



Mexican Strategic Landscape

Monthly Report - May 2024



The Institute
for Strategy &
Defense Research

What is The Mexican Strategic Landscape Report?

A monthly publication by the Institute for Strategy and Defense Research (ISDR), a think tank dedicated to the analysis and the dissemination of information in key topics which address Mexico's problems and structural challenges. This document provides insights from the six different regions that make up the country.



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Regions of Mexico



Trends to watch in Mexico

01 / Rising violence in Chiapas.

Theft of vehicles, roadblocks by armed groups, attacks against politicians, kidnapping of migrants are part of the cocktail of violence that affects the state of Chiapas. The severe deterioration in security conditions is attributed to the dispute between criminal organizations, which has caused the United States Embassy to issue a rather uncommon travel alert. The border between Chiapas and Guatemala, including cities such as Netzahualcoyotl, Ocosingo, El Ocote, San Francisco Pujilic, and Mepastepec, are reported as danger areas in the statement. The proximity of the elections is another factor that has accentuated the violence in the state. Given Chiapas' geopolitical situation as a buffer state between Mexico and Central America, recovering security and governability in this region demands a joint plan between Mexico, the United States and Guatemala.

02 / The fight for steel in Latin America.

There is growing concern in the steel industry in Latin America and the United States about unfair Chinese trade practices, especially flooding the market with low-cost steel. Data from the Latin American Steel Association revealed that in 2023, the region imported a record 10 million tons of Chinese steel, representing a 44% rise from 2022. This situation has put great pressure on the steel industries in the region, which have had to cut jobs and even consider closing some plants. In the case of Mexico, which has received great pressure from the US, the government imposed tariffs of 25% on products that incur in unfair competition coming from China. The fight for steel is part of the strategic competition between the United States and China, due to its relationship with critical industries such as the energy sector, shipbuilding and infrastructure.

03 / Production boom of the Texas-Mexico automotive cluster.

A study carried out by the consulting firm Accenture reveals that, in the last 10 years, the production of light and heavy vehicles manufactured by the Texas-Mexico automotive cluster (TMASC) has grown by 55%. The cluster is constituted by the states of Nuevo León, Tamaulipas, Coahuila, San Luis Potosí, and Texas, where important assembly and supplier companies have been established, strengthening the North American supply chain. The dynamism of this industry illustrates the process of economic integration that this region has experienced and the importance of working on public policies with a binational approach.

Mexico and the Global Stage

Pro-Palestinian protests in Mexico.

The pro-Palestinian demonstrations that have been registered in various parts of the world have spread to Mexico -albeit in a reduced fashion. Over the last month, students from UNAM and COLMEX in Mexico City have joined global protests and demanded the Mexican government to break diplomatic ties with Israel. This new wave of demonstrations emerges seven months after the Israel-Hamas conflict broke out, yet it is highly unlikely that such demonstrations will become as politically relevant as it has happened in the United States or Europe.

Northwestern

Regional Overview

01 ——— Venezuela's Tren de Aragua gang in Chihuahua.

The Chihuahua Police have hints of the presence of members of the Venezuelan gang “El Tren de Aragua” in migrant camps in the cities of Ciudad Juárez and Chihuahua. Although in Mexico, information about the presence and operation of this group is scarce, in Latin America it has been identified that the group has used Venezuelan migration to expand its operations in countries such as Colombia, Ecuador, Bolivia, Chile and Peru. This situation has raised alarms among figures from the Republican party in the USA, who asked President Biden to designate the Tren de Aragua as a “Transnational Criminal Organization” (TCO). Authorities must remain alert due to the danger of this criminal groups and the implications that its arrival could have on the Mexican criminal landscape.

02 ——— Regulation in California impacts cargo transportation industry in the region.

The ambitious plans of the state of California to accelerate the electric transition in cargo vehicles could have an impact on the Mexican industry and the binational economy. As a result, Baja California businessmen are seeking an extension to be able to comply with the electrical transition. Among the challenges faced by the industry in Mexico to comply with this regulation are the high cost of electric trucks, a shortage of electric charging stations and a shortage of units on the market. Although electromobility is a growing global trend, in Mexico there are no public policies that encourage its use and there is still a great dependence on fossil fuels.

Key Actors

California’s Advanced Clean Cars Regulations.

The Advanced Clean Cars II regulations, requires that all new passenger cars, trucks, and SUVs sold in California will be zero-emission vehicles by 2035. Also, the Low-emission Vehicle Regulations were amended to include increasingly stringent standards for gasoline cars and heavier passenger trucks to continue to reduce smog-forming emissions.

Northeastern

Regional Overview

01 — The political war over water in the region.

The states of Tamaulipas, San Luis Potosí, and Nuevo León face varying degrees of drought and water supply has become a critical issue on the public agenda and in relations between the states of the region. Although at the local level, the states have made various efforts and proposals to confront the water crisis, the problem of long-term water supply continues to be a pending issue that will require the participation of the Federal Government and collaboration between states. Among the proposals that have caused disagreements between the states are Monterrey VI that seeks to bring water from the Tampaón River in San Luis Potosí to the metropolitan area of Monterrey and the transfer of the Pánuco and Papaloapan rivers from Veracruz to Tamaulipas.

02 — Progress on the Mante-Ocampo-Tula highway.

The construction of the Mante-Ocampo-Tula highway is one of the most anticipated infrastructure works in the region because it will connect the center of the country with the ports of Altamira and Tampico in Tamaulipas and will reduce travel times. The work that began construction at the end of 2021 will have a length of 107 kilometers and will include one of the largest tunnels in Mexico crossing the mountains between Chamal and Ocampo. The highway is expected to be completed by mid-2025 and to boost commerce and connectivity in the region.

Key Actors

Drought in Tamaulipas, Nuevo León, and San Luis Potosí.

The latest report on drought in Mexico reveals that 79% of the municipalities in Tamaulipas present some degree of drought, 51% in Nuevo León, and 89% in San Luis Potosí.

Western-Bajío

Regional Overview

01 ——— **Combating water theft in Michoacán lakes.**

The drought affecting Michoacán and the low water level of Lake Pátzcuaro, an important body of water in the region, has caused the Government of Michoacán to adopt new measures to combat water theft. Among the actions that the Government has carried out, the use of drones to identify illegal water tanks used to grow avocados and berries, operations by the state Civil Guard to detect water extraction and the installation of an Interinstitutional Defense of Water Committee stand out. The municipalities where this problem has been identified are: Janitzio, Puácuaro, Oponguio, San Jerónimo Purenchécuaro and Chupícuaro. Due to the water crisis that Mexico is going through, combating water theft has become a government priority in various regions of the country.

02 ——— **Guanajuato advances in the identification of missing people.**

In recent years, reports of missing people in the country have increased, this situation has caused the authorities to be overwhelmed in being able to identify the bodies found in clandestine graves. Given this context, in November 2022, the Guanajuato Attorney's Office and the National Electoral Institute signed a collaboration agreement to identify missing people using their fingerprints and biometric data. Since the agreement was signed, the authorities have managed to recognize approximately 500 people. Other states that have also signed agreements with the National Electoral Institute are Coahuila, Quintana Roo and Puebla.

Key Actors

Interinstitutional Committee in Defense of the Water of Lake Pátzcuaro.

The committee is made up of various institutions from the three levels of government such as: State Government Secretary, National Water Commission, State Law Enforcement, State Commission for Water and Basin Management, Secretariat of the Environment (Secma), Fisheries Commission (Compesca) and the municipalities of Pátzcuaro, Quiroga, Tzintzuntzan and Erongaricuaró.

Central

Regional Overview

01 — Opaque water in Mexico City: between pollution and disinformation.

Various reports highlight the concerning water quality in Mexico City, raising alarms about its suitability for human consumption. Initial attention to this issue came from candidate Santiago Taboada, who pointed to investigations revealing fecal contamination in the water. Additionally, residents of Benito Juárez complained of a gasoline-like odor in their water, prompting protests and an investigation by the Attorney General's Office. However, transparency surrounding the issue has been lacking, as the investigation findings will be withheld from the public for at least three years by Mexico City's Water Systems (SACMEX), citing concerns of potential misinterpretation. Furthermore, SACMEX argues that publication could impede ongoing investigations into possible sabotage of the water distribution system and risk tampering with evidence.

02 — Rising violence in Guerrero.

The mounting insecurity in Guerrero, as evidenced by recent developments, extends far beyond isolated incidents. With political candidates compelled to hire personal security amid heightened campaign risks, the pervasive threat to political engagement becomes starkly apparent. Moreover, the closure of around 80 schools due to violence not only disrupts education but also underscores the broader societal impact of insecurity on essential institutions. The heightened violence demands urgent attention and focused efforts to address the root causes of insecurity, safeguarding both essential institutions and daily life.

Key Actors

Criminal Groups in Guerrero.

The closing of schools in high-risk areas is attributed to territorial disputes between La Familia Michoacana and Los Tlacos. However, recent events including the armed robbery of kindergarten and primary school teachers by 20 individuals have not been attributed to any group.

Southern

Regional Overview

01 — Migrant shipwreck in Oaxaca triggers Chinese response.

On March 28th, a shipwreck off the coast of Oaxaca, claimed the lives of eight Chinese migrants and left one survivor injured, prompting an urgent call from China for Mexico to expedite investigations into the incident. This underscores the complexities of transnational migration and the risks faced by those passing through Mexico to seek refuge in the United States. The sinking of the vessel, operated by a Mexican individual, revealed the hazardous routes used by human traffickers. China's plea for prompt action from Mexican authorities underscores the need for enhanced international cooperation to combat human trafficking and ensure the safety of vulnerable migrants. Recent immigration waves have highlighted a new trend in different nationalities and strategies, emphasizing the urgency of a multilateral approach to addressing immigration-related human trafficking. Also, the need to improve Mexico's naval capabilities to address maritime security phenomena -such as maritime human trafficking- is more than evident.

02 — Power struggle in Chiapas leads to the killing of a Pastor.

The recent assassination of Juan Hernández Gómez, an indigenous leader of an evangelical church in Pantelhó, Chiapas, underscores the escalating violence fueled by territorial disputes in the region. These conflicts, primarily driven by struggles for control as elections are closer, have resulted in targeted attacks on community leaders. However, the attack resonates with a national trend. It reflects a broader challenge in which calling for peace, dialogue, and non-violent resolutions, as done in the past months by bishops and pastors, leads to retaliation by criminal organizations.

Key Actors

Violence against church leaders throughout the country.

Morelos' bishop, who had previously called for peace talks in the region, was kidnapped for 72 hours where he was assaulted, drugged and injured.

Yucatán Peninsula

Regional Overview

01 — **Quintana Roo seeks diplomatic and economic ties with Southeast Asian countries.**

The recent visit of Southeast Asian ambassadors to Quintana Roo underscores an effort to tap into the region's full economic potential. The meeting included ambassadors from Vietnam, Philippines, Malaysia, Indonesia, and Thailand, as well as the concurrent ambassadors of Singapore, Cambodia, Laos, Myanmar. The agenda extended beyond tourism and aimed to foster new investments and exchanges in innovation, economy, culture, and technology, as exemplified by plans to promote Tulum International Airport. ASEAN countries' economy is projected to become the fourth largest economy by 2030 with projected yearly GDP growths of 4-5%, this makes the region a key ally to have before they reach their full potential.

02 — **Thirty-one women rescued from sexual exploitation in two separate efforts in Quintana Roo.**

Recent law enforcement efforts have uncovered two significant cases of human trafficking in the form of sexual exploitation, shedding light on this pervasive issue in the state. The Quintana Roo State Attorney General's Office (FGE) dismantled an international human trafficking ring operating in the Benito Juárez municipality (Cancun), arresting two individuals involved in drug-related activities. This operation resulted in the rescue of four women, including nationals of Colombia, Mexico, and Venezuela, who were victims of forced prostitution. A separate joint operation between the FGE and the National Guard led to the rescue of 27 women subjected to sexual exploitation in a clandestine bar in Cancun as a result of sex trafficking. These women come from nine southern Mexican states, a finding that highlights the systemic nature of this crime. Further investigation and joint operations are needed to dismantle trafficking networks.


Key Actors


Sexual trafficking in Quintana Roo.

Victims of sexual exploitation in Quintana Roo usually belong to three main groups: a) boys from around 8 years old, b) girls as young as 10 years old, and c) 15- to 17-year-old teenagers. The last category comprises young women from South America and Eastern Europe who are deployed into the country as dancers or escorts through false documentation and as part of larger human trafficking networks. Local victims come from the south of Mexico, have limited economic resources and are commonly victims of family violence.


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