GROWING TOGETHER:
Economic Ties between the United States and Mexico

BY CHRISTOPHER WILSON

CAF DEVELOPMENT BANK OF LATIN AMERICA

Wilson Center
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Cover: Beetle Production in Volkswagen Factory in Puebla, Mexico

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Introduction

The impact of trade and globalization on the average American was a core issue in the 2016 U.S. presidential elections. President Trump won the election in part because he promised to address the sense of economic insecurity many Americans feel. Along the way, Mexico came to symbolize much of the U.S. encounter with globalization. Given that Mexico is the United States' second largest export market, third largest overall trading partner, and the top country of origin for immigrants living in the country, this is understandable. Nonetheless, with central elements of the U.S. economic relationship such as NAFTA currently the topic of intense debate and possibly up for renegotiation, it is more important than ever that policy makers and the public have a clear and up-to-date understanding of the U.S.-Mexico economic relationship.

Seeing those processes unfold, in the fall of 2016 the Mexico Institute launched this project, *Growing Together: Economic Ties Between the United States and Mexico*, which explores the bilateral economic relationship in detail to understand its nature and its impact on the United States. We commissioned original research on the employment impact of bilateral trade on the U.S. economy, performed original analysis using government and academic datasets, and undertook an extensive review of existing research relevant to the U.S.-Mexico economic relationship. The results of the study were first published in a series of electronic working papers and social media infographics during 2016, and are now published in revised form and with additional analysis in this report.

Our study concludes that the economic relationship with Mexico, though not without its challenges, provides concrete benefits, strengthening the competitiveness of American firms, creating jobs in the United States, and generating savings for the average American family. There is nonetheless significant space for improvement, which could come through a renegotiation of NAFTA, the strengthening of many of the other existing bilateral mechanisms for economic

coordination—many of which fall under the U.S.-Mexico High Level Economic Dialogue—or through domestic programs in both Mexico and the United States, to ensure the citizens of both countries are fully prepared to successfully compete in the global economy. There is ample space for improvement, but there is also real risk as the two countries revisit and potentially revise some of the foundations of the bilateral economic relationship. It is precisely the fact that the current cooperative relationship provides significant benefits for so many Mexicans and Americans that makes a major revision of the relationship risky. Care must be taken to preserve existing benefits as efforts are made to expand them. Key to understanding these opportunities and risks is a clear understanding of the unique economic relationship the United States and Mexico have developed over the past several decades.

The United States and Mexico no longer simply sell finished products to one another. Instead, they build things together, using a regional system of manufacturing production comprised of supply chains that crisscross the U.S.-Mexico border. This allows the two countries to effectively combine their individual comparative advantages into a highly competitive regional system, improving North America's ability to compete on the global stage. In 2014, the most recent year for which this data is available, Mexican industries consumed $136 billion dollars in U.S. intermediate goods, and U.S. industries consumed $132 billion dollars' worth of Mexican inputs. This is direct evidence of joint production taking place between the United States and Mexico on a massive scale.

Nearly five million U.S. jobs depend on trade with Mexico. Our economic model shows that if trade between the United States and Mexico were halted, 4.9 million Americans would be out of work.[1] This is a net figure and includes jobs directly and indirectly tied to trade, meaning it takes into account three different ways that U.S. employment would be impacted if bilateral trade were to stop. First, it takes into account jobs currently supported by the production of goods for export that would be lost if we stopped trading with Mexico. Second, the model considers that some jobs would return to the United States to produce goods we currently import. Third, it accounts for jobs currently supported by the income individuals and companies save by having access to lower cost imports. Some of the net job gains associated with bilateral trade are in manufacturing, but the vast majority are actually in service sectors, including everything from finance to healthcare and retail. This is because the job gains associated with exports are more or less cancelled out by those lost through import competition (1 cancels out 2 in the list above), leaving the major win really coming from the third mechanism, the availability of more competitively priced inputs for U.S. business and better priced products for consumers. For example, if an American family saves $100 by buying a washing machine built in Mexico and uses that

money to go to the movies, U.S.-Mexico trade is helping support the jobs of the ticket seller, movie theater manager, and maybe even Brad Pitt. The economic model we used, which is a version of the Purdue University GTAP model modified and run by The Trade Partnership, cannot tell us the exact breakdown of such specific types of jobs supported by bilateral trade, but it can examine those types of impacts at the aggregate level across the U.S. economy.

Without doubt, the United States is in the process of an economic transformation, and middle class workers in the United States have endured a tough period over the last couple of decades. Real median household income, though up sharply over the last year, is still below its pre-recession high in 2007 and below the previous peak in 1999.[2] Manufacturing workers have been particularly hard hit, with employment in the sector down 29 percent since 2000. Service sector employment, on the other hand, is up, which suggests the United States is going through a structural shift, largely driven by productivity improvements in manufacturing that allow more goods to be produced by fewer workers. Trade, though a much smaller driver than technology, pushes in the same direction, accelerating this structural shift toward higher-skilled service jobs. Researchers from Ball State University recently found that 87 percent of manufacturing job losses in the period from 2000 to 2010 were caused by productivity increases, while 13 percent were linked to trade.[3] These transformations are positive for the overall economy, but clearly tough on those workers that have the skills to fill the jobs of yesterday rather than the jobs of tomorrow.

The United States has for many years administered Trade Adjustment Assistance in order to assist workers whose jobs and industries have faced increased import competition, but it is a small program with limited success. Given the size of the challenge to train and retrain the U.S. workforce so that it is prepared for the jobs of the 21st Century, a much broader, whole of government strategy is urgently needed. It is no longer sufficient to provide assistance to workers who have lost their jobs due to imports from other countries. Instead we need to face the fact that the structural shift in the U.S. economy requires an economic adjustment program, a more holistic take on smoothing the negative effects on American workers that takes into account the multiple dimensions of the transformation.

> “there are some elements of the relationship that are zero-sum, but our profound ties, ranging from cross-border supply chains to migration to cooperation to prevent terrorist attacks, mean that at the deepest level the United States and Mexico truly are partners.”

Mexican foreign direct investment in the United States has nearly doubled since 2007, and businesses supported by Mexican investment in the United States directly employ more than 123,000 workers.[4] These investments impact all fifty states and include a diverse group of industries, from construction and mining to television and financial services. Grupo Bimbo, for example, which is the world's largest baking company and is Mexican-owned, operates over 70 bakeries and employs 27,000 people in the United States, managing well-known brands like Sara Lee and Entenmann's. Even the U.S. auto industry, which has been the subject of much attention for recent announcements of major investments in Mexico, receives significant Mexican investment. Nemak, which supplies one-quarter of all light vehicles in the world with aluminum engine components, and Rassini, a top global producer of brakes and suspensions, run factories in Kentucky, Michigan, Ohio and Tennessee.[5]

To be sure, there are times when firms close their factories in the United States and move to Mexico. However, there is strong evidence that investment by U.S. firms in Mexico is more often associated with job growth in their U.S. operations than with job losses. Theodore Moran and Lindsay Oldenski have analyzed U.S.-Mexico trade and investment data from 1990 to 2009, and find that on average a ten percent increase in employment at U.S. companies' operations in Mexico leads to a 1.3 percent increase in the size of their workforce in the United States, a 1.7 percent increase in exports from the United States, and a 4.1 percent increase in U.S. research and design spending.[6] There is also evidence that the jobs created in the U.S. due to this phenomenon require higher skill levels, reinforcing the need for worker training and re-training to benefit from this transition and qualify for these higher-paying positions.

At the core, the question is whether the United States and Mexico are better conceived as competitors or partners. Without doubt, there are some elements of the relationship that are zero-sum, but our profound ties, ranging from cross-border supply chains to migration to cooperation to prevent terrorist attacks, mean that at the deepest level the United States and Mexico truly are partners. Millions of American workers already benefit from the relationship. With the right approach by decision-makers on both sides of the border, those benefits can be expanded and extended to millions more. The United States and Mexico depend on each other more than ever for our economic well-being and competitiveness. We will sink or swim together in the global economy.

ENDNOTES

1 The model was developed by Joseph Francois and Laura Baughman of The Trade Partnership.

See Appendix A for more information on the model.

2 Federal Reserve Bank of St. Louis, 2016, https://fred.stlouisfed.org/series/MEHOINUSA672N.

3 Michael Hicks, Srikant Devaraj, *The Myth and the Reality of Manufacturing in America*, Ball State University, 2016, http://conexus.cberdata.org/files/MfgReality.pdf. The authors used worker productivity levels of the year 2000 to calculate the hypothetical number of employees needed to reach actual 2010 levels of production: the U.S. would have needed to employ around 20.9 million workers with no productivity gains but in reality only ended up employing 12.1 million.

4 Doubled: U.S. Bureau of Economic Analysis, 2016; employment: Mexican Secretaría de Economía, using IMAP Database, 2015.

5 Andrew Selee, "Money is flowing over the U.S.-Mexico border, but it's going north," *Washington Post*, June 1, 2016, https://www.washingtonpost.com/posteverything/wp/2016/06/01/money-is-flowing-over-the-u-s-mexico-border-but-its-going-north/?utm_term=.c044f3d177ca.

6 Theodore H. Moran and Lindsay Oldenski, "How U.S. Investments in Mexico have increased investment and jobs at home" in *NAFTA 20 Years Later*, Washington, DC: Peterson Institute for International Economics, November 2014.

A Regional Manufacturing Platform

Since the 1990s, trade between the United States and Mexico has grown tremendously, with bilateral goods and services trade in 2015 reaching a total six times greater than before the North American Free Trade Agreement (NAFTA) was implemented in 1993.[1] In 2015, bilateral trade reached $584 billion dollars, meaning that the United States and Mexico trade more than a million dollars' worth of goods and services every minute. The United States is Mexico's top export market, and Mexico is the second largest foreign buyer of U.S. goods, second only to Canada. The bilateral trade relationship is enormous in size, and the U.S. and Mexican economies each depend significantly upon one another.

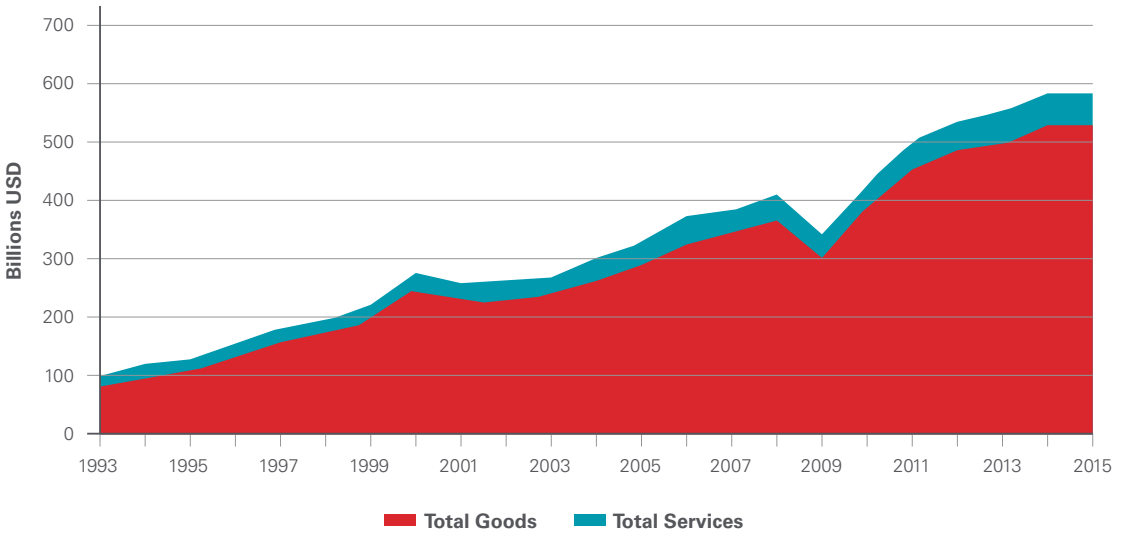
As impressive as it is, the magnitude of the U.S.-Mexico trading relationship is probably not its most important feature. Instead, it is the deepening of manufacturing integration between the United States and Mexico that has truly changed the nature of the bilateral economic relationship. The United States and Mexico do not simply sell finished products to one another, but rather produce them together. Supply chains criss-cross the U.S.-Mexico border, such that parts and materials often cross the border multiple times during the course of production.

Mexican oil, for example, might be sent to the United States to be refined and turned into raw plastic in Louisiana, before being sent to an injection molder in the U.S. Midwest that creates the components for a car's dashboard. Those parts might return to Mexico for assembly at a factory along the border and then used in the final production of a car in the Bajío. Most of those cars would probably return to the United States to be sold to consumers, but they may very well be shipped to customers around the world as well. Through these types of operations, the main components of cars built in North America have been found to cross the United States' borders with Canada and Mexico as much as eight times while a vehicle is being produced.[2] With such deep integration, there is no

Polaris Industries, based in Medina, Minnesota, constructing a new plant in Monterrey, Mexico.

longer any such thing as an American car, a Canadian car, or a Mexican car. There are only North American cars, incorporating parts and materials from across the continent. Although competition can, does, and should still exist between producers on both sides of the border, at this point the United States and Mexico are better conceived as business partners working together to improve the competitiveness of their joint operations than as competitors fighting for market share.

Figure 1. U.S.-Mexico Trade in Goods and Services (1993-2015)



Source: U.S. Census Bureau for goods trade; U.S. Bureau of Economic Analysis and OECD for services trade. See endnote two for more details.

Since NAFTA was implemented in 1994, complex cross-border value chains have become the defining characteristic of the U.S.-Mexico economic relationship, but with only traditional trade statistics, it was for years very difficult to measure and monitor the depth of economic integration that was occurring. Regular trade data can tell us that bilateral trade has grown more than six-fold since 1993 to its current level of more than a half-trillion dollars, and while that is huge growth and an impressive total, it does little to describe the unique nature of the U.S.-Mexico manufacturing partnership that has developed over the past decades. This chapter will look at a number of newer datasets to learn what we can about the development and current status of production sharing networks between the United States and Mexico.

INTRA-INDUSTRY AND INTRA-FIRM TRADE

Traditionally, the expectation was that when two countries trade, each would specialize in creating the types of goods they produce best. In the context of U.S.-Mexico trade, this would mean that Mexico specializes in labor intensive production, and the United States in capital intensive industries. While this type of specialization has played out to a certain extent, trade between the two countries is largest in product categories in which both countries have large, specialized industries. In fact, the top four broad categories of U.S. exports to Mexico are also the top four categories of Mexican exports to the United States: machinery, vehicles, electrical machinery, and mineral fuels.[3] This suggests a very high degree of intra-industry trade between the United States and Mexico, and measurements for each of the United States' top trading partners support such a conclusion. As seen in Table 1, only U.S. trade with Canada demonstrates a higher degree of intra-industry trade. High levels of intra-industry trade do not necessarily signify vertical integration (joint production), but they do show us that bilateral trade among the relevant nations does not simply consist of exchanges of wine for cloth—to cite Ricardo's famous example—or avocados for grains.

Table 1. Intra Industry Trade with Top U.S. Trading Partners[4]

Grubel-Lloyd Index of Intra-Industry Trade, 2015	
Canada	63%
Mexico	53%
Germany	52%
Japan	41%
China	20%

Not only does a large portion of U.S.-Mexico trade take place within the same industries, but also within the same companies. Since 1993, the total stock of bilateral foreign direct investment has grown from $16 billion USD to $109 billion. When U.S. and Mexican companies open up subsidiaries in the other country, they tend to develop cross-border trading networks to supply their operations. In 2012 (the most recent year for which this data is available), bilateral trade between U.S. and Mexican parents and their majority-owned affiliates operating in

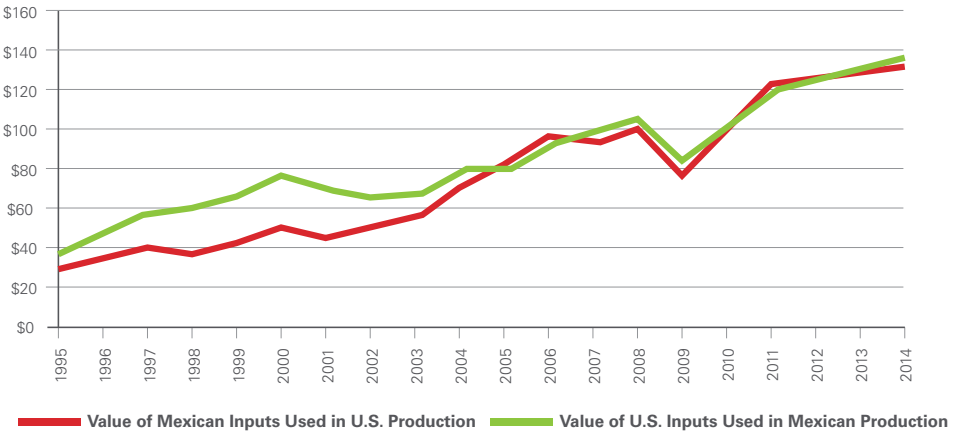
the other country represented $97.9 billion dollars, or 19 percent of all U.S.-Mexico trade in goods.[5] Some of this intra-firm trade takes place in wholesale and retail networks, but by far the largest part of bilateral intra-firm trade is in the manufacturing sector.[6] This suggests that a very large portion of the intra-firm trade within the region happens within the context of the joint production platform for manufactured goods throughout North America. Businesses in the region have created highly competitive value chains that span the continent, taking advantage of economies of scale and the unique comparative advantages of each country in North America.

CROSS-BORDER SUPPLY CHAINS

Of course, most of the value chains in the region involve not only the participation of multiple facilities of a single firm, but rather a complex web of suppliers, material makers, and assembly plants involving numerous companies. The World Input-Output Database allows one to track the use of intermediate goods produced in one country, which are then traded and used as inputs for production in another country.[7] In 2014, the most recent year for which this data is available, Mexican industries consumed $136 billion dollars in U.S. intermediate goods, and U.S. industries consumed $132 billion dollars' worth of Mexican inputs. This is direct evidence of joint production taking place between the United States and Mexico on a massive scale.

Though this data is not directly comparable to trade data and any attempt to do so should be taken with a grain of salt, comparing these figures to U.S. and Mexican imports and exports for the same year is revealing. If each Mexican input used in U.S. production in 2014 was also imported in 2014, they would account for 45 percent of all U.S. imports from Mexico. In the same sense, if each U.S. input used in Mexican production in 2014 was imported during that year, those transactions would account for 57 percent of all U.S. exports to Mexico. Figure 2 shows the growth in the use of inputs from across the border in U.S. and Mexican production since 1995. In 2014, the two countries used a combined $268 billion dollars in inputs from each other, growing nearly four-fold from the $65 billion in cross-border inputs used in 1995. As neighbors, and through NAFTA, the United States and Mexico have come to be tightly bound together, contributing extensively to each other's systems of production. Using the same method as above, this data shows us that in recent years approximately 50 percent of all U.S.-Mexico trade has been trade in intermediate goods. That is, half of all bilateral trade is performed to fuel industries on the opposite side of the border.

Figure 2. Value of Foreign Inputs for Domestic Production, Billions of USD (1995-2014)



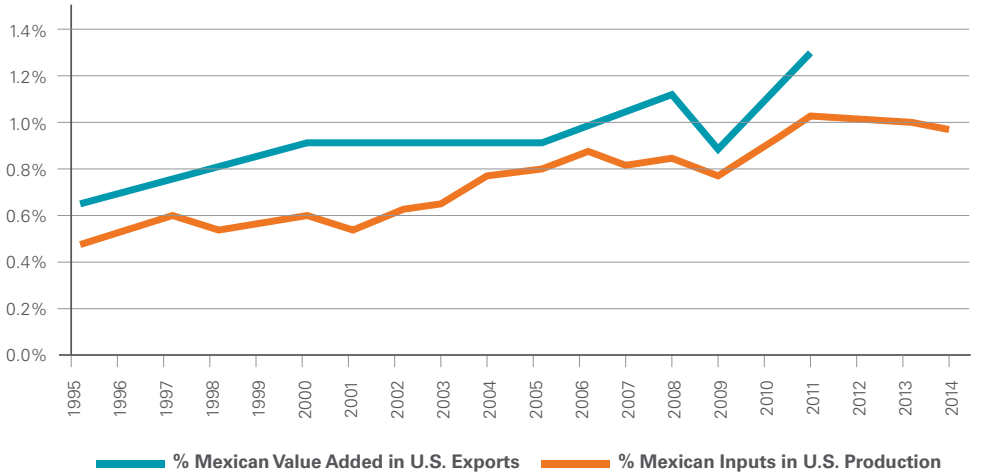
Source: Author's calculations with data from World Input-Output Database, http://www.wiod.org/, 2016.
Note: The data used for 1995-1999 was produced using the International Standard Industrial Classification (ISIC) revision 3, while the data used for 2000-2014 uses the ISIC revision 4. Therefore, the data are not directly comparable.

TRENDS IN PRODUCTION SHARING

Even as the value of U.S. and Mexican participation in each other's supply chains has continued to grow consistently, some important developments can be appreciated by viewing how the relative share of this participation has changed over time and by analyzing related data from the recently created WTO/OECD Trade in Value Added Database (TiVA). The TiVA numbers distinguish between gross trade, or traditional import and export statistics that capture the full value of a product each time it crosses an international boundary, and value added trade, which separates out the foreign and domestic content of traded goods and services. These figures allow us to look at the extent to which intermediate goods traded between the United States and Mexico end up embodied in each country's gross exports. Interestingly, and logically, we see in Figures 3 and 4 that the share of a country's inputs used in another country's production and the share of a country's value added embodied in another country's exports are closely related.

For Mexico, and its participation in U.S. production, the story is relatively simple. It is one of growth. Just as the absolute value of Mexican inputs used in U.S. production has experienced secular growth since the 1990s, the Mexican share of all the intermediate goods used as inputs for production in the United States and the percent of Mexican value added embodied in U.S. exports to the world (see Figure 3) have also risen significantly--the stagnation and slight decline in relative Mexican contributions to U.S. manufacturing since 2011 raises the questions as to whether the longer term upward trend will continue, but it is too early to draw any firm conclusions. The data show us U.S. industries have found that by relying on Mexican suppliers, they can improve the productivity and competitiveness of their businesses. The percentages of Mexican participation in U.S. exports and intermediate goods consumption are overall still relatively low, reflecting the massive size of the U.S. economy and robust domestic supply chains (which produce a full 85 percent of the value in U.S. exports), but the growth of Mexican participation demonstrates the value producers have found in regionalizing their supply chains.

Figure 3. Mexican Share of Inputs for U.S. Production and Mexican Value in U.S. Gross Exports (1995-2014)

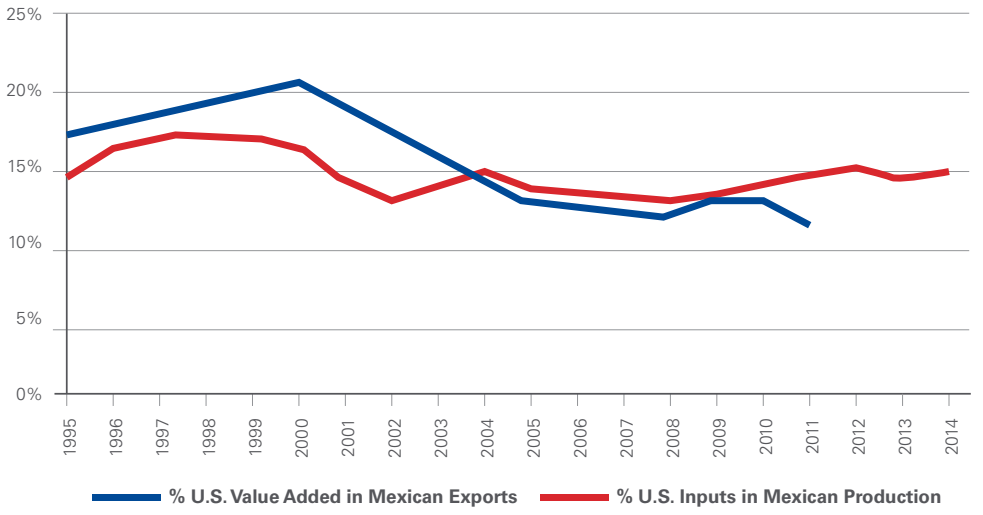


Source: OECD-WTO, Trade in Value Added Database, 2016; and author's calculation based on data from the World Input-Output Database, http://www.wiod.org/, 2016.
Note: The data used for 1995-1999 was produced using the International Standard Industrial Classification (ISIC) revision 3, while the data used for 2000-2014 uses the ISIC revision 4. Therefore, the data are not directly comparable.

As shown in Figure 2, the United States sells even more inputs to Mexico than Mexico sells to the United States. Given that Mexico sends approximately 80 percent of its gross exports to the United States, it should be no surprise that the vast majority of the inputs sent from the United States to Mexico make their way back to consumers in the United States. In this sense, a study using data from 2004 found that U.S. imports of final goods from Mexico contained 40 percent U.S. value added, a number significantly larger than was found for U.S. imports from any other country included in the study (other examples: 25% for Canada; just 4% for China).[8]

Nonetheless, the portion of total inputs used in Mexican production that come from the United States, as well as the U.S. value embedded in Mexican exports, has experienced some ups and downs (See Figure 4). During the 1990s, after the passage of NAFTA, both measures rose, but as value chains became more global and China in particular grew its participation in global systems of production, the U.S. share fell.[9] Rising wages in China and improved productivity in U.S. manufacturing operations may mean that the tide is again turning. Although the data is not yet clear, the growth in the share of U.S. inputs used in Mexican manufacturing in recent years suggests we may have reached another inflection point.

Figure 4. U.S. Share of Inputs for Mexican Production and U.S. Value in Mexican Gross Exports (1995-2014)



Source: OECD-WTO, Trade in Value Added Database, 2016; and author's calculation based on data from the World Input-Output Database, http://www.wiod.org/, 2016.
Note: The data used for 1995-1999 was produced using the International Standard Industrial Classification (ISIC) revision 3, while the data used for 2000-2014 uses the ISIC revision 4. Therefore, the data are not directly comparable.

These data support previous research on U.S.-Mexico and broader North American integration, showing a clear growth in regional integration throughout the 1990s and then a decline in certain meausures of integration during the first decade of the 2000s. Other measures of integration, such as the simple value of cross-border trade, show continued growth throughout the period. As a result, there has been a debate over the status of regional integration among scholars, with some interpreting the data as a sign of regional dis-integration, others as a natural consequence of economic growth in emerging economies (when China grew rapidly, its share of trade with North America rose, causing a natural decline in the U.S. and Mexican share).[10] I tend to put more weight in the second argument, especially given the continued growth of absolute U.S. participation in Mexican value chains and the overall strength of the North American economy, but there is no space for complacency. There are plenty of reasons to believe that the thickening of the U.S.-Mexico border after the terrorist attacks of 9/11 did indeed raise costs for those employing regional production sharing,[11] and there are a wide range of domestic and binational policy initiatives that should be implemented to strengthen regional competitiveness, ranging from infrastructure planning and investment to education reform, strengthened workforce training programs, and improved labor mobility, to name a few.

"Productivity enhancing reforms or investments in either country increase the competitiveness of that country's contribution to regional value chains, thereby increasing the competitiveness of the region as a whole."

CONCLUSIONS

The United States and Mexico are profoundly linked, with value chains that span the region and criss-cross the border. This deep level of integration has important consequences for the regional economy and for the policy makers charged with its management. First, the business cycles of the United States and Mexico are now tightly linked. The two countries experience growth and recession together, necessitating coordination and communication on issues of macroeconomic management. Second, the United States and Mexico are linked in terms of productivity and competitiveness. Productivity enhancing reforms or investments in either country increase the competitiveness of that country's contribution to regional value chains, thereby increasing the competitiveness of the region as a whole. Finally, the integrated nature of the regional manufacturing platform

TV Factory in Mexico
Source: Flikr.com/Avram Cheaney

creates a multiplier effect on the importance of trade and border management. Every time cargo crosses a border, there are costs associated with it—whether tariffs, transportation costs, added costs and time lost to border congestion, the costs associated with filing the proper import and export paperwork, or others. Time lost to border congestion is of increasing concern given the use of just-in-time supply chains by producers and the demand on the part of consumers for product to arrive at their doorstep in a matter of one or two days. In the case of the U.S.-Mexico border, which is often crossed multiple times during the production process, each of those border costs end up being paid multiple times. The negative side of this is that even small inefficiencies in the management of the border can easily add up to have major impacts on regional competitiveness. The positive side, though, is that infrastructure investments and process improvements that make U.S.-Mexico border and regional logistics operations more efficient tend to have a very high return on investment.

The shared North American production platform is already among the most competitive in the world. With attention to maintaining and growing the regional value chains that comprise the platform, the unique assets that each country in the region brings to the table will ensure that its status as a world leader endures.

ENDNOTES

1 Author's calculation with data from the U.S. Census Bureau, Bureau of Economic Analysis, and the OECD. Please note there was a change in definitions used to collect services trade data, so the 1993-1998 OECD data and the 1999-2015 BEA data are not directly comparable. Total trade refers to the sum of imports and exports.

2 Robert Pastor, "The Future of North America," *Foreign Affairs*, July/August, 2008, 89.

3 Though the order of importance of the four categories differs for Mexico and the United States, at the two digit HS level these are the top four export categories for each. United States Trade Representative, https://ustr.gov/countries-regions/americas/mexico, 2016.

4 Calculated by the author using 2015 data from the U.S. Census Bureau at the 4-digit level of the North American Classification System (NAICS).

5 Calculated by the author using U.S. Bureau of Economic Analysis 2012 data on FDI in the United States and U.S. MNE Activities, as well as total trade data from the U.S. Census Bureau.

6 There is almost certainly additional intra-firm trade between the United States and Mexico not included in the numbers cited here, which would include trade between the U.S. and Mexico-based subsidiaries of European, Asian, or other parent companies.

7 Timmer, M. P., Dietzenbacher, E., Los, B., Stehrer, R. and de Vries, G. J. (2015),

"An Illustrated User Guide to the World Input–Output Database: the Case of Global Automotive Production", *Review of International Economics.*, 23: 575–605

8 Robert Koopman, William Powers, Zhi Wang, and Shang-Jin Wei, "Give Credit Where Credit Is Due: Tracing Value Added in Global Production Chains," NBER Working Paper No. 16426, Cambridge, MA, September 2010, Revised September 2011.

9 Other potential drivers of this decrease include dual recessions in the United States, the thickening of the U.S.-Mexico border following the terrorist attacks of September, 2001, and China joining the WTO.

10 See, Christopher Wilson, "Introduction," *Is Geography Destiny: A Primer on North America*, Washington, DC: Woodrow Wilson International Center for Scholars, 2014.

11 See, Christopher Wilson, editor, *Anatomy of a Relationship: A Collection of Essays on the Evolution of U.S.-Mexico Cooperation on Border Management*, Washington, DC: Woodrow Wilson International Center for Scholars, 2016.

Cross-Border Investments Lay the Foundation for Shared Regional Prosperity

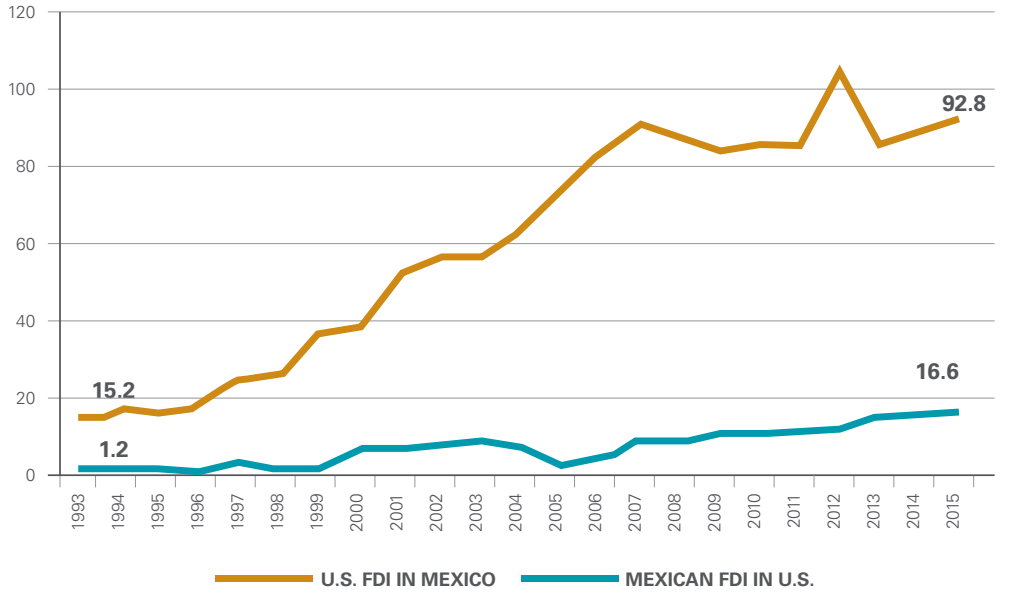
To build up the highly competitive and tightly integrated North American production platform that now exists, U.S. and Mexican companies have made huge investments in each other's country. The total stock of U.S. and Mexican foreign direct investment in each other has risen more than six-fold since 1993 and now totals $109 billion dollars (see figure 1).[1] In 2015, U.S. direct investment in Mexico—the direct ownership of businesses like a manufacturing plant or retail store—reached $93 billion dollars. Mexican investment in the United States, at $17 billion dollars, is smaller but growing quickly. It has quadrupled since 2005, and the United States is the largest destination for Mexican FDI abroad.[2] In addition to foreign direct investments, U.S. and Mexican investors hold even larger portfolio investments—investments in a variety of financial instruments, including debt and equity, that are purely financial and do not confer significant management rights. As of June 2015, U.S.-based entities held $146 billion dollars' worth of portfolio investments in Mexico, while Mexican entities held $157 billion in U.S. equities and debt.

Geography first tied together the U.S. and Mexican economies, but bilateral foreign and portfolio investments have substantially increased the extent to which growth on one side of the border leads to growth on the other. The fate of workers and shareholders in companies with regional supply chains and operations on both sides of the border is tightly linked, giving them a stake in each other's success. Furthermore, by acting as lenders to one another's governments and businesses, the United States and Mexico have a significant interest in the macroeconomic stability and growth trajectory of both sides of the regional economy. The mutually beneficial nature of the bilateral investment relationship runs counter to much of the political rhetoric on the subject, which would have us believe that a U.S. investment in Mexico tends to come at the cost of an investment in the United States. Certainly there are cases when a factory gained

Volkswagen factory in Puebla, 2010

in Mexico is a factory lost in the United States, but new research (described in greater detail below) shows a clear relationship between investments abroad and growth in employment and spending at home, suggesting that most of the time a factory gained in Mexico comes with a new factory or research lab in the United States.

Figure 1. U.S.-Mexico Foreign Direct Investment Positions (1993-2015)



Source and Note: Historical cost basis data. U.S. Department of Commerce, Bureau of Economic Analysis, 2016.

U.S. INVESTMENT IN MEXICO

U.S. companies with affiliates operating in Mexico employ over 1.1 million workers and produced goods and services valued at $227 billion dollars in 2013.[3] The largest portion of jobs in Mexico supported by U.S. investments is in manufacturing, especially in the huge automotive sector, but there is also significant employment in the finance, retail, and hospitality industries, among others. While the benefit for the United States is obvious when U.S. retailers and hotel chains open up operations in Mexico—generating profits to send back home and creating employment in both countries—the opening of manufacturing plants

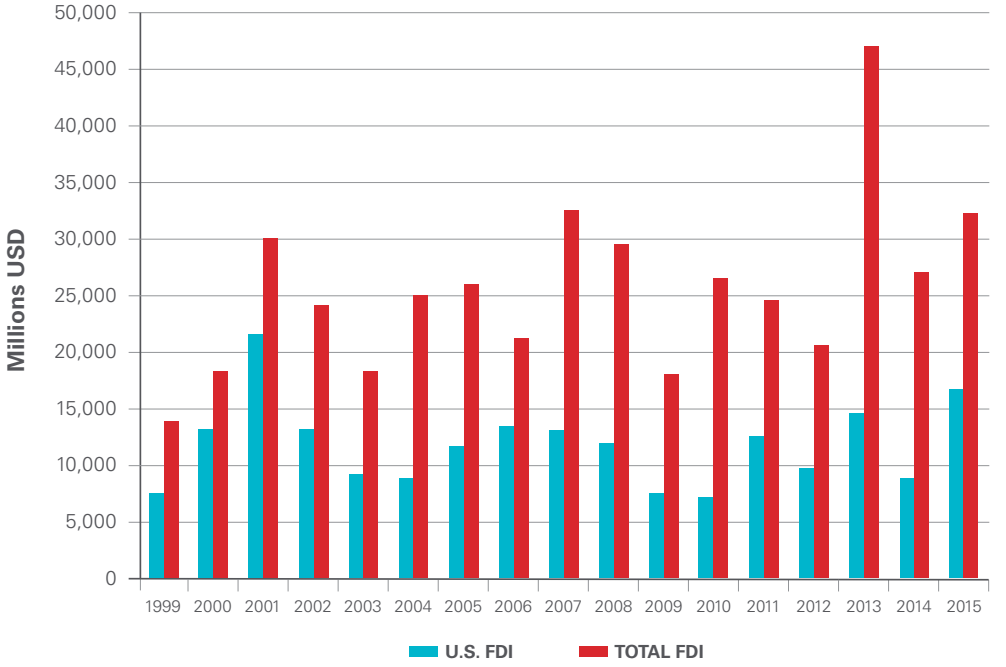
in Mexico by U.S. companies has at times been thought of as having a negative impact on the domestic economy.

Certainly, there are times when outsourcing means a factory is closed in the United States and opened in Mexico, which has a mixed impact on the U.S. economy—jobs lost, more affordable imports gained. However, recent research demonstrates that, in the majority of cases, investment in Mexico by U.S. companies is associated not with downsizing back home but with growth in their U.S. operations. Theodore Moran and Lindsay Oldenski have analyzed U.S.-Mexico trade and investment data from 1990 to 2009, and find that on average a ten percent increase in employment at U.S. companies' operations in Mexico leads to a 1.3 percent increase in the size of their workforce in the United States, a 1.7 percent increase in exports from the United States, and a 4.1 percent increase in U.S. research and design spending.[4] Their work clearly shows that investment and growth abroad, in this case in Mexico, is complementary to—not a substitute for—investment and growth at home in the United States. Ford Motor Company is a case in point. In 2016, the company announced investments in Mexico to expand small car production there and focus its U.S. operations on the production of larger and more profitable SUVs and trucks, a move that drew considerable criticism and raised concern that its investments in Mexico meant there would be job losses at its U.S. plants. Ford responded by announcing that the company has invested $10 billion in U.S. facilities since 2011, hired 25,000 workers during the same period, and plans to create an additional 8,000 U.S. jobs in the next four years.[5]

"Recent research demonstrates that, in the majority of cases, investment in Mexico by U.S. companies is associated not with downsizing back home but with growth in their U.S. operations."

Importantly, however, outsourcing investments in manufacturing abroad and related growth in manufactured goods imports do change the structure of the U.S. economy. These changes are reflected in the general trend of declining manufacturing employment in the United States, but Oldenski and Moran's work makes clear those manufacturing employment losses are accompanied by job growth in the service sector, not just in general but at the firm level as U.S. multinational companies increase their focus and spending on complex and consequently higher paying tasks such as innovation, engineering, and management.[6]

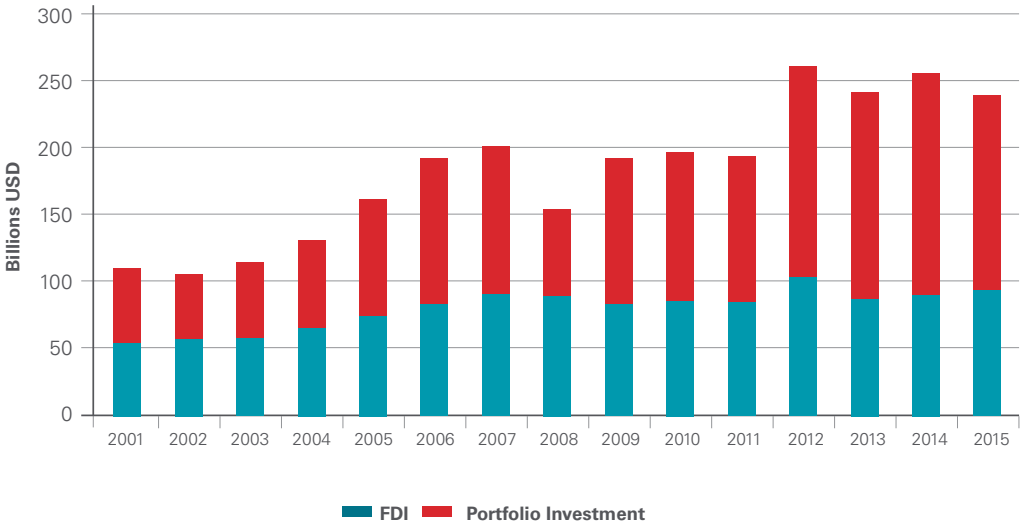
Figure 2. Foreign Direct Investment in Mexico, Flows (1999-2015)



Source: Inegi, Banco de Información Económica, 2016.

For more than two decades, since the implementation of NAFTA, Mexico has held the confidence of companies around the world—but especially from the United States—as a site for foreign investment. Since 1994, Mexico has received FDI inflows averaging 2.6 percent of its GDP, while during the 22 years prior to NAFTA it received FDI flows at an average of 1.0 percent of GDP.[7] Yearly totals rise and fall as major companies are bought and sold (see Figure 2), but there is a clear upward trend for both the United States and the world investing in Mexico and in particular in Mexican manufacturing. There is little doubt that the level of investment could be still higher, as ongoing challenges relating to firmly institutionalizing the rule of law; implementing efficient regulation; strengthening education and worker training; and developing robust and inclusive financial markets continue to drag on investor confidence and the growth potential of the Mexican economy, but Mexico is nonetheless the 16th largest recipient of FDI around the world.[8]

Figure 3. U.S. Direct and Portfolio Investment in Mexico, Position (2001-2015)



Sources: FDI from U.S. Department of Commerce, Bureau of Economic Analysis, 2016; Portfolio from U.S. Department of the Treasury, Treasury International Capital System, 2016; except 2002 portfolio data from IMF, CPIS, 2016.

U.S. PORTOLIO INVESTMENT IN MEXICO

U.S. portfolio investment in Mexico, which includes U.S. holdings of Mexican equities and debt, has grown faster than FDI since 2001 (see Figure 3), with a particularly large increase since the 2008-2009 recession. U.S. equity investment in Mexico has experienced significant growth, rising from $26 billion USD in 2001 to $56 billion in 2015, but U.S. investment in Mexican (private and public) debt has risen even faster, from $23 billion in 2001 to $89 billion in 2015.[9] The growth in equity investment is unequivocally positive, signifying the expansion of Mexico's financial markets and the strength of businesses operating and listed in Mexico. The rising debt is more of a mixed story. On the one hand, it too is a show of confidence in Mexico's macroeconomic management and growth outlook. But having already taken advantage of investor confidence to ensure that most of its debt is long-term and peso-denominated, some analysts are beginning to worry that low borrowing costs are allowing Mexico to soften the fiscal discipline that got it to this point.[10] Mexico's debt to GDP ratio has risen from a low of 17 percent in 2009 to 43 percent in 2015, largely the result of the recession and low oil revenue but nonetheless worthy of concern.[11]

MEASURING INVESTMENT

Key Terms: Foreign investment includes two main types, direct and indirect. *Direct investment* generally involves a company starting or expanding operations in a foreign country. Direct investment implies that the investor has significant control of the investment. Indirect, or *portfolio investment*, includes the purchase of assets abroad—whether equity, debt, or related instruments—that are financial in nature and do not confer a significant degree of managerial control over the issuer. Additional types of foreign investment not addressed in this essay include the significantly smaller volume of *commercial loans* and *official flows* (government aid). The U.S. Bureau of Economic Analysis defines FDI as foreign ownership of 10 percent or more of a domestic firm. Regular FDI statistics simply report the country in which the foreign owner is registered, but in many cases that entity is also owned by an investor from a third country. To address this, the BEA also reports FDI by *Ultimate Beneficial Owner* (UBO), following the chain of ownership until there is no owner with more than a 50 percent stake above it. When measured by UBO, the position of Mexican FDI in the U.S. rises to $36 billion USD, more than double the $17 billion reported using the traditional method of accounting.

A Note on Sources: Despite efforts to harmonize and improve methodologies for measuring international investment by governments and international organizations, significant differences in recorded investment exist among sources. For example, while the U.S. registers $17 billion in FDI stock from Mexico, Mexico puts the figure at $48 billion. Though this difference is particularly large, significant discrepancies are commonplace when analyzing global investment statistics. In this essay, most of the data presented comes from compatible sources, but there are cases in which that is impossible. In addition to differences among sources, even the same sources can make major revisions to data from year to year. For example, the U.S. Department of Commerce made a major downward revision to its 2013 and 2014 statistics on the U.S. FDI position in Mexico, lowering the previously reported values by about $14 billion dollars.

MAJOR MEXICAN COMPANIES WITH OPERATIONS IN THE UNITED STATES*

By Christian Michel-Casulleras**

Bimbo is a multinational bakery product manufacturing company. It is the world's largest baking company. In the United States, it operates in over 70 bakeries, employs 27,000 people and has 12 brands with more than $100 million in sales. It distributes products through 11,000 sales routes throughout the United States, has it is the only commercial bakery manufacturer to serve all 50 states. Bimbo and two large plants in Hazleton (PA), which produce and package its leading brands such as Sara Lee, Oroweat, Stroehmann's, Arnold, Freihofer's, Brownberry, Boboli Pizza Crust, and Thomas' English Muffins.

Two Mexican companies manufacture and distribute cement, ready-mix concrete and aggregates in the United States: the multinational CEMEX and Grupo Cementos de Chihuahua (GCC)**. CEMEX** is the second largest building materials company worldwide. CEMEX has 13 cement plants, 381 ready-mix concrete plants, 77 aggregate quarries, and 42 distribution terminals in the United States. **GCC** has cement plants in Pueblo (CO), Rapid City (SD) and Tijeras (NM), 10 distribution terminals, corporate and sale offices, and a coal mine in Hesperus (CO).

Banorte is a Mexican banking and financial services holding company. In 2006, Banorte acquired the holding company of Texas-based Inter National Bank for $405.6 million. It provides private banking and wealth management services through Inter National Bank brokerage, investment and international business services through Banorte-Ixe Securities International and remittances services through UniTeller.

America Móvil, a venture of Carlos Slim, is a telecommunications corporation. It is the fourth-largest mobile network operator in terms of number of subscribers in the world. In the United States, it operates the following companies: TracFone, Net10, SafeLink, StraightTalk, Simple Mobile, Total and Telcel America. **Grupo Carso,** also owned by Carlos Slim, is a conglomerate with operations in retail, manufacturing, infrastructure and energy. In the United States, it operates through its subsidiaries Carso Energy—providing gas transportation services—and Condumex Inc.—distributing and supplying industrial products.

Several Mexican companies are active in the food and beverage industries. **Grupo Lala,** the largest dairy company in Latin America, expanded into the United States in 2008. LALA foods, based in Dallas, has three production plants, over 5 brands, and distributes to 27,915 stores across the country. **Gruma i**s the largest corn flour and tortilla manufacturer in the world. Azteca Milling is the main

manufacturer of corn flour and operates six plants that attend industrial, retail and institutional customers in the United States and Canada. Mission Foods operates 22 plants throughout the country and is the main producer of corn and flour tortillas. **Arca Continental** distributes and sells snacks like potato chips and Cheez Doodles through Wise Foods. It has three plants, 13 distribution centers, and 103,000 points of sale across the United States. Other Mexican companies in this sector include Sigma Foods, part of **Grupo Alfa,** producer of hot dogs under the Bar-S and Fud labels with 6 production plants, 13 distribution centers, and over 42,000 points of sale; Mount Franklin Foods, part of **Elamex,** producer of confections and nut products; and O.K. Foods, part of **Industrias Bachoco,** producer of TenderBird chicken products.

Two of the major copper producers in the world, ASARCO and Southern Copper Corporation are part of **Grupo México**. Grupo México is a holding company whose main activities are in the mining, transportation and infrastructure development. ASARCO is a fully integrated miner, smelter, and refiner of copper producing approximately 350 – 400 million pounds of copper annually. It has three copper mines, a copper smelter, two plants and administrative offices in Arizona and a copper refinery in Texas. The Southern Copper Corporation has over 11,500 employees and sales over $5 billion. Grupo México is also the largest shipper in the automotive sector in Mexico.

Televisa is a major international entertainment business comprising the largest media company in the Spanish-speaking world. In the United States, Televisa's

Newsroom for Univision and Fusion networks, Doral, Florida August 28, 2013

audiovisual content is distributed through Univision Communications Inc., the leading media company serving the Spanish-speaking community. Azteca América (part of Grupo Salinas) is another Mexican media company serving the U.S. market. It is among the fastest growing networks in the country. **Grupo Salinas** is also active in the retail and financial sector through Elektra, the largest non-bank provider of cash advance services, and Advance America, the largest payday loan company in the United States.

Grupo ALFA is a Mexican multinational conglomerate that produces refrigerated foods (Sigma), hydrocarbons (Newpek), petrochemicals (Alpek), aluminum auto parts (Nemak), and IT & Telecom equipment (Axtel). Newpek has 628 wells in operation and mineral rights on leases over 400,000 acres in Colorado, Kansas, Oklahoma and Texas. Alpek has become the largest producer of PTA, PET, and polyester fibers of the continent.In 2010, Alfa acquired Eastman Chemical Company's PET and PTA business, gaining a PTA plant and two PET plants in North Carolina with combined production capacity of 1.26 million tons. In addition, it acquired a plant in the state of Mississippi and the property rights on IntegRex technology. Nemak supplies one-quarter of all light vehicles in the world with aluminum engine components. **Rassini** is one of the world's largest brake and suspension manufacturers. Other Mexican companies active in the automotive and auto parts sector include **Grupo Kuo** (TREMEC) and **Grupo Proeza** (Metalsa).

Mexican companies are active in the high-tech and information technology sectors as well. **Softtek** offers application software development, testing, security and support, business process outsourcing, and IT infrastructure management. In 2013, the company acquired California-based Systech Integrators Inc., a services partner global IT solutions provider. The company trademarked the term "nearshoring" to describe the provision of outsourced services to customers in other countries that are in proximity. **RFID México** operates with IDZ Technologies Inc. in the radio-frequency identification sector using electromagnetic field technologies.

Regarding building materials (metal, glass, plastic, copper products) and chemicals, the most visible Mexican companies are **Comex, Interceramic, Corev, Corporación E.G., Deacero, Grupo IUSA, Grupo Vitro, Verzatec**, and **Mexichem.**

*This list highlights the operations of many of the largest Mexican investors in the United States, but the list is neither comprehensive nor in any particular order.

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RFID México – Empresa [http://www.rfidmexico.com.mx/company]

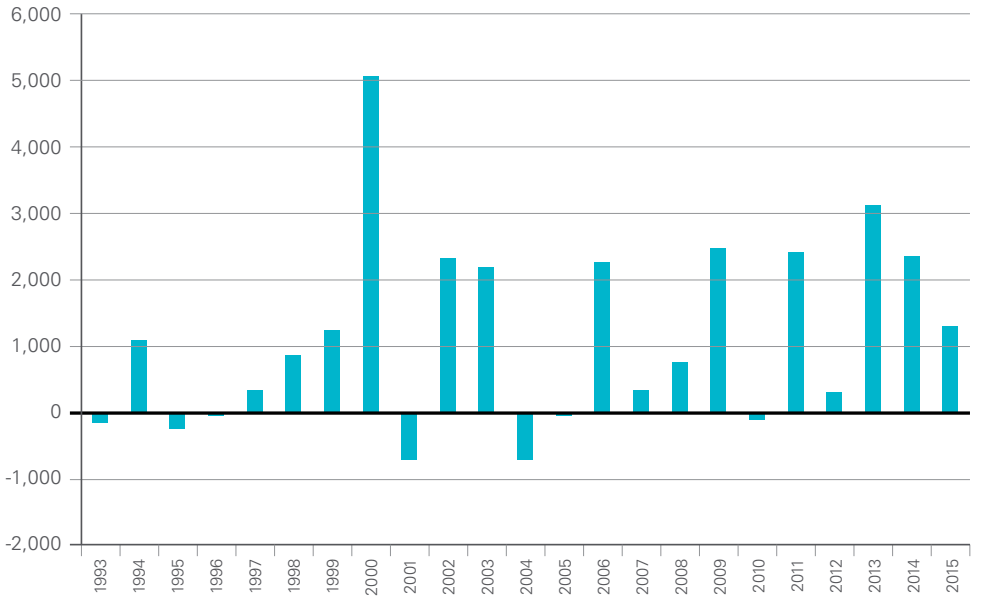
MEXICAN INVESTMENT IN THE UNITED STATES

Mexican direct investment in the United States is a less understood but important part of the story of regional economic integration. The total stock of Mexican FDI in the United States, at $17 billion dollars (or up to $48 billion according to Mexican sources—see section on *Measuring Investment* for more information), is much smaller than the sum of U.S. investments in Mexico, but Mexican investment is rising at a very quick rate.[12] In fact, since 2005, the stock of Mexican foreign direct investment in the United States has quadrupled.

NAFTA plays an important part in the story to explain why Mexican investment in the United States has grown so much. Before Mexico's process of economic liberalization in the 80s and 90s, Mexico had a very closed economy, following an import substitution strategy in which high tariff walls were meant to protect domestic 'infant' industries from external competition while they developed. The main challenge with such an approach is that protected industries seldom mature on their own. Rather, exposure to competition helps drive companies to increase productivity. When NAFTA—along with other policies put in place in the years prior to NAFTA—opened up Mexico to competition from abroad, a period of intense evolution took place in the Mexican private sector, with some companies failing to adapt and going under while others met the challenge by becoming global industry leaders. Throughout the 1990s and at an increased rate in the 2000s, successful Mexican companies began to look for growth opportunities beyond the domestic market, and Mexico's close economic ties to its NAFTA partner made the United States the top destination for Mexican foreign investment.

A truck delivering Bimbo brand baked products, New York, July 18, 2015 .

Figure 4. Mexican Foreign Direct Investment in the United States, Flows (1993-2015)



Source: U.S. Department of Commerce, Bureau of Economic Analysis, 2016

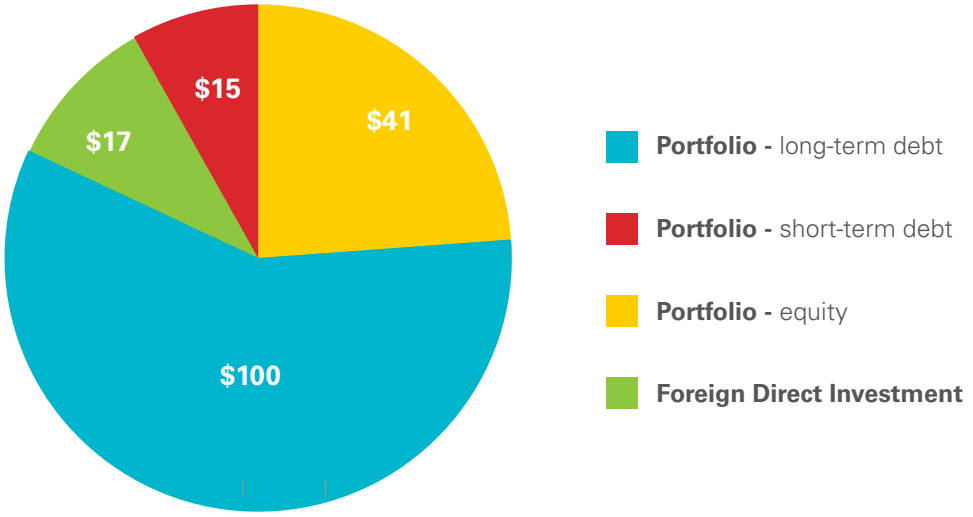
Mexican foods producers have been especially successful in the United States, and the context of Mexican migration played an important role in driving the success of some of the largest. Such is the case of Gruma, the world's largest tortilla maker and owner of major U.S. brands such as Mission. Gruma opened its first U.S. subsidiary in the 1970s in California, which has traditionally been the destination for many Mexican migrants and is still the state with the largest Mexican-born population in the United States. Gruma initially focused on selling to the Mexican and Hispanic communities in the United States, markets for which it was especially well prepared. But over time, Mexican food went mainstream and the tortilla became a key ingredient not only for Mexican dishes but also for sandwiches (wraps), making it a staple for households across the country and significantly expanding Gruma's business opportunities in the United States and eventually around the world. Mexico's Grupo Bimbo followed a similar trajectory, entering the U.S. market first to serve the Mexican population in the United States, then becoming an industry leader for the entire U.S. market. Bimbo began by exporting its baked goods, which were well known in Mexico, to the United States in the 1980s, growing further through investments in the U.S. and global markets that eventually made it the largest baked goods company

in the world, employing some 27,000 workers in the United States.[13] These examples show how several Mexican food and beverage producers were able to successfully convert a foothold in a niche market into industry-wide success. Not every company followed the same pattern, but the large number of Mexican food and beverage companies with operations in the United States (i.e. Arca Continental, Bachoco, Bimbo, Elamex, Gruma, Lala, Sigma—see section on Mexican investments in the United States for more detail) clearly demonstrates a special aptitude in the industry.

In the 1990s, U.S.-based entities were far more invested in Mexican securities (equity and debt) than Mexican entities were in U.S. securities. In 1994, for example, U.S. residents held $52 billion dollars' worth of Mexican securities, while Mexican holdings of U.S. portfolio investments totaled just $6 billion dollars.[14] By 2003, however, the imbalance had disappeared, with each country's residents holding $56 billion in securities from across the border. Since then, portfolio investments in both directions have grown more or less equally, and in 2015, Mexican holdings of U.S. securities (at $157 billion) for the first time surpassed U.S. holdings of Mexican securities, which because of the depreciation of the peso had declined to $146 billion. Mexican portfolio investment in the United States, following its growth since the early 2000s, has come to dwarf Mexican FDI as a portion of total Mexican investment in the United States (see Figure 5). In 2015, the Mexican portfolio investment position in the United States was nine times greater than the total stock of Mexican FDI in the country.

"portfolio investments in both directions have grown more or less equally, and in 2015, Mexican holdings of U.S. securities (at $157 billion) for the first time surpassed U.S. holdings of Mexican securities."

Figure 5. Mexican Portfolio and Foreign Direct Investment in the United States, Billions of U.S. Dollars (2015)



Sources: Portfolio data from U.S. Department of the Treasury, Treasury International Capital System, 2016; FDI data from U.S. Department of Commerce, Bureau of Economic Analysis, 2016.

CONCLUSIONS

In the past, economists talked about FDI as an alternative, or substitute, to trade, allowing companies to avoid paying tariffs by producing within a country for the local market. Over time, much evidence emerged to counter the claim, instead showing that trade and FDI are mutually reinforcing complements. The U.S.-Mexico relationship is a case study of the complementary nature of the two. The lowering of trade barriers through NAFTA acted as a major incentive first for U.S. companies to invest in Mexico but more recently also for Mexican companies to seek growth opportunities in the U.S. market. The development of regional production networks that combine the strengths of U.S. and Mexican producers involves a mix of FDI and cross-border trading networks. The combination of growing bilateral investment and growing commerce is, simply put, economic integration, and the current state of economic integration between the United States and Mexico is such that our growth, competitiveness, and prosperity are deeply linked. In a real way, the United States and Mexico each have a stake in each other's success that is much greater than the simple spillover effects from being neighbors.

ENDNOTES

1 This is the sum of U.S. direct investment position in Mexico and Mexican direct investment in the United States, using 2015 data from the U.S. Department of Commerce, Bureau of Economic Analysis, 2016.

2 When possible, this chapter relies on U.S. data in order to maintain consistency. In this case, the data to support the quadrupling of Mexican FDI in the U.S. is based on U.S. BEA data, but the data to support the U.S. being the largest recipient of Mexican investment abroad is the IMF, CDIS, 2016.

3 U.S. Department of Commerce, Bureau of Economic Analysis, 2016, http://www.bea.gov/international/usdia2013p.htm.

4 Theodore H. Moran and Lindsay Oldenski, "How U.S. Investments in Mexico have increased investment and jobs at home" in NAFTA 20 Years Later, Washington, DC: Peterson Institute for International Economics, November 2014.

5 Dan Primack, "Ford CEO Responds to Donald Trump's Attacks," Fortune, January 6, 2016, http://fortune.com/2016/01/06/ford-donald-trump-mexico/.

Ford has since modified some of its investment plans, focusing more of its expansion on the U.S. market even as investments continue to be made on both sides of the border.

6 Theodore H. Moran and Lindsay Oldenski, "The US Manufacturing Base: Four Signs of Strength," Washington, DC: Peterson Institute for International Economics, June 2014.

7 Author's calculations with data from World Bank, 2016.

8 Author's calculation using FDI position data from the IMF Coordinated Direct Investment Survey, 2016.

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13 Bimbo Bakeries USA – About Us, https://bimbobakeriesusa.com/about-us#fact-sheet.

14 Portfolio data referenced in this paragraph is from the U.S. Department of the Treasury, Treasury International Capital System, 2016, https://www.treasury.gov/resource-center/data-chart-center/tic/Pages/fpis.aspx.

How Trade with Mexico Impacts Employment in the United States

Figure 1. U.S. Jobs that Depend on Trade with Mexico

A farmer combines in U.S. cornfield, Shutterstock.com

The U.S.-Mexico trade relationship is huge. The two countries trade over a half-trillion dollars in goods and services each year, which amounts to more than a million dollars in bilateral commerce every minute. With such a large volume of trade, it is not hard to believe that the number of jobs that depend on the bilateral relationship is similarly impressive. New research commissioned by the Mexico Institute shows precisely that: nearly five million U.S. jobs depend on trade with Mexico. This means that one out of every 29 U.S. workers has a job supported by U.S.-Mexico trade.

The model utilized in our study shows that if trade between the United States and Mexico were halted, 4.9 million Americans would be out of work.[1] To be clear, trade between the United States and Mexico, like trade between any two countries, both creates and destroys jobs; our study takes this into consideration and finds a net gain of 4.9 million U.S. jobs as a result of bilateral trade. These jobs are spread throughout the U.S. economy, both in terms of industries and geography. California is the state with the largest number of U.S.-Mexico trade dependent jobs, at 556,000, but there are 30 U.S. states, ranging from Washington to Florida, that each have more than 50,000 jobs supported by bilateral trade (See Table 1). The industry mix of the jobs is equally broad, including more than 200,000 net job gains in manufacturing, construction and finance (each), to name just a few of the industries with employment tied in important ways to the U.S.-Mexico economic relationship.

> "if trade between the United States and Mexico were halted, 4.9 million Americans would be out of work."

Purepecha packing plant, Mexico, Michoacan, Uruapan. www.alamy.com

Table 1. U.S. Jobs Supported by Trade with Mexico, by State (2014)

State	Thousands of Jobs	Missouri	97
Alabama	67	Montana	17
Alaska	11	Nebraska	33
Arizona	89	Nevada	44
Arkansas	42	New Hampshire	22
California	566	New Jersey	141
Colorado	88	New Mexico	27
Connecticut	61	New York	322
Delaware	15	North Carolina	152
District of Columbia	24	North Dakota	14
Florida	290	Ohio	178
Georgia	153	Oklahoma	51
Hawaii	27	Oregon	57
Idaho	23	Pennsylvania	200
Illinois	200	Rhode Island	17
Indiana	96	South Carolina	70
Iowa	53	South Dakota	15
Kansas	48	Tennessee	100
Kentucky	61	Texas	382
Louisiana	65	Utah	47
Maine	22	Vermont	11
Maryland	97	Virginia	134
Massachusetts	119	Washington	107
Michigan	138	West Virginia	23
Minnesota	93	Wisconsin	96
Mississippi	41	Wyoming	9

HOW THE NUMBERS WERE CALCULATED AND WHAT THEY TELL US ABOUT THE NATURE OF BILATERAL TRADE

The model used to identify jobs tied to U.S.-Mexico trade calculates the net number of jobs both directly and indirectly dependent on trade with Mexico. This means that it takes into account jobs supported by the production of goods for export that would be lost if we stopped trading with Mexico; jobs that would return to the United States to produce goods we currently import; and jobs supported by the income individuals and companies save by having access to lower cost imports. Some of the net job gains associated with bilateral trade are in manufacturing and primary goods production, but the vast majority are actually in service sectors, including everything from finance to healthcare and retail. This is because the job gains directly associated with exports are more or less cancelled out by those lost through import competition, leaving the major net job gains from bilateral trade coming from the benefits associated with imports and the related economy-wide efficiency gains. This finding runs contrary to much of the public debate about trade, which treats exports as good and imports as bad. Such a mercantilist approach could not be more out of place than in discussions about the U.S.-Mexico economic relationship, which is based on a deep level of manufacturing integration that strengthens and connects industry in both countries in ways that tightly link their health and competitiveness.

Imports from Mexico support U.S. jobs in two ways. First, trade with Mexico has allowed for the creation of a highly competitive regional manufacturing platform (See Chapter 1) that, in addition to growing exports to Mexico, has also increased the availability of competitively priced imports of inputs for U.S. businesses. In fact, U.S. industry utilizes more than $100 billion dollars of imported Mexican inputs (Mexican companies also use more than $100 billion in U.S. inputs each year), which improve the competitiveness of the products produced by U.S. companies.[2] Many times, it is the availability of cost-efficient inputs that allows U.S. companies to stay competitive enough to fend off competitors from outside the region and to grow exports in the face of fierce global competition. In this way, not just exports but also imports from Mexico help support jobs in U.S. industry. Second, trade with Mexico also gives U.S. consumers access to low cost, high quality products, which in turn frees up a portion of their income to buy other goods and services, and therefore supports jobs across the U.S. economy. For example, when an American family saves $100 by buying a washing machine built in Mexico and uses that money to go to the movies, U.S.-Mexico trade is helping support the jobs of the ticket seller, movie theater

manager, and maybe even Brad Pitt. The economic model used of course cannot tell us precisely what portion of an actor's income is supported by U.S.-Mexico trade, but it can examine those types of impacts at the aggregate level across the U.S. economy.

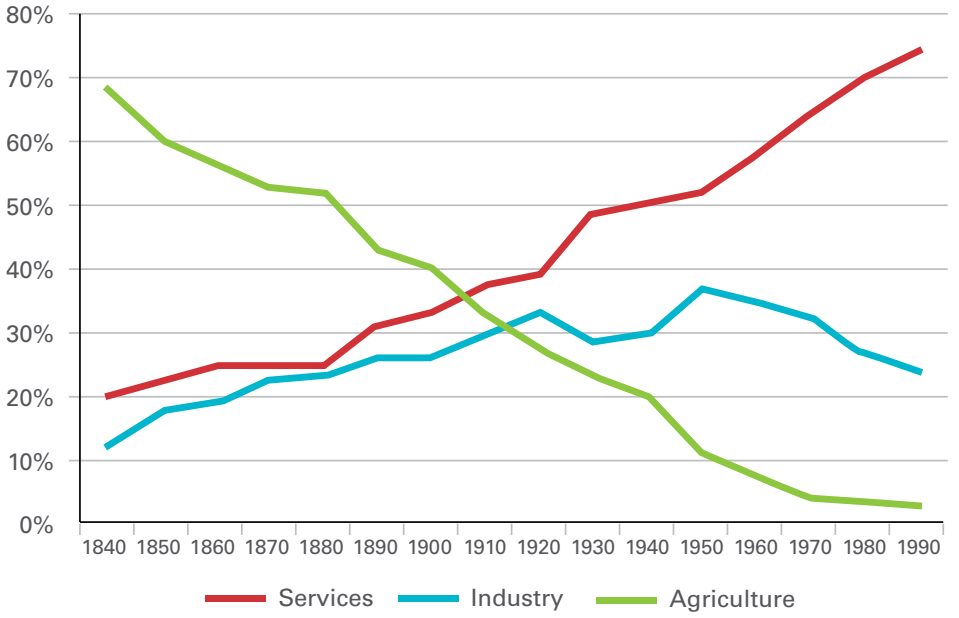
Laura Baughman and Joseph Francois of The Trade Partnership created and ran the economic model to calculate the number of U.S. jobs that depend on trade with Mexico for the Wilson Center's Mexico Institute. See Appendix A, written by Baughman and Francois, for a detailed description of the methodology.

A MAJOR TRANSITION IN THE U.S. LABOR MARKET

The United States labor market is in the process of a major, long-term economic transition driven primarily by productivity growth. Much in the way that rising productivity in agriculture slowly eliminated the need to have the majority of the U.S. workforce toiling in the fields to meet our demand for food, U.S. (and Mexican) manufacturers are becoming more efficient in building the products we need each year. As Figure 2 shows, the portion of the U.S. workforce employed in the service sector has continued to grow over the past two centuries while the percentage of U.S. workers in agriculture has declined. Manufacturing as a portion of total employment rose to a high point in the 1950s but since then has declined. While labor productivity—the amount of labor needed to produce a certain amount of goods or services—has increased throughout the U.S. economy, manufacturing sector productivity has risen faster than productivity throughout the rest of the economy over the last two-and-a-half decades.[3] Technological change is the largest driver of these productivity enhancements, but trade and other factors have accelerated the resulting transition (this is documented and expanded upon below).

"While labor productivity—the amount of labor needed to produce a certain amount of goods or services—has increased throughout the U.S. economy, manufacturing sector productivity has risen at levels significantly higher than the rest of the economy over the last two-and-a-half decades."

Figure 2. Distribution of the U.S. Labor Force by Sector (1840-1990)



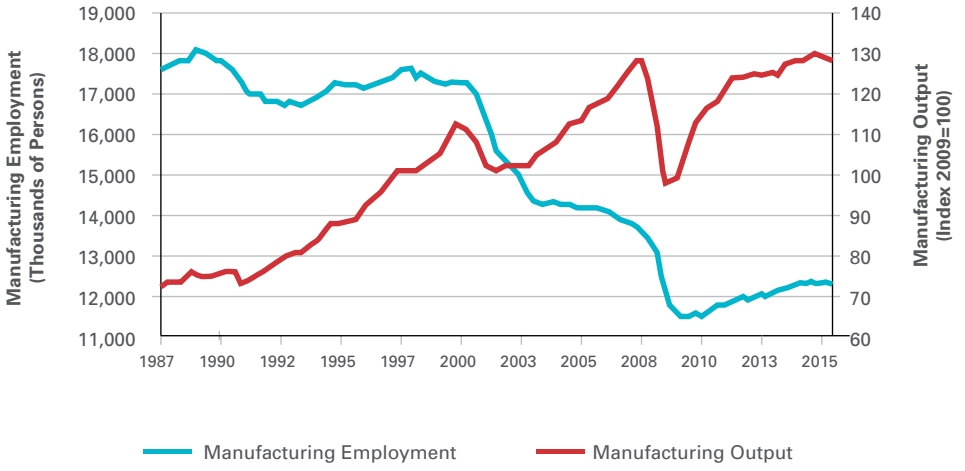
Source: Louis D. Johnston, The Growth of the Service Sector in Historical Perspective: Explaining Trends in U.S. Sectoral Output and Employment, 1840-1990*, Working Paper, College of Saint Benedict/Saint John's University, 2001.*

Increasing productivity is one of the major drivers of economic growth for the United States, particularly in the context of relatively slow population growth and an aging population moving many workers out of the workforce.[4] This productivity growth is vital to the U.S. economy and is a large part of what fuels welfare improvements across the population. However, with inequality on the rise, many are concerned about the distribution of the benefits of economic growth.[5] The challenge here is that productivity improvements in manufacturing are simultaneously lowering the overall demand for manufacturing workers while increasing the level of skills required of them. This has contributed to the growing gap in the wages paid to skilled versus unskilled workers.

College-educated workers tend to thrive in the current transition, able to utilize new technology to do more with less. They do well both in the higher-skilled advanced manufacturing jobs—programming, running, and repairing robots and computer-aided equipment—that have replaced several positions on the assembly line, and in the service sector, with high-paid jobs in management, research, and other professions. However, those without a college degree, and particularly

those without a high-school degree, have had a very difficult time over the past few decades. Manufacturing workers have been particularly hard hit, with employment in the sector down 29 percent since 2000.[6] Importantly, and in a way that reinforces the primacy of productivity in the transition, this decline in manufacturing employment persists even as manufacturing output grows (See Figure 3). The 2008-2009 recession accentuated the skill-biased nature of the structural economic transition, accelerating many of the long-term changes underway. During the recovery, more than 95 percent of the jobs created in the United States have gone to workers with at least some college education.[7]

Figure 3. U.S. Manufacturing Employment and Output, Seasonally Adjusted (July 1987-April 2016)



Source: Saint Louis Federal Reserve, with data from U.S. Bureau of Labor Statistics, 2016.

THE ROLE OF TRADE IN THE ECONOMIC TRANSITION

Trade, though a much smaller driver than technology, pushes in the same direction, accelerating the structural shift toward higher-skilled service jobs. Trade between the United States and Mexico, like technological advances, increases the competitiveness of regional industries. By allowing manufacturers to spread their operations and link up their supplier networks throughout North America, trade facilitates the creation of a system that combines the comparative advantages of each nation, allowing each country to specialize in the aspects of production

that it does best and make the overall production process more efficient. The auto industry, which is probably the single most integrated regional industry, is a perfect example. Without the availability of nearby Mexican plants to do the final assembly of light vehicles, it is quite possible that the vast U.S. parts-producing network for these vehicles would migrate to someplace outside of the continent.[8] This suggests, as our model of U.S. jobs tied to trade with Mexico finds, that U.S. manufacturing jobs are in net terms boosted by bilateral trade even as the mix of employment in the industry (and in service sector positions that support the auto industry) shifts toward higher-skilled positions. This is reinforced by the work of Theodore Moran and Lindsay Oldenski, who find that investment by U.S.-based firms in Mexico is associated with employment growth in their U.S. operations, focused on the creation of higher-skilled jobs related to things like innovation, engineering, and management.[9]

Researchers from Ball State University help provide a sense of the difference in the dimensions of the technology and trade as drivers of the economic transition underway, finding that about 87 percent of manufacturing job losses in the period from 2000 to 2010 were caused by productivity increases, while 13 percent were linked to trade.[10] Groundbreaking work by Autor, Dorn, and Hanson has looked at the local impacts of trade, focusing in particular on U.S. imports from China. They estimate a larger impact, finding that the large, rapid, and imbalanced growth of U.S.-China trade is responsible for one-quarter of all U.S. manufacturing job losses from 1990-2007.[11] Interestingly, their work finds no negative effect for U.S. imports from Mexico, which also grew significantly during the period under study but are driven by a very different set of factors. While the broad consensus in the literature on NAFTA is that the agreement did not have significant effects on the U.S. labor market, recent work by McLaren and Hakobyan has found focused negative impacts on the wages of non-college graduates in industries or locales exposed to significant import competition from Mexico after NAFTA.[12] Other work, however, has found that the current impact of NAFTA preferences for Mexican imports is actually slightly positive for U.S. wages (focused on skilled workers), suggesting that the NAFTA shock, where there was one, has passed while more positive impacts persist.[13]

A look at some of the basics of trade theory can help decipher its multiple impacts on the U.S. economy. Trade theory is clear about the benefits of trade. Trade allows nations to consume more and a wider variety of goods. Through the creation of economies of scale and the exploitation of comparative advantage, nations involved in trade become more efficient producers. We see these benefits play out clearly in U.S.-Mexico trade. The development of large, integrated manufacturing industries in North America that serve regional and even global demand are the epitome of economies of scale. The North American auto

industry is the quintessential example, but the regional aerospace, electronics, medical devices, audio-visual, and other industries also benefit enormously from cross-border, integrated value chains. The two countries have each specialized, utilizing their comparative advantages. Mexico has become the main supplier of winter fruits and vegetables for U.S. consumers, while U.S. grain exports to Mexico have increased. Trade theory makes clear that trade expands overall production and consumption, and therefore, as Krugman and Obstfeld put it in their classic textbook on international economics, "it is *possible* to ensure that everyone is better off as a result of trade (empashis added)."[14]

Trade, like most economic policies, impacts income distribution. This means that within nations there are winners and losers. Specifically, "Owners of a country's abundant factors gain from trade, but owners of a country's scarce factors lose."[15] In the United States, this means that higher skilled workers tend to benefit from trade, and lower skilled workers—in the absence of offsetting social programs—lose. Empirical studies confirm this, finding that between 1980 and 1995 trade with less developed countries played a modest role in driving down wages of workers without a high school diploma and in increasing the wage premium paid to workers with a college degree.[16] It should be noted, however, that the study finds that other factors, such as skill-biased technological change, have been much more important in driving the wage improvements of higher-skilled workers and the challenges facing lower-skilled workers in the United States. Recent work has shown that these impacts persist in the period of 2001-2014.[17]

TOO MANY SCAPEGOATS—TOO FEW SOLUTIONS

Technological innovation may be a bigger driver of the structural change that involves major losses in manufacturing employment, but trade liberalization, as a policy choice, has become a part of electoral politics in a way that technology never will. As a result, policy debates over trade end up being the principal public space in which those who have been left behind by the structural changes underway in the U.S. economy are able to voice their frustrations. Americans understand that there are important opportunities for the nation to engage with the global economy, but they are also skeptical about the impact of trade agreements. Public opinion shows that Americans generally support increased trade with Mexico, but they believe NAFTA has been bad for the U.S. economy.[18] Within trade, Mexico in particular has been unfairly targeted. The various studies cited above clearly show that a combination of automation and trade with China is responsible for the vast majority of manufacturing job losses in the United States over the past two and a half decades.

Misperception and scapegoating have certainly played a role in creating the current negative political environment around trade (including the opposition to the Trans-Pacific Partnership by both candidates in the 2016 presidential election campaigns), but so has the very real failure of U.S. policymakers to adequately address the challenges facing middle-class Americans. So, if trade provides gains to the overall U.S. economy, which it does, but causes losses for low-skilled workers, which again it does, then in order to make trade promoting policies good for all people in the country, supplementary policies are needed to do two things. First, efforts are needed to move as many workers as possible from the side of those suffering losses to the side of those experiencing gains. This means helping those negatively impacted by trade (or better yet, everyone who needs it) access educational and worker training programs. Second, protections are needed for those who experience job or wage loss as a result of trade, certainly in the form of short-term support as workers transition to new jobs and industries but possibly also in the form of longer-term wage insurance.

The United States has for decades, and under various iterations, administered the Trade Adjustment Assistance program in order to assist workers whose jobs were lost due to increased import competition or outsourcing, but it is a small program with limited success aside from perhaps helping policymakers support trade promoting policies. Within the program, which is really a combination of various unemployment insurance supplements and worker training programs, outcomes have been positive when recipients received training for a specific field and then found work in that same field.[19] This suggests that the challenge of effectively linking education and workforce training programs to specific industry and employer needs is very important to address (as it is in the broader education system). Trade Adjustment Assistance's limits and temporary nature give rise to the use of alternative social programs to mitigate trade impacts. For example, areas in the United States with significant manufacturing job losses related to increased Chinese imports experienced growth in per capita payouts of Social Security Disability Insurance (SSDI, a permanent support for workers who become disabled) 30 times greater than Trade Adjustment Assistance payouts.[20] Ultimately, given the size of the challenge to train and retrain the U.S. workforce so that it is prepared for the needs of the 21st Century, a much broader, whole-of-government strategy is urgently needed. It is no longer sufficient to provide assistance to workers who have lost their jobs due to imports from other countries. Instead, we need to face the fact that the structural shift in the U.S. economy requires an economic adjustment program, a more holistic take on smoothing the negative effects on American workers that takes into account the multiple dimensions of the transformation.

CONCLUSIONS

The impact of U.S.-Mexico trade on the U.S. economy is positive and widespread. Workers throughout the United States have jobs that depend on U.S.-Mexico trade in both direct and indirect ways. U.S. industry is made more competitive through its trading interactions with Mexican companies and the subsidiaries of U.S. companies with operations in Mexico. The growth of U.S.-Mexico trade has facilitated the emergence of a regional manufacturing platform that enhances the competitiveness of the entire region and as a result supports workers in both the United States and Mexico.

The overall impact of bilateral trade growth on U.S. wages appears to be quite small, and, in general terms, positive. There are, however, specific communities and industries whose workers (particularly those without a college degree) have experienced job and wage losses, and while Trade Adjustment Assistance has supported workers in many of those communities, the United States has not been fully successful in supplementing trade liberalization policies with worker and educational support programs to ensure that the gains of trade are distributed throughout the economy and to address the reinforcing nature of trade and productivity enhancing technological change. Millions of American workers already benefit from the U.S.-Mexico economic relationship. With the right approach by decision-makers on both sides of the border, those benefits can be expanded and extended to millions more. The United States and Mexico depend on each other more than ever for our economic well-being and competitiveness.

"Millions of American workers already benefit from the U.S.-Mexico economic relationship. With the right approach by decision-makers on both sides of the border, those benefits can be expanded and extended to millions more."

ENDNOTES

1 See Appendix A for more information about the model.

2 Author's calculations with data from the World Input-Output Database, http:www.wiod.org/, 2016.

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6 Author's calculation with data from Saint Louis Federal Reserve/U.S. Bureau of Labor Statistics, 2016.

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8 See, for example, Eduardo Porter, "Nafta May Have Saved Many Autoworker's Jobs," New York Times, March 29, 2016, http://www.nytimes.com/2016/03/30/business/economy/nafta-may-have-saved-many-autoworkers-jobs.html?_r=0.

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12 John McLaren and Shushanik Hakobyan, "Looking for Local Labor Market Effects of NAFTA," National Bureau of Economic Research Working Paper 16535, Cambridge, MA: NBER, November 2010, http://www.nber.org/papers/w16535.

13 Justino De La Cruz, David Riker, "The Impact of NAFTA on U.S. Labor Markets," Office of Economics Working Paper No. 2014-06A, U.S. International Trade Commission, June 2014.

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15 Ibid., 68.

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Managing the Bilateral Agenda for Economic Policy

As outlined throughout this report, the United States and Mexico have developed a deep level of economic integration, characterized by the construction of a highly competitive regional manufacturing platform and an extensive trading system that supports millions of workers on each side of the border. The U.S.-Mexico co-production involves a network of design, manufacturing, and logistics investments made throughout the region by U.S. and Mexican businesses, as well as by businesses from outside the region. Increasingly, passive investments, services trade, and binational approaches to entrepreneurship and innovation are taking their place alongside this massive system of merchandise trade and production to add depth and new vibrance to the bilateral relationship.

As the United States and Mexico have become more economically integrated over the past several decades, the level of bilateral policy coordination and cooperation has also grown. The two tend to be mutually reinforcing: policy coordination facilitates economic interdependence, and interdependence necessitates policy coordination. While this system incentivizes a path toward ever-closer economic cooperation, continued progress is far from inevitable. Indeed, a sense of public skepticism regarding the benefits of trade and globalization has brought some of the most foundational elements of the relationship up for reevaluation by policy makers.

The North American Free Trade Agreement, for example, which still stands as the most important piece of regional economic policymaking, was negotiated in the early 1990s in an effort to take advantage of the opportunities for improved regional competitiveness uniquely available to neighboring countries with significant economic complementarities. Having just deepened the economic bond through NAFTA, when Mexico entered a financial crisis in 1994-95, the

Honeywell International Automation and Control Solutions manufacturing plant in Golden Valley, Minnesota., www.alamy.com

United States saw that it was in its national interest to loan Mexico $20 billion dollars to stem the crisis. The plan worked. Mexico quickly recovered from the crisis, paid back the loan, and, along with the United States, entered a period of rapid growth. More recently, trade growth and economic development have necessitated the development of an increasingly wide-ranging and complex policy agenda including issues ranging from next-generation border management to regulatory harmonization. In response, the governments developed the High Level Economic Dialogue (HLED), which created a system to coordinate across the many agencies in both governments involved in managing and promoting the economic relationship. Progress made on HLED initiatives is now facilitating the expansion of cross-border economic opportunities and opening new areas of regional collaboration.

EXPANDING THE ECONOMIC AGENDA

The modern era of U.S.-Mexico economic relations began with the negotiation and implementation of NAFTA. As a free trade agreement, NAFTA opened the door for regional industries to begin building the regional production platform described in the first chapter of this report. But NAFTA did much more than that; it created a solid foundation from which to begin a decades-long process of strengthening the bilateral relationship. It signified the beginning of a new era, where a defensive approach, based on guarding Mexican national sovereignty and industry from its neighbor to the north, was replaced with a relationship founded on the premise that cooperation could better serve the interests of both countries. Mexico in particular flipped the old vision on its head, willing to move past historical episodes of U.S. aggression and the taking of Mexican territory to embrace its neighbor rather than keep them at arms length. In that context, the implementation of NAFTA brought immediate fruits in the form of a cooperative response to Mexico's 1994-1995 currency and debt crisis. From there—though not without a handful of disputes, which were compartmentalized and managed so that they did not contaminate the broadly positive relationship—the implementation of NAFTA proceeded smoothly as bilateral trade and investment skyrocketed.

Following the successful management of the 1994-1995 currency crisis, the next major challenge to this process came in 2001, when, in response to the terrorist attacks of 9/11, the United States took measures to quickly ratchet up border security. In the days and weeks after 9/11, commerce at the land border (around 80 percent of all bilateral trade) came to a screeching halt. The 100 percent inspection rate that effectively closed the border was slowly lifted, but post-9/11 security measures added an enduring set of barriers to cross-border commerce

and travel, cutting into the benefits of NAFTA, which had lowered border barriers to commerce.

Border congestion had a significant negative economic impact on local communities and regional industries. Slowly, though, Mexico and the United States deepened cooperation on border management, developing a series of programs that simultaneously improved security and efficiency for cross-border trade and travel. Trusted trader and traveler programs, for example, gave pre-vetted border crossers access to special lanes to move quickly past the long lines, and Mexico began working closely with the U.S. intelligence and law enforcement communities to ensure no terrorist would ever use Mexico as a gateway to the United States. This process of building a 21st century border is still underway, and additional investments are needed to further facilitate and secure cross-border flows. Nonetheless, a strong framework and set of tools has been developed. Trust and relationships have been built among law enforcement officials on both sides of the border, and the United States and Mexico are on the cusp of implementing a system that could truly be defined as joint border management.

Because of the massive volume of merchandise traded between the United States and Mexico—over a half-trillion dollars per year—the bilateral economic relationship has tended to focus on ensuring the free and secure movement of goods between the two countries. Without doubt, such an agenda has yielded significant results, as the highly competitive regional manufacturing platform described in this document would not have developed in the same way without it. Further progress along these lines is still possible and desirable, but as the Mexican economy has developed and economic integration has deepened, new areas of economic cooperation are also needed (and are under development).

Mexico has evolved from an economy using low-cost labor as its principle comparative advantage to a middle income country with a large middle class and an economy oriented toward higher value and higher skill manufacturing. Mexico has gone from being a country that sews clothing and does light assembly to a country that builds cars and airplanes. The next step in the development of the Mexican economy is the growth of a knowledge-based economy, an economy that not only builds products but also dreams them up and designs them. Such a transformation is already underway and offers major benefits not only for Mexico but also for the United States. In the creative industries, for example, Mexican and American television and film makers have developed numerous partnerships and joint projects to create content in English and Spanish for regional and global audiences. Software developers from the Mexican tech industry in Guadalajara and other cities are working with counterparts across the United States to co-develop apps and other business tools. Investment flows, once almost entirely

A NAFTA RENEGOTIATION TO STRENGTHEN THE REGIONAL ECONOMY*

Shortly after President Trump took office, the White House website was updated to say, "President Trump is committed to renegotiating NAFTA." However, "if our partners refuse a renegotiation that gives American workers a fair deal, then the President will give notice of the United States' intent to withdraw from NAFTA." An outright withdrawal from NAFTA would be quite costly for both the United States and Mexico. Nearly five million U.S. jobs depend on trade with Mexico, and a number of them would be put at risk were the agreement to be scrapped. At this point, U.S. and Mexican companies have invested many billions of dollars in each other's economies to build up a globally competitive regional manufacturing platform upon which cars and other products are jointly manufactured with parts and materials from suppliers dispersed across the continent.

Renegotiation, on the other hand, could be beneficial if the political minefield along the way to its completion can be successfully navigated. Realistically, there are no changes to NAFTA that can stop the slow decline of manufacturing employment in the United States, which is caused much more by automation and technological advance than anything else. But, as an agreement negotiated a quarter-century ago, there is plenty of space for the Trump administration to propose an update to NAFTA that would favor U.S. workers and competitiveness.

1 First, a simple update is in order. NAFTA was negotiated before the internet and smartphones became everyday tools of business and commerce. Issues such as cross-border data flows and exports of digital products ought to be included in any update for the agreement, as should innovative products that did not exist in the early nineties.

2 Second, telecommunication advances have made it much easier for small and even micro businesses in the United States to find buyers abroad using online platforms like Amazon, Etsy, and business-to-business portals. Mexico and Canada are the obvious place for small businesses to first venture into foreign trade, but the complexity of customs rules and paperwork discourages many from taking this step. Simplifying customs paperwork and raising the threshold for the value of shipments before they face customs revisions, known as *de minimis*, would boost U.S. small business exports to our neighbors. Congress passed legislation to raise the U.S. *de minimis* value to $800 dollars in 2016. Mexico and Canada, each of which require customs processing for significantly lower value shipments, should reciprocate.

3 Third, the countries of the region should update NAFTA's rules of origin. These rules set the threshold for the amount of regional content needed to qualify for NAFTA's tariff benefits. In the auto industry, for example, 62.5 percent of a car or truck must be produced within North America before it can enter the U.S., Mexico, or Canada tariff free. The Trump administration should conduct a detailed analysis of NAFTA rules of origin, determining which regional content requirements could be strengthened to incentivize investment and job growth in the United States. Key to this is an understanding that manufacturers in Mexico and Canada buy lots of U.S. produced parts—producers in China and other parts of the world do not. During the review, care would need to be taken to also identify regional industries that could be pushed out of North America by stricter regional content requirements, preferring to forgo NAFTA benefits rather than pay tariffs on inputs they currently source from outside the continent.

4 Fourth, strengthen the NAFTA side agreement on labor rights. The countries of North America all agreed to abide by their own labor laws in the North American Agreement on Labor Cooperation. However, the accord has no effective enforcement mechanism, and while the right to collective bargaining and other labor rights in Mexico are strong on paper, enforcement is varied and lacking in certain areas (to be fair, the United States has a less-than-perfect record itself). Incorporating labor issues into NAFTA itself, rather than leaving them in a weak side agreement, could add teeth to the commitment to respect national standards and thereby ensure that companies do not leave the United States in an effort to avoid the cost of respecting workers' rights. An analogous approach to strengthening the environmental side agreement could provide similar gains.

> "An outright withdrawal from NAFTA would be quite costly for both the United States and Mexico. Nearly five million U.S. jobs depend on trade with Mexico, and a number of them would be put at risk were the agreement to be scrapped."

5 Fifth, since the United States tends to have an advantage in the high-skill industries that make up much of services trade, special emphasis should be put on eliminating obstacles to services exports. The United States has long maintained a surplus in services trade with Mexico, but the value of trade in services is just

a fraction of bilateral merchandise trade. Important areas to consider include U.S. financial service exports, express delivery, educational services, air travel, and licensing requirements for U.S. professionals providing services abroad.

Finally, the best way to improve the results of NAFTA is to improve not just the agreement itself but the context in which it is operating. The infrastructure investments and corporate tax overhaul promised by President Trump could, if implemented well, be a very good start, but the crux of the issue is the American worker. Liberalizing trade opens U.S. workers to greater competition from around the world. Americans have never shied away from competition, but to do so effectively they need support in the form of greater investment in workforce development. This huge undertaking requires improvements in basic education, better alignment of post-secondary education with labor market demand, and—most directly related to trade and manufacturing employment—a strengthening of worker re-training programs for those left behind in the quickly evolving global economy. In short, an effective trade policy must be embedded in a broader competitiveness agenda.

President Bill Clinton signing the North American Free Trade Agreement into Law. http://clinton1.nara.gov/White_House/Family/images/raw/nafta_signing.gif

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* This section is adapted from the article, "Five Ways Trump Could Improve NAFTA," by Christopher Wilson, originally published on *Forbes.com*, January 23, 2017, https://www.forbes.com/sites/themexicoinstitute/2017/01/23/trump-to-announce-plans-for-renegotiation-of-nafta-five-ways-to-improve-the-agreement/#5849f3295562

southbound, are quickly becoming more balanced, and well over 100,000 jobs in the United States are now directly supported by Mexican direct investment.

This ongoing evolution of the Mexican economy has opened up new opportunities for binational cooperation. The Mexico-U.S. Entrepreneurship and Innovation Council (MUSEIC), for example, was created in 2013 to "promote and strengthen the cross-border design and innovation system to complement our cross-border production system."[1] MUSEIC has several subcommittees focusing on topics ranging from promoting women entrepreneurs to sharing best practices on commercialization and financing entrepreneurs with high-impact ideas. Another example of the expanding economic agenda is the U.S.-Mexico Bilateral Forum on Higher Education, Innovation and Research, known by its Spanish acronym FOBESII, which seeks to "expand opportunities for educational exchanges, scientific research partnerships, and cross-border innovation to help both countries develop a 21st century workforce for both our mutual economic prosperity and sustainable social development."[2] Both FOBESII and MUSEIC have achieved some important results, but at the same time they are in many ways still nascent initiatives that can and should grow over time as successful pilots are replicated and scaled. Expanding partnerships with subnational governments, civil society, and the business community will be vital to their success. The bilateral economic agenda now includes a host of other projects and coordinating mechanisms managed by a plethora of federal agencies on each side of the border. Anti-Money Laundering cooperation has grown rapidly in recent years in order to simultaneously attack the financial networks of criminal groups and safeguard the binational financial system that is a vital part of the regional trade and investment network. The two countries are also working closer than ever on issues of energy, transportation, regulatory compatibility, global financial management, and numerous other issues.

MANAGEMENT TOOLS AND PRINCIPLES

To manage the growing complexity of the bilateral economic agenda, the U.S.-Mexico High Level Economic Dialogue was created in 2013. The HLED brings together U.S. and Mexican cabinet members on an annual basis to ensure that the various ministries and agencies on each side of the border are working together to continue progress on the growing list of bilateral economic issues. A high-level coordinating mechanism of this type is especially important as the relationship grows in complexity because of the difficulties inherent in interagency cooperation. To push through bureaucratic roadblocks and ensure progress is made across a wide range of agenda items, pressure from the highest levels

is essential, and the best way to ensure that kind of ongoing leadership is to institutionalize cabinet-level meetings. To manage the complex bilateral economic agenda, the HLED should continue, even as important negotiations become the focus of the relationship. A single-issue economic agenda is simply not feasible given the depth of bilateral economic ties, which necessitates a coordinating mechanism.

Closely related to the complexity of the U.S.-Mexico relationship is its intermestic quality—the way in which traditionally domestic policy issues take on an international dimension. U.S. immigration and gun policy, to name just two of the many examples, are major domestic political issues with strong interest group and constituent interests driving policy makers' positions; yet, they each have very significant international dimensions in the way they impact Mexico and the bilateral relationship. Similarly, Mexico's own immigration, drug, and domestic economic policy each have significant effects felt by communities and industries in the United States. As the result of the extensive commercial, family, cultural, and security ties between the two countries, for both the United States and Mexico, there is no bilateral relationship that has a greater impact on the daily lives of its citizens. This is the greatest strength of the bilateral relationship, as it means the benefits of cooperation are widespread, but it is also presents significant risks because issues in the bilateral relationship have the potential to become highly politicized (and therefore difficult to solve) and because so much is on the line across the entire bilateral relationship.

Several strategies and mechanisms have been developed over time to ensure that conflicts between the two countries are managed in a way that avoids damage to the overall cooperative framework of the relationship. Two of the most important are institutionalization and compartmentalization. The dispute resolution mechanisms in NAFTA and the WTO have often been targets of criticism, but they, along with semi-judicial procedures developed in the United States to manage claims of unfair trade practices, have become very effective tools in containing the steady stream of usually relatively minor commercial disagreements that might otherwise contaminate the mutually beneficial relationship. By providing a rules-based framework, the ability to present a compelling argument based on the merits of the case (generally) dictates the outcome of a dispute. Without such rules and institutions, each nation would feel compelled to search for political leverage, which often brings additional industries or even elements of the security relationship into the originally more narrow disagreement. Such an approach raises the risk of an escalation of the conflict. Similar to institutionalization, the principle of compartmentalization has been applied to the management of the bilateral relationship in issue areas that do not have a rules-based or

semi-judicial dispute resolution mechanism. U.S. and Mexican officials do their best to maintain an overall positive tone in the relationship and commitment to cooperation even as they express concerns over very sensitive issues like drug trafficking and human rights. The general principle is that the U.S.-Mexico relationship is too important to put on the line in an effort for either country to get the upper hand on a single issue.

The asymmetry of the U.S.-Mexico relationship creates an added dynamic in the management of economic and other bilateral affairs. The U.S. economy is roughly ten times the size of the Mexican economy, and, as a result, Mexico depends on bilateral trade much more than the United States. Mexico's exports to the United States are roughly 80 percent of its total exports, while U.S. exports to Mexico, though only slightly smaller in absolute terms, represent about 15 percent of total U.S. exports. Though far from an insignificant impact on the U.S. economy, a clear asymmetry exists in the extent that each country depends on the economic relationship. Mexico's access to the U.S. market is a top-order national interest. Many point to this asymmetry as evidence that the United States has great leverage over Mexico in economic negotiations, but the real dynamic is much more complex. Mexico is indeed willing to go to great lengths to safeguard the system of regional production and access to the U.S. Market, but this means that if Mexico feels the economic relationship is at risk, it has shown that it is willing to break from the principle of compartmentalization in order to gain leverage. This is an understandable position, but it opens the possibility for grave damage to not just the economic but the entire bilateral relationship. As the two countries negotiate an update to the economic relationship, it is very much in the interest of all parties to ground the discussions in a cooperative framework so that the principles discussed above that have been designed to protect the benefits of U.S.-Mexico cooperation are not put at risk.

Officials managing the relationship have also increasingly come to rely on external stakeholders—from business, academia, and civil society—as well as local and state officials for support in managing the relationship. Stakeholders have become an important source of input, partners in implementation, and a force for continuity during political transitions. In recent years, and with the growing economic agenda, examples of successful engagement of stakeholder groups have multiplied. The U.S.-Mexico CEO Dialogue, led by the U.S. Chamber of Commerce and the Consejo Coordinador Empresarial, has become an important complement to the High Level Economic Dialogue. The United States and Mexico each operate a large number of consulates in the other country, and these can function as important communication nodes to ensure that local communities have a voice in the design of the bilateral economic agenda. The

sense of trade skepticism that pervades parts of both countries suggests that the bilateral economic agenda has not been fully in tune to the needs of citizens and industries. There have been some examples of success in this sense, and the HLED itself has committed to performing stakeholder outreach, but much more outreach work is needed.

The border region is an area of particular importance, as border communities have historically felt removed from the political decisions on border management made in Washington, DC and Mexico City. Border communities also represent a special opportunity to expand the bilateral economic agenda beyond the efficient movement of merchandise to binational economic development. Local communities throughout the border region are moving to develop and implement binational economic development strategies, which have clear benefits for the prosperity of both nations, but they need ongoing participation and support from the federal governments in order to be successful. Related to that is the need for the two federal governments to support local border officials, whether state legislators, mayors, or governors, to coordinate and cooperate across the region. The Border Governors Conference, Border Mayors Association, and Border Legislative Conference each need support at this time.

However, outreach is needed that goes far beyond the border region. As described in the chapter of this report on the employment effects of trade, both winners and losers are created in the process of economic integration. Overall, there are far more winners than losers and U.S.-Mexico trade is far less disruptive than U.S.-China trade, but it is incumbent on policy makers and businesses to ensure that communities are not left behind in the process of economic transformation. Investments in workforce development and retraining are particularly important in this sense. Despite the growing focus on stakeholder outreach in the bilateral economic relationship in recent years, there is still a sense among many that NAFTA and other efforts to strengthen regional integration have been elite projects that left too many behind. This is both a communications issue and a real policy issue, but the bottom line is that in a democracy policy makers must work hard to ensure that the public understands the benefits of their initiatives. The controversial nature of NAFTA led many policy makers to prefer a tactic of quietly advancing the bilateral economic agenda rather than engaging the public in a discussion of strategy and policy, explaining the logic of deepening economic cooperation while listening to the needs of communities that were not feeling the benefits of such policies. Such an approach was always risky, but at this point it is clearly no longer viable. Both countries must significantly expand stakeholder outreach efforts and put a strong focus on preparing the workforce of both countries to take advantage of new opportunities in the global economy.

CONCLUSION

The United States and Mexico have developed a highly cooperative and mutually beneficial relationship over the past several decades. The relationship supports millions of workers on each side of the border and is critical to the competitiveness of thousands of businesses. The agenda has grown ever more complex and expansive. Several mechanisms, principles, and strategies have been developed to help manage the economic agenda and keep things moving forward, but the relationship cannot be put on autopilot or taken for granted. The complex and multifaceted nature of the U.S.-Mexico relationship creates a need for strong leadership from top level officials on both sides of the border. With work, the benefits of the bilateral economic relationship can be extended to millions of additional citizens of both countries, broadening the base of support for a North American economic partnership and allowing for continued progress in the effort to strengthen regional competitiveness.

ENDNOTES

1 U.S. State Department Website, 2017, https://www.state.gov/e/eb/cba/entrepreneurship/museic/.

2 U.S. Embassy in Mexico website, 2017, https://mx.usembassy.gov/education-culture/education/the-u-s-mexico-bilateral-forum-on-higher-education-innovation-and-research/.

Appendix A

METHODOLOGY[1]

By Laura Baughman and Joseph Francois, The Trade Partnership

We applied a multi-sector multi-country computable general equilibrium (CGE) model of the U.S. economy to estimate the impacts of trade on U.S. employment. CGE models use regional and national input-output, employment and trade data to link industries in a value added chain from primary goods to intermediate processing to the final assembly of goods and services for consumption. Inter-sectoral linkages may be direct, like the input of steel in the production of transport equipment, or indirect, via intermediate use in other sectors (e.g., energy used to make steel that is used in turn in the transport equipment sector). Our CGE model captures these linkages by incorporating firms' use of direct and intermediate inputs. The most important aspects of the model can be summarized as follows: (i) it covers all world trade and production; and (ii) it includes intermediate linkages between sectors within each country.

THE MODEL

The specific model used was the Global Trade Analysis Project (GTAP) model (see Hertel 2013). The model and its associated data are developed and maintained by a network of researchers and policymakers coordinated by the Center for Global Trade Analysis at the Department of Agricultural Economics at Purdue University. Guidance and base-level support for the model and associated activities are provided by the GTAP Consortium, which includes members from government agencies (e.g., the U.S. Department of Commerce, U.S. Department of Agriculture, U.S. Environmental Protection Agency, and U.S. International Trade

Commission, European Commission), international institutions (e.g., the Asian Development Bank, Organization for Economic Cooperation and Development, the World Bank, United Nations and the World Trade Organization), the private sector and academia. Dr. Francois is a member of the Consortium.

The model assumes that capital stocks are fixed at a national level. Firms are assumed to be competitive, and employ capital and labor to produce goods and services subject to constant returns to scale.[2] Products from different regions are assumed to be imperfect substitutes in accordance with the so-called "Armington" assumption. Armington elasticities are taken directly from the GTAP v. 9 database, as are substitution elasticities for value added.

We are interested in the impact of trade on the U.S. and state economies given the U.S. wage structures in 2014 (i.e., given the prevailing wage structure of the labor force in a given year, how many jobs in the U.S. economy and in each state's economy were linked either directly or indirectly to trade?). As such, the model employs a labor market closure (equilibrium conditions) where wages are fixed at prevailing levels, and employment levels are forced to adjust. This provides a model-generated estimate of the U.S. jobs supported, at current wage levels, by the 2014 level of trade.

DATA

The model incorporates data from a number of sources. Data on production and trade are based on national social accounting data linked through trade flows (see Reinert and Roland-Holst 1997). For the 2014 simulation, social accounting data are drawn directly from the most recent version of the GTAP dataset, version 9. Trade data (both exports and imports) exclude re-exports.[3] This dataset is benchmarked to 2011 and includes detailed national input-output, trade, and final demand structures for 140 countries across 56 sectors (see Table A-1). We updated the trade and national account data to 2014.

The basic social accounting and trade data are supplemented with data on tariffs and non-tariff barriers from the World Trade Organization's integrated database and from the UNCTAD/World Bank WITS dataset. All tariff information has been concorded to GTAP model sectors within the version 9 database.

The GTAP model sectors were concorded to state-level employment data from the Commerce Department's Bureau of Economic Analysis (BEA). This allowed us to map nationwide effects to individual states. Based on the availability of employment data as well as the size of some of the sectors, we expanded

some sectors (e.g., "Trade" into its "Wholesale" and "Retail" components) and collapsed others (e.g., individual food products into one sector, "Food Products," or individual transportation modes into one sector, "Transportation"). BEA does not disclose state-level employment data for certain sectors for confidentiality reasons. For some of these sectors, we were able to use Moody's Analytics state-level employment estimates to estimate the missing national employment to undisclosed sectors in these states. However, because we mixed employment data from two sources (BEA and Moody's), the sum of the employment effects for the states may not add perfectly to the total for the United States.

The 140 GTAP countries/regions are aggregated into seven groupings: the United States, Canada, Japan, Mexico, other TPP countries, the European Union and rest-of-world.

GTAP MODEL SECTORS

Paddy rice*	Wood products
Wheat*	Paper products, publishing
Cereal grains*	Petroleum and coal products
Vegetables, fruits, and nuts*	Chemicals, rubber, plastics
Oil seeds*	Mineral products
Sugar cane*	Ferrous metals
Plant-based fibers*	Non-ferrous metals
Other crops*	Metal products
Cattle, sheep, goats, and horses*	Motor vehicles and parts
Other animals*	Other transport equipment
Raw milk*	Electronic equipment
Wool, silk-worm cocoons*	Other machinery and equipment
Forestry	Other manufactures
Fisheries	Electricity
Coal	Gas manufacture, distribution
Oil	Water
Gas	Construction
Other minerals	Wholesale and retail trade**
Bovine meat products	Water transport
Other meat products	Air transport
Vegetable oils and fats	Other transport

Dairy products	Communication services
Processed rice	Financial services
Sugar	Insurance services
Other food products	Other business services
Beverages and tobacco	Recreational and other services
Textiles	Government, education, health services**
Wearing apparel	Leather products

* While GTAP has data for subsectors of agriculture, the U.S. Department of Commerce does not publish total U.S. employment for agricultural subsectors, so we were forced to look at these sectors in the aggregate.

** GTAP does not break these categories down further.

MODELING SIMULATION

The simulation conducted with the GTAP model involved imposing changes in U.S. trade, in this instance a hypothetical elimination of all U.S. exports and imports of goods and services by imposing prohibitive duties against goods trade, and prohibitive trade costs against services trade with the United States.[4] We do this for trade with each of the countries and groupings noted above, and the total U.S. impact is the sum of the impacts for each of the countries/country groupings (including "rest of world").

Our results tell us how much U.S. and state output and employment would decline were the United States to cease exporting and importing goods and services to/from each of the countries/country groupings, and in total, tracing changes at the border as they work through the U.S. economy. The net negative (or positive, in some cases) impacts on output and jobs from an absence of trade serve as a proxy for the opposite: the net positive (or negative) impacts on U.S. output and employment ***because*** of trade.

APPENDIX A REFERENCES

Hertel, T. (2013). "Global Applied general Equilibrium Analysis Using the Global Trade Analysis Project Framework," in P. B. Dixon and D. W. Jorgenson eds. *Handbook of Computable General Equilibrium Modeling.* Amsterdam: Elsevier, 815-76.

Reinert, K.A.. and D.W. Roland-Holst (1997), "Social Accounting Matrices," in Francois, J.F. and K.A. Reinert, eds. (1997), *Applied methods for trade policy analysis: a handbook*, Cambridge University Press: New York.

ENDNOTES

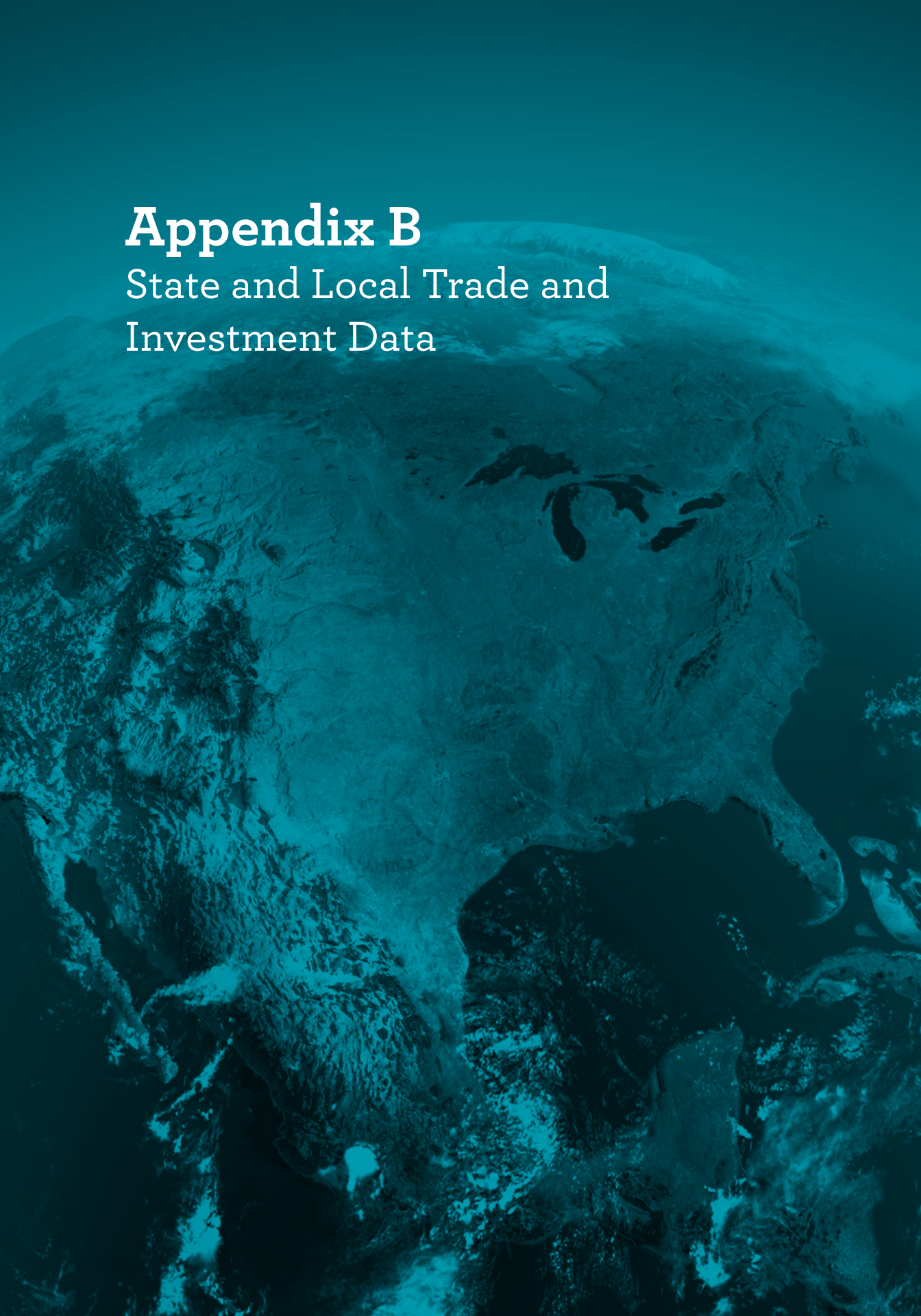
1 The model to calculate the number of U.S. jobs supported by trade with Mexico was run for the Mexico Institute by The Trade Partnership, and this note on the methodology utilized was written by Laura Baughman and Joseph Francois of The Trade Partnership. http://tradepartnership.com/about-us/senior-staff/

2 Compared to dynamic CGE models and models with alternative market structures, the present assumption of constant returns to scale with a fixed capital stock is closest in approach to older studies based on pure input-output modeling of trade and employment linkages. In the present context, it can be viewed as generating a lower-bound estimate of effects relative to alternative CGE modeling structures.

3 See https://www.gtap.agecon.purdue.edu/databases/contribute/reexports.asp.

4 We have modeled an extreme shock to the economy to show the extent to which sectors of the economy are tied to trade. We are not suggesting that a prohibitive tariff is a policy option that has been proposed by anyone. It is useful to understand the job impact of complete elimination of both exports and imports, in order to quantify the opposite scenario: the job impact of actual U.S. trade in the experiment years.

Appendix B
State and Local Trade and Investment Data

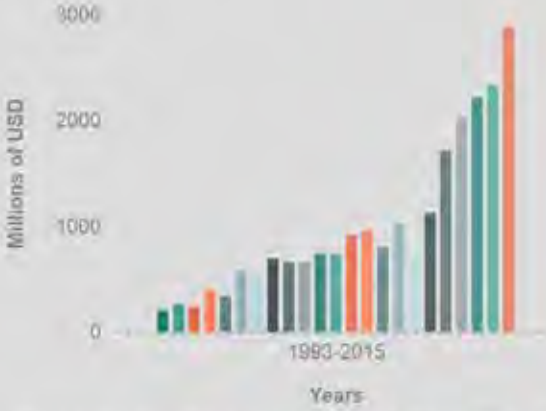


Alabama

TRADE FACTSHEET

- In 2014, trade with Mexico supported 67,300 jobs.
- In 2015, Mexico was the 3rd largest export market for Alabama.
- Exports to Mexico totaled 2.9 billion USD in 2015.

Alabama's Exports to Mexico



- Since 1993, Alabama's exports to Mexico have grown 1296%.
- Mexico accounted for 15% of Alabama's exports worldwide in 2015.
- Top export industries:
  Primary Metal Manufacturing (40%), Transportation Equipment (24%), & Machinery, Except Electrical (11%).
- Mexican investment supports 3,100 jobs in Alabama. For instance, the world-class Mexican auto-part manufacturer, NEMAK, employes 700 people in Sylacauga.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of AL Exports to the World	Top 2 Industries Exporting to Mexico
1	$419	13%	1. Iron, Steel & Ferroalloy; 2. Basic Chemicals
2	$275	7%	1. Oilseeds & Grains; 2. Pulp Paperboard Mill Products
3	$299	8%	1. Motor Vehicles; 2. Motor Vehicle Parts
4	$383	10%	1. Motor Vehicles; 2. Motor Vehicle Parts
5	$346	9%	1. Engines & Turbines; 2. Oilseeds & Grains
6	$358	19%	1. Basic Chemicals; 2. Iron & Steel & Ferroalloy
7	$510	13%	1. Basic Chemicals; 2. Petroleum & Coal Products

*Goods and services, in millions of US Dollars

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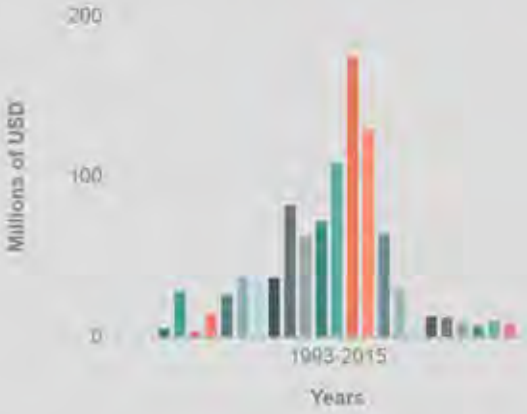
Sources
Trade and NAFTA, Office of Mexico's Ministry of the Economy, Washington, DC
Wilson Center, Growing Together: Economic Ties Between the United States and Mexico
United States Census Bureau
The Trade Partnership, Washington DC, from the U.S. Bureau of the Census and the U.S. Department of Agriculture

Alaska

TRADE FACTSHEET

- Trade with Mexico supported nearly 11,000 jobs in Alaska in 2014.
- Mexico was the 25th largest market for goods from Alaska in 2015.
- In 2015, Alaska's exports to Mexico reached 8 million USD.

Alaska's Exports to Mexico



- Since 1993, Alaska's exports to Mexico have increased by 48%.
- Mexico accounted for less than 1% of Alaska's exports worldwide in 2015.
- Top export industries:

  Machinery, Except Electrical (19%), Electrical Equipment, Appliances, and Component Manufacturing (17%), & Transportation Equipment (17%)

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of AK Exports to the World	Top 2 Industries Exporting to Mexico
At-large	$100	2%	1. Passenger Fares 2. Travel

*Goods and services, in millions of US dollars

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Sources:
Trade and NAFTA: Official Mexico's Ministry of the Economy, Washington, DC
Wilson Center: Growing Together: Economic Ties Between the United States and Mexico
United States Census Bureau
The Trade Partnership, Washington DC, from the U.S. Bureau of the Census and the U.S. Department of Agriculture

Arizona

TRADE FACTSHEET

- In 2014, trade with Mexico supported 89,400 U.S. jobs.
- Mexico is the 1st largest export market for Arizona (2015) .
- Exports to Mexico totaled 9.2 billion USD in 2015.

Arizona's Exports to Mexico

- Since 1993, Arizona's exports to Mexico have increased by 376%.
- Mexico accounted for 41% of Arizona's exports worldwide in 2015.
- Top export industries:

  Minerals & Ores (27%), Computer & Electronic Products (16%), Electrical Equipment, Appliances & Components (12%), Transportation Equipment (9%), Plastic & Rubber Products (5%), Others (31%)
- Mexican investment supports over 8,800 jobs in Arizona. For instance, Ray Complex, a copper smelting facility, employs 1,400 workers in Hayden.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of AZ Exports to the World	Top 2 Industries Exporting to Mexico
1	$2,027	53%	1. Metal Ores - 2. Nonferrous Metals & Processing
2	$1,046	35%	1. Metal Ores - 2. Electrical Equipment & Components
3	$873	29%	1. Electrical Equipment & Components - 2. Metal Ores
4	$1,059	52%	1. Metal Ores - 2. Electrical Equipment & Components
5	$375	18%	1. Semiconductors & Components - 2. Plastics Products
6	$959	18%	1. Semiconductors & Components - 2. Oil & Gas
7	$1,091	22%	1. Motor Vehicle Parts - 2. Semiconductors & Components
8	$275	17%	1. Plastics Products - 2. Motor Vehicle Parts
9	$1,386	19%	1. Semiconductors & Components - 2. Motor Vehicle Parts

*Goods and services, in millions of US Dollars

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Sources:
Trade and Natta Office/Mexico's Ministry of the Economy/Washington DC
Wilson Center, Growing Together: Economic Ties Between the United States and Mexico
United States Census Bureau
Trade Partnership, Washington DC, from the U.S. Bureau of the Census and the U.S. Department of Agriculture

Arkansas

TRADE FACTSHEET

- In 2014, trade with Mexico supported 41,600 U.S. jobs.
- In 2015, Mexico was the 2nd largest export market for Arkansas.
- Exports to Mexico totaled 844 million USD in 2015.

Arkansas' Exports to Mexico

- Since 1993, Arkansas' exports to Mexico have increased by 700%.
- Mexico accounted for 14% of Arkansas exports worldwide in 2015.
- Top export industries:

  Transportation Equipment (27%), Paper (12%), Livestock & Livestock Products (12%), Primary Metal Manufacturing (7%) Food and Kindred Products (9%), & Others (33%)
- Mexican investment supports over 3,300 jobs in Arkansas. For instance, O.K. Industries Inc., a chicken producer subsidiary in Fort Smith, supports over 2,300 jobs.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of AR Exports to the World	Top 2 Industries Exporting to Mexico
1	$402	11%	1. Oilseeds & Grains; 2. Iron & Steel & Ferroalloy
2	$131	6%	1. Navigational & Meas. Instruments; 2. Aerospace Products & Parts
3	$164	8%	1. Meat Products; 2. Household Appliances
4	$240	10%	1. Pulp Paperboard Mill Products; 2. Meat Products

*Goods and services, in millions of US dollars

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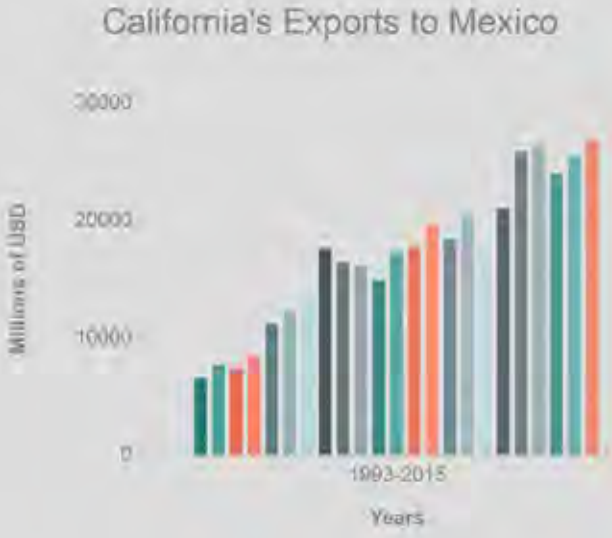
Sources:
Trade and NAFTA, office of Mexico's Ministry of the Economy, Washington, DC
Wilson Center, Growing Together: Economic Ties Between the United States and Mexico
United States Census Bureau
The Trade Partnership, Washington DC, from the U.S. Bureau of the Census and the U.S. Department of Agriculture

California

TRADE FACTSHEET

- In 2014, trade with Mexico supported 566,000 U.S. jobs.
- Mexico is the 1st largest export market for California (2015).
- Exports to Mexico totaled $26.8 billion USD in 2015.



- Since 1993, California's exports to Mexico have increased by 311%.
- Mexico accounted for 16% of California's exports worldwide in 2015.
- Top Export Industries

  Computer & Electronic Products (25%), Transportation Equipment (11%), Machinery Except Electrical (8%) Chemicals (6%), Electrical Equipment, Appliances & Components (6%), Others (44%)
- Mexican investment supports nearly 13,300 jobs in California. For instance, IT solution provider Systech, a subsidiary from Softtek, employs 250 people in San Jose.

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Trade and Nafta Office/ Mexico's Ministry of the Economy, Washington, DC
Wilson Center, Growing Together: Economic Ties Between the United States and Mexico
United States Census Bureau
The Trade Partnership, Washington DC, from the U.S. Bureau of the Census and the U.S. Department of Agriculture

California

TRADE FACTSHEET

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of CA Exports to the World	Top 2 Industries Exporting to Mexico	
1	$333	11%	1. Sawmill & Wood Products	2. Fruits & Tree Nuts
2	$393	10%	1. Sawmill & Wood Products	2. Vegetables & Melons
3	$394	10%	1. Motor Vehicle Bodies & Trailers	2. Petroleum & Coal Products
4	$286	10%	1. Computer Equipment	2. Motor Vehicle Parts
5	$450	9%	1. Petroleum & Coal Products	2. Fruits & Tree Nuts
6	$330	14%	1. Motor Vehicle Parts	2. Motor Vehicle Bodies & Trailers
7	$274	14%	1. Motor Vehicle Parts	2. Electrical Equipment
8	$257	15%	1. Plastics Products	2. Motor Vehicle Parts
9	$374	14%	1. Petroleum & Coal Products	2. Grain & Oilseed Milling Products
10	$515	14%	1. Motor Vehicle Parts	2. Dairy Products
11	$448	12%	1. Petroleum & Coal Products	2. Nonferrous Metals & Processing
12	$303	4%	1. Communications Equipment	2. Other Leather Products
13	$506	8%	1. Motor Vehicles	2. Plastics Products
14	$591	6%	1. Aluminum	2. Computer Equipment
15	$759	11%	1. Motor Vehicles	2. Petroleum & Coal Products
16	$659	15%	1. Meat products	2. Coal & Petroleum Gases
17	$2,247	9%	1. Semiconductors & Components	2. Computer Equipment
18	$865	7%	1. Computer Equipment	2. Semiconductors & Components
19	$532	8%	1. Semiconductors & Components	2. Computer Equipment
20	$318	10%	1. Other Foods	2. Communications Equipment
21	$406	14%	1. Dairy Products	2. Other Foods
22	$594	14%	1. Dairy Products	2. Coal & Petroleum Gases
23	$425	16%	1. Oil & Gas	2. Petroleum & Coal Products
24	$482	9%	1. Electrical Equipment & Components	2 Audio & Video Equipments
25	$359	10%	1. Resins & Synthetic Fibers	2. Petroleum & Coal Products
26	$595	10%	1. Semiconductors & Components	2. Other General Purpose Machinery

*In millions of US dollars

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California

TRADE FACTSHEET

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of CA Exports to the World	Top 2 Industries Exporting to Mexico
27	$400	10%	1. Apparel - 2. Plastics Products
28	$566	7%	1. Apparel - 2. Plastics Products
29	$538	10%	1. Motor Vehicle Parts - 2. Other Fabricated Metal Products
30	$655	8%	1. Other Fabricated Metal Products - 2. Electrical Equipment & Components
31	$449	18%	1. Iron & Steal & Ferroalloy - 2. Plastics Products
32	$672	13%	1. Resins & Syntethic Fibers - 2. Petroleum & Coal Products
33	$664	7%	1. Petroleum & Coal Products - 2. Apparel
34	$720	12%	1. Apparel - 2. Fabrics
35	$811	19%	1. Iron & Steal & Ferroalloy - 2. Plastics Products
36	$253	13%	1. Motor Vehicle Parts - 2. Plastics Products
37	$317	7%	1. Apparel - 2. Plastics Products
38	$756	14%	1. Plastics Products - 2. Resins & Synthetic Fibers
39	$719	13%	1. Plastics Products - 2. Semiconductors & Components
40	$714	16%	1. Resins & Synthetic Fibers - 2. Petroleum & Coal Products
41	$430	19%	1. Motor Vehicle Parts - 2. Plastics Products
42	$486	19%	1. Motor Vehicle Parts - 2. Plastics Products
43	$655	10%	1. Resins & Synthetic Fibers - 2. Other Fabricated Metal Products
44	$642	12%	1. Petroleum & Coal Products - 2. Resins & Synthetic Fibers
45	$826	10%	1. Semiconductor & Components - 2. Audio & Video Equipment
46	$834	14%	1. Other General Purpose Machinery - 2. Motor Vehicle Parts
47	$671	11%	1. Motor Vehicle Parts - 2. Petroleum & Coal Products
48	$806	11%	1. Medical Equipment & Supplies - 2. Seminconductors & Components
49	$592	9%	1. Audio & Video Equipment - 2. Communications Equipment
50	$463	10%	1. Audio & Video Equipment - 2. Engines & Turbines
51	$284	10%	1. Audio & Video Equipment - 2. Communications Equipment
52	$868	9%	1.Engines & Turbines - 2. Audio & Video Equipment
53	$307	8%	1. Engines & Turbines - 2. Audio & Video Equipment

*In millions of US dollars

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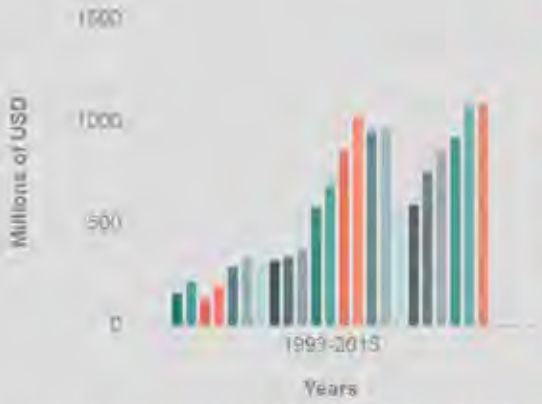
Colorado

TRADE FACTSHEET

- In 2014, trade with Mexico supported 88,000 U.S. jobs (2014).
- Mexico is the 2nd largest export market for Colorado (2015).
- Exports to Mexico totaled 1.1 billion USD in 2015.



- Since 1993, Colorado's exports to Mexico have grown 597%.
- Mexico accounted for 14% of Colorado's exports worldwide in 2015.
- Top export industries:
  Food and Kindred Products (25%), Chemicals (18%), Machinery, Except Electrical (10%), Fabricated Metal Products (9%), Computer & Electronic Products (8%), Others (30%)
- Mexican Investment supports nearly 1,400 jobs in Colorado. For instance, Gruma Corporation, a corn flour and tortilla company, employs 300 workers in Pueblo.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of CO Exports to the World	Top 2 Industries Exporting to Mexico	
1	$348	7%	1. Dairy Products	2. Plastics Products
2	$289	6%	1. Navigational & Meas. Instruments	2. Motor Vehicles
3	$194	11%	1. Iron & Steel & Ferroalloy	2. Other Chemical Preparations
4	$517	13%	1. Meat Products	2. Other Chemical Preparations
5	$126	6%	1. Semiconductors & Components	2. Other Chemical Preparations
6	$98	5%	1. Other Fabricated Metal Products	2. Resins & Synthetic Fibers
7	$179	9%	1. Other General Purpose Machinery	2. Petroleum & Coal Products

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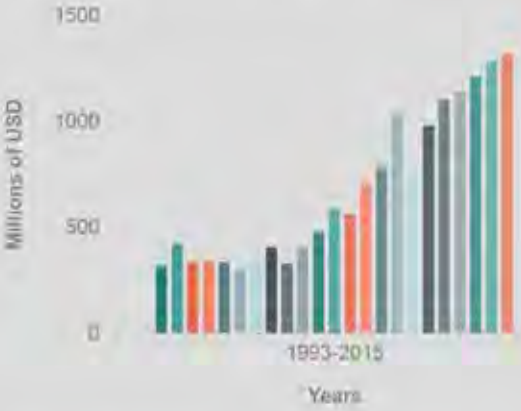
Wilson Center, Growing Together: Economic Ties Between the United States and Mexico
United States Census Bureau
The Trade Partnership, Washington DC, from the U.S. Bureau of the Census and the U.S. Department of Agriculture

Connecticut

TRADE FACTSHEET

- In 2014, trade with Mexico supported 61,200 jobs.
- In 2015, Mexico was the 4th largest export market for Connecticut.
- Exports to Mexico totaled 1.3 million USD in 2015.

Connecticut's Exports to Mexico



- Since 1993, Connecticut's exports to Mexico have grown 317%.
- Mexico accounted for 9% of Connecticut's exports worldwide in 2015.
- Top export industries:
  Primary Metal Manufacturing (30%), Chemicals (19%), & Electrical Equipment, Appliances, and Component Manufacturing (16%)
- Mexican investment supports 440 jobs in Connecticut. For instance, Grupo Bimbo the largest bakery company in the world, employs 150 people in Stamford.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of CT Exports to the World	Top 2 Industries Exporting to Mexico
1	$240	3%	1. Resin & Synthetic Fibers; 2. Aerospace Products & Parts
2	$319	9%	1. Nonferrous Metals & Processing; 2. Agriculture & Construction Machinery
3	$344	10%	1. Nonferrous Metals & Processing; 2. Resins & Synthetic Fibers
4	$370	6%	1. Electrical Equipment; 2. Navigational & Meas. Instruments
5	$326	9%	1. Basic Chemicals; 2. Nonferrous Metals & Processing

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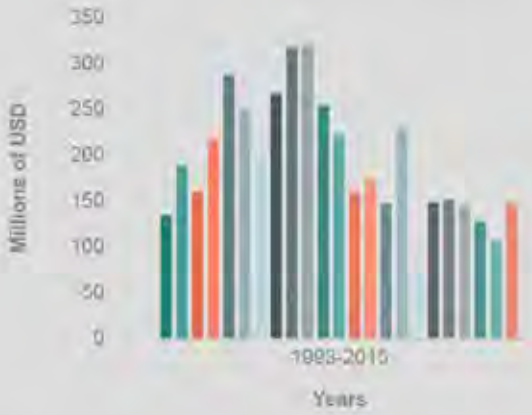
Delaware

TRADE FACTSHEET

- In 2014, trade with Mexico supported 15,300 jobs in Delaware.
- In 2015, Delaware's exports to Mexico reached 146 million USD.
- Mexico accounted for 3% of Delaware's exports worldwide in 2015.

Delaware's Exports to Mexico



- Since NAFTA, Delaware's exports to Mexico have increased by 9%.
- Mexico accounted for 3% of Delaware's exports worldwide in 2015.
- Top export industries:
  Chemicals (38%), Computers and Electronic Products (17%), & Plastics and Rubber Products (13%)
- Mexican investment supports 317 jobs in Delaware. For instance, Grupo Bimbo, the largest bakery company in the world, employs 115 people in New Castle.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of DE Exports to the World	Top 2 Industries Exporting to Mexico
At-large	$206	2%	1. Credit-Related Services; 2. Resins & Synthetic Fibers

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Florida

TRADE FACTSHEET

- In 2014, trade with Mexico supported 290,300 jobs.
- In 2015, Mexico was the 3rd largest export market for Florida's goods.
- Exports to Mexico totaled 2.7 billion USD in 2015.

Florida's Exports to Mexico

- Since 1993, Florida's exports to Mexico have grown 259%.
- Mexico accounted for 5% of Florida's exports worldwide in 2015.
- Top export industries:
  Transportation Equipment (16%), Machinery, Except Electrical (16%), Computer & Electronic Products (14%), Chemicals (13%), Paper (6%), Others (35%)
- Mexican investment supports nearly 10,500 jobs in Florida. For instance, CEMEX's ready-mix concrete plant employs 300 people in Boca Raton.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of FL Exports to the World	Top 2 Industries Exporting to Mexico
1	$220	6%	1. Engines & Turbines; 2. Resins & Synthetic Fibers
2	$174	6%	1. Ships & Boats; 2. Other Chemical Preparations
3	$156	6%	1. Basic Chemicals; 2. Pulp Paperboard Mill Products
4	$214	5%	1. Pulp Paperboard Mill Products; 2. Ships & Boats
5	$235	5%	1. Pulp Paperboard Mill Products; 2. Aerospace Products & Parts
6	$172	6%	1. Pulp Paperboard Mill Products; 2. Ships & Boats
7	$154	4%	1. Ag & Construction Machinery; 2. Aerospace Products & Parts

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Florida

TRADE FACTSHEET

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of FL Exports to the World	Top 2 Industries Exporting to Mexico
8	$258	3%	1. Audio & Video Equipment; 2. Computer Equipment
9	$157	6%	1. Aerospace Products & Parts; 2. Pesticides & Fertilizers
10	$243	6%	1. Pesticides & Fertilizers; 2. Aerospace Products & Parts
11	$89	4%	1. Navigational & Meas. Instruments; 2. Motor Vehicles
12	$89	4%	1. Engines & Turbines; 2. Other Manufactured Commodities
13	$201	3%	1. Communications Equipment; 2. Navigation & Meas. Instruments
14	$214	4%	1. Pesticides & Fertilizers; 2. Ships & Boats
15	$161	5%	1. Pesticides & Fertilizers; 2. Engines & Turbines
16	$139	5%	1. Ships & Boats; 2. Plastics Products
17	$104	5%	1. Pesticides & Fertilizers; 2. Basic Chemicals
18	$103	4%	1. Aerospace Products & Parts; 2. Ships & Boats
19	$107	6%	1. Other General Purpose Machinery; 2. Converted Paper Products
20	$116	4%	1. Communications Equipment; 2. Engines & Turbines

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Florida

TRADE FACTSHEET

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of FL Exports to the World	Top 2 Industries Exporting to Mexico
21	$79	4%	1. Communications Equipment; 2. Engines & Turbines
22	$180	4%	1. Communications Equipment; 2. Engines & Turbines
23	$172	5%	1. Engines & Turbines; 2. Communications Equipment
24	$174	5%	1. Meat Products; 2. Soaps, Cleaning Agents & Toiletries
25	$201	5%	1. Meat Products; 2. Motor Vehicle Parts
26	$119	6%	1. Meat Products; 2. Basic Chemicals
27	$215	5%	1. Scrap Products; 2. Meat Products

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Georgia

TRADE FACTSHEET

- In 2014, trade with Mexico supported 152,500 jobs.
- In 2015, Mexico was the 2nd largest export market for Georgia.
- Exports to Mexico totaled 3.5 billion USD in 2015.

Georgia's Exports to Mexico

- Since 1993, Georgia's exports to Mexico have grown 743%.
- Mexico accounted for 9% of Georgia's exports worldwide in 2015.
- Top export industries:
  Transportation Equipment (20%) Chemicals (11%), Electrical Equipment (10%), Paper (10%), Computer & Electronic Products (8%), Others (41%)
- Mexican investment supports over 3,900 jobs in Georgia. For instance, Grupo Bimbo's plant in Decatur employs 550 people.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of GA Exports to the World	Top 2 Industries Exporting to Mexico
1	$394	5%	1. Aerospace Products & Parts; 2. Pulp Paperboard Mill Products
2	$284	7%	1. Pulp Paperboard Mill Products; 2. Electrical Equipment & Components
3	$473	9%	1. Aluminum; 2. Aerospace Products & Parts
4	$165	7%	1. Converted Paper Products; 2. Aerospace Products & Parts
5	$367	5%	1. Engines & Turbines; 2. Soaps, Cleaning Agents & Toiletries
6	$217	4%	1. Engines & Turbines; 2. Basic Chemicals
7	$280	7%	1. Electrical Equipment & Components; 2. Semiconductors & Components

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Georgia

TRADE FACTSHEET

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of GA Exports to the World	Top 2 Industries Exporting to Mexico
8	$231	7%	1. Pulp Paperboard Mill Products - 2. Other Crops
9	$391	8%	1. Meat Products - 2. Other Fabricated Metal Products
10	$182	8%	1. Other Crops - 2. Other Fabricated Metal Products
11	$227	7%	1. Basic Chemicals - 2. Iron & Steel & Ferroalloy
12	$303	7%	1. Pulp Paperboard Mill Products - 2. Basic Chemicals
13	$181	7%	1. Plastics Products - 2. Basic Chemicals
14	$380	9%	1. Fabrics - 2. Resins & Synthetic Fibers

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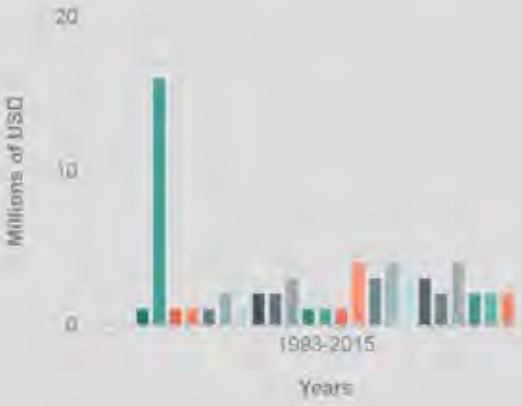
Hawaii

TRADE FACTSHEET

- In 2014, trade with Mexico supported 23,600 jobs in Hawaii.
- In 2015, Mexico was the 23rd largest export market for Hawaii.
- Exports to Mexico totaled 2 million USD in 2015.

Hawaii's Exports to Mexico



- Since NAFTA, Hawaii's exports to Mexico have increased by 31%.
- Mexico accounted for 0.1% of Hawaii's exports worldwide in 2015.
- Top export industries:

  Transportation Equipment (17%), Used or Second-Hand Merchandise (12%), & Primary Metal Manufacturing (11%)

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of HI Exports to the World	Top 2 Industries Exporting to Mexico
1	$64	5%	1. Travel 2. Passenger Fares
2	$161	7%	1. Travel 2. Passenger Fares

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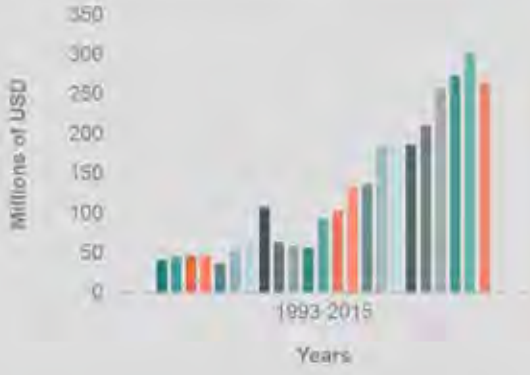
Idaho

TRADE FACTSHEET

- In 2014, trade with Mexico supported 23,300 jobs in Idaho.
- Mexico was the 6th largest export market for Idaho in 2015.
- Idaho's exports to Mexico totaled 264 million USD in 2015.

Idaho's Exports to Mexico



- Since NAFTA, Idaho's exports to Mexico have increased by 554%.
- Mexico accounted for 6% of Idaho's exports of goods worldwide in 2015.
- Top export industries:

  Food and Kindred Products (57%), Agricultural Products (13%), & Computer and Electronic Products (11%)

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of ID Exports to the World	Top 2 Industries Exporting to Mexico
1	$154	5%	1. Oilseeds & Grains 2. Preserves & Specialty Foods
2	$261	6%	1. Oilseeds & Grains 2. Grain & Oilseed Milling Products

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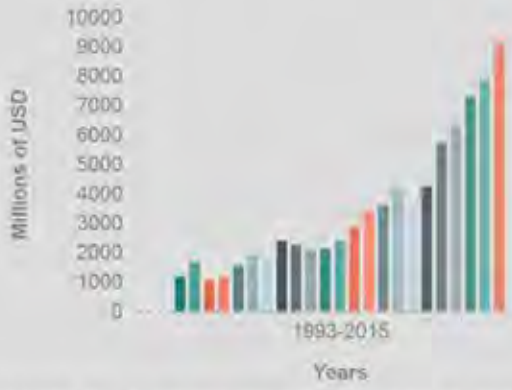
Illinois

TRADE FACTSHEET

- In 2014, trade with Mexico supported 200,200 jobs.
- Mexico was the 2nd largest export market for Illinois in 2015.
- Exports to Mexico totaled 9.1 billion USD in 2015.

Illinois' Exports to Mexico



- Since 1993, Illinois' exports to Mexico have grown 668%.
- Mexico accounted for 14% of Illinois's exports worldwide in 2015.
- Top export industries:

  Transportation Equipment (16%), Computer & Electronic Products (15%), Machinery, Except Electrical (11%), Chemicals (11%), Electrical Equipment, Appliances & Component (10%), Others (37%)

- Mexican investment supports 1,800 jobs in Illinois. For instance, Gruma Corporation, a flour and tortilla company, employs 340 people in Palos Heights.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of IL Exports to the World	Top 2 Industries Exporting to Mexico
1	$196	7%	1. Communications Equipment; 2. Electrical Equipment
2	$318	9%	1. Motor Vehicles; 2. Iron & Steel & Ferroalloy
3	$252	8%	1. Electrical Equipment; 2. Motor Vehicles
4	$215	9%	1. Electrical Equipment; 2. Electrical Equipment & Components
5	$380	8%	1. Electrical Equipment; 2. Electrical Equipment & Components
6	$554	10%	1. Semiconductors & Components; 2. Communications Equipment
7	$413	6%	1. Electrical Equipment; 2. Electrical Equipment & Components

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Illinois

TRADE FACTSHEET

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of IL Exports to the World	Top 2 Industries Exporting to Mexico
8	$672	10%	1. Semiconductors & Components; 2. Electrical Equipment
9	$336	7%	1. Electrical Equipment; 2. Electrical Equipment & Components
10	$527	8%	1. Pharmaceuticals & Medicines; 2. Communications Equipment
11	$446	10%	1. Communications Equipment; 2. Engines & Turbines
12	$594	10%	1. Iron & Steel & Ferroalloy; 2. Oilseeds & Grains
13	$494	10%	1. Grain & Oilseed Milling Products; 2. Oilseeds & Grains
14	$502	11%	1. Electrical Equipment; 2. Plastics Products
15	$873	10%	1. Oilseeds & Grains; 2. Motor Vehicle Parts
16	$907	11%	1. Motor Vehicle Parts; 2. Oilseeds & Grains
17	$848	11%	1. Ag & Construction Machinery; 2. Oilseeds & Grains
18	$719	9%	1. Ag & Construction Machinery; 2. Oilseeds & Grains

*Goods and services. In millions of US Dollars

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Indiana

TRADE FACTSHEET

- In 2014, trade with Mexico supported 200,200 jobs.
- Mexico was the 2nd largest export market for Indiana's goods in 2015.
- Exports to Mexico totaled 4.9 billion USD in 2015.

Indiana's Exports to Mexico

- Since 1993, Indiana's exports to Mexico have grown 1185%.
- Mexico accounted for 14% of Indiana's exports worldwide in 2015.
- Top export industries:
  Transportation Equipment (31%), Machinery, Except Electrical (30%), Computer & Electronic Products (6%), Chemicals (6%), Electrical Equipment, Appliances & Component (6%), Others (21%)
- Mexican Investment supports over 1,200 jobs in Indiana. For instance, Republic Steel Inc, a manufacturer of steel products primarily for the North American auto sector, employs 200 people in Gary.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of IN Exports to the World	Top 2 Industries Exporting to Mexico
1	$464	20%	1. Railroad Rolling Stock; 2. Iron & Steel & Ferroalloy
2	$692	11%	1. Motor Vehicle Parts; 2. Motor Vehicle Bodies & Trailers
3	$721	11%	1. Motor Vehicle Parts; 2. Oilseeds & Grains
4	$751	14%	1. Motor Vehicle Parts; 2. Engines & Turbines

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Indiana

TRADE FACTSHEET

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of IN Exports to the World	Top 2 Industries Exporting to Mexico
5	$267	6%	1. Motor Vehicle Parts; 2.Pharmaceuticals & Medicines
6	$1,478	27%	1. Engines & Turbines; 2.Motor Vehicle Parts
7	$292	4%	1.Pharmaceuticals & Medicines; 2. Aerospace Products & Parts
8	$594	11%	1. Motor Vehicle Parts; 2. Oilseeds & Grains
9	$416	11%	1. Motor Vehicle Parts; 2. Engines & Turbines

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Iowa

TRADE FACTSHEET

- In 2014, trade with Mexico supported 53,100 jobs.
- Mexico was the 2nd largest export market for Iowa in 2015.
- Exports to Mexico totaled 2.1 billion USD in 2015.

Iowa's Exports to Mexico

- Since 1993, Iowa's exports to Mexico have grown 1292%.
- Mexico accounted for 16% of Iowa's exports worldwide in 2015.
- Top export industries:
  Agricultural Products (32%), Food & Kindred Products (30%), Chemicals (7%), Machinery, Except Electrical (6%), Beverages & Tobacco Products (6%), Others (19%)
- Mexican investment supports nearly 1,560 jobs in Iowa. For instance, Gruma Corporation, a corn flour and tortilla subsidiary, employs 340 people in Des Moines.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of IA Exports to the World	Top 2 Industries Exporting to Mexico
1	$736	12%	1. Grain & Oilseed Milling Products; 2. Oilseeds & Grains
2	$591	10%	1. Grain & Oilseed Milling Products; 2. Oilseeds & Grains
3	$313	10%	1. Oilseeds & Grains; 2. Rubber Products
4	$692	11%	1. Oilseeds & Grains; 2. Grain & Oilseed Milling Products

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Kansas

TRADE FACTSHEET

- In 2014, trade with Mexico supported 47,700 jobs.
- Mexico was the 2nd largest export market for Kansas in 2015.
- Exports to Mexico totaled 1.8 billion USD in 2015.

Kansas' Exports to Mexico

- Since 1993, Kansas' exports to Mexico have grown 539%.
- Mexico accounted for 17% of Kansas' exports worldwide in 2015.
- Top export industries:

  Transportation Equipment (31%), Agricultural Products (29%), Food & Kindred Products (18%), Chemicals (7%), Machinery, Except Electrical (4%), Others (11%)
- Mexican investment supports over 630 jobs in Kansas. For instance, a Bimbo Bakery plant in Wichita employs 200 people.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of KS Exports to the World	Top 2 Industries Exporting to Mexico
1	$615	11%	1. Meat Products 2. Oilseeds & Grains
2	$243	9%	1. Oilseeds & Grains 2. Basic Chemicals
3	$200	6%	1. Grain & Oilseed Milling Products 2. Other Transportation Equipment
4	$551	11%	1. Aerospace Products & Parts 2. Oilseeds & Grains

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Kentucky

TRADE FACTSHEET

- In 2014, trade with Mexico supported 61,300 jobs.
- Mexico was the 2nd largest export market for Kentucky in 2015.
- Exports to Mexico totaled 2.2 million USD in 2015.

Kentucky's Exports to Mexico

- Since 1993, Kentucky's exports to Mexico have grown 1035%
- Mexico accounted for 8% of Kentucky's exports worldwide in 2015.
- Top export industries: Transportation Equipment (31%), Chemicals (12%), & Computer and Electronic Products (11%)
- Mexican investment supports 3,330 jobs in Kentucky. For instance, the world-class Mexican auto-part manufacturer, NEMAK, employs 750 people in Glasgow.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of KY Exports to the World	Top 2 Industries Exporting to Mexico
1	$582	11%	1. Resin & Synthetic Fibers; 2. Motor Vehicle Parts
2	$527	12%	1. Motor Vehicle Parts; 2. Aluminum
3	$427	7%	1. Communications Equipment; 2. Travel
4	$421	10%	1. Motor Vehicle Parts; 2. Fabrics
5	$346	11%	1. Travel; 2. Motor Vehicle Parts
6	$608	19%	1. Motor Vehicle Parts; 2. Aerospace Products & Parts

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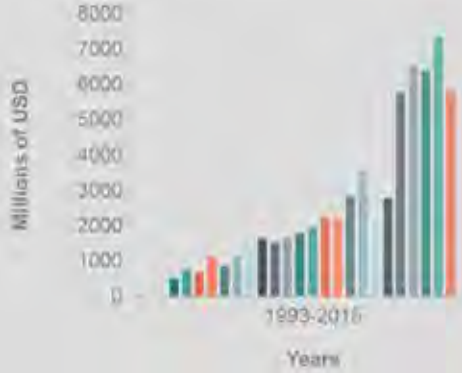
Louisiana

TRADE FACTSHEET

- In 2014, trade with Mexico supported 65,400 jobs.
- Mexico was the 2nd largest export market for Louisiana in 2015.
- Exports to Mexico totaled 5.9 billion USD in 2015.

Louisiana's Exports to Mexico



- Since 1993, Louisiana's exports to Mexico have grown 1,060%.
- Mexico accounted for 12% of Lousiana's exports worldwide in 2015.
- Mexican investment supports over 500 jobs in Louisiana. For instance, Group Lala's Borden Dairy Company employs 66 people in Lafayette.
- Top export industries:

Petroleoum & Coal Products (41%), Agricultural Products (22%), Chemicals (13%), Machinery, Except Electrical (9%), Fabricated Metal Products, Nesoi (5%), Others (10%)

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of LA Exports to the World	Top 2 Industries Exporting to Mexico
1	$774	11%	1. Petroleum & Coal Products; 2. Ag & Construction Machinery
2	$1,445	11%	1. Petroleum & Coal Products; 2. Resins & Synthetic Fibers
3	$1,610	11%	1. Petroleum & Coal Products; 2. Ag & Construction Machinery
4	$468	10%	1. Petroleum & Coal Products; 2. Boilers, Tanks & Containers
5	$418	11%	1. Petroleum & Coal Products; 2. Oilseeds & Grains
6	$1,796	12%	1. Petroleum & Coal Products; 2. Resins & Synthetic Fibers

*Goods and services, in millions of US dollars

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Sources:
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Wilson Center, Growing Together: Economic Ties Between the United States and Mexico
United States Census Bureau
The Trade Partnership, Washington DC, from the U.S. Bureau of the Census and the U.S. Department of Agriculture

Maine

TRADE FACTSHEET

- In 2014, trade with Mexico supported 22,400 jobs in Maine.
- Mexico was the 9th largest export market for Maine in 2015.
- Exports to Mexico totaled 60 million USD in 2015.

Maine's Exports to Mexico

- Since NAFTA, Maine's exports to Mexico have increased by 219%.
- Mexico accounted for 2% of Maine's exports worldwide in 2015.
- Top export industries:

  Paper (30%), Transportation Equipment (15%), & Computer and Electronic Products (9%)
- Mexican investment supports over 560 jobs in Maine. For instance, Grupo Bimbo, the largest bakery company in the world, employs 55 people in Portland.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of ME Exports to the World	Top 2 Industries Exporting to Mexico
1	$75	4%	1. Travel 2. Resins & Synthetic Fibers
2	$67	4%	1. Travel 2. Pulp Paperboard Mill Products

*Goods and services, in millions of US Dollars

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Maryland

TRADE FACTSHEET

- In 2014, trade with Mexico supported 96,500 jobs.
- Mexico was the 8th largest export market for Maryland in 2015.
- Exports to Mexico totaled 442 million USD in 2015.

Maryland's Exports to Mexico

- Since 1993, Maryland's exports to Mexico have grown 543%.
- Mexico accounted for 4% of Maryland's exports worldwide in 2015.
- Top export industries: Computer and Electronic Products (33%), Chemicals (20%), & Machinery, Except Electrical (15%).
- Mexican investment supports 360 jobs in Maryland. For instance, Grupo Bimbo, the largest bakery company in the world, employes 75 people in Elkridge.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of MD Exports to the World	Top 2 Industries Exporting to Mexico
1	$156	5%	1. Travel — 2. Meat Products
2	$131	4%	1. Travel — 2. Basic Chemicals
3	$168	4%	1. Travel — 2. Basic Chemicals
4	$90	5%	1. Travel — 2. Basic Chemicals
5	$89	5%	1. Travel — 2. Architectural, Engineering, & Other Technical Services
6	$202	5%	1. Communications Equipment — 2. Travel
7	$110	3%	1. Travel — 2. Basic Chemicals
8	$109	4%	1. Travel — 2. Communications Equipment

*Goods and services, in millions of US Dollars

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Massachusetts

TRADE FACTSHEET

- In 2014, trade with Mexico supported 118,500 jobs.
- Mexico was the 2nd largest export market for Massachusets in 2015.
- Exports to Mexico totaled 2.6 billion USD in 2015.

- Since 1993, Massachusets' exports to Mexico have grown 789%.
- Mexico accounted for 10% of Massachusets's exports worldwide in 2015.
- Top export industries:
  Computer & Electronic Products (57%), Chemicals (12%), Electrical Equipment, Appliances & Component (5%), Fabricated Metal Products, Nesoi (4%), Machinery, Except Electrical (4%), Others (18%).
- Mexican investment supports over 560 jobs in Massachusetts. For instance, Mexico's Mexichem plastic production plant in Leominster employs 205 people.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of MA Exports to the World	Top 2 Industries Exporting to Mexico
1	$272	7%	1. Resins & Synthetic Fibers — 2. Pulp Paperboard Mill Products
2	$343	8%	1. Semiconductors & Components — 2. Resins & Synthetic Fibers
3	$600	8%	1. Semiconductors & Components — 2. Resins & Synthetic Fibers
4	$316	6%	1. Semiconductors & Components — 2. Resins & Synthetic Fibers

*Goods and services, in millions of US dollars

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Massachusetts

TRADE FACTSHEET

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of MA Exports to the World	Top 2 Industries Exporting to Mexico
5	$404	5%	1. Semiconductors & Components; 2.Computer Equipment
6	$606	7%	1. Semiconductors & Components; 2.Navigational & Meas. Instruments
7	$255	4%	1. Semiconductors & Components; 2. Resins & Synthetic Fibers
8	$278	4%	1. Semiconductors & Components; 2. Electrical Equipment & Components
9	$204	7%	1. Semiconductors & Components; 2. Electrical Equipment & Components

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Source: The Trade Partnership, Washington DC, from the U.S. Bureau of the Census and the U.S. Department of Agriculture

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Michigan

TRADE FACTSHEET

- In 2014, trade with Mexico supported 138,000 jobs (2014).
- Mexico is the 2nd largest export market for Michigan (2015).
- Exports to Mexico totaled 11.8 billion USD in 2015.

Michigan's Exports to Mexico

- Since 1993, Michigan exports to Mexico have grown 760%
- Mexico accounted for 21% of Michigan's exports worldwide in 2015.
- Top export industries:
  Transportation Equipment (41%), Machinery, Except Electrical (11%), Computer & Electronic Products (9%), Chemicals (8%), Electrical Equipment, Appliances & Component (8%), Others (23%)
- Mexican Investment supports nearly 1,800 jobs in Michigan. For instance, Bimbo Bakeries employs 415 people in Grand Rapids.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of MI Exports to the World	Top 2 Industries Exporting to Mexico
1	$410	13%	1. Electrical Equipment & Components; 2. Motor Vehicle Parts
2	$1,419	22%	1. Motor Vehicle Parts; 2. Semiconductors & Components
3	$1,463	20%	1. Motor Vehicle Parts; 2. Motor Vehicle Bodies & Trailers
4	$927	22%	1. Resins & Synthetic Fibers; 2. Motor Vehicle Parts
5	$525	16%	1. Motor Vehicle Parts; 2. Motor Vehicle Bodies & Trailers
6	$1,247	19%	1. Motor Vehicle Bodies & Trailers; 2. Electrical Equipment & Components
7	$768	18%	1. Motor Vehicle Parts; 2. Resins & Synthetic Fibers

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Michigan

TRADE FACTSHEET

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of MI Exports to the World	Top 2 Industries Exporting to Mexico
8	$507	13%	1. Motor Vehicle Parts; 2. Motor Vehicle Bodies & Trailers
9	$864	14%	1. Motor Vehicle Parts; 2. Motor Vehicles
10	$822	17%	1. Motor Vehicle Parts; 2. Plastics Products
11	$1,017	18%	1. Motor Vehicle Parts; 2. Engines & Turbines
12	$703	11%	1. Motor Vehicle Parts; 2. Iron & Steel & Ferroalloy
13	$576	14%	1. Motor Vehicle Parts; 2. Resins & Synthetic Fibers
14	$361	9%	1. Motor Vehicle Parts; 2. Motor Vehicles

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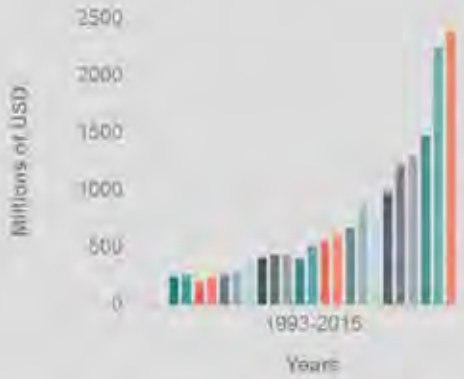
Minnesota

TRADE FACTSHEET

- In 2014, trade with Mexico supported 92,900 jobs.
- Mexico was the 2nd largest export market for Minnesota in 2015.
- Exports to Mexico totaled 2.4 billion USD in 2015.

Minnesota's Exports to Mexico



- Since 1993, Minnesota's exports to Mexico have grown 882%.
- Mexico accounted for 12% of Minnesota's exports worldwide in 2015.
- Top export industries:
  Transportation Equipment (16%), Machinery, Except Electrical (16%), Food & Kindred Products (14%), Computer & Electronic Products (11%), Electrical Equipment Appliances & Component (9%), Others (34%)
- Mexican investment supports over 1,400 jobs in Minnesota. For instance, Gruma Corporation, a corn flour and tortilla company, employs 340 workers in Montrose.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of MN Exports to the World	Top 2 Industries Exporting to Mexico
1	$670	11%	1. Oilseeds & Grains; 2. Motor Vehicle Parts
2	$255	9%	1. Beverages; 2. Oilseeds & Grains
3	$324	6%	1. Computer Equipment; 2. Engines & Turbines
4	$187	6%	1. Navigational & Meas Instruments; 2. Paints Coatings & Adhesives
5	$231	5%	1. Computer Equipment; 2. Other Fabricated Metal Products
6	$330	10%	1. Motor Vehicle Parts; 2. Motor Vehicle Bodies & Trailers
7	$549	10%	1. Oilseeds & Grains; 2. Motor Vehicle Parts
8	$208	9%	1. Metal Ores; 2. Oilseeds & Grains

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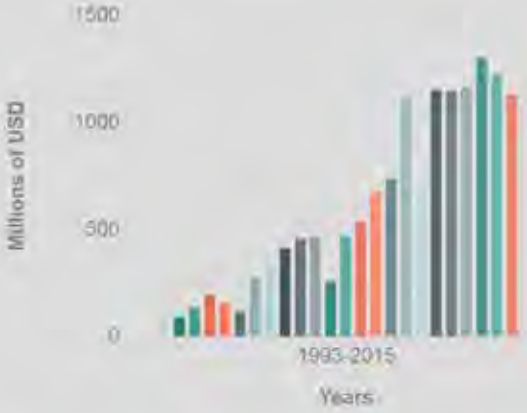
Mississippi

TRADE FACTSHEET

- In 2014, trade with Mexico supported 40,800 jobs.
- Mexico was the 2nd largest export market for Mississippi in 2015.
- Exports to Mexico totaled 1.1 billion USD in 2015.

Mississippi's Exports to Mexico



- Since 1993, Mississippi's exports to Mexico have grown 1148%.
- Mexico accounted for 11% of Mississippi's exports worldwide in 2015.
- Top export industries:

  Chemicals (20%), Transportation Equipment (11%), Paper (11%), Primary Metal Manufacturing (10%), Textiles & Fabrics (10%), Others (38%)
- Mexican investment supports 2,000 jobs in Mississippi. For instance, Grupo Bimbo, the largest bakery company in the world, employs 500 people in Forest.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of MS Exports to the World	Top 2 Industries Exporting to Mexico
1	$523	13%	1. Motor Vehicles; 2. Semiconductors & Components
2	$290	9%	1. Oilseeds & Grains; 2. Motor Vehicles
3	$303	12%	1. Basic Chemicals; 2. Iron & Steel & Ferroalloy
4	$402	8%	1. Basic Chemicals; 2. Petroleum & Coal Products

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United States Census Bureau
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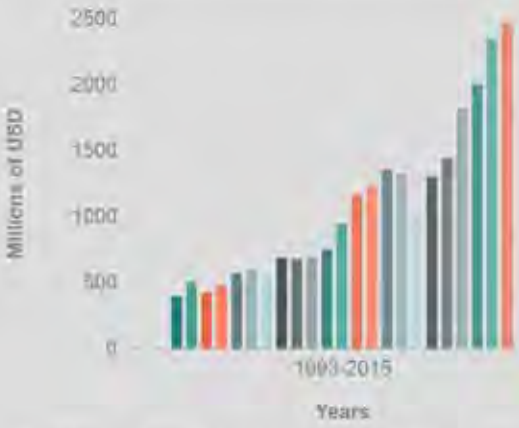
Missouri

TRADE FACTSHEET

- In 2014, trade with Mexico supported 97,500 U.S. jobs.
- Mexico is the 2nd largest export market for Missouri (2015).
- Exports to Mexico totaled 2.5 billion USD in 2015.

Missouri's Exports to Mexico



- Since 1993, Missouri's exports to Mexico have increased by 528%.
- Mexico accounted for 18% of Missouri's exports worldwide in 2015.
- Top export industries:

  Food & Kindred Products (18%), Agricultural Products (16%), Machinery, Except Electrical (10%), Primary Metal Manufacturing (10%), Transportation Equipment (10%), Others (36%)
- Mexican investment supports 2,550 jobs in Tennessee. For Instance, Grupo Bimbo, the largest bakery company in the world, employs over 1,129 people across the state.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of MO Exports to the World	Top 2 Industries Exporting to Mexico
1	$349	8%	1. Basic Chemicals; 2. Beverages
2	$175	6%	1. Aerospace Products & Parts; 2. Electrical Equipment
3	$260	11%	1. Electrical Equipment; 2. Oilseeds & Grains
4	$314	11%	1. Oilseeds & Grains; 2. Nonferrous Metals & Processing
5	$274	9%	1. Other Fabricated Metal Products; 2. Grain & Oilseed Milling Products
6	$541	14%	1. Grain & Oilseed Milling Products; 2. Oilseeds & Grains
7	$370	14%	1. Grain & Oilseed Milling Products; 2. Electrical Equipment & Components
8	$353	15%	1. Grain & Oilseed Milling Products; 2. Nonferrous Metals & Processing

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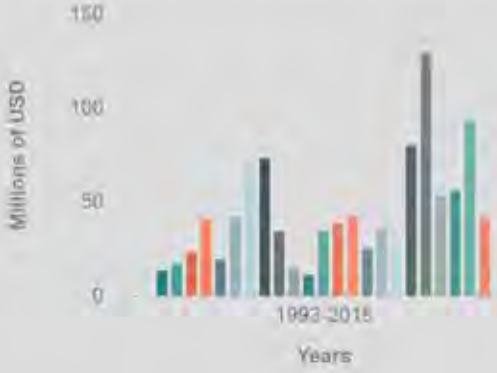
Montana

TRADE FACTSHEET

- In 2014, trade with Mexico supported 16,800 jobs in Montana.
- Mexico was the 4th largest export market for Montana in 2015.
- Montana's exports to Mexico totaled 41 million USD in 2015.

Montana's Exports to Mexico



- Since NAFTA, Montana's exports to Mexico have increased by 214%.
- Mexico accounted for 3% of Montana's exports of goods worldwide in 2015.
- Top export industries:

  Wood Products (18%), Petroleum and Coal Products (11%), Transportation Equipment (10%), Agricultural Products (10%), & Chemicals (10%)

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of MT Exports to the World	Top 2 Industries Exporting to Mexico
At-large	$251	7%	1. Oilseeds & Grains 2. Travel

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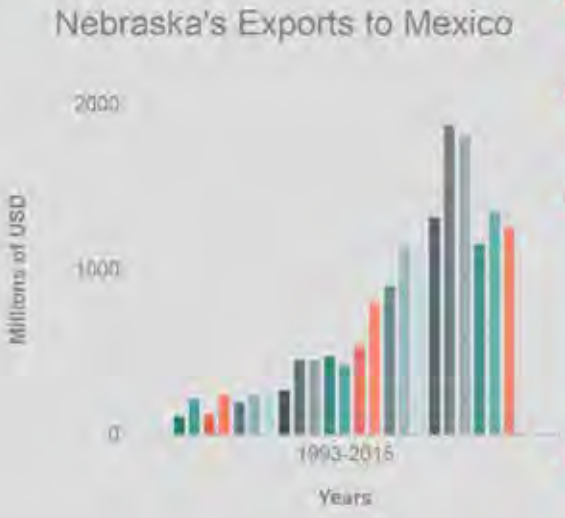
Nebraska

TRADE FACTSHEET

- In 2014, trade with Mexico supported 34,000 U.S. jobs.
- Mexico is the 2nd largest export market for Nebraska (2015).
- Exports to Mexico totaled 1.3 billion USD in 2015.



- Since 1993, Nebraska's exports to Mexico have increased by 1056%.
- Mexico accounted for 19% of Nebraska's exports worldwide in 2015.
- Top export industries:

  Agricultural Products (42%), Food & Kindred Products (34%), Machinery, Except Electrical (5%), Chemicals (4%), Miscellaneous Manufactured Commodities (2%), Others (13%)
- Mexican investment supports over 1,200 jobs in Nebraska. For instance, Bimbo Bakeries employ 400 workers in Bellevue.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of NE Exports to the World	Top 2 Industries Exporting to Mexico
1	$371	8%	1. Oilseeds & Grains 2. Meat Products
2	$189	10%	1. Grain & Oilseed Milling Products 2. Dairy Products
3	$630	10%	1. Oilseeds & Grains 2. Meat Products

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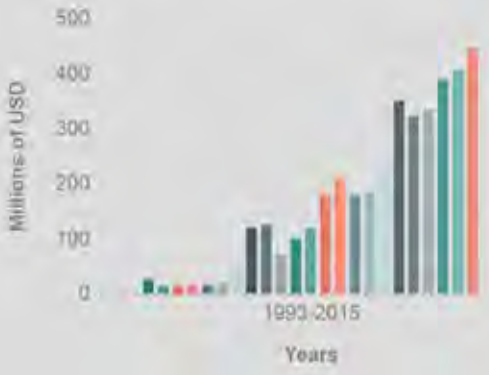
Nevada

TRADE FACTSHEET

- In 2014, trade with Mexico supported 43,700 U.S. jobs.
- Mexico was the 5th largest export market for Nevada in 2015.
- Exports to Mexico totaled 447 million USD in 2015.

Nevada's Exports to Mexico



- Since 1993, Nevada's exports to Mexico have increased by 1661%.
- Mexico accounted for 5% of Nevada's exports worldwide in 2015.
- Top export industries:

  Computer and Electronic Products (60%), Miscellaneous Manufactured Commodities, & Electrical Equipment, Appliances, and Component Manufacturing (5%)
- Mexican investment supports over 1,330 jobs in Nevada. For instance, CEMEX, a global leader in the building materials industry, employs 260 people in Henderson.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of NV Exports to the World	Top 2 Industries Exporting to Mexico
1	$438	8%	1. Travel — 2. Passenger Fairs
2	$362	6%	1. Semiconductors & Parts — 2. Travel
3	$220	6%	1. Travel — 2. Passenger Fares
4	$143	8%	1. Travel — 2. Passenger Fares

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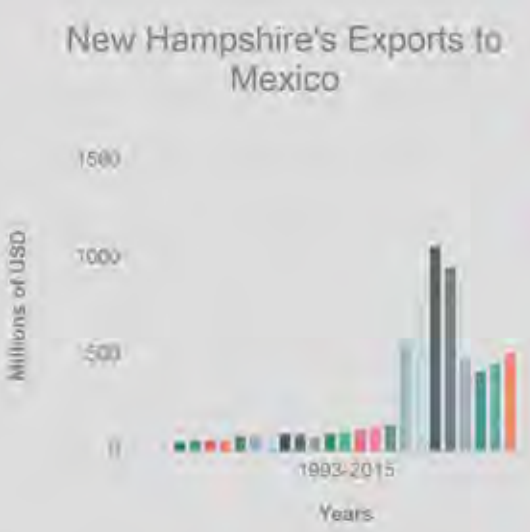
New Hampshire

TRADE FACTSHEET

- In 2014, trade with Mexico supported 22,000 U.S. jobs.
- Mexico is the 2nd largest export market for New Hampshire (2015).
- Exports to Mexico totaled 503 million USD in 2015.



- Since 1993, New Hampshire's exports to Mexico have increased by 1168%.
- Mexico accounted for 13% of New Hampshire's exports worldwide in 2015.
- Top export industries:

  Computer & Electronic Products (56%), Machinery, Except Electrical (11%), Electrical Equipment, Appliances & Components (7%), Fabricated Metal Products, Nesoi (6%), Miscellaneous Manufactured Commodities (5%), Others (15%)
- Mexican investment supports over 110 jobs in New Hampshire. For instance, Grupo Bimbo of Mexico employs 60 people in New Hampshire.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of NH Exports to the World	Top 2 Industries Exporting to Mexico
1	$292	9%	1. Communications Equipment - - - 2. Semiconductors & Components
2	$272	7%	1. Semiconductors & Components - - - 2. Communications Equipment

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New Jersey

TRADE FACTSHEET

- In 2014, trade with Mexico supported 140,800 U.S. jobs.
- Mexico is the 2nd largest export market for New Jersey (2015).
- Exports to Mexico totaled 2.7 billion USD in 2015.

New Jersey's Exports to Mexico

- Since 1993, New Jersey's exports to Mexico have increased by 417%.
- Mexico accounted for 8% of New Jersey's exports worldwide in 2015.
- Top export industries:

  Plastics & Rubber Products (5%), Machinery, Except Electrical (5%), Computer & Electronic Products (7%), Food & Kindred Products (7%), Others (29%), Chemicals (47%)
- Mexican investment supports over 940 jobs in New Jersey. For instance, Bimbo Bakeries employ 175 people in Totowa.

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New Jersey

TRADE FACTSHEET

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of NJ Exports to the World	Top 2 Industries Exporting to Mexico
1	$211	4%	1. Petroleum & Coal Products - 2. Other Foods
2	$349	10%	1. Basic Chemicals - 2. Resins & Synthetic Fibers
3	$234	5%	1. Computer Equipment - 2. Motor Vehicle Parts
4	$141	6%	1. Basic Chemicals - 2. Semiconductors & Components
5	$308	7%	1. Basic Chemicals - 2. Resins & Synthetic Fibers
6	$370	7%	1. Basic Chemicals - 2. Resins & Synthetic Fibers
7	$405	6%	1. Basic Chemicals - 2. Soap, Cleaning Agents & Toiletries
8	$197	5%	1. Basic Chemicals - 2. Scrap Products
9	$320	7%	1. Resins & Synthetic Fibers - 2. Soap, Cleaning Agents & Toiletries
10	$272	5%	1. Basic Chemicals - 2. Petroleum & Coal Products
11	$377	5%	1. Resins & Synthetic Fibers - 2. Soap, Cleaning Agents & Toiletries
12	$382	7%	1. Basic Chemicals - 2. Resins & Synthetic Fibers

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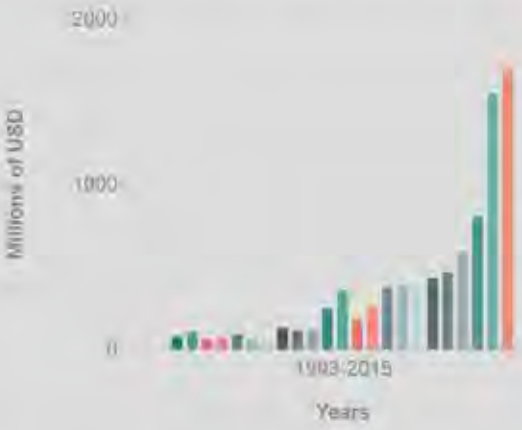
New Mexico

TRADE FACTSHEET

- In 2014, trade with Mexico supported 26,800 U.S. jobs (2014).
- Mexico is the 1st largest export market for New Mexico (2015) .
- Exports to Mexico totaled 1.7 billion USD in 2015.

New Mexico's Exports to Mexico



- Since 1993, New Mexico's exports to Mexico have increased by 2093%.
- Mexico accounted for 45% of New Mexico's exports worldwide in 2015.
- Top export industries:

  Computer & Electronic Products (60%), Electrical Equipment, Appliances & Component (9%), Fabricated Metal Products, Nesoi (6%), Food & Kindred Products (5%), Transportation Equipment (5%), Others (15%)
- Mexican Investment supports over 900 jobs in New Mexico. For instance, Bimbo Bakeries employ 200 people in Albuquerque.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of NM Exports to the World	Top 2 Industries Exporting to Mexico
1	$844	30%	1. Computer Equipment – 2. Plastics Products
2	$452	46%	1. Petroleum & Coal Products – 2. Motor Vehicle Parts
3	$317	25%	1. Electrical Equipment & Components – 2. Semiconductors & Components

*In millions of US Dollars

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Sources:
Trade and NAFTA, Office Mexico's Ministry of the Economy, Washington, DC
Wilson Center, Growing Together: Economic Ties between the United States and Mexico
United States Census Bureau
The Trade Partnership, Washington DC, from the U.S. Bureau of the Census and the U.S. Department of Agriculture

New York

TRADE FACTSHEET

- In 2014, trade with Mexico supported 322,200 jobs.
- Mexico is the 8th largest export market for New York (2015).
- Exports to Mexico totaled 3.2 billion USD in 2015.

New York's Exports to Mexico

- Since 1993, New York's exports to Mexico have grown 258%.
- Mexico accounted for 4% of New York's exports worldwide in 2015.
- Top export industries:
  Machinery, Except Electrical (27%), Chemicals (11%), Miscellaneous Manufacturing (11%), Computer & Electronic Products (10%), Primary Metal Manufacturing (6%), Others (35%).
- Mexican Investment supports nearly 5,600 jobs in New York. For instance, Republic Steel, a leading manufacturer of steel products, provides 360 jobs in Blasdell.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of NY Exports to the World	Top 2 Industries Exporting to Mexico
1	$149	3%	1. Other Manufactured Commodities; 2. Pharmaceuticals & Medicines
2	$179	3%	1. Other Manufactured Commodities; 2. Pharmaceuticals & Medicines
3	$148	4%	1. Engines & Turbines; 2. Other Manufactured Commodities
4	$112	4%	1. Other General Purpose Machinery; 2. Engines & Turbines
5	$120	4%	1. Other Manufactured Commodities; 2. Soaps, Cleaning Agents & Toiletries
6	$87	4%	1. Other Manufactured Commodities; 2. Soaps, Cleaning Agents & Toiletries
7	$95	3%	1. Other Manufactured Commodities; 2. Other Foods

*Goods and services. In millions of US Dollars

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New York

TRADE FACTSHEET

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of NY Exports to the World	Top 2 Industries Exporting to Mexico
8	$35	3%	1. Other Manufactured Commodities; 2. Springs & Wire Products
9	$29	3%	1. Other Manufactured Commodities; 2. Audio & Video Equipment
10	$512	3%	1. Other Manufactured Commodities; 2. Audio & Video Equipment
11	$34	4%	1. Other Manufactured Commodities; 2. Aluminum
12	$879	3%	1. Other Manufactured Commodities; 2. Audio & Video Equipment
13	$130	4%	1. Other Manufactured Commodities; 2. Audio & Video Equipment
14	$80	4%	1. Other Manufactured Commodities; 2. Soaps, Cleaning Agents & Toiletries
15	$21	3%	1. Other Manufactured Commodities; 2. Plastics Products
16	$78	3%	1. Other Manufactured Commodities; 2. Computer Equipment
17	$143	3%	1. Other Manufactured Commodities; 2. Computer Equipment
18	$158	4%	1. Engines & Turbines; 2. Computer Equipment
19	$151	5%	1. Computer Equipment; 2. Engines & Turbines
20	$423	9%	1. Engines & Turbines; 2. Resins & Synthetic Fibers

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New York

TRADE FACTSHEET

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of NY Exports to the World	Top 2 Industries Exporting to Mexico
21	$226	5%	1. Leather & Hide Tanning; 2. Pulp Paperboard Mill Products
22	$266	3%	1. Aluminum; 2. Computer Equipment
23	$473	7%	1. Engines & Turbines; 2. Oil & Gas
24	$281	5%	1. Engines & Turbines; 2. Aluminum
25	$286	5%	1. Other Chemical Preparations; 2. Communications Equipment
26	$277	4%	1. Basic Chemicals; 2. Engines & Turbines
27	$304	4%	1. Motor Vehicle Parts; 2. Other Manufactured Commodities

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North Carolina

TRADE FACTSHEET

- In 2014, trade with Mexico supported 151,600 U.S. jobs.
- Mexico is the 2nd largest export market for North Carolina (2015).
- Exports to Mexico totaled 3.2 billion USD in 2015.

North Carolina's Exports to Mexico

- Since 1993, North Carolina's exports to Mexico have increased by 529%.
- Mexico accounted for 11% of North Carolina's exports worldwide in 2015.
- Top export industries:

  Chemicals (25%), Machinery, Except Electrical (16%), Textiles & Fabrics (9%), Transportation Equipment (9%), Computer & Electronic Products (8%), Others (33%)

- Mexican investment supports 3,500 jobs in North Carolina. For instance, Grupo Bimbo, the largest bakery company in the world, employs 1,100 people in Tarboro.

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North Carolina

TRADE FACTSHEET

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of NC Exports to the World	Top 2 Industries Exporting to Mexico
1	$286	6%	1. Basic Chemicals; 2. Other General Purpose Machinery
2	$258	8%	1. Resins & Synthetic Fibers; 2. Basic Chemicals
3	$160	8%	1. Basic Chemicals; 2. Oilseeds & Grains
4	$229	5%	1. Computer Equipment; 2. Navigational & Meas. Instruments
5	$299	8%	1. Engines & Turbines; 2. Fabrics
6	$314	8%	1. Basic Chemicals; 2. Fibers Yarns & Threads
7	$273	8%	1. Basic Chemicals; 2. Meat Products
8	$311	10%	1. Resins & Synthetic Fibers; 2. Fabrics
9	$321	8%	1. Engines & Turbines; 2. Other General Purpose Machinery
10	$428	10%	1. Motor Vehicle Parts; 2. Basic Chemicals
11	$260	9%	1. Fabrics; 2. Motor Vehicle Parts
12	$494	8%	1. Basic Chemicals; 2. Engines & Turbines
13	$155	5%	1. Navigational & Meas. Instruments; 2. Other General Purpose Machinery

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North Dakota

TRADE FACTSHEET

- In 2014, trade with Mexico supported 13,500 U.S. jobs.
- Mexico is the 2nd largest export market for North Dakota (2015).
- Exports to Mexico totaled 294 million USD in 2015.

North Dakota's Exports to Mexico

- Since 1993, North Dakota's exports to Mexico have increased by 1711%.
- Mexico accounted for 8% of North Dakota's exports worldwide in 2015.
- Top export industries:

  Agricultural Products (52%), Food & Kindred Products (22%), Beverages & Tobacco Products (10%), Electrical Equipment, Appliances & Components (5%), Machinery, Except Electrical (3%), Others (8%)
- Mexican investment supports over 60 jobs in North Dakota. For instance, Grupo Bimbo of Mexico alone employs 50 people.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of ND Exports to the World	Top 2 Industries Exporting to Mexico	
At-large	$547	6%	1. Oilseeds & Grains	2. Grain & Oilseed Milling Products

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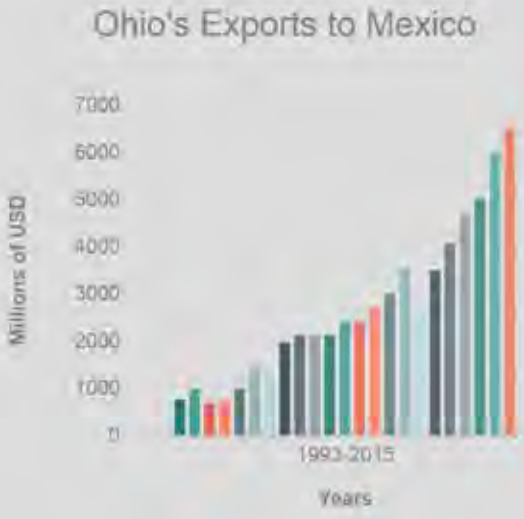
Ohio

TRADE FACTSHEET

- In 2014, trade with Mexico supported 178,300 U.S. jobs.
- Mexico is the 2nd largest export market for Ohio (2015).
- Exports to Mexico totaled 6.7 billion USD in 2015.



- Since 1993, Ohio's exports to Mexico have increased by 765%.
- Mexico accounted for 13% of Ohio's exports worldwide in 2015.
- Top export industries:

  Transportation equipment (28%), Machinery, Except Electrical (13%), Chemicals (11%), Plastic & Rubber Products (11%), Fabricated Metal Products, Nesoi (8%), Others (29%)

- Mexican investment supports 1,900 jobs in Ohio. For instance, Republic Steel Inc, a leading manufacturer of steel products primarily for the North American auto sector, employs 200 people in Canton.

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Ohio

TRADE FACTSHEET

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of OH Exports to the World	Top 2 Industries Exporting to Mexico
1	$344	8%	1. Aerospace Products & Parts; 2. Soaps, Cleaning Agents & Toiletries
2	$311	9%	1. Aerospace Products & Parts; 2. Motor Vehicle Parts
3	$139	6%	1. HVAC & Refrigeration Equipment; 2. Paints Coatings & Adhesives
4	$1,006	12%	1. Motor Vehicle Parts; 2. Motor Vehicles
5	$806	13%	1. Motor Vehicle Parts; 2. Rubber Products
6	$243	11%	1. Resins & Synthetic Fibers; 2. Iron , Steel & Ferroalloy
7	$548	11%	1. Other Leather Products; 2. Motor Vehicle Parts
8	$487	10%	1. Motor Vehicle Parts; 2. Iron, Steel & Ferroalloy
9	$414	10%	1. Motor Vehicle Parts; 2. Motor Vehicles
10	$255	8%	1. Motor Vehicle Parts; 2. Metalworking Machinery
11	$349	9%	1. Iron, Steel & Ferroalloy; 2. Electrical Equipment
12	$270	9%	1. Motor Vehicle Parts; 2. HVAC & Refrigeration Equipment
13	$382	11%	1. Rubber Products; 2. Motor Vehicle Parts
14	$558	11%	1. Resins & Synthetic Fibers; 2. Basic Chemicals
15	$292	11%	1. Motor Vehicle Parts; 2. Resins & Synthetic Fibers
16	$362	10%	1. Motor Vehicle Parts; 2. Other Fabricated Metal Products

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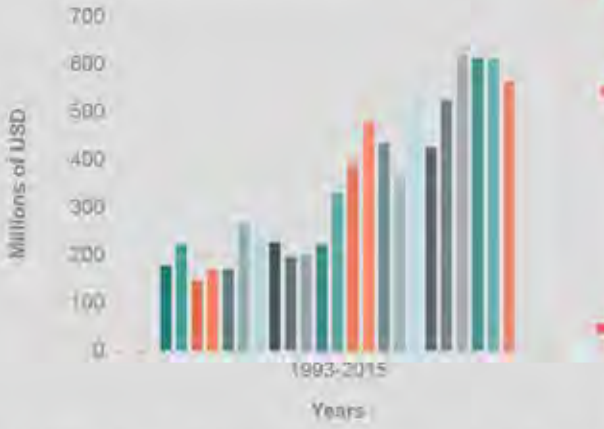
Oklahoma

TRADE FACTSHEET

- In 2014, trade with Mexico supported 50,600 U.S. jobs.
- Mexico is the 2nd largest export market for Oklahoma (2015).
- Exports to Mexico totaled 566 million USD in 2015.

Oklahoma's Exports to Mexico



- Since 1993, Oklahoma's exports to Mexico have increased by 220%.
- Mexico accounted for 11% of Oklahoma's exports worldwide in 2015.
- Top export industries:

  Fabricated Metal Products (19%), Chemicals (16%), Machinery, Except Electrical (15%), Computer & Electronic Products (10%), Food & Kindred Products (9%), Others (31%)
- Mexican investment supports over 3,900 jobs in Oklahoma. For instance, O.K. Industries Inc., a chicken producer subsidiary, employs 1,000 people in Heavener.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of OK Exports to the World	Top 2 Industries Exporting to Mexico
1	$216	6%	1. Crowns, Closures & Seals; 2. Other General Purpose Machinery
2	$179	12%	1. Meat Products; 2. Basic Chemials
3	$152	9%	1. Oilseeds & Grains; 2. Meat Products
4	$118	8%	1. Crowns, Closures & Seals; 2. Ag & Construction Machinery
5	$156	7%	1. Other Fabricated Metal Products; 2. Crowns, Closures & Seals

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Oregon

TRADE FACTSHEET

- In 2014, trade with Mexico supported 57,200 U.S. jobs
- Mexico is the 11th largest export market for Oregon (2015)
- Exports to Mexico totaled 406 million USD in 2015.

Oregon's Exports to Mexico

- Since 1993, Oregon's exports to Mexico have increased by 223%.
- Mexico accounted for 2% of Oregon's exports worldwide in 2015.
- Top export industries:

  Computer and Electronic Products (23%), Machinery, Except Electrical (15%), & Plastics and Rubber Products (10%)
- Mexican investment supports over 630 jobs in Oregon. For instance, CEMEX, a global leader in the building materials industry, employs 95 people in Salem.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of OR Exports to the World	Top 2 Industries Exporting to Mexico
1	$214	1%	1. Industrial Processes - 2. Plastic Products
2	$112	4%	1. Travel - 2. Oilseeds & Grains
3	$113	3%	1. Travel - 2. Passenger Fares
4	$139	3%	1. Agricultural & Construction Machinery - 2. Travel
5	$133	3%	1. Computer Equipment - 2. Travel

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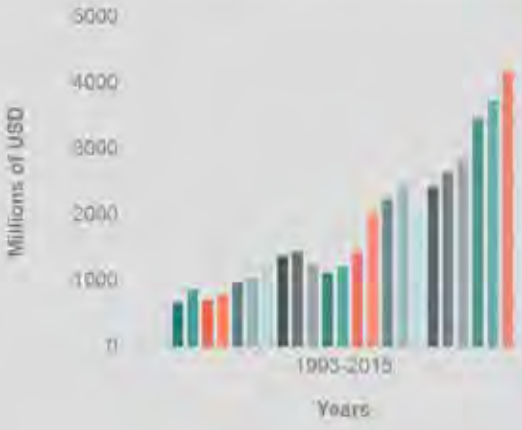
Pennsylvania

TRADE FACTSHEET

- In 2014, trade with Mexico supported 199,900 U.S. jobs.
- Mexico is the 2nd largest export market for Pennsylvania (2015).
- Exports to Mexico totaled 4.2 billion USD in 2015.

Pennsylvania's Exports to Mexico



- Since 1993, Pennsylvania's exports to Mexico have increased by 539%.
- Mexico accounted for 11% of Pennsylvania's exports worldwide in 2015.
- Top export industries:

  Chemicals (24%), Machinery, Except Electrical (12%), Electrical Equipment, Appliances & Components (11%), Transportation Equipment (11%), Primary Metal Manufacturing (10%), Others (32%)
- Mexican investment supports 6,300 jobs in Pennsylvania. For instance, Grupo Bimbo, the largest bakery company in the world, employs 450 people in Horsham.

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Pennsylvania

TRADE FACTSHEET

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of PA Exports to the World	Top 2 Industries Exporting to Mexico
1	$171	7%	1. Motor Vehicle Parts; 2. Basic Chemicals
2	$120	5%	1. Motor Vehicle Parts; 2. Pharmaceuticals & Medicines
3	$340	8%	1. Iron, Steel & Ferroalloy; 2. Basic Chemicals
4	$287	8%	1. Motor Vehicle Parts; 2. Aluminum
5	$301	8%	1. Ag & Construction Machinery; 2. Motor Vehicle Parts
6	$360	8%	1. Pharmaceuticals & Medicines; 2. Electrical Equipment & Components
7	$199	7%	1. Pharmaceuticals & Medicines; 2. Basic Chemicals
8	$291	8%	1. Basic Chemicals; 2. Resins & Synthetic Fibers
9	$276	8%	1. Ag & Construction Machinery; 2. Basic Chemicals
10	$224	9%	1. Resins & Synthetic Fibers; 2. Iron, Steel & Ferroalloy
11	$161	7%	1. Electrical Equipment & Components; 2. Plastics Products
12	$296	9%	1. Resins & Synthetic Fibers; 2. Iron, Steel & Ferroalloy
13	$194	6%	1. Pharmaceuticals & Medicines; 2. Basic Chemicals
14	$353	7%	1. Iron, Steel & Ferroalloy; 2. Resins & Synthetic Fibers
15	$304	9%	1. Basic Chemicals; 2. Electrical Equipment
16	$312	6%	1. Electrical Equipment & Components; 2. Aluminum
17	$205	9%	1. Basic Chemicals; 2. Resins & Synthetic Fibers
18	$315	8%	1. Iron, Steel & Ferroalloy; 2. Electrical Equipment

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Rhode Island

TRADE FACTSHEET

- In 2014, trade with Mexico supported 16,900 jobs.
- Mexico is the 2nd largest export market for Rhode Island (2015).
- Exports to Mexico totaled $181 million USD in 2015.

Rhode Island's Exports to Mexico

- Since 1993, Rhode Island's exports to Mexico have grown 464%.
- Mexico accounted for 9% of Rhode Island's exports worldwide in 2015.
- Top export industries:

  Electrical Equipment, Appliances & Component (19%), Plastics & Rubber Products (16%), Transportation Equipment (9%), Chemicals (9%) Computer & Electronic Products (8%), Others (39%).

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of RI Exports to the World	Top 2 Industries Exporting to Mexico
1	$132	6%	1. Scrap Products 2. Plastics Products
2	$153	8%	1. Electrical Equipment & Components 2. Plastics Products

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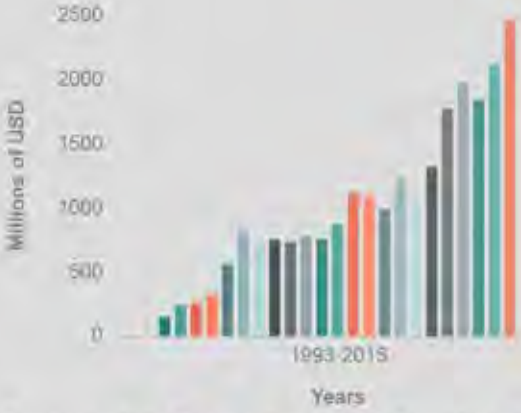
South Carolina

TRADE FACTSHEET

- In 2014, trade with Mexico supported 70,400 jobs.
- Mexico is the 4th largest export market for South Carolina (2015).
- Exports to Mexico totaled 2.4 million USD in 2015.

South Carolina's Exports to Mexico



- Since 1993, South Carolina's exports to Mexico have grown 1587%.
- Mexico accounted for 8% of South Carolina's exports worldwide in 2015.
- Top export industries: Transportation Equipment (24%), Plastics and Rubber Products (23%), & Machinery, Except Electrical (11%).
- Mexican investment supports 2,700 jobs in South Carolina. For instance, DAK Americas, the main producer of polyester stable fibers in the Americas, employs 350 people in Gaston and 250 people in Moncks Corner.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of SC Exports to the World	Top 2 Industries Exporting to Mexico
1	$157	5%	1. Travel 2. Pulp Paperboard Mill Products
2	$348	13%	1. Rubber Products 2. Travel
3	$471	6%	1. Rubber Products 2. Motor Vehicle Parts
4	$538	6%	1. Rubber Products 2. Motor Vehicle Parts
5	$359	7%	1. Rubber Products 2. Basic Chemicals
6	$296	6%	1. Basic Chemicals 2. Travel
7	$262	8%	1. Travel 2. Rubber Products

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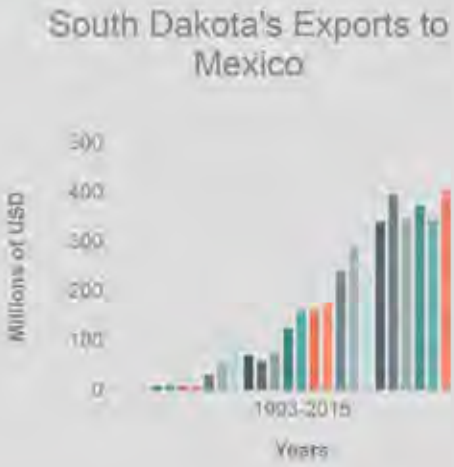
South Dakota

TRADE FACTSHEET

- In 2014, trade with Mexico supported 15,500 jobs.
- Mexico is the 2nd largest export market for South Dakota (2015).
- Exports to Mexico totaled 394 million USD in 2015.



- Since 1993, South Dakota's exports to Mexico have grown 8381%.
- Mexico accounted for 29% of South Dakota's exports worldwide in 2015.
- Top export industries:
  Food & Kindred Products (34%), Machinery, Except Electrical (27%), Beverages & Tobacco Products (22%), Agricultural Products (8%), Leather & Allied Products (2%), Others (7%)
- Mexican investment supports over 930 jobs in South Dakota. For instance, Bimbo Bakeries employs 280 people in Sioux Falls.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of SD Exports to the World	Top 2 Industries Exporting to Mexico
At-large	$630	12%	1. Oilseeds & Grains 2. Meat Products

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Tennessee

TRADE FACTSHEET

- In 2014, trade with Mexico supported 99,800 jobs.
- Mexico is the 2nd largest export market for Tennessee (2015).
- Exports to Mexico totaled 4.9 billion USD in 2015.

Tennessee's Exports to Mexico

- Since 1993, Tennessee's exports to Mexico have grown 924%.
- Mexico accounted for 15% of Tennessee's exports worldwide in 2015.
- Top export industries:

  Transportation Equipment (20%), Machinery, Except Electrical (15%), Computer & Electronic Products (13%) Chemicals (12%), Paper (8%), Others (32%)
- Mexican investment supports 2,550 jobs in Tennessee. For instance, Nemak, an auto-part manufacturer, employs 472 people in Dickson.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of TN Exports to the World	Top 2 Industries Exporting to Mexico
1	$766	14%	1. Resins & Synthetic Fiber; 2. Basic Chemicals
2	$423	11%	1. Aluminum; 2. Iron & Steel & Ferroalloy
3	$686	14%	1. Other Fabricated Metal Products; 2. Motor Vehicle Parts
4	$889	14%	1. Motor Vehicles; 2. Motor Vehicle Parts
5	$336	9%	1. Communications Equipment; 2. Aerospace Products & Parts
6	$487	13%	1. Motor Vehicle Parts; 2. Computer Equipment
7	$387	13%	1. Basic Chemicals; 2. Engines & Turbines
8	$596	13%	1. Engine & Turbines; 2. Pulp Paperboard Mill Products
9	$612	10%	1. Engine & Turbines; 2. Pulp Paperboard Mill Products

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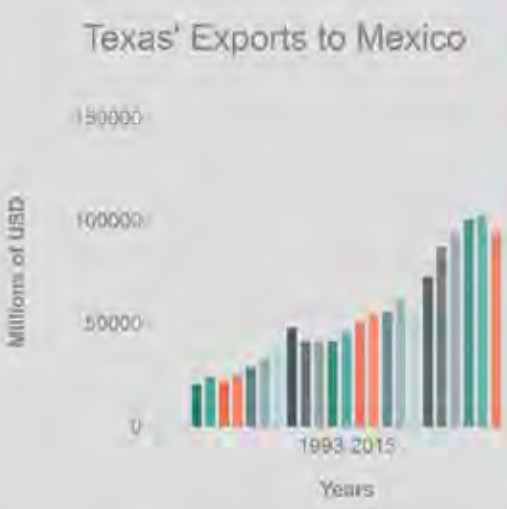
Texas

TRADE FACTSHEET

- In 2014, trade with Mexico supported 382,000 U.S. jobs .
- Mexico is the 1st largest export market for Texas (2015).
- Exports to Mexico totaled 92.5 billion USD in 2015.



- Since 1993, Texas' exports to Mexico have increased by 364%.
- Mexico accounted for 38% of Texas' exports worldwide in 2015.
- Top Export Industries

  Computer & Electronic Products (26%), Transportation Equipment (12%), Petroleum & Coal Products (12%), Chemicals (9%), Electrical Equipment, Appliances & Components (8%), Others (33%)
- Mexican investment supports over 20,000 jobs in Texas. For instance, CEMEX provides employment to over 2,600 workers in Houston.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of TX Exports to the World	Top 2 Industries Exporting to Mexico
1	$3,141	35%	1. Motor Vehicle Parts; 2. Meat Products
2	$4,397	29%	1. Computer Equipment; 2. Petroleum & Coal Products
3	$4,017	37%	1. Communications Equipment; 2. Semiconductors & Components
4	$3,565	41%	1. Motor Vehicle Parts; 2. Electrical Equipment & Components
5	$2,096	36%	1. Semiconductors & Components; 2. Plastics Products
6	$3,754	35%	1. Motor Vehicle Parts; 2. Electrical Equipment & Components

*In millions of US Dollars

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Sources
Trade and NAFTA, Office of Mexico's Ministry of the Economy, Washington, DC
Wilson Center, Growing Together: Economic Ties Between the United States and Mexico
United States Census Bureau
The Trade Partnership, Washington DC (from the U.S. Bureau of the Census and the U.S. Department of Agriculture

Texas

TRADE FACTSHEET

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of TX Exports to the World	Top 2 Industries Exporting to Mexico
7	$4,599	24%	1. Computer Equipment - 2. Petroleum & Coal Products
8	$1,514	27%	1. Other Fabricated Metal Products - 2. Rubber Products
9	$2,805	32%	1. Computer Equipment - 2. Petroleum & Coal Products
10	$5,276	41%	1. Computer Equipment - 2. Semiconductors & Components
11	$2,111	28%	1. Oil & Gas - 2. Engines & Turbines
12	$2,809	30%	1. Motor Vehicle Parts - 2. Motor Vehicles
13	$4,266	38%	1. Motor Vehicle Parts - 2. Meat Products
14	$7,744	23%	1. Petroleum & Coal Products - 2. Basic Chemicals
15	$1,230	44%	1. Motor Vehicle Parts - 2. Fabrics
16	$2,374	41%	1. Nonferrous Metals & Processing - 2. Petroleum & Coal Products
17	$3,357	41%	1. Computer Equipment - 2. Semiconductors & Components
18	$5,064	25%	1. Petroleum & Coal Products - 2. Computer Equipment
19	$1,495	31%	1. Oil & Gas - 2. Engines & Turbines
20	$817	30%	1. Motor Vehicle Parts - 2. Motor Vehicles
21	$2,439	38%	1. Computer Equipment - 2. Motor Vehicles Parts
22	$2,299	28%	1. Basic Chemicals - 2. Electrical Equipment & Components
23	$949	30%	1. Motor Vehicle Parts - 2. Oil & Gas
24	$3,501	28%	1. Semiconductors & Components - 2. Motor Vehicle Parts
25	$2,890	42%	1. Computer Equipment - 2. Semiconductors & Components
26	$1,391	33%	1. Motor Vehicle Parts - 2. Motor Vehicles
27	$3,414	24%	1. Petroleum & Coal Products - 2. Basic Chemicals
28	$401	30%	1. Motor Vehicle Parts - 2. Oil & Gas
29	$3,469	25%	1. Petroleum & Coal Products - 2. Basic Chemicals
30	$1,370	27%	1. Semiconductors & Components - 2. Plastics Products
31	$2,194	40%	1. Semiconductors & Components - 2. Computer Equipment
32	$2,737	30%	1. Semiconductors & Components - 2. Communications Equipment
33	$2,848	34%	1. Motor Vehicle Parts - 2. Semiconductors & Components
34	$955	33%	1. Motor Vehicle Parts - 2. Electrical Equipment
35	$2,106	39%	1. Motor Vehicle Parts - 2. Computer Equipment
36	$4,282	25%	1. Basic Chemicals - 2. Resins & Synthetic Fibers

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Utah

TRADE FACTSHEET

- In 2014, trade with Mexico supported 46,800 jobs in Utah.
- Mexico was the 5th largest export market for Utah in 2015.
- Exports to Mexico totaled 854 million USD in 2015.

Utah's Exports to Mexico

- Since NAFTA, Utah's exports to Mexico have increased by 1564%.
- Mexico accounted for 6.4% of Utah's exports worldwide in 2015.
- Top export industries:

  Transportation Equipment (29%), Minerals and Ores (24%), Chemicals (7%), & Food and Kindred Products (7%)
- Mexican investment supports over 400 jobs in Utah. For instance, Mexichem, a world class leader in the production of plastic pipes, chemicals and petrochemicals, employs 35 people in North Salt Lake.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of UT Exports to the World	Top 2 Industries Exporting to Mexico
1	$363	7%	1. Motor Vehicle Parts 2. Aerospace Products & Parts
2	$252	5%	1. Travel 2. Metal Ores
3	$186	5%	1. Coal & Petroleum Gases 2. Travel
4	$192	5%	1. Travel 2. Passenger Fares

*Goods and services, in millions of US Dollars

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Sources
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Vermont

TRADE FACTSHEET

- In 2014, trade with Mexico supported 11,400 jobs in Vermont.
- Mexico is the 4th largest export market in for Vermont (2015).
- In 2015, Vermont's exports to Mexico reached 213 million USD.

- Since 1993, Vermont's exports to Mexico have increased by 803%.
- Mexico accounted for 11% of Vermont's exports worldwide in 2015.
- Top export industries:

  Computer and Electronic Products (39%), Food and Kindred Products (29%), Electrical Equipment, Appliances, and Component Manufacturing (9%)
- Mexican investment supports over 60 jobs in Vermont. For instance, Grupo Bimbo, the largest bakery company in the world, employs 55 people in Rutland, Wiliston, Barre, and Saint Johnsbury.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of VT Exports to the World	Top 2 Industries Exporting to Mexico	
At-large	$269	6%	1. Semiconductors & Components	2. Travel

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Virginia

TRADE FACTSHEET

- In 2014, trade with Mexico supported 133,800 jobs.
- Mexico is the 3rd largest export market for Virginia (2015).
- Exports to Mexico totaled 1.2 billion USD in 2015.

Virginia's Exports to Mexico

- Since 1993, Virginia's exports to Mexico have increased by 469%.
- Mexico accounted for 7% of Virginia's exports worldwide in 2015.
- Top export industries:
  Chemicals (16%), Computer and Electronic Products (14%), & Transportation Equipment (12%)
- Mexican investment supports nearly 1,400 jobs in Virginia. For instance, Mexico's Grupo Lala, the largest dairy company in Latin America, employs 180 people in Roanoke.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of VA Exports to the World	Top 2 Industries Exporting to Mexico
1	$70	6%	1. Travel; 2. Other Chemical Preparations
2	$146	7%	1. Travel; 2. Meat Products
3	$197	5%	1. Travel; 2. Motor Vehicles
4	$224	7%	1. Meat Products; 2. Resins & Synthetic Fibers
5	$138	5%	1. Travel; 2. Semiconductors & Components
6	$322	7%	1. Meat Products; 2. Travel
7	$133	5%	1. Travel; 2. Aluminum

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Virginia

TRADE FACTSHEET

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of VA Exports to the World	Top 2 Industries Exporting to Mexico
8	$167	4%	1. Passenger Fares - 2.Travel
9	$288	7%	1. Other Chemical Preparations - 2.Motor Vehicles
10	$210	6%	1.Passenger Fares - 2. Travel
11	$91	4%	1. Computer Equipment - 2. Computer and Data Processing Services

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Source: The Trade Partnership, Washington DC, from the U.S. Bureau of the Census and the U.S. Department of Agriculture

Washington

TRADE FACTSHEET

- In 2014, trade with Mexico supported 106,900 jobs in Washington.
- Mexico is the 7th largest market for goods from Washington (2015).
- Washington's exports to Mexico totaled 1.87 billion USD in 2015.

Washington's Exports to Mexico

- Since NAFTA, Washington's exports to Mexico have increased by 521%.
- Mexico accounted for 2% of Washington's exports worldwide in 2015.
- Top export industries:

  Transportation Equipment (34%), Petroleum and Coal Products (16%), Food and Kindred Products (10%), & Agricultural Products (10%)
- Mexican investment supports over 900 jobs in Washington. For instance, CEME, a global leader in the building materials industry, employs 160 people in Dallesport, Kenmore, Lynnwood, Granite Falls, Vancouver, and Woodinville.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of WA Exports to the World	Top 2 Industries Exporting to Mexico
1	$662	4%	1. Petroleum & Coal Products 2. Aerospace Products & Parts
2	$792	3%	1. Petroleum & Coal Products 2. Aerospace Products & Parts
3	$200	4%	1. Fruits & Tree Nuts 2. Travel
4	$336	6%	1. Fruits & Tree Nuts 2. Preserves & Specialty Foods
5	$276	6%	1. Oilseeds & Grains 2. Travel
6	$142	6%	1. Petroleum & Coal Products 2. Travel
7	$414	3%	1. Travel 2. Computer Software
8	$299	3%	1. Aerospace Products & Parts 2. Fruits & Tree Nuts
9	$559	3%	1. Aerospace Products & Parts 2. Computer Software
10	$157	7%	1. Petroleum & Coal Products 2. Travel

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West Virginia

TRADE FACTSHEET

- In 2014, trade with Mexico supported 23,300 jobs in West Virginia.
- Mexico is the 10th largest export market for West Virginia (2015).
- Exports to Mexico totaled 184 million USD in 2015.

West Virginia's Exports to Mexico

- Since NAFTA, West Virginia's exports to Mexico have increased by 391%.
- Mexico accounted for 3% of West Virgina's exports worldwide in 2015.
- Top export industries:

  Chemicals (52%), Minerals and Ores (21%), Primary Metal Manufacturing (7%)
- Mexican investment supports nearly 400 jobs in West Virginia. For instance, Grupo Bimbo, the largest bakery company in the world, employs 200 people in Huntington.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of WV Exports to the World	Top 2 Industries Exporting to Mexico
1	$176	5%	1. Resin & Synthetic Fibers 2. Travel
2	$58	4%	1. Travel 2. Resins & Synthetic Fibers
3	$89	2%	1. Coal & Petroleum Gases 2. Travel

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Wisconsin

TRADE FACTSHEET

- Trade with Mexico supports 96,300 jobs.
- Mexico is the 2nd largest export market for Wisconsin (2015).
- Exports to Mexico totaled 3 billion USD in 2015.

Wisconsin's Exports to Mexico

- Since 1993, Wisconsin's exports to Mexico have grown 926%.
- Mexico accounted for 13% of Wisconsin's exports worldwide in 2015.
- Top export industries:

  Transportation Equipment (18%), Machinery, Except Electrical (18%), Computer & Electronic Products (12%), Electrical Equipment, Appliances & Components (10%), Fabricated Metal Products, Nesoi (8%), Others (34%).
- Mexican investment supports nearly 5,000 jobs. For instance, Nemak, an auto-part manufacturer, employs 3,300 people in Sheboygan.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of WI Exports to the World	Top 2 Industries Exporting to Mexico
1	$423	11%	1. Motor Vehicle Parts; 2. Electrical Equipment & Components
2	$273	7%	1. Motor Vehicle Parts; 2. Scrap Products
3	$299	10%	1. HVAC & Refrigeration Equipment; 2. Oilseeds & Grains
4	$270	9%	1. Navigational & Meas. Instruments; 2. Electrical Equipment
5	$467	10%	1. Electrical Equipment; 2. Navigational & Meas. Instruments
6	$618	13%	1. Motor Vehicle Parts; 2. Plastic Products
7	$321	12%	1. HVAC & Refrigeration Equipment; 2. Motor Vehicle Parts
8	$469	12%	1. Motor Vehicle Parts; 2. Pulp Paperboard Mill Products

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Sources:
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Wyoming

TRADE FACTSHEET

- In 2014, trade with Mexico supported 9,100 jobs.
- Mexico is the 13th largest export market for Wyoming (2015).
- In 2015, Wyoming's exports to Mexico reached 30 million USD.

Wyoming's Exports to Mexico

- Since 1993, Wyoming's exports to Mexico have grown 285%.
- Mexico accounted for 3% of Wyoming's exports worldwide in 2015.
- Top export industries:

  Petroleum and Coal Products (27%), Machinery, Except Electrical (23%), & Minerals and Ores (15%)
- Mexican investment supports over 80 jobs in Wyoming. For instance, Mexichem, a world-class leader in the production of plastic pipes, chemicals and petrochemicals, employs 50 people in Evansville.

Exports by Congressional District (2014)

Congressional District	Value of Exports to Mexico*	Share of WY Exports to the World	Top 2 Industries Exporting to Mexico
At-large	$67	2%	1. Travel 2. Petroluem & Coal Products

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Sources:
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United States Census Bureau
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Top U.S. Cities Exporting to Mexico

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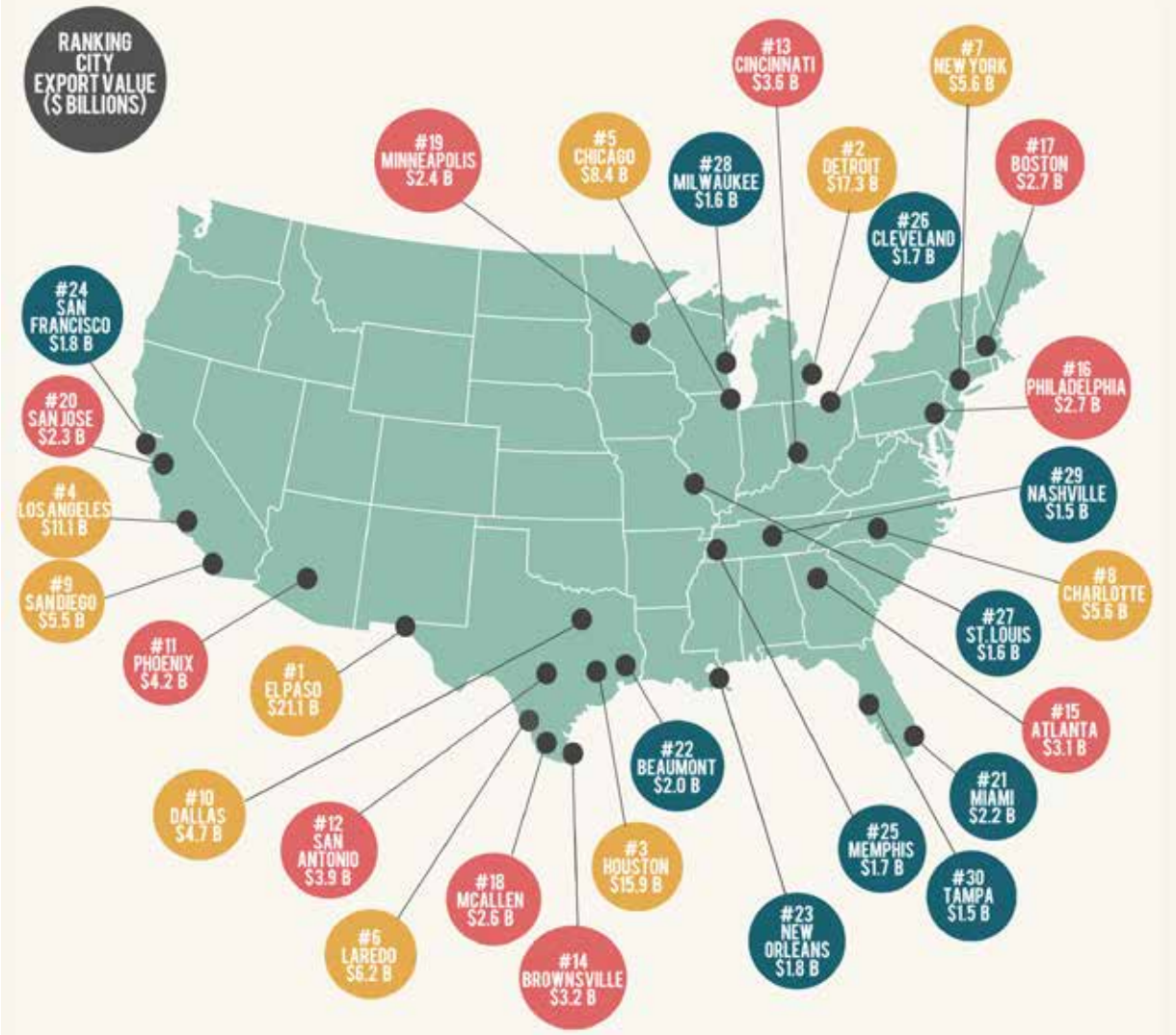

Source: U.S. Census Bureau, Data from 2015


GROWING TOGETHER:
U.S. Jobs Created by Mexican Investment
U.S. Jobs by State
10,000 - 20,000
5,000 - 10,000
2,000 - 5,000
1,000 - 2,000
500 - 1,000
less than 500
Mexican investment supports
123,000 U.S. jobs
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Sources: Mexico Institute, Growing Together: Economic Ties between the United States and Mexico, 2016.
Mexican Secretaria de Economia, using IMAP Database, 2015.


U.S. Jobs that Depend on Trade with Mexico
U.S. Jobs by State
0-20,000
20,001-50,000
50,001-100,000
100,001-300,000
>300,000
Nearly 5 million jobs depend on trade with Mexico
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Source: Wilson Center, Growing Together: Economic Ties between the United States and Mexico

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Christopher Wilson is Deputy Director of the Mexico Institute at the Woodrow Wilson International Center for Scholars, where he leads the Institute's research and programming on regional economic integration and U.S.-Mexico border affairs. He is the author of Working Together: Economic Ties between the United States and Mexico (Wilson Center, 2011) and coauthor of the State of the Border Report (Wilson Center, 2013). Chris has testified before the United States Congress and is regularly consulted by national and international media outlets regarding U.S.-Mexico relations. He has written opinion columns for the Wall Street Journal, Politico, CNN, and Reuters, among others. Chris previously worked as a contractor doing Mexico analysis for the U.S. military and as a researcher at American University's Center for North American Studies. In Mexico, he worked briefly with the international trade consultancy IQOM, Inteligencia Comercial, and with American students studying regional political and social issues. He completed his M.A. in International Affairs at American University, focusing on U.S. foreign policy and hemispheric relations.

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