Growing Together: Economic Ties between the United States and Mexico

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#USMXEcon
A Regional Manufacturing Platform

Source: U.S. Census Bureau for goods trade; U.S. Bureau of Economic Analysis and OECD for services trade.
U.S. Jobs that Depend on Trade with Mexico

Nearly 5 million jobs depend on trade with Mexico
Value of Foreign Inputs for Domestic Production, Billions of USD (1995-2011)


<table>
<thead>
<tr>
<th>Category</th>
<th>Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food &amp; Beverages</td>
<td>Grupo Bimbo, Gruma</td>
</tr>
<tr>
<td>IT &amp; Telecom</td>
<td>Televisa, América Móvil</td>
</tr>
<tr>
<td>Cement &amp; Building materials</td>
<td>CEMEX, Grupo México</td>
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<tr>
<td>Auto Parts</td>
<td>Rassini, Nemak</td>
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<td>High Tech</td>
<td>Softtek</td>
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<tr>
<td>Banking &amp; Financial Services</td>
<td>Banorte</td>
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</tbody>
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How Trade with Mexico Impacts Employment in the United States
Distribution of the U.S. Labor Force by Sector (1840-1990)

U.S. Manufacturing Employment and Output, Seasonally Adjusted (July 1987-April 2016)

The Role of Trade in Economic Transition and Employment Challenges

- **87%** of manufacturing job losses from 2000-2010 were caused by productivity increases.
- The growth of U.S.-China trade was responsible for **one quarter** of all U.S. manufacturing job losses from 1990-2007.
- A **10%** increase in employment at U.S. companies’ operations in Mexico leads to a **1.3%** increase in the size of their workforce in the U.S., a **1.7%** increase in exports from the U.S., and a **4.1%** increase in U.S. research and development spending.

GROWING TOGETHER: MICHIGAN & MEXICO

Mexico is Michigan's #2 export market
Exports to Mexico totaled $11.8 billion USD in 2015
Mexico accounted for 21% of Michigan's exports worldwide (2015)
138,000 Michigan jobs depend on trade with Mexico (2014)

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Exports to Mexico by Industry (2015)
- Transportation Equipment (41.18%)
- Machinery, Except Electrical (11.21%)
- Computer & Electronic Products (8.91%)
- Chemicals (8.24%)
- Electrical Equipment, A.. (8.09%)
- Others (22.37%)

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GROWING TOGETHER: TEXAS & MEXICO

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Mexico is Texas #1 export market

Exports to Mexico totaled $92.5 billion USD in 2015

Mexico accounted for 38% of Texas exports worldwide (2015)

382,000 Texas jobs depend on trade with Mexico (2014)

Exports to Mexico by Industry (2015)

- Computer & Electronic Products (25.87%)
- Transportation Equipment (12.43%)
- Petroleum & Coal Products (11.62%)
- Chemicals (9.42%)
- Electrical Equipment, A. (8.11%)
- Others (32.54%)
Thank you!