initial 5,106 enrolled students from the National Technological Institute of Mexico (TecNM by its acronym in Spanish).
  - Since March 2024, the Government of Mexico, through the Ministry of Economy and the Mexican Ministry of Public Education, is coordinating a Binational Virtual Dialogue on competency certification processes that seeks to share and exchange experiences between certifying companies in the United States and Mexico's National Council for Standardization and Certification of Labor Competencies (CONOCER). The dialogue will take place in spring 2024 and will also include the participation of companies in the automotive sector from Mexico and the United States.