

WTF with Juárez

What comes Next for Juárez?



GOBIERNO
DEL ESTADO
DE CHIHUAHUA

SECRETARÍA
DE EDUCACIÓN
Y DEPORTE



Universidad Tecnológica
de Ciudad Juárez

WTF con Juárez

[What to Foresee] with Juárez

What Comes Next for Juárez?

Project led by:

Dr. Oscar F. Ibáñez Hernández
Rector

Mtro. Hugo García Vargas
Academic Secretary

Mtro. Luis Enrique Villavicencio Rascón
Director of Outreach and Partnerships

Document prepared by:
Mtro. Lucio López Panduro
Dr. Marisela Mejía Hernández
Dr. Lorena Mendoza Giner
Dr. Andrés Morales Arreola

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Executive Summary

Ciudad Juárez is recognized as the birthplace of Mexico's most significant export-oriented manufacturing development model over the past six decades. This status is explained by its strategic location on the United States border, its early incorporation into the Border Industrialization Program, its capacity to absorb labor migration flows, and its role as a binational logistics platform. This model enabled the city to consolidate itself as a national benchmark in formal job creation and foreign direct investment attraction. However, today it faces a turning point that requires a profound evolution of **its productive structure**.

Within the vision of a competitive border region, talent development emerges as the cross-cutting pillar and the most powerful differentiator of a new economic model for Ciudad Juárez. The analyses derived from the Juárez POV exercise reveal a paradigm shift: in strategic industries such as semiconductors, electromobility, and Artificial Intelligence (AI), the availability of specialized human capital has become a more decisive factor than fiscal incentives themselves. Consequently, the regional strategy prioritizes the implementation of binational training programs in digital and technological competencies, with the objective of transitioning from traditional manufacturing toward an innovation ecosystem that not only attracts investment but also anchors and strengthens high value-added talent as the foundation of social well-being.

Ciudad Juárez faces a turning point that demands an evolution of its productive structure.

The dialogue among experts and economic stakeholders of the Borderplex identified the historic opportunity created by the strategic reconfiguration of global supply chains—driven by the trade rivalry between the United States and China—to reposition Juárez along the path of global competitiveness.

Among the most relevant findings are the following:

1. The greatest opportunity lies in transitioning from a manufacturing hub to a leader in innovation through the attraction and development of high value-added talent.
2. The availability of technical talent in areas such as legacy chips, Artificial Intelligence (AI), and digital business skills is more critical than fiscal incentives.
3. It is urgent to modernize the technological, physical, and human infrastructure of border crossings, ensure energy and water availability, and simplify the complex customs framework.
4. It is imperative to redefine the fiscal framework of the border in order to establish an incentive structure that not only attracts capital but also guarantees sustainable financing for urban development and specialized talent formation.
5. Beyond geographic location, the true competitive differentiator for attracting and retaining capital and talent lies in a robust Rule of Law capable of ensuring a stable business climate and the protection of economic actors' assets and personal security.
6. A unified regional political voice must be formed to strategically position border issues in Mexico City and Washington, particularly in light of the 2026 USMCA (T-MEC) review.

WTF with Juárez is a dialogue among experts and key economic stakeholders of the Borderplex.

7. The success of the Juárez POV proposal depends on including and empowering new generations so that, just as leaders did six decades ago, they become active participants in the reinvention of the city—transforming the demographic dividend into an innovation dividend.

Derived from the analysis of these challenges, ten strategic actions are proposed to catalyze regional competitiveness, structured around three internationally recognized pillars of success: 1) institutional coordination for collaborative development planning; 2) decisive investment in research and development (R&D) and specialized talent; and 3) strategic infrastructure investment.

Introduction

In August 2025, the Universidad Tecnológica de Ciudad Juárez (UTCJ) launched the initiative entitled “Juárez POV:

Dialogues for a Competitive Border” with the purpose of discussing and analyzing the phenomena affecting the community within the context of global change. The initiative was guided by recognized experts in order to enrich decision-making processes.

Within this framework, it is important to emphasize that the discussion has underscored the need for Ciudad Juárez to evolve beyond the traditional manufacturing and maquiladora industry model. The objective is to build upon its experience as the birthplace of Mexico’s most important development model of the past 60 years—one that was later replicated in other regions of the country as an **alternative pathway for economic development**.

Economic Transitions in Mexico

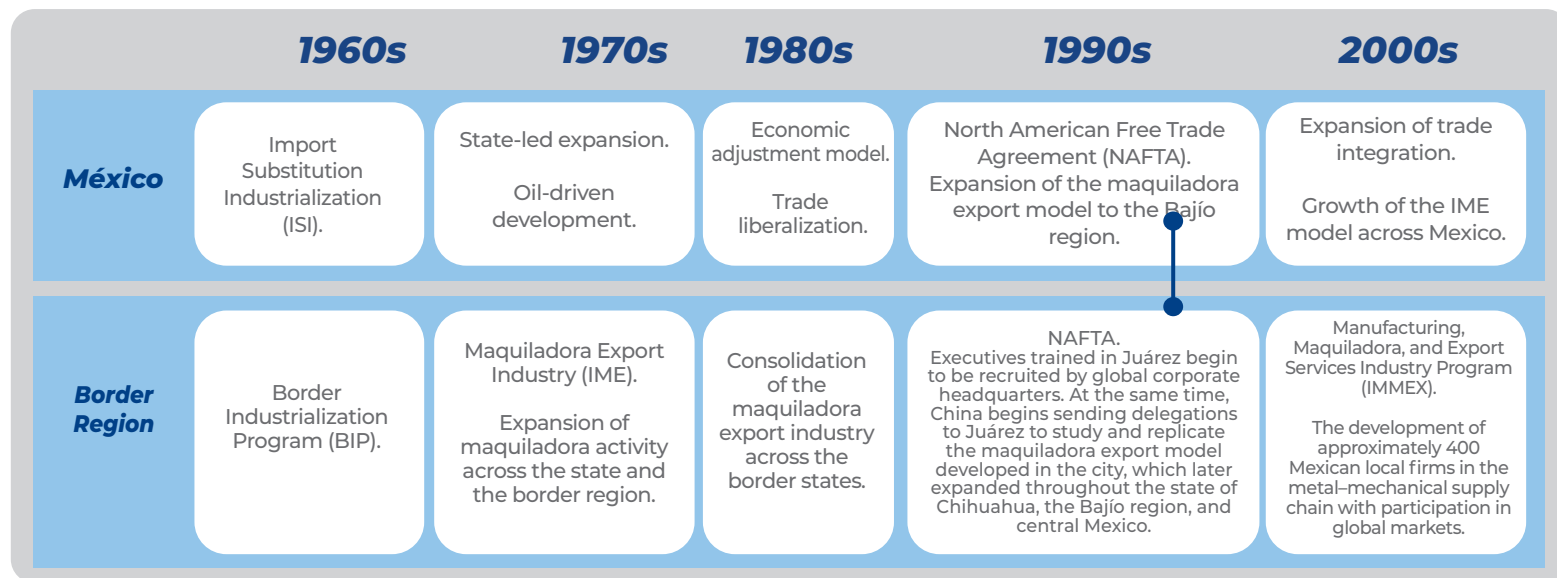


Figure 1. Ciudad Juárez in Numbers



Source: Authors' elaboration based on IMCO, IMIP, INEGI, and the Ministry of Economy.

As shown in **Figure 1**, Ciudad Juárez is a city of significant importance for the state of Chihuahua and for Mexico's economic growth. It possesses a strong manufacturing vocation, a demonstrated capacity to attract investment, and an export-oriented economic structure. These characteristics have allowed the city to experience periods of economic prosperity, although it has also faced various economic challenges throughout its history.

One issue that has been identified is the city's ongoing loss of competitiveness. According to the Urban Competitiveness Index of IMCO (2024), Ciudad Juárez ranked 13th, whereas in 2020 it held the 10th position among cities with populations greater than one million inhabitants. This displacement in the ranking is largely explained by areas of opportunity in infrastructure, environmental conditions,

Historically, Ciudad Juárez has served as the model for the application of successive economic paradigms. The economic development of the border has a direct impact on the rest of the country.

energy cost and availability, the Rule of Law, and innovation. If these challenges are not addressed, they will impose increasing limitations on the city's development potential.

In addition to the loss of competitiveness associated with the components of indicators such as the IMCO index, three additional factors increase the vulnerability of the border region in maintaining its export leadership.

First, the announcement by the United States government regarding the closure of the Córdova–Américas border crossing for freight vehicles will likely generate congestion at other ports of entry, longer waiting times, disruptions to supply chains, increased transportation costs, and constraints on cross-border trade.

Second, the trade policy of the Trump administration, which imposed unilateral tariffs on Mexican products, generated consequences for productive chains, increased economic uncertainty and volatility, led to job losses, and reduced the volume of Foreign Direct Investment (FDI).

Finally, the rapid escalation of wages in the border region, which increased firms' labor expenditures by as much as 375%, has produced impacts on corporate cost structures, increased labor informality due to layoffs, inflationary pressures, and reduced regional productivity.

Within this context, it is essential that decision-makers implement coordinated actions to reposition Ciudad Juárez along the path of global competitiveness. The city faces the ongoing global reconfiguration of supply chains driven by the trade rivalry between China and the United States. Given its geographic location, Juárez must position itself at the forefront of this wave of industrial relocation and work toward modern infrastructure, sufficient energy and water supply, security, technical talent, and clear regulatory frameworks to sustain employment, attract investment, generate social well-being, and maintain its strategic role in North American international trade.

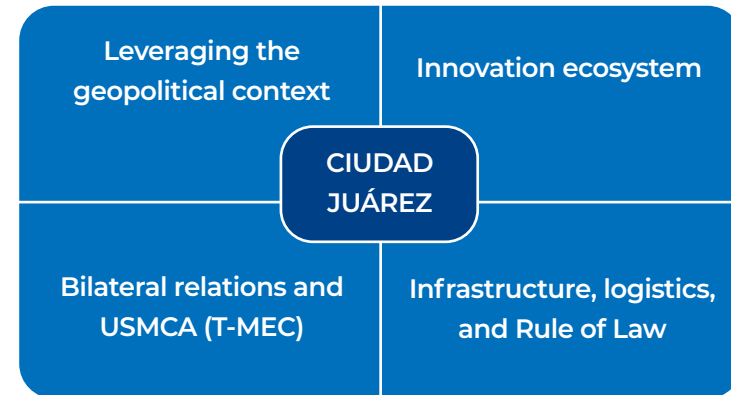
Problem Analysis

The working sessions of the Juárez POV initiative focused on several crucial dimensions for the economic development and competitiveness of Ciudad Juárez. These discussions highlighted the need to capitalize on the region's geopolitical context and current global dynamics; the opportunity to develop an innovation ecosystem; the importance of addressing the review of the USMCA (T-MEC) and strengthening bilateral relations; as well as improving infrastructure, logistics, and the Rule of Law. Each of the dialogue sessions contributed to the development of a multifactor framework for decision-making, as illustrated in Figure 2.

Geopolitical Challenges

With regard to geopolitical challenges, this category focuses on capitalizing on Juárez's geographic position and the dynamics of global trade in order to consolidate regional leadership and productive resilience.

Figure 2. Challenges and Opportunities for the Border



Source: Authors' elaboration based on Juárez POV.

Four key areas require attention:

- 1) Leveraging the nearshoring opportunity, driven by the geopolitical fragmentation resulting from the trade dispute between the United States and China, in order to strengthen resilience and the strategic autonomy of industrial policy.
- 2) Taking advantage of the expectation that the USMCA (T-MEC) will endure and remains beneficial to Mexico, thereby ensuring the continuity of trade flows.
- 3) Transforming the dynamics of the border region by advancing as a competitive regional coalition and building a unified political voice capable of bringing border issues strategically to Mexico City and Washington.
- 4) Promoting the strengthening of an SME chapter within the USMCA (T-MEC) in order to integrate Mexican small and medium-sized enterprises into binational value chains.

WHAT COMES NEXT FOR JUÁREZ?

A proposal to achieve development and innovation along the border

Institutional coordination for collaborative development planning

Actions to improve regional competitiveness:

- Develop an evolving industrial policy
(See items A and B)
- Strengthen the Rule of Law and security in a comprehensive manner
(See item D)
- Define a unified political strategy for the review and consolidation of the USMCA (T-MEC) (See items A and C)
- Develop and implement a binational strategic marketing campaign
(See items A and B)

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Decisive investment in R&D and specialized talent

Actions to improve regional competitiveness:

- Promote a binational talent development program in semiconductors and digital technologies (See items B and C)
- Create a binational innovation center (Borderplex) (See items B and C)
- Promote the development of high-level local suppliers (See items B and C)

CHALLENGES AND OPPORTUNITIES ALONG THE BORDER

- A) Leveraging the geopolitical context*
- B) Innovation ecosystem*
- C) Bilateral relations and USMCA (T-MEC)*
- D) Infrastructure, logistics, and Rule of Law*

Investment in strategic infrastructure

Actions to improve regional competitiveness:

- Establish a Strategic Economic and Logistics Zone (See items A, B, and C)
- Invest in digital and energy infrastructure (See item D)
- Promote an urban policy for talent retention with a social focus (See item D)

Innovation Ecosystem

A second critical dimension is the transformation of the manufacturing model toward an innovation ecosystem. The analyses agree that the greatest opportunity for Juárez lies in moving beyond being solely a manufacturing center to becoming a leader in innovation by attracting and developing high-value talent. To achieve this transition, four key actions are necessary:

- 1) Embracing innovation as the capacity to generate, capture, and exploit value-added, creating a new regional narrative based on the concept of “surviving through innovation.”
- 2) The city already possesses human capital, absorptive capacity, and financing potential to support the development of an innovation ecosystem; therefore, the agglomeration of talent and investment in science and infrastructure must be encouraged.
- 3) The key opportunity for Mexico in the semiconductor industry lies in legacy chips, where the availability of talent is more highly valued than fiscal incentives.
- 4) Integrating Artificial Intelligence (AI) and business skills into educational curricula in order to prepare the workforce and provide incentives for universities to develop technology.

Bilateral Relations and the USMCA Context

The third dimension concerns diversification and resilience of the local economy, as the goal is to evolve the economic model by reducing dependence on traditional manufacturing and creating a more stable and self-sufficient system. Four essential elements are proposed:

- 1) Transitioning from a maquiladora country model toward an innovation-driven economy, diversifying the economic structure and implementing a more robust mixed economic

model.

- 2) Promoting diversification and local supply chains for the manufacturing sector by integrating domestic suppliers more effectively.
- 3) Strengthening the tertiary sector—including services, tourism, and hospitality—to improve quality of life and enhance economic resilience.
- 4) Exploring opportunities in the agroindustrial sector, including products such as wine, pistachios, and pecans, while leveraging the cultural openness to knowledge found in communities such as the Mennonites for business development. These initiatives can also stimulate commercial and service opportunities for companies from Juárez throughout the state of Chihuahua.

Infrastructure and the Rule of Law

Finally, improvements in infrastructure and legal certainty are essential, as the opportunity to enhance competitiveness depends on modernizing critical infrastructure and ensuring a legal framework that inspires confidence in investment. Four areas are identified:

- 1) Investing in and improving the technological, physical, and human infrastructure of border crossings in order to address costly and saturated logistics.
- 2) Simplifying the complex customs framework to facilitate industrial evolution.
- 3) Leveraging proximity to projects in California, Arizona, New Mexico, and Texas to develop advanced infrastructure in Juárez, including energy availability.
- 4) Strengthening investor confidence through the enforcement of the Rule of Law, ensuring a stable and secure environment for investment and economic activity.

Below is a faithful translation of the opening paragraph and the 10 policy actions, preserving their structure (Action / Description), tone, and institutional language.

Public Policy Recommendations

To take advantage of the global restructuring of supply chains, validated through a consensus of experts, this document proposes 10 actions that address the realities of Ciudad Juárez with the objective of positioning the city at the forefront of the new economic development framework. While the city has historically led Mexico’s industrial manufacturing model, it now stands at a turning point: it is urgent to evolve the maquiladora paradigm in order to mitigate asymmetric dependence and consolidate the retention of local talent.

Table 1. Proposed Actions to Improve Regional Competitiveness

Action	Description
Develop an evolving industrial policy	Formalize an industrial policy—not merely a plan—that establishes non-incremental goals for the region, enabling the transition from an assembly-based maquiladora model toward design, product engineering, and high-value manufacturing. This policy must emerge from a unified coalition among government, industry, and academia, with a strong emphasis on the participation of young people in its formulation.
Promote a binational talent development program in semiconductors and digital technologies	Implement an intensive public-private training program, replicating talent development models such as those implemented in Taiwan, focused on the preparation of engineers and specialized technicians in legacy chips, Artificial Intelligence (AI), and digital business skills. The participation of faculty and young professionals should be strengthened, and the program should be developed in collaboration with institutions such as Arizona State University (ASU) and its International Technology Security and Innovation (ITSI) program in order to ensure a continuous pipeline of qualified talent and prevent brain drain.

Action	Description
Create a binational innovation center (Borderplex)	Establish an innovation center with fiscal and financial incentives for Research and Development (R&D) for companies that establish operations in the Borderplex (Juárez–El Paso). This center should function as a policy network, directly connecting universities with industry needs and replicating the success of robust innovation ecosystems such as those found in Monterrey and the Bajío region.
Establish a Strategic Economic and Logistics Zone	Promote the creation of a Special Economic Zone with metropolitan impact, anchored in the potential of the Jerónimo–Santa Teresa corridor, to serve as a catalyst for relieving pressure on the city’s logistics model and eliminating operational cost barriers. The realization of this new status requires the articulation of a coalition of public and private actors focused on securing the legislative and governance adjustments necessary to establish an exceptional customs regime and public–private investment mechanisms (PPPs) that ensure long-term competitiveness.
Strengthen the Rule of Law and security in a comprehensive manner	Implement an integrated strategy of operational certainty and institutional protection that evolves the traditional public security approach toward the creation of secure industrial ecosystems. This initiative is based on the establishment of certified logistics corridors and high-security industrial zones managed under specialized surveillance and corporate compliance protocols. The objective is to safeguard the integrity of value chains and provide a robust regulatory environment that protects business operations from external risks, thereby ensuring business continuity and maintaining the confidence of international markets.

Action	Description
Invest in digital and energy infrastructure	Develop and manage, through the governing body of the Special Economic Zone, a project portfolio that includes investment in key infrastructure for the new economy, such as data centers and energy generation with sustainability and resilience standards, taking advantage of proximity to energy developments in New Mexico and Texas. Contributions from the public, private, and academic sectors should be considered.
Define a unified policy strategy for the review and consolidation of the USMCA (T-MEC)	Create a regional advocacy coalition with the capacity for political engagement in Mexico City and Washington in order to promote a strategic Mexican position ahead of the 2026 USMCA review. This strategy should reconsider the specific chapter for SMEs and develop guarantees for nearshoring along the border in order to increase regional content. The experience of UTCJ in the development and consolidation of companies should be leveraged.
Promote a high-level local supplier development program	Implement a regional support and training program that strengthens small and medium-sized enterprises (SMEs) in terms of quality, production capacity, and access to technology—potentially adapting the IMMEX model for local suppliers. The objective is for companies to take advantage of tariff differentials relative to China and comply with the growing regional content requirements of the USMCA (T-MEC).
Develop and implement a binational strategic marketing campaign	Design and implement a unified and professional marketing strategy and narrative together with actors from Juárez–El Paso to project the region's real competitiveness, counter negative perceptions, and attract high-value investment and qualified talent, as has occurred in successful cases around the world.

Action

Description

Promote an urban policy for talent retention with a social focus

Take advantage of the opportunity created by global economic reconfiguration and the current talent shortage to promote policies aimed at improving quality of life. This includes ensuring that local revenues are invested—across all levels of government—in urban infrastructure and quality services that attract and retain human capital, replicating the infrastructure investment principles observed in other competitive regions.

Conclusion

Ciudad Juárez stands at a decisive crossroads. While its legacy as a pioneer of the manufacturing model provides it with an undeniable competitive advantage, the inertia of the traditional model and the structural challenges currently facing the region demand a profound evolution. The geopolitical reconfiguration of global supply chains and the integration of North America open a unique window of opportunity; however, capitalizing on this moment requires overcoming inertial dependence through disruptive actions that, rather than merely managing vulnerability, strengthen the strategic autonomy of the region.

The key to regional development lies in a paradigm shift: transitioning from a manufacturing cost center to a leader in innovation and value generation. Achieving this transformation requires the coordinated implementation of the ten strategic actions proposed in this document, supported by governance structures capable of leveraging the proven leadership of the region's economic actors. State-level planning alone will be

insufficient; industry, academia, and civil society must assume a central role in guiding the diversification of the economy and building a resilient system grounded in talent.

These recommendations seek to establish the foundations for a long-term transformation that positions Ciudad Juárez as the most important hub for design and advanced manufacturing along the border, ensuring the retention of human capital and the generation of social well-being. The urgency is clear: competitiveness challenges must be aligned with political will before this historic window of opportunity closes. The moment is now, and each stakeholder must assume its responsibility; the success of this new approach will depend on the capacity to transform individual responsibility into a powerful collective synergy.

The key to regional development lies in a paradigm shift: transitioning from a manufacturing cost center to a leader in innovation and value generation.

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**SELLO
EDITORIAL**

UNIVERSIDAD TECNOLÓGICA DE CIUDAD JUÁREZ
Av. Universidad Tecnológica # 3051, Colonia Lote Bravo II
C.P. 32695 · Ciudad Juárez, Chihuahua, México.

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