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Data Centers in Mexico

Power, Connectivity, and Cross-Border Opportunity

Mexico's data center expansion is becoming a major business opportunity for North America, extending beyond infrastructure into energy, supply chains, and cross-border collaboration. Rather than a single-sector story, this growth is reshaping how power, connectivity, and regional partnerships come together to support digital infrastructure at scale.

Executive Takeaway

- **Power is the primary constraint:** Data center growth in Mexico is ultimately limited by electricity availability, with transmission and grid infrastructure emerging as the critical bottlenecks.
- **The market is expanding geographically:** Development is moving beyond a single hub into a network of regions and use cases, creating multiple entry points across the ecosystem.
- **Arizona has a practical advantage:** Proximity and existing capabilities position Arizona firms to shape Mexico's buildout through cross-border collaboration.

Current Scenario

Recent developments highlight three clear dynamics.

1. Geographic diversification is accelerating

Querétaro remains Mexico's most established data center hub; however, other cities are emerging as specialized locations serving different needs, including industrial, financial, and edge computing use cases. This signals that Mexico is not a single-market opportunity, but a network of regional opportunities.

2. Electricity is the primary barrier to entry

Data centers require large, continuous, and reliable power supply. Mexico is expected to need roughly 1,500 MW of additional capacity by 2030, making energy availability, interconnection timelines, and reliability the first gating factor for new projects.¹

3. Arizona–Mexico collaboration is practical

Geographic proximity makes cross-border collaboration a logical choice, not just a strategic idea. Arizona already has strengths in energy, semiconductors, and engineering. Mexico offers growth in infrastructure and industrial development. Together, this creates a complementary—not redundant—opportunity.

¹ Secretaría de Energía (SENER) and Comisión Nacional de Energía (CNE), *Integración de Centros de Datos al Sistema Eléctrico Nacional: Perspectiva desde la regulación del Sector Eléctrico*, May 2026.

Top Developments

1. Data centers are driving energy planning in Mexico

Mexico's data center growth is now directly influencing how the country plans its power system. Meeting projected demand will require approximately 1,500 MW of additional electricity capacity by 2030, tied to an estimated \$18 billion in investment over the next five years. The constraint is not limited to generation; transmission and grid infrastructure are emerging as the primary bottlenecks, with expansion timelines lagging the pace of development.

Why this matters: Data center development in Mexico is fundamentally an energy execution challenge. Firms that can navigate power availability, connection timing, and infrastructure coordination will have a clear advantage.

Reported by: Global Energy, Expansión, Energía Estratégica, Diario Oficial de la Federación

2. Querétaro is consolidating as Mexico's hyperscale anchor

Querétaro continues to lead Mexico's data center market, supported by concentrated hyperscale investment. A \$4.8 billion CloudHQ project will deploy six data centers designed for cloud and artificial intelligence workloads, supported by dedicated power infrastructure and incorporating waterless cooling technologies in response to regional resource constraints. At the same time, AWS has launched its Mexico (Central) Region and plans to invest more than \$5.0 billion over the long term, reinforcing the state's role as the country's primary digital infrastructure hub.

Why this matters: Querétaro is evolving into a high-concentration market where access to power, land, water-efficient solutions, and skilled labor will become increasingly competitive, and where project execution risk is rising alongside opportunity.

Reported by: Gobierno de México, Reuters, AWS, Proyectos México

3. Mexico City's KIO MEX8 highlights demand for urban, low-latency infrastructure

Beyond hyperscale campuses, Mexico's data center market is expanding into urban, proximity-driven infrastructure. KIO Data Centers is developing MEX8 in Mexico City, a \$70 million facility that will add approximately 4 MW of capacity and generate around 3,000 construction jobs. The project is designed to improve latency for digital services and support sectors including fintech, e-commerce, healthcare, education, cybersecurity, and logistics, while incorporating sustainability measures.

Why this matters: Not all demand is hyperscale. A second layer of opportunity is emerging around distributed, low-latency infrastructure tied to major urban markets, with distinct requirements for site selection, connectivity, and customer proximity.

Reported by: SEDECO CDMX, KIO Data Centers, Mexico Business News, Telecompaper

4. Data centers creating a North American supply chain opportunity

Mexico is increasingly integrated into the hardware supply chain behind U.S. data center expansion. Exports of computing equipment for data centers and AI applications have grown by more than 150%, exceeding \$37 billion in a single quarter, driven largely by U.S. demand. This expansion is supported by a strong presence of Taiwan-based manufacturers operating in Mexico, producing servers and IT hardware within global technology supply chains and reinforcing cross-border industrial integration.

Why this matters: The data center opportunity is expanding beyond real estate and operations to include advanced manufacturing, supplier networks, and cross-border logistics, creating entry points across the full value chain.

Reported by: El País, Forbes México, Expansión, Federal Reserve Bank of Dallas

5. Hermosillo's development pole signals a potential Arizona-relevant opportunity

Northern Mexico is emerging as a practical entry point for cross-border engagement. Hermosillo has been designated as a *Polo de Desarrollo Económico para el Bienestar (PODECOBI)* under Plan México, aligned with the state-level Plan Sonora strategy to attract industrial and technology investment. The 546-hectare site offers multimodal connectivity and is under evaluation by global manufacturers, including Taiwan-based Foxconn which visited in April 2026 as part of a broader North American site selection process.

Why this matters: While not yet a data center hub, Hermosillo is emerging as a strategic node in U.S.–Mexico supply chains. Early-stage interest from electronics manufacturers points to longer-term opportunities in energy, semiconductor-adjacent supply chains, and logistics, more so than near-term project execution.

Reported by: Gobierno de Sonora, Diario Oficial de la Federación, Proyectos México, Energy Magazine, KJZZ

6. New regions are entering the market through integrated infrastructure platforms

Data center development is expanding beyond traditional hubs into regions that can offer fully integrated infrastructure solutions. Fermaca Digital City in Durango represents approximately \$3.7 billion in total investment, including a 250 MW data center campus supported by a 350 MW on-site power plant, a dedicated natural gas pipeline from Texas, and more than 2,000 km of fiber connectivity linking major industrial corridors. The project exemplifies a co-located model that integrates energy, connectivity, and digital infrastructure in a single development platform.

Why this matters: The next wave of development will favor locations that can deliver power, connectivity, and land as a bundled solution, reducing execution risk and accelerating time-to-market for developers and investors.

Reported by: Gobierno de México, Data Center Dynamics, Mexico News Daily, Business Wire

HERE'S THE CHALLENGE

Turning demand into executable projects

For Arizona firms, the opportunity is not simply awareness. It is execution.

The key question: Which firms can leverage announced investments and translate them into viable, financeable projects?

Common mistakes to avoid

- Treating data centers as standard real estate instead of energy-intensive infrastructure
- Entering markets without validating power availability and infrastructure timelines
- Ignoring emerging regions in favor of only established hubs

Where Arizona firms can realistically compete

- Energy strategy and power solutions
- Engineering and infrastructure design
- Semiconductor and hardware supply chains
- Cybersecurity in cloud services

How the Arizona Institute for the Americas Can Help

Data center growth creates opportunity, but also complexity. Business leaders must distinguish between headline announcements and actionable investment opportunities. The Arizona Institute for the Americas supports decision-making by translating complex market dynamics into clear strategy.

Service Area	How It Supports Business Decisions
Strategic intelligence briefs	Identify key developments affecting Arizona–Mexico business
Market opportunity assessments	Evaluate where growth is actionable vs. speculative
Energy & infrastructure analysis	Interpret technical constraints and risks
Partner & supplier mapping	Identify credible local partners and stakeholders
Executive briefings	Support go/no-go and investment decisions
Arizona–Sonora corridor analysis	Identify cross-border opportunities
On-the-ground support and liaison	Provide local insight during Mexico engagement

Editor’s Note

Mexico’s data center expansion is not just a technology trend. It reflects a broader shift in North American industrial infrastructure. For Arizona, the opportunity is less about relocating activity and more about participating in a connected North American infrastructure ecosystem. The key question is no longer whether growth will occur, but where and how it can be executed successfully. Arizona companies that monitor both established hubs and emerging regions will be best positioned to participate.

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About the Arizona Institute for the Americas

The Arizona Institute for the Americas is an independent strategic intelligence institute focused on hemispheric developments that shape Arizona’s economic and geopolitical exposure. We support organizations in interpreting hemispheric developments and turning regional opportunities into concrete collaboration, investment initiatives, and sustained business projects.

Contact

Contact us to discuss how your organization can expand its regional strategy and strengthen its position in the Americas

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