



Nearshoring and SMEs in Mexico: A Promising Future in the Global Landscape

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Abstract

This proposal aims to highlight the significance of Small, and Medium Enterprises (SMEs) in Mexico, and their potential role in nearshoring. Nearshoring, characterized by the relocation of business processes to neighboring nations, has emerged as a strategic trend in the business world. Mexico, with its strategic geographical location and cultural affinity with the United States, emerges as an ideal territory for adopting this model. The document focuses on a proposal for how the State can capitalize on this opportunity, positioning its MSMs at the forefront of this transformation and effectively linking the nearshoring trend with regional business development.

Keywords: SMEs; Nearshoring; México

Introduction

In today's rapidly evolving globalized and digital economy, the concept of nearshoring – relocating business processes to geographically proximate countries – has notably gained prominence [1]. Various studies forecast that this trend will increasingly influence corporate strategies for expansion and efficiency in the coming years [2]. As reported by El Economista [3], Mexico stands out as a significant beneficiary of the nearshoring trend. Its advantageous geographical position has enabled it to capture at least 80% of the global nearshoring market. Experts believe Mexico's potential in this domain is nearly unmatched by any other region worldwide.

The Mexican Institute for Competitiveness [4] acknowledges that nearshoring poses both a challenge and an opportunity for Mexican entities. It offers a gateway to attract greater investment,

modernize production processes, generate quality jobs, and foster the country's economic growth. Data from GBM Company [5] underscores Mexico's strategic positioning, amplified by the rising transport costs from Asia to the United States. This shift has led foreign companies to eye Mexico for cost reduction and time efficiency. In 2022, 99% of production center relocations in Mexico were concentrated in 13 states, with the northern region, due to its proximity to the United States, appearing as the most advantageous for nearshoring benefits [5].

Therefore, delving into and analyzing nearshoring literature, particularly its impact on specific regions, is vital for grasping current trends and envisaging future opportunities. Identifying sectors that can most benefit from this business model is crucial [6].

The literature highlights several advantages of nearshoring, including operational cost reduction, enhanced process management efficiency, and improved cultural alignment between companies and their counterparts in neighboring countries. Furthermore, it emphasizes the necessity for recipient regions to prepare adequately in terms of infrastructure, workforce training, and technological adaptability [7]. However, a research gap exists concerning the understanding of the conditions in different regions of the country to benefit from nearshoring. This gap underscores the need for detailed, context-specific studies across various Mexican regions. Such research would not only identify key strategic sectors that could benefit from nearshoring but would also provide clear guidelines on optimizing current conditions to attract and retain nearshoring operations in various regions of the country.

Conclusions

As Small and Medium Enterprises (SMEs) in Tamaulipas strive to play a pivotal role in the regional economic environment, exploring new models and strategies to enhance their growth and sustainability is essential. Nearshoring emerges as one of these crucial strategies. By facilitating the relocation of business processes to nearby regions, this model not only promotes efficiency and expansion for companies but also opens doors to new cross-border collaboration opportunities. This regional integration, bolstered by Mexico's geographical and cultural proximity to the United States, provides MSMEs with a unique platform to boost their contribution to the region's economic growth and development while benefiting from a broader and more diversified market. Therefore, comprehensive research is proposed to analyze the current capabilities, areas of opportunity, and potential barriers

in various Mexican regions. This research will not only serve as a valuable tool for government policies and business strategies but will also position these Mexican regions as references in the study of nearshoring in specific regional contexts.

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Conflict of Interest

There are no conflicts of interest.

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