# BINATIONAL ECONOMIC DEVELOPMENT **ZONE SUMMIT**

Border Prosperity through a Competitive Economy













# FACT SHEET

# **BINED ZONE SUMMIT**

Top Ten List



### **BiNED Premise**

- 1. If the declining trends in the socioeconomic conditions on the US/Mexico border remain unabated, they will lead to disruptive negative social and economic displacements of the region that will undermine the long term interests of both countries; including increased insecurity, instability and illegal immigration.
- 2. The path to reversing the declining trends and avoiding serious dislocations is not by building more border walls; or by adding more boots on the ground; or by continuing unilaterally down the traditional path of our border pass-through economies, regardless of how much more efficient we can make our international crossings.
- 3. The path to a more secure and prosperous border region lies instead in creating the conditions necessary to foster an innovative, competitive, integrated and collaborative binational border economic development (BiNED) zone. A BiNED zone that captures a greater share of the economic development resurgence of nearshoring advanced manufacturing that is occurring in the US and even more so in the interior of Mexico. A Mexico that is forecast to become a major competitive driver for North America into the future especially as NAFTA 2.0 becomes a reality.

#### **BiNED Zone Features**

4. The BiNED zone would encompass both sides of the border. It would gain competitive advantages by eliminating the physical

#### What is BiNED?

BiNED is an acronym for Binational Border Economic Development.

The basic idea of BiNED is to create an integrated innovative and competitive binational advanced manufacturing zone along the US/Mexico border to capture a share of the economic development resurgence of near shoring advanced manufacturing that is occurring in the interior of Mexico.

#### What is the Purpose of the BiNED **Summit?**

The purpose of the BiNED summit is to develop a path forward for the implementation of a BiNED Pilot Zone in the Brownsville/Matamoros area.

## Why is BiNED important?

BiNED is an antidote to the declines in security and economic well being that are occurring along the US/Mexico border that have serious negative implications for both countries.

by Carlos Marin, Ph.D. At-Large Board Member United Brownsville

- and policy barriers associated with a demarcated border to the greatest practical and effective extent.
- 5. The frictionless BiNED zone would allow the strongest competitive advantages of each respective country to emerge (e.g., low energy costs and greater financial lending and infrastructure/logistics capacity on the US; and competitive labor markets and existing advanced manufacturing capacity on the Mexican side) and create a more competitive, secure and prosperous region than the one that exists under separate non- integrated regimes.
- 6. It's a truism that innovation is the key to economic growth and that the research/engineering functions need to be collocated with manufacturing facilities in order for optimal innovation to occur. The reality is that there is no other place where you can better collocate the competitive labor markets and existing advanced manufacturing capacities of Mexico with the advanced research/engineering, financial/management and infrastructure/logistics capacities of the US than on the US/Mexico Border.

# **BiNED Summit Purpose**

- 7. The purpose of the BiNED summit is to develop a path forward for the implementation of a Pilot BiNED Zone in the Brownsville/Matamoros area.
- 8. The pilot BiNED zone may also serve as an experimental platform for emerging ideas under NAFTA 2.0 including liberalization of services trade, frictionless transportation of energy products, and a common BiNED zone external tariff among others.

# **BiNED Summit Agenda**

- 9. The Summit is organized into a morning plenary session and a set of parallel breakout sessions in the afternoon.
- 10. The plenary morning session is designed to provide the context of the US/Mexico border, and our Brownsville/Matamoros region in particular, in terms of the challenges and opportunities to creating a competitive, secure and prosperous region.

The afternoon breakout sessions are designed to produce a path forward for the creation of the BiNED pilot zone. There are seven breakout sessions centered on specific BiNED zone features and characteristics:

- 1. Security
- 2. Legal Framework / Trade / Finance
- 3. Advanced Manufacturing Innovation and Competitiveness
- 4. Human Capital
- 5. Infrastructure / Natural Resources / Environment

In each case, participants in the breakout sessions will prepare a list of desired zone outcomes/characteristics; existing opportunities/gaps; realistic short term outcomes; and short term strategies.

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