

The International Business Accelerator

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IBA

International Business Accelerator

New Mexico Small Business Development Center Network

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)

Exports: \$956,456,473

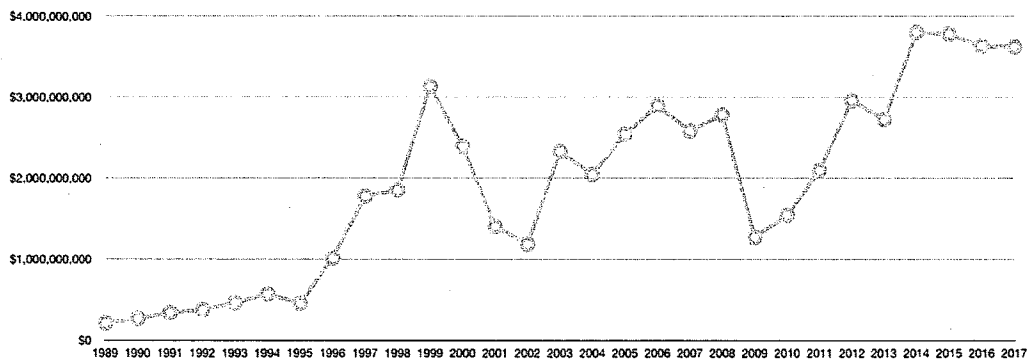
Imports: \$6,428,768

Jobs Created & Retained: 1017

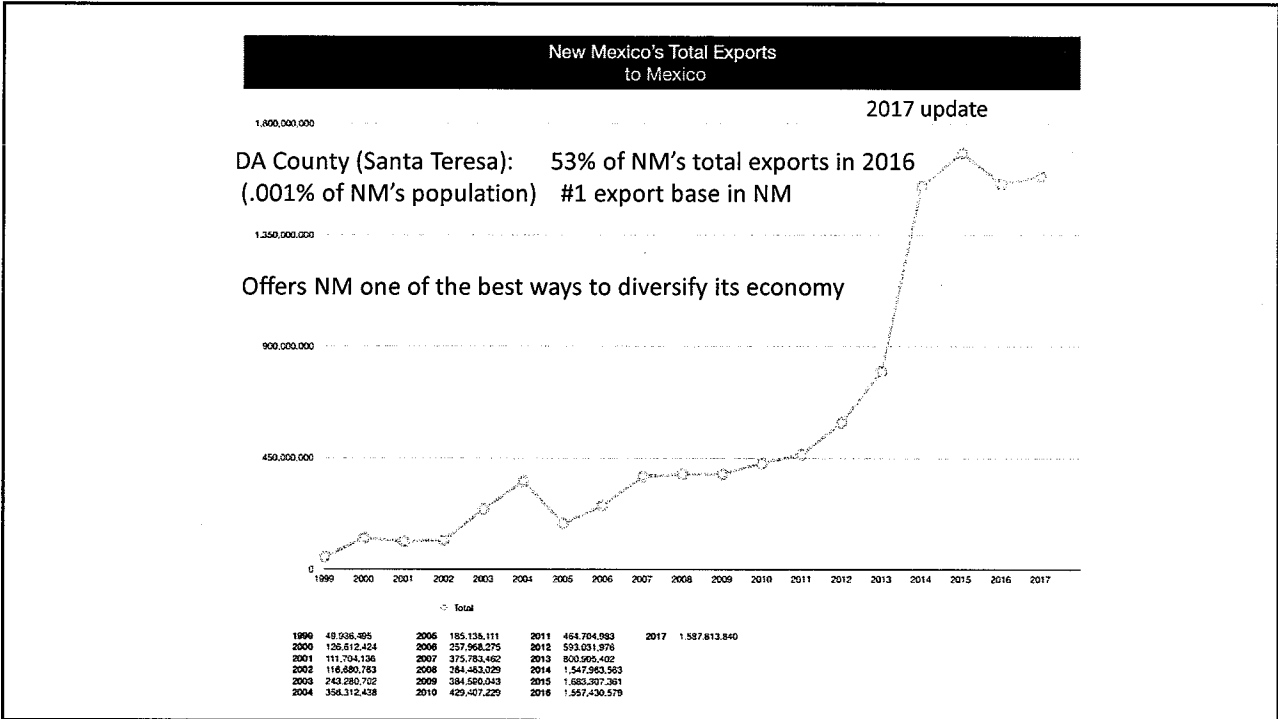
New Businesses: 71

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	Amount	Year	Amount	Year	Amount
1989	\$213,960,166	2001	1,404,619,792	2013	2,726,138,754
1990	\$269,279,646	2002	1,187,118,588	2014	3,801,606,959
1991	\$342,086,816	2003	2,327,569,491	2015	3,781,253,797
1992	\$377,994,775	2004	2,947,057,784	2016	3,631,617,039
1993	\$464,261,003	2005	2,542,942,913	2017	3,623,476,630
1994	\$569,771,372	2006	2,895,240,289		
1995	\$457,062,807	2007	2,585,121,373		
1996	\$1,012,801,509	2008	2,782,906,663		
1997	\$1,775,557,123	2009	1,269,535,234		
1998	\$1,854,728,713	2010	1,542,649,889		
1999	\$1,133,455,140	2011	2,095,859,917		
2000	2,390,543,488	2012	2,957,808,347		



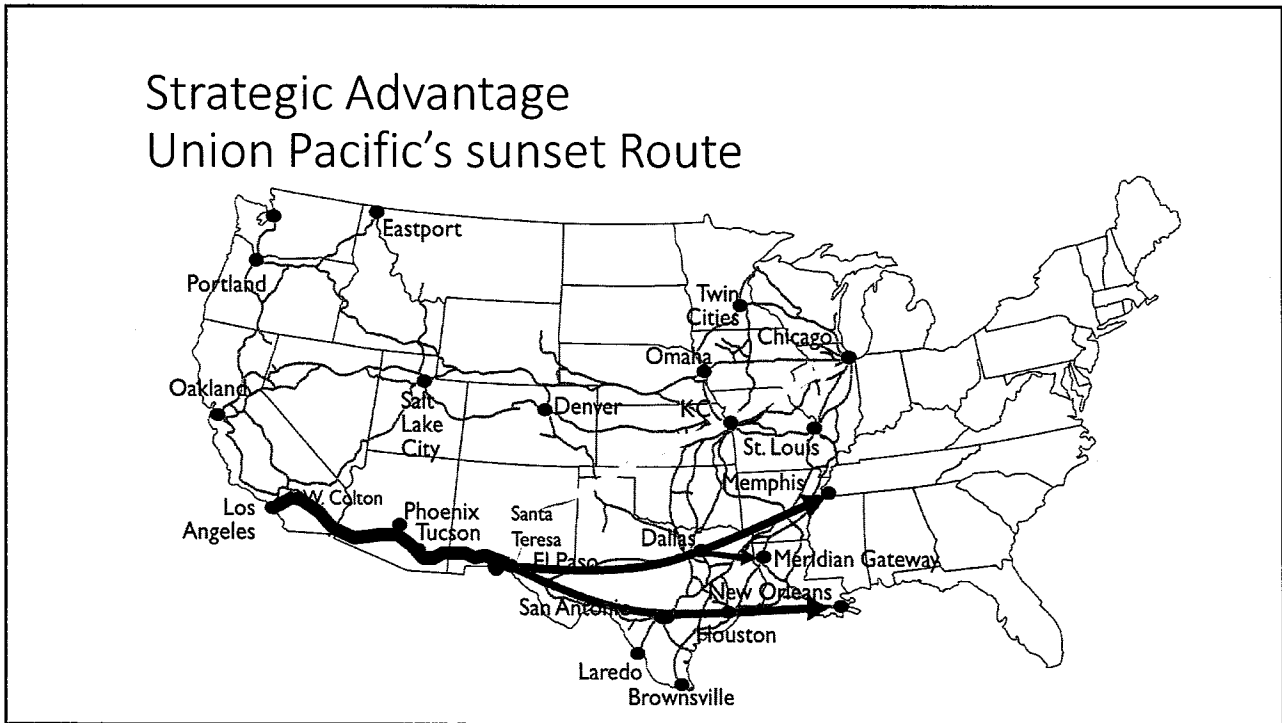
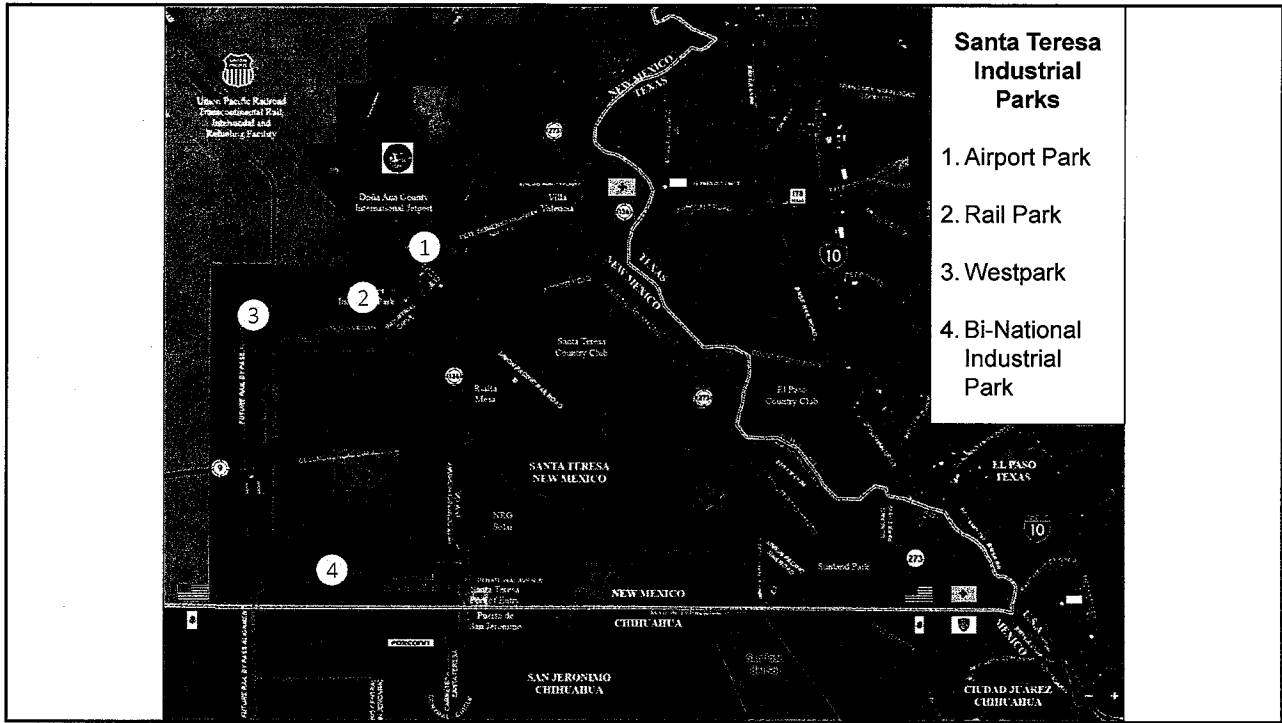
What is Driving these Numbers?

- 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

Our geography gives us the opportunity to supply the Mexican Maquila Industry

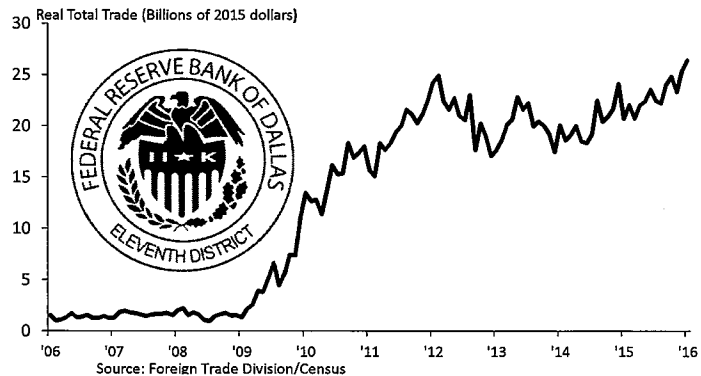
Chihuahua is Mexico's largest exporter at about \$45 Billion in annual exports – more than 10 times that of NM.

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)

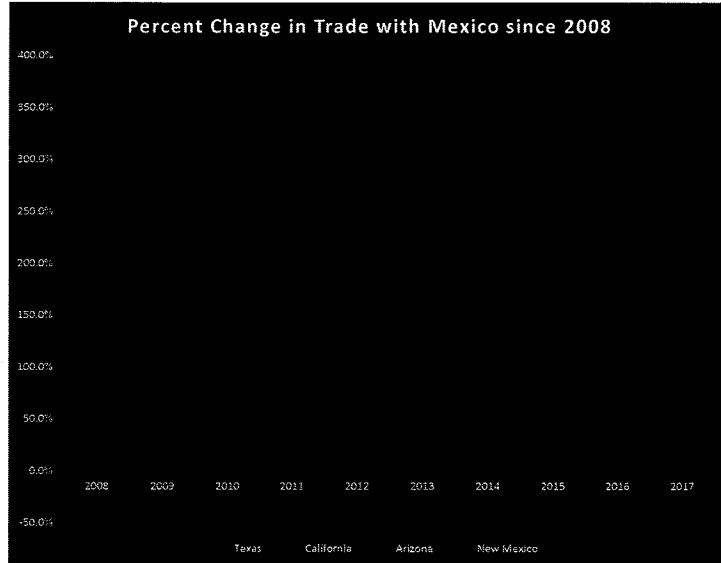


New Mexico

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%.



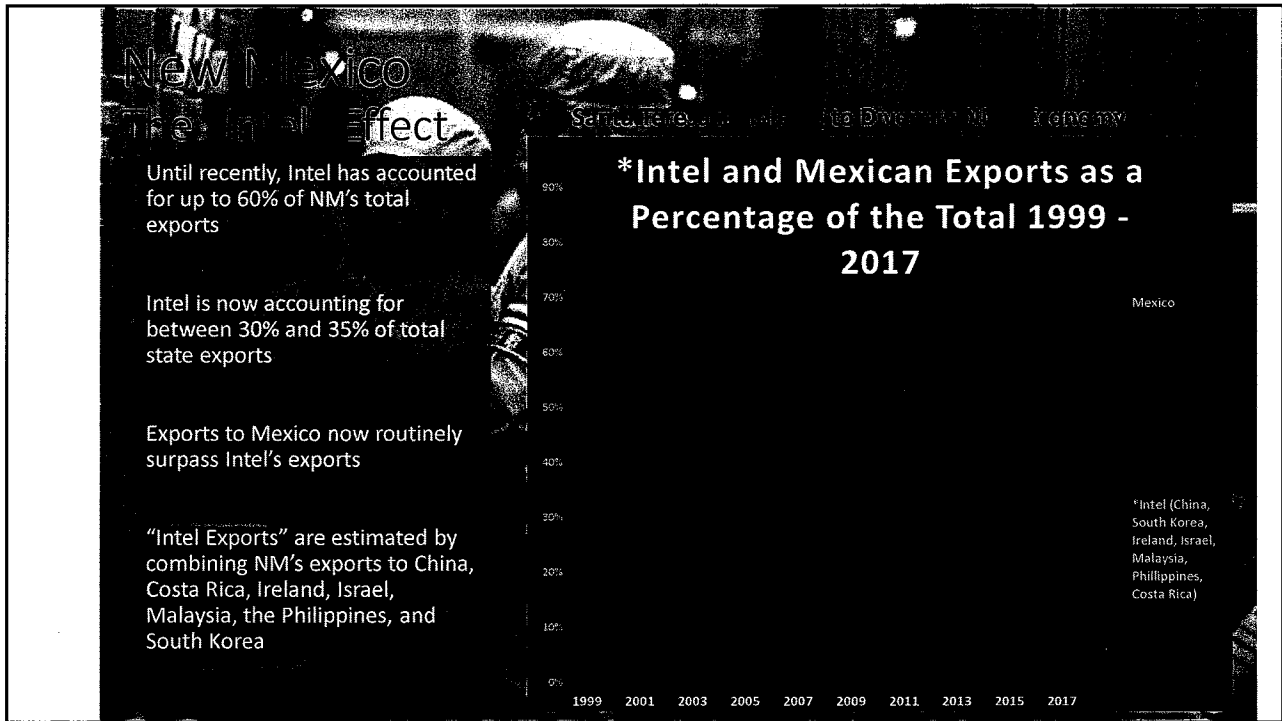
New Mexico Top exports to Mexico

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	\$ 880,608,065
ELECTRICAL EQUIPMENT; APPLIANCES & COMPONENTS	\$ 141,605,361
FABRICATED METAL PRODUCTS	\$ 128,317,581
TRANSPORTATION EQUIPMENT	\$ 83,589,596
FOOD MANUFACTURES	\$ 72,832,731
PLASTICS & RUBBER PRODUCTS	\$ 65,060,320
PAPER	\$ 42,623,529
MACHINERY; EXCEPT ELECTRICAL	\$ 41,725,751
PRIMARY METAL MFG	\$ 37,055,129
CHEMICALS	\$ 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

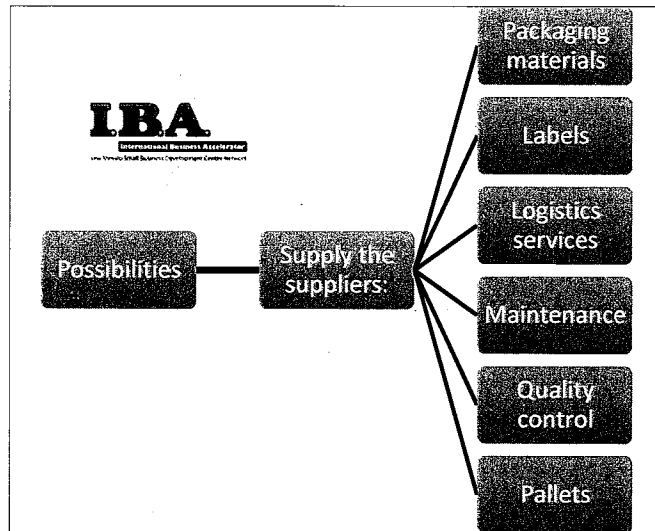
Source: USA Trade Online, <https://usatrade.census.gov/>

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.

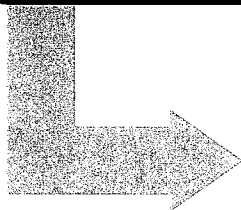
Top Production Inputs Needed

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



Meeting with SBDC
Centers and
Economic
Development
Agencies

- Purpose:
Promotion of
Production input
needs in Santa
Teresa



Database Available

- Includes:
companies
needing specific
inputs

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)

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?

