

# Maquiladora Downturn

*Structural Change or Cyclical Factors?*



Hosted by  
El Paso and San Antonio Branches  
Federal Reserve Bank of Dallas

November 21, 2003  
Sheraton Hotel  
South Padre Island, Texas

# Maquiladora Downturn

## *Structural Change or Cyclical Factors?*

**San Antonio and El Paso Branches  
Federal Reserve Bank of Dallas**

**November 21, 2003  
Sheraton Hotel  
South Padre Island, Texas**

## Agenda

---

- 7:45 a.m. Registration and Continental Breakfast**
- 8:45 a.m. Welcome and Opening Remarks**  
Keith Phillips, Senior Economist,  
Federal Reserve Bank of Dallas, San Antonio Branch
- 9:00 a.m. Opening Address**  
Antonio O. Garza, Jr.  
U.S. Ambassador to Mexico
- 9:20 a.m. Panel I: Current Economic Conditions and the State of the Maquiladora Industry: What's Left?**  
  
Harvey Rosenblum, Senior Vice President and  
Director of Research, Federal Reserve Bank of Dallas  
Everardo Elizondo Almaguer, Deputy Governor,  
Banco de México  
John H. Christman, Director of Maquiladora Industry  
Services, Global Insight  
Enrique Castro, Vice President, National Maquiladora Industry  
Council
- 10:50 a.m. Break**

**11:00 a.m. Panel II: Mexico's Maquiladora Industry and Global Competition**

**Ralph Watkins**, Program Manager, U.S. International Trade Commission

**Robert Berges**, Director, Latin America Equity Strategy, Merrill Lynch

**William C. Gruben**, Director General, Center for Latin American Economics, and Vice President, Federal Reserve Bank of Dallas

**12:30 p.m. Lunch and Keynote Address**

**"The 25 Years That Transformed Mexico"**

**Luis Rubio**, Director General, Centro de Investigación para el Desarrollo, A.C. (CIDAC)

**2:00 p.m. Panel III: Current Maquiladora Recession: Structural or Cyclical?**

**Alejandro Castañeda Sabido**, Professor, El Colegio de México (COLMEX)

**James Gerber**, Professor, San Diego State University

**Ernesto Acevedo Fernández**, Director of Macroeconomic Analysis, Ministry of Finance and Public Credit

**Javier Mancera**, Director of International Affairs, Public Strategies of Mexico Inc.

**3:30 p.m. Break**

**3:50 p.m. Panel IV: The Future of the Industry**

**Gordon H. Hanson**, Professor, University of California, San Diego

**Jorge Carrillo**, Researcher, El Colegio de la Frontera Norte (COLEF)

**Alejandro Dieck**, Chief of Staff, Mexico's Ministry of the Economy

**5:10 p.m. Closing Remarks**

**Robert W. Gilmer**, Vice President in Charge, Federal Reserve Bank of Dallas, El Paso Branch

**5:30 p.m. Adjourn**

# Panelists

---

## **Ernesto Acevedo Fernández**

*Director of Macroeconomic Analysis  
Ministry of Finance and Public Credit, Mexico*

Acevedo is director of macroeconomic analysis at the Ministry of Finance and Public Credit. With the ministry, he has also held the posts of director of economic policy and director of international economic studies. Acevedo's academic positions have included associate professor at Universidad Nacional Autónoma de México, professor at El Colegio de México, and research assistant and associate professor at Universitat Pompeu Fabra in Barcelona. His work has appeared in publications such as *El Trimestre Económico*, *Desarrollo Económico*, *Momento Económico* and *Economía Informa*. Acevedo holds a degree from Universidad Nacional Autónoma de México and a master's degree from El Colegio de México. He is a doctoral candidate at Universitat Pompeu Fabra.

## **Robert Berges**

*Director, Latin America Equity Strategy  
Merrill Lynch*

Berges is director of the Latin America Equity Strategy group of Merrill Lynch. He is responsible for determining the firm's equity market country and sector asset allocation within Latin America. Berges has done extensive work on China's threat to Mexico's position as the preeminent outsourcing destination for the U.S. market. He is past director of the WEFA Group's Latin America economics department. Berges holds an undergraduate degree from Universidad Nacional Pedro Henríquez Ureña in the Dominican Republic and an M.A. from the University of Delaware.

## **Jorge Carrillo**

*Researcher  
El Colegio de la Frontera Norte*

Carrillo is a full-time researcher in the social studies department at El Colegio de la Frontera Norte in Tijuana, Mexico. His focus is in industrial and labor sociology. He has spent years studying the maquiladora industry and the automobile sector in Mexico. He has been a visiting researcher in Madrid, Tokyo, Paris, San Diego and at El Colegio de México in Mexico City. Carrillo has authored or edited several books, including *Made in NAFTA*, *Five Studies on Industrial Integration in North America*; *Conditions of Employment and Training in the In-Bond Industry*; *The New Era of the Automobile Industry*; and *Border Women in the In-Bond Industry*. He has also written more than 50 articles in national and international scientific journals. Carrillo holds a Ph.D. from El Colegio de México.

## **Alejandro Castañeda Sabido**

*Professor  
El Colegio de México*

Castañeda Sabido is professor of economics at El Colegio de México. He has held a post with the economics department at Centro de Investigación y Docencia Económicas, served as a panelist on Chapter 19 NAFTA and has been a visiting professor at Stanford University. His research on Mexican manufacturing has been published in *Economía Mexicana*, *El Trimestre Económico*, *Comercio Exterior* and *Estudios Económicos*. Castañeda Sabido holds a B.A. from Universidad Nacional Autónoma de México, a master's from El Colegio de México and a Ph.D. from Stanford University.

## **Enrique Castro**

*Vice President*

*National Maquiladora Industry Council*

Enrique Castro is the vice president of the National Maquiladora Industry Council. He also serves as the director of operations at Promotora Merhen, an international manufacturer of specialized plastic foams used for product packaging, in Reynosa, Mexico. Prior to his current position, Castro was president and part owner of Mercorp Inc., a McAllen, Texas-based designer and manufacturer of interior protective packaging for a variety of manufactured products. Castro was also previously the general manager for Petroplásticos Mexicanos, the largest Mexican producer of plastic films for use in agriculture and commercial construction. He also served as process and operations engineer for several decades for various manufacturing plants in Mexico. Castro received his M.B.A. from the University of Pennsylvania's Wharton Business School and graduated summa cum laude from the University of Mexico.

## **John H. Christman**

*Director, Maquiladora Industry Services*

*Global Insight Inc.*

Christman is director of Maquiladora Industry Services at Global Insight Inc., focusing on Mexico's macroeconomy, maquiladora industry, political risk analysis, direct foreign investment and industrial site location in Mexico. He has been editor and chief analyst of such specialized publications as *Expansion Magazine*, *Business Mexico*, *Investment in Mexico and the Free Trade Agreement*, *Direct Foreign Investment in Mexico* and *The Maquiladora Industry Annual Review*. Christman is a former director of economic and investment information at the American Chamber of Commerce of Mexico, where he also served on the board of directors. He is a graduate of Northwestern University.

## **Alejandro Dieck**

*Chief of Staff*

*Ministry of the Economy,*

*Mexican Federal Government*

Alejandro Dieck is the chief of staff for Mexico's Ministry of the Economy. Prior to this position, he served as president and founder of Consultores Asociados, a private consulting firm. He also served as executive vice president of Grupo Financiero GBM, where he evaluated the international economic environment and its potential impact on the Mexican economy. Dieck is an assistant instructor in the entrepreneur programs department at the Instituto Tecnológico y de Estudios Superiores de Monterrey and an economics professor at Universidad Autónoma de Nuevo León. Dieck received his master's degree in economics from Northwestern University and his Ph.D. from the University of Texas at Austin.

## **Everardo Elizondo Almaguer**

*Deputy Governor*

*Banco de México*

Elizondo Almaguer has been deputy governor of the Banco de México since 1998. His previous posts include chief economist of Bancomer, S.A., director of Instituto Quantum, A.C., and president of Index, Economía Aplicada, S.A. He has also been a visiting scholar at the University of Texas at Austin. He has served as chief economist and vice president for Grupo Industrial ALFA, S.A. Elizondo Almaguer holds a B.A. from Universidad de Nuevo León, an M.S. from the University of Wisconsin at Madison and a diploma from the International Tax Program at Harvard Law School.

## **Antonio O. Garza, Jr.**

*U.S. Ambassador*

*U.S. Embassy in Mexico*

Garza has been the U.S. Ambassador to Mexico since November 2002. A native of Brownsville, Texas, Garza has shared the firsthand experience and appreciation of those who live along the border of how deeply intertwined are the economic, political, cultural and social relationships between U.S. and Mexican residents. When he appointed Garza to be ambassador to Mexico, President Bush said: "The U.S. and Mexico share not only a border, but a rich history of common economic and cultural interests. Tony Garza has an in-depth understanding of the relationship between the United States and Mexico and its impact on the people of both nations." Garza received his B.A. in business administration at the University of Texas at Austin in 1980 and his doctor of jurisprudence degree from SMU's School of Law in 1983. He was elected Cameron County judge in 1988 and was appointed as Texas secretary of state in 1995. He was the first Republican Hispanic elected to a state office when he became railroad commissioner. He also served on Gov. Perry's Special Commission on 21st Century Colleges and Universities.

## **James Gerber**

*Professor*

*San Diego State University*

Gerber is professor of economics and chair of the Latin American Studies Program at San Diego State University. He has been a visiting professor in Mexico and Canada and has developed Spanish and Mixtec language programs for U.S. students in Baja California Sur and Oaxaca, Mexico. Gerber was recently an economic research fellow at San Diego Dialogue, a binational civic organization, and has written articles on the cross-border economy of Tijuana–San Diego and California–Baja California. He is author of the textbook *International Economics* and coauthor of *North American Economic Inte-*

*gration: Theory and Practice*. Gerber's most recent publications have analyzed industrial upgrading and technological learning in the maquiladoras (with Jorge Carrillo), outward U.S. foreign direct investment into the maquiladora, and California versus Texas state policies toward Mexico. Gerber holds two B.A. degrees from California State University, Chico and a Ph.D. from the University of California, Davis.

## **William C. Gruben**

*Director General, Center for Latin American Economics, and Vice President*

*Federal Reserve Bank of Dallas*

Gruben serves as vice president, chief international economist and director general of the Dallas Fed's Center for Latin American Economics. His research is in international trade, international capital flows, currency regimes and banking and how these subjects apply to developing countries, particularly those of Latin America. He has published extensively on these topics in scholarly and technical journals. Gruben has also worked as a research associate at the University of Texas at Austin's Institute for Latin American Studies and its Center for Economic Development. He has served on the economics faculty at Southern Methodist University and on the International Management Studies faculty at the University of Texas at Dallas. Gruben holds a Ph.D. in economics from the University of Texas at Austin.

## **Gordon H. Hanson**

*Professor*

*University of California, San Diego*

Hanson is professor of economics in the Graduate School of International Relations and Pacific Studies and in the economics department at the University of California, San Diego (UCSD). He is also codirector of the Center for U.S.–Mexican Studies at UCSD and research associate at the National Bureau of Economic Research. Prior to joining UCSD, he was on the faculty at the University of Michigan and the University of Texas. His current research addresses multi-

national enterprises, U.S.–Mexico trade and immigration, and the globalization of production in Asia and Latin America. His most recent book is *Immigration Policy and the Welfare System*. Hanson holds a Ph.D. from Massachusetts Institute of Technology.

### **Javier Mancera**

*Director of International Affairs  
Public Strategies of Mexico Inc.*

Mancera is director of international affairs for Public Strategies of Mexico Inc. and also trade and NAFTA minister for the Mexican Embassy in Washington, D.C. He has served as the liaison for private sector and trade union relations for Mexico's Ministry of the Economy and as senior NAFTA counselor at the Mexican Embassy. Mancera was a press officer and later deputy director for strategic analysis in Mexico's Office of the President. He holds a B.A. from Universidad Nacional Autónoma de México and an M.A. from Georgetown University, where he is a Ph.D. candidate.

### **Harvey Rosenblum**

*Senior Vice President and Director of Research  
Federal Reserve Bank of Dallas*

Rosenblum is an economic policy advisor to the president of the Dallas Fed and an associate economist for the Federal Open Market Committee. His current research interests center on monetary policy, electronic money, Social Security reform, international trade and dollarization in Latin America. Rosenblum, who is immediate past president of the National Association for Business Economics, has written for such publications as the *Journal of Finance*, *New York Times* and the *Handbook of Banking Strategy*. He is a visiting professor of finance and economics at Southern Methodist University. Rosenblum received a B.A. in economics from the University of Connecticut and a Ph.D. in economics from the University of California, Santa Barbara.

### **Luis Rubio**

*Director General*

*Centro de Investigación para el Desarrollo, A.C.*

Rubio is president of the Centro de Investigación para el Desarrollo, A.C. (CIDAC), an independent research institution devoted to the study of economic and political policy issues. Before joining CIDAC, he was planning director of Citibank in Mexico and was an advisor to Mexico's secretary of the treasury. Rubio has served on the boards of the Mexico Equity and Income Fund and the Central European Value Fund Inc. and is a former board member of Banamex and Banco Obrero. He also was on the board of directors of the Human Rights Commission of the Federal District and is a member of the Trilateral Commission. He is a contributing editor of *Reforma* in Mexico and has been published in the *New York Times*, *Wall Street Journal*, *Financial Times*, *International Herald Tribune*, *Los Angeles Times* and *Washington Post*. He is a recipient of the Dag Hammarskjöld Award and the National Journalism Award for opinion and editorial pieces. He is the author of 38 books, including *Políticas Económicas del México Contemporáneo*; *Mexico's Dilemma: The Political Origins of Economic Crisis*; *Political Reform: Necessary Component of Modernity*; and *Sovereignty and Free Trade*. Rubio holds an M.A. and Ph.D. from Brandeis University.

### **Ralph Watkins**

*Program Manager*

*U.S. International Trade Commission*

Watkins is the U.S. International Trade Commission's program manager for production sharing, including coordinating the commission's monitoring and reporting on foreign trade zones, use of foreign assembly plants and cross-border integration of manufacturing. Under Watkins' supervision, the commission has published 13 annual reports on production-sharing trade. He has written a number of articles about NAFTA and Mexico's maquiladora industry. Watkins has a B.A. from the University of Oregon and an M.A. from George Washington University.