

# ADVANCED MANUFACTURING: AN ENGINE FOR GROWTH IN THE BINATIONAL REGION

Frontera Fridays are quarterly events that connect leaders from both sides of the border to UC San Diego and serve as a platform for learning, networking and discussing opportunities and challenges that make our binational region unique. They are organized by the Center for U.S.-Mexican Studies (USMEX) at the School of International Relations and Pacific Studies (IR/PS) and the Urban Studies and Planning Program (USP) and honor the legacy of Chuck Nathanson and the San Diego Dialog



The CaliBaja Mega Region is defined as the California counties adjacent to the border (San Diego and Imperial counties) and five municipalities that make up the state of Baja California. Home to over 6.4 million people, CaliBaja is one of the most populated areas of the U.S.-Mexico border region, and has long been an important nexus of trade and economic integration between the United States and Mexico.

CaliBaja is an international powerhouse in the manufacturing of semiconductors, medical devices, aerospace, audiovisual and communications equipment. The binational industrial complex located in the region has cross-border supply chains, manufacturing processes that extend across the border, and important binational flows of human and financial capital, making the region a globally competitive hub for advanced manufacturing. Advanced industries, intensive in both research and development (R&D) and the use of employees skilled in science, technology, engineering and mathematics (STEM), are important sources of jobs, exports and foreign direct investment (FDI) for the region.

Despite the important role that the advanced manufacturing ecosystem plays as an engine for economic growth on both sides of the border, the dynamism and innovation of the cross-border region is often understated or poorly understood. Examining these industries on one side of the border or the other without taking into account the binational nature of advanced manufacturing, leads to a fragmented understanding of the strength of our shared economy. Similarly, to be effective, economic development policy should be coordinated across the region.

*This issue brief leverages the findings of two research collaborations in which the UC San Diego Center for U.S.-Mexican Studies has been engaged in over the last two years. The first is an on-going collaboration with the Cali-Baja Mega Region Initiative and the Colegio de la Frontera Norte to analyze cross-border industry clusters. The second is a project with the San Diego Regional Economic Development Corporation that looks at exports and foreign direct investment.*