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Chamber of Commerce
Laredo, Texas

Laredo

Gateway to Mexico



Important Facts:

- The Port of Laredo is the largest port of entry on the U.S.-Mexico border, and the third largest inland border port of entry behind Detroit, MI and Buffalo, NY.
- The Port of Laredo handles over 40 % of U.S.-Mexico trade.
- Over 10,000 trucks cross at the Port of Laredo daily.

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Vision 2009

Economic Outlook Report

Formulating a Vision

The Purpose of the Vision 2009 Conference and Trade Mission

During the past two centuries, Laredo has been at the crossroads of U.S.-Mexico trade and commerce. As the city of 222,482 inhabitants enters the new millennium, Laredo will continue to shape the destiny of the region. Tremendous efforts are underway to maintain a competitive business environment. In this regard, extensive participation by the business community will hallmark how well we are prepared to address both the increase in growth and commerce.

The Laredo Chamber of Commerce, over 700 members strong, has a vision and goal to foster the ongoing betterment of the community and region as well as encourage and promote the maintenance of a competitive business sector. There are three prime factors that bode well for the future of Laredo: first is the growing active work force, second the continued diversification of all economic sectors, and third, a significant public-private infrastructure initiative to enhance all areas of the region's transportation corridors and support services.

The 2009 Vision Conference intends to focus on the dynamic commercial viability of the city and the traditional linkages with counterparts in Mexico and the South Texas region. The membership of the Laredo Chamber of Commerce looks forward to continued regional and transnational cooperation. Thus, this publication is a snapshot of Laredo's recent growth and trade activities.

The State of Laredo's Economy in 2008

By Pablo Camacho-Gutierrez, Assistant Professor of Economics, Division of International Banking and Finance Studies, A.R. Sanchez Jr., School of Business, Texas A&M International University

Laredo's economy showed signs of slowing down in 2006 and 2007. In 2008, the Laredo economy showed signs of a recession. Pedestrian crossings continued in 2008 its increasing pattern that started in 2005; nonetheless, retail sales dropped with respect to its 2007 level, and sales tax rebates remained stagnant at its 2007 level. Vehicle crossings continued its decreasing pattern that started in 1999. Truck crossing remained stagnant for a third year in a row. Rail cars crossings and air cargo increased the rate at which have been decreasing since 2006. The value of building permits experienced a sharp decrease. The number of employed individuals grew in 2008, but so did population in Laredo. The result was an increase in the unemployment rate. The total value of U.S.-Mexico trade that crossed Laredo in 2008 increased with respect to 2007; however, U.S.-Mexico trade decreased last November and December.

Despite the economic hardship that Laredo is facing, the average citizen in Laredo is better off today than, say, a decade ago due to the extraordinary economic growth that the city has enjoyed in its recent past. Laredo remains as a major player in international trade, a top-three inland border port in the U.S., and handles 40 percent of U.S.-Mexico trade.

(Continued on page 2)

International Crossings

Pedestrian crossings continued its growth trend that started in 2006 (Chart 1) and reached 9.4 million crossings in 2008; that is, 300,000 more pedestrian crossings occurred in 2008 than in 2007, which represents an increase of 3.26 percent. Compared to the lowest level over the period 1990-2008, 3 million more pedestrian crossings occurred in 2008 than in 1995.

Vehicle crossings dropped again in 2008 (Chart 2) and reached a new historical low level at 9.8 million crossings; that is, 1 million fewer vehicle crossings occurred in 2008 than in 2007, which represents a 9.52 percent reduction. Compared to the highest level over the period 1990-2008, 5.8 million fewer vehicle crossings occurred in 2008 than in 1999, which represent a 37.4 percent reduction. Indeed, vehicle crossing have declined at an average annual rate of 4.98 percent from 1999 to 2008.

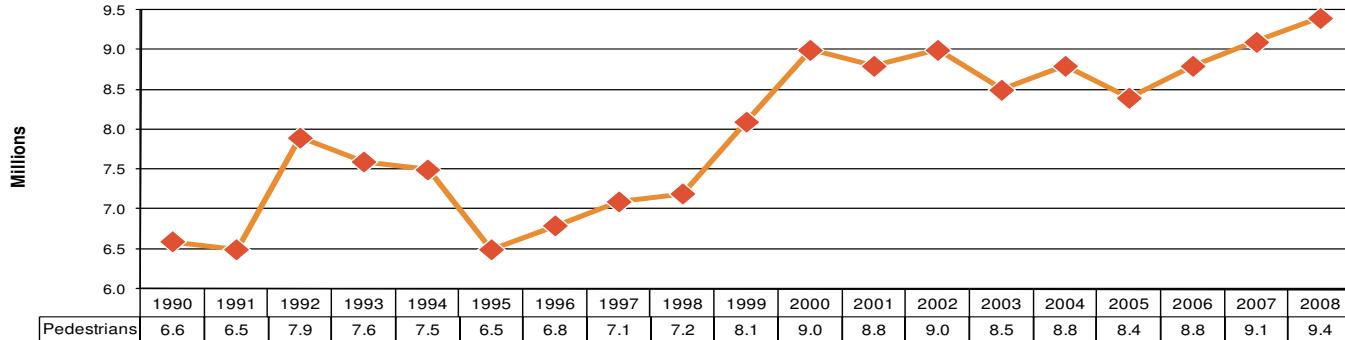
Truck crossings remained stagnant at 3.2 million crossings in 2008 (Chart 3), which is the same number of cross-

ings that occurred in 2006 and 2007. In addition, 3.2 million truck crossings is the highest level over the period 1990-2008. That is, 2.4 million more truck crossings occurred in 2008 than in 1990. Rail car crossings declined again in 2008 (Chart 4) and reached 327.4 thousands crossings. That is, 63.7 thousands fewer rail car crossing occurred in 2008 than in 2007, which represents a 16.29 percent reduction. Furthermore, the number of rail car crossings in 2008 is lower than in any previous year since 2000.

Air cargo, measured as gross landed weight, declined in 2008 (Chart 5) and reached 343.1 millions of pounds; that is, 22.2 millions of pounds less cargo arrived at Laredo International Airport in 2008 than in 2007, which represents a decline by 6.1 percent. Air cargo showed a positive growth rate from 1990 to 2000. In particular, air cargo grew from 46.0 millions of pounds in 1990 to 459.4 millions of pounds in 2000, which is the highest level over the period 1990-2008. Air cargo experienced in sharp declined to 226.1 pounds in 2001, down 50.8 per

PEDESTRIAN CROSSINGS

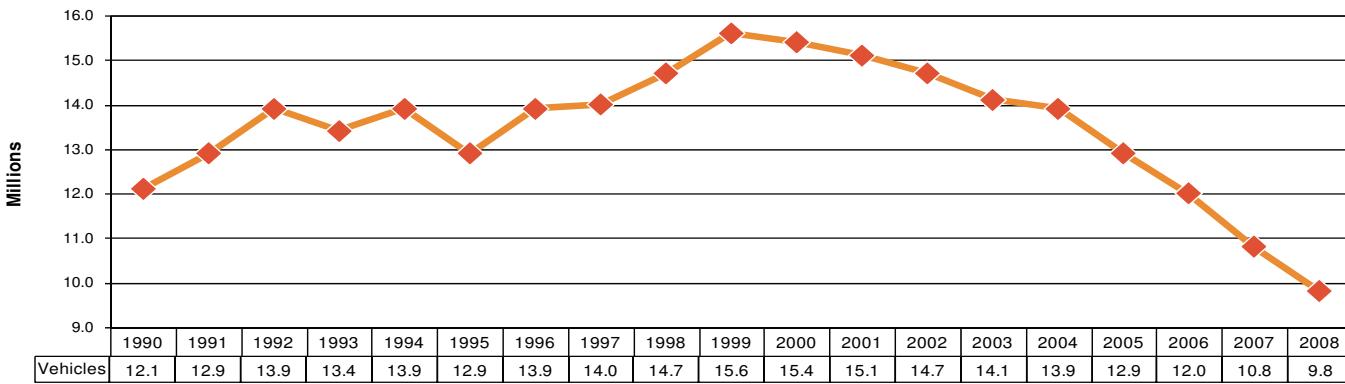
Chart 1
Pedestrian Crossings at Laredo
(North and South)



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

VEHICLE CROSSINGS

Chart 2
Vehicle Crossings at Laredo
(North and South)



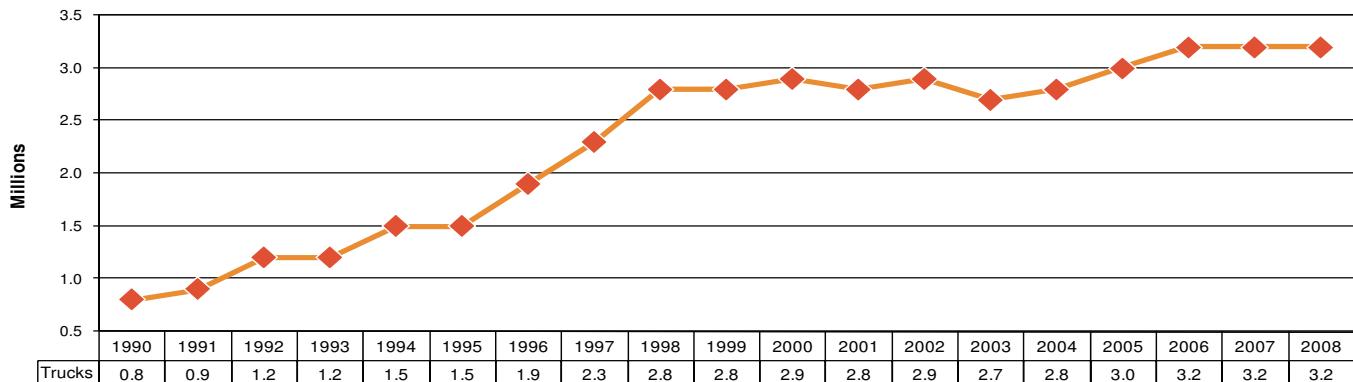
Source: Laredo Bridge System and Mexico's Oficina de Caminos y Puentes data compiled by the Texas Center at Texas A&M International University.

cent with respect to 2000 level. Air cargo started a new growth trend in 2002 but it peaked at 378.5 millions of pounds in 2005. Compared to the highest level over the

period 1990-2008, 116.3 millions of pounds less cargo arrived at Laredo International Airport in 2008 than in 2000, which represents a 25.32 percent reduction.

TRUCK CROSSINGS

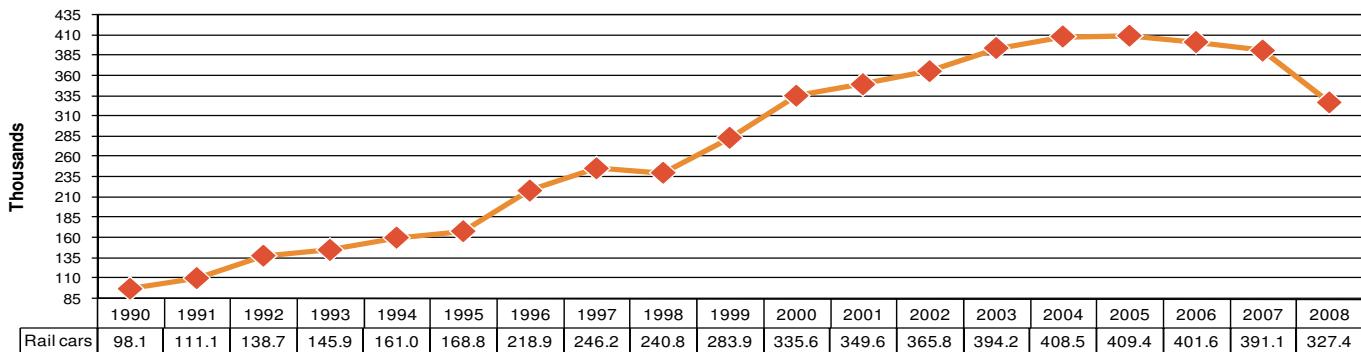
Chart 3
Truck Crossings at Laredo
(North and South)



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

RAIL CAR CROSSINGS

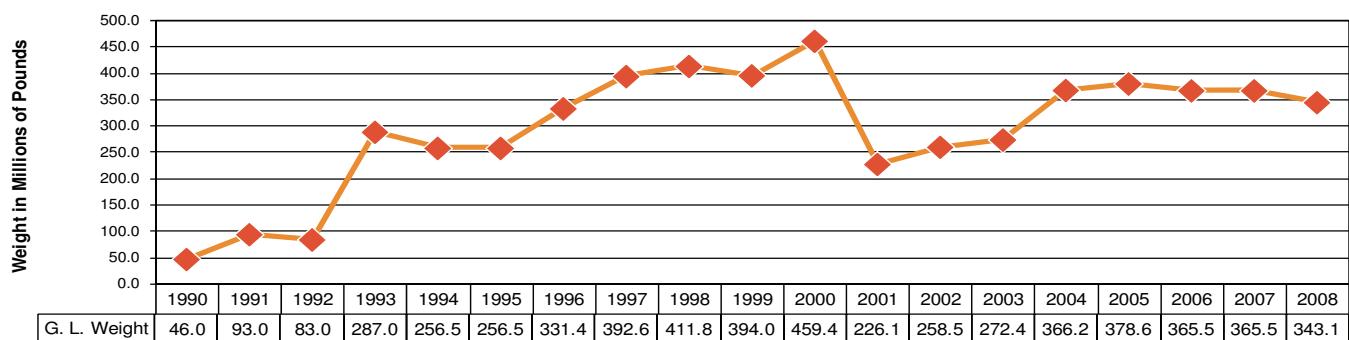
Chart 4
Rail Car Crossings at Laredo
(North and South)



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

INTERNATIONAL AIR CARGO

Chart 5
Gross Landed Weight at Laredo International Airport
(Millions of Pounds)



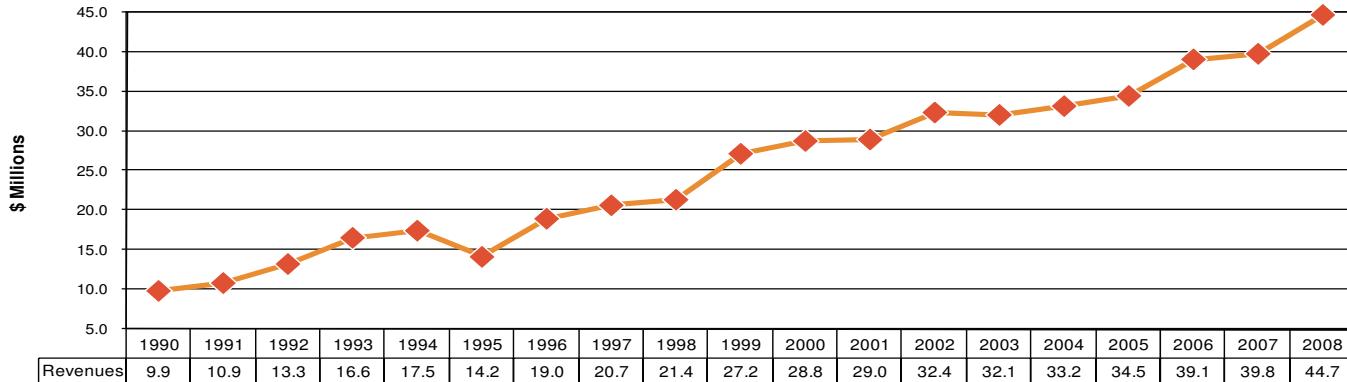
Source: Data provided by the Laredo International Airport.

International bridge revenues continued its growth pattern (in nominal terms) in 2008 (Chart 6) and reached \$44.7 millions; that is, \$4.9 millions more than in 2007, which represents an increase of 12.31 percent (in current dollars). Bridge revenues (in nominal terms) have grown over the entire period from 1990 to 2009, except for a sig-

nificant decline in 1995 and an insignificant decline in 2003. The increase in bridge revenues in 2008 is due to the increase in its toll. That is, the loss of revenues from the drop in vehicle crossing exceeds the increase in revenues due to the increase in pedestrian crossings.

BRIDGE REVENUES

Chart 6
Bridge Revenues for Laredo



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

Construction Sector

Laredo has experienced an extraordinary economic growth over the past three decades (see Chart 14 and Table 1), which translated in a growing population and thus in a boom in the construction sector. Laredo has almost doubled its population over the last two decades (Chart 11). Population in Laredo was 133 thousands in 1990, and it reached 240 thousands in 2008. The growth in Laredo's total value of building permits from 1990 to 2006 shows the boom in its construction sector (Chart 7). Indeed, significant declines in Laredo's total value of building permits that occurred in 1996 and 2003 did not alter its long term growth trend. However, a major drop occurred in 2008 when total valued of building permits reached \$255.9 millions. That is, \$222 millions worth of fewer building permits were granted in Laredo in 2008 than in 2007, which represents a 46.45 percent decline. The figure for 2008 is similar, in nominal terms, to those figures in 2003 and 2000. In real terms, thus, the construction sector in Laredo experienced a lower activity level than the one it experienced in 2000.

The construction sector is a leading economic indicator, as a result, its sharp decline in 2008 is consistent with the decline in the economic activity that the Laredo's economy observed in 2008 and is likely to observe in 2009. To the extent that the reduction in total building permits is due to a reduction in single family building permits, it should be a relief to homeowners in Laredo. As the local economy ex-

perience recession the demand for houses would drop, which would push the market price of house downwards. In this scenario, a sharp drop in family building permits would reduce the supply of houses, which in turn would counteract the downward pressure on the market price of houses.

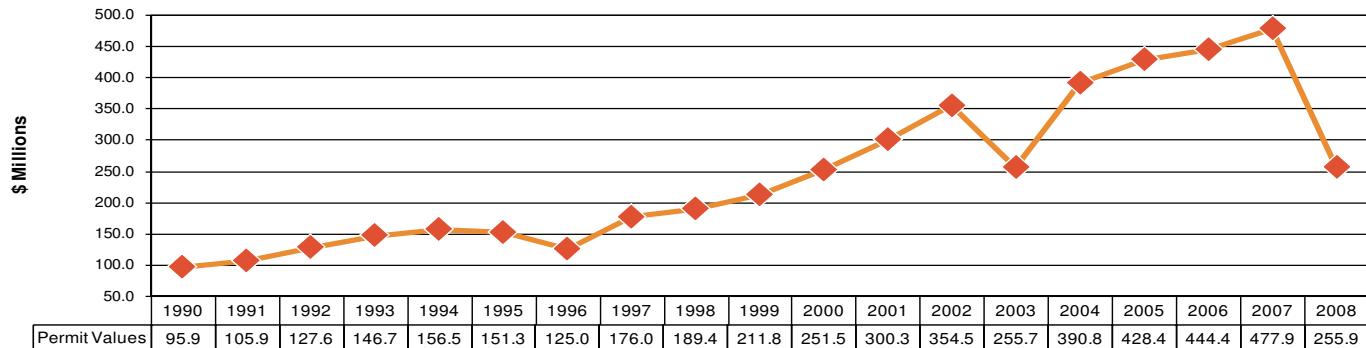
International Trade and Commerce

Economic growth in Laredo has been due to the expansion of U.S.-Mexico trade. In 2008, the port of Laredo handled 40.9 percent of the trade by land between U.S.-Mexico (Chart 18). Total U.S.-Mexico trade continued its expansion trend in 2008 (Chart 15) and reached a historical level of \$367.4 millions, up by \$20.2 billion with respect to 2007, which represents an increase of 6.0 percent. In particular, total trade through the port of Laredo increased in 2008 (Table 4) and reached 116.1, up by \$5.6 billions with respect to 2007, which represents an increase of 5.0 percent. However, total U.S.-Mexico trade declined by 13.5 and 9.3 percent in November and December 2008, respectively (Table 3).

Retail sales in Laredo dropped in 2008 (Chart 8) and reached \$3.055 billion, down by \$165.4 million with respect to 2007, which represents a 5.13 percent decline (in nominal terms). Sales tax rebates (Chart 9), on the other hand, grew slightly in 2008 and reach \$32.207 millions, up by \$202 thousand with respect to 2007, which represents an increase of 0.6 percent.

BUILDING AND CONSTRUCTION

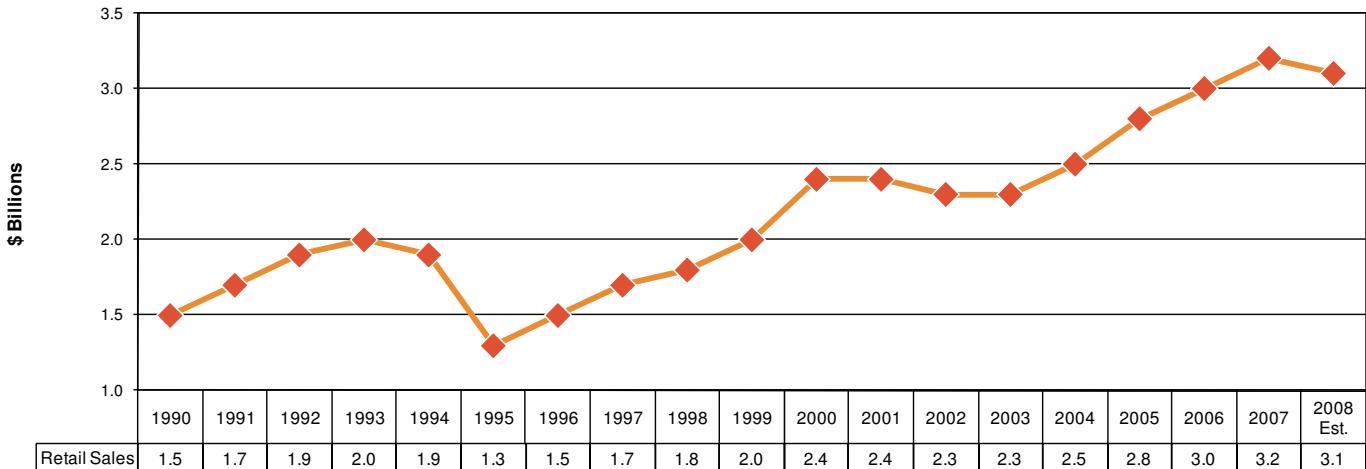
Chart 7
Laredo Building Permit Values (All Structures)



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

RETAIL SALES

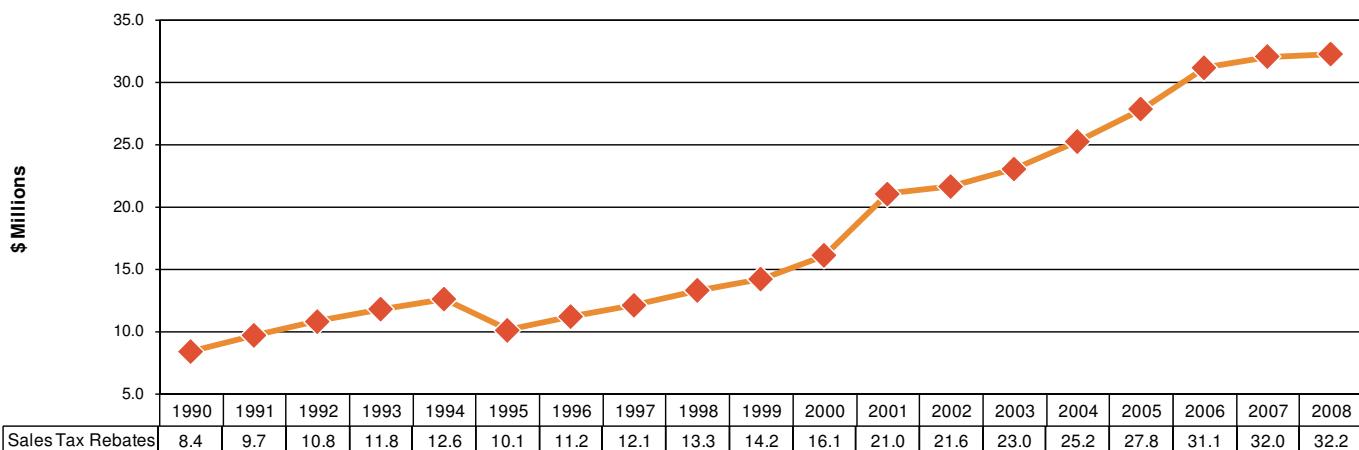
Chart 8
Laredo Retail Sales



Source: Texas Comptroller of Public Accounts

SALES TAX REBATES

Chart 9
Sales Tax Rebates for Laredo



Source: Texas Comptroller of Public Accounts

Recession and Peso Depreciation: What a Mix for Laredo!

By Dr. Pablo Camacho-Gutierrez

This section discusses the dependency of Laredo's economic activity on the performance of the economy in both U.S. and Mexico, as well as on the rate of exchange between these countries' currencies. In addition, Laredo's future economic performance is discussed in light of its recent economic past. As the dependency of Laredo's economy on Mexico's economy increased after NAFTA, the descriptive analysis in this section should help to understand the challenges that Laredo faces in the short and medium run.

Laredo is a major inland port in the U.S.; indeed, its economy depends primarily on the provision of services to international trade by land between the U.S. and Mexico and to Mexican cross-shoppers. Tariff and non-tariff barriers that may disrupt U.S.-Mexico trade are resolved under NAFTA terms. Domestic policy instruments, such as interest rate, government spending, and taxation, are set to promote an economic expansion. As a result, one may focus on a handful of macroeconomic variables that determine the performance of the local economy in the short and medium run; e.g., economic growth in both countries U.S. and Mexico, exchange rate between U.S. dollar and Mexican peso. Prosperity in the U.S. and Mexico would mean that economic agents on both sides of the border can afford to buy more goods including imported goods. A strong peso, on the other hand, would increase the amount of local retail sales to Mexican shoppers.

Thus, U.S.-Mexico trade would decline if economic activity is down in either U.S. or Mexico, which hurts local businesses (warehouses, trucking, custom brokers, etc.) that serve international trade. Is Laredo economy more sensitive to the performance of the U.S. economy or the Mexican economy? According to Phillips and Cañas (2008),¹ Laredo's economy depends more on the economic performance in Mexico than in the U.S., especially in the post-NAFTA era. In order to evaluate the performance of Laredo's economy, this section focuses on a single comprehensive indicator that captures information from the most important indicators on the local economy. That is, the Metro Business-Cycle Index for Laredo MSA (MBCI-Laredo) that is published by the Federal Reserve Bank of Dallas,² which summarizes "movements in locally measured nonagricultural employment, the unemployment rate, inflation-adjusted wages and inflation-adjusted retail sales." (Fed Dallas.) This index captures Laredo's business cycle since October 1980. The most recent data is as of March 2009.

The economy in Laredo has enjoyed a steep long term growth trend in the last three decades (Chart 14). Over the period 1981-2008, the annual average rate for Laredo (5.25%) exceeds those of U.S. (2.96%) and Mexico (2.57%). As it is expected, Laredo's has suffered some downturns over such period as well. In particular, Laredo experienced a drop in its economic activity

in the following years: 1982, 1983, 1986; 1995; and 2008 (See Table 1).

What was the state of economic growth in the U.S. and in Mexico and the exchange rate between Mexican peso and U.S. dollar in those years when Laredo's economy declined? In 1982, when Laredo's economy declined by 40.36 percent, both U.S. and Mexico were suffering a decline in their economic activity; in addition, the peso devaluated by 267.56 percent with respect to the dollar. In 1983, when Laredo's economy declined by 9.12 percent, the U.S. economy was in an expansion phase growing at an annual rate of 4.5 percent; in contrast, the recession deepened in Mexico as its economic activity declined by 4.2 percent, in addition, the peso devaluated by 49.12 percent with respect to the dollar. The positive effects on Laredo's economy from the strong recovery of the U.S. in 1983 were overcome by the recession experienced in Mexico and the devaluation of the peso.

Events similar to those in 1983 occurred in 1986, when Laredo's economy declined by 10.94 percent. That is, in 1986 the U.S. economy grew at a rate of 3.5 percent, but the Mexico's economic activity declined by 3.8 percent whereas the peso de-

Table 1

Year	Laredo Growth Rate ¹ %	U.S. Growth Rate ² %	(MX\$/U.S.\$1) Change ³ %	MX Growth Rate ⁴ %
1980		-0.2	2.19	9.2
1981	19.93	2.5	12.45	8.8
1982	-40.36	-1.9	267.56	-0.6
1983	-9.12	4.5	49.12	-4.2
1984	23.53	7.2	33.70	3.6
1985	9.62	4.1	91.77	2.6
1986	-10.94	3.5	148.53	-3.8
1987	10.3	3.4	141.47	1.9
1988	21.16	4.1	3.23	1.2
1989	7.81	3.5	15.78	3.3
1990	14.76	1.9	11.53	4.4
1991	9.43	-0.2	4.26	3.6
1992	15.32	3.3	1.45	2.8
1993	7.2	2.7	-0.30	0.6
1994	7.65	4	71.45	3.7
1995	-15.35	2.5	43.52	-6.9
1996	14.25	3.7	2.73	11.9
1997	19.16	4.5	2.96	6.7
1998	2.37	4.2	22.04	4.9
1999	11.59	4.5	-3.55	3.9
2000	5.57	3.7	0.61	6.6
2001	2.02	0.8	-4.49	-0.2
2002	4.72	1.6	12.80	0.9
2003	2.07	2.5	8.96	1.3
2004	3.92	3.6	0.26	4.2
2005	9.9	2.9	-4.32	2.8
2006	5.65	2.8	0.96	4.7
2007	3.71	2	-0.14	2.0
2008	-8.94	1.1	24.59	1.3

Notes:

¹ Based on MBCI-Laredo published by Fed-Dallas.

² Bureau of Economics Analysis.

³ Based on Banco de México's exchange rate to meet foreign obligations, end of period.

⁴ Based on data from INEGI.

¹ Phillips, Keith R. and Jesús Cañas, "Regional business cycles integration along the U.S.-Mexico border," *The Annals of Regional Science*, 2008, 42: 153-168.

² Available from the Fed Dallas at: <http://www.dallasfed.org/data/mbci.html>.

preciated with respect to the dollar by 148.53 percent. In 1995, when Laredo's economy declined by 15.35 percent, the U.S. economy grew at a rate of 2.5 percent; in contrast, Mexico experienced a drop in its economic activity of 6.9 percent and the peso depreciated by 43.52 percent with respect to the dollar.

In 2008, when Laredo's economy declined by 8.94 percent, both U.S. and Mexico's economies showed a small growth with respect to 2007—1.1 and 1.3 percent, respectively; however, the peso depreciated by 24.59 percent with respect to the dollar. In other words, Laredo did not face in 2008 a scenario like the one it faced in 1982. The drop in the economic activity that Laredo suffered in 2008 is similar in magnitude to those in 1983 and 1986. However, in 1983 and 1986 the devaluation of the peso was larger than the depreciation of the peso in 2008. In addition, in both 1983 and 1986 the Mexican economy showed a decreased in its aggregate output with respect to the previous year, but it did not in 2008.

The annualized monthly growth rate for Laredo is 10 percent for all first three months of 2009 (Table 2). U.S. real GDP declined at an annual rate of 6.1 percent during the first quarter of 2009. There are still no estimates available for the performance of the Mexican economy during the first quarter of 2009. Nonetheless, there is a consensus that the recession will deepen in 2009. Although the peso continued depreciating against the dollar during January, February, and March, it appreciated in April.

The recession is expected to deepen in both U.S. and Mexico's economies during the first three quarters of 2009. Finan-

Table 2

Period	Laredo MSA Annualized Monthly Growth Rate ¹ %	Laredo MSA Monthly Unemployment Rate ² %	U.S. Annual Quarterly Growth ³ %	(MX\$/U.S.\$1) Monthly Change ⁴ %	Mexico Quarterly Growth Rate ⁵ %
Jan-09	-10.0070857	7.3	-	3.56400401	-
Feb-09	-10.421859	7.4	-	4.82915981	-
Mar-09	-10.179632	7.5	-6.1	1.52431464	N.A.
Apr-09	-	-	-	-8.4827638	-

Notes:

¹ Based on MBCI-Laredo published by Fed-Dallas.

² Bureau of Labor Statistics.

³ Bureau of Economics Analysis.

⁴ Based on Banco de México's exchange rate to meet foreign obligations, average of period.

⁵ INEGI will be announced first quarter growth rate on May 20.

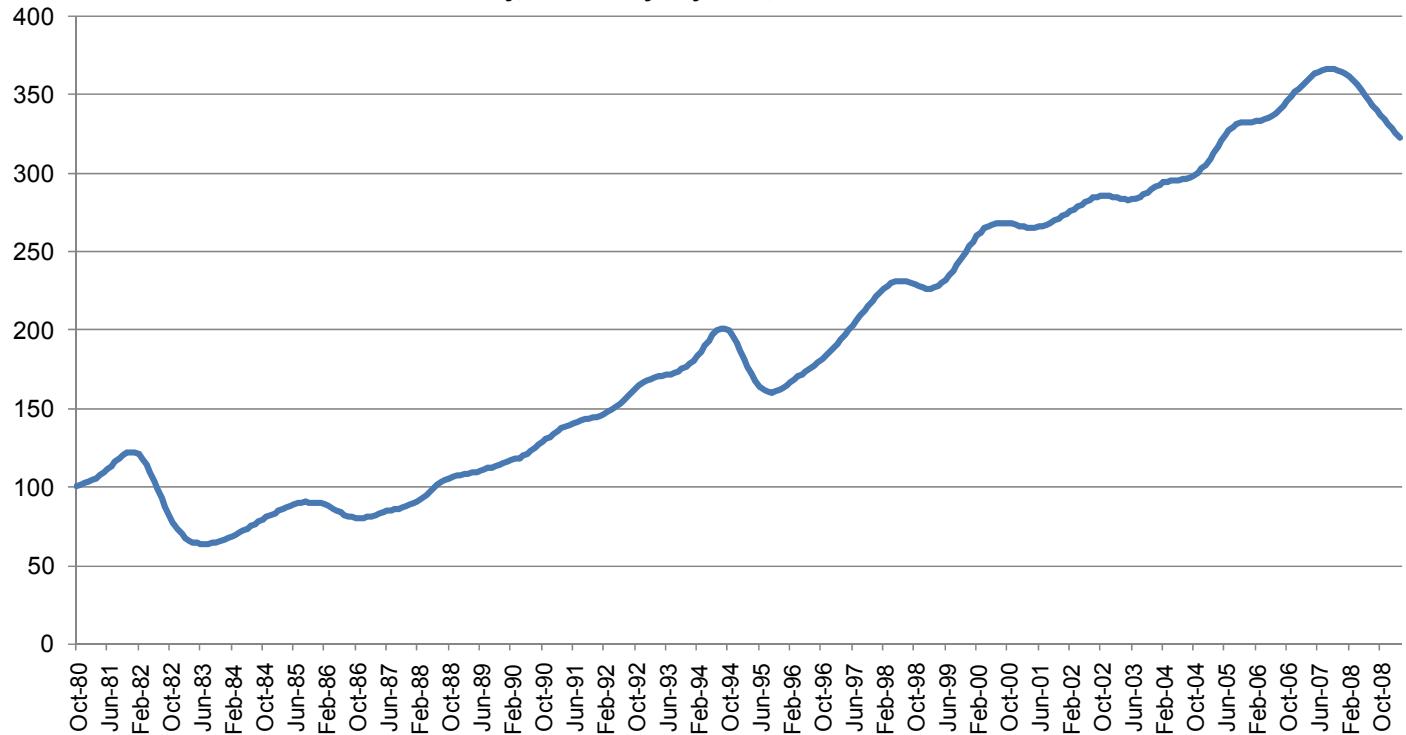
cial markets and the foreign exchange market for pesos and dollars in particular have not reach stability yet. Under this scenario, the outlook for Laredo's economy is not good.

Phillips, Keith R. and Jesús Cañas, "Regional business cycles integration along the U.S.-Mexico border," *The Annals of Regional Science*, 2008, 42: 153-168.

Available from the Fed Dallas at: <http://www.dallasfed.org/data/mhci.html>.

—By Pablo Camacho-Gutierrez, Assistant Professor of Economics, Division of International Banking and Finance Studies, A.R. Sanchez Jr., School of Business, Texas A&M International University

Chart 14
Laredo Metro Business-Cycle Index:
Monthly, Seasonally Adjusted, October 1980=100



Source: Author with data from Fed Dallas.

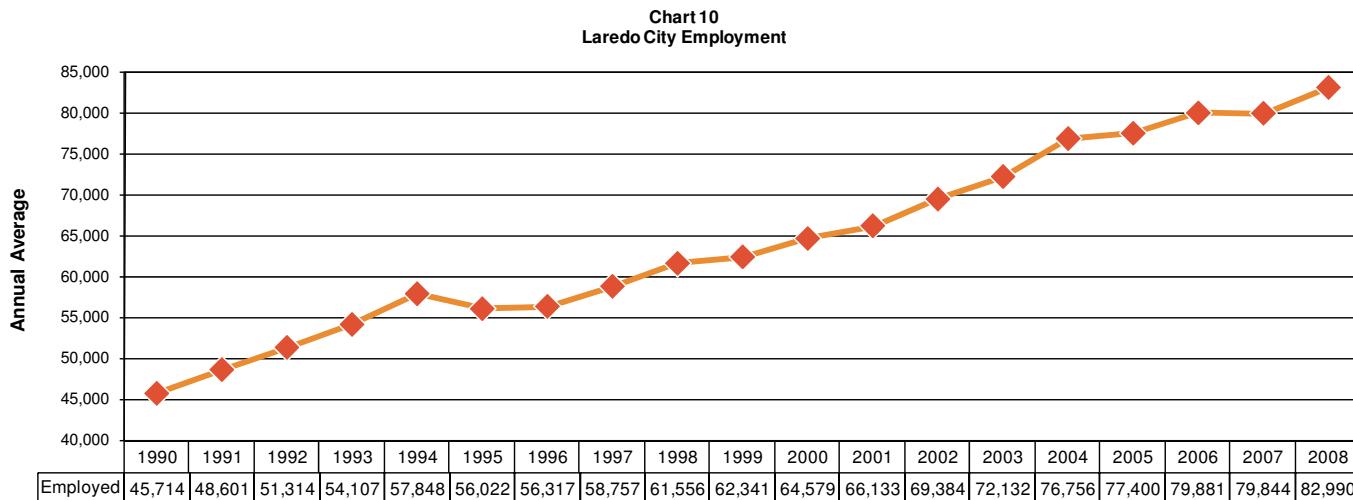
Other Indicators

As mentioned before, Laredo has experienced an extraordinary growth over the past three decades. Another indicator of the expansion of Laredo's economy is the continuous increase in the number of employed individuals in the city (Chart 10). The number of employed individual in Laredo grew in 2008 and reached a historical level of 82,990 individuals, that is, 3,146 more individuals were

employed in 2008 than in 2007, which represents an increase of 3.94 percent.

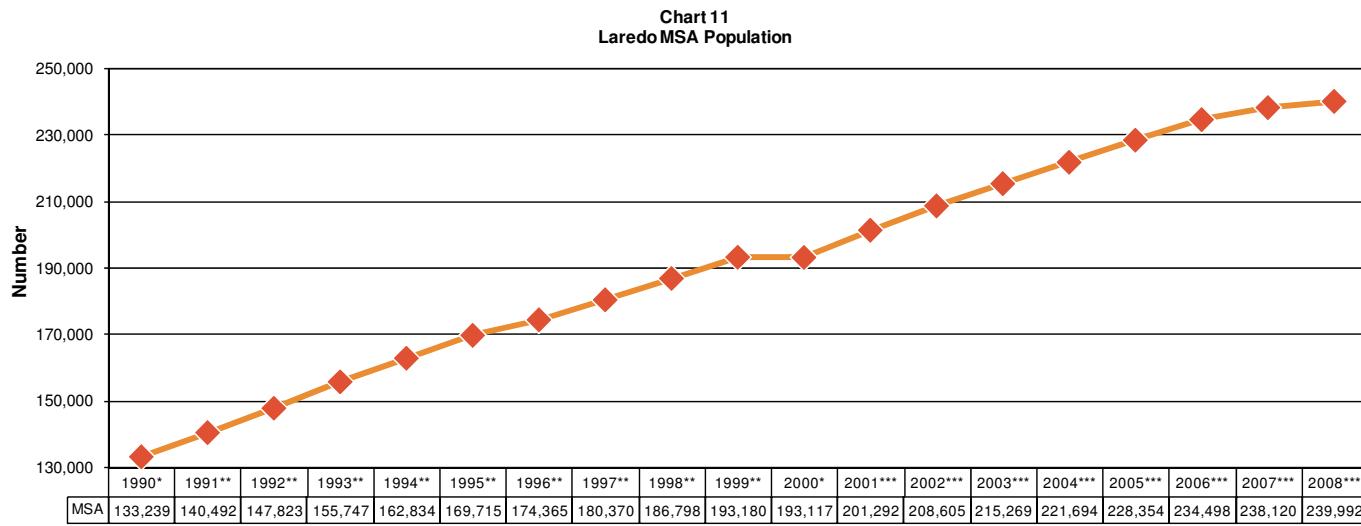
The increase in employment in Laredo has satisfied the demand for jobs from a growing population (Chart 11). Indeed, the unemployment rate in Laredo (Metropolitan Statistical Area) has shown a decreasing long term trend since 1990 (Chart 12). However, the unemployment rate in Laredo grew in 2008 and reach 5.4 percent, up from an unemployment rate of 4.8 percent in 2007 whereas it was

EMPLOYMENT



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

POPULATION



Source: *U.S. Census Bureau, 1990 and 2000 Census Count

** Population Estimates Program, Population Division, U.S. Bureau of the Census, Washington, DC 20233

***The Texas State Data Center, The Texas State Population Estimates and Projections Program (for July 1, 2001 - January 1, 2008)

5.4 percent in 2006. Despite the increase in the unemployment in 2008, a 5.4 percent unemployment rate is the second lowest rate over the period 1990 to 2008.

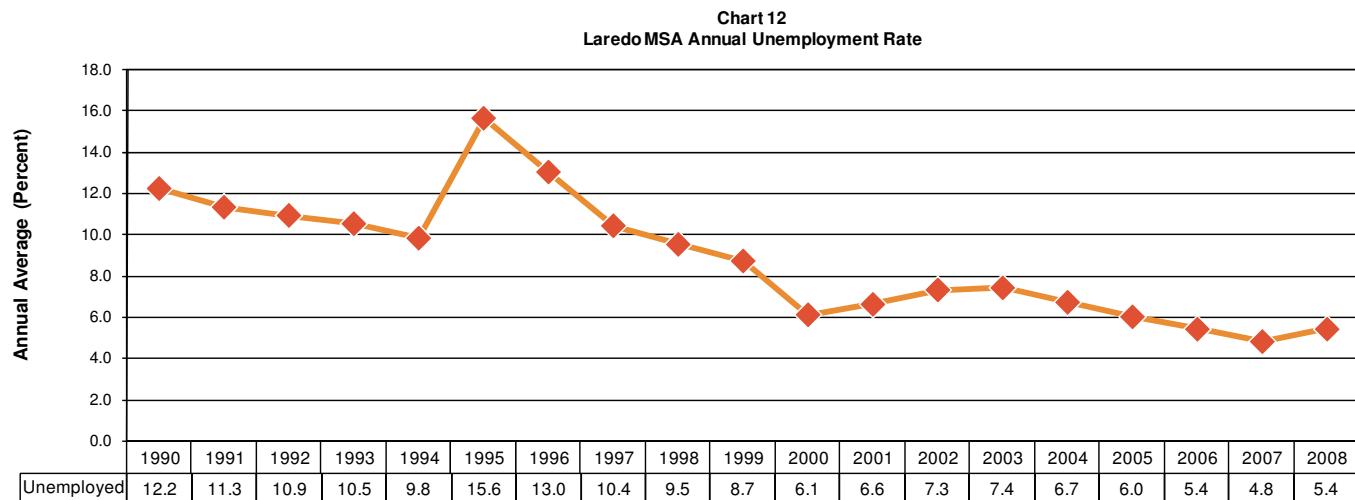
The strong economic growth that Laredo has enjoyed over the last three decades has increased the standard of living of its citizens. For instance, per capita personal income (in nominal terms) has grown every year since 2002 (Chart 13), at an average annual rate of 4.82 percent. Per capita income in Laredo reached \$21,423 in 2007, up by

\$5,260 with respect to 2001, which represents an increase of 32.54 percent (in nominal terms).

As a result, even though the standard of living of the average citizen of Laredo would decline during the current recession, she would still be better off than a few years back. ✓

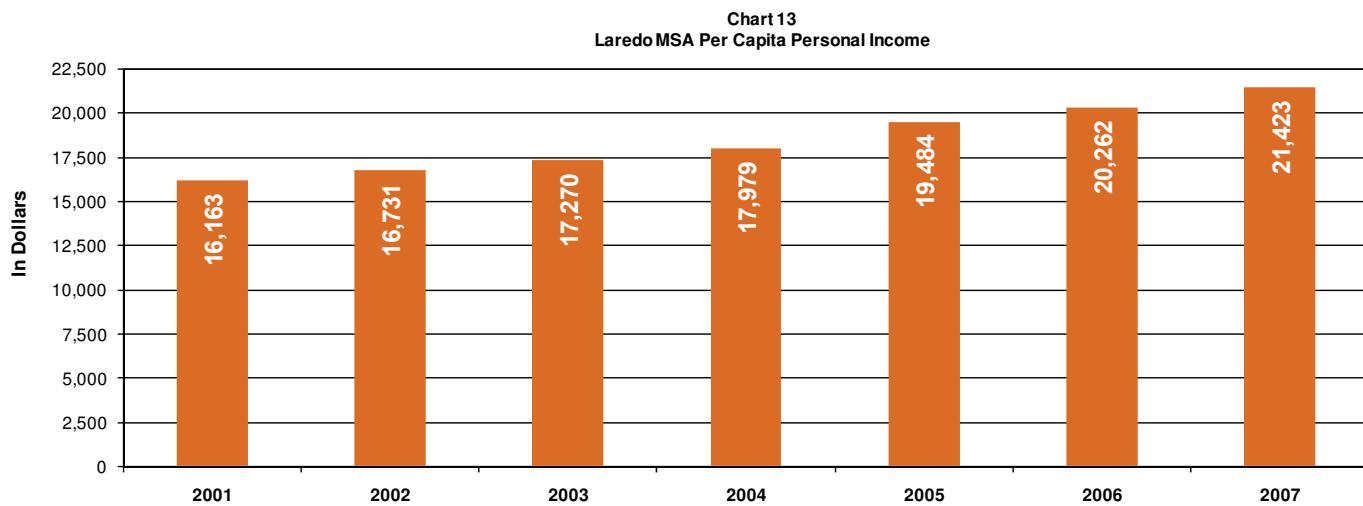
—By Pablo Camacho-Gutierrez, Assistant Professor of Economics, Division of International Banking and Finance Studies, A.R. Sanchez Jr., School of Business, Texas A&M International University

UNEMPLOYMENT



Source: Author with Data from BLS

PER CAPITA PERSONAL INCOME



Source: Author with Data from BEA, Regional Economics Accounts.

U.S.-Mexico Trade in 2008 and the Port of Laredo by Baldomero G. Garcia

After the first three quarters of merchandise trade figures were reported for the trading partners—U.S. and Mexico, it appeared that it would be another banner year. One eclipsing the 2007 with almost double-digit increases in exports and imports. It may have occurred, but the U.S. economy started to suffer several harsh realities that had been brewing in the mid months of 2008.

As the mortgage meltdown, the collapses of a number of major financial institutions and the big three U.S. automakers drowning in red ink came to light, trade figures continued marking favorable gains over 2007. It was not until the 4th Quarter that the effect of a downturn of the U.S. economy reflected itself in the U.S.-Mexico 2008 trade figures.

Through Quarters 1-3, U.S. exports to Mexico had been averaging a 12.5 percent increase over the same period in 2007. During the same period, U.S. imports had been averaging an 8.3 percent increase over last year. Effectively, the average total trade increase was 9.9 percent.

The 4th Quarter became indicative of what was to come in the future of U.S.-Mexico trade. Table 3 indicated that after September 2009, the economic crisis began taking its toll. These are the percent changes of the 4th Quarter 2007 against those of 2008. U.S. imports from Mexico experienced negative growth in all three months; while U.S. ex-

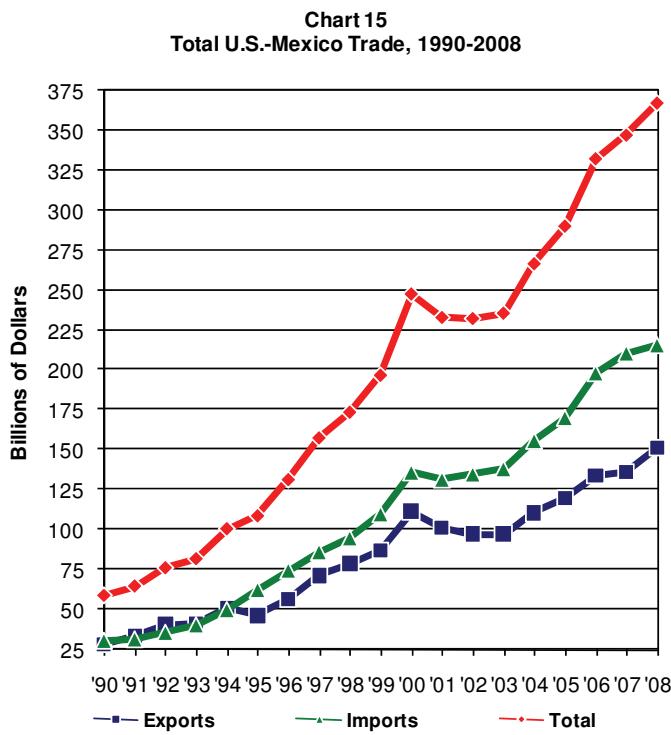
Table 3
U.S.-Mexico Trade, Percent Change, Quarter 4
2007 vs. 2008

	Oct	Nov	Dec
U.S. Exports to Mexico	20.2	-0.8	0.0
U.S. Imports from Mexico	-0.5	-21.3	-15.0
Total Trade	7.5	-13.5	-9.3

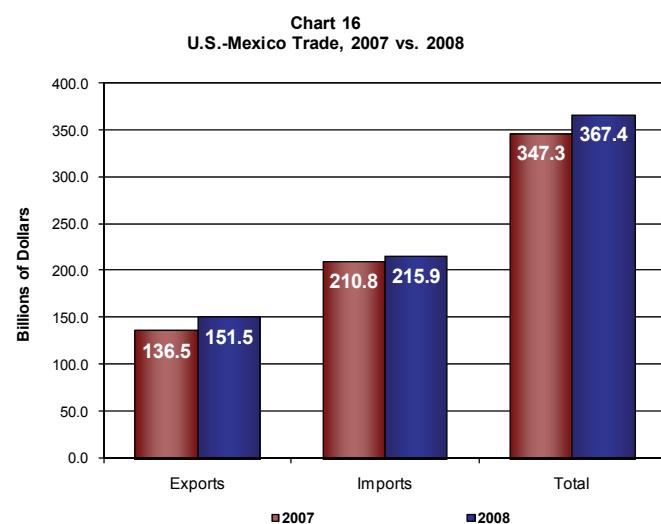
ports to Mexico showed a hefty increase in October then plummeted in November and leveled out to no change in December. Yet, even with the lackluster 4th Quarter, 2008 total figures ended in percent increases over 2007—11.0, exports; 2.4, imports; and 5.8, total trade. (See Chart 15 and 16).

As in the 4th Quarter of 2008, trade figures for January and February 2009 continued downward. U.S exports to Mexico dropped by 17.6 percent and 23.8 percent, respectively. As for U.S. imports from Mexico, they also decreased, 26.5 percent in January and 29.9 percent in February. (See Chart 17). Because of the drop in both exports and imports, it resulted in a drop of the total trade between trading partners of 22.8 percent in January and 27.4 percent in February. It will be of much interest to see the March 2009 figures for U.S.-Mexico trade to see if there is a rebound or if this downward trend continues.

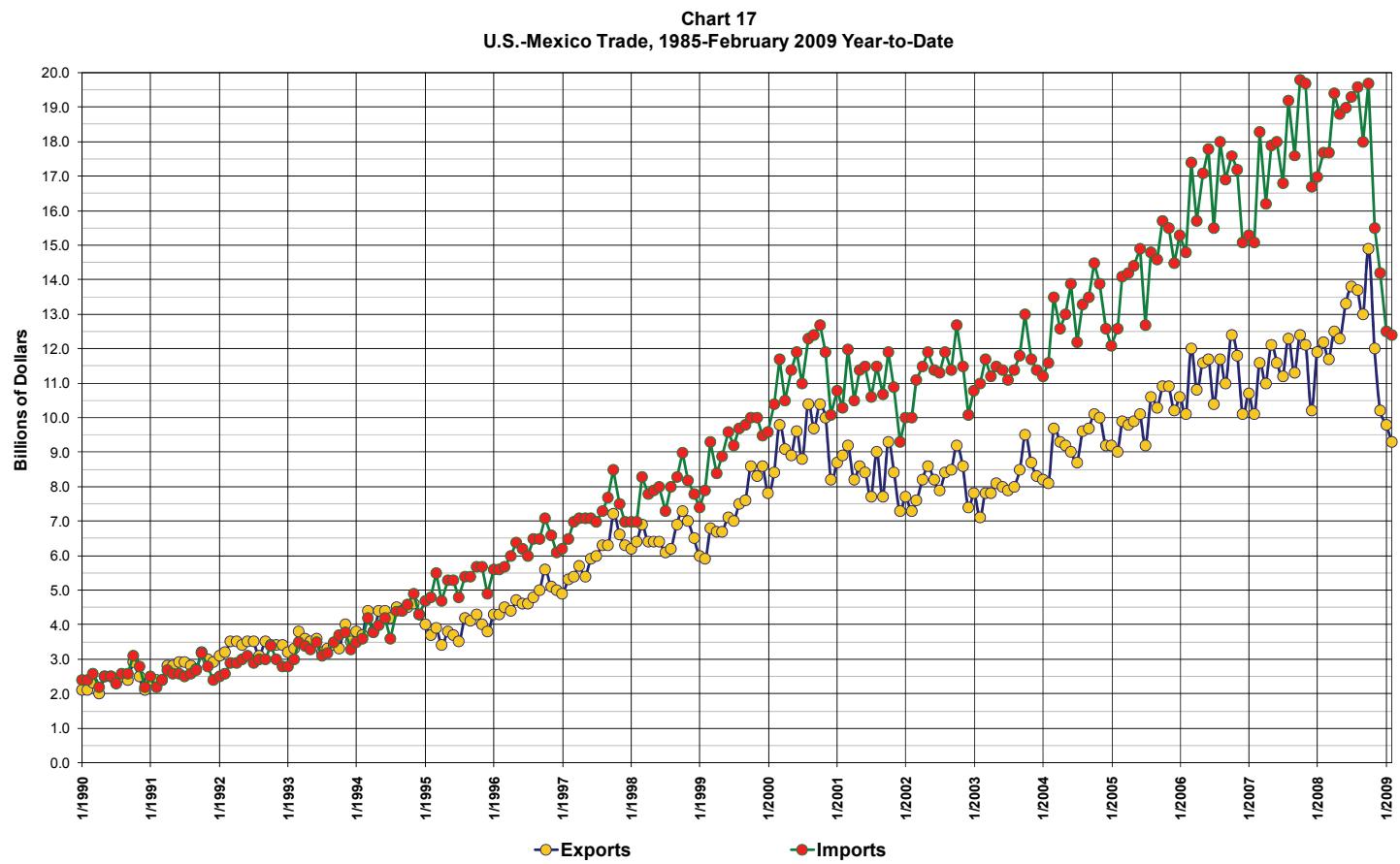
The Port of Laredo, historically known as the number one inland port on the southern U.S. border, continued in that spot in 2008. The Port of Laredo ended in first place with El Paso, TX a distant second and Otay Mesa Station, CA an very distant third (See Table 4). The Port of Laredo handled \$116.1 billion in the total trade dollar value between the trading partners or 40.9 percent of the value of trade along the U.S.-Mexico border for the 2008 year (See



Source: U.S. Census Bureau, Foreign Trade Division, Data Dissemination Branch, Washington, D.C.



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



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

Chart 18). In comparison, El Paso percent share was 17.1 percent while Otay Mesa was 11.2 percent.

These border ports of entry—listed in Table 2—are the top ten ports of the total 27 border ports on the U.S.-Mexico border. All these ports had total trade figures of over \$1 billion in 2008. Together the total trade dollar value of the merchandise processed at these ten ports equaled \$278.2 billion which comprised 98.4 percent of

the total trade dollar value handled on the southern ports of entry—\$283.9 billion.

Seven of the top ten border ports of entry are located in the state of Texas. California, Arizona and New Mexico have one port, respectively, of the remaining top ten. ✓

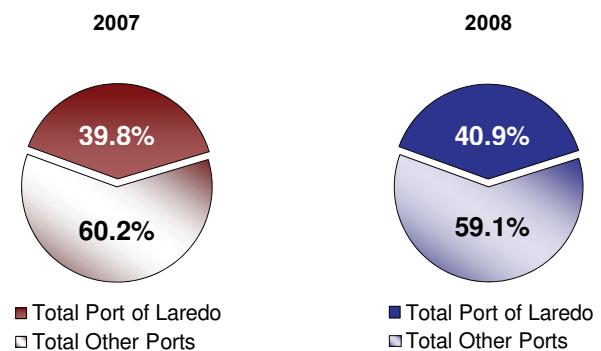
—Baldomero G. Garcia, Program Manager, Texas Center for Border Economic and Enterprise Development, Texas A&M International University

Table 4
Total Trade (Exports Plus Imports), 2007 vs. 2008
Billions of Dollars

	2007	2008
Laredo, TX	110.5	116.1
El Paso, TX	49.1	48.2
Otay Mesa Station, TX	30.8	31.8
Hidalgo, TX	21.9	22.2
Nogales, AZ	18.2	19.1
Eagle Pass, TX	12.0	12.8
Brownsville, TX	13.3	12.7
Calexico-East, CA	11.9	11.3
Del Rio, TX	3.2	2.8
Santa Teresa, NM	1.4	1.2

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

Chart 18
Percent Share of U.S.-Mexico Trade by U.S.-Mexico Border Ports 2007 vs. 2008



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



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Laredo, Texas

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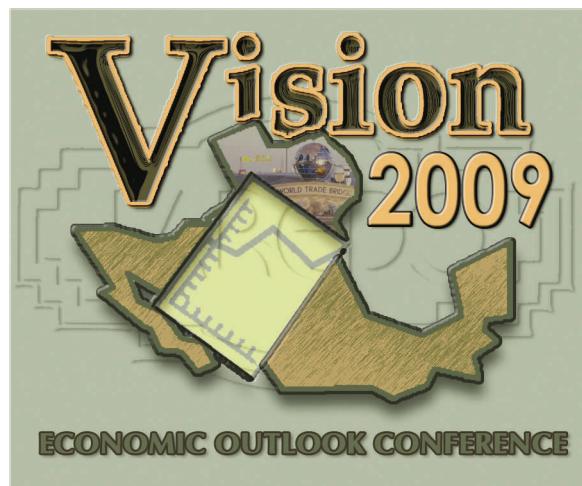
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**"Gateway
to Mexico"**



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Vision 2009: Economic Outlook Report

Partnership

By Ray M. Keck III, President
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Laredo, Texas



The **Vision 2009: Economic Outlook Report** is a joint effort between the Laredo Chamber of Commerce and Texas A&M International University. The Chamber of Commerce and Texas A&M International University share the common goal of providing business/economic information and analysis to decision makers on a timely basis. We believe that informed decisions taken today by businessmen and women, public officials, and policy makers will determine Laredo's opportunities of tomorrow.

The Laredo Chamber of Commerce and Texas A&M International University are committed to pursuing partnerships, including conferences, workshops, research projects and reports, that will enhance Laredo's ability to meet the challenges and opportunities of the future.

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