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Texas A&M International University

**Texas Center for Border Economic and
Enterprise Development**

QUARTERLY REPORT

Spring 2010

Laredo Prospecting Peru for U.S.-Peruvian Trade Opportunities



Herbert A. Molina
Director of the TCBEED

I had the privilege to be a part of the second trade delegation representing the City of Laredo and TAMIU to Peru at the Annual Latin American (AMCHAM) Convention which took place in Lima from June 21st through June 25th where delegations of over 26 countries participated actively across the America's region and even Europe and Asia.

This was our second visit to Peru to promote the Port of Laredo's multimodal-logistical-infrastructure among high rank Peruvian government officials, private sector organizations within the export/import sector, and different meaningful chambers of commerce like the Chamber of Commerce of Lima (CCL), COMEX and ADEX which assist and mentor all type of exporters/importers of dry and perishable goods globally.

So without any equivocation, the Port of Laredo is now playing in the big leagues as an optimal alternative to replace other traditional and perhaps more expensive U.S. ports of entry to address the huge NAFTA marketplace using some strategic state-of-the-art Mexican Ports like Manzanillo, Lazaro Cardenas, Veracruz, and Tampico which were developed and built when the NAFTA Agreement was signed back in 1994. So the "Laredo North American Strategic Corridor" or NASCO would allow any exporter/importer from the America's region to substantially reduce its supply chain costs, substantially improve transit times and allow any type of products coming to the US making an entry practically by the Central Region of the United States giving to buyers and sellers to have more choices to deliver their goods to the Western and/or Eastern regions of the country either by truck, railroad or air transportation means.

Peru has been the fastest growing market during the last ten years, where total exports have grown from 7.0 Billion USD in 2001 to over 30 Billion USD by the end of 2010 where North America accounts by over 40% of this

total numbers as average. Peruvian exports are supposed to grow by the end of 2012 to over 40 Billion USD. What a fantastic opportunity to promote the Port of Laredo across Central and Latin America to implement down here distribution centers, for packing and re-packing goods while creating new employment opportunities for Laredo's workforce community as these distribution centers have already been doing so in other ports of entry to the U.S. marketplace like Miami, Long Beach, New York, Houston, and Seattle to mention the most significant ones.

As a result of these two visits to Peru, the City of Laredo in partnership with TAMIU and the Laredo Development Foundation (LDF) is preparing a Business Roundtable with government and private sector officials from Peru by October of this year. The event will take place at TAMIU's campus.

At the same time, TAMIU is benefiting tremendously by engaging in different educational program opportunities with selected universities from the region, and different chambers of commerce which would like to pursue Executive Education Programs for their affiliated companies. Just in Lima, Peru, the Chamber of Commerce of Lima (CCL) has over 8,000 affiliated companies which would benefit from these types of agreements with TAMIU and its strategic international geographical location.

In the remaining year, upcoming trade delegations from the City of Laredo will be heading down to Colombia, Chile, Ecuador, Brazil, and Argentina to continue promoting the Port of Laredo which belongs to the 6th Largest Customs District of the U.S. and where over 11,000 trucks cross daily in both directions. Of course, all of us would expect to have meaningful business roundtables at TAMIU with other countries like Chile, Colombia, Brazil, Ecuador and Argentina this and next year. Just to mention, it is expected that total exports from Chile and Colombia would reach a combined total of over 80 Billion USD by the end of 2011.

In closing, I believe strongly that all efforts deployed in promoting Laredo in Central America, Peru and the rest of Latin America have been long overdue because in my personal opinion, as I have stated before, Laredo is the untold story for international trade across the America's region.

—Herbert A. Molina, Director of the Texas Center for Border Economic and Enterprise Development

The Mission

To marshal the knowledge and expertise of Texas A&M International University's faculty, students, and staff to provide effective leadership and support Laredo and the surrounding area in their economic development efforts

TCBEED Provides Economic Outlook at Vision 2010 Conference

On April 29 and 30, 2010, the Laredo Chamber of Commerce and the Texas Center for Border Economic and Enterprise Development (TCBEED) hosted the *Visions 2010* Conference. This conference series also marked its 22nd anniversary.

The plenary session and reception were held on April 29 at the International Bank of Commerce Annex Building. F. Barry Lawrence, Ph.D., Director, Industrial Distribution Program and Director, Supply Chains Systems Laboratory, at Texas A&M University, College Station, gave his presentation, "The Mexico-Border Trade Corridor."

The second part of the conference held on April

30 at the Texas A&M International University campus, gave all attending the opportunity to listen to experts in the various fields. In the infrastructure panel, Albert Quintanilla, District Engineer, Laredo District, TxDOT, gave his presentation on the impact of the U.S. stimulus package on Webb County's infrastructure. In addition Otto Roser, O&M Manager, Edison Mission Group-Cedro Hill, gave his presentation of the impact of wind energy and the Bruni project.

Next, the panel on economy covered local, regional and area issues. Dr. Pablo Camacho-Gutierrez, Assistant Professor of Economics at A.R. Sanchez, Jr., School of Business, TAMU opened the panel with a 15 minute review of the Laredo economy. Following Dr. Camacho was Roberto Coronado, Asso-

ciate Economist, Federal Reserve bank of Dallas, El Paso Branch. He covered the impact of the economic slowdown on the retail industry, and Luis Garcia—founding partner of *Investra Consultores*, Monterrey, Mexico—presented the Mexico perspective of the economic climate.

Guest speakers at the conference were the Honorable Henry Cuellar, U.S. House of Representative, District 23, and Mr. Robert Rivard, Editor and Executive Vice President, *San Antonio Express News* and author of *Trail of Feathers*.

The TCBEED has historically provided the Chamber and the *Vision* conferees with the economic outlook publication. This year was no different from past years. The TCBEED produced the *Vision 2010 Economic Outlook Report*, a twelve-page pub-

lication with tabular and graphical data covering those indicators affecting the Laredo economy. As with the 2009 report, Dr. Pablo Camacho-Gutierrez provided the economic analyses for 2009 with an outlook to 2010. Other contributors to the publication were the TCBEED staff: Baldomero G. Garcia, Jr., production editor; Jacqueline Benavides, copy editor; Leo Lozano database specialist, and Leiza Nochebuena, data researcher.

In addition to the economic forecast, Dr. Pablo Camacho-Gutierrez authored the main article in the *Vision 2010* report, "A Note on the Central American Hype." It focused on the past and current merchandise trade between the U.S. and Central America particularly through the Laredo Port of Entry—a double-edged issue in Laredo.

The Texas Center for Border Economic and Enterprise Development working alongside you today for a better tomorrow.

Profile: Texas Center Data User



Bob Cook has served as president and CEO of the El Paso Regional Economic Development Corporation (REDCo) since its inception in 2004. REDCo offers confidential, no-fee consultation to businesses and industries interested in relocating or expanding their operations to the Greater El Paso region—an area that includes portions of Southern New Mexico and the state of Chihuahua, México.

Under Cook's leadership, REDCo has strengthened the region's economic vitality in its first five years by gen-

erating 9,836 new jobs (6,178 direct and 3,658 indirect), \$11.3 million in new state and local taxes, \$1.3 billion in new labor income and \$4.4 billion in total output.

According to Cook, research supplied by the Texas Center for Border Economic and Enterprise Development is a contributing component to REDCo's achievements. "It's not enough to have data," Cook points out. "It must be accurate, current and practical. The research that the Texas Center for Border Economic and Enterprise Development provides empowers our efforts to leverage where business is headed."

As the fourth-largest manufacturing center in North America, the Greater El Paso region competes globally to attract expanding businesses in the alternative energy, automotive, biomedical and homeland/defense industries. Access to the most accurate data available keeps it competitive.

The center's studies on border economic issues—ranging from infrastructure needs and environmental issues to the impact of NAFTA on Texas-México trade relations and future business opportunities—resulted in valuable insights REDCo has utilized to direct its initiatives, keep its website current, produce the "Business Barometers" annual report, and present the challenges and opportunities of the region to its clients.

Cook is a graduate of Southern Methodist University with a bachelor's degree in economics and a minor in business. He began his economic-development career as an economic analyst with the Dallas Area Chamber of Commerce, and served five years as President/CEO of the Jackson, Tennessee Chamber of Commerce. Mr. Cook returned to El Paso in 2002 to be president/CEO of the Greater El Paso Chamber of Commerce prior to his position as president/CEO of REDCo.

Border Business Indicators

The *Border Business Indicators (BBI)*, a Texas Center publication from 1990 to the present, has been in existence in a variety of formats since the 1980s. In its present configuration, the *BBI* covers twenty-two economic indicators for cities along the Rio Grande from Brownsville to El Paso, Texas.

On March 2003, the *Border Business Indicators* was reformatted to provide a more concise and "fast read" of the economic indicators for those cities on the Texas-Mexico border. In this current iteration, U.S.-Mexico trade information was incorporated as part of the monthly offerings in the *BBI*. Along with the inclusion of trade data, the fifteen indicators in the *BBI* publication were synchronized to the searchable data sets available on the on the Texas Center web site: <http://texascenter.tamui.edu>.

Vision Economic Outlook Report

The Texas Center's ongoing work with business and community organizations may result in a variety of collaborative publications and materials. One such publication is the *Vision Economic Outlook Report*.

The *Vision Economic Outlook Report* is prepared in cooperation with the Laredo Chamber of Commerce and has been in publication since the 1990s. The publication is distributed at the Vision Conferences held annually. The *Vision Report* provides a view of the City of Laredo's economic indicators, trade data and a timely point of the interest to the community. It is published once a year and is freely available at the Center's web site: <http://texascenter.tamui.edu>.

Texas Center Web Site

Since it first came on-line in 1998, the Texas Center's web site has been available to the public and has provided economic and trade data. From 2001, the Center has added searchable data directly from our data sets. In addition, links to other resources were included to guide users to other sites with valuable data and information. Subsequently, specialty publications were added to the site providing insight into the region. As the new decade approaches, the Center staff is working on plans to offer new data searches, filters, and reports. If you have not visited our site recently, do so as we start to upgrade our site <http://texascenter.tamui.edu>.

Texas Center Quarterly Report

First published in the Summer of 2009, the *Texas Center for Border Economic and Enterprise Development Quarterly Report* provides current information regarding on-going projects, additions or modifications to data sets and personnel changes.



Texas Center for Border Economic and Enterprise Development Quarterly Reports are prepared by the Center's staff for the purpose of communicating to the public the Center's mission, activities and services available to the area.

Have any questions about the Center, feel free to contact us at:

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