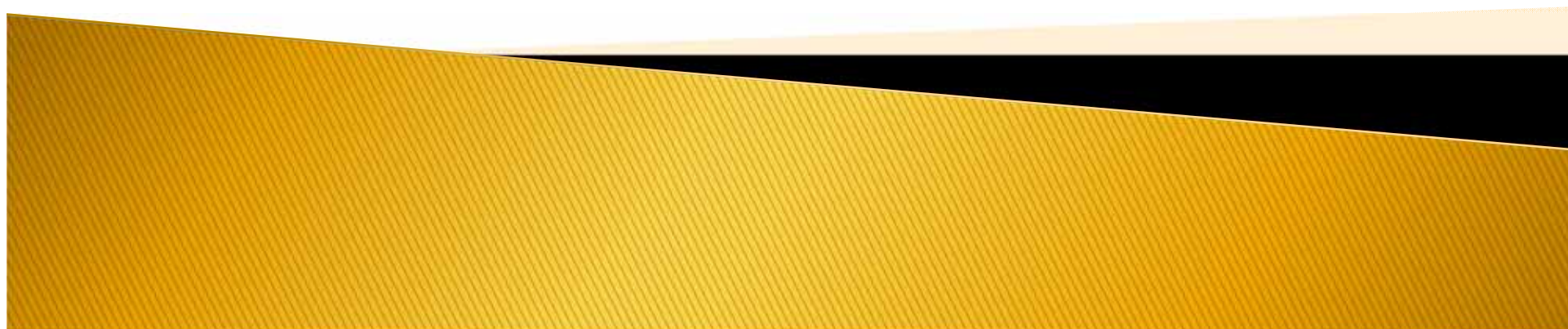




# NM Borderplex

January 2015

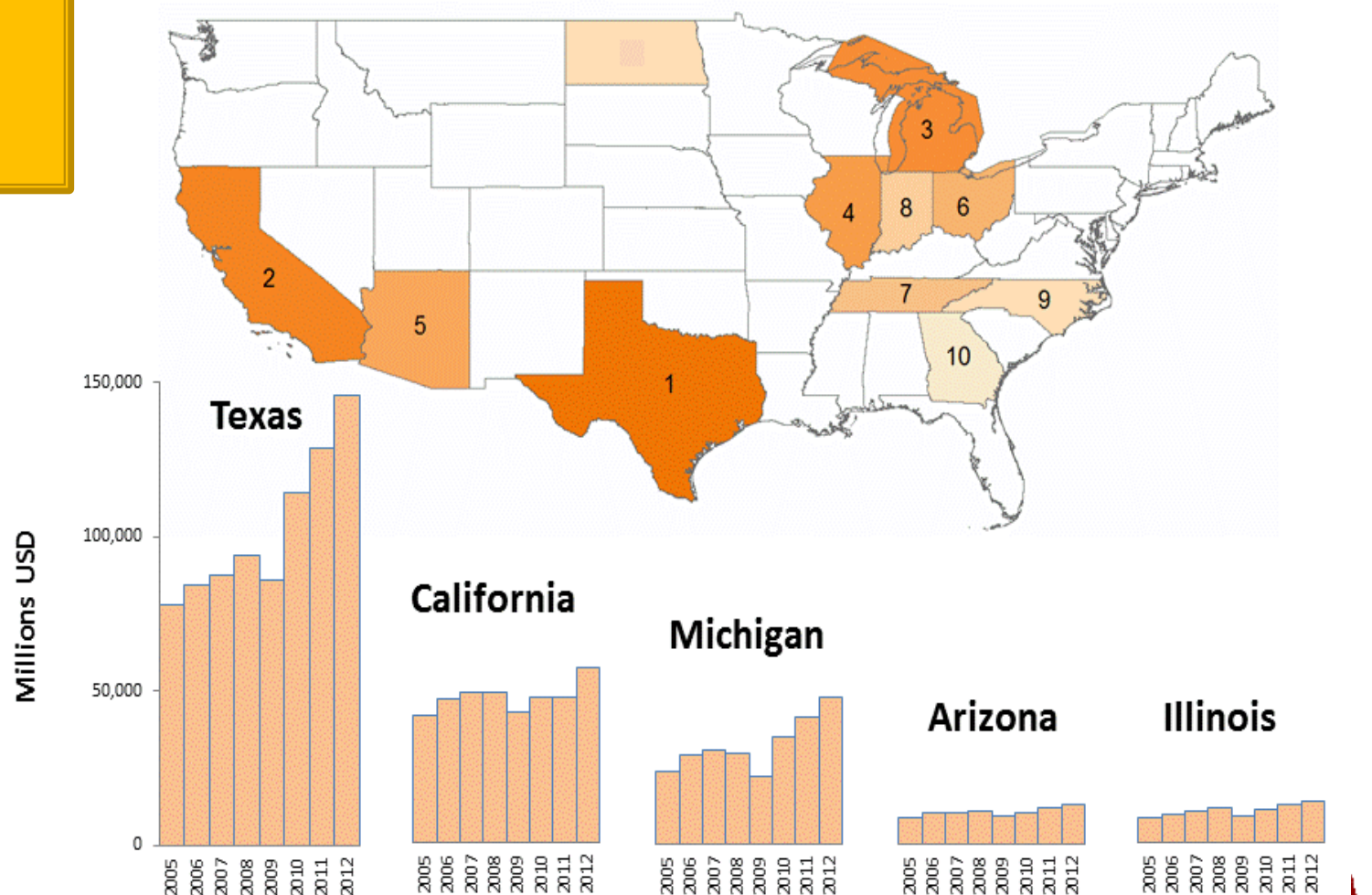


# Why the Border Matters

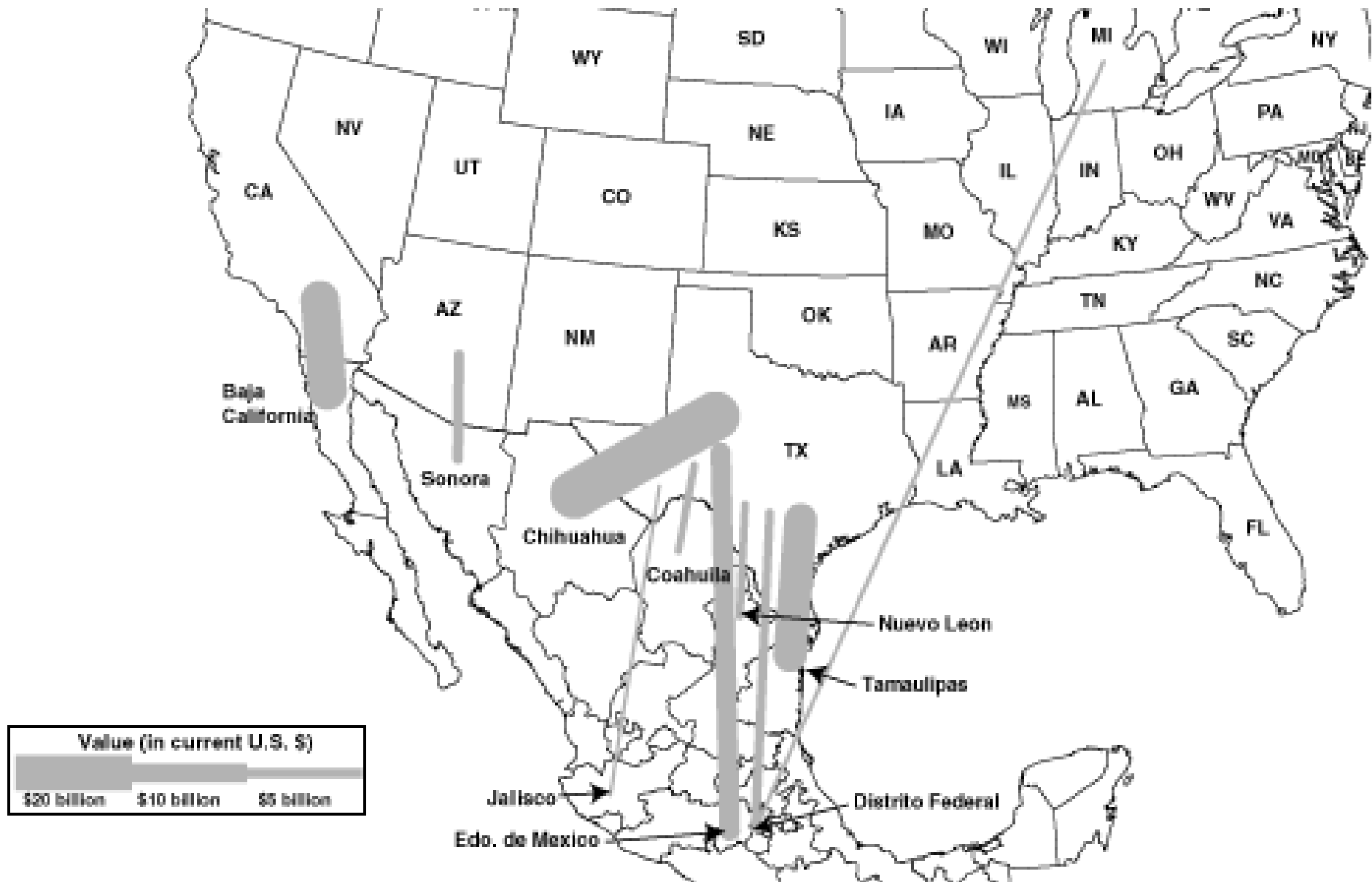
US Trade with Mexico  
>  
\$300 billion annually

## Surface Trade of US States with Mexico

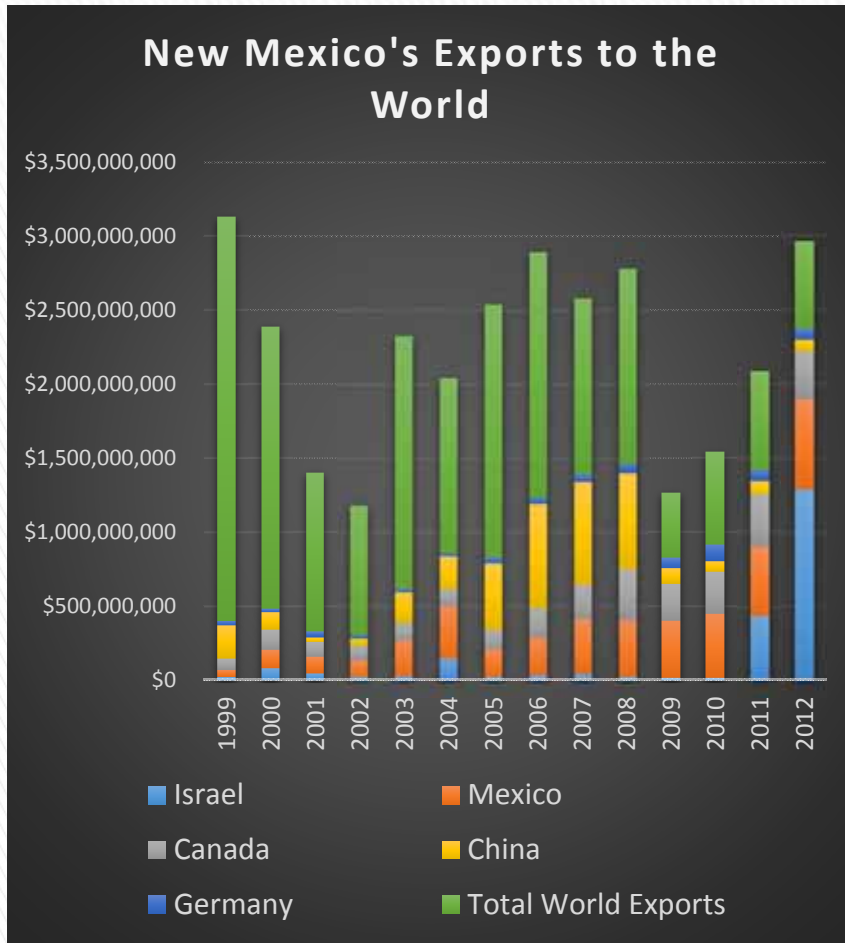
States Ranked Based on Value of Traded Goods (2005-2012)



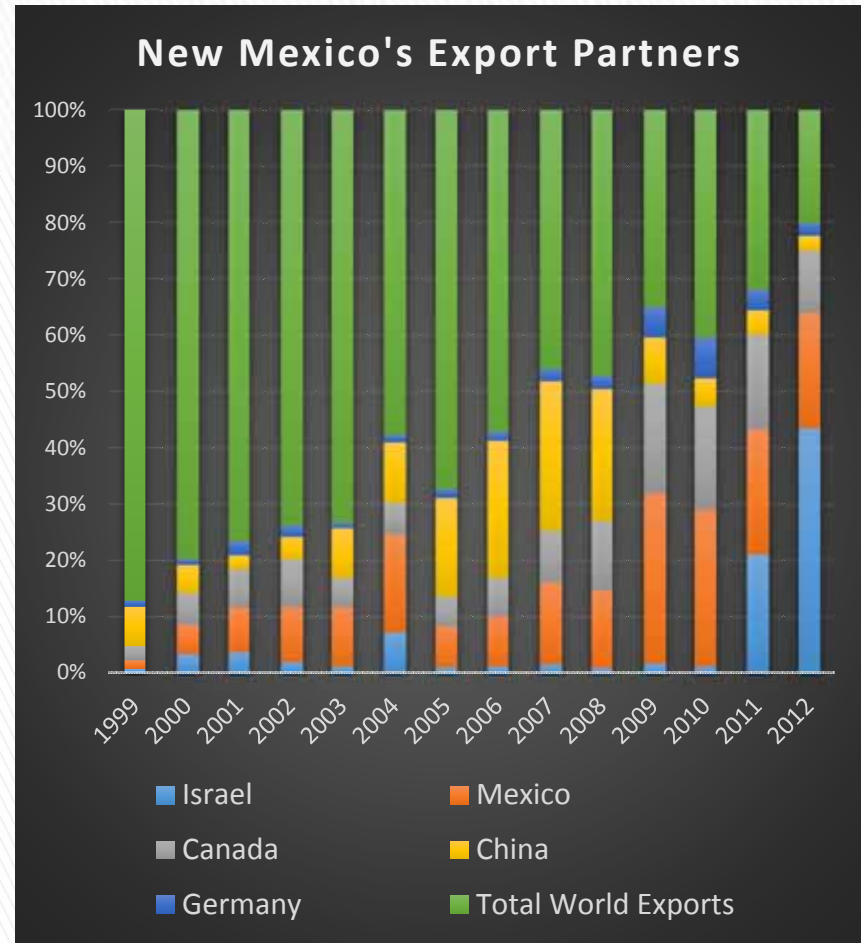
# Merchandise Flow



# New Mexico's World Exports



Total Exports with Top 5 Trade Partners & Rest of World

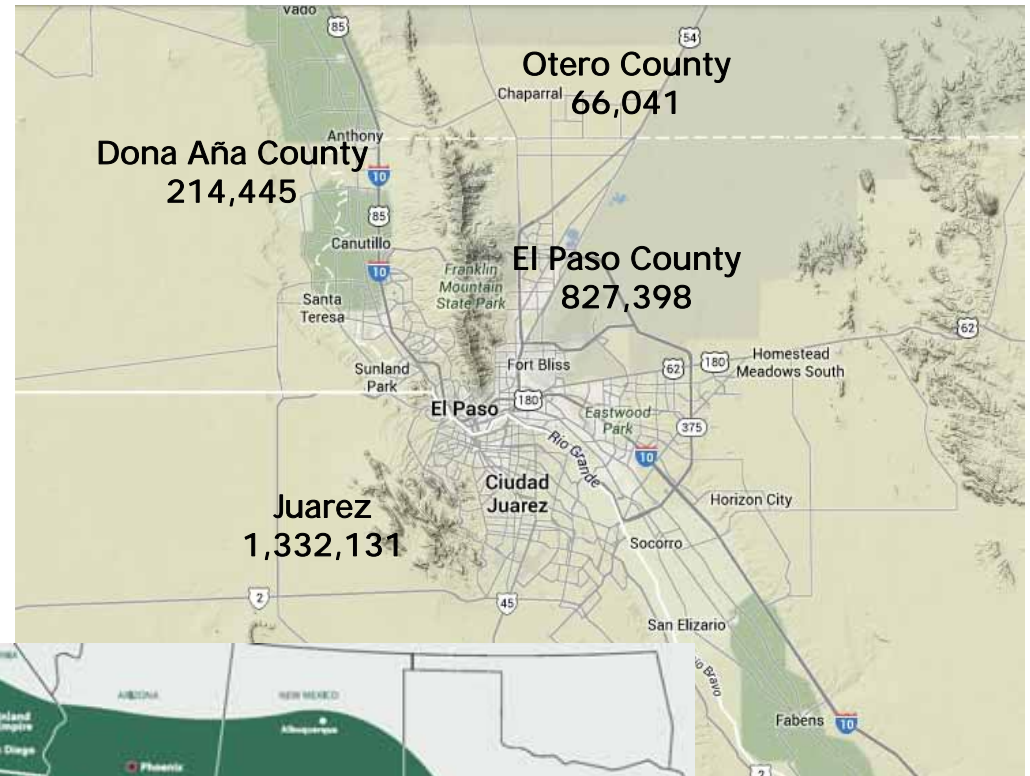


Percentage of Export Trade with Top 5 Trade Partners



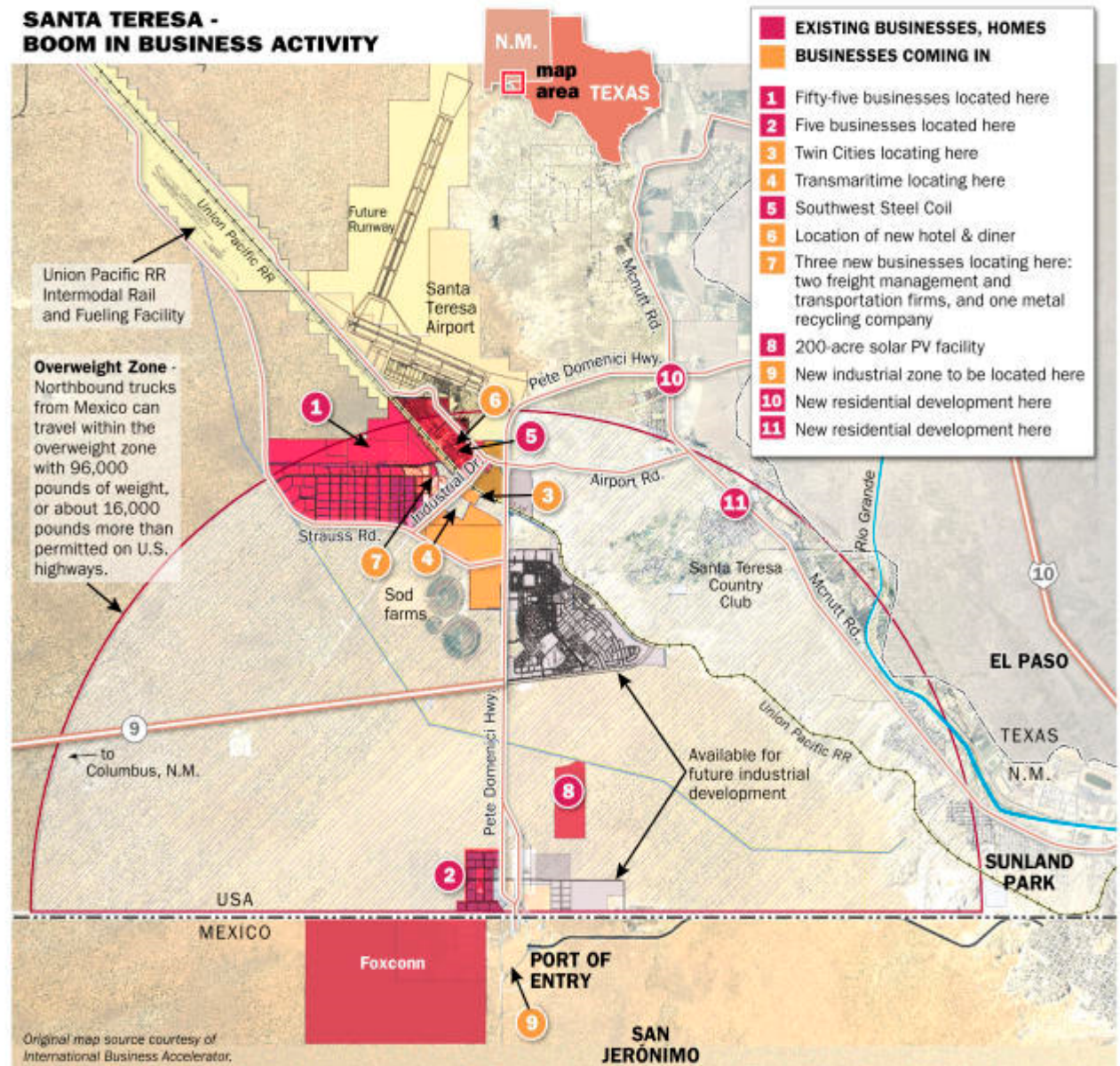
# Regional Profile

- Two Countries/Three States
- Population > 2.4 million
- Gross Regional Product > \$41billion/yr
- Over 400 maquila factories
- 3 Commercial ports of entry



# Santa Teresa Industrial Facts

- ▶ Two border parks
- ▶ 3 million square feet
- ▶ 22,000 acres land
- ▶ Over 50 companies
- ▶ 3,000 employees
- ▶ Incorporates FTZ197
- ▶ \$1.3 to \$1.5 billion in product crossing monthly.





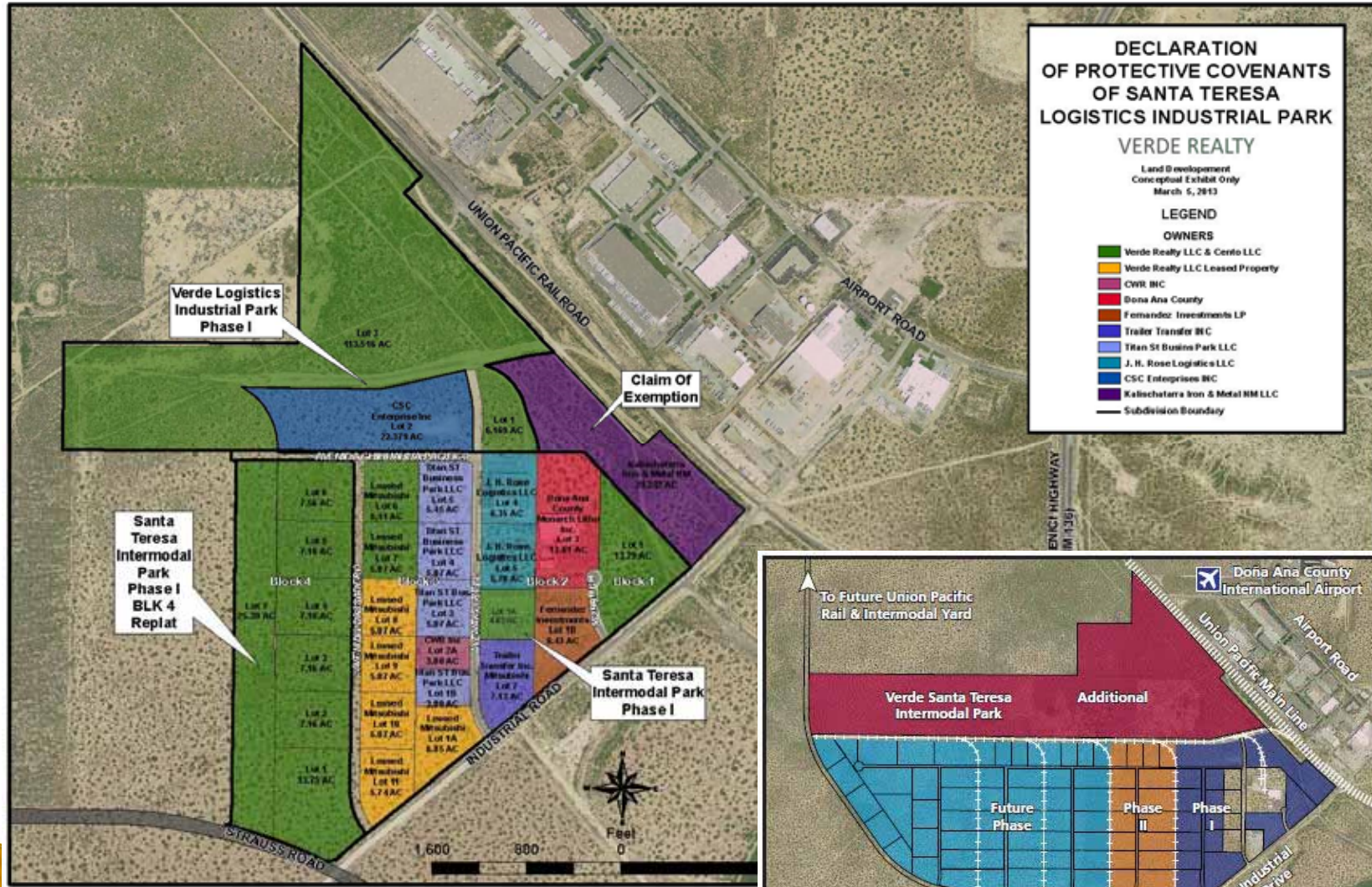
# Santa Teresa Logistical Developments

- ▶ Pre-1993:
  - Charlie Crowder aggregated 22,000 acres
- ▶ 1993
  - Santa Teresa Port of Entry opened
- ▶ 1994
  - NAFTA
- ▶ 1997
  - STREDD entered market
- ▶ 1998
  - Mexico Gov paved road to Hwy 2
- ▶ 2000
  - Pete Dominici Hwy extended to I-10
- ▶ 2001
  - Samalayuca Bypass created
- ▶ 2008
  - FoxConn announcement
- ▶ 2011
  - Union Pacific begins construction of Phase I
- ▶ 2014
  - Union Pacific Begins Operations





# Rail Park Layout





# Current Economic Development Trends

- ▶ FoxConn's Influence
- ▶ UP Impact
- ▶ Overweight Cargo Zone
- ▶ El Paso Impact
- ▶ Bi-national Discussions



# FoxConn's Influence

*Hon Hai (Foxconn) the world leading electronics contract manufacturer is operating and expanding an Industrial Campus in San Jeronimo-Santa Teresa.*

## Economic Development Affect: Bi-national opportunities

- ▶ Trend: Enhances future maquila developments in San Jeronimo
- ▶ Capital Investment: \$185 million
- ▶ Largest maquila in Mexico
- ▶ Cross-border traffic: 300 Trucks per day
- ▶ Workforce: 7,000+; expected to grow over 20,000
- ▶ Potential of over 1,000 foreign executives.
  
- ▶ **NM Opportunity:**
  - ◆ Attracts direct and indirect supply chain
  - ◆ Re-shoring opportunities
  - ◆ Creates U.S. based jobs (3-1 ratios)



# FoxConn



# Union Pacific's Impact

## Facility Features

- ▶ \$400 million project
- ▶ 2,200 acres of land
- ▶ 600 Permanent Jobs
- ▶ Locomotive Refueling
- ▶ Intermodal Ramp
  - 225,000 annual lift capacity
  - 700,000 annual lift future

## NM Opportunity:

- ▶ Inland Port Factor
- ▶ North-South Gateway
- ▶ Support Services





# Overweight Cargo Zone

- ▶ Established 2011
- ▶ 6-mile overweight cargo zone
- ▶ Zero-cost legislation
  - \$250 permit per truck
- ▶ Up to 96,000 lbs of cargo
- ▶ Effective incentive leading to several new location decisions
- ▶ Requesting expansion in current legislation



# El Paso's Growth Factor

## ▶ Ft. Bliss Growth

- 30,000 troops and families
- 100,000-200,000 population growth
- Residential/Commercial Impact
- Industrial Encroachment

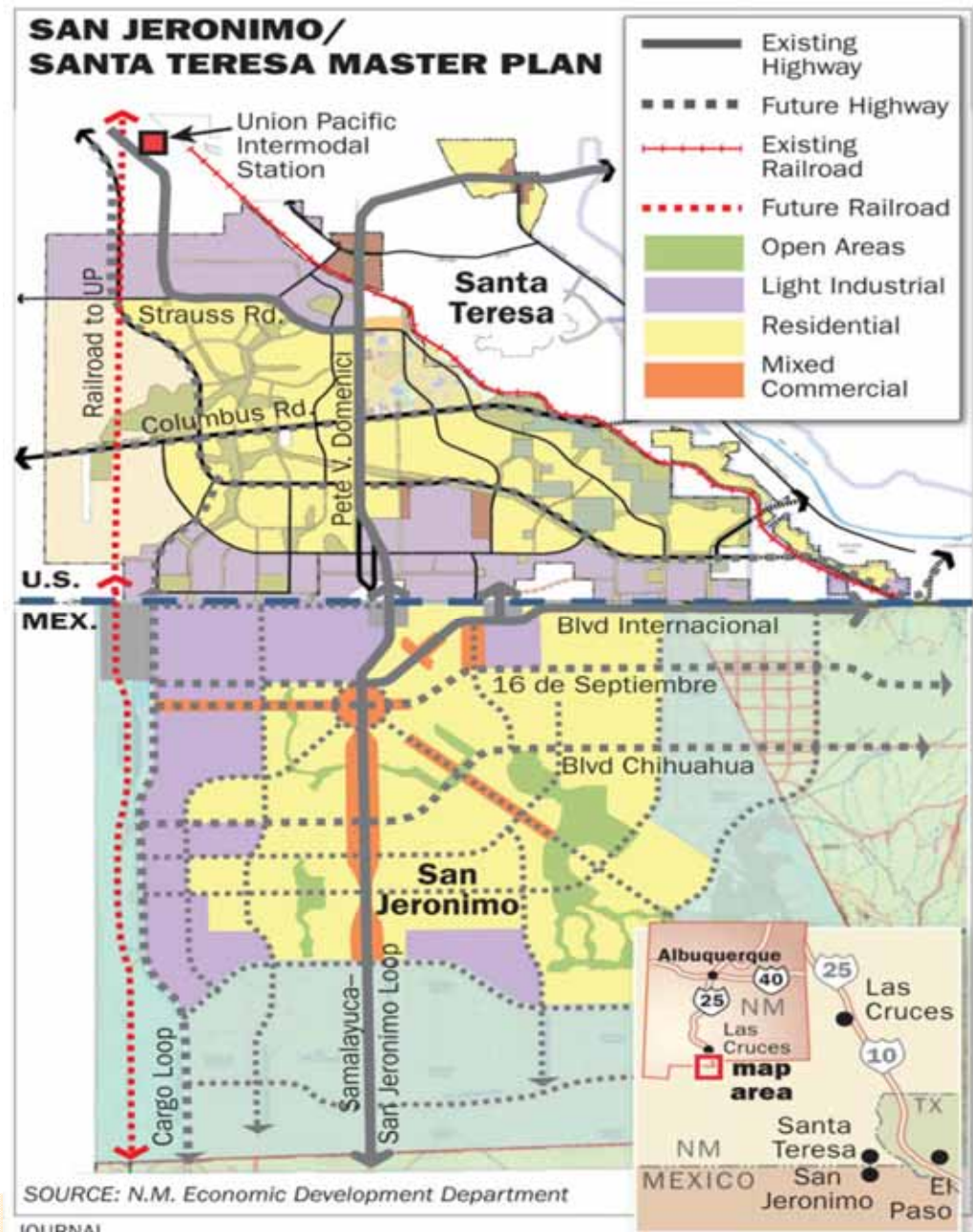
## ▶ RESULTS : NM Competing for New, Non Rail Business

- Alaska Structures (400 Jobs – Las Cruces)
- L&M Radiator (180 Jobs – Las Cruces)
- TE Connectivity (150 Jobs-Santa Teresa)
- Franco Foods (160 Jobs-Las Cruces)
- Certoplast (100 Jobs-Las Cruces)
- CNWire (300 Jobs/\$70MM Investment-Santa Teresa)



# Bi-National Industrial Campus

- ▶ Commitment from both governors to economic development through cross-border cooperation
- ▶ 70,000 acres of Master Planned Development
- ▶ Two adjacent green field developments
- ▶ Two major land holdings
- ▶ Securitized bi-national zone
- ▶ One exclusive port of entry, with "easy" expansion



# Opportunities / Challenges

## OPPORTUNITIES

- ▶ Creation of a major logistics & distribution hub
- ▶ Increased and Diversified Investment:
  - Commercial, Hospitality, Healthcare Services
  - Checkpoint- 450 units (Hanson Asset Management)
- ▶ Strategic Advantages: Bi-national Industrial Campus

## CHALLENGES

- ▶ Existing Facility Space
- ▶ Infrastructure
- ▶ Residential Housing
- ▶ Access to NM Skilled Labor

# Questions?



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# US-Mexico Economic Relations: Job Creation Starts with Trade

