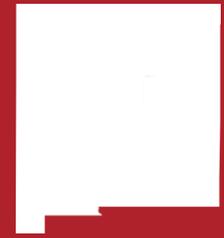


HOW NEW MEXICO'S ECONOMY BENEFITS FROM TRADE & INVESTMENT



Overview

With more than 96 percent of the world's population and 75 percent of its purchasing power outside the United States, economic recovery, jobs, and future growth for New Mexico and America will depend on trade and investment. That includes reaching those customers with American goods and services through exports and expanding buying power and options for American companies and families with imports.

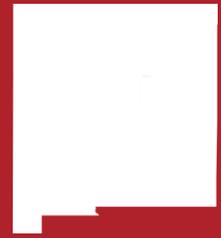
New Business Roundtable research, U.S. government data, and other data sources demonstrate the benefits of international trade and investment to jobs and the economy in New Mexico. In 2020, the COVID-19 global pandemic has brought dual public health and economic crises. Meeting both challenges requires restoring trade and supporting trade-dependent jobs to help New Mexico recover.

Trade Creates & Supports Jobs in New Mexico

- **International trade, including exports and imports, supported 237,000 New Mexico jobs – more than one in five in 2018.** These trade-related jobs grew four times faster than total employment from 1992 to 2018 and are at large and small companies, on farms, in factories, and at the headquarters of New Mexico's globally engaged firms. A rebound in trade will help restore trade-related jobs lost during the pandemic in New Mexico. *(See New Mexico Jobs Depend On Two-Way Trade)*
- **New Mexico exported \$3.7 billion in goods and \$2.5 billion in services in 2018,** including semiconductors and components, computer equipment, navigational and measuring instruments and travel services. Of New Mexico's 1,378 exporters, 84 percent are small- and medium-sized companies with less than 500 workers. *(See New Mexico Businesses Grow With Exports)*
- **Customers in 153 countries and territories buy New Mexico-made goods and services,** including billions of dollars in annual exports to top markets like Mexico, China and Japan. New Mexico's goods exports have grown more than three times faster than state GDP since 2009. Policies that help New Mexico businesses, workers, and farmers once again reach the growing number of customers around the world can help lead an economic and jobs recovery. *(See New Mexico Companies Export Throughout The World)*
- **Imports lower prices and increase choices for New Mexico companies and families.** Lower raw material and input costs help New Mexico companies stay competitive in global markets, while families can stretch paychecks further as trade agreements reduce the cost of products by eliminating costly barriers to trade. *(See New Mexico Companies and Families Benefit from Imports)*
- **Free trade agreements (FTAs) have helped fuel rapid export growth from New Mexico to partner countries.** In 2018, \$1.8 billion of New Mexico's goods exports, or 49 percent, went to FTA partners. This represents an increase of 149 percent since 2009. *(See New Mexico Needs Trade Agreements To Grow)*
- **Foreign-owned companies invest and build facilities and employ 18,100 workers in New Mexico.** *(See Foreign Investment In New Mexico Creates Jobs)*



NEW MEXICO JOBS DEPEND ON TWO-WAY TRADE



Overview

Creating and preserving quality U.S. jobs is a goal shared by all Americans. With more than 96 percent of the world's population and 75 percent of the world's purchasing power outside of the United States, future American economic growth and job creation depend on open markets abroad. At the beginning of 2020, the COVID-19 global pandemic dramatically decreased trade, stopped economic growth and ended millions of jobs across America, including in New Mexico. Policies that expand trade can create new job opportunities in New Mexico and help it recover faster.

Trade Creates & Supports Jobs in New Mexico

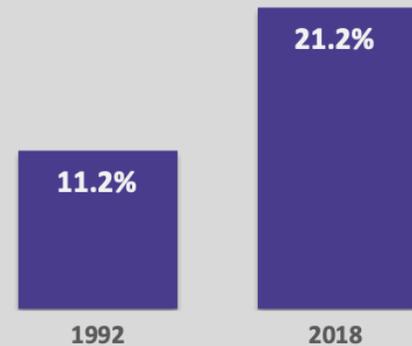
- Export growth increases jobs by generating new business for New Mexico's manufacturers, services providers and farmers. Imports support jobs and keep costs low, helping New Mexico businesses compete and saving New Mexico families real dollars at the cash register.
- More than one in five New Mexico jobs depends upon international trade.
- New Mexico's trade-related employment grew four times faster than total employment from 1992 to 2018.
- Jobs in export-dependent industries pay about 16 percent more than jobs in less export-intensive industries.
- U.S. exporting plants increase employment 2 to 4 percent faster annually than plants that do not export. Exporting plants also are less likely to go out of business.
- Trade-supported jobs are not just at companies that export and import. Trade supports higher wages for workers and lower costs for companies and consumers, providing them with more money to spend on other things. This spending supports additional jobs throughout the U.S. economy in sectors like entertainment, education and construction.

By the Numbers

237,000

Number of Jobs in New Mexico Supported by Trade

Share of Jobs Tied to Trade Increased 89 percent from 1992 to 2018

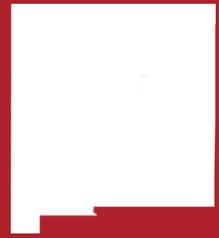


Jobs Tied to Trade Top Sectors, 2018

Trade & Distribution	53,100
Prof., Scient. & Tech. Services	32,600
Personal & Rec. Services	13,600
Construction	10,900
Mining	6,600



NEW MEXICO BUSINESSES GROW WITH EXPORTS



Overview

New Mexico exported an estimated \$3.7 billion in goods and \$2.5 billion in services in 2018. Between 2009 and 2018, New Mexico goods exports have increased by 193 percent and services exports by 19 percent. Large companies now account for 60 percent of the value of New Mexico's goods exports, with the rest provided by small- and medium-sized enterprises (SMEs).

Small & Large Employers Partner to Export

In addition to exporting directly themselves, thousands of American SMEs export indirectly when they sell goods and services to large U.S. exporters. Based on their direct and indirect export activity combined, SMEs represent more than 40 percent of the value of U.S. exports.

Top New Mexico Exports

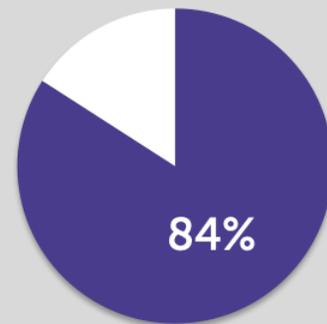
- New Mexico ranks among the top 15 state exporters in five industries, including sixth in furniture related products (\$11 million), 12th in computer equipment (\$639 million), 12th in fruits and tree nuts (\$37 million), and 13th in semiconductors and components (\$1.0 billion).
- New Mexico is America's 40th largest exporter of agricultural products. It is the 12th largest exporter of fruits and tree nuts, the 15th largest exporter of miscellaneous animal products, the 21st largest exporter of miscellaneous crops, and the 24th largest exporter of cattle.
- One of New Mexico's fastest growing export categories is aerospace products and parts, which increased by 12 percent since 2009. In 2018, exports of these products reached \$131 million.

By the Numbers

1,378

Number of New Mexico Businesses that Exported in 2018

Share of New Mexico Exporters that are Small- & Medium-Sized Businesses



Top New Mexico Exports, 2018

Goods

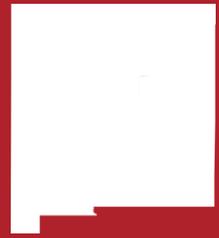
Semiconductors & Components	\$1.0 billion
Computer Equipment	\$639 million
Navigational & Meas. Instruments	\$240 million
Medical Equipment & Supplies	\$199 million
Misc. Fabricated Metal Products	\$156 million

Services

Travel	\$915 million
R&D & Testing Services	\$396 million
Film & Television Distribution	\$323 million

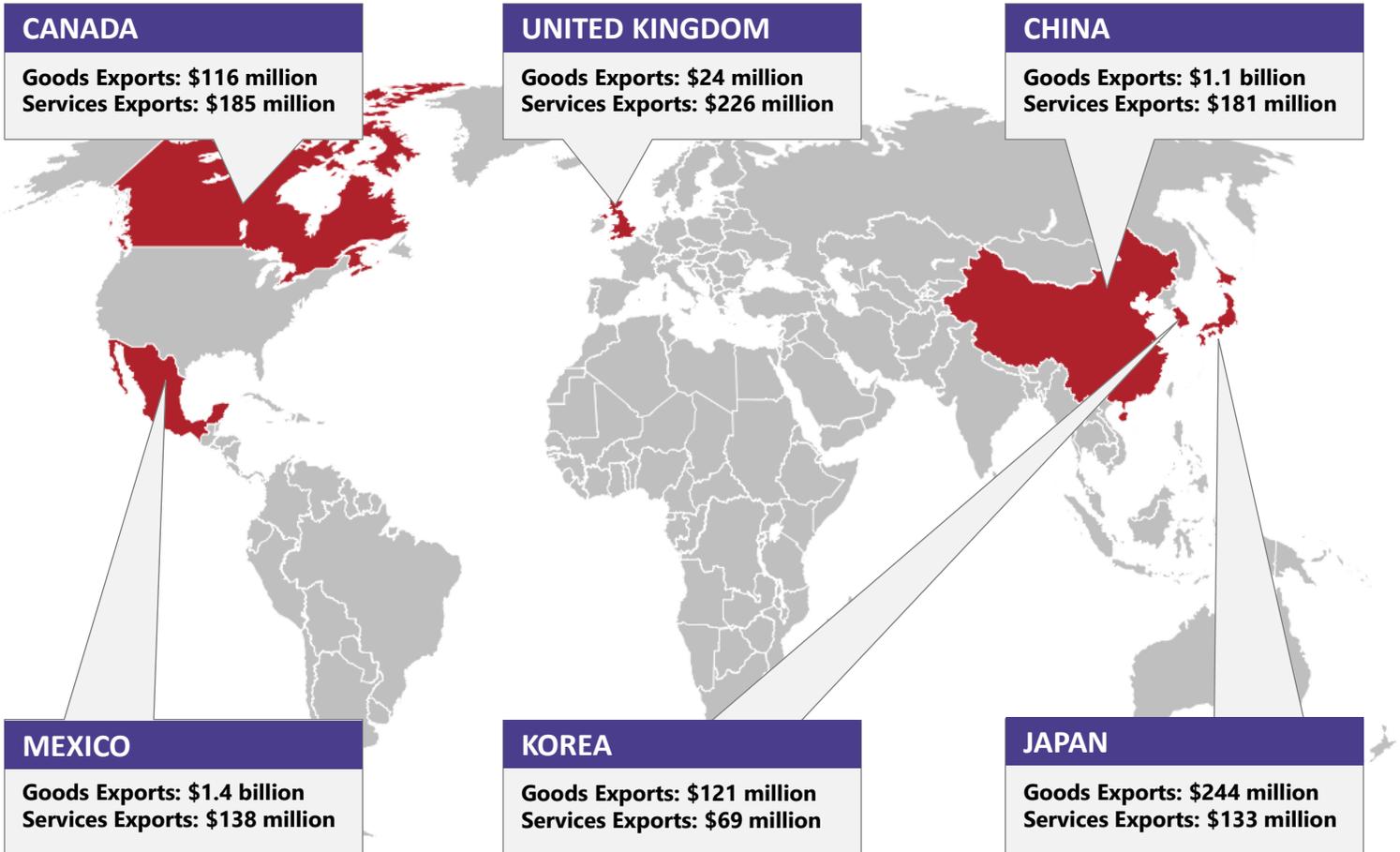


NEW MEXICO COMPANIES EXPORT THROUGHOUT THE WORLD



In 2018, New Mexico companies sold their products in 153 countries and territories.

Top export markets include:

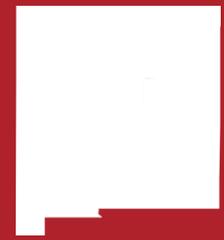


Fast Facts: How Exports Help the New Mexico Economy Grow

- Goods and services exports accounted for 6.1 percent of New Mexico's state GDP in 2018.
- New Mexico's exports have grown more than three times faster than state GDP since 2009. The average annual export growth during this period was 7.5 percent, while the average annual state GDP growth was 2.3 percent.
- New Mexico's top export markets for goods are Mexico, China, and Japan. Its top market for services is the United Kingdom.
- New Mexico's goods exports to China have grown by 48 percent per year since 2009, while New Mexico's services exports to Ireland have grown by 9 percent per year.
- Restoring trade can help lead a jobs recovery when supported by policies that help New Mexico businesses, workers, and farmers reach the growing number of customers around the world.



NEW MEXICO COMPANIES AND FAMILIES BENEFIT FROM IMPORTS



Overview

Imports provide a variety of benefits for New Mexico companies and families. Imported consumer goods help keep prices down for New Mexico families while increasing choices for foods and other products that are not available locally. Imported inputs help New Mexico manufacturers compete in both the United States and international markets, while exported goods (e.g., components) and services (e.g., design) often return to the United States as imports. To best meet the COVID-19 challenges, trade policies should ensure that American families and businesses retain access to both domestic and international inputs, supplies and services they need at prices they can afford.

New Mexico Families Benefit from Imports

- In 2018, 34 percent of New Mexico's imports were consumer goods. Prices for imported consumer goods tend to drop year after year, leaving New Mexico families more money to spend on locally provided goods and services, such as housing, education, and health care.
- Trade and investment liberalization policies save the average New Mexico family of four more than \$10,000 per year through lower prices and increased specialization.

2008-2018 Price Decrease



-88% for Televisions



-63% for Computers



-45% for Toys

Most Importers are Small Businesses

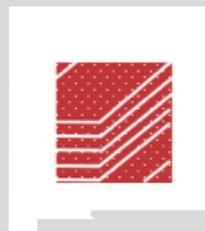
- In 2018, 1,373 New Mexico companies imported goods from 114 countries around the world.
- Nationally, 77 percent of importers were very small businesses with less than 20 employees, while less than 3 percent had over 500 employees.

New Mexico Exports and Imports are Linked Through Global Value Chains

- In 2018, 66 percent of New Mexico goods imports were raw materials, components and parts that are used by U.S. manufacturers to stay competitive.
- Many of New Mexico's top imports are critical components for New Mexico exports. Conversely, New Mexico exports of raw materials and parts may return to the United States in imported finished goods.



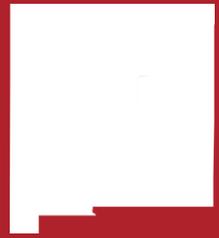
Imports:
Semiconductor mfg.
machinery
(\$109M in 2018)



Exports:
Integrated circuits
(\$856M in 2018)



NEW MEXICO NEEDS TRADE AGREEMENTS TO GROW



Overview

Trade with our free trade agreement (FTA) partner countries supports millions of American jobs. Trade agreements level the playing field by lowering other nations' trade barriers, opening up foreign markets to U.S. exports and setting strong, enforceable rules for trade between the United States and those other countries. New Mexico businesses, workers and farmers benefit from market-opening agreements, and would be harmed from new barriers to trade that limit exports, competitiveness, and jobs in New Mexico and the United States.

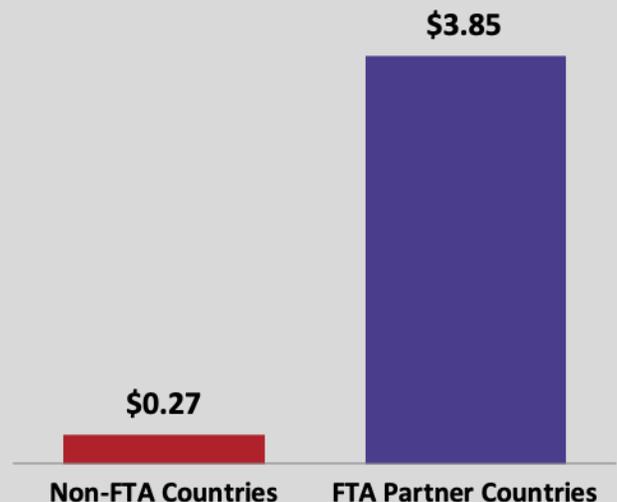
- In 2018, \$1.8 billion of New Mexico's goods exports, or 49 percent, went to FTA partners.
- Since 2009, New Mexico's goods exports to countries with FTAs in effect with the United States in 2018 have increased by 149 percent.
- New Mexico's exports to Canada and Mexico have increased by \$1.4 billion (1,242 percent) since NAFTA went into effect in 1994.
- New Mexico's exports to Australia have increased six-fold – from \$6.9 million to \$42 million – since the FTA with Australia took effect in 2005.
- New Mexico's exports to Korea of semiconductors and components have increased from \$3.6 million to \$85 million since the FTA with Korea went into effect in 2012.
- Mexico bought nearly all– \$614 million out of \$639 million – of New Mexico's exports of computer equipment in 2018.
- In 2018, \$658 million of New Mexico's services exports, or 27 percent, went to FTA partners.
- New Mexico's exports to Singapore of R&D and testing services have increased from \$2.9 million to \$64 million, or by over 2,000 percent, since 2006 (earliest year available).

By the Numbers

149%

Increase in New Mexico Goods Exports to FTA Partners Between 2009 and 2018

Per Capita Purchases of New Mexico Goods, 2018



* U.S. FTAs in effect with countries in 2018.

In 2018, FTA partners purchased 14.1 times more goods per capita from New Mexico than non-FTA partners.



FOREIGN INVESTMENT IN NEW MEXICO CREATES JOBS



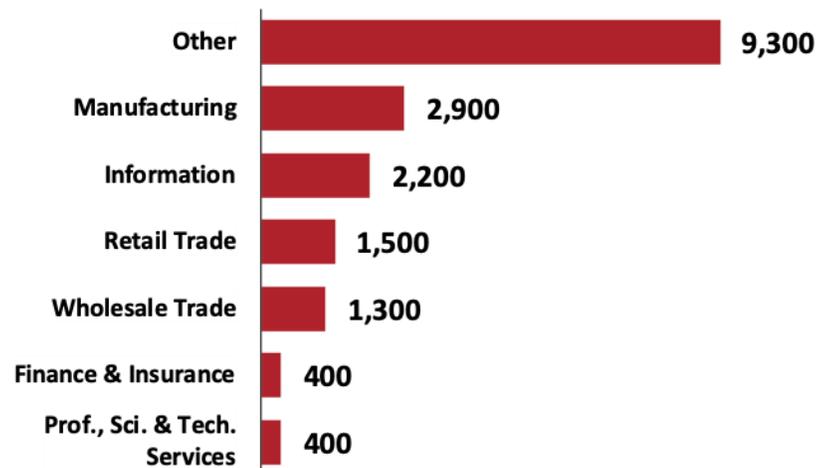
Overview

Foreign-owned companies help grow the U.S. economy and jobs. In 2017, foreign-owned companies added over \$1 trillion to U.S. GDP, including goods exports of \$380 billion and R&D spending of over \$60 billion. They employed 7.4 million workers in the United States, including 2 million workers – or 1 out of every 6 – in the manufacturing sector.

New Mexico is no exception. Foreign-owned companies make significant investments in New Mexico to open or expand facilities every year and are important customers for local goods and services providers. Subsidiaries of foreign-owned companies alone employed about 18,000 workers in New Mexico in 2017, including:

- 3,000 workers employed by companies based in Canada;
- 2,900 workers employed by companies based in Germany;
- 2,400 workers employed by companies based in the United Kingdom;
- 2,000 workers employed by companies based in France;
- 1,800 workers employed by companies based in Switzerland.

Foreign-Owned Companies Employed 18,100 New Mexico Workers Across Many Industries, 2017



Selected Foreign-Owned Companies Employing Workers in New Mexico

Company	Industry	Country
ABB Inc.	Electrical Equipment Manufacturing	Switzerland
BAE Systems Inc.	Defense/Security/Aerospace Services	United Kingdom
Bio Pappel International	Paper Products Manufacturing	Mexico
Clariant Corporation	Chemicals Manufacturing	Switzerland
Ovintiv	Mining	Canada
Firestone Complete Auto Care	Retailing	Japan
Holiday Inn	Hotel Services	United Kingdom
Parex USA, Inc.	Specialty Chemical Manufacturing	France



DATA SOURCES



NEW MEXICO JOBS DEPEND ON TWO-WAY TRADE

Population and Purchasing Power: Derived from World Bank population and GDP estimates

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Exporting Firm Wages: Riker, "Export-Intensive Industries Pay More on Average: An Update" (2015) (<https://www.usitc.gov/publications/332/ec201704a.pdf>)

Exporting Firm Growth: Bernard and Jensen, "Exporting and Productivity in the USA" (2004) (<http://faculty.tuck.dartmouth.edu/images/uploads/faculty/andrew-bernard/exprod.pdf>)

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Small and Large Firms Partnering to Export (for 2006, the most recent year for which data were available): U.S. International Trade Commission, *Small and Medium-Sized Enterprises: Characteristics and Performance*, November 2010, (<http://www.usitc.gov/publications/332/pub4189.pdf>)

Exports, Rankings, and Trends: The Trade Partnership, derived from U.S. Census Bureau ("Census") data (<http://tradepartnership.com/data/cdxports-and-cdxjobs>)

Exporting Company Information: Census, "A Profile of U.S. Importing and Exporting Companies, 2017 – 2018" (<https://www.census.gov/foreign-trade/Press-Release/edb/2018/>)

NEW MEXICO COMPANIES EXPORT THROUGHOUT THE WORLD

Exports, Rankings, and Trends: The Trade Partnership (<http://tradepartnership.com/data/cdxports-and-cdxjobs>)

Export vs. GDP Growth: Derived from Census export data and U.S. Bureau of Economic Analysis (BEA) "GDP by State" database (<http://bea.gov/regional/index.htm>)

NEW MEXICO COMPANIES USE IMPORTS TO MAKE COMPETITIVE PRODUCTS

Importing Company Information: Census, "A Profile of U.S. Importing and Exporting Companies, 2017 – 2018" (<https://www.census.gov/foreign-trade/Press-Release/edb/2018/>)

Imports as Components: Derived from Census end-use import data

Savings from Liberalization: Bradford, Grieco, and Hufbauer, "The Payoff to America from Global Integration" (2005) (<http://www.piie.com/publications/papers/2iie3802.pdf>)

Price Changes: Derived from BLS Consumer Price Index database (<http://www.bls.gov/cpi/>)

NEW MEXICO NEEDS TRADE AGREEMENTS TO GROW

Exports and Trends: The Trade Partnership (<http://tradepartnership.com/data/cdxports-and-cdxjobs>)

Per Capita Purchases of New Mexico Goods: Derived from The Trade Partnership (<http://tradepartnership.com/data/cdxports-and-cdxjobs>) and World Bank population estimates

FOREIGN INVESTMENT IN NEW MEXICO CREATES JOBS

Employment Data: BEA "Direct Investment & Multinational Companies" database (http://bea.gov/iTable/index_MNC.cfm)

Foreign Investors: Uniworld BP database of "Foreign Firms Operating in the United States" (<http://www.uniworldbp.com>)

