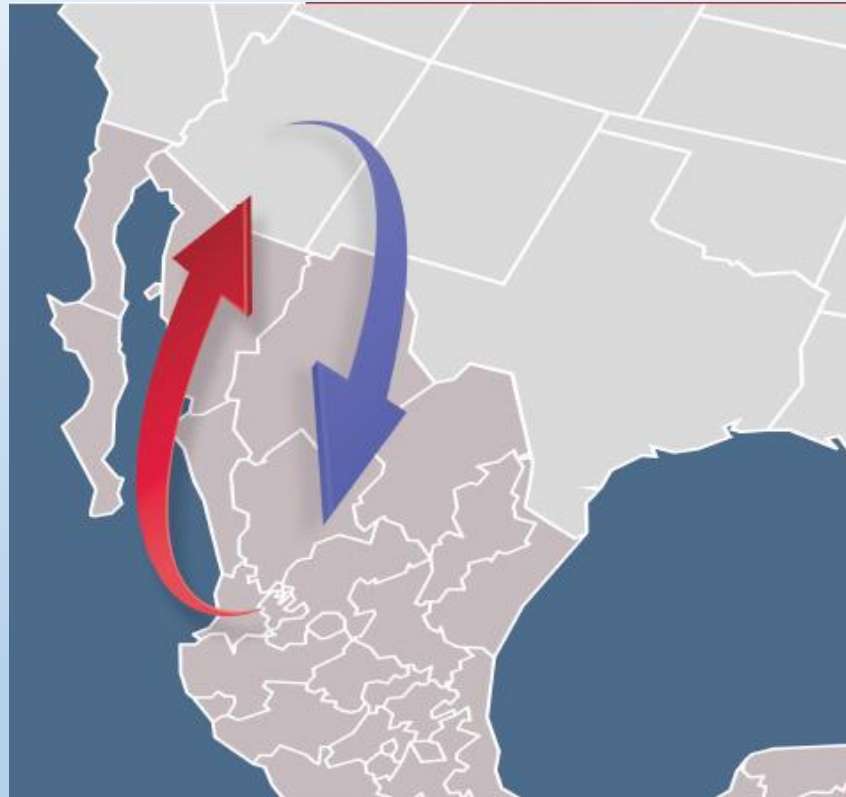


THE IMPORTANCE OF TRADE



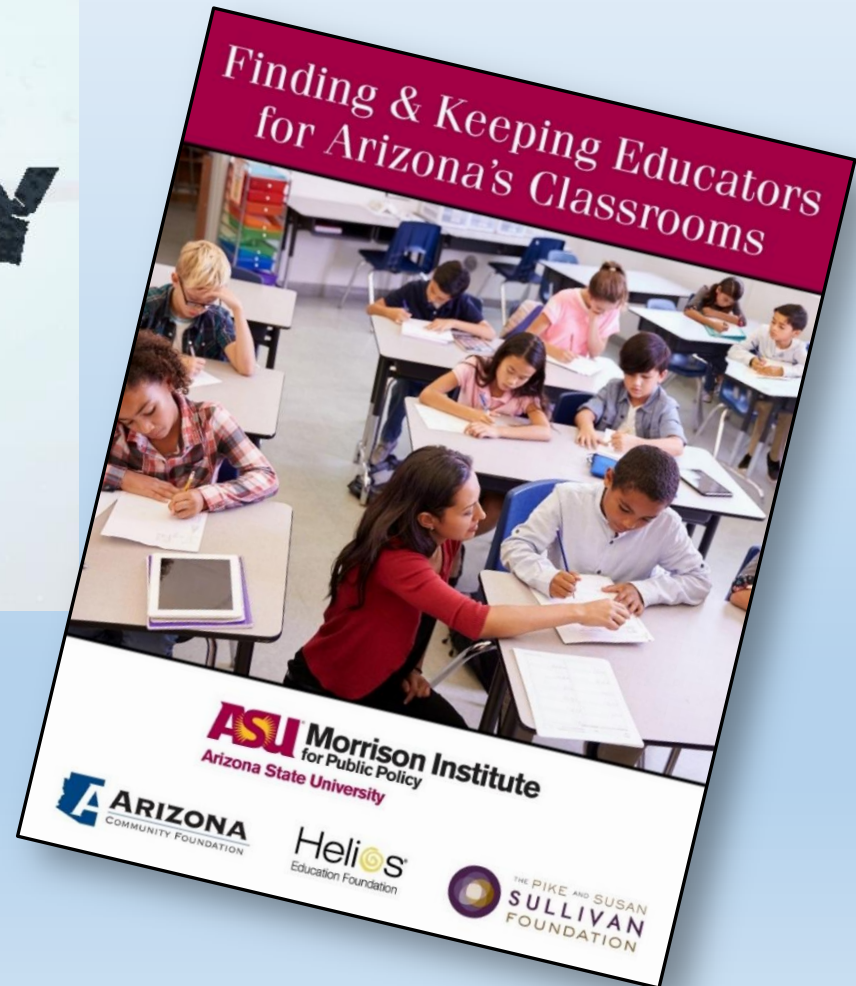
22nd Annual Ag Forum – Arizona Chapter of ASFMRA
February 23, 2018
Sapna Gupta, Senior Policy Analyst

MORRISON INSTITUTE REPORTS

ASU [®] Kyl Center for Water Policy
at Morrison Institute
Arizona State University

THE PRICE OF UNCERTAINTY

How are water supply
certainty & economic
development linked?





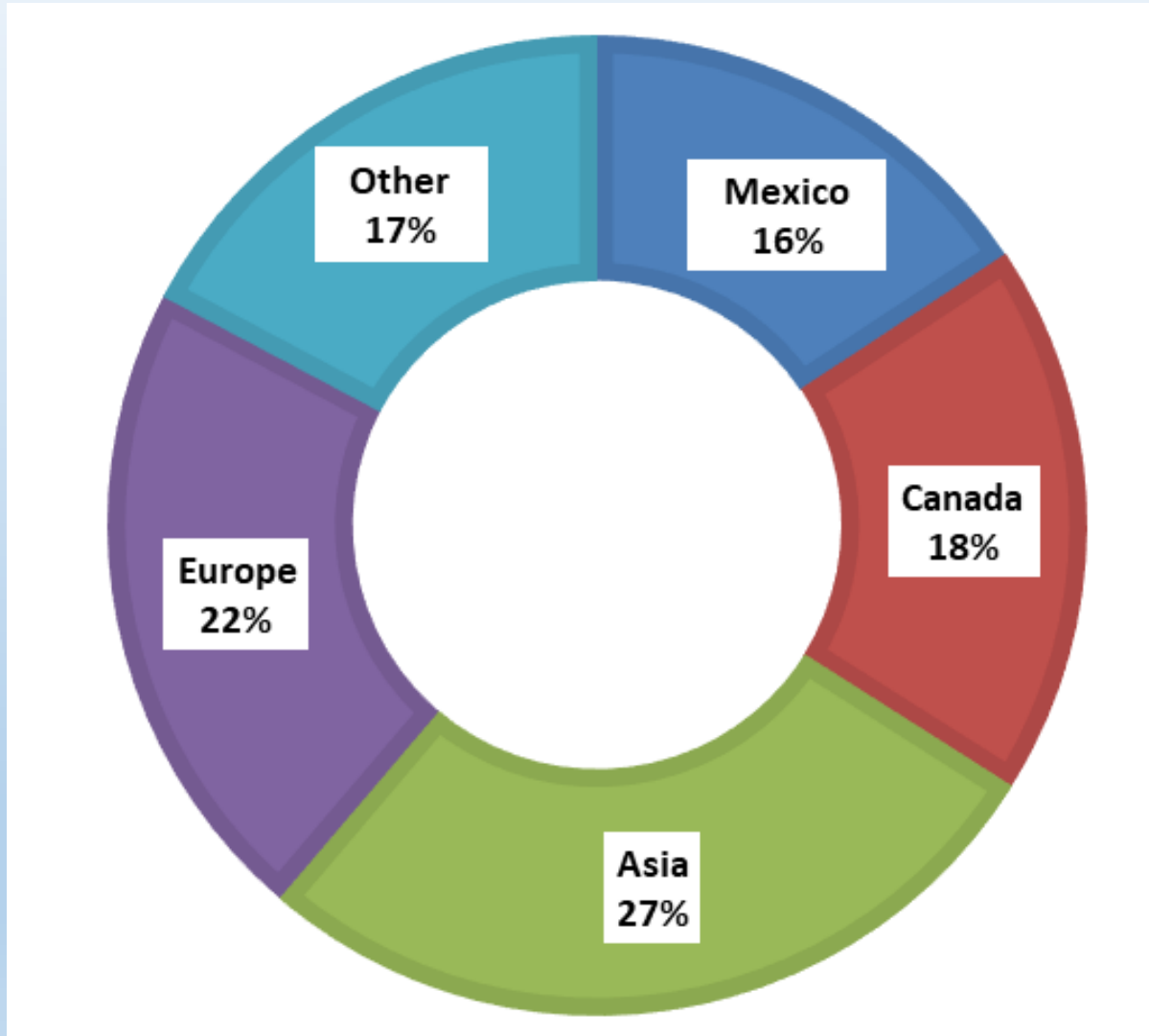
“Trade is not a problem to solve; it’s an issue to focus on and expand.”

-- Governor Doug Ducey, June 14, 2017, Wilson Center, Washington D.C.

A FEW FACTS ON U.S. TRADE

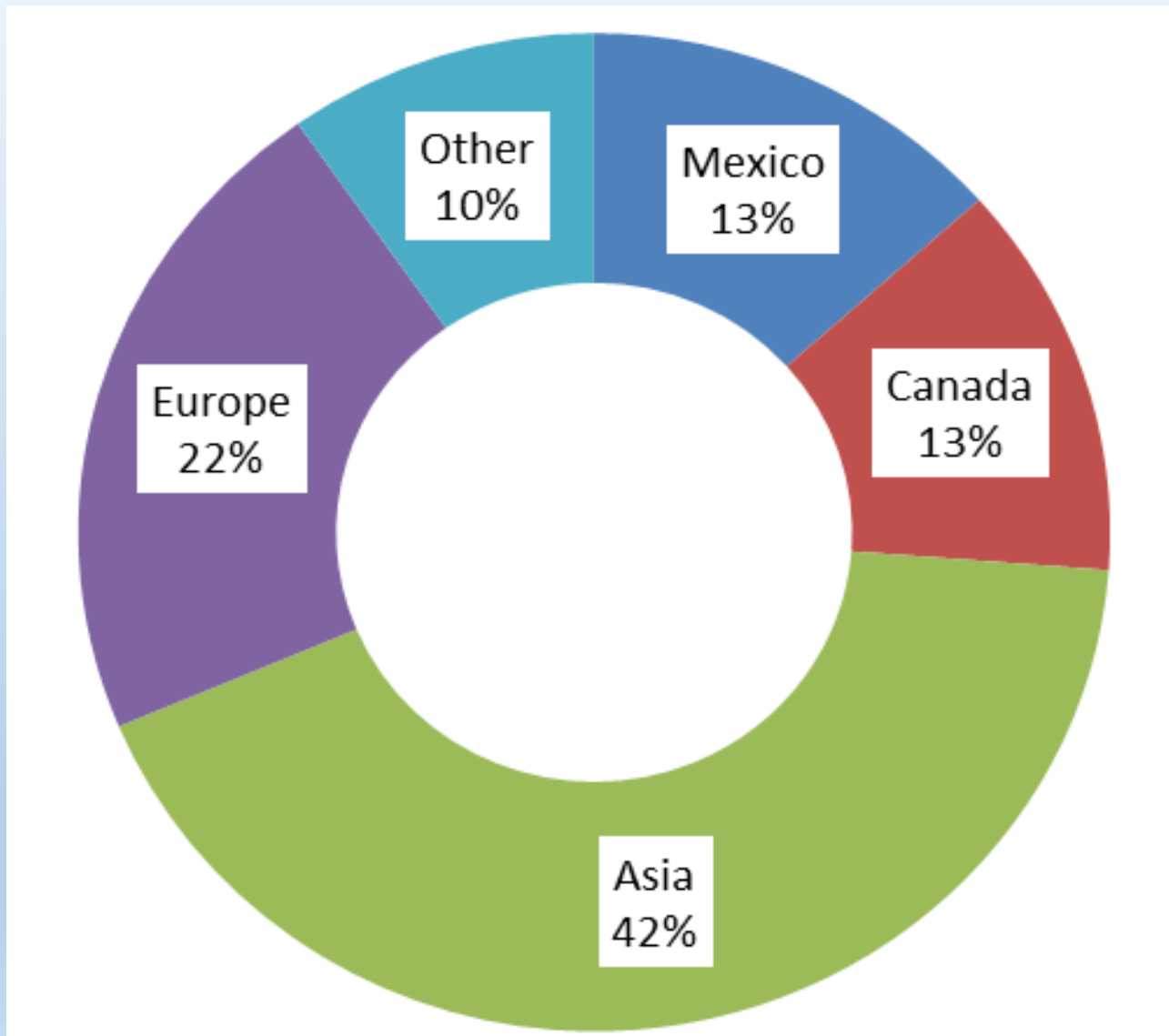
- Exported \$1.547 trillion in 2017
 - \$248 bn was exported to Mexico and \$282 bn to Canada; \$422 bn to Asia
- Imported \$2.343 trillion in 2017
 - \$314 bn from Mexico; \$300 bn from Canada; \$994 bn from Asia
- 41 million jobs depend on trade, including jobs in farming, hospitality and manufacturing
- 98% of the companies that exports are SME, including farms

U.S. EXPORTS IN 2017: \$1.547 TRILLION



Source: U.S. International Trade Administration

U.S. IMPORTS IN 2017: \$2.343 TRILLION



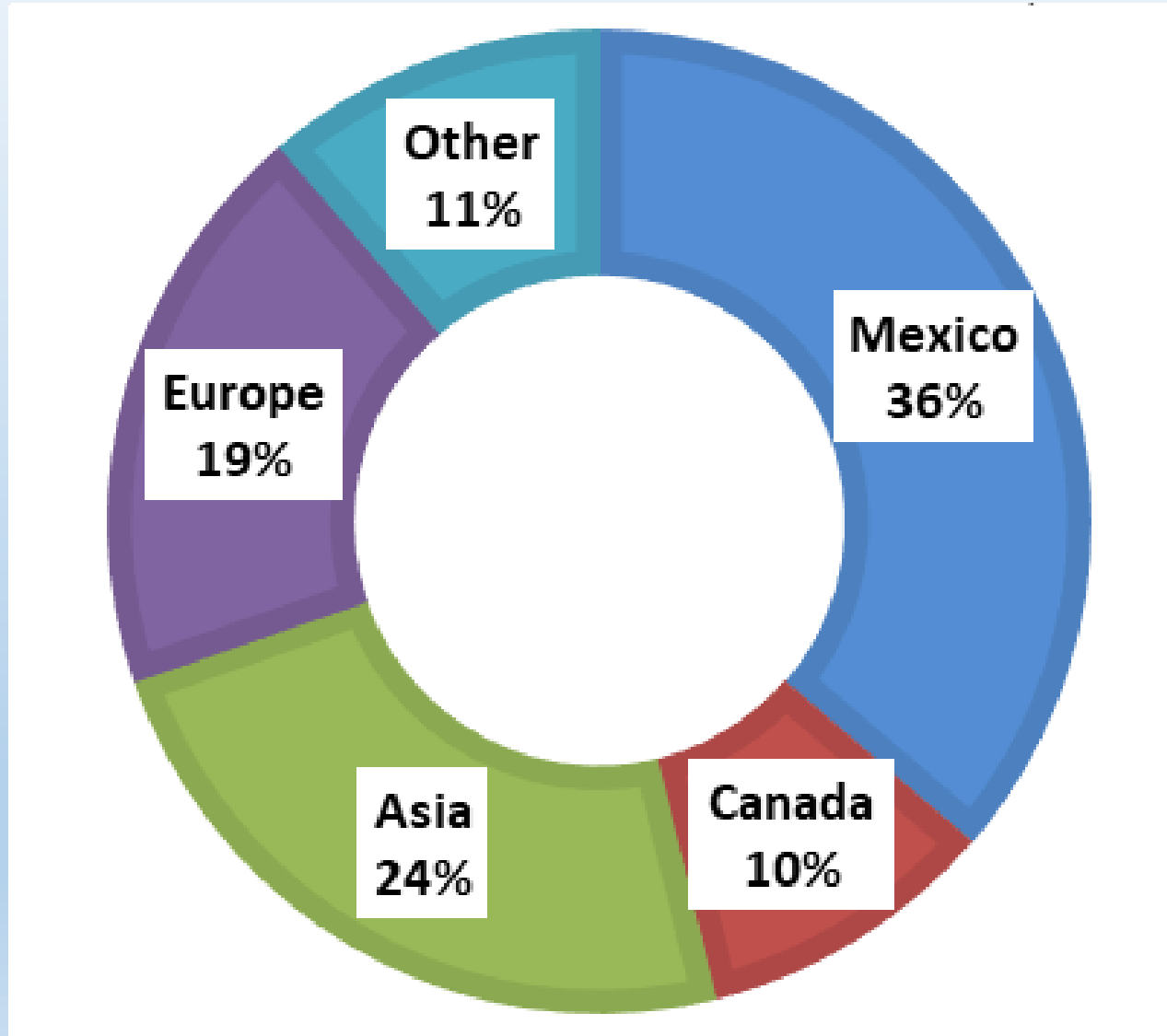
Source: U.S. International Trade Administration



ARIZONA – KEY TRADE FACTS

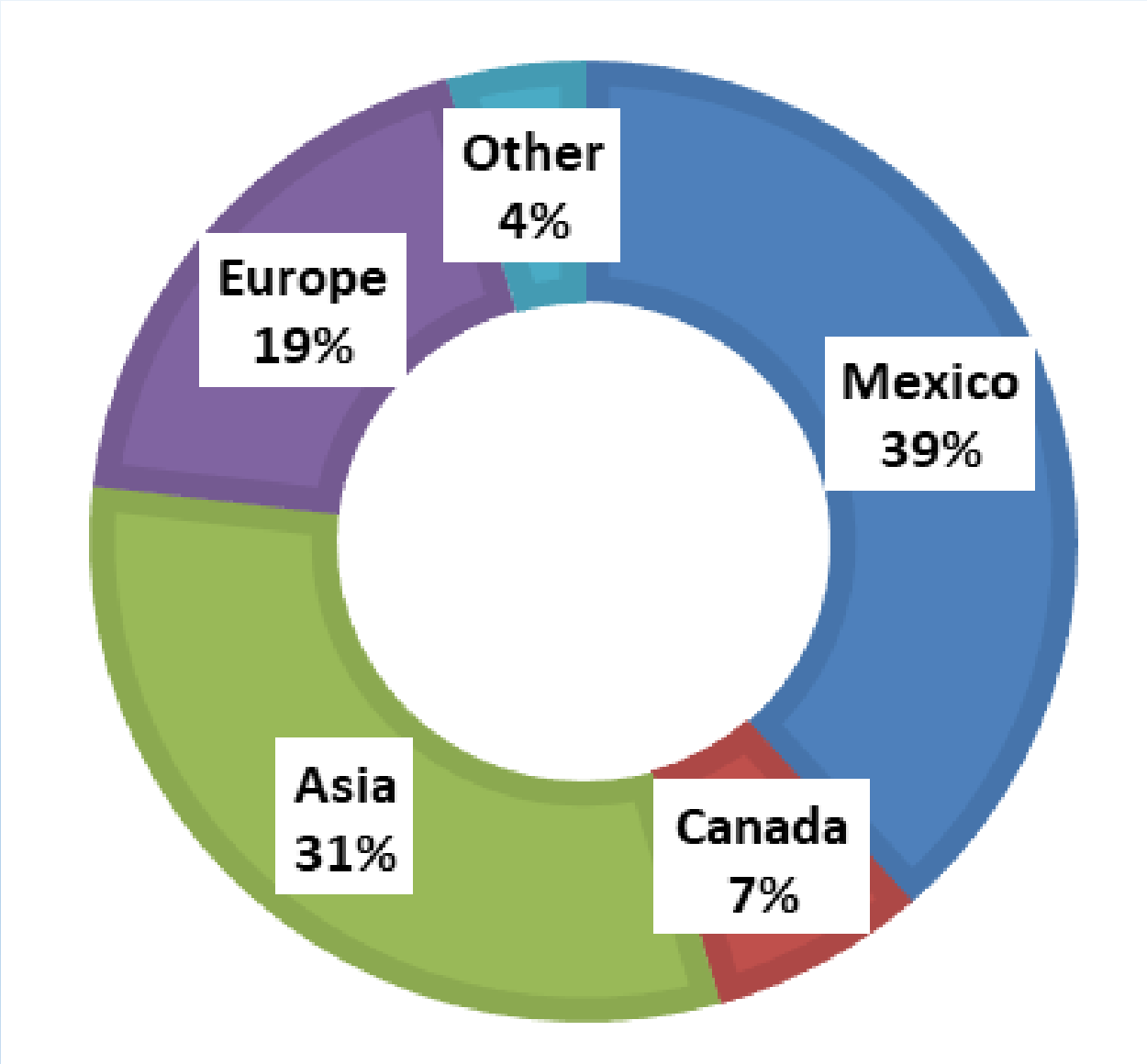
- \$41 billion in international trade in 2017
 - Exports of over \$20 bn to 202 countries
 - Imports of over \$20 bn from 162 countries
- 88% of Arizona exporters are small and medium-sized businesses
- Over 700,000 jobs are supported by international trade in goods and services
- Mexico is our largest trading partner with \$16 bn in trade, followed by Canada at \$3.5 bn

AZ EXPORTS IN 2017: \$20.867 BILLION

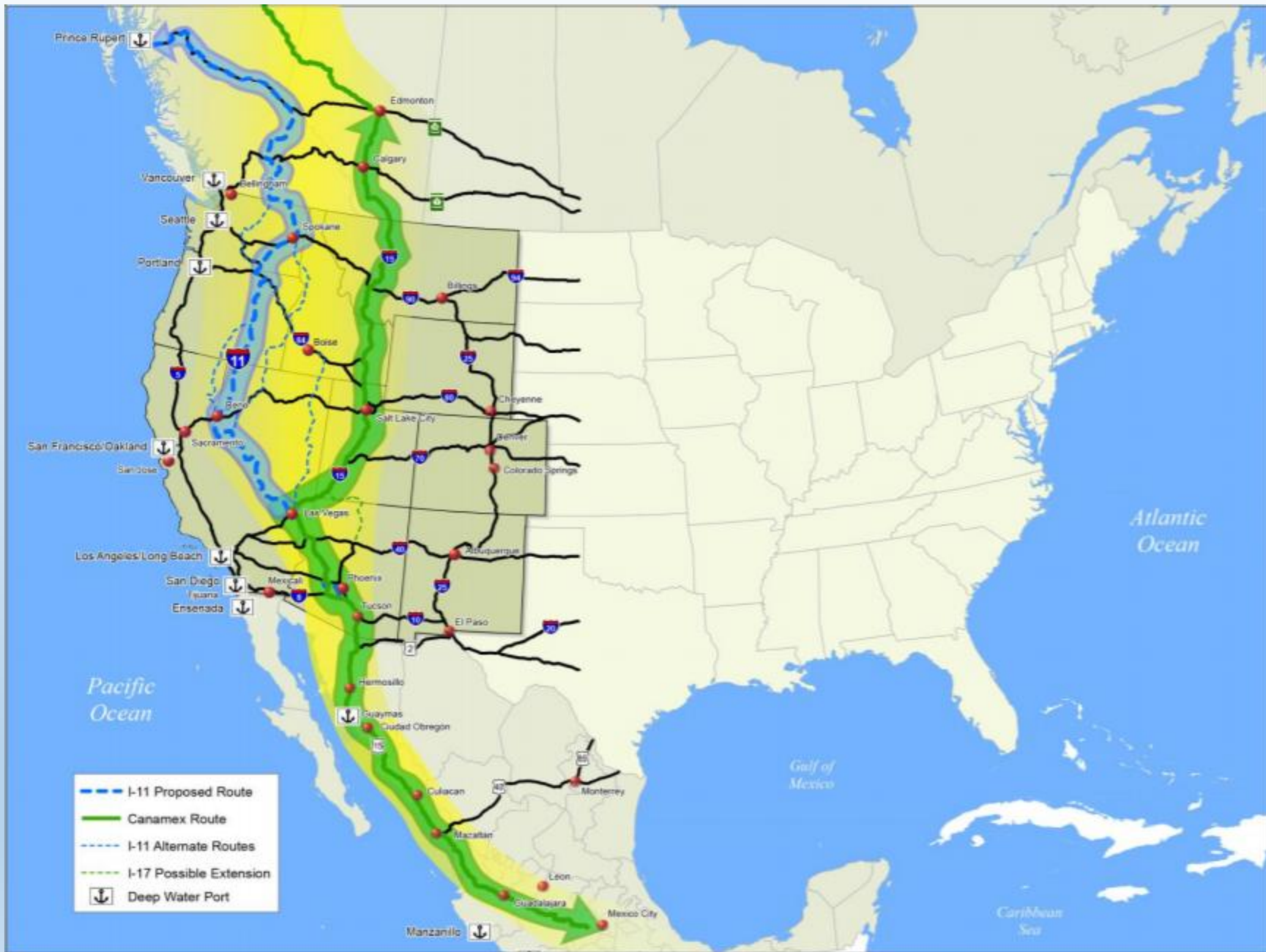


Source: U.S. International Trade Administration

AZ IMPORTS IN 2017: \$20.568 BILLION



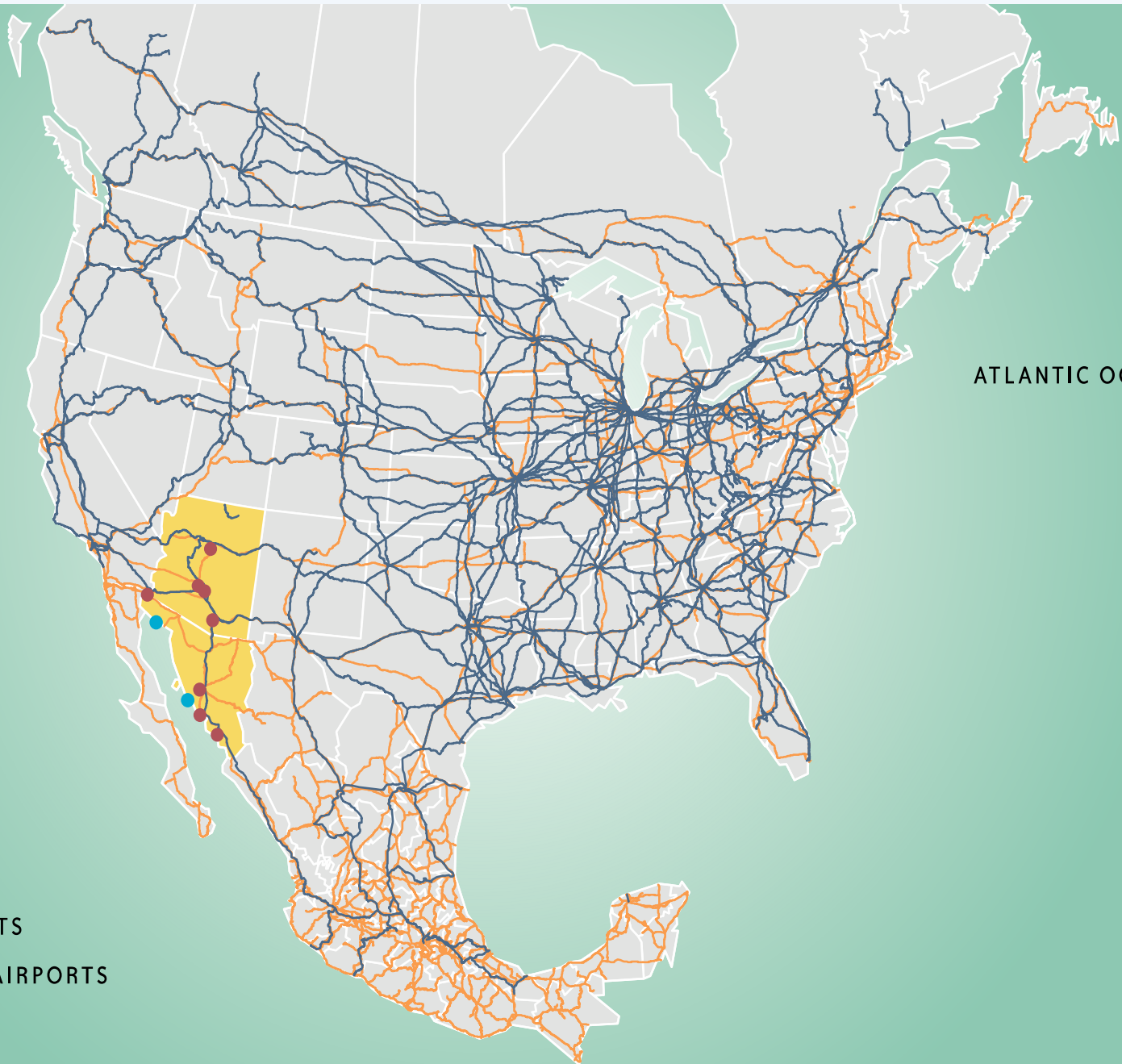
Source: U.S. International Trade Administration



PACIFIC OCEAN

ATLANTIC OCEAN

- RAILROADS
- HIGHWAYS
- SONORAN PORTS
- COMMERCIAL AIRPORTS



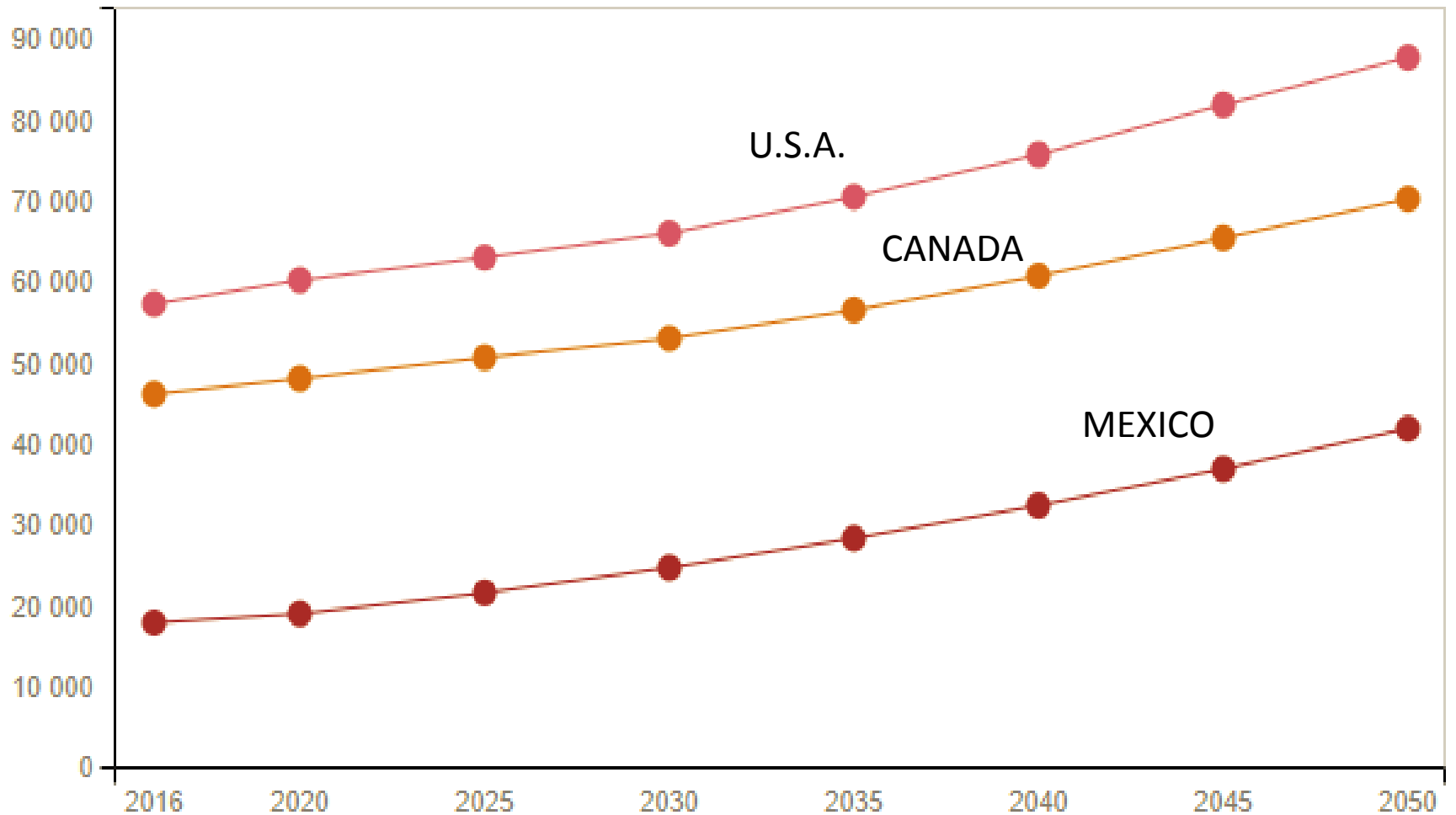


MEXICO – KEY FACTS

- Population and birth rate – births/thousand
 - 1980: 69.4 million; 4.836
 - 2015: 127.5 million; 2.215
- Per capita gross domestic product (GDP)
 - 1990: \$6,037
 - 2016: \$17,275
- Trade with the U.S.
 - 1981: \$32.7 billion
 - 2017: \$557 billion
- Ranking by size of the economy
 - 2016: 15th largest economy in the world
 - 2050: 7th largest economy in the world

PWC's *The World in 2050*

GDP per capita (US\$)



Source: PWC; <https://www.pwc.com/world2050>

ARIZONA – MORE TRADE FACTS

- Over 17 million cars and 760,000 trucks and 46 million people cross the AZ-Mexico border a year in both directions
- Tourism generated over \$21 bn in spending in 2016, with 5 million visitors (3.8 million from Mexico)
- Tourism and hospitality generated over 184,000 jobs in Arizona

THE IMPACT OF MEXICAN TOURISM

- 16% percent of Mexican visitors stay overnight, with the visiting party spending \$839 per trip
- 75% cite shopping and 16% percent cite business for travel
- Mexican visitors account for 66% of visitor spending
- Southern Arizona and Phoenix region account for 93% of where Mexican Visa credit card spending occurs
- Expanding the border zone could increase expenditures by \$181 million and add 2,200 jobs.

THE IMPACT OF MEXICAN FRESH PRODUCE

- Nogales, AZ is the #1 gateway for imports of fresh vegetables and #3 in imports of fruits from Mexico
- Fresh produce industry generates over 4,000 jobs in Santa Cruz County in the following sectors:
 - Shipping/Distribution/Sale brokerage
 - Custom brokerage/Freight forwarding
 - Truck transportation
 - Warehousing & storage
 - Gas stations
 - Truck border permits
 - Border inspection (CBP)



GROWING ARIZONA'S TRADE FOOTPRINT WITH MEXICO

- Continue collaborative work between Arizona and Sonora state agencies and departments as well as border towns
- Establish closer relationships with other Mexican states
- Improve collaborative data collection across the border
- Expand the border zone for Mexican visitors with Border Crossing Cards
- Communicate importance of NAFTA to elected officials

“Arizona’s international relationships have never been stronger and opportunities to prosper from these partnerships have never been stronger.” – Governor Doug Ducey, February 20, 2018

THANK YOU

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