Fifth California-Mexico Advocacy Day: “Challenges and Opportunities 20 years from NAFTA”

Strong Family and Social Ties
- California is the state with the largest Hispanic population in the US. 33.5 million Hispanics of Mexican origin live in the U.S, including 12 million first generation immigrants. More than 11 million live in California.
- As of March 2014, Latinos in California make up 39% of the population as the largest racial/ethnic group.
- Mexico has 10 Consulates in California: Calexico, Fresno, Los Angeles, Oxnard, Sacramento, Santa Ana, San Bernardino, San Diego, San Francisco and San Jose.

Economic Ties Generating Mutual Prosperity
- Mexico is California’s first international trading partner. Bilateral trade between California and Mexico is worth $60.2 billion a year (2013).
- California’s exports to Mexico reached $24 billion in 2013, 14.2% of the state’s total merchandise exports.
- Computers and transportation equipment account for 32% of all California sales to Mexico.
- According to the U.S. Department of Commerce, one quarter of all manufacturing jobs in California depend on exports.

Immigrant Workers, Entrepreneurs, and Tax Payers are Integral to California’s Economy and Finances
- Immigrants figure prominently in key economic sectors such as agriculture, manufacturing and services, providing leadership and labor for the expansion of California’s growing economic sectors, from telecommunications and information technology, to health services and housing construction.
- 33.4% of business owners in California are immigrants, and these entrepreneurs generate $34.3 billion in total business net income each year.
- Immigrants, including those undocumented, pay about $1,800 more in taxes than they receive in benefits.
- If all unauthorized immigrants were removed from California, the state would lose $301.6 billion in economic activity, employment would decrease by 17.4%, and 3.6 million jobs would be lost.
- The 2012 purchasing power of California’s Latinos totaled $310.5 billion, 353% more since 1990.
A Growing and Dynamic Border

- Mexico and California share a 145-mile border.
- Among the seven crossings along the border between Baja California and California, Tijuana/San Ysidro Port of Entry is the busiest land border crossing in the world.
- San Diego and Tijuana are increasingly intertwined. Both cities, together, have become a hub for manufacturing with a strong presence of high technology business.

Some Facts about NAFTA

- Twenty years after the entry into force of the North American Free Trade Agreement, trilateral trade exceeds one trillion dollars, and together we generate nearly 30% of global production. As a region, we compete together in the global market, based on our logistical advantages, complementarities and human capital of 450 million people. Our exports account for 13.2% of global exports. They truly are “Made in North America”, as our production chains are integrated.
- By uniting the economies of Canada, Mexico, and the United States, NAFTA created what is today a $19 trillion regional market.
- NAFTA achieved the broadest market openings than any trade agreement had before, by eliminating tariffs on industrial goods, guaranteeing unrestricted agricultural trade between the United States and Mexico, unleashing a wide range of service sectors, and instituting national treatment for cross-border service providers. It also set high standards of protection for patents, trademarks, copyrights, and trade secrets.
- Mexico is the U.S.’ third largest supplier. Over the 20 years of NAFTA, trade between Mexico and the U.S. has more than sextupled (6.2), growing nearly 10% annually, exceeding the U.S. trade rate with the rest of the world (6.7%). Mexican exports to the U.S. have multiplied by seven, surpassing $280 billion in 2013.
- Mexico has become a major market for a wide range of U.S. exports: agricultural exports, fabricated metal products, semiconductors, electrical equipment and components, audio and video equipment, computer equipment, and auto parts.
- The trade relationship between Mexico and the United States reached another milestone as products traded between both countries set a new historical record at $506 billion in 2013, an annual increase of 2.6%. The U.S. Chamber of Commerce estimates that six million U.S. jobs depend on trade with Mexico.

The 5th California-Mexico Advocacy Day will provide a platform for dialogue and mutual understanding. Thanks for helping us acknowledge the challenges and opportunities from our 20 year-old binational strategic partnership. We are building in North America the most competitive and dynamic region in the world.

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vii Mexican Farm Labor

- Mexico is the major supplier of hired labor to U.S. farms. Only 2% of California’s hired farm workers are U.S. born.
- The demand for labor on Mexican farms is rising as wages are increasing.
- The supply of Mexican labor available to work in the U.S. has fallen due to a sharp decrease in Mexico’s total fertility rate and employment growth in Mexico.

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iii Immigrant Policy Center: immigrationpolicy.org
v Raul Hinojosa-Ojeda and Marshall Fitz, Revitalizing the Golden State: What Legalization Over Deportation Could Mean to California and Los Angeles County (Washington, DC: Immigration Policy Center and the Center for American Progress, April 2011).