



Mexican Strategic Landscape

Monthly Report - November 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 / Cartels in Mexico gravitate in the gray zone.

During October, criminal groups in Sinaloa and Guanajuato carried out actions that could be classified as terrorism or criminal insurgencies. In Sinaloa, a criminal group dropped flyers from a small plane with messages to overthrow the state governor for allegedly protecting another criminal group. In Guanajuato, in 2 different cities, car bombs exploded simultaneously, leaving 3 police officers injured and several cars destroyed. Mexican federal authorities have ruled out classifying these acts as terrorism or insurgencies. However, there is a growing pressure amid the US National Security establishment to stop the power that these criminal organizations have acquired, even contemplating unilateral military actions in some sectors. The next US Government will largely define the security policy that will govern both countries in the coming years.

02 / The Future of Mexico-U.S. relations after the elections.

The arrival of Donald Trump to the U.S. Presidency entails a geopolitical reconfiguration that will have implications for Mexico. In the economic sphere, the renegotiation of the USMCA in 2026 is expected to have a more protectionist vision, seeking to protect jobs in the United States and limit Chinese investment in Mexico. In terms of security, tighter measures are expected against Mexican criminal organizations, particularly those linked to the production and trafficking of fentanyl. Regarding immigration, one of the central issues of Trump's campaign, the elected president has already announced potential mass deportations and greater restrictions on asylum policy. Given this scenario, the Mexican Government will have little opportunity for negotiation. Therefore, it will be important to strengthen communication channels with strategic actors in the U.S., identify possible allies in the public and private sectors and design an industrial policy that is aligned with the new geopolitical change.

03 / Constitutional Crisis in Mexico.

For the first time in history, Mexico was on the edge of a constitutional crisis on November 5th, as the Supreme Court of Justice discussed a proposal to declare the judicial reform unconstitutional. Although the proposal failed, the President declared her intent to appoint a new minister in December to ensure the necessary votes to protect the reform of the judiciary. This action and the approval of constitutional supremacy in the legislative branch, will weaken the system of checks and balances in Mexico.

Mexico and the Global Stage

Wind of change in Mexican foreign policy.

In recent weeks, President Claudia Sheinbaum has hinted at possible changes in Mexican foreign policy. Her attendance to the G20 meeting in Brazil, the aid offers to Spain due to the devastating floods, and the rapid recognition of Donald Trump's victory in the US Presidency stand out. This action, along with the approval of constitutional supremacy in the legislative branch, will weaken the system checks and balances in Mexico.

Northwestern

Regional Overview

01 — Economic activity and tourism suffer while violence reaches Mazatlán.

Violence in the state of Sinaloa has extended to touristic Mazatlán, negatively affecting tourism and economic activity in the city. The Chamber of Commerce, Services, and Tourism (CANACO) warned of losses of about 50% of revenue in restaurants. Between September and October, air travel fell 18% and hotel occupancy dropped around 40%, causing layoffs. Some conventions and meetings have also been postponed. While the city is trying to regain security, winter season, key for foreign tourism, is about to begin. Violent events are disrupting people's livelihoods with drastic consequences. As the wave of violence expands from Culiacán, the risk of disruption of everyday life and economic activity across the region increases.

02 — Regional Drought.

Northwestern Mexico has been severely affected by droughts. In Chihuahua, 100% of the municipalities are drought stricken, while in Sinaloa and Sonora, 88.9% and 86.1% of municipalities face the same issue. Within this context, agricultural activity has been severely hit and dams are at low capacity. In addition to the economic pressure, within a year Mexico must send 1.650 billion cubic meters of water to the United States, in compliance with the International Water Treaty between both countries. Due to current conditions, a time limit extension seems like the only option for Mexican authorities. The effects of climate change are only expected to increase in the upcoming years, with dire consequences that will require effective policies. Mexico is especially vulnerable, and water problems are posed to bring harsh economic, political, and social challenges.

Key Actors

International Water Treaty of 1944.

This treaty between Mexico and the United States distributed the use of water in the international border. According to the treaty, Mexico receives from the United States 1.85 billion m³ of water from the Colorado River basin every year and 4.3 billion m³ from the Rio Grande basin every five years. The United States, in turn, must receive from Mexico 2.1 billion m³ every five years from the Rio Grande basin. Next year is the time limit of the 5-year period to meet with the water requirement established by the treaty.

Northeastern

Regional Overview

01 — Growth and development in Nuevo León while challenges of urban development and violence persist.

Nuevo León has become the national frontrunner in attraction of Foreign Direct Investment (FDI) and nearshoring. The Valley of the Salinas, formed by the municipalities of Salinas Victoria, Pesquería, Ciénega de Flores, among others, is one of the regions that has most attracted FDI. In the past couple of years, KIA, Ternium, Lego, and recently, Volvo, have invested millions in new factories. Nonetheless, this economic boom has surpassed local authorities' capacity for the provision of public services, ordered urban development, public transportation, and security. As an example, for 20 consecutive months, Nuevo León has registered at least a hundred homicides per month. If these governance problems are not properly managed, they will deeply affect the economic advantages of the state.

02 — Expansion of customs at the Port of Altamira.

The federal government is investing US\$68 million in the expansion of customs at the Port of Altamira in Tamaulipas. The number of lanes for exports and imports will be increased, with the first part of the project due to be finished this year. While Tamaulipas is becoming a leader in energy production, Altamira, the fourth most important maritime port in terms of cargo in the country, is due to play a relevant role. In October, the first shipment of liquified gas from the New Fortress Energy and the Federal Commission of Electricity (CFE) offshore platform left for Europe. These investments are relevant in the growing importance of Altamira in the trade routes through the Gulf of Mexico.

Key Actors

Valley of the Salinas.

The Valley of the Salinas ("Valle de las Salinas") is a region located in the state of Nuevo León, north of the state's capital, comprised of the following municipalities: El Carmen, Hidalgo, Abasolo, Salinas Victoria, Ciénega de Flores, General Zuazua, Mina, Marín, Higuera, and Pesquería. In the last couple of years, it has experienced an important flow of investment, Salinas Victoria alone received 30% of the state's FDI in 2023, and a drastic increase in population. Between 2010 and 2020 the population of Pesquería, Ciénega de Flores, and Salinas Victoria increased 608%, 180%, and 165% respectively.

Western-Bajío

Regional Overview

01 — **Despite violence, municipalities in Guanajuato delay naming heads of Public Security Departments.**

Guanajuato continuously ranks as the state with the highest number of homicides in the country. In mid-October, the first female governor of the state and the mayors of all 46 municipalities assumed office. Nonetheless, and in spite of a major security crisis, most municipalities began their new administrations without naming a Secretary or Director of Public Security. By the first week of November, only 22 municipalities had publicly designated a head of Public Security. While the governor announced the implementation of the new security plan, the lack of Public Security Secretaries or Directors remains a basic challenge to overcome, before trying to implement a new security strategy.

02 — **First steps for Mexico City – Querétaro Train.**

With a total estimated investment of US\$3.6 billion, the preliminary works and studies for the construction of the Mexico City – Querétaro train have begun. The project, consisting of over 225 kilometers, is expected to be finished within three years and will reduce the travel time between both cities by 40%. It will also help to reduce congestion at the important Federal Highway 57. This project is inserted within the federal policy of building train infrastructure and relaunching a national passenger railway service. Due to the daily travel demand between Mexico City and Querétaro, this project is expected to have a consequential impact in the region's economy and may consolidate the national train strategy.

Key Actors

Federal Passenger Railway Proposal.

The federal government has announced a strategy to recover passenger train services after they mostly disappeared in the 1990s. In her first day as president, Claudia Sheinbaum announced more than 3,000 km of railways including the following projects: Mexico City – Pachuca, Mexico City – Nuevo Laredo (passing through State of Mexico, Querétaro, San Luis Potosí, and Monterrey), and Querétaro – Guadalajara, with a possible extension to Nogales, Sonora.

Central

Regional Overview

01 — Violence increases in Puebla.

In the last few months, violence has engulfed Puebla. In October alone, crimes ranged from publicly burnt cars with messages to the discovery of human remains on the highway to State of Mexico. Puebla's state government has announced new security strategies to target general violence and gender-based violence but their results remain to be seen. Amidst the municipality's government transition, Puebla de Zaragoza's mayor has declared security as a priority and begun new strategies like the reactivation of public cameras while citing budget constraints. This has sparked public debate with political parties politicizing and polarizing the discussion.

02 — Egyptian immigrants found in Hidalgo.

Following the arrest of an armed man in Pachuca, 61 Egyptian immigrants were found in a local hotel. The man was found to be in possession of 70 counterfeit IDs emulating those from the National Immigration Institute and corresponding to the people found in the hotel whose immigration status was irregular. This incident reflects a shifting trend: while surges in immigration are commonly observed in border states, central and southern regions are now experiencing increased irregular migration, with a wider diversity of nationalities, including a notable rise in Asian and African migrants. Currently, Mexico's response remains largely reactive, addressing isolated cases rather than taking a strategic, proactive approach. Mexico must recognize the shift in immigration and the economic dynamics behind human trafficking.

Key Actors

Crime increases in Puebla.

Taking January 2020 and January 2024 as reference, drug-dealing increased 239%, property damage 153%, and cargo theft 142%.

Southern

Regional Overview

01 — Tabasco's security truce comes to an end.

Tabasco has recorded unprecedented crime rates from January to September of the current year. High-impact crimes, including homicide and kidnapping, have surged 188% and 200% respectively compared to the same period in 2023. While other criminal activities also increased at varying levels, drug dealing saw a stark increase of 800%. The increase in violent crimes reflects the presence of criminal groups vying for territorial control of the state. This was further showcased on October 23rd when six banners were left throughout Centro, Tabasco with messages from different factions addressed to each other followed by 8 burnt vehicles the next day. The new governor is adhering to the past security strategy "Safe Tabasco" in collaboration with the federal government.

02 — Guatemalan arrests in Chiapas.

On October 1st, eight men were arrested for shooting against SEDENA's soldiers. Three of the detainees are from Guatemala. The cross-border implications of the escalating conflict in Chiapas have been a growing concern as more involvement from Guatemalan citizens has been observed. These detentions, while isolated, provide a peak into what could become a border -conflict if its international implications remain unaddressed. To date, no public declarations from Guatemala nor Mexico have been made on this regard nor have joint security efforts been announced.

Key Actors

Tabasco's security strategy "Safe Tabasco".

The "Safe Tabasco" strategy was implemented by the previous governor Carlos Manuel Merino Campos, consisting of a joint security operation of 2500 federal and state level special forces that are deployed throughout the territory. Within a month of operation (February 2024), authorities reported 57 arrests, 298 vehicles ceased, and 13 disappeared persons found.

Yucatán Peninsula

Regional Overview

01 — Tropical storms and hurricanes leave lasting effects.

This year's tropical storm and hurricane season was described as "hyperactive" by meteorologists. While some storms provided much-needed rain to counter drought conditions, others left damage to infrastructure, local economies, and even caused deaths. In a span of just three weeks, Yucatán was struck by hurricanes Helene, John, and Milton, halting daily life as residents sought shelter, and schools were forced to close. While Helene and John only caused infrastructure damages primarily from heavy rainfall, Milton caused the disappearance of over 10 fishermen at sea. The increasing intensity of storm seasons and their recurrent toll on infrastructure and livelihoods will likely worsen with ongoing climate change. In the upcoming seasons, Mexican authorities must work collaboratively across all levels of government and allocate sufficient resources to adopt a proactive strategy based on risk and damage assessments.

02 — Cancun's Transport Union found to be linked to local organized crime.

In recent weeks, the leader of the union and three members were detained for their involvement in the homicide of two drivers who showed signs of torture. After their arrest, their union building was raided with findings including ammunition, drugs, evidence of three murders and a "torture room". Quintana Roo's transport union has a strong presence, both for their work and for their hard stance against transport apps and regulations, which has led to tensions between the groups that have escalated to aggressions at times. Local authorities need to stop the attacks and abuses committed by the transportation union, since they put the safety of citizens and tourists at risk.


Key Actors


Hurricane season in Mexico.

In the last 5 months, Mexico has been hit by three hurricanes and two tropical depressions. Damages have varied from state to state with the most affected being Guerrero and Veracruz.


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