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. As the United States and the world continue efforts to defeat the COVID-19 pandemic and create jobs and economic opportunity – restoring trade and supporting trade-dependent jobs can help New Mexico recover as well.

Trade Creates & Supports Jobs in New Mexico

- **International trade, including exports and imports, supported 227,200 New Mexico jobs – one in five in 2019.** These trade-related jobs grew four times faster than total employment from 1992 to 2019 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 $4.7 billion in goods and $2.5 billion in services in 2019,** including computer equipment, semiconductors and components, miscellaneous fabricated metal products and personal travel and tourism services. Of New Mexico’s 1,455 exporters, 83 percent are small- and medium-sized companies with less than 500 workers. *(See New Mexico Businesses Grow With Exports)*

- **Customers in 157 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 exports have grown 25 percent faster than state GDP since 2010. 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 2019, $2.8 billion of New Mexico’s goods exports, or 60 percent, went to FTA partners. This represents an increase of 231 percent since 2010. *(See New Mexico Needs Trade Agreements To Grow)*

- **Foreign-owned companies invest and build facilities and employ 18,800 workers in New Mexico.** *(See Foreign Investment In New Mexico Creates Jobs)*

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
www.brt.org/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, disrupted communities and economies, and ended millions of jobs across America, including in New Mexico. As the U.S. economy recovers and more Americans seek opportunities to work, policies that expand trade can create new jobs 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.
- 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 2019.
- 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 supports more than 28 million U.S. jobs that provide middle class incomes.

About Trade & Jobs

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 not typically associated with “exports and imports.”

By the Numbers

- **Number of Jobs in New Mexico Supported by Trade**
  - **227,200**

Share of Jobs Tied to Trade
- **Increased 79 percent from 1992 to 2019**

<table>
<thead>
<tr>
<th>Year</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>11.2%</td>
</tr>
<tr>
<td>2019</td>
<td>20.1%</td>
</tr>
</tbody>
</table>

Jobs Tied to Trade
- **Top Sectors, 2019**
  - Personal and recreational services: 46,900
  - Business and professional services: 42,500
  - Education and health services: 33,500
  - Wholesale and retail trade: 27,600
  - Construction: 14,200

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
www.brt.org/trade
New Mexico businesses grow with exports

Overview

New Mexico exported an estimated $4.7 billion in goods and $2.5 billion in services in 2019. Between 2010 and 2019, New Mexico goods exports have increased by 203 percent and services exports by 17 percent. Large companies now account for 52 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 half of state exporters in 14 industries, including fifth in furniture related products ($12 million), seventh in computer equipment ($1.3 billion), 14th in semiconductors and components ($739 million), and 15th in oil and gas ($83 million).
- New Mexico is America’s 40th largest exporter of agricultural products. It is the 12th largest exporter of fruits and tree nuts, the 14th largest exporter of miscellaneous animal products, the 22nd largest exporter of miscellaneous crops, and the 25th largest exporter of vegetables and melons.
- One of New Mexico’s fastest growing export categories is medical equipment and suppliers, which increased by nearly 1,600 percent since 2010. In 2019, exports of these products reached $351 million.

By the Numbers

1,455
Number of New Mexico Businesses that Exported in 2018

83%
Share of New Mexico Exporters that Are Small- & Medium-Sized Businesses

Top New Mexico Exports, 2019

<table>
<thead>
<tr>
<th>Goods</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer Equipment</td>
<td>$1.3 billion</td>
</tr>
<tr>
<td>Semiconductors &amp; Components</td>
<td>$739 million</td>
</tr>
<tr>
<td>Misc. Fabricated Metal Products</td>
<td>$467 million</td>
</tr>
<tr>
<td>Medical Equipment &amp; Supplies</td>
<td>$351 million</td>
</tr>
<tr>
<td>Navigational &amp; Meas. Instruments</td>
<td>$295 million</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Services</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Travel &amp; Tourism</td>
<td>$605 million</td>
</tr>
<tr>
<td>R&amp;D &amp; Testing Services</td>
<td>$462 million</td>
</tr>
<tr>
<td>Audio/Visual Services</td>
<td>$368 million</td>
</tr>
</tbody>
</table>

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
www.brt.org/trade
In 2019, New Mexico companies sold their products in 157 countries and territories.

Top export markets include:

- **Canada**: Goods Exports: $126 million, Services Exports: $188 million
- **United Kingdom**: Goods Exports: $28 million, Services Exports: $251 million
- **China**: Goods Exports: $804 million, Services Exports: $163 million
- **Mexico**: Goods Exports: $2.4 billion, Services Exports: $128 million
- **Ireland**: Goods Exports: $46 million, Services Exports: $153 million
- **Japan**: Goods Exports: $282 million, Services Exports: $153 million

**Fast Facts: How Exports Help the New Mexico Economy Grow**

- Goods and services exports accounted for 6.8 percent of New Mexico’s state GDP in 2019.
- New Mexico’s exports have grown 25 percent faster than state GDP since 2010. The average annual export growth during this period was 3.2 percent, while the average annual state GDP growth was 2.5 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 Mexico have grown by 25 percent per year since 2010, while New Mexico’s services exports to India 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.

**Contact:** Paul DeLaney, Business Roundtable: pdelaney@brt.org
www.brt.org/trade
Overview

Imports provide a variety of benefit 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 2019, 31 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.

2010-2019 Price Decrease

- -85% for Televisions
- -52% for Computers
- -51% for Toys

Most Importers are Small Businesses

- In 2019, 1,380 New Mexico companies imported goods from 107 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 2019, 69 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.

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
www.brt.org/trade
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 United States.

- In 2019, $2.8 billion of New Mexico's goods exports, or 60 percent, went to FTA partners.
- Since 2010, New Mexico's goods exports to countries with FTAs in effect with the United States in 2019 have increased by 231 percent.
- New Mexico's exports to Canada and Mexico have increased by $2.4 billion (2,092 percent) since NAFTA went into effect in 1994.
- New Mexico's exports to Korea have increased by 310 percent – from $31 million to $129 million – since the FTA with Korea took effect in 2012.
- New Mexico's exports to Australia of navigational and measurement instruments have increased from $562,000 to $8.3 million since the FTA with Australia went into effect in 2005.
- Mexico bought 98 percent of New Mexico’s $1.3 billion in exports of computer equipment in 2019.
- In 2019, $655 million of New Mexico's services exports, or 26 percent, went to FTA partners.
- New Mexico's exports to Singapore of R&D and testing services have increased from $3.0 million to $66 million, or by about 22 times, since 2006 (earliest year available).

By the Numbers

<table>
<thead>
<tr>
<th>Increase in New Mexico Goods Exports to FTA Partners Between 2010 and 2019</th>
</tr>
</thead>
</table>

Per Capita Purchases of New Mexico Goods, 2019

<table>
<thead>
<tr>
<th>Non-FTA Countries</th>
<th>FTA Partner Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.28</td>
<td>$5.90</td>
</tr>
</tbody>
</table>

*U.S. FTAs in effect with countries in 2019.

In 2019, FTA partners purchased 21.3 times more goods per capita from New Mexico than non-FTA partners.

Contact: Paul DeLaney, Business Roundtable: pdelaney@brt.org
www.brt.org/trade
Overview

Foreign-owned companies help grow the U.S. economy and jobs. In 2019, 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 19,000 workers in New Mexico in 2019, including:

- 3,700 workers employed by companies based in the United Kingdom;
- 3,400 workers employed by companies based in Canada;
- 3,100 workers employed by companies based in Germany;
- 1,400 workers employed by companies based in Japan;
- 1,300 workers employed by companies based in France.

Selected Foreign-Owned Companies Employing Workers in New Mexico

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airnovm Healthcare Packaging</td>
<td>Packaging products manufacturing</td>
<td>France</td>
</tr>
<tr>
<td>Clariant Corporation</td>
<td>Chemical products manufacturing</td>
<td>Switzerland</td>
</tr>
<tr>
<td>GHD Group</td>
<td>Engineering services</td>
<td>Australia</td>
</tr>
<tr>
<td>Holiday Inn</td>
<td>Accommodation services</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>INEOS Olefins &amp; Polymers USA</td>
<td>Chemical products manufacturing</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Parex USA Inc.</td>
<td>Specialty chemicals manufacturing</td>
<td>France</td>
</tr>
<tr>
<td>Southwest Cheese Company LLC (HQ)</td>
<td>Food products manufacturing</td>
<td>Ireland</td>
</tr>
<tr>
<td>Wood Group</td>
<td>Oilfield services</td>
<td>United Kingdom</td>
</tr>
</tbody>
</table>

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www.brt.org/trade
NEW MEXICO JOBS DEPEND ON TWO-WAY TRADE

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


NEW MEXICO BUSINESSES GROW WITH EXPORTS

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)


NEW MEXICO COMPANIES EXPORT THROUGHOUT THE WORLD


NEW MEXICO COMPANIES USE IMPORTS TO MAKE COMPETITIVE PRODUCTS


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


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

NEW MEXICO NEEDS TRADE AGREEMENTS TO GROW


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: Uniworl BP database of “Foreign Firms Operating in the United States” (http://www.uniworldbp.com)

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