

SPECIAL REPORT

SECURING NORTH AMERICA'S FUTURE

BY



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Introduction

On April 23, 2025, the inaugural *North Capital Meridian Diplomacy Forum* convened a dynamic and diverse network of leaders at the Meridian International Center in Washington, DC. Born from the strategic merger of the *North Capital Forum* and the *Meridian Diplomacy Forum*, this invitation-only gathering—co-hosted by the U.S.-Mexico Foundation and Meridian International Center—marked a milestone in trilateral dialogue across North America.

Set against the backdrop of shifting political landscapes and an approaching USMCA review, the forum offered a timely platform for addressing the region's most pressing challenges. From economic and food security to labor mobility, supply chain resilience, cybersecurity, and trade policy, the day's agenda prioritized both urgent concerns and long-term opportunities for collaboration.

This white paper captures key insights from the forum's discussions—offering a roadmap for stakeholders committed to advancing a more integrated, secure, and prosperous North American region. As this critical dialogue continues, the ideas and relationships forged represent a foundation for shared leadership and regional innovation in the years ahead.

A special thank you to our sponsors:



The background of the slide is a complex financial chart. It features a dark blue grid. The main part of the chart is a candlestick price chart with red and green bars, showing price fluctuations. Several moving average lines in green, yellow, and red are overlaid on the price chart. Below the main chart, there is a volume bar chart with red and green bars. At the bottom, there are more moving average lines and a smaller volume bar chart. The x-axis is labeled with the months 'mar', 'apr', and 'may'.

REGIONAL ECONOMIC DEVELOPMENT AND FINANCE

USMCA 2026: Navigating the Sunset Clause & the Future of Trade

Affiliate: The Brookings Institution



The 2026 review of the United States-Mexico-Canada Agreement (USMCA) represents a pivotal moment for North American policymakers and businesses alike, as it will unfold in a politically and economically complex environment. Recent unilateral U.S. tariffs on automotive exports, aluminum, steel, and fentanyl/migration IEEPA orders, when non-compliant with USMCA, have introduced uncertainty into the review process. From the U.S. perspective, tariffs now appear to serve as a structural tool of economic policy, supporting revenue generation and industrial strategy. While integrating economic security into the review is necessary, it risks complicating negotiations and slowing momentum. Nonetheless, there are encouraging signs for the agreement's future, including sustained bipartisan support in the U.S. and a continued commitment to trilateral negotiations over bilateral approaches.

Recommendations

Address Sensitive Issues Separately from Renegotiation

The USMCA review presents a strategic opportunity to modernize and strengthen the agreement. However, some topics, such as fentanyl trafficking and aluminum and steel tariffs should be kept separate from formal negotiations to minimize political volatility and preserve the stability of the trade framework.

Maintain Open and Coordinated Dialogue on Economic Security Risks

A key factor that will shape the negotiations will be how the three partners respond to rising economic security concerns, particularly regarding trade and investment ties with China. A North American collaborative effort to reduce the region's trade deficit with China, as well as to elevate a regional perspective on global governance and security challenges, would reinforce the importance of trilateral cooperation in an increasingly complex international environment. Canada's upcoming role as host of the G7 meetings in Alberta presents a valuable opportunity to highlight these issues.

Strengthen Traceability and Rules of Origin

Under USMCA, the traceability of steel and aluminum, particularly in automotive products, is a crucial aspect to qualify for preferential tariff treatment. The United States, Canada, and Mexico should work together to develop processes and technology to improve the traceability of steel and aluminum to ensure compliance with agreed upon terms.

Unlocking Labor Mobility: North America's Growth



Affiliates: Migration Policy Institute and the Center for Global Development

Labor mobility is a cornerstone of North America's economic competitiveness. Given the complementary nature of the region's economies, labor demands—ranging from high-skill to essential sectors—can be met through well-structured, collaborative mobility pathways. With aging populations and evolving economic demands, migration can be a strategic response to shared demographic trends and labor market needs across the U.S., Mexico, and Canada. This requires a renewed regional approach to migration—one that recognizes Mexico as a proactive partner and views migration as an opportunity for shared growth.

Encouraging deeper regional cooperation will be key, including investment in human capital, the expansion of legal pathways, and greater private-sector engagement in financial inclusion and community integration. Reframing migration narratives to emphasize

economic opportunity and social cohesion can help build broader support. As there is bipartisan interest in addressing labor mobility, the next five years present a critical window to design an inclusive, forward-looking strategy that strengthens North America's global competitiveness and social fabric.

Recommendations

A Renewed Regional Approach to Migration

While existing migration frameworks, such as USMCA labor categories, have served a purpose, there is growing momentum for their modernization and expansion to better reflect 21st-century workforce realities and labor market needs across the U.S., Mexico, and Canada. Migration should be recognized as a strategic economic necessity for North America and an opportunity for shared growth.

Expanding Legal Migration Pathways through Modern Immigration Systems

Increasing the availability of temporary work visas in sectors with urgent labor shortages paired with addressing operational challenges in visa processing and cross-border travel would help ensure that businesses and communities can thrive in a more dynamic economy. North America must respond to demographic shifts through migration policy by proactively integrating migration as part of a long-term economic sustainability strategy,

ensuring a sufficient workforce for critical industries.

Integrating Financial Inclusion for Migrant Communities

Efforts should be taken to support initiatives that enhance banking access and income documentation for remittance-receiving populations, thereby strengthening their economic participation. Institutions should also encourage financial products tailored to the needs of migrant workers and their families.

North America's Competitive Edge: Economic Security

Affiliates: U.S.-Mexico Foundation, American Chamber of Commerce Mexico, Atlantic Council



If North America is to remain competitive amid shifting globalization dynamics, it must act swiftly, align strategically, and plan collectively. However, the absence of a shared North American vision, with long-term planning and unified objectives, risks leaving the region behind in the global race. Delaying critical revisions, investments, or frameworks could incur steep economic costs. In this sense, economic security was framed as a proactive strategy based on human capital development, infrastructure investment, and aligned industrial policies across the region. To strengthen economic security, governments should be cautious of protectionist tariffs and emphasize regional rules of origin and trade protections under USMCA to shield against global disruptions.

The current momentum around ally-shoring and manufacturing relocation to Mexico presents a window of opportunity—but only if supported by investments in technical education, labor mobility policies, and robust infrastructure. The conversation reframed North American integration as a co-production and shared manufacturing ecosystem, requiring a renewed approach to economic security and institutional capacity. In this context, talent availability, energy access, and infrastructure—especially at the U.S.-Mexico border—are essential. Supply chain resilience and economic security are deeply intertwined

with democratic governance and the rule of law. By working together, the United States, Mexico, and Canada can enhance their shared competitiveness amid global supply chain transformations.

Recommendations

Expand Ally-Shoring and Regional Supply Chains

The region must leverage ally-shoring strategies to reduce dependency on external markets, particularly in critical industries such as semiconductors, automobiles, and intermediate goods. To do so, regional supply chain standards and collective political clarity should be considered to streamline trade, improve supply chain resilience, and incentivize investments within North America. Also, addressing infrastructure gaps at key border points to support faster, more reliable movement of goods and people is urgent to improve supply chains.

Invest in Long-Term Workforce Development

Technical education and skills development across the region should be prioritized to close gaps in manufacturing and industrial knowledge in order for North America to meet the needs of tomorrow. Mexico's youthful population was noted as a demographic asset that can be leveraged within a coordinated

regional strategy, including through public-private partnerships to prepare the next generation of workers for emerging supply chain and advanced manufacturing opportunities.

Depoliticize Labor Mobility and Migration Discussions

More honest, pragmatic collaboration across borders is only possible through the

depoliticization of key subject matters such as labor mobility. Migration should be reframed as an economic necessity rather than liabilities. Pragmatic, proactive labor policies that allow for the efficient movement of talent across borders to meet regional industry needs should be the goal of policymakers across the region.

Regional Readiness: Strengthening North America's Appeal



Affiliate: World Economic Forum

As global economic shifts and geopolitical pressures reshape investment landscapes, North America must enhance its competitiveness to attract and retain Foreign Direct Investment (FDI). This requires fostering investor confidence, streamlining regulatory frameworks, and leveraging trade agreements like USMCA to ensure a business-friendly environment. With the growing urgency to redefine the region's competitive edge in a rapidly shifting global landscape, and with countries like China and India investing heavily in digital infrastructure, education, and workforce inclusion,

North America risks falling behind if it fails to act cohesively. Although the USMCA marked a historic milestone in trade integration, the region still lacks a compelling, unified vision—one that positions it as a coordinated economic and security bloc. The challenge is not job shortages, but the widening skills gap, calling attention to generational shifts, automation, and the need for agile upskilling.

Mexico's demographic advantage, Canada's energy potential, and the U.S.'s market scale all emerged as untapped synergies that demand strategic alignment. Regional stakeholders must operate as a team—like a global enterprise competing for market share—recognizing that infrastructure, energy connectivity, and digital public infrastructure form the backbone of long-term resilience. However, these investments must be matched by a regional strategy centered on inclusion and innovation.

Recommendations

Accelerate the Review of USMCA

The USMCA review should be seen as a major opportunity to modernize the North American partnership and make it work better for today's challenges. Efforts should be made to ensure alignment and agreement on the terms to provide the private sector with as much certainty as possible. The forthcoming visibility of the shared World Cup should be leveraged to champion its passage as a further example of regional unity.

Create a Long-Term Regional Industrial Policy

North America would benefit from a shared vision of the continent as a team competing on the global stage. By aligning on key sectors such as electric vehicles, aerospace, and energy, as well as joint infrastructure investment and cooperation, a long-term regional industrial policy can serve as a force multiplier on the global stage and ensure that North America is linked not just by supply chains but also by value chains.

Capitalize Soft Power and a Shared Narrative

North American countries should use the 2026 World Cup as an opportunity to demonstrate integration and cooperation, highlighting the region as a dynamic, unified economic and cultural bloc. As part of the World Cup— and beyond— the region should develop a unified narrative for why North American cooperation benefits everyone.

Seamless Trade, Secure Borders: Advancing North American Connectivity

Affiliates: Hunt Institute and Texas Association of Business



Balancing border security and infrastructure needs with trade facilitation is essential for economic growth and regional competitiveness. Economic integration, especially in manufacturing, depends on regulatory certainty and the smooth cross-border movement of goods, services, and people. This is particularly crucial as companies navigate multi-jurisdictional supply chains and a rapidly evolving trade environment. Harmonized procedures and stronger coordination between authorities—especially U.S. Customs and Border Protection (CBP), Mexico's National Customs Agency (ANAM), and the Canada Border Services Agency—logistical necessities and strategic tools for regional resilience. Recent success stories, such as joint cargo inspections and Unified Cargo Processing (UCP) at ports of entry, which have reduced crossing times by 20–25%, demonstrate that security and efficiency are not mutually exclusive. Fostering a trusted, institutionalized partnership is both a matter of trade logistics and a strategic cornerstone of regional stability and industrial competitiveness. Trust-building mechanisms and sustained intergovernmental dialogue, especially at the state level, enable the flow of updated, actionable information across jurisdictions.

Recommendations

Scale and Institutionalize security collaboration such as UCP

Given its success, the implementation of joint inspection programs like UCP should be expanded at key ports of entry to reduce wait and clearance times for cargo crossing the U.S.-Mexico border. Greater training, infrastructure, and operational coordination between CBP and ANAM would also enhance and institutionalize cooperation.

Create a Binational Customs Agency and Strengthen Subnational and Private Sector Engagement

The U.S. and Mexico should establish a standing binational agency—modeled on the International Boundary and Water Commission (CILA)—to oversee customs cooperation, streamline regulations, and serve as a long-term institutional anchor for border management. The states should also formalize a Commission of Border Affairs to provide a sustained platform for private sector input on border operations and empower state-level actors to serve as trusted intermediaries in U.S. federal policy discussions.

Launch a North American Industrial Coordination Council

The U.S., Canada, and Mexico should utilize Chapter 26 of the USMCA on Competitiveness to bring together public and private sector actors to align industrial policies, identify strategic sectors, and leverage regional complementarities—such as U.S. R&D, Mexican manufacturing capacity, and Canadian resources.

Supply Chains in Focus: North America's Road to Resilience and Innovation

Affiliates: Canadian Manufacturers and Exporters, CONCAMIN, National Association of Manufacturers

North America's supply chains are under severe stress due to tariff policies, investment uncertainty, and regulatory complexity. While tariff measures are intended to protect domestic industries, their unpredictability has contributed to investment hesitancy and created vulnerabilities in critical sectors such as automotive, technology, and pharmaceuticals, disrupting not only manufacturing, but also essential industries such as healthcare. The rebuilding of U.S. manufacturing without a clear strategy, financial incentives, and tax rebates seems unrealistic. In this sense, it was also noted that unfeasible reshoring could raise costs significantly, particularly in the automotive industry. The USMCA establishes a predictable and rules-based trade environment, and its continued development—grounded in trust and collaboration—will be key to strengthening regional supply chains and supporting strategic sectors. Constructive engagement among all three countries, coupled with pragmatic regulatory approaches, can help North America unlock its full potential as a competitive and resilient economic bloc.

Recommendations

A North American Industrial Strategy

Rather than relying on reactive tariffs, there is a need for a bold, comprehensive North American industrial strategy. Canada, Mexico, and the U.S. should work as cohesive partners



to regain global competitiveness, particularly against manufacturing powerhouses in Asia. A unified, coordinated 25-year industrial vision would help propel North America forward.

Clear, Long-term Industrial Goals

Reinforcing the USMCA and establishing clear, long-term industrial goals are urgent priorities. A modernization of USMCA rules would ensure that compliance remains achievable and enhances competitiveness rather than hindering it.

Trilateral Institutional Forums

The establishment of permanent trilateral forums (beyond the review process) to align trade and industrial policies, coordinate infrastructure and energy investments, and manage critical sector vulnerabilities, including pharmaceuticals, would elevate critical trilateral cooperation.

About the North Capital Meridian Diplomacy Forum

The North Capital Meridian Diplomacy Forum, a collaboration between the US-Mexico Foundation and Meridian International Center, merges the North Capital Forum and the Meridian Diplomacy Forum into a single, invitation-only event.

With shifting priorities across North America, diplomats, business leaders, and policymakers tackle actionable solutions for regional security, inspire innovation, and ensure North America's long-term success in a rapidly evolving global landscape.

About US-Mexico Foundation

The U.S. Mexico Foundation (USMF) is a binational non-profit, non-partisan, organization dedicated to fostering cooperation and bilateral understanding between the United States and Mexico. Rooted in the North America Free Trade Agreement, the organization was founded in 2001 and began operations in 2004 with seed capital from the David & Lucile Packard Foundation, Carnegie Corporation and FUNDEMEX. The USMF is governed by a binational board consisting of business and civic leaders, with extensive networks in the U.S. and Mexico. The USMF embarked on a new chapter in 2018, with a compelling agenda that prioritizes policy and advocacy. The organization is focused on creating new strategic alliances, educating important stakeholders, and providing a voice on the most relevant issues concerning the U.S.-Mexico relationship.

About Meridian International Center

Meridian is a nonpartisan center for diplomacy founded in 1960 and headquartered on a historic campus in Washington, DC. Our mission is to empower the next era of leaders to advance diplomacy for a better future. Our programs strengthen American leadership by accelerating collaboration on shared challenges, increasing economic competitiveness, and building geopolitical resilience. We equip leaders from business, science and technology, cities and states, culture and sports with insights, networks, and resources to navigate a complex world.

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