

Laredo Economy Update

**Presented by
Michael Patrick
Professor of Economics
&
Director, Texas Center for Border Economic and Enterprise Development
Texas A&M International University**

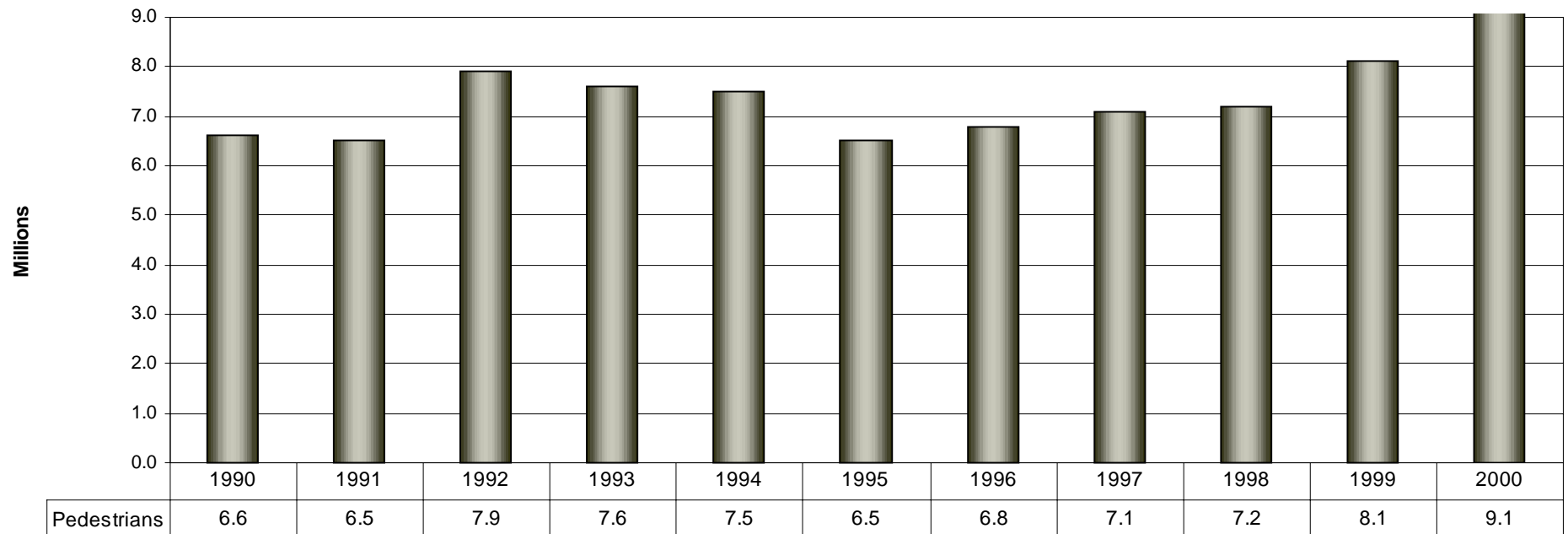
**Vision 2001 Conference
Laredo, Texas
April 11, 2001**

Laredo Economy Update

International Trade and Commerce

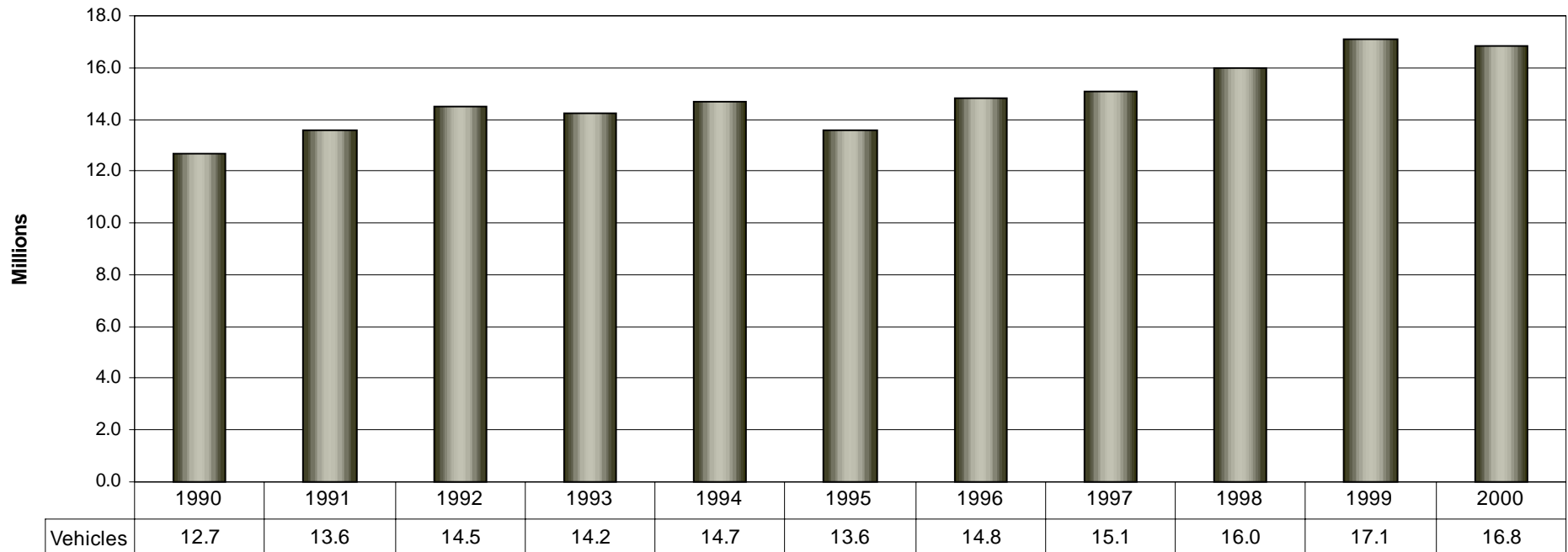
- **2000 was a good year for international trade and commerce in Laredo.**
- **While some indicators (vehicle and truck crossings) were down slightly, others (pedestrian and rail crossings, international air cargo landings, and bridge system revenues) were up compared to 1999.**
- **Laredo remains the border port of choice for U.S.-Mexico overland merchandise trade.**

Pedestrian Crossings at Laredo (North and South)



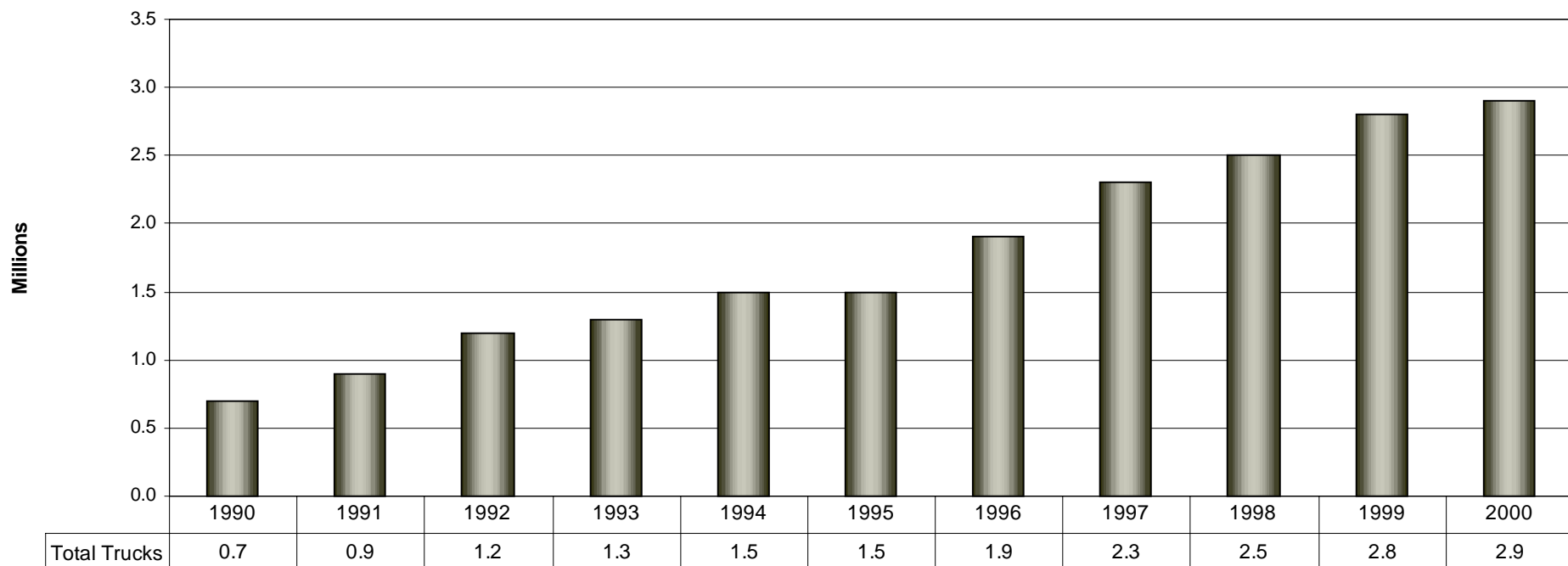
Source: Laredo Bridge System and Mexico's Oficina de Caminos y Puentes' data compiled by Texas Center at Texas A&M International University.

Vehicle Crossings at Laredo (North and South)



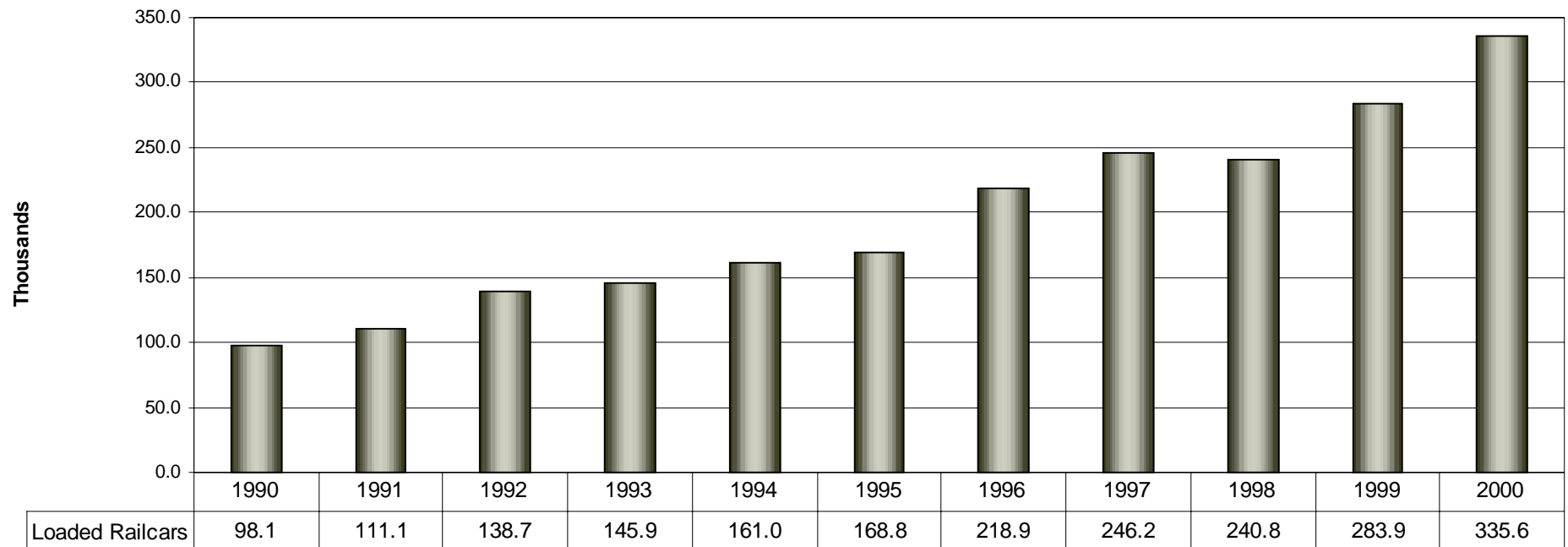
Source: Laredo Bridge System and Mexico's Oficina de Caminos y Puentes' data compiled by the Texas Center at Texas A&M International University.

Total Truck Crossings at Laredo (North and South)



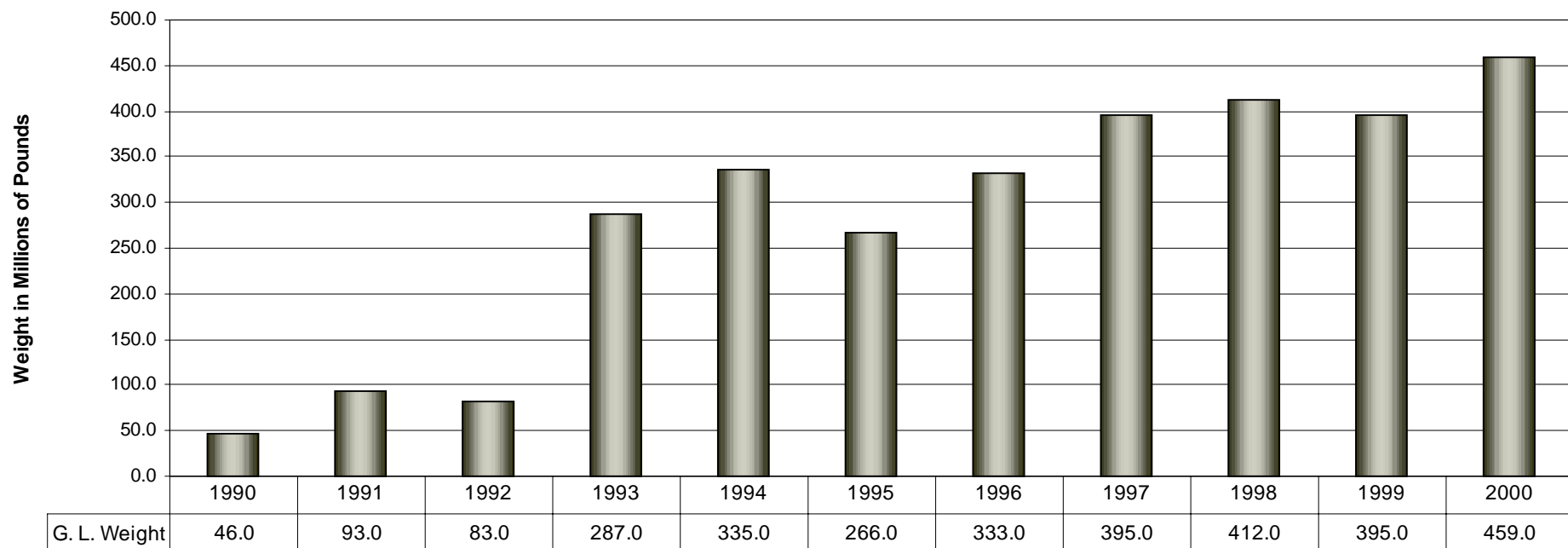
Source: Laredo Bridge System and U.S. Customs Service's data compiled by the Texas Center at Texas A&M International University.

Loaded Railcar Crossings at Laredo (North and South)



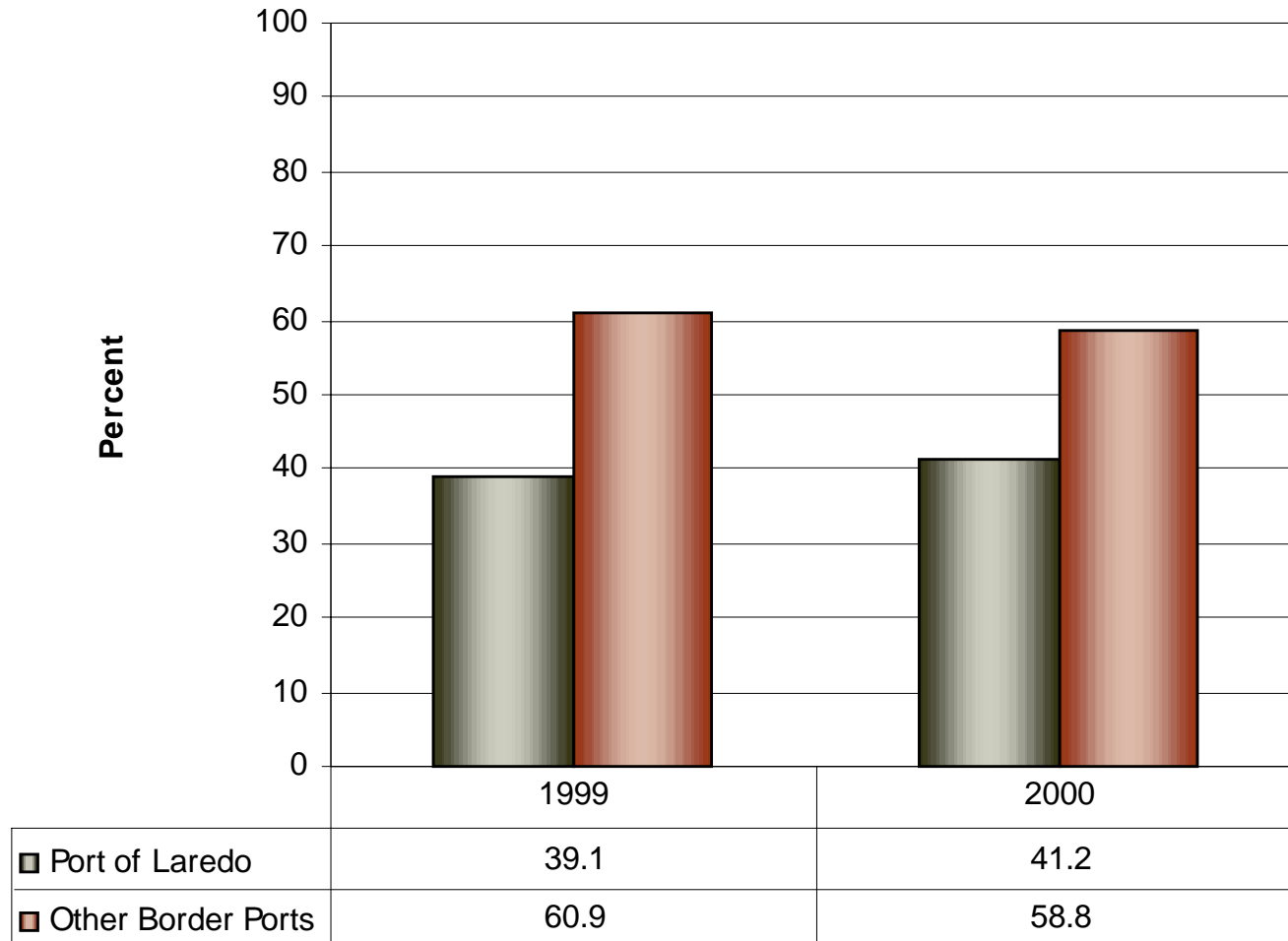
Source: Data provided by railroad companies and compiled by the Texas Center at Texas A&M International University.

Gross Landed Weight at Laredo International Airport (Millions of Pounds)



Source: Data provided by the Laredo International Airport.

Laredo's Share of U.S.-Mexico Total Border Trade Activity 1999 vs. 2000



Source: U.S. Department of Commerce data compiled by the Texas Center at Texas A&M International University.

Laredo Economy Update

Local Economic Activity

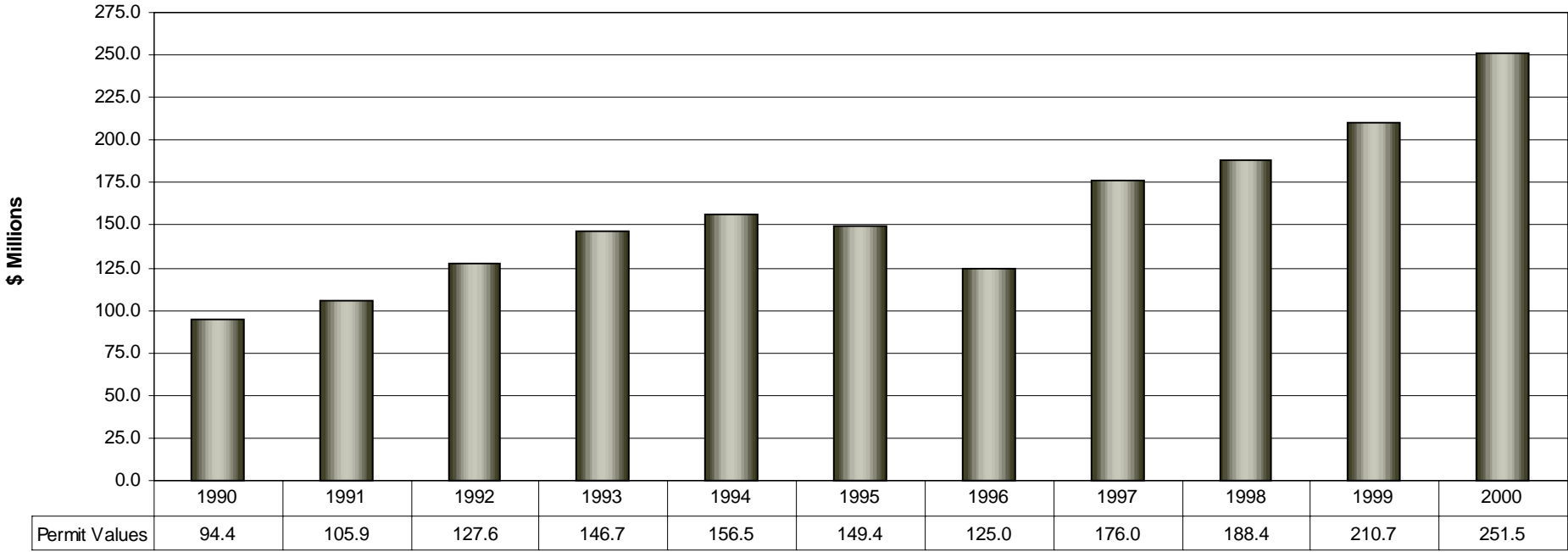
- **Laredo construction sector has enjoyed continuous growth throughout the 1990s. 2000 was record year for the industry.**
- **Local and cross-border retail sales continue to be a significant part of the Laredo economy, accounting for roughly 50 percent of the economy's total sales and 25 percent of its employment.**
- **Laredo bridge system's revenues and retail sales tax rebates remain an important source of funds for local government. Between 1990 and 2000, income from the two sources increased from \$133.83 per resident (1990) to \$258.21 per resident (2000).**

Laredo Economy Update

Local Economic Activity (continued)

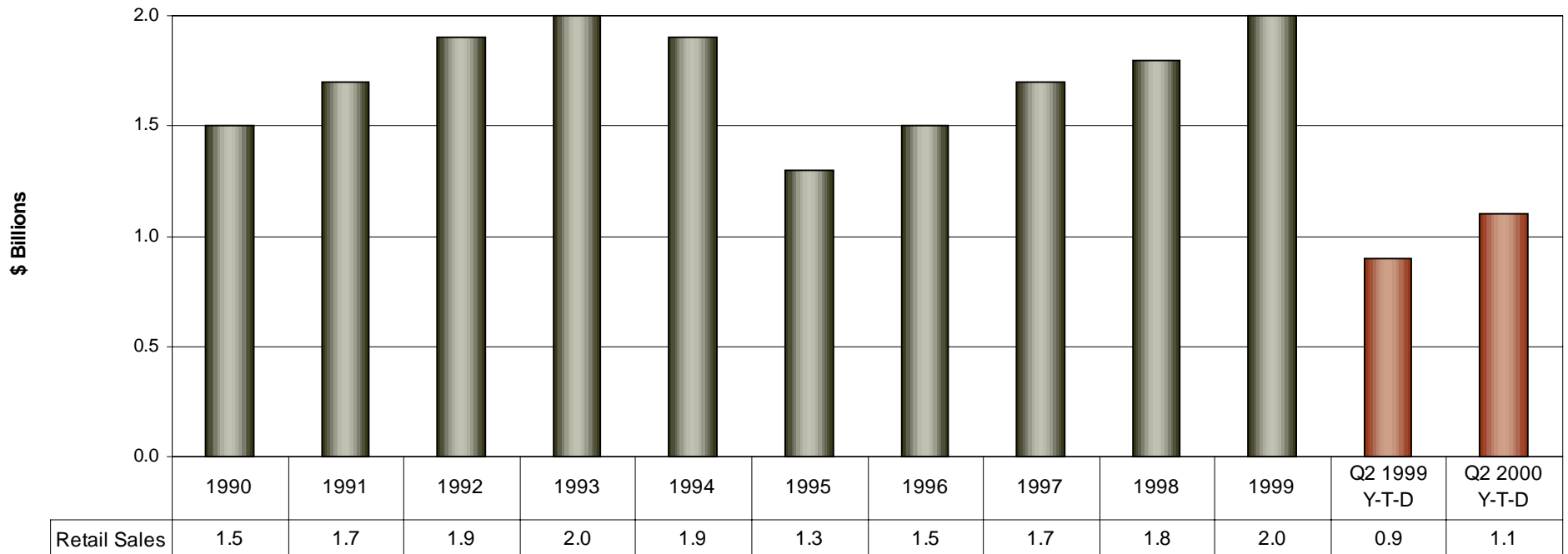
- **Laredo's economy added 2,363 new jobs in 2000. The unemployment rate fell to 6.9 percent, an all time low.**
- **The prospects for the further diversification of the Laredo economy are good. Expansion of existing industrial parks and the construction of new parks remains strong. Major U.S. companies like Convergys, which operates call centers across the country, are finding Laredo's young, bilingual, and culturally sensitive population to be an ideal workforce for expanding their business activities in the region and hemisphere. Increasingly, national and international manufacturing firms, with an eye on the NAFTA market and eventually all of the hemisphere, are including Laredo on their short list of possible sites to locate their operations.**

Laredo Building Permit Values



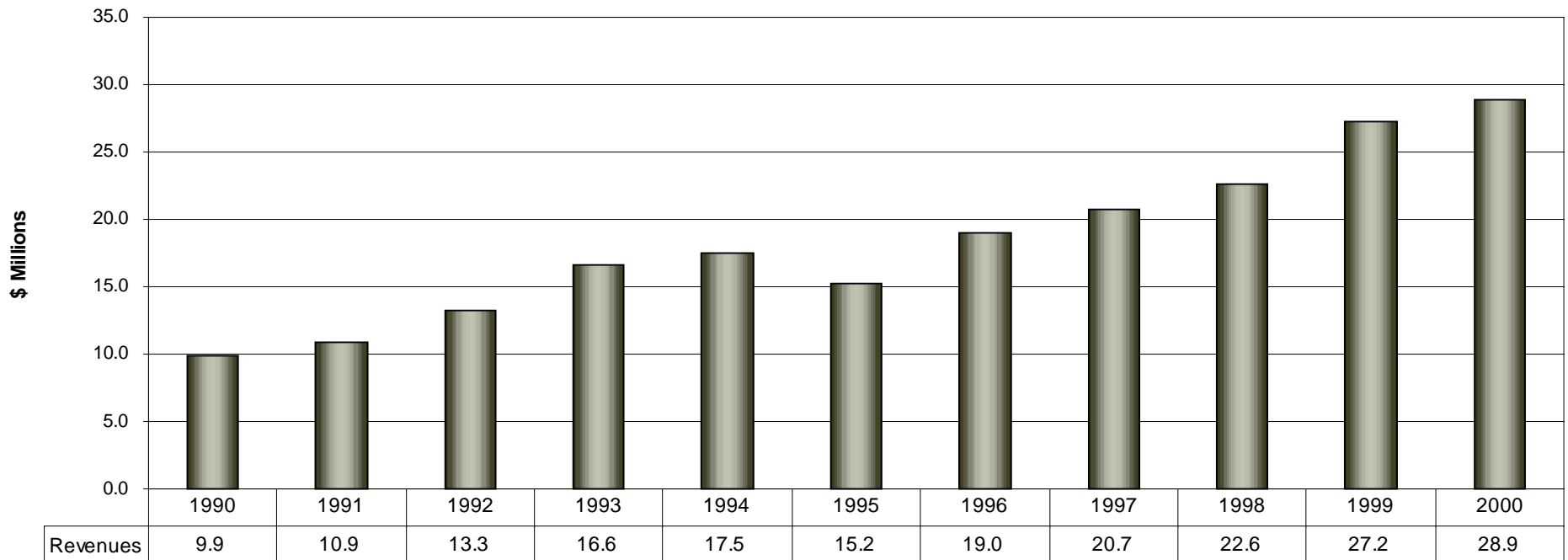
Source: City of Laredo's data compiled by the Texas Center at Texas A&M International University.

Laredo Retail Sales



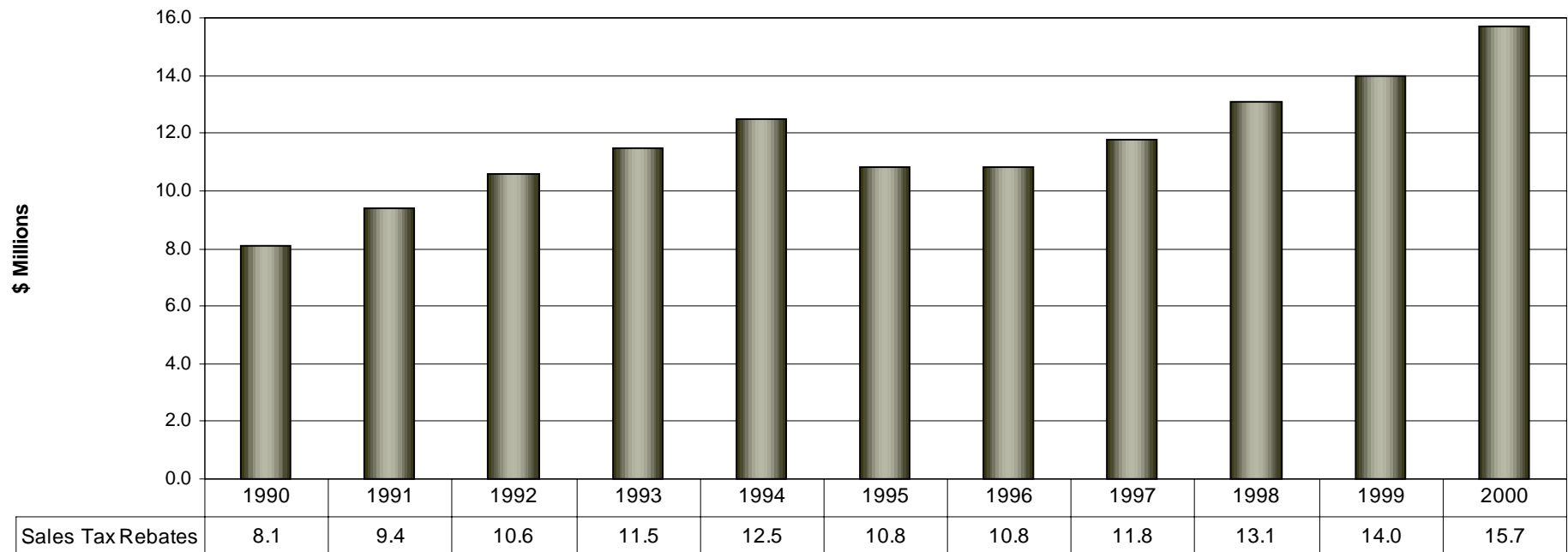
Source: Texas Comptroller of Public Accounts

Bridge Revenues for Laredo



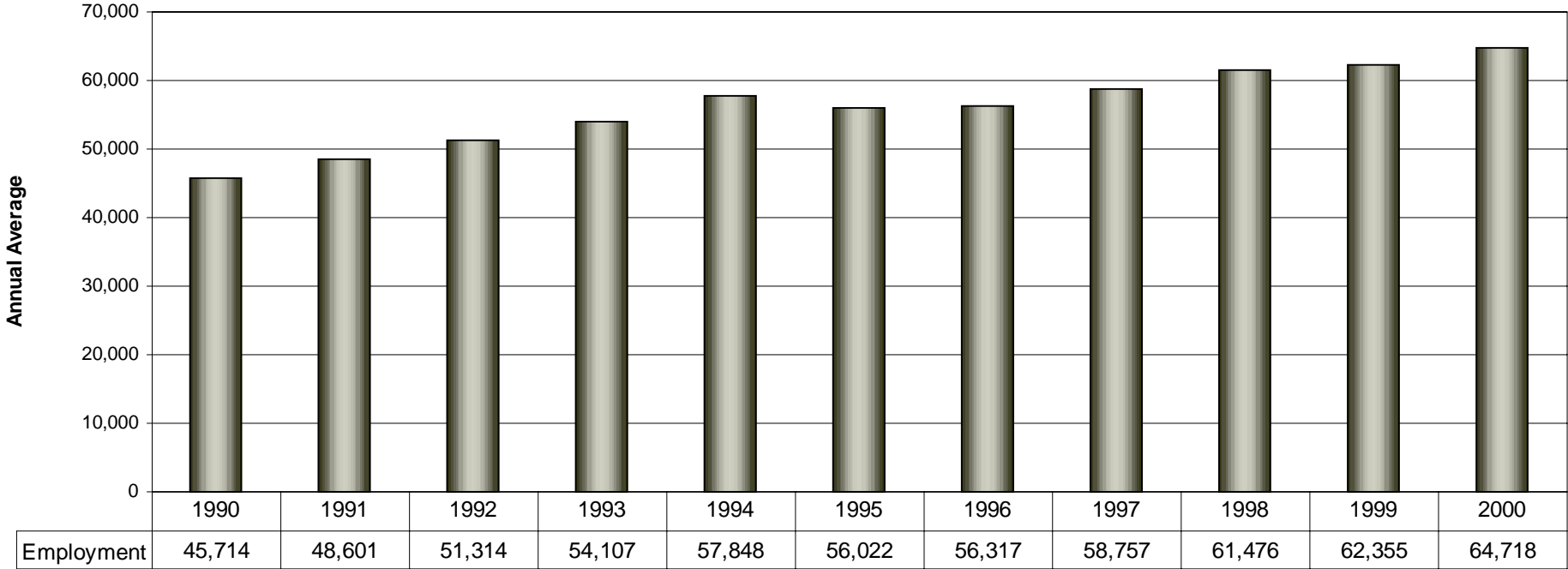
Source: Laredo Bridge System data compiled by the Texas Center at Texas A&M International University.

Sales Tax Rebates for Laredo



Source: Texas Comptroller of Public Accounts

Laredo Employment



Source : Texas Workforce Commission data compiled by the Texas Center at Texas A&M International University.

Laredo Economy Update

Economic Slowdown

- **After ten years of non-stop economic growth, the U.S. economy began showing signs of a slowdown in late 2000.**
- **The U.S. and Mexico are major trading partners. Eighty percent of Mexico's exports are destined for the U.S. market. A slowdown in the rate of growth of the U.S. economy will put a dampening effect on U.S.-Mexico trade and crossing activity at U.S. border ports of entry.**
- **The gradual strengthening of the Mexican economy and a quick rebound in the U.S. economy, however, are expected to minimize any long term negative economic effects on Laredo and the other border communities.**