



U.S. - MEXICO BORDER DISTRICT EXPORT COUNCIL



NAFTA Institute/ Supplier Meet the Buyer Conference

El Paso , TX
June 12, 2009

U.S. Mexico Trade

Presented by: Victor M. Orduna

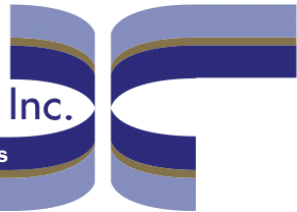
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Significance of International Trade

Why is International Trade Important ?

- Backbone of our modern, commercial world
 - producers profit from an expanded multinational market, rather than be limited to selling within their own borders
- Strengthen the economic prosperity of companies from all 50 states
- During 2008 nearly every state in the country exported at least \$1 Billion worth of goods to markets overseas
- International Trade creates thousands of jobs as Import export oriented businesses work to fulfill customers' orders around the world

Benefits of International Trade

International trade, an essential part of our national and local economies.

- International trade generates nearly
 - 30% of US GDP
 - 95% of retail & commercial consumers live outside of the US
 - 97% of exporters are small businesses
- Exports directly support over
 - 12 million jobs in the US
 - millions more indirectly
 - Imports keep inflation low and expand consumer choice and quality
 - Foreign companies in the US directly employ
 - 5.1 million Americans and
 - support millions more indirectly

Facts about Texas

■ Texas Businesses exports

- Over \$168 Billion to over 200 countries
- Mexico & Canada our largest Trading Partners
- To Mexico \$98 Billion
- Canada over \$32 Billion

■ Laredo - an excellent distribution point

- 42 % of Imports/Exports between USA – Mexico crosses @ Laredo
- Geographic center of Eastern, Central, and Western USA
- Competitive labor and work force
- More Warehousing than San Antonio, Houston put together
- Truck lines, US and MX broker than any other port

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What affects international Trade

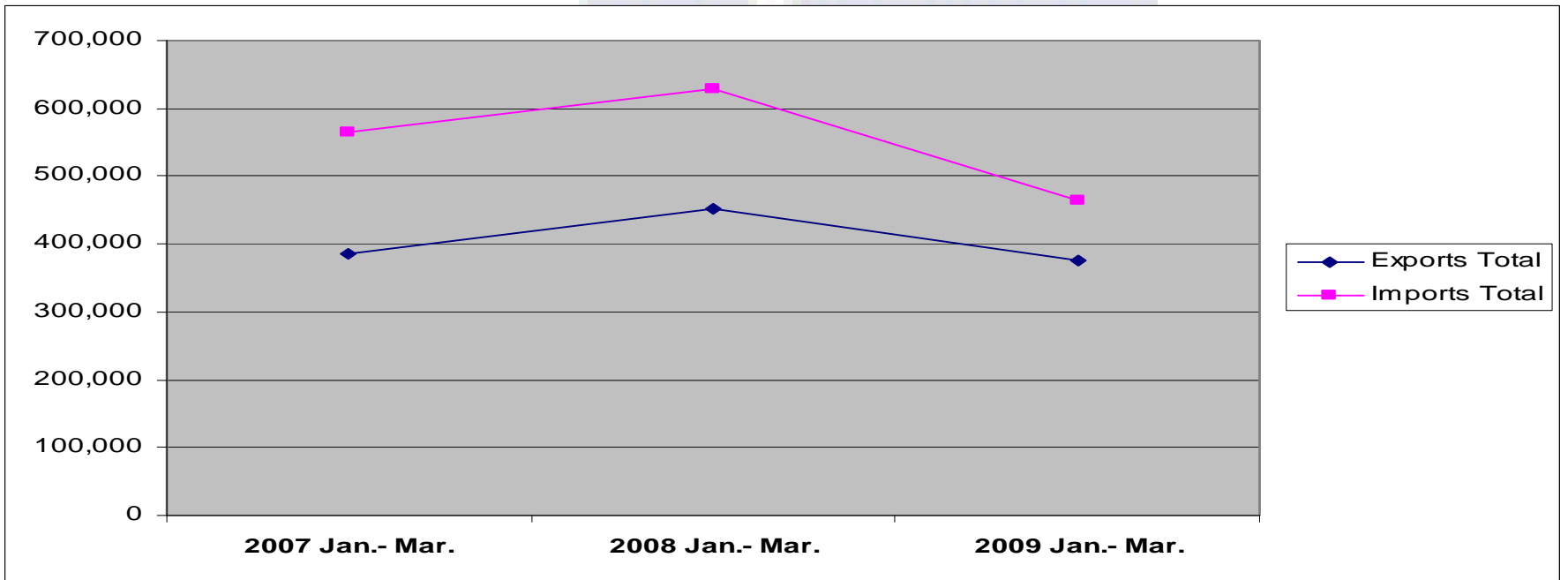
- Global Economy
- Pandemics
 - Salmonella
 - Swine Flu
- Regulations
 - Customs
 - OGA
- Security

NAFTA Trade 2009

- U.S. and Canada
 - \$31.0 billion in March 2009, down 34.2% from March 2008
 - Exports by truck fell 25.1% by value while imports by truck declined 26.8%.
- U.S.-Mexico
 - \$20.0 billion in March 2009, down 15.1% from a year before.
 - Exports by truck dropped 6.4% by value while imports by truck fell 15.5%.
 - The value of imports carried by truck was 15.5 percent lower in March 2009 than March 2008 while the value of exports carried by truck was 6.4 percent lower.

U.S. International Trade in Goods and Services

Period	Exports			Imports			Balance		
	Total	Goods (1)	Services	Total	Goods (1)	Services	Total	Goods (1)	Services
2007 Jan.- Mar.	385,436	270,318	115,118	564,979	473,681	91,298	-179,543	-203,363	23,820
2008 Jan.- Mar.	451,517	317,548	133,969	629,960	530,126	99,834	-178,443	-212,578	34,135
2009 Jan.- Mar.	374,975	248,668	126,307	464,890	371,061	93,829	-89,915	-122,393	32,478



Source: US Census Bureau - Foreign Trade Statistics

Top 10 States Trading with Mexico

2009 YTD Trade Value

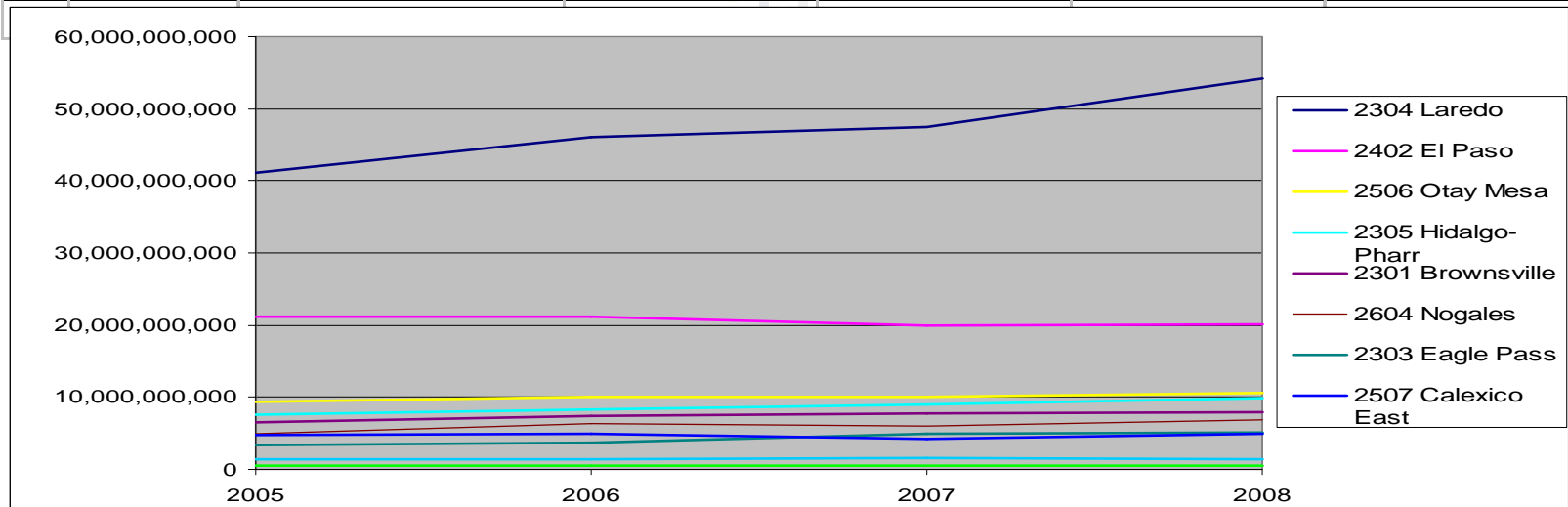
(millions of dollars)

Rank	State	March 2009
1	Texas	6,811
2	California	3,366
3	Michigan	1,697
4	Arizona	820
5	Illinois	749
6	Ohio	556
7	Tennessee	373
8	North Carolina	358
9	Pennsylvania	348
10	New Jersey	327

Source: Bureau of Transportation Statistics (BTS) TransBorder Freight Data,
<http://www.bts.gov/transborder/>

U.S./Mexico Export Trade Through Top 10 Ports 2005 - 2008

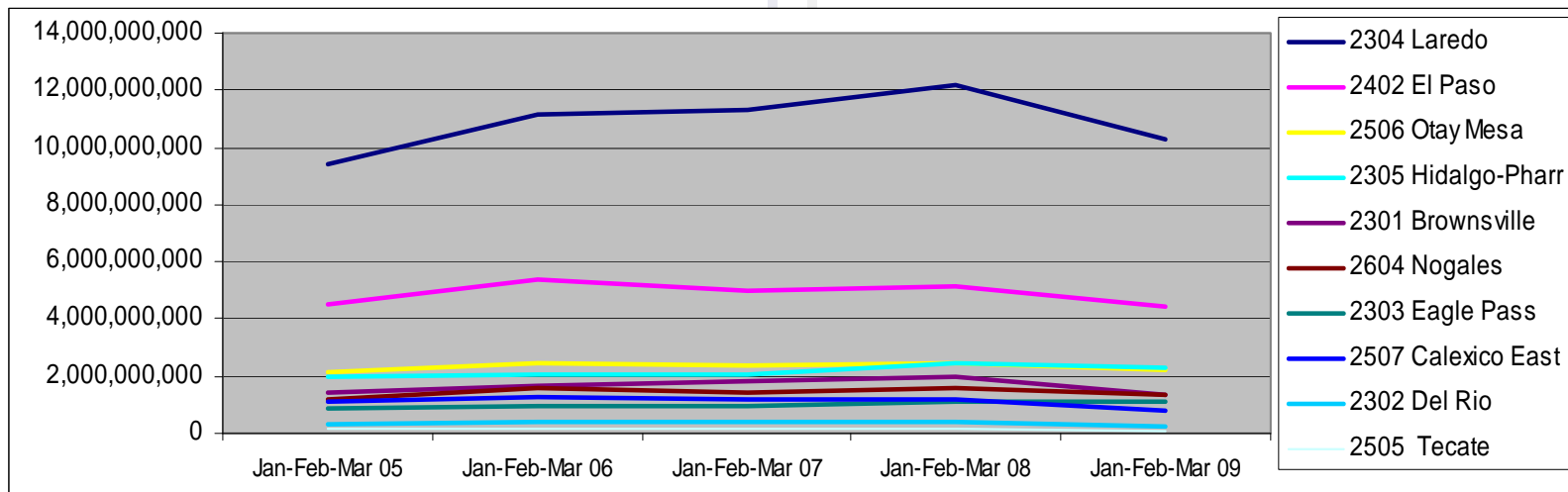
	<u>DISTRICT</u>	<u>Port</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
1	23	2304 Laredo	41,074,935,437	45,975,880,904	47,530,985,751	54,164,018,461
2	24	2402 El Paso	21,190,603,382	21,190,603,382	20,028,720,676	20,168,806,689
3	25	2506 Otay Mesa	9,299,735,724	9,979,652,325	9,989,217,074	10,576,784,436
4	23	2305 Hidalgo-Pharr	7,621,827,511	8,274,167,203	8,984,054,925	9,918,311,063
5	23	2301 Brownsville	6,495,929,813	7,347,241,745	7,739,595,002	7,970,359,364
6	26	2604 Nogales	5,027,224,645	6,369,346,430	6,031,779,623	6,911,804,273
7	23	2303 Eagle Pass	3,436,608,698	3,773,189,596	4,856,553,413	5,037,379,660
8	25	2507 Calexico East	4,704,060,759	4,984,679,907	4,156,472,287	4,888,432,504
9	23	2302 Del Rio	1,440,654,085	1,479,408,059	1,588,162,337	1,353,047,614
10	25	2505 Tecate	537,508,238	586,821,226	612,478,715	558,578,690



Texas Center for Border Economic and Enterprise Development.
 Source: U.S. Department of Commerce Bureau of the Census,
 Foreign Trade Division

U.S./Mexico Export Trade Through Top 10 Ports, 1st quarter 2005-2009

DISTRICT	Port	Jan-Feb-Mar 05	Jan-Feb-Mar 06	Jan-Feb-Mar 07	Jan-Feb-Mar 08	Jan-Feb-Mar 09
23	2304 Laredo	9,397,422,289	11,121,712,979	11,336,527,617	12,160,851,484	10,310,053,285
24	2402 El Paso	4,541,662,096	5,368,353,463	5,010,672,075	5,139,509,187	4,395,999,829
25	2506 Otay Mesa	2,164,533,319	2,451,016,451	2,404,293,528	2,490,739,571	2,222,809,519
23	2305 Hidalgo-Pharr	1,990,486,431	2,062,937,652	2,046,225,544	2,416,464,417	2,280,895,992
23	2301 Brownsville	1,416,115,806	1,693,882,720	1,782,504,579	1,959,533,165	1,381,355,836
26	2604 Nogales	1,147,113,360	1,573,091,274	1,463,031,859	1,557,119,806	1,349,780,139
23	2303 Eagle Pass	833,969,244	934,314,580	961,427,645	1,099,412,868	1,099,197,369
25	2507 Calexico East	1,138,427,380	1,291,746,255	1,213,852,160	1,203,230,933	826,515,894
23	2302 Del Rio	348,897,475	367,712,913	405,094,254	385,613,953	247,400,447
25	2505 Tecate	127,072,728	134,978,697	146,081,223	142,447,310	98,819,758



Texas Center for Border Economic and Enterprise Development.
 Source: U.S. Department of Commerce Bureau of the Census,
 Foreign Trade Division

U.S./Mexico Export Trade Through Top 10 Ports 1st quarter 2008 vs. 1st quarter 2009

	<u>DISTRICT</u>	<u>Port</u>	<u>Jan-Feb-Mar 08</u>	<u>Jan-Feb-Mar 09</u>	<u>Decline</u>
1	23	02 Del Rio	385,613,953	247,400,447	-35.8425%
2	25	07 Calexico East	1,203,230,933	826,515,894	-31.3086%
3	25	05 Tecate	142,447,310	98,819,758	-30.6272%
4	23	01 Brownsville	1,959,533,165	1,381,355,836	-29.5059%
5	23	04 Laredo	12,160,851,484	10,310,053,285	-15.2193%
6	24	02 El Paso	5,139,509,187	4,395,999,829	-14.4665%
7	26	04 Nogales	1,557,119,806	1,349,780,139	-13.3156%
8	25	06 Otay Mesa	2,490,739,571	2,222,809,519	-10.7570%
9	23	05 Hidalgo-Pharr	2,416,464,417	2,280,895,992	-5.6102%
10	23	03 Eagle Pass	1,099,412,868	1,099,197,369	-0.0196%

Texas Center for Border Economic and Enterprise Development.
 Source: U.S. Department of Commerce Bureau of the Census,
 Foreign Trade Division

Texas Employment 2007 to 2009 YTD

	YEAR AVG	TOTAL WORK FORCE	TOTAL EMPLOYED	TOTAL UMEMPLOYED	% UMEMPLOYED
LAREDO	2007	83,661	79,844	3,817	4.56
	2008	85,686	81,226	4,460	5.2
	2009 MAR-YTD	89,599	83,370	6,229	6.95
	3 yr Avg	86,315	81,480	4,835	5.6
EL PASO	2007	250,484	235,572	14,912	5.95
	2008	255,273	240,562	14,711	5.76
	2009 MAR-YTD	257,854	238,472	19,382	7.52
	3 yr Avg	254,537	238,202	16,335	6.42
MCALLEN	2007	57,700	55,017	2,683	4.65
	2008	59,376	56,438	2,938	4.95
	2009 MAR-YTD	60,565	56,643	3,922	6.48
	3 yr Avg	59,214	56,033	3,181	5.37
PHARR	2007	23,031	21,755	1,275	5.54
	2008	23,817	22,318	1,499	6.3
	2009 MAR-YTD	25,093	23,094	1,999	7.97
	3 yr Avg	23,980	22,389	1,591	6.64
EAGLE PASS	2007	11,493	10,072	1,422	12.37
	2008	11,929	10,531	1,398	11.72
	2009 MAR-YTD	13,128	10,861	2,267	17.27
	3 yr Avg	12,183	10,488	1,695	13.92
DEL RIO	2007	16,112	15,261	851	5.28
	2008	16,560	15,643	917	5.54
	2009 MAR-YTD	16,406	15,031	1,375	8.38
	3 yr Avg	16,359	15,312	1,048	6.4

Data (preliminary figures subject to revision) provided by the Texas Workforce Commission and compiled by Texas A&M International University, Texas Center for Border Economic and Enterprise Development

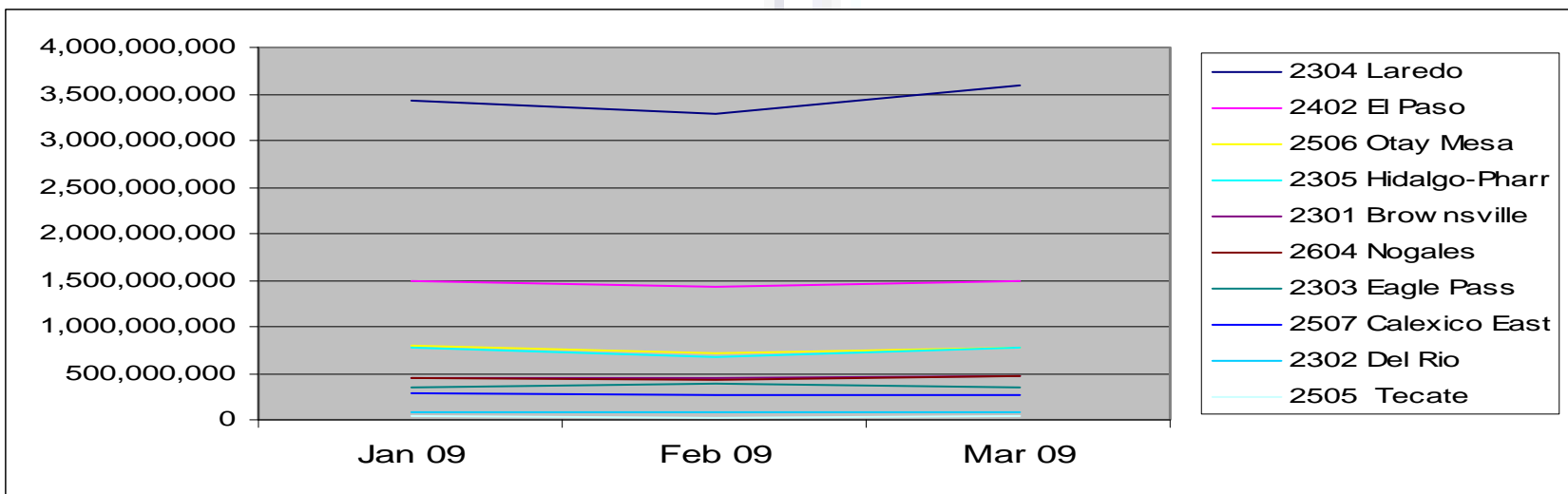
Trade with Mexico by Modes of Transportation (millions of dollars)

Mode		March 2008	February 2009	March 2009	Percent Change Feb. 2009 - Mar. 2009	Percent Change Mar. 2008 - Mar. 2009
All Surface Modes	Imports	13,624	9,956	11,230	12.8	-17.6
	Exports	9,948	8,187	8,778	7.2	-11.8
	Total	23,571	18,143	20,007	10.3	-15.1
Truck	Imports	11,106	8,453	9,383	11	-15.5
	Exports	7,707	6,670	7,216	8.2	-6.4
Rail	Imports	2,211	1,253	1,593	27.2	-27.9
	Exports	1,675	1,149	1,137	-1.1	-32.1
Pipeline	Imports	15	7	7	5.9	-51.7
	Exports	85	42	39	-8.4	-54.1

Source: Bureau of Transportation Statistics (BTS) TransBorder Freight Data,
<http://www.bts.gov/transborder/>

U.S./Mexico Export Trade Through Top 10 Ports 1st quarter of 2009

	DISTRICT	Port	Jan 09	Feb 09	Mar 09
1	23	2304 Laredo	3,436,311,359	3,282,773,879	3,590,968,047
2	24	2402 El Paso	1,485,404,680	1,425,948,288	1,484,646,861
3	23	2506 Otay Mesa	788,309,384	712,098,301	780,488,307
4	25	2305 Hidalgo-Pharr	774,467,936	678,073,457	770,268,126
5	23	2301 Brownsville	453,426,461	452,689,683	475,239,692
6	26	2604 Nogales	445,053,463	435,310,933	469,415,743
7	23	2303 Eagle Pass	352,246,517	394,331,911	352,675,441
8	25	2507 Calexico East	288,784,249	267,460,743	270,270,902
9	23	2302 Del Rio	85,644,804	79,715,504	82,040,139
10	25	2505 Tecate	34,792,603	30,389,438	33,637,717
TOTALS			8,144,441,456	7,758,792,137	8,309,650,975



Texas Center for Border Economic and Enterprise Development.
 Source: U.S. Department of Commerce Bureau of the Census,
 Foreign Trade Division

Current Economic Indicators

Current Economic Indicators	
June 04, 2009 (Close of Day)	
<u>Indicator</u>	<u>Value</u>
Inflation %	-0.62
GDP Growth %	-5.84
Unemployment %	8.9
Gold \$/oz	970.75
Oil \$/bbl	68.81
Prime %	3.25

Source Financial Forecast Center, LLC
Updated Friday, April 24, 2009

Initiatives to stimulate job growth in Laredo and the region

- **North American Advanced Manufacturing Research and Education Initiative (NAAMREI)**
 - Funded through the U.S. Department of Labor's Workforce Innovation in Regional Economic Development Program
 - \$5 million in grants
 - Texas Workforce Commission.
 - \$3 million Skills Development Fund grant
- **Kansas City Southern (KCS) New Intermodal train service to Puerta México, a new multi-modal facility in Toluca, México**
 - Terminal of choice for service to and from the central valley, the Port of Lázaro Cárdenas and Nuevo Laredo/Laredo.
 - Estimated capacity exceeding 150,000 containers and two million plus tons of cargo per year on more than 130 developed acres
- **Mission/Reynosa Anzalduas International Bridge – Completion 2009**
- **New Rail bridge In Laredo**
 - KCS & UP Railroads continue working on their proposals

Initiatives to stimulate job growth in Laredo and the region

- **Ford increases production in Mexico to gain a larger share of the market**

New Companies in the area

- **Hilti** (Construction tools) opening in Matamoros/Brownsville next month.
- **Friedrich Air Conditioning Co.**
Opened manufacturing plant in Monterrey, fourth quarter 2008
- **Norma Products** (automotive) started Production 1st quarter 2009

Outlook

U.S. Exports Forecast

	Month	Forecast Value
0	Mar-09	1,590
1	Apr-09	1,460
2	May-09	1,460
3	Jun-09	1,460
4	Jul-09	1,500
5	Aug-09	1,500
6	Sep-09	1,500
7	Oct-09	1,586
8	Nov-09	1,586

Exports of Goods and Services. Billion US Dollars.

*Source Financial Forecast Center, LLC
Updated Friday, April 24, 2009*

Outlook

U.S. Imports Forecast

	Month	Forecast Value
0	Mar-09	2,075
1	Apr-09	2,007
2	May-09	2,007
3	Jun-09	2,007
4	Jul-09	2,052
5	Aug-09	2,052
6	Sep-09	2,052
7	Oct-09	2,125
8	Nov-09	2,125

Import of Goods and Services. Billion US Dollars.

Source Financial Forecast Center, LLC
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Questions ???

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