

KEY POINTS ON CROSS-BORDER BUSINESS FORUM

- NAFTA is very important. Each year 53 billion of goods move from various port of entries shared by 2 countries.
- U.S. Chamber estimates about 6 million U.S. jobs depends on Mexico. Mexico is #1 trading partner with California. First and second largest trading partner for other 21 states and San Ysidro is the busiest land border with 50K vehicles and 25 K pedestrians.
- Inefficiency at port of entry causes us \$ 5.3 Billion annually so that is why we pay attention to the trade. Good border crossing is security function along with commerce function.
- Border Adjustment Tax is big step backwards and we understand that manufacturing helps in both countries.
- Otay Mesa is an import community we have customs, forwarder and manufacturers but the majority 90% are supporting import community.
- \$ 44.4 Billion trade go through Port of Otay Mesa Entry every single year.
- In Wilson Center 4.9 Million jobs in the U.S. would be eliminated if U.S. –Mexico trade is halted.
- Imports coming from Mexico have 40% of U.S. content and imports coming from China have 4% of U.S. content.
- Exports have been rising significantly more than imports in Otay Port of Entry so our trade balance is improving.
- If we do not reach negotiation in NAFTA we go into most favored nation's agreement and the imports coming from Mexico will actually have 3% average on duties is sustainable but not ideal compare to NAFTA but there is nothing to do away with U.S. - Mexico relations
- Peterson Institute: Average 10% increase in employment at U.S. companies operations in Mexico leads to 1.3% increase in the size of workforce in the United States and 1.7% increase in exports from U.S. Clearly more U.S. companies invest in Mexico the more the U.S. companies benefit within the U.S. because they are looking for suppliers and service providers.
- Main goals of NAFTA is to reduce barriers to trade, promote economic growth, provides free market place for goods and services and promote the creation of job creations.
- Benefits of NAFTA are generally recognized overwhelming and positive because it allows our region to strengthen the companies, economics and supply chains. And help us to be globally more competitive.
- San Diego helps to moves companies from Europe or Asia to our region as there is wonderful option. As there is wealth of talent on both side of border and yields to make the company competitive and immediately gain that benefit.
- Companies are looking to move from China but still being cost competitive and for that they are looking up to San Diego and Mexico because proximity of these 2 regions and infrastructure.