

Fast Facts about California-Mexico Trade Relations

Compiled by: Assembly Committee on Jobs, Economic Development, and the Economy
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Mexico is the largest market for exports of California-made goods and has been California's main trading partner since 1999.¹ California ranks third (behind Texas and Michigan, respectively) amongst United States importer states of Mexican goods, accounting for almost 12% of all Mexican imports.²

California and Mexico Relations

- According to the 2010 census, 14 million Californian residents are of Mexican descent.³
- If Los Angeles were in Mexico, its five million Mexican residents would make it the fourth biggest city in the country (after Mexico City, Guadalajara and Monterey).⁴
- 40% of the population in Southern California, between Los Angeles and the Mexican border, speaks Spanish.⁵

California - Mexico Economies

- In 2009, California's total gross state product was \$1.9 trillion.⁶ Mexico's gross domestic product in 2009 was \$1 trillion.⁷
- Mexican exports to the United States account for one fourth of Mexico's gross domestic product. As a result, Mexico's economy is strongly linked to the U.S. business cycle.⁸
- The relationship between Mexico and California generates over \$159 billion per year for California.⁹

Mexican Trade Policy

- Mexico is the country with the largest network of Free Trade Agreements (FTAs) in the world. Mexico's network of FTA's with 50 countries, on three different continents, offers preferential access to a potential world market of more than 870 million consumers.¹⁰
- Mexican trade with the United States and Canada has tripled since the implementation of NAFTA in 1994. 90% of Mexico's trade occurs under free trade agreements.¹¹

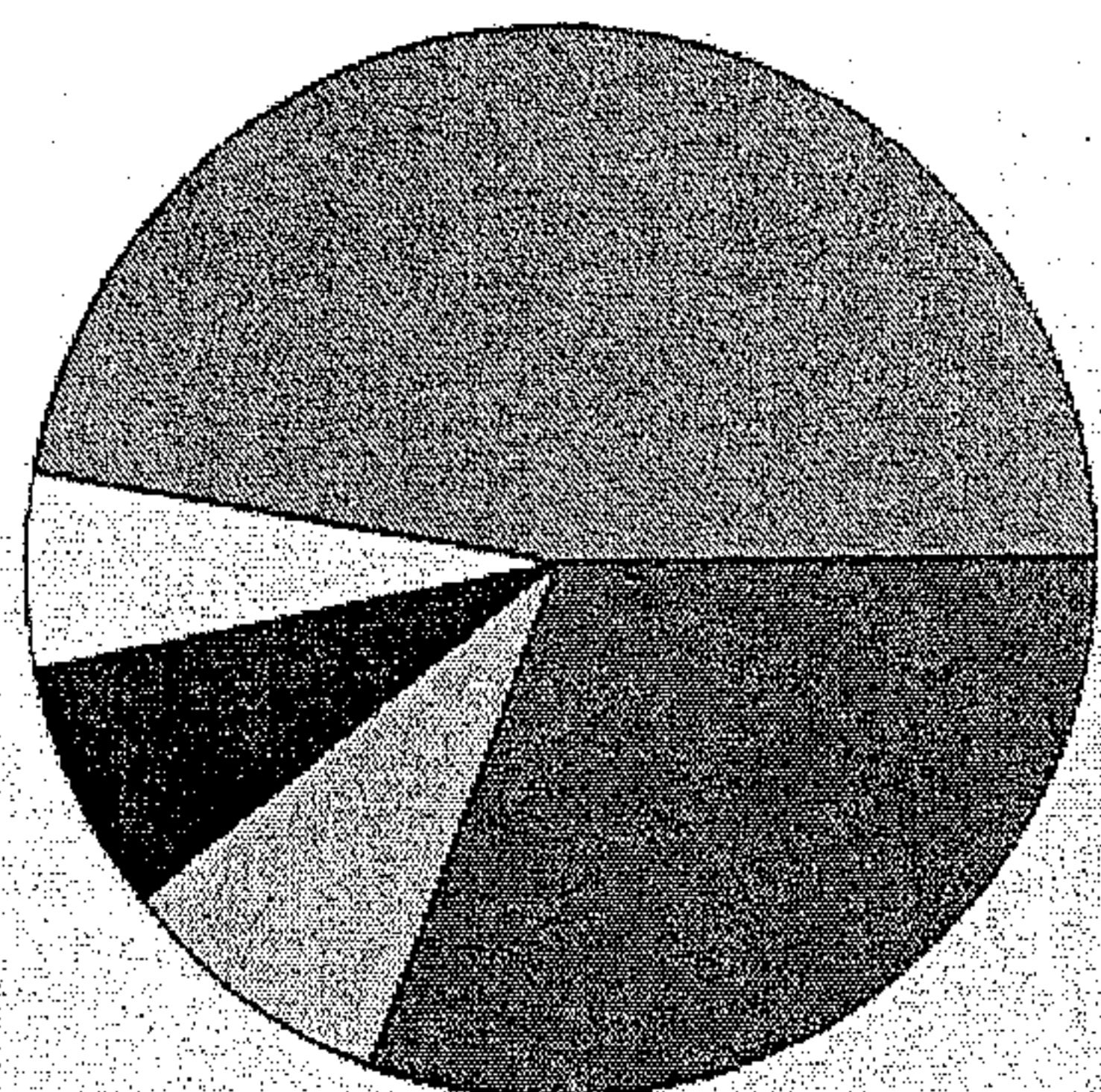
Job Creation.

- Export-supported jobs account for an estimated 5.8% of California's total private-sector employment.¹²
- Nearly one quarter (23.7%) of all California manufacturing workers are dependent on exports for their employment.¹³
- Approximately 177,000 California jobs (17% of all export-supported jobs in California) are related to the commercial relationship with Mexico. More than half of these jobs are a result of export growth under NAFTA.¹⁴
- Commerce, tourism, and foreign direct investment from Mexico support more than 200,000 jobs in California (1.5% of the total number of payroll jobs in California).¹⁵

California Exports to Mexico

- California exported \$21 billion worth of goods to Mexico in 2010, accounting for 15% of California's overall goods exports.¹⁶
- California is the second largest exporter to Mexico amongst the 50 U.S. states (behind Texas).¹⁷
- Computers and electronic products have been California's highest single export to Mexico since 2000. However, as Mexico's economy diversifies, exports of machinery and transportation equipment have grown exponentially.¹⁸

2010 Exports from California to Mexico by Industry Sector



| Product | Value (\$) | Percent |
|------------------------------|-----------------------|--------------|
| Computers & Electronic Prod. | 5,381,076,127 | 30.4 % |
| Machinery Manufactures | 2,053,427,462 | 11.6 % |
| Transportation Equipment | 1,187,533,760 | 6.7 % |
| Processed Foods | 1,077,608,278 | 6.1 % |
| All Others | 8,002,856,171 | 45.2 % |
| Grand Total | 17,702,501,798 | 100 % |

Source: U.S. Department of Commerce: International Trade Administration

Goods Movement between California and Mexico

- California has four major international border crossings supporting the movement of both persons and goods: San Ysidro, Otay Mesa, Tecate, and Calexico. Of these, San Ysidro handles the lightest volume, while Otay Mesa and Calexico accommodate the largest volume. Otay Mesa is the largest California crossing, ranking sixth in the nation.
- In 2010, California gateways with Mexico moved \$46.9 billion in merchandise.
- Most of the California-Mexico trade is two-way within the same commodity class, suggesting extensive production sharing. Components made in California are assembled or further processed in Mexico, and shipped back to California. Top commodities for this type of trade include: machinery, vehicles, instruments, and electronics and electronic equipment.¹⁹

¹ "The Economic Impact of the Mexico-California Relationship"; The Tomas Rivera Policy Institute, September 2005- accessed 5-10-11

² "The Economic Impact of the Mexico-California Relationship"; The Tomas Rivera Policy Institute, September 2005- accessed 5-10-11

³ California Department of Finance, Demographic Research Unit <http://www.dof.ca.gov/HTML/DEMOGRAP/SF%201/RaceCA.pdf>

⁴ Baja Border a "Fronteriza" Culture and Marketplace - accessed 5-10-

11 http://www.mexicomatters.net/businessmexico/05_fronterizacultureandmarketplace.php - accessed 5-10-11

⁵ Baja Border a "Fronteriza" Culture and Marketplace - accessed 5-10-

11 http://www.mexicomatters.net/businessmexico/05_fronterizacultureandmarketplace.php - accessed 5-10-11

⁶ Bureau of Economic Analysis, Gross State Product, www.bea.gov/bea/regional/gsp/ - accessed 5-10-11

⁷ "Background Note: Mexico", Bureau of Western Hemisphere Affairs, United States Department of State, December 2005- accessed 5-10-11

⁸ "Background Note: Mexico", Bureau of Western Hemisphere Affairs, United States Department of State, December 2005- accessed 5-10-11

⁹ "The Economic Impact of the Mexico-California Relationship"; The Tomas Rivera Policy Institute, September 2005- accessed 5-10-11

¹⁰ "Agreements and Negotiations", Embassy of Mexico in Canada; <http://www.embamexcan.com/ECONOMY/internationaltrade.shtml>

¹¹ World Fact Book: Mexico, United States Central Intelligence Agency, <https://www.cia.gov/library/publications/the-world-factbook/index.html> - accessed 5-10-11

¹² "California: Exports, Jobs, and Foreign Investment", Office of Trade and Industry Information, International Trade Administration, U.S. Department of Commerce, April 2011. See http://www.ita.doc.gov/td/industry/otea/state_reports/california.html

¹³ "California: Exports, Jobs, and Foreign Investment", Office of Trade and Industry Information, International Trade Administration, U.S. Department of Commerce, April 2011. See http://www.ita.doc.gov/td/industry/otea/state_reports/california.html

¹⁴ "The Economic Impact of the Mexico-California Relationship"; The Tomas Rivera Policy Institute, September 2005 - accessed 5-10-11

¹⁵ "The Economic Impact of the Mexico-California Relationship"; The Tomas Rivera Policy Institute, September 2005 - accessed 5-10-11

¹⁶ "California: Exports, Jobs, and Foreign Investment", Office of Trade and Industry Information, International Trade Administration, U.S. Department of Commerce, April 2011. See http://www.ita.doc.gov/td/industry/otea/state_reports/california.html See also, California Chamber of Commerce: www.calchamber.com.

¹⁷ "The Economic Impact of the Mexico-California Relationship"; The Tomas Rivera Policy Institute, September 2005- accessed 5-10-11

¹⁸ "State Export Data", Trade Stats Express; <http://tse.export.gov/> ; accessed 5-10-11

¹⁹ "The Emerging Integration of the California-Mexico Economies"; Public Policy Institute of California, August 2004- accessed 4-10-11