

THE REGIONAL ECONOMY

GUADALAJARA AND THE WESTERN STATES

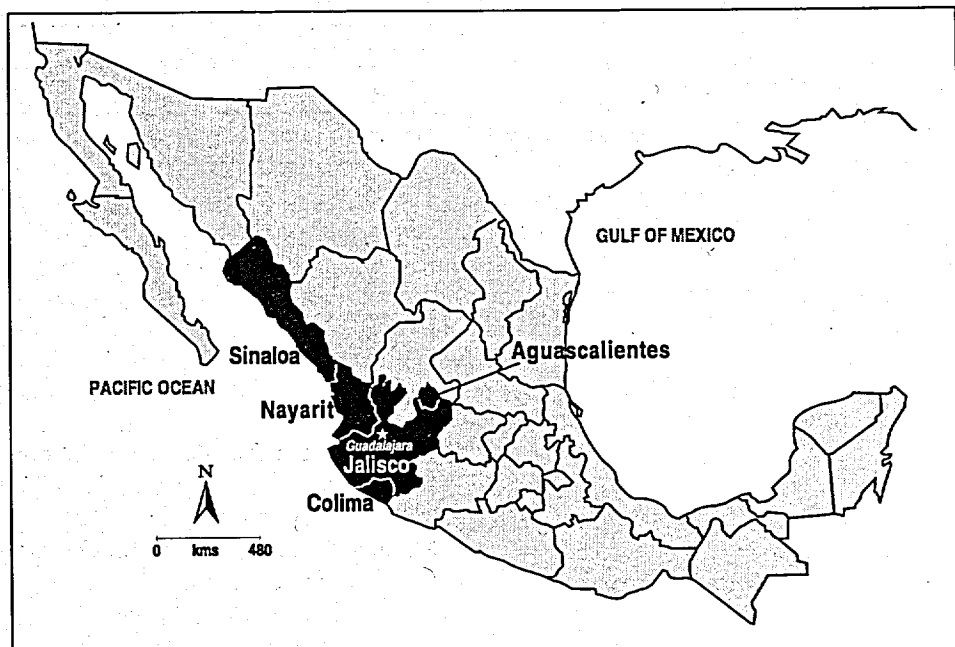
A REGIONAL FOCUS

Guadalajara is the centre of the western Mexico region, which is tied together by interdependencies in raw materials, markets and transportation infrastructure. For example, Jalisco needs the port of Manzanillo, which is in Colima. For its part, Colima needs Jalisco markets for its products. And while the relationship between the states is often competitive, there is recognition of the benefits of regional cooperation.

Guadalajara city officials and business people see the logic behind a regional approach to economic development. Héctor M. Moran Gutiérrez, the city's director of Investment Attraction, says that "Guadalajara is the focal point for regional investment — especially in areas such as distribution systems, food processing, electronics and autoparts." Hans E. Neufeld, vice president of the Guadalajara Chamber of Commerce agrees: "Guadalajara's economic influence extends to the east as far as León, west to Colima, south to Michoacán, and north into Sinaloa."

But Mr. Neufeld stresses that relationships with the other states are also competitive. "Aguascalientes is our closest competitor in attracting foreign investors," he notes. This creates an environment of friendly rivalry, tempered by a sense of mutual interest.

Sergio A. García de Alba Zepeda, Jalisco's secretary of economic promotion, says that his office cooperates with its neighbours, particularly Colima and Michoacán. "We cooperate on education and industrial training programs," he says, "and states often get together to make joint visits to foreign countries." In spite of this attitude, state programs are usually limited by political boundaries, as well as separate tax and budget systems. The emergence of the *Partido Acción Nacional (PAN)*, National Action Party, in both Jalisco and Guadalajara has also tended to increase political rivalry.



There are no widely accepted definitions of Mexico's regions, partly because state economic data is difficult to obtain on a consistent basis and partly because of differing regional concepts. The Canadian Department of Foreign Affairs and International Trade (DFAIT) assigned five states to its Guadalajara consulate. They are Jalisco, Aguascalientes, Colima, Nayarit and Sinaloa. *Grupo Financiero Bancomer*, a major publisher of regional analyses, defines the *Región Occidente*, western region, to include six states, including Zacatecas and Guanajuato, but not Sinaloa. And the Jalisco state government includes Sonora in its area of economic impact because of its role in land transportation to the United States.

Most of the discussion in this market profile focuses on industrial sectors, which are generally located in specific parts of the region, most notably Jalisco. Data are provided for the five states within the consulate's mandate as well as for all states, where inter-state comparisons are relevant.