

Jerry Pacheco



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IBA Business Plan



Vision:

To be the nation's most successful international resource center, and be recognized as such.



Mission:

We transform New Mexico's economy by connecting it to the world.



Goals:

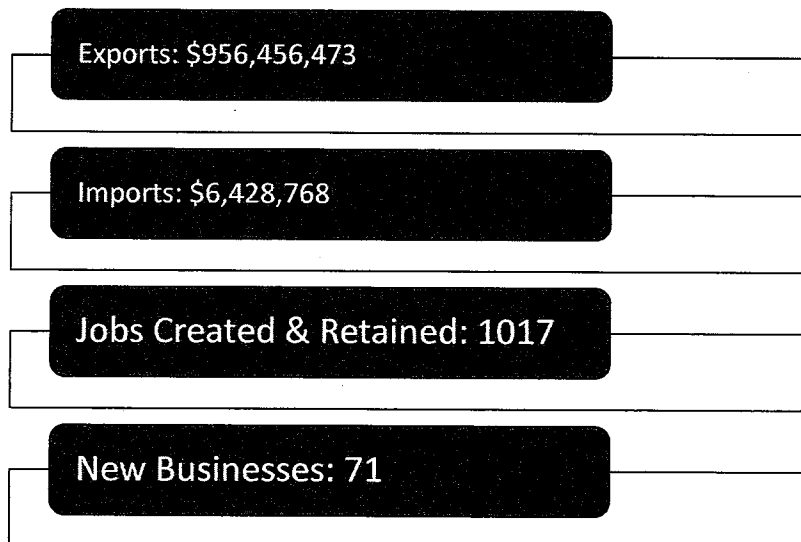
Increase Client Successes
Increase Recognition



The International Business Accelerator is a one-stop shop of resources for New Mexico businesses and individuals wishing to introduce their product or service into the global market.

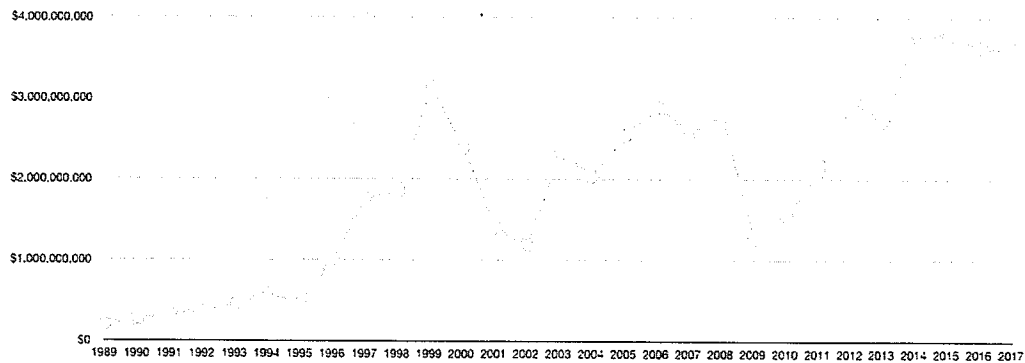
- **International Business Counseling**
- **Trade Missions**
- **Trade Leads**
- **Training and Education Programs**
- **Foreign Businesses**

IBA Metrics Since Inception (2003)



Rank	Destination	2017	2016	2015	2014
	World	\$ 3,623,476,630	\$ 3,631,617,039	\$ 3,781,253,797	\$ 3,801,606,959
1	Mexico	\$ 1,587,813,840	\$ 1,557,430,579	\$ 1,683,307,361	\$ 1,547,963,563
2	China	\$ 1,005,110,854	\$ 496,775,092	\$ 117,055,255	\$ 105,893,888
3	Saudi Arabia	\$ 149,446,114	\$ 44,720,153	\$ 12,597,301	\$ 71,952,953
4	Canada	\$ 124,465,951	\$ 138,726,356	\$ 188,254,681	\$ 231,626,013
5	Singapore	\$ 80,754,942	\$ 42,526,959	\$ 21,587,223	\$ 27,876,771
6	Germany	\$ 62,996,784	\$ 68,136,206	\$ 64,527,211	\$ 63,432,417
7	South Korea	\$ 62,120,828	\$ 35,503,838	\$ 21,395,094	\$ 41,746,459
8	Japan	\$ 47,531,291	\$ 238,673,950	\$ 69,086,548	\$ 73,322,025
9	Australia	\$ 46,499,215	\$ 17,658,659	\$ 16,257,349	\$ 28,831,766
10	Turkey	\$ 42,661,547	\$ 6,655,513	\$ 8,402,091	\$ 6,073,957
11	Italy	\$ 31,009,694	\$ 14,091,098	\$ 14,361,817	\$ 264,129,615
12	Belgium	\$ 30,483,434	\$ 46,424,864	\$ 78,415,158	\$ 59,196,098
13	Netherlands	\$ 28,279,311	\$ 27,271,710	\$ 23,590,787	\$ 23,460,326
14	United Kingdom	\$ 27,642,296	\$ 36,866,231	\$ 32,571,543	\$ 30,036,187
15	Ireland	\$ 22,486,788	\$ 29,419,264	\$ 51,698,949	\$ 100,881,314
16	India	\$ 18,288,453	\$ 37,841,289	\$ 23,781,129	\$ 25,721,545
17	France	\$ 18,218,866	\$ 17,303,875	\$ 11,452,543	\$ 12,947,102
18	Thailand	\$ 18,041,223	\$ 15,272,400	\$ 18,550,668	\$ 21,458,331
19	Hong Kong	\$ 17,656,334	\$ 16,855,362	\$ 18,093,316	\$ 21,579,949
20	Indonesia	\$ 15,108,151	\$ 6,079,800	\$ 7,929,909	\$ 15,989,151
21	Russian Federation	\$ 14,543,977	\$ 833,751	\$ 4,480,380	\$ 3,514,556
22	Brazil	\$ 13,793,561	\$ 13,025,644	\$ 18,868,099	\$ 33,269,607
23	Poland	\$ 13,184,176	\$ 5,644,061	\$ 5,858,757	\$ 5,995,241
24	Israel	\$ 12,023,451	\$ 508,046,413	\$ 1,082,894,159	\$ 811,525,168

Total New Mexico's Exports to the World



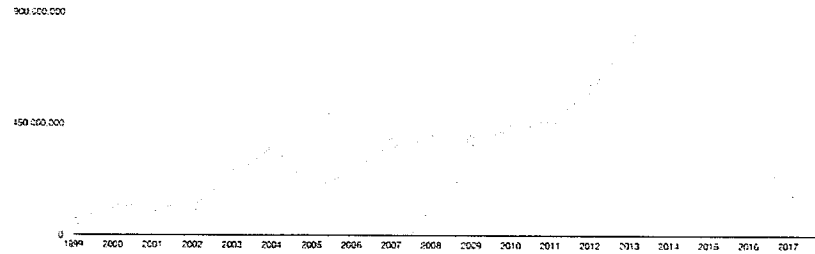
Year	Export Value (\$)
1989	\$213,660,166
1990	\$269,279,646
1991	\$342,096,816
1992	\$377,994,775
1993	\$464,261,003
1994	\$569,771,372
1995	\$457,062,807
1996	\$1,012,801,509
1997	\$1,775,557,123
1998	\$1,854,728,713
1999	\$1,333,455,140
2000	\$2,390,543,488
2001	\$1,404,619,792
2002	\$1,187,118,588
2003	\$2,327,569,491
2004	\$2,047,057,784
2005	\$2,542,942,913
2006	\$2,895,240,289
2007	\$2,585,121,373
2008	\$2,782,906,863
2009	\$1,269,535,234
2010	\$1,542,649,869
2011	\$2,095,859,917
2012	\$2,957,808,347
2013	\$2,726,138,754
2014	\$3,801,606,959
2015	\$3,781,253,797
2016	\$3,631,617,039
2017	\$3,623,476,630

New Mexico's Total Exports
to Mexico

2017 update

DA County (Santa Teresa): 53% of NM's total exports in 2016
(.001% of NM's population) #1 export base in NM

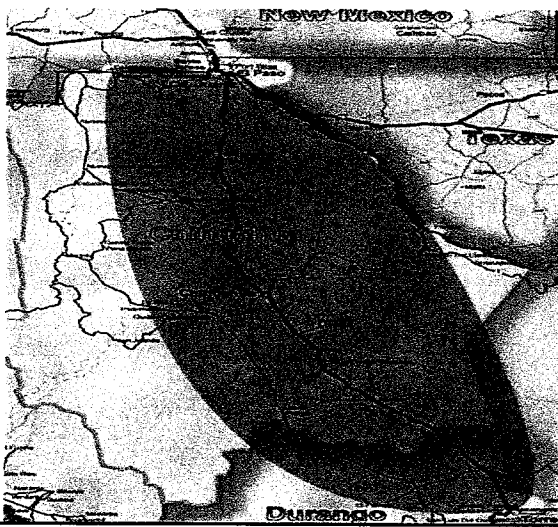
Offers NM one of the best ways to diversify its economy



Total					
1999	49,926,495	2005	185,135,111	2011	461,704,983
2000	126,612,424	2006	257,988,275	2012	593,031,976
2001	111,704,136	2007	375,783,482	2013	807,605,402
2002	116,680,793	2008	384,483,029	2014	1,547,993,593
2003	243,280,702	2009	384,569,943	2015	1,683,307,361
2004	356,312,426	2010	429,427,229	2016	1,597,430,579
				2017	1,587,812,540

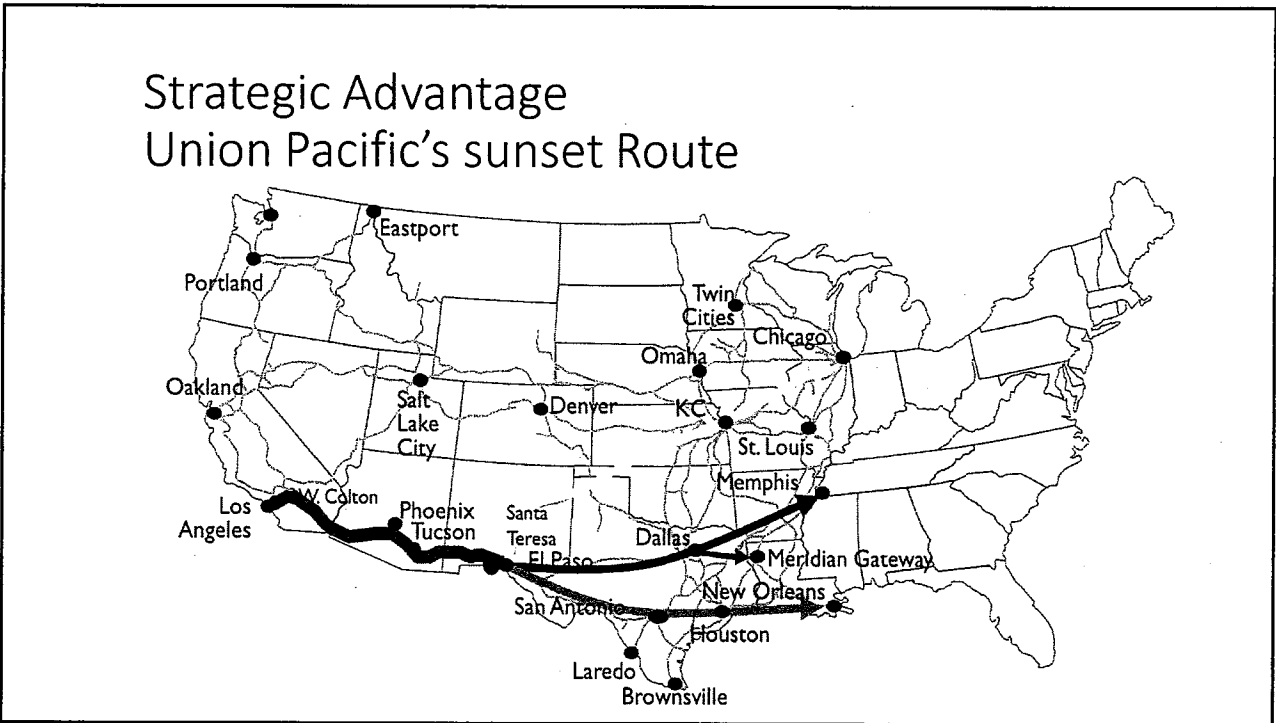
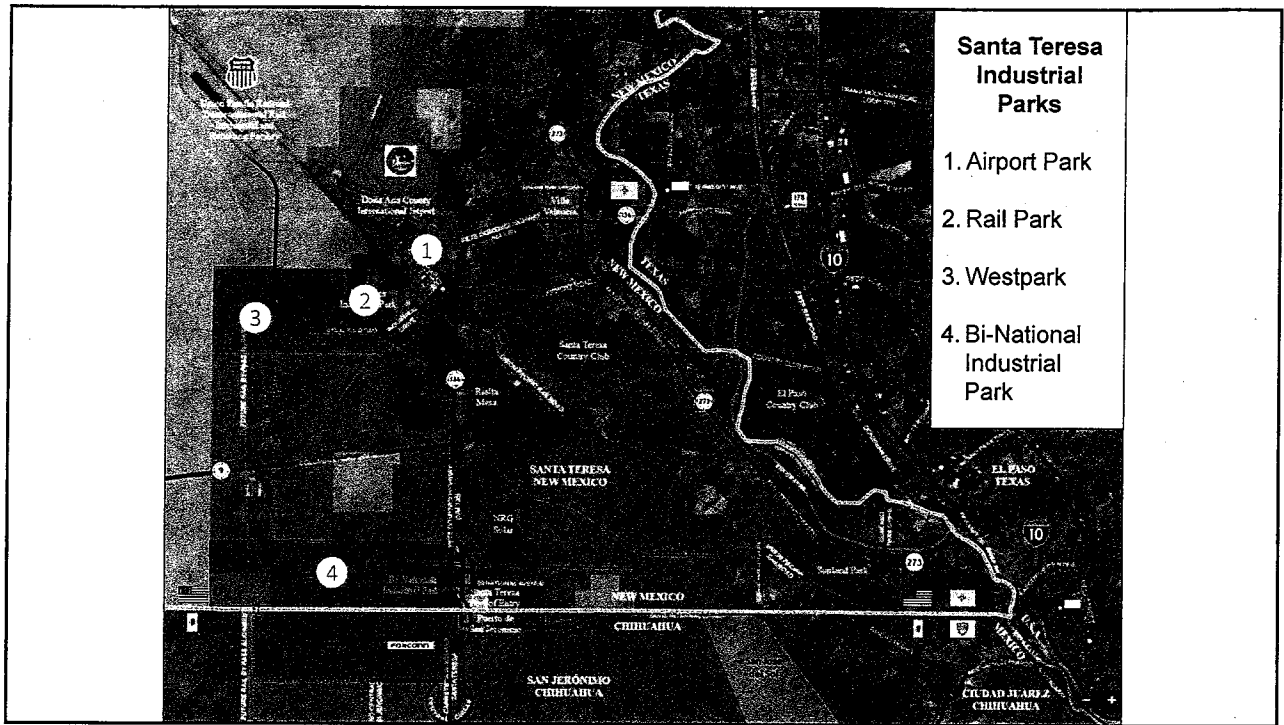
What is Driving these Numbers?

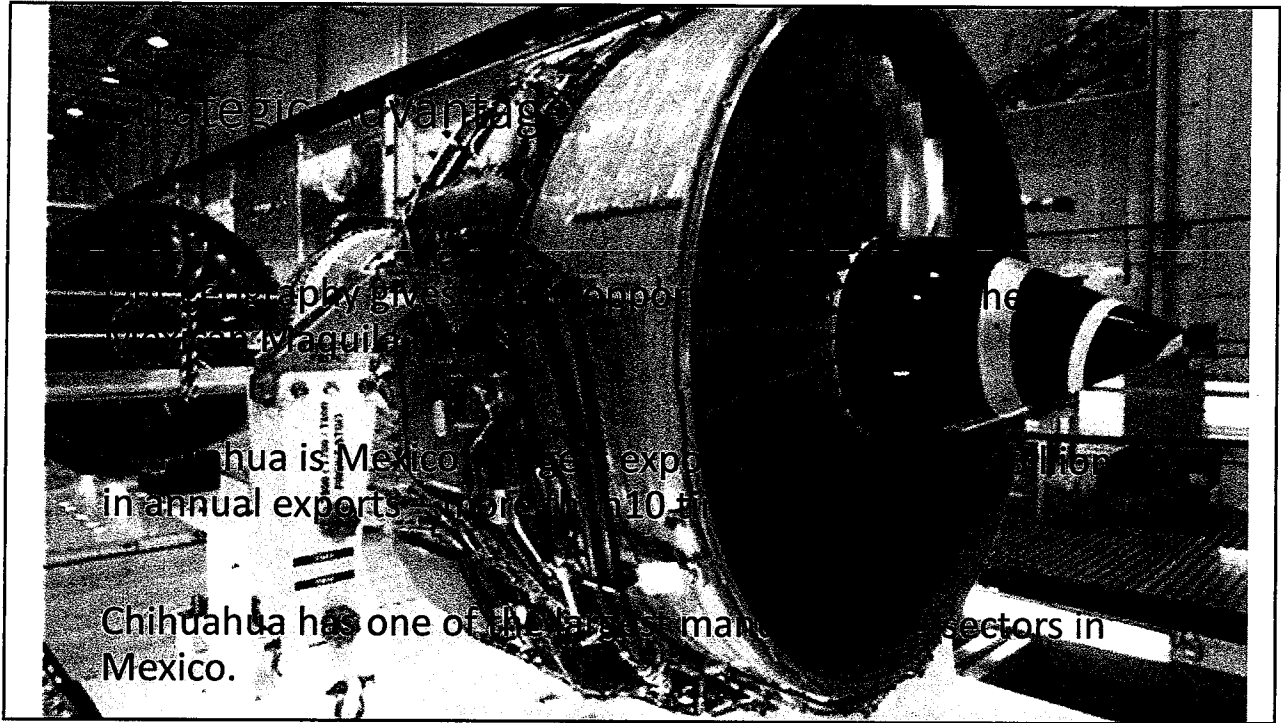
- Cross-border trade with Mexico (in 2016 Mexico imported \$231B of US products).
- Recruitment to Santa Teresa of out-of-state companies that supply the maquiladora industry (billions of \$s imported by Mexico) or act as distribution centers for Mexican products entering US.
- Private-public partnership in Santa Teresa.



Companies that are located in the shaded areas of Chihuahua and Durango are likely to use the STPOE or the El Paso ports.

The suppliers that would serve these maquilas are prospects for New Mexico.



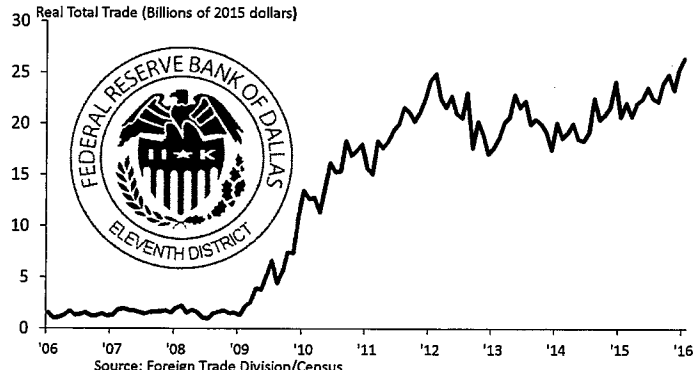


Strategic advantage
 Supply gives...
 Maquila
 Chihuahua is Mexico's largest export...
 in annual exports... more than 10...
 Chihuahua has one of the largest manufacturing sectors in Mexico.

New Mexico

The Federal Reserve Bank of Dallas has recognized New Mexico's exports to Mexico as a major economic driver in our region. The following graph was presented at a Fed Board meeting during an economic update where Santa Teresa was the only bright spot in the region.

A RISING STAR: SANTA TERESA
 (FEDERAL RESERVE)

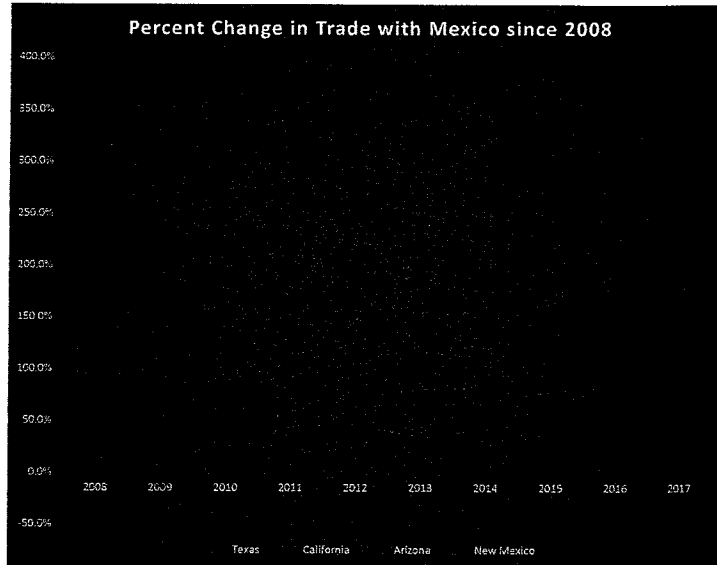


New Mexico

Even though NM's exports to Mexico are lower than the other border states, NM's export **growth** to Mexico is far outpacing our neighbors.

Since 2007, Texan exports to Mexico have increased 65%, California 46%, and Arizona 75%.

NM has seen our exports increase almost 350%.



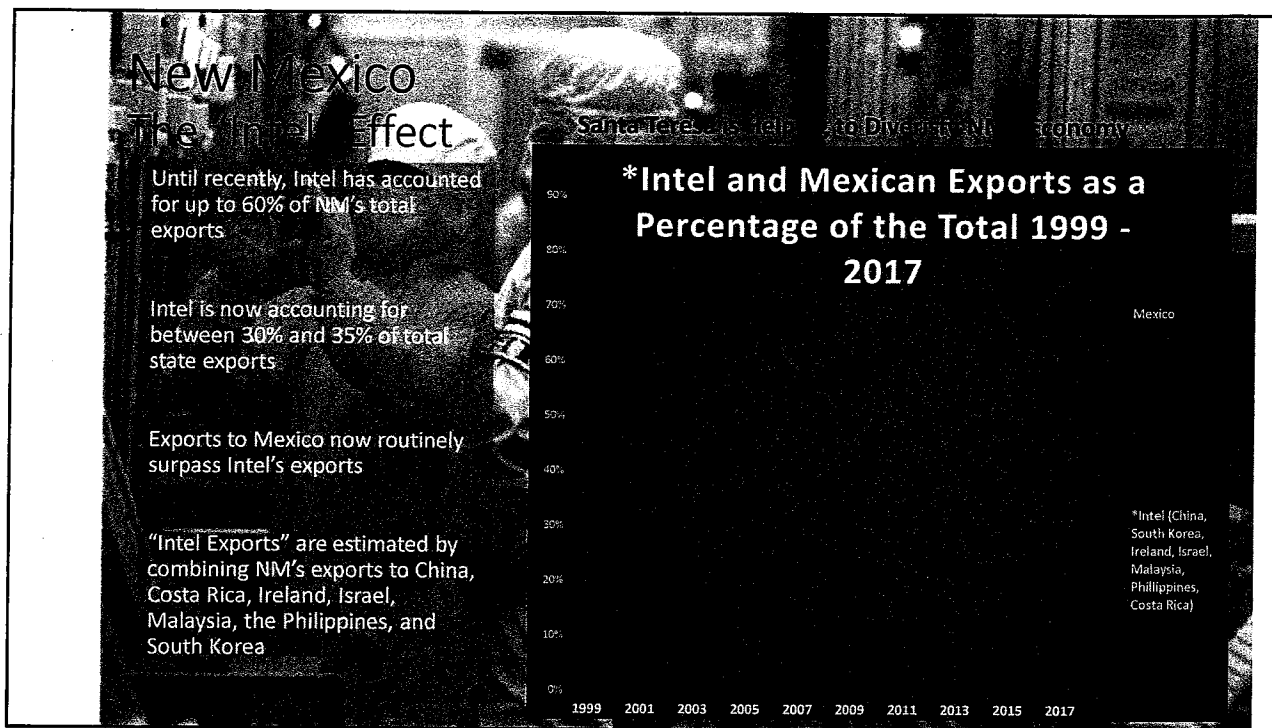
New Mexico Top exports to Mexico

What is driving this rise?:

- Transportation equipment (61.4%)
- Electrical Equipment/components (26.4%)
- Computer/electronic Products (20.8%)

Note: NM's top exporter to Mexico is not Intel.

NM's 2017 Exports to Mexico by Category	\$
COMPUTER AND ELECTRONIC PRODUCTS	1,587,813,840
ELECTRICAL EQUIPMENT; APPLIANCES & COMPONENTS	880,608,065
FABRICATED METAL PRODUCTS	141,605,361
TRANSPORTATION EQUIPMENT	128,317,581
FOOD MANUFACTURES	83,589,596
PLASTICS & RUBBER PRODUCTS	72,832,731
PAPER	65,060,320
MACHINERY; EXCEPT ELECTRICAL	42,623,529
PRIMARY METAL MFG	41,725,751
CHEMICALS	37,055,129
	21,312,538



Busiest us/mx Ports of entry by 2017 exports

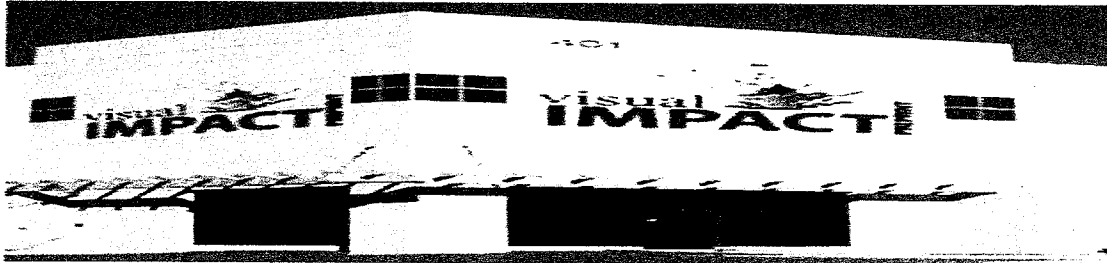


Rank	Port	Exports (billions)	Imports (billions)	Total Trade (billions)
1	Laredo, TX (Port)	\$ 94.4	\$ 120.3	\$ 214.7
2	El Paso, TX (Port)	\$ 29.1	\$ 46.9	\$ 76.0
3	Otay Mesa, CA (Port)	\$ 15.4	\$ 28.6	\$ 44.0
4	Hildago, TX (Port)	\$ 11.7	\$ 22.1	\$ 33.8
5	Santa Teresa, NM (Port)	\$ 10.4	\$ 11.9	\$ 22.3
6	Nogales, AZ (Port)	\$ 9.4	\$ 15.1	\$ 24.5
7	Brownsville, TX (Port)	\$ 9.4	\$ 7.3	\$ 16.7
8	Eagle Pass, TX (Port)	\$ 8.2	\$ 22.7	\$ 30.9
9	Calexico-East, CA (Port)	\$ 6.3	\$ 9.9	\$ 16.2
10	Del Rio, TX (Port)	\$ 2.0	\$ 3.0	\$ 5.0

Source: USA Trade Online, <https://usatrade.census.gov/>

New Successes:

Corrugated Synergies International
142,000 sf 120 jobs expandable to 250 \$31M investment



Stampede Meats
123,000 sf 1,295 jobs \$36M investment



Three existing companies expanding operations in the Santa Teresa industrial parks.
A 217,000 sf building being constructed on the other side of the border in San Jeronimo.

SAN JERONIMO, CHIHUAHUA |

San Jeronimo Industrial Park

FOXCONN:

Largest maquila in the 45-year history of the industry.

Assembly of Dell computers: 55,000 per day

3700 employees, 2000 in new 200,000 sq ft building

Investing 10 million dollars in 1000 employees

US announced that pre-clearance is here. It operates down and moving them

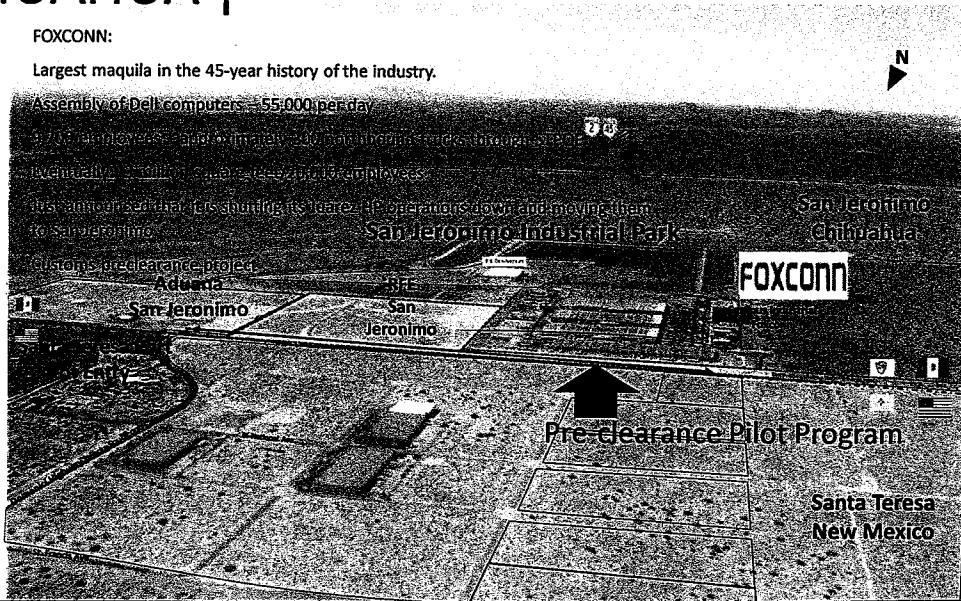
to San Jeronimo

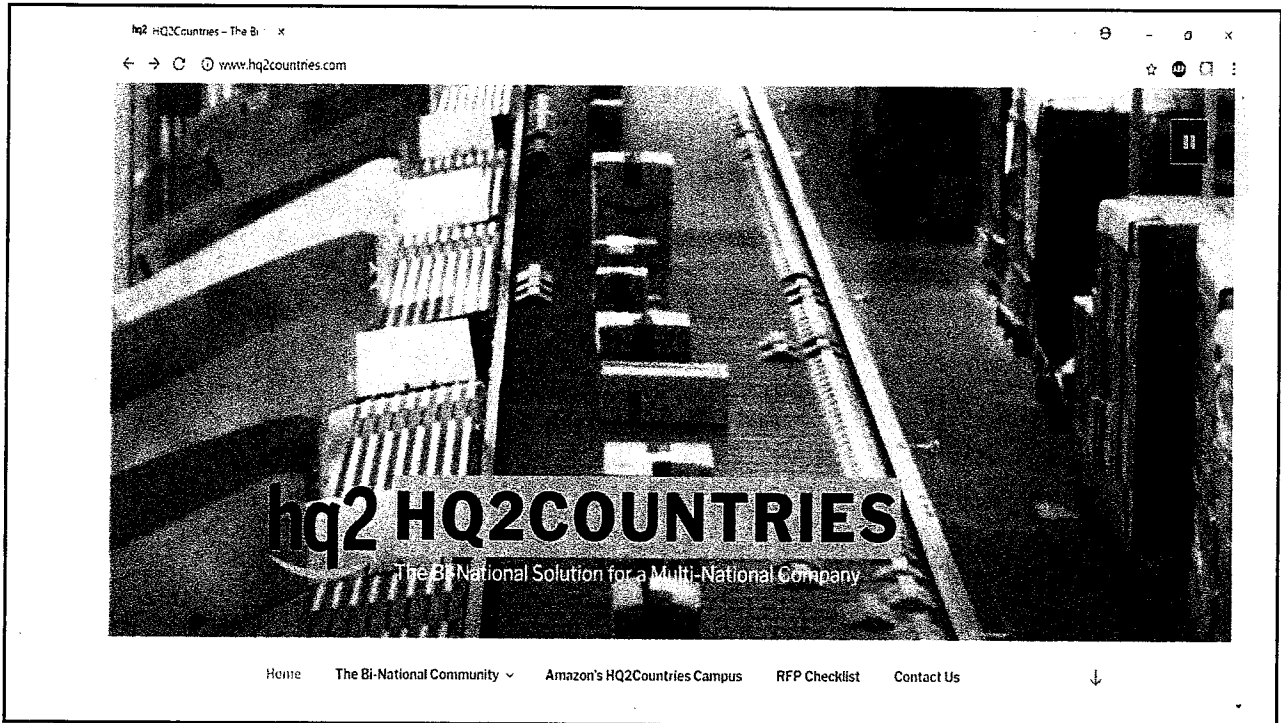
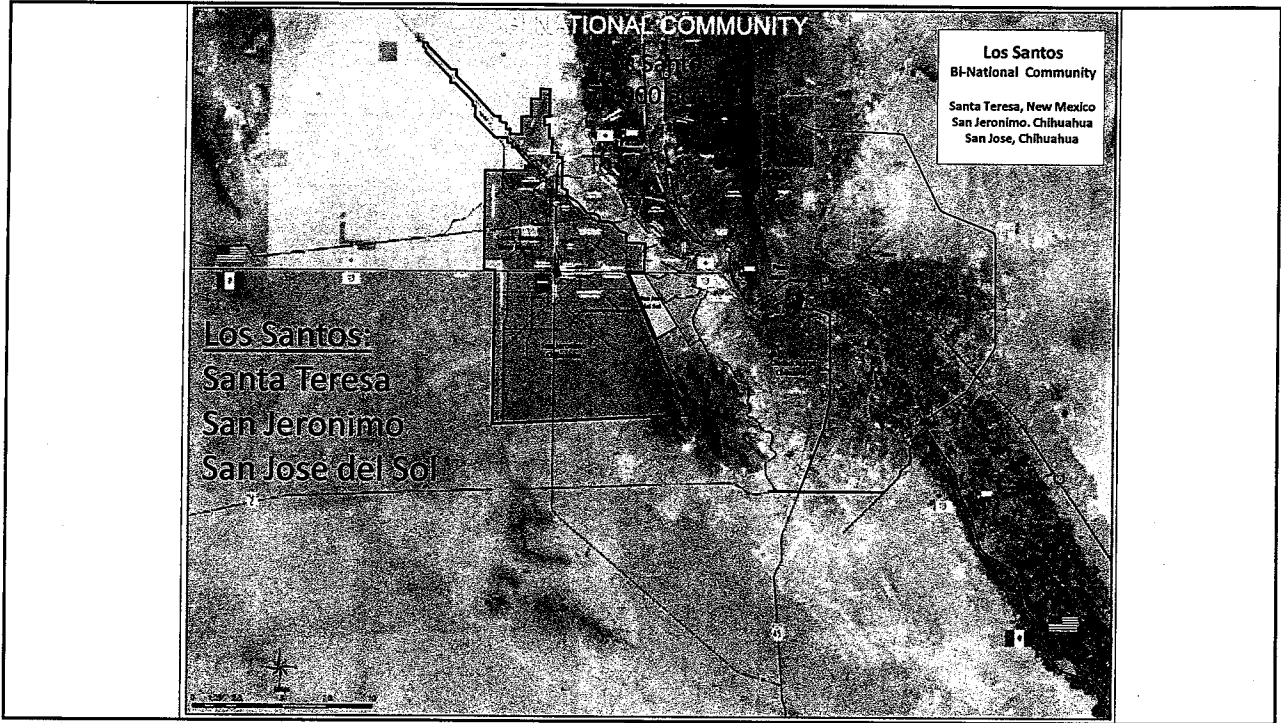
Customs pre-clearance project

Aduana

San Jeronimo

San Jeronimo





CNN

msn | money

THE DURANGO HERALD
Since 1881

BUSINESS INSIDER

U.S. News & WORLD REPORT

The Seattle Times

YAHOO! FINANCE

USA TODAY

THE WASHINGTON TIMES

THE HUFFINGTON POST

Laredo Morning Times

LAS CRUCES SUN-NEWS
lcsun- .com

ALBUQUERQUE BUSINESS FIRST

<http://worldbry.xyz/>

El Diario de EL PASO

El Paso Times

El Diario mx

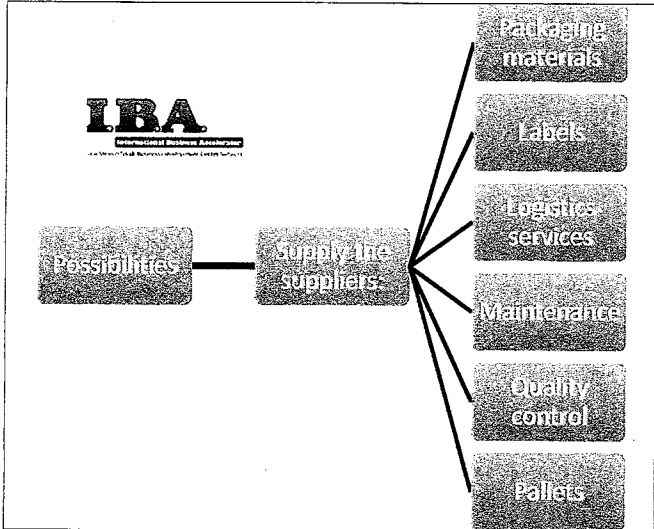
SANTA FE NEW MEXICAN
SantaFeNewMexican.com

Supply the Supplier Program

Building NM's Supplier Base

Through the IBA's *Supply the Supplier Program* we can bring the benefits of the border directly to the rest of the state.

Santa Teresa is NM's *Built-in Market* which the rest of the state can use to develop indirect exports.



Industrial Surveys

Santa Teresa Industrial Base Surveys

More than 40 companies surveyed

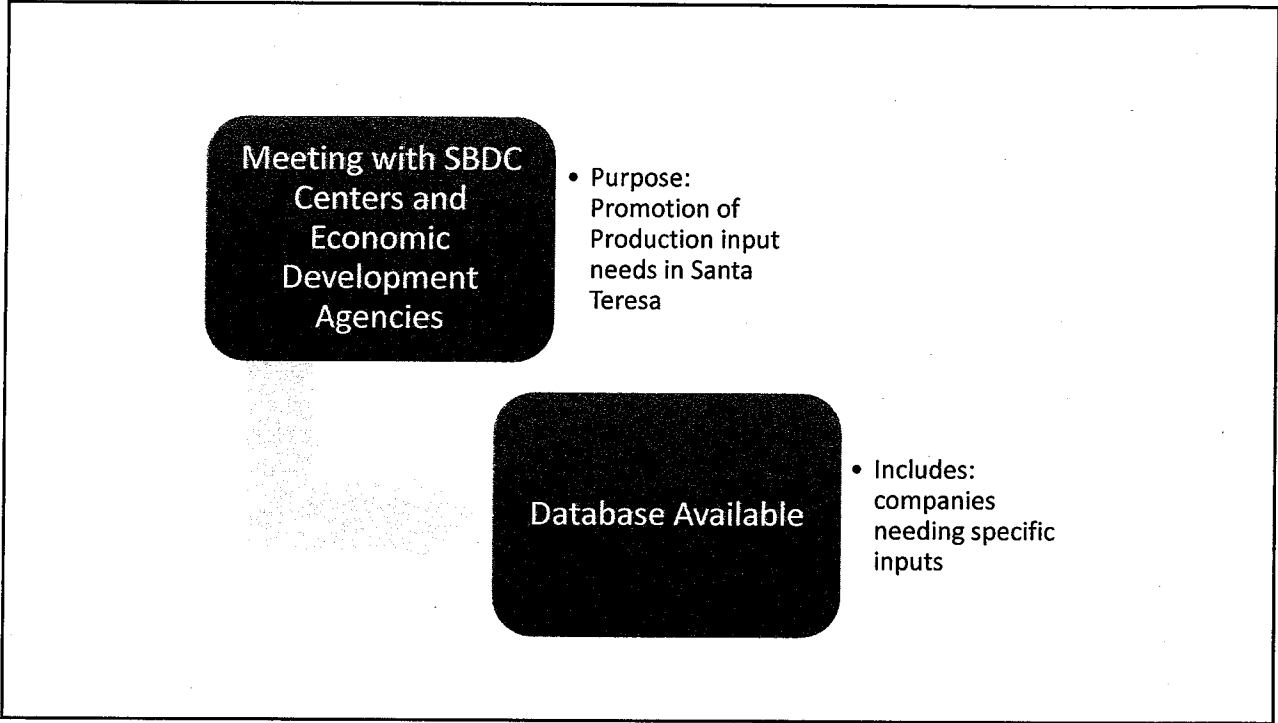
Determine what types of production inputs companies are consuming

Attempt to find local suppliers.

Top Production Inputs Needed

- Strapping plastic
- Calibration Services
- Propane Gas
- Labels (office supplies)
- Shrink Wrap Plastic
- Forklift Maintenance
- Janitorial Services
- Pallets





Supply the Supplier Results:

Master Immediate Supply (El Paso – Santa Teresa location)

ACT environmental services (Chaparral)

Applied EHSD (Albuquerque)

Blackbird Property Services (Sunland Park)

RT Electric (Las Cruces)

VEMAC (Las Cruces)

Kosh Solutions (Las Cruces)

Westside Welding (Las Cruces)

Beck Office Solutions (Las Cruces)

EDVS Inc. (Albuquerque)

Master Immediate Supply

Watson Hopper (Hobbs)

Ruth Ann Burkman NM Real Estate Broker (southern NM)

Valley Snacks (Las Cruces)

TOTAL REVENUE GENERATED FOR NM COMPANIES

\$26,677,610.00

U.S.-Mexico-Canada Trade Agreement (USMCA) "NAFTA 1.25"

- 34 chapters, 12 side letters – retains most of original NAFTA
- Renewable 16-year agreement - reviewed in six-year increments.
- North American content in vehicles produced in the NAFTA region raised from 62.5% to 75%.
- Provision that 45% of the content of pickup trucks and 40% of the content of light trucks would be built by employees earning more than \$16 per hour.
- Raises access to Canada's dairy markets to 3.59% - a little bit higher than the 3.25 percent proposed under Trans Pacific Partnership –estimated \$70M increase in US market share.
- For the most part retains binational dispute settlement system
- Other provisions
 - Stricter protections for intellectual property
 - Easing the flow of digital trade updates energy sector
 - Stronger protection for drug patents
 - A dialogue for environmental and labor standards.
- Steel tariffs remain in place – this affects NM the most
- What will fallout be with our neighbors in the future?