



SENATOR BEN HUESO, 40TH DISTRICT

SB 357 – Mexico Trade and Investment Office

Summary

SB 357 will instruct the director of the Governor's Office of Business and Economic Development to establish an international trade and investment office in Mexico City, Mexico by July 1st, 2018. SB 357 would require the Mexico City trade and investment office to promote the export of California goods and services into Mexico and facilitate access to educational exchange programs between California and Mexico, among other things.

Background

The Governor's Office of Business and Economic Development serves as the lead entity for economic strategy and the marketing of California on issues relating to business development, private sector investment, and economic growth. In today's ever-growing global economy, international trade and investment has become critical for California's economic growth and prosperity.

California has the sixth largest economy in the world and this has positioned us as a leading trade and investment partner. This presents an immense global opportunity since over 95 percent of the world's population and 80 percent of the world's purchasing power is outside of the United States. In 2015 alone, California goods exports accounted for \$165.4 billion in economic activity. Along with this, international trade supported more than 775,000 California jobs, and foreign-owned companies employed over 631,500 workers in California. Customers in over 229 countries around the world buy California-grown and manufactured goods and services.¹ Top markets include Mexico, Canada, and China which buy billions of dollars of California products and services annually.

In 2013, Governor Brown opened the California-China Office of Trade and Investment, the first foreign trade office of its kind in over a decade. This positioned California to attract a growing share of China's massive foreign investment pool. Since then, the office has successfully focused on helping Chinese companies start and expand in California, assisting California companies

seeking to engage in the China market, and attracting foreign direct investment into California projects. Opening a similar office in Mexico would allow California to identify and address barriers to international cooperation and foreign investment while taking advantage of our close proximity and shared values.

Why this bill is needed

In 2015, Mexico was ranked as the 15th largest economy in the world and the second largest economy in Latin America. As one of California's top markets, creating an office focused on international trade and investment will only strengthen the relationship between California and Mexico by creating opportunity for economic development and capital investment and facilitating access to educational exchange programs.

Given the uncertain message from the current federal Administration regarding the importance of our trading partnership with Mexico, it is vital that California open and maintain an ongoing presence in Mexico City to reassure their civic and business leaders that the people of California value robust trade and an open dialogue with them. By opening a trade office in the commercial and political capital of Mexico, SB 357 would strengthen the California economy and contribute to the prosperity both of the American and Mexican people.

Support

San Diego Regional Chamber of Commerce (Sponsor)

For More Information Call

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¹ Governor's Office of Business and Economic Development - <http://www.trade.gov/mas/ian/statereports/states/ca.pdf>