

COMMENTARY

On the edge of transition: My reflections on the year ahead for U.S.-Mexico trade

As we approach the end of another year of dynamic growth in U.S.-Mexico cross-border trade, we find ourselves at a moment where change and continuity converge in complex ways. While



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the rapid emergence of new technologies and nearshoring strategies shaped much of this year's narrative, the com-

ing months will be equally defined by political transitions and the delicate interplay between protectionist temptations and continued regional integration.

The United States will welcome a new administration, and Mexico's relatively new government will continue refining its economic and security approach amid controversial constitutional reform efforts. Both nations—and their northern neighbor, Canada—must ensure that their shared border operates not simply as a line of separation but as a critical resource for innovation, competitiveness, and long-term resilience.

The approaching year may feel like a high-stakes balancing act. On the one hand, technological advancements, including what I refer to as “Logistechs”—the in-

tegration of exponential technologies such as artificial intelligence, blockchain, and advanced analytics into logistics and supply chain operations—offer pathways to streamline cross-border trade and enhance transparency. These tools aren't just improving efficiency but fundamentally reshaping how we think about cross-border commerce and regional integration. Their pace of development is set to accelerate even further in the coming year.

On the other hand, pressing challenges demand urgent attention. Technology alone cannot resolve infrastructure bottlenecks, mismatched regulations, and political uncertainties. Each of these elements interacts with the evolving political environment, in which the U.S. and Mexico must maintain constructive dialogue to sustain and grow a partnership already tested by shifting global supply chains and competition.

Adding to this complexity is the trilateral framework that provides the foundation for North America's global competitiveness. Although the formal review of the U.S.-Mexico-Canada Agreement (USMCA) is slated for 2026, the current reality demands that all parties begin preparatory discussions now. Recent tensions have included not only the specter of

tariffs but also murmurings within some Canadian provinces about moving away from the trilateral concept and exploring more bilateral arrangements.

Such moves would risk undermining the cohesive bloc that has positioned North America as a formidable economic region. The strength of the USMCA lies not just in its legal text but in the shared vision that has allowed the U.S., Mexico, and Canada to navigate global market shifts and rapidly evolving technological landscapes jointly.

Bilateral issues that require urgent attention will further test this cohesion. Mexico, for its part, must deliver tangible progress on managing irregular migration and curbing fentanyl trafficking—actions that will help maintain trust and credibility. The United States, in turn, must take steps to reduce the flow of firearms into Mexico, as this persistent security concern undermines efforts to ensure stability and protect communities on both sides of the border.

These interrelated political and security challenges come at a critical time for North American supply chains. In recent years, companies have reassessed their global footprints, exploring nearshoring opportunities that place North America at the heart of manufacturing and distribution networks.

The border region has emerged as a proving ground for both physical and digital infrastructure needs. With new commercial bridge projects approved and port modernization underway, the focus now shifts to addressing the challenge of ‘digital walls’—implementing modernized customs processes, data-driven risk assessments, and AI-driven optimizations. This evolution recognizes that the border must serve as an efficient gateway, not an obstacle.

Yet, the pace of digitalization and automation brings its dilemmas. Large, well-capitalized firms can adapt quickly to new technologies. At the same time, small and medium-sized enterprises (SMEs)—including long-standing family-owned cross-border trade and transportation companies—may face steeper learning curves. Even well-established, centennial companies that cling to traditional business models risk losing market share to agile startups armed with innovative digital solutions. To ensure that digital transformation is inclusive, we need targeted workforce development programs and strategic public-private partnerships.

Initiatives like living labs, which bring together academia, government, and industry, can offer a blueprint for training, experimenting, and scaling new solutions. These

collaborative spaces serve as proving grounds where theoretical innovation meets practical application, helping ensure that technological advances benefit the entire trade community. The emergence of user-friendly technology platforms is making innovation more accessible, allowing professionals without technical backgrounds to harness the power of data analytics and AI in their daily operations. This inclusivity will ensure that the digital era serves as a catalyst for broader economic advancement, not a force that widens existing divides.

As we look ahead, it's clear that technology and policy must advance hand in hand. Investments in digital infrastructure must be matched by investments in human capital and physical infrastructure. Measurable progress on delicate bilateral concerns must support political commitments to strengthen the trilateral vision.

The challenge of integrating new technologies into cross-border operations will demand continuous learning, adaptability, and cross-sector collaboration. Meanwhile, the ability to balance security and humanitarian considerations alongside economic integration will test the political will of all parties involved.

The payoff will be substantial if we can navigate

this complex moment effectively. A well-integrated North American bloc—supported by forward-thinking trade policy, technological innovation, and a shared sense of responsibility—can maintain its leadership role in the global economy. The border, then, would not be a point of contention but a collaborative stage where each partner brings distinct strengths. By facing these collective challenges head-on, we can ensure that North America remains both an engine of growth and a model for how neighboring nations can advance mutual prosperity without sacrificing sovereign interests.

As we enter the new year, the stage is set for pragmatic policymaking, inclusive innovation, and genuine trilateral cooperation. The agenda is complex, and the stakes are high, but if this delicate equilibrium is managed successfully, so are the rewards. The border region, enriched by diverse voices and sustained by economic interdependence, stands ready to help guide North America into a future defined not by division but by seamless collaboration and shared opportunity.

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