



LEVERAGING TRADE AND INVESTMENT TO BUILD A STRONGER ECONOMY

New Mexico must establish itself as a player in the global economy. The current administration's short-sighted approach has put New Mexico far behind our neighboring states in terms of growth, exports, and investment. The United States continues to lead as a destination for foreign investment. Texas received a whopping \$29.6 billion in new foreign direct investment (FDI) in 2016, and Arizona, Oklahoma, and Utah received a cumulative \$4.141 billion. New Mexico received only \$158 million in new investments that year. The bulk of this investment is being made in manufacturing, including electrical equipment and semiconductor manufacturing, both industries that are thriving in New Mexico. There is no excuse for our state to lag behind in investments made in these areas while our neighbors continue to benefit.

As a border state, we know that the world is bigger than what is at our own front door. We need to propel New Mexico forward and establish our state as a global destination for investments and exports. We also know that exports are good for businesses' bottom lines. More than 70 percent of the world's purchasing power is located outside of the United States.

New Mexico is well positioned to grow our global presence thanks to our strategic location, our research ecosystem, our three ports of entry, and access to highway and rail systems that reach both coasts, Canada, and Mexico. Our assets in southern New Mexico, with the growing Borderplex, the Union Pacific Intermodal Facility and the Los Santos Bi-National Community in Los Santos, all position New Mexico for increased global economic opportunities.

To do this, my administration will offer vision, support, and leadership to:

- Attract FDI to create good jobs here at home.
- Develop global markets and increase our exports.
- Bolster our efforts at the border and our relationship with Mexico and Latin America.

First, we will attract Investment to create good jobs here at home. We must make attracting outside money to our state a priority. FDI will help to stimulate economic growth and development while providing financing for development, contact with new technologies, better management techniques, and access to international markets. States across the country are miles ahead of where we need to be. In 2007, South Carolina signed a Memorandum of Understanding with the Chinese

government that named the state as a preferred location for Chinese businesses to establish an American presence. Florida attracts international business through its seven state trade offices, and 15 international offices in 13 countries. The state also attends and exhibits at niche events, such as MEDICA and Arab Health. Virginia's robust marketing campaign, which touts the state's founding over 400 years ago as the very first example of FDI on the continent, has played a key role in attracting at least 700 internationally owned companies. New Mexico has to claim its seat at the table. Therefore, as Governor, I will:

- **Appoint an FDI Coordinator and revamp our international outreach efforts at the Economic Development Department.** To attract FDI, the state and business community need to better market our capacity for investment, better identify potential foreign investors, better utilize modern information technologies and program tools, and provide foreign investments with complete information about investment opportunities. Creating a designated person will ensure focus and accountability and will act as a first step towards creating partnerships that will promote FDI in our strongest partner countries. Tennessee has such offices in seven countries, a strategy that has made it a leading state in FDI over the last several years. One of the FDI Coordinator's top priorities will be to develop a strategy to target Chinese investment. In 2016, the U.S. saw record Chinese direct investment, totaling over \$100 billion. Our neighbors Oklahoma, Colorado, Utah, and Arizona received a cumulative \$4.183 billion of this investment, with Texas receiving an enormous \$7.1 billion. New Mexico received none. The predominant targets for Chinese investment included energy, information and communications technology, entertainment, and health and biotech. These are all areas where New Mexico excels. Furthermore, New Mexico exports hundreds of millions of dollars in goods and services every year to China. Our strategy to attract Chinese investment will include scaling our industries to be able to better compete with our neighbors and to leverage our existing trade relationship to cultivate Chinese investment in the industries it currently imports from. Further, the FDI Coordinator will work to expand upon existing relationships in locations where the state already has strong connections, like Mexico.
- **Develop an FDI marketing campaign.** There is a great deal of competition to attract foreign investment locally and abroad. I will work with New Mexico's business community to develop the marketing and skills required to attract money to New Mexico. We need the world to know that we are a good and stable location for investment and that we are transparent, cooperative, and have a strong labor market ready to expand into emerging sectors including cybersecurity, intelligent manufacturing, sustainable and green industries, bioscience and health, digital media and film, sustainable agriculture, and aerospace.

- **Create an investment climate that is conducive for foreign investment.** To effectively solicit foreign investment, we will need to streamline our business practices and make government more responsive to business needs. My administration will take a hard look at how we do business in order to reduce bureaucracy, simplify business registration, and strengthen financial institutions.
- **Create a commercially-oriented infrastructure.** Our infrastructure needs to be improved and maintained; **New Mexico's long-term investment needs for our airports, highways, and other critical networks are nearly \$6.2 billion dollars.** Growing our foreign investment, as well as our exports, requires reliable and efficient logistics and service delivery, and high-quality infrastructure is vital for both the state and our private companies being able to provide these services. Using every tool at our disposal, we must expand the capacity of the Burlington Northern Santa Fe and Union Pacific Railroad corridors; provide support for our short-line railroads, which are the primary transports for our state's raw resources; fully fund the maintenance and expansion needs of our airports; and repair and replace aging bridges.
- **Expand opportunities here in North America.** We will explore dedicating a portion of our NMEDD and NM Partnership budgets to generate leads in promising areas like California, the Midwest, Canada, and Mexico and increasing their advertising budgets for domestic markets that provide opportunities to grow New Mexico businesses.

Second, we will develop global markets, increase our international presence, and increase our exports. As with FDI, New Mexico lags behind its neighbors. Oklahoma, Colorado, Arizona, and Utah cumulatively export \$46.7 billion in goods and services, with Texas exporting \$232.6 billion. New Mexico only exports \$3.6 billion in goods and services. By increasing our exports, we can grow our small businesses and improve our economy at home. According to the U.S. Global Leadership Council, in 2013, trade supported 218,100 jobs or 20% of total jobs in New Mexico, and that small- and medium-sized enterprises, those with fewer than 500 employees, made up 83% of total New Mexico exporters. My administration is committed to helping our small and medium-sized businesses grow by expanding their global reach in order to provide more good paying jobs for New Mexicans at home.

With focus and leadership, we can expand existing export industries, including computer and electronic products, fabricated metal products, electrical equipment and applications, transportation equipment, and food and agriculture products as well as create new opportunities in emerging industries like bioscience and health, aerospace, sustainable and green industries, and cybersecurity. To do this, my administration will:

- **Develop new foreign markets for the state.** In addition to developing a robust sector strategy, supporting R&D and patent development, and leveraging the resources of other organizations involved in export development, a state’s strategy needs to include developing new foreign markets. New Mexico’s top five markets for export are Mexico, China, Saudi Arabia, and Canada, and Singapore. Part of our strategy will involve targeting large emerging markets in Southeast Asia and Latin America where future export growth is expected. We need to develop our relationship and drive trade with markets like Peru and Colombia. We can do this by leveraging our cultural similarities and by identifying opportunities for new trade connections, including the overlap in some of Colombia’s – for example – greatest imports and products New Mexico already manufactures, like computer parts and broadcasting equipment.
- **Engage Business Coalitions** as well as private, non-profit trade institutes to coordinate the state’s export promotion programs. Strengthening ties with strategic partners will also increase the impact of outreach and trade missions at the state/executive level in building successful relationships with foreign trading partners.
- **Conduct a Competitive State Initiative** to solicit and reward proposals to enhance the global presence of New Mexico’s industries. In Washington State, for example, the state launched a “Farm to Market” initiative in which 20 existing state programs compete for export development funds, to ensure that the most promising state investments are made.
- **Promote internationalism in business programs at state universities and colleges,** where the connections that foster international trade are often formed. Enhancing New Mexico’s attractiveness to foreign students yields a short-term boost to the economy, and also lays the groundwork for future export ventures.
- **Implement a New Mexico Export Strategy** that will involve a thorough assessment of state exports and the performance of current state export promotion activities with an emphasis on leveraging the resources of other organizations involved in export promotion. The export strategy will also include:
 - **Create a loan guarantee program to help small businesses.** Loan guarantees are vital to the development of an export program. This is especially true of small businesses and startups firms that make up a substantial part of emerging clusters. Launching export operations can require significant working capital, and sufficient credit can be difficult for new firms to obtain, even when the opportunity is great. Most U.S. banks do not lend against international orders, export receivables, or

foreign letters of credit. Connecting would-be exporters to appropriate loan guarantees through the Export-Import Bank (EXIM) or via the SBA's various export lending programs is essential to successful export promotion efforts.

- **Launch a statewide campaign to increase commercial awareness of export opportunities and resources**, including federal and private export finance programs, and technical training for export managers.
- **Connect businesses to export opportunities by expanding access to and promotion of trade programs and events that connect U.S. sellers and foreign buyers.** Partner with New Mexico's small businesses to help increase their exports by providing training, market analysis, financial assistance, strengthening our sister city relationships, and even sponsoring trade missions to help open overseas markets for our local firms and help them navigate a complicated trade landscape. Selling New Mexico goods abroad creates jobs and opportunity at home.
- **Market export assistance to businesses that are not traditional exporters.** Discounts and promotions can be made available for new or potential exporters to attend informational seminars or training sessions, or for discounted advertising in the office's international publications. We can also make better use of the State Trade and Export Promotion (STEP) Grants through the SBA.
- **Open a Satellite Border Authority Office in Albuquerque** and staff it with a trade manager who will facilitate the nuts and bolts of products out of our state but also developing a "supply the supplier" program and growing markets for our small businesses. This will help small and big companies find resources and markets – and, in turn – increase exports.

Finally, we need to bolster our efforts at the border and our relationship with Mexico. To do this, my administration will:

- **Capitalize on the significant opportunity represented by historic ties to Mexico and Latin America.** We have to stop Texas from being the default location for Mexican companies interested in expanding their businesses. We can do better to recruit companies to New Mexico. Part of our revamped international outreach efforts at the Economic Development Department will include exploring every opportunity for this recruitment, such as reviving the a Border Trade Conference, where we can highlight New Mexico exporters, emphasizing border trade in our new marketing campaign, and direct visits to

Mexico and other Latin American countries where I will meet personally with foreign investors and trade officials. Our relationship with Chihuahua is particularly significant because of our shared border and the state's strong trade position.

- **Boost the New Mexico Border Authority to be self-sustaining and to perform more like a Port Authority.** This would give the Border Authority the opportunity to develop our border with Mexico and act independently to evaluate and grow local opportunities and increase trade.
- **Improve the infrastructure and extend hours for Port of Entry at Santa Teresa.** The Santa Teresa Port of Entry is the 7th most important commercial port of entry along the Mexican Border. Improving our infrastructure will increase our ability to recruit new businesses in southern New Mexico and increase our labor base. I will leverage my experience as a Congresswoman to get more money from the federal government and work with all of our delegation to boost this economic jewel.