

FROM GLOBALIZATION TO REGIONALIZATION:

ANALYSIS OF TEXAS CROSS-BORDER GOODS MOVEMENT

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February 29, 2024
Somos Vinculos
Laredo, Tx.



01 International Trade

02 Nearshoring

03 Smart Borders



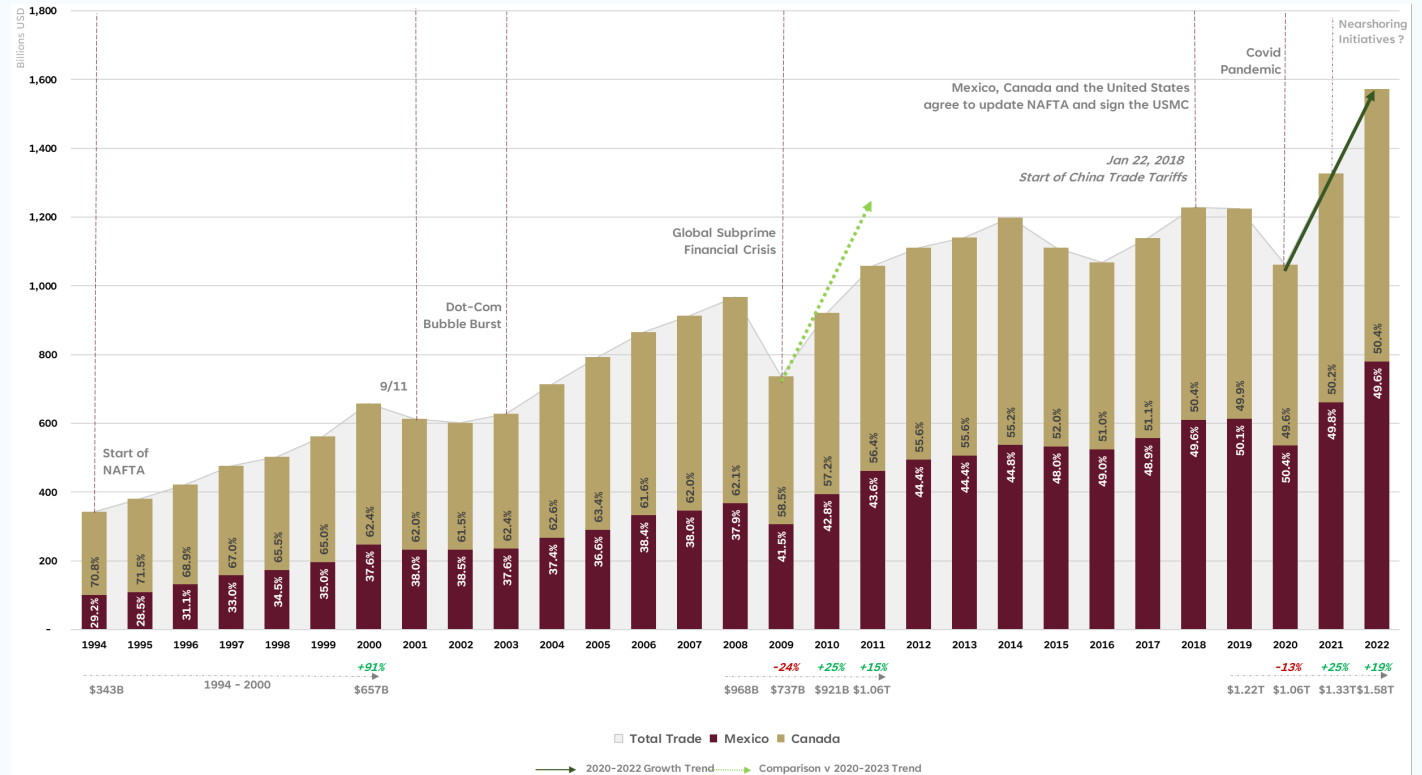
01

International Trade

US TRADE MEX / CAN



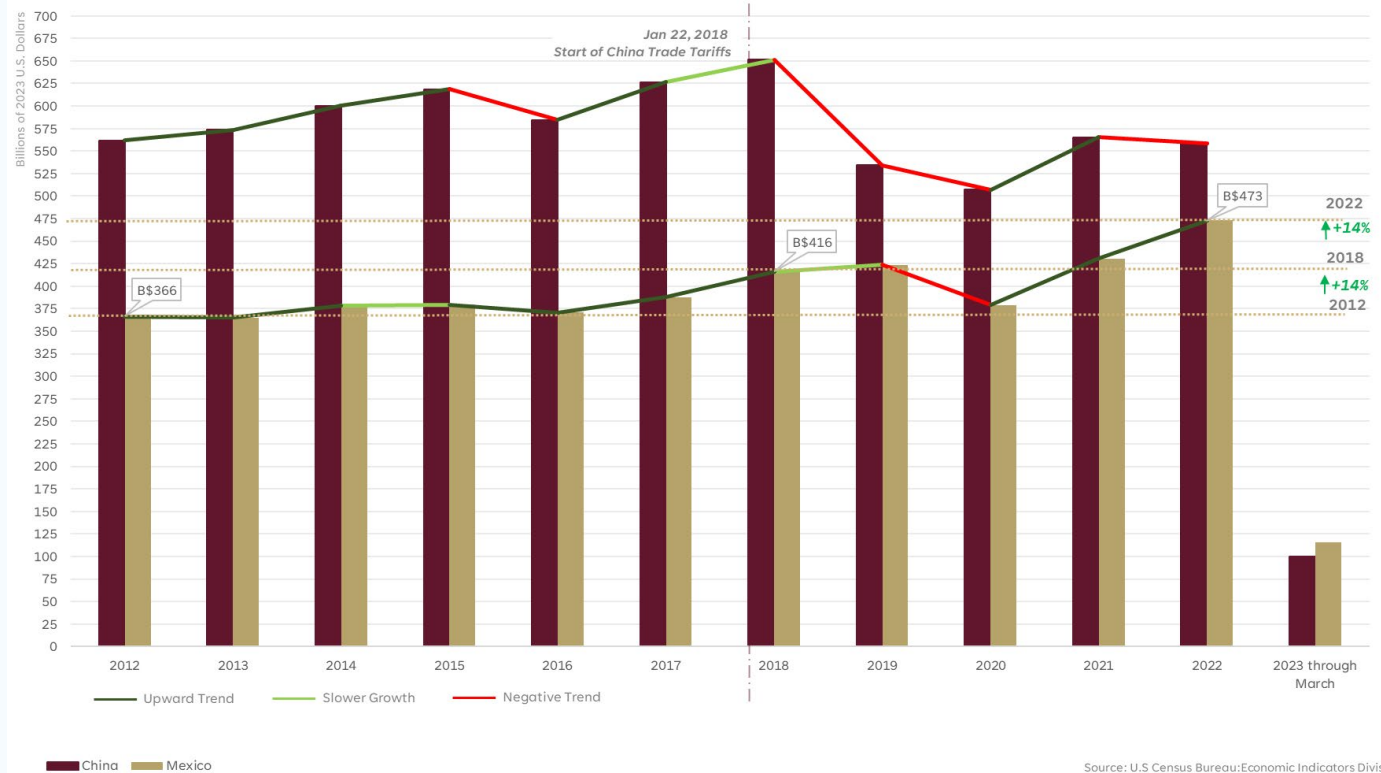
NAFTA / USMC TRADE



Source: U.S. Census Bureau/Economic Indicators Division
Analysis: Texas Center for Border Economic and Enterprise Development

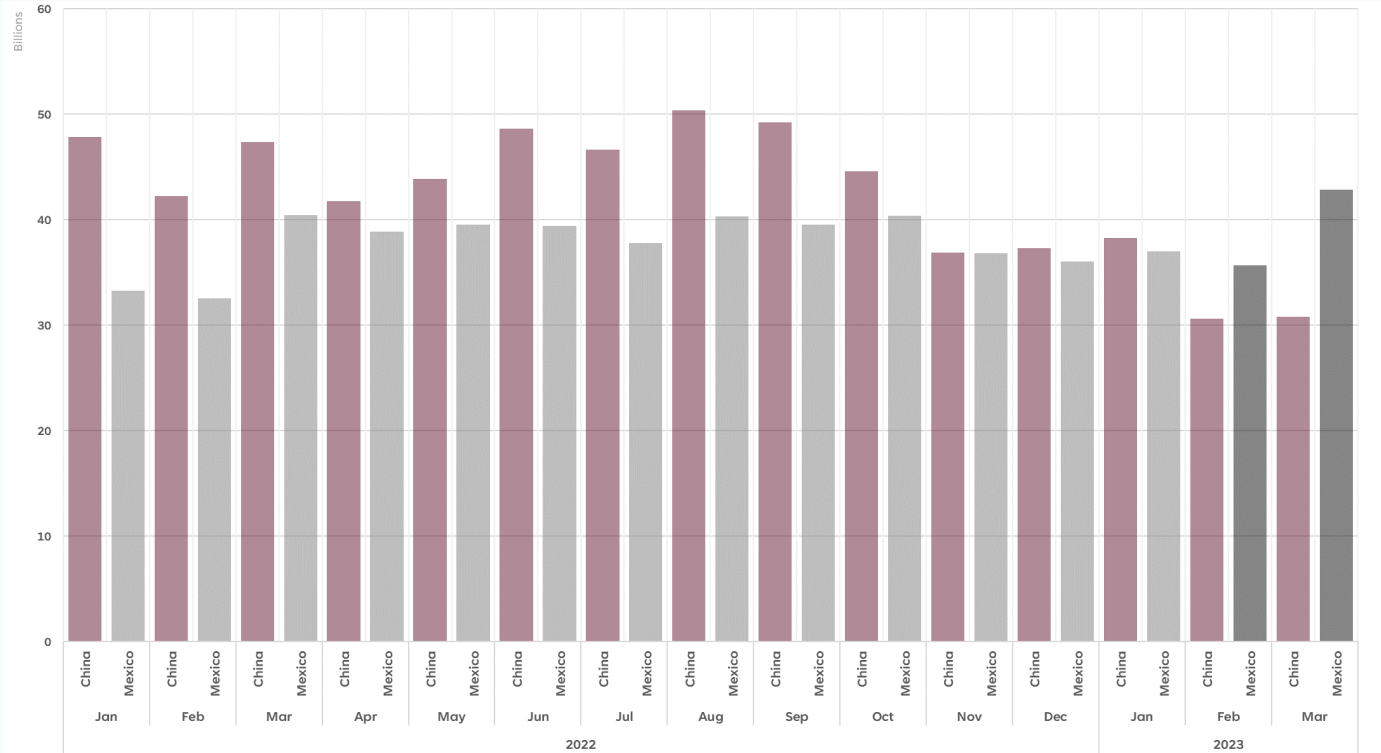
U.S. IMPORTS

U.S. TOTAL IMPORTS VALUE MEXICO VS CHINA 2012-2023 (ADJUSTED FOR INFLATION)



U.S. IMPORTS

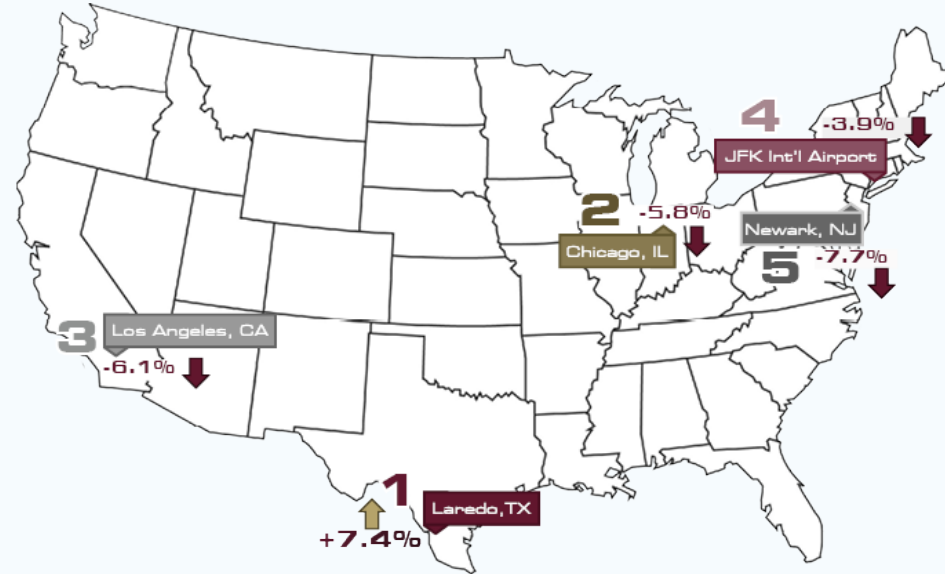
MONTHLY TOTAL U.S. IMPORTS MEXICO VS CHINA JANUARY 2022 - MARCH 2023



U.S. PORTS

2023 TOP 5 U.S. PORTS OF ENTRY BY TOTAL TRADE VALUE

- 1 \$321 billion
Laredo, TX
- 2 \$311 billion
Chicago, IL
- 3 \$293 billion
Los Angeles, CA
- 4 \$248 billion
JFK Int'l Airport
- 5 \$239 billion
Newark, NJ

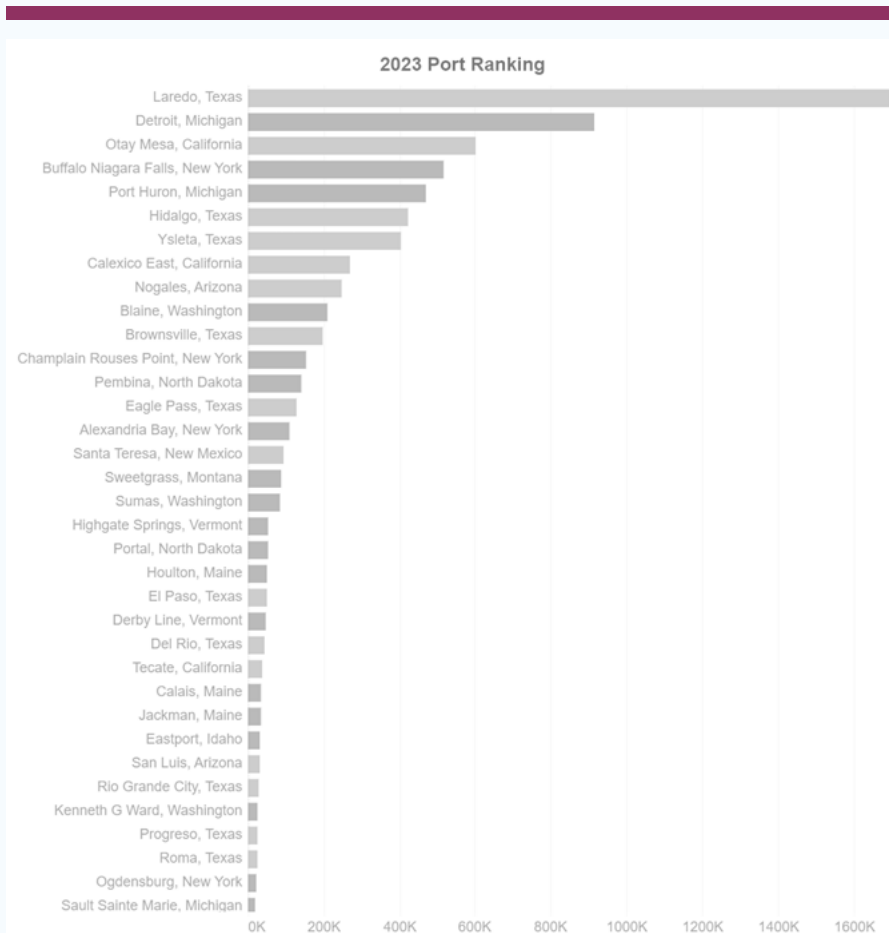


● % GROWTH VS 2022

IN-BOUND (USA)

2023

TRUCK CROSSINGS



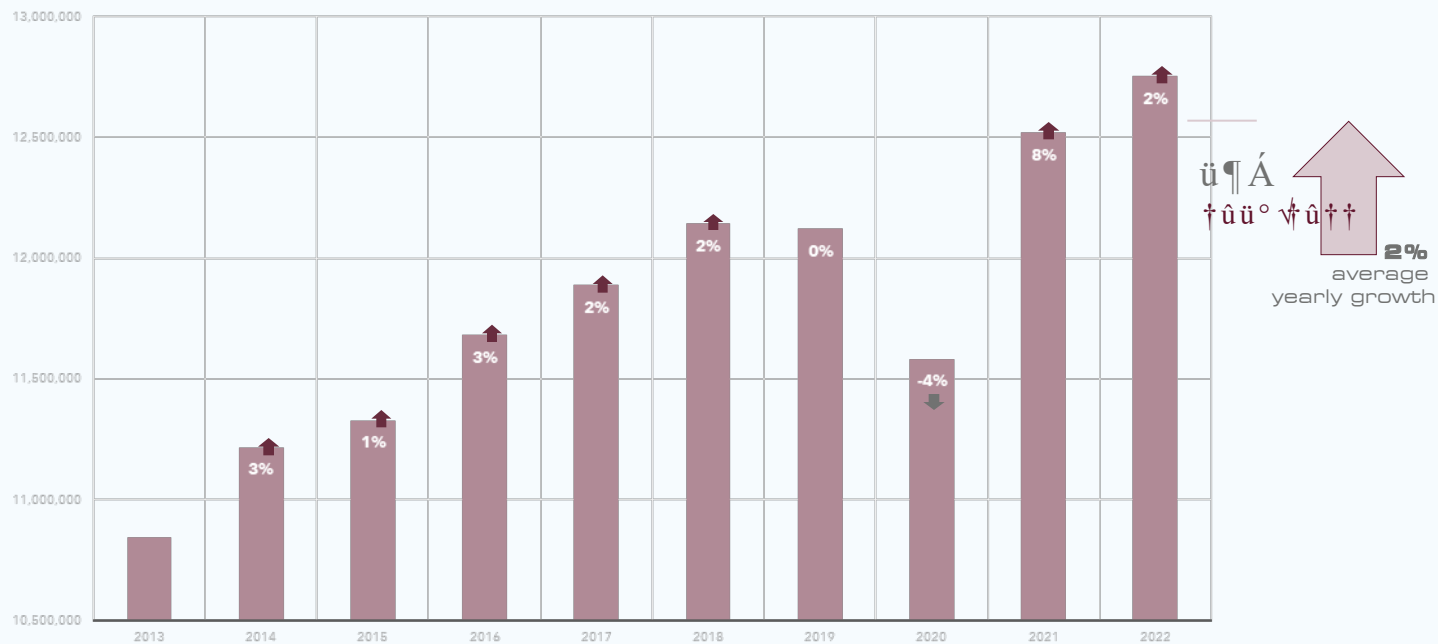
IN-BOUND

(USA)

2013 -2022



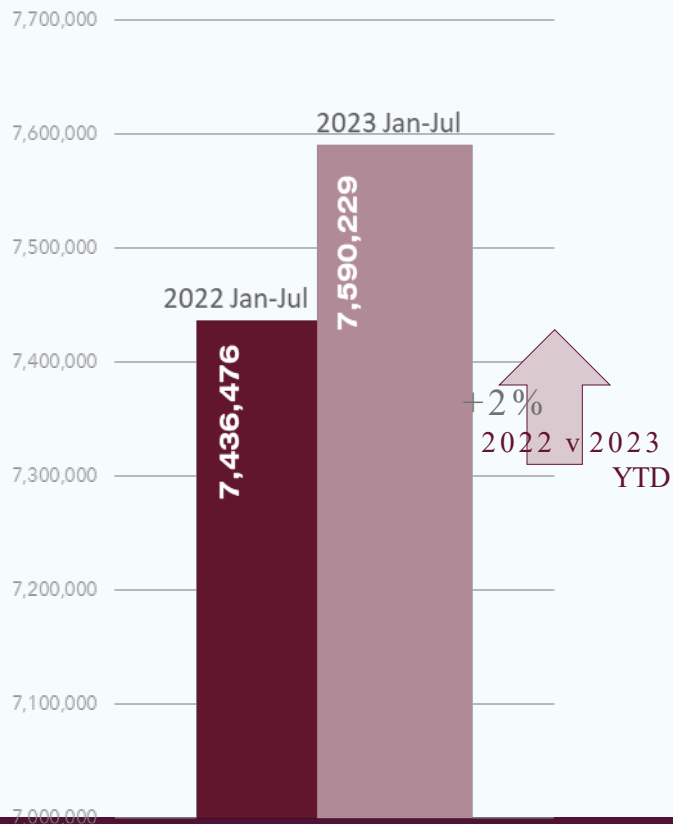
TRUCK CROSSINGS



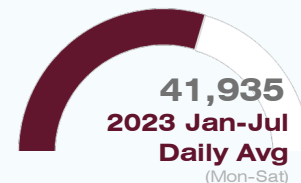
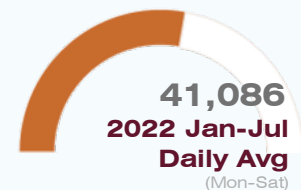
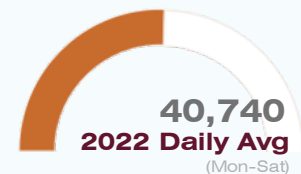
IN-BOUND

(USA)

2022 -2023



TRUCK CROSSINGS



Source: Bureau of Transportation Statistics

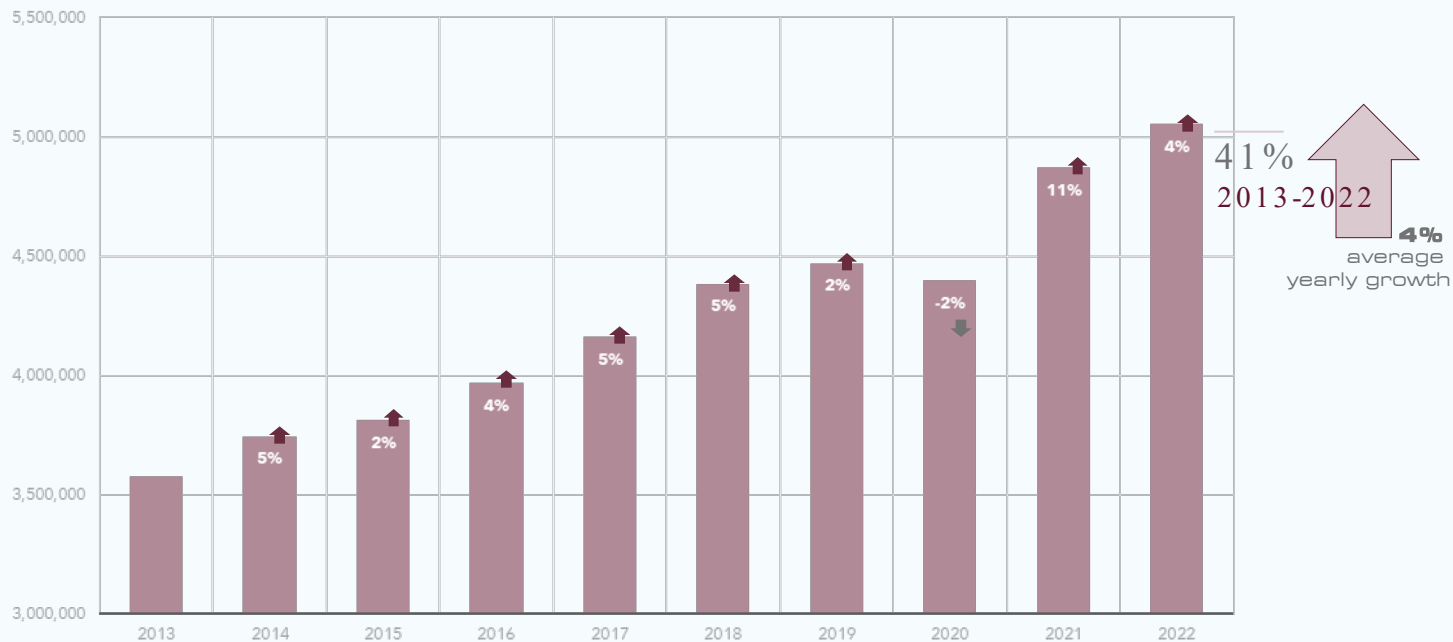
IN-BOUND

(TX)

2013 -2022



TRUCK CROSSINGS

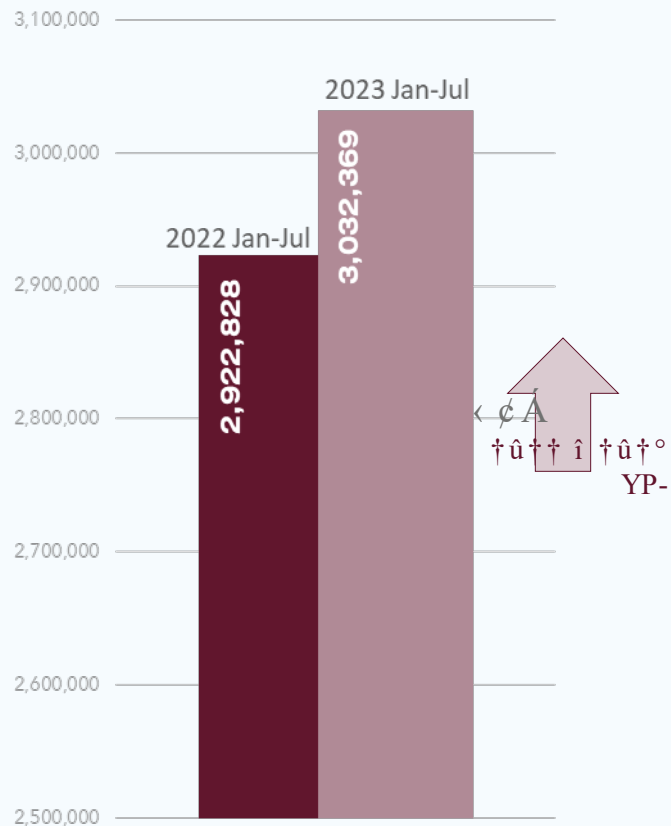


Source: Bureau of Transportation Statistics

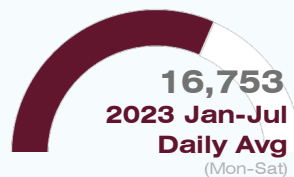
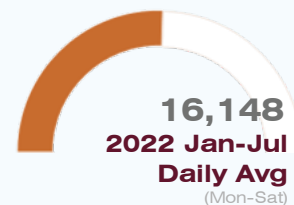
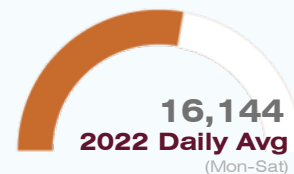
IN-BOUND

(TX)

2022 -2023



TRUCK CROSSINGS



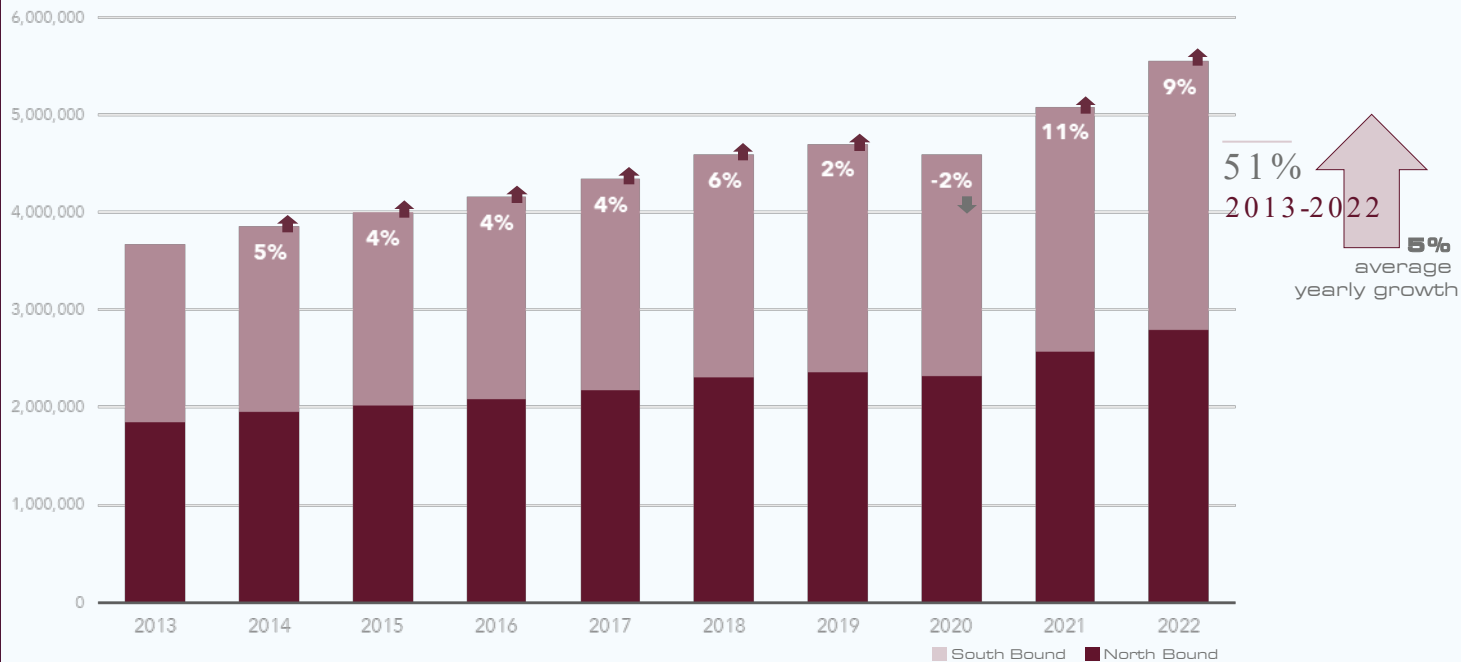
LAREDO

2013 -2022

NORTH-SOUTH
BOUND



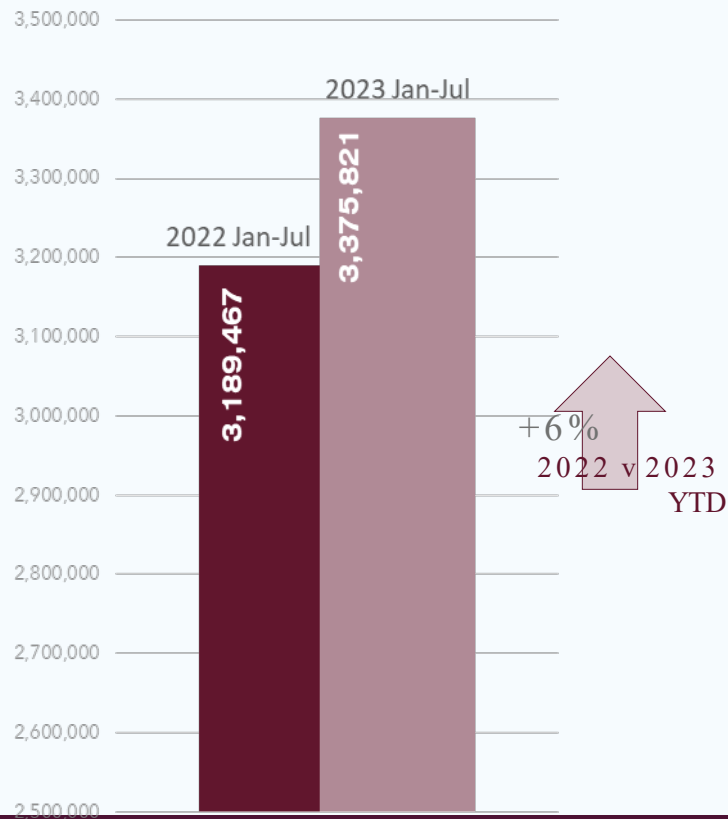
TRUCK CROSSINGS



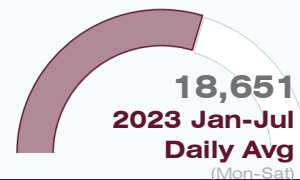
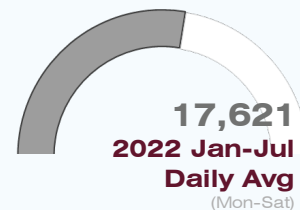
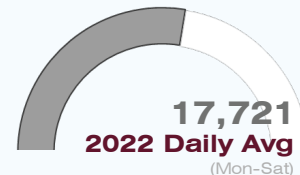
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2022 -2023

NORTH-SOUTH
BOUND



TRUCK CROSSINGS



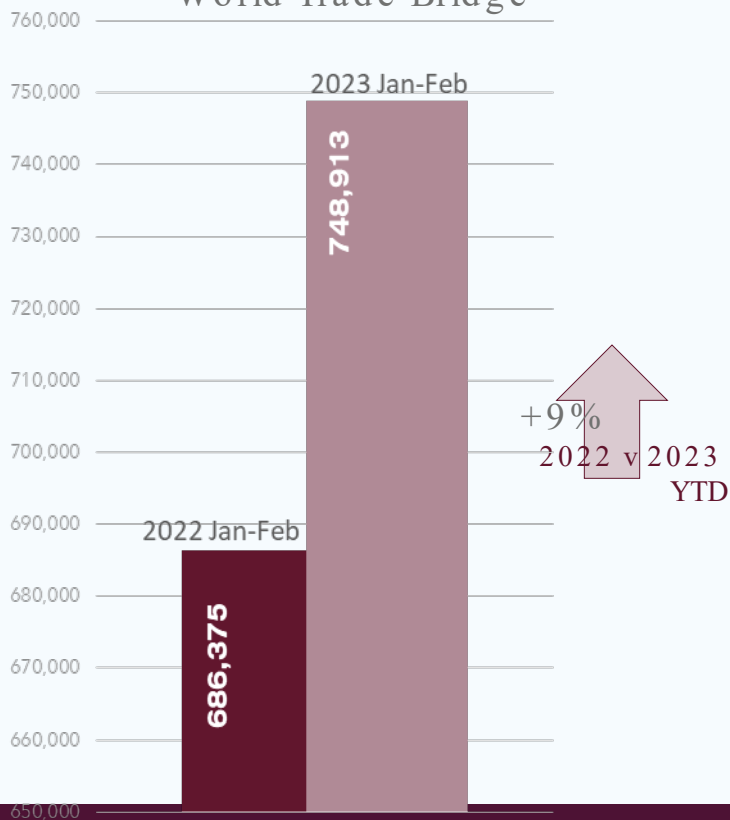
LAREDO

2022-2023

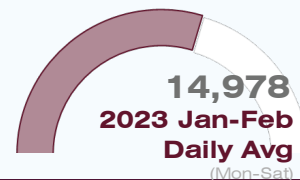
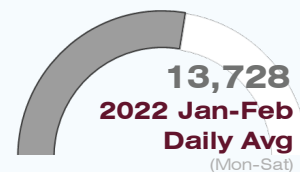
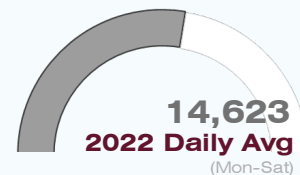
NORTH-SOUTH
BOUND



World Trade Bridge



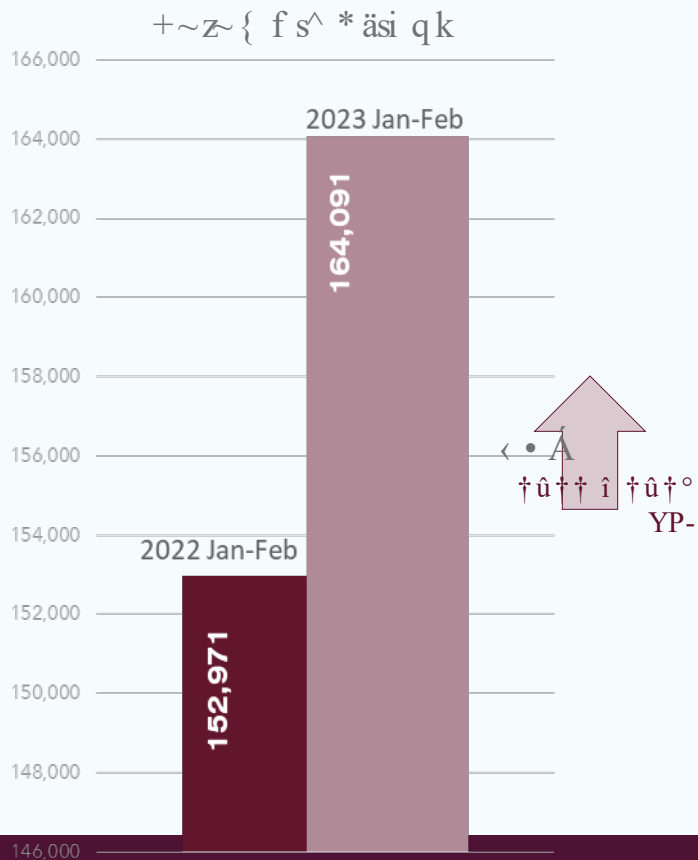
TRUCK CROSSINGS



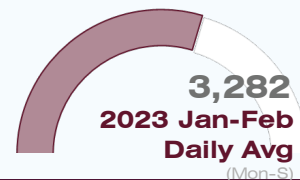
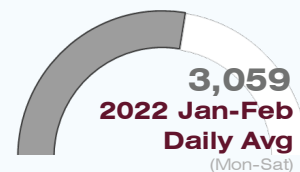
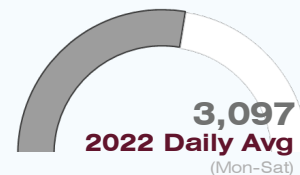
LAREDO

2022-2023

NORTH-SOUTH
BOUND



TRUCK CROSSINGS



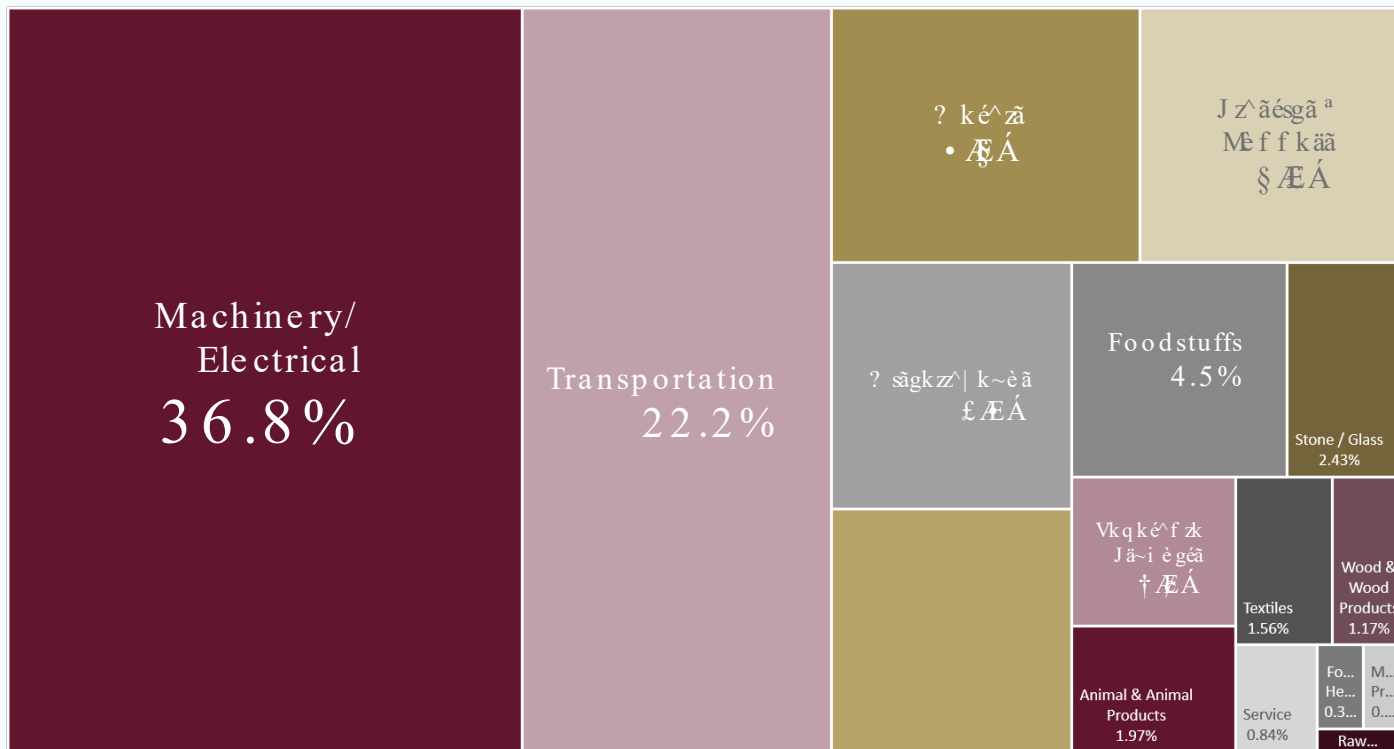
LAREDO POE

2023 JAN-JUL

TRUCK



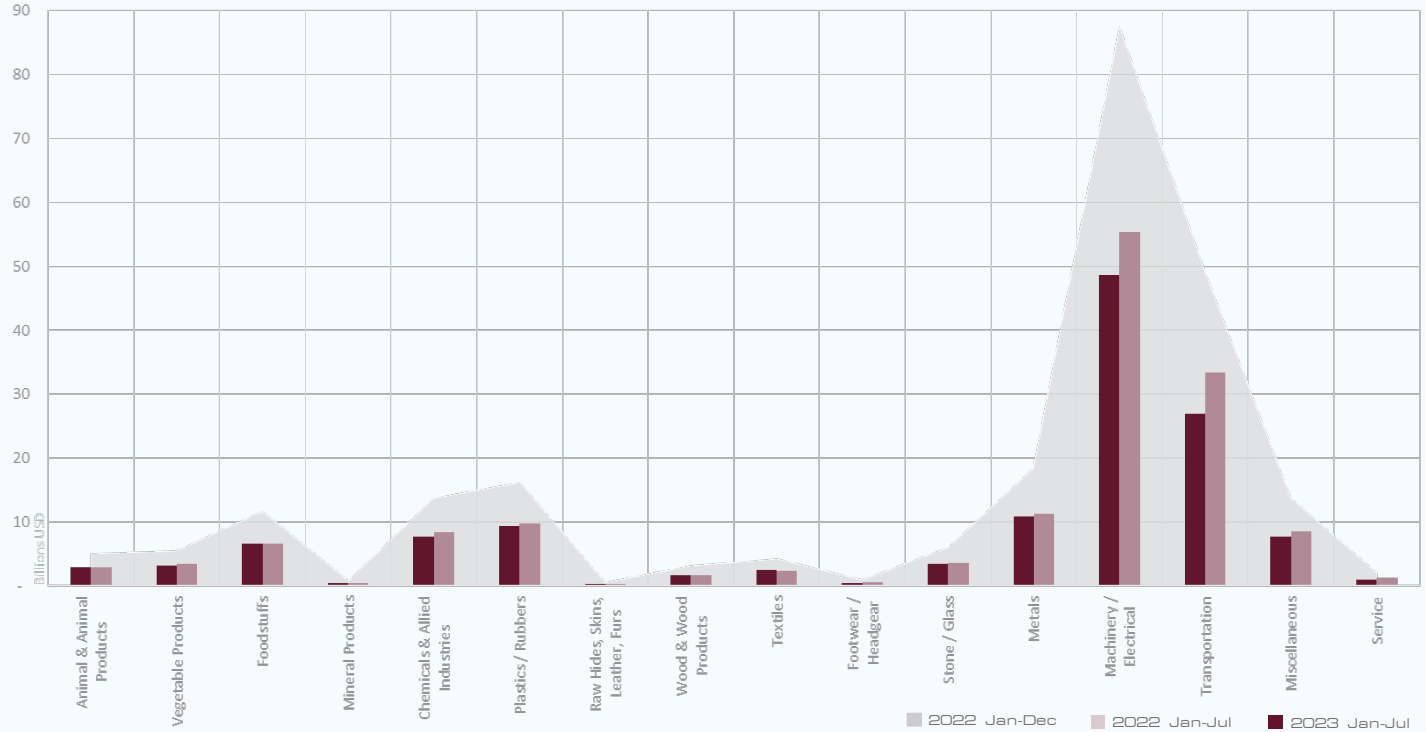
TOTAL TRADE SHARE BY COMMODITY GROUP



LAREDO POE TRUCK



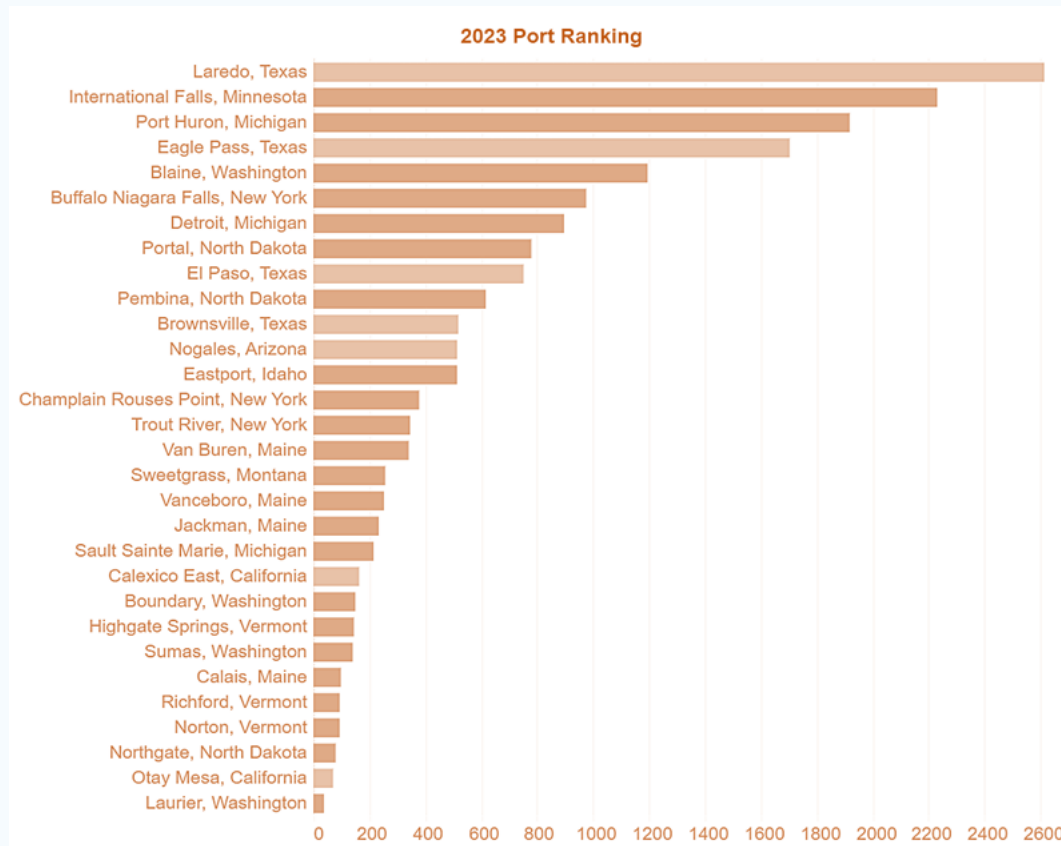
TOTAL TRADE VALUE



IN-BOUND (USA)

2023

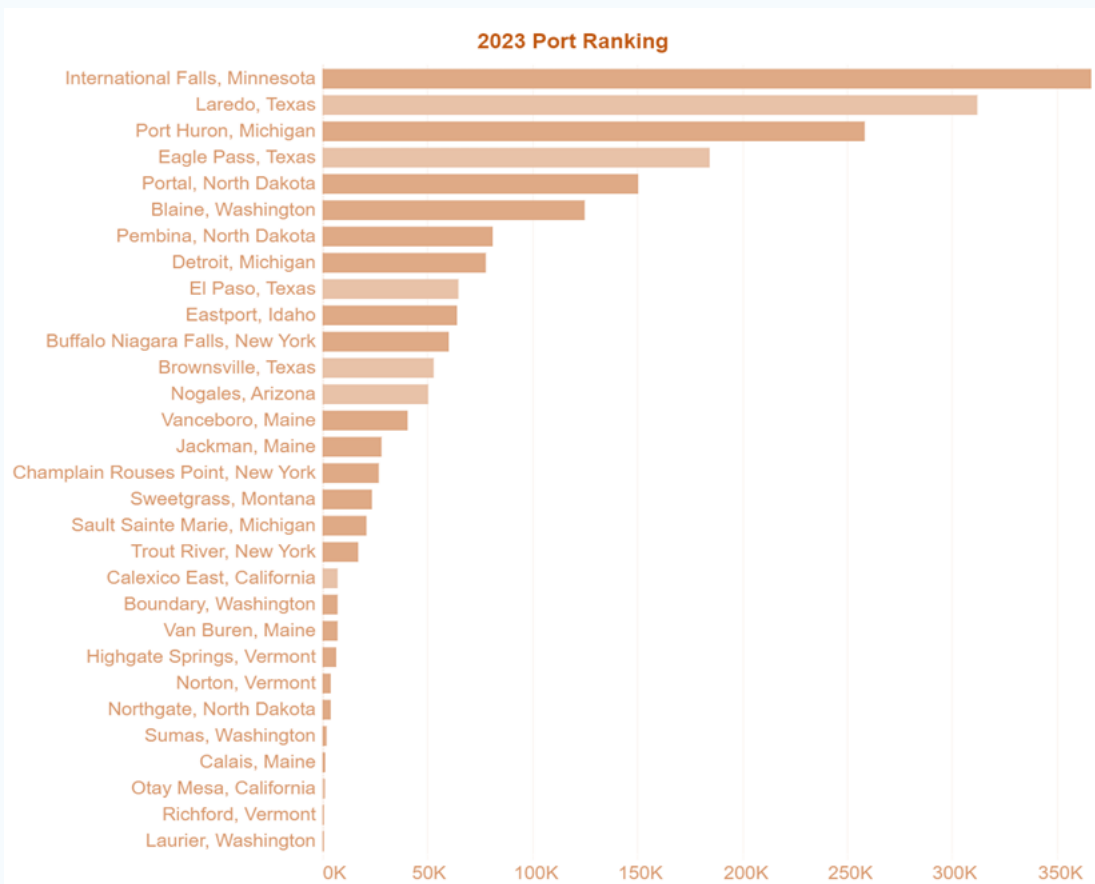
RAIL CROSSINGS: TRAINS



IN-BOUND (USA)

2023

RAIL CROSSINGS: CONTAINERS

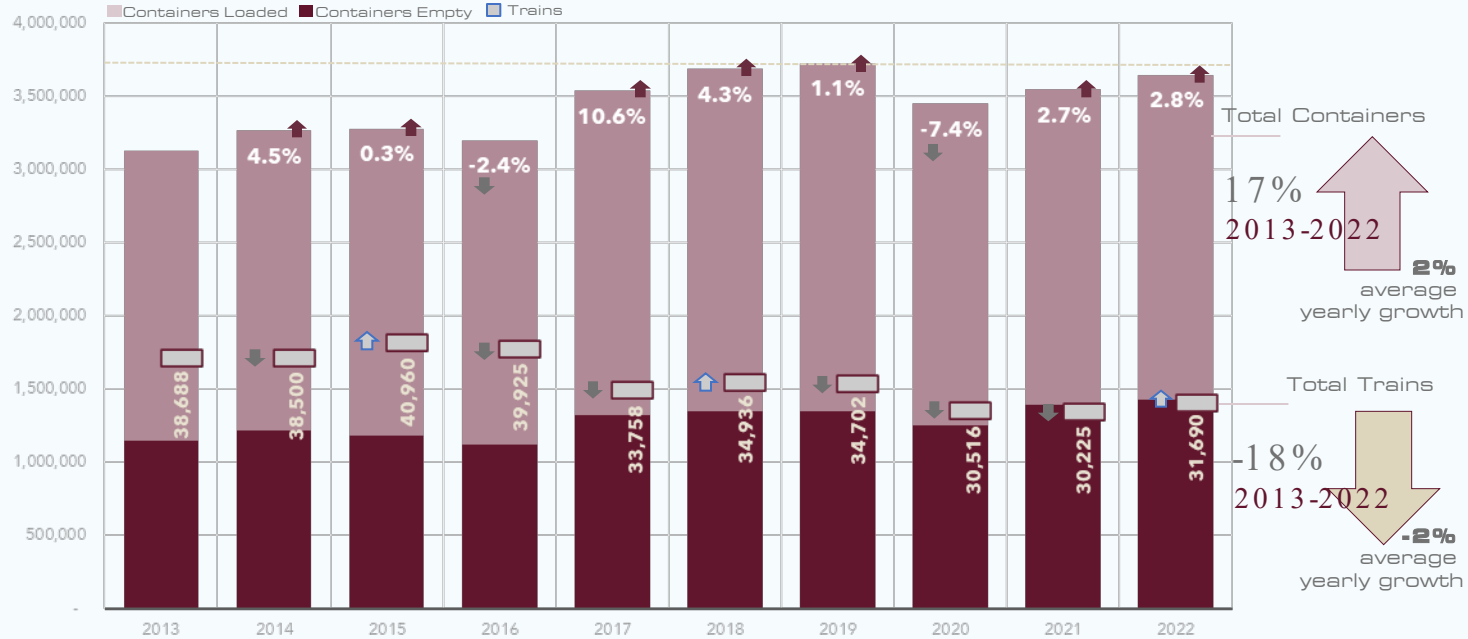


IN-BOUND (USA)

2013 -2022
ALL BPOE



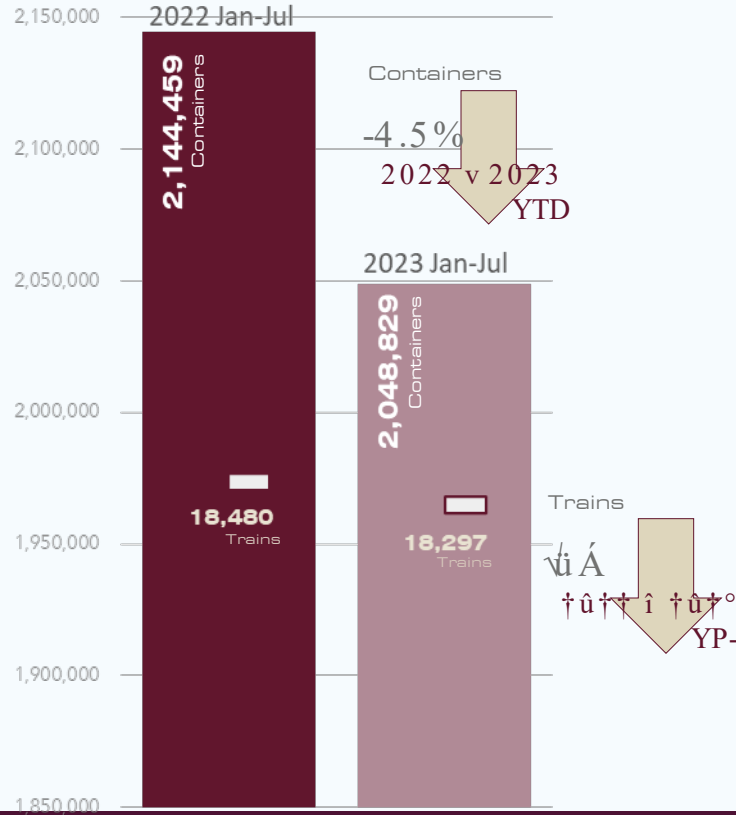
RAIL CROSSINGS



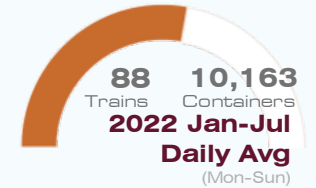
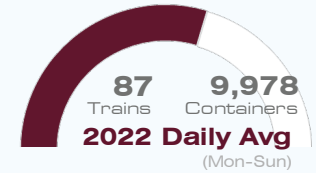
IN-BOUND

(USA)

2022 -2023
ALL BPOE



RAIL CROSSINGS



Source: Bureau of Transportation Statistics

IN-BOUND

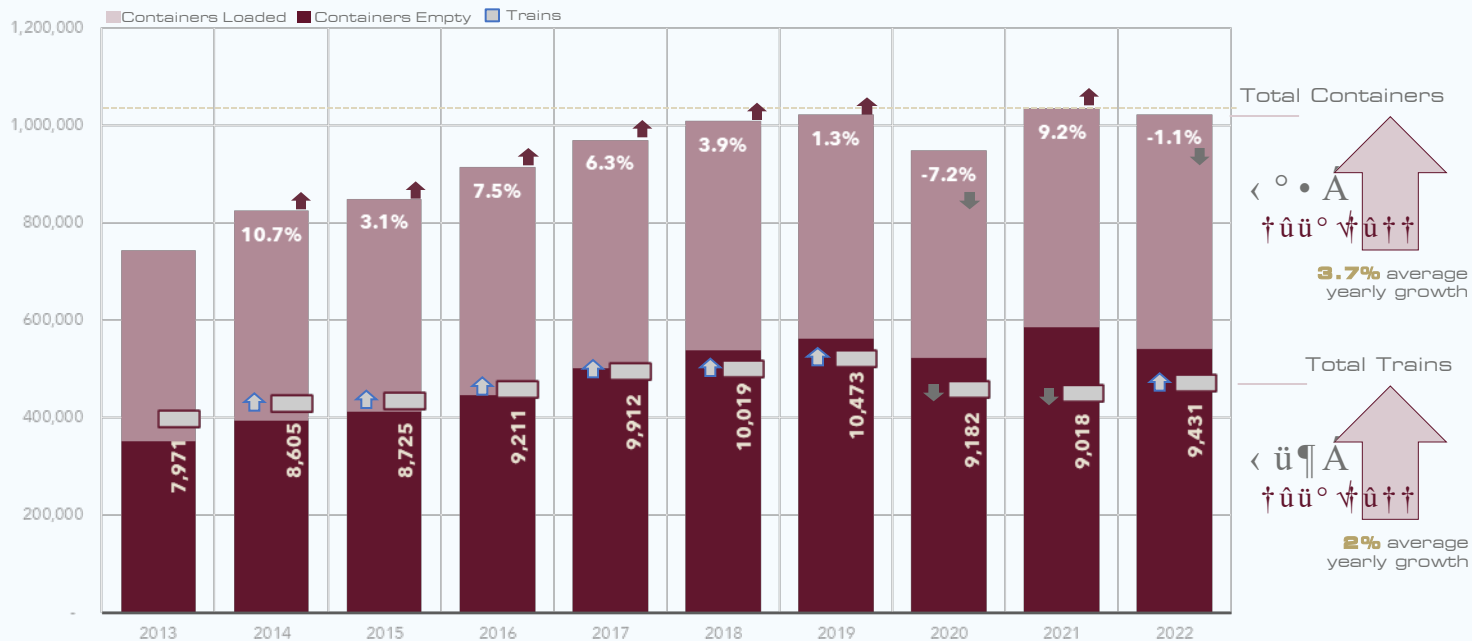
(TX)

2013 -2022

TX BPOE



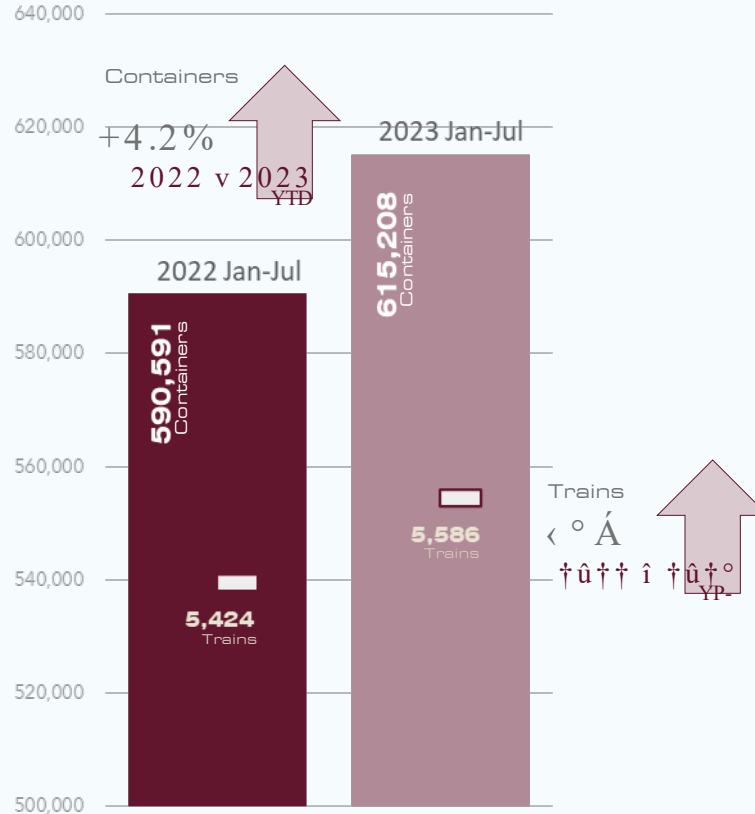
RAIL CROSSINGS



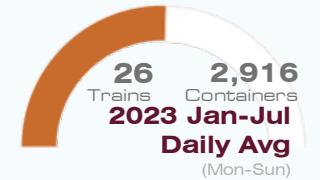
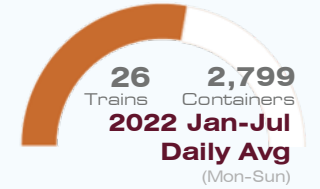
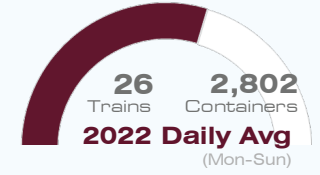
IN-BOUND

(TX)

2022 -2023
TX BPOE



RAIL CROSSINGS



IN-BOUND

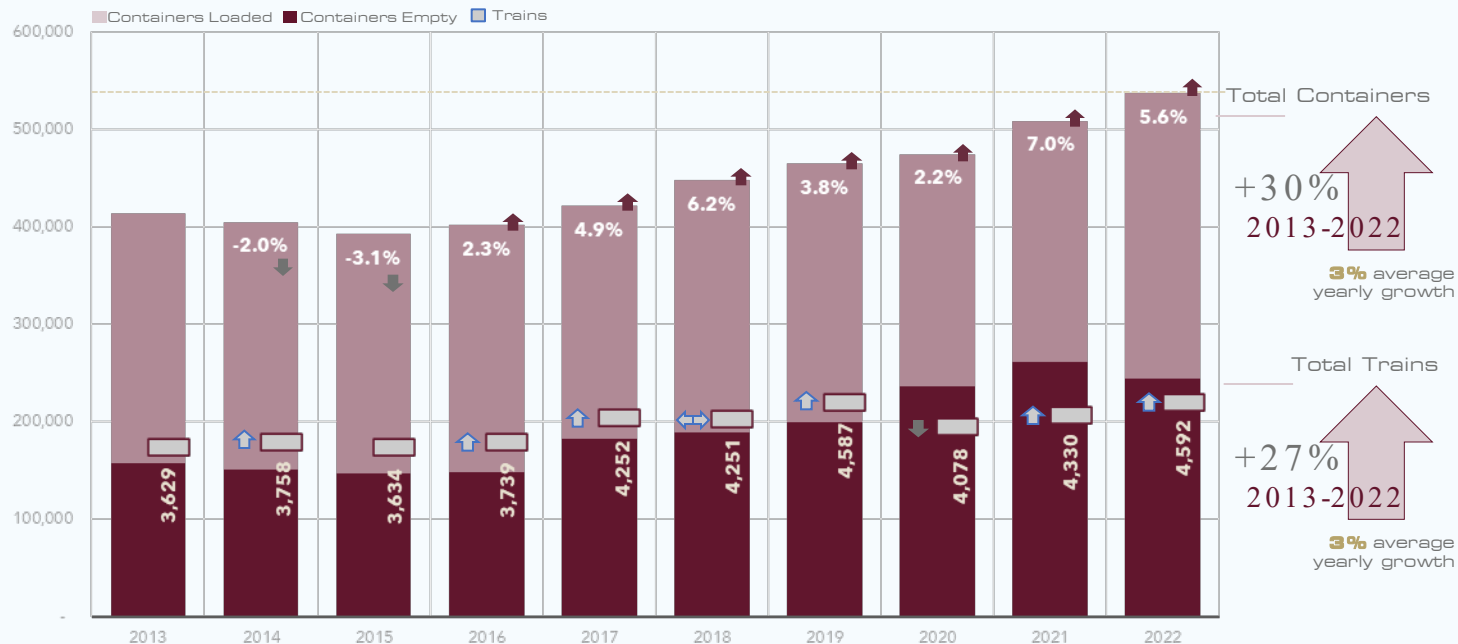
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2012 -2023

LAREDO
POE



RAIL CROSSINGS

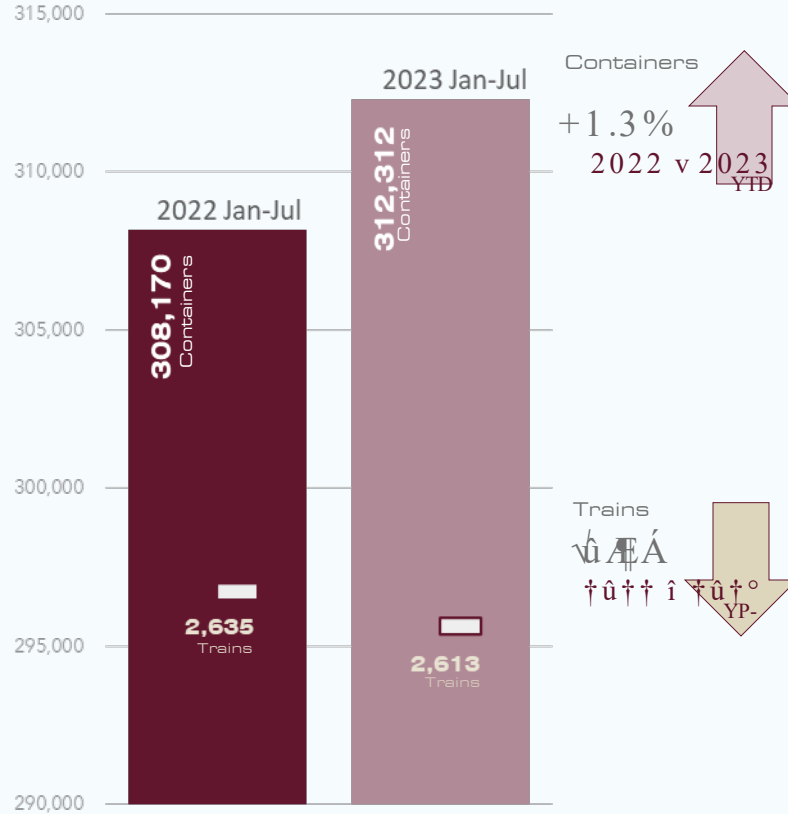


IN-BOUND

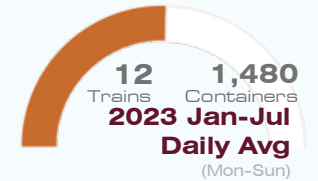
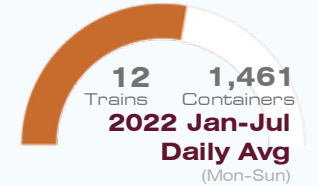
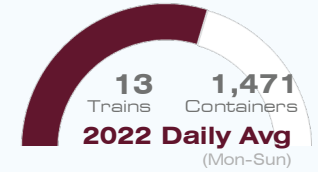
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2022 -2023

LAREDO
POE



RAIL CROSSINGS



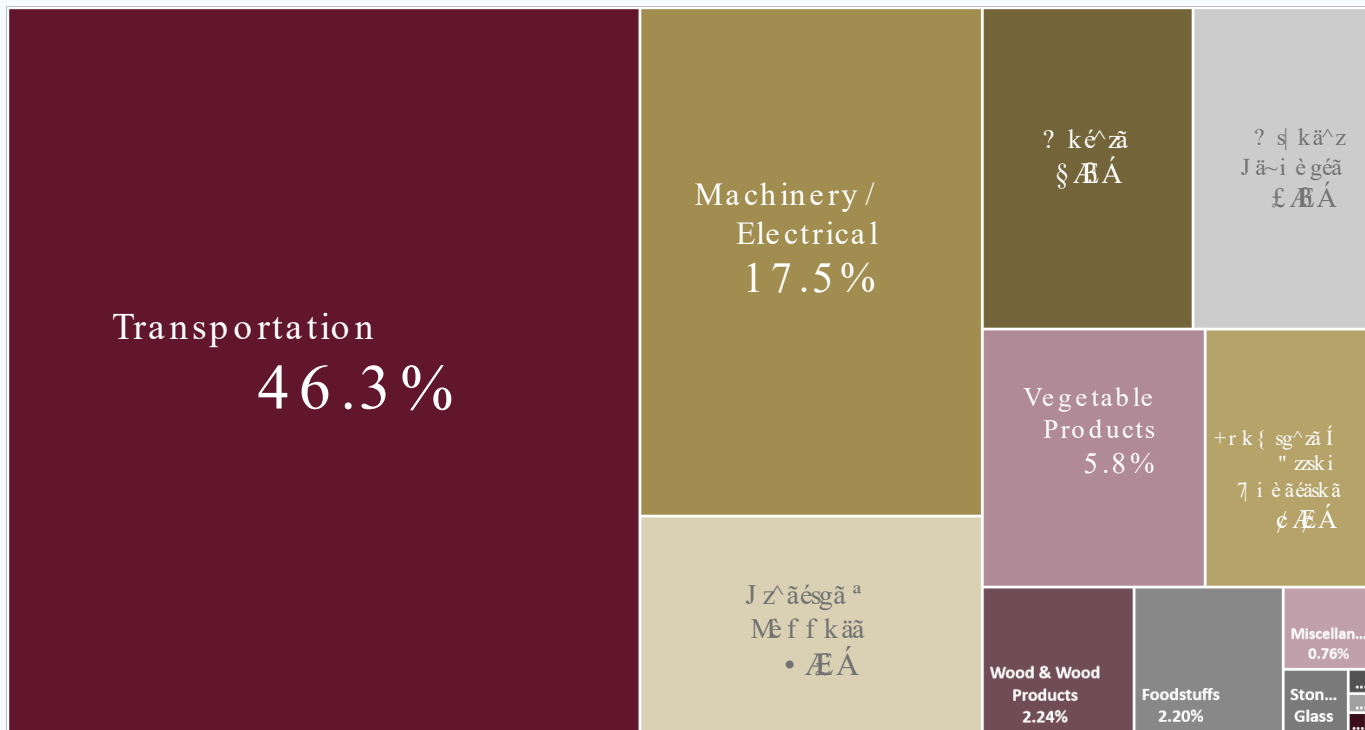
LAREDO POE

2023 JAN-JUL

RAIL



TOTAL TRADE SHARE BY COMMODITY GROUP

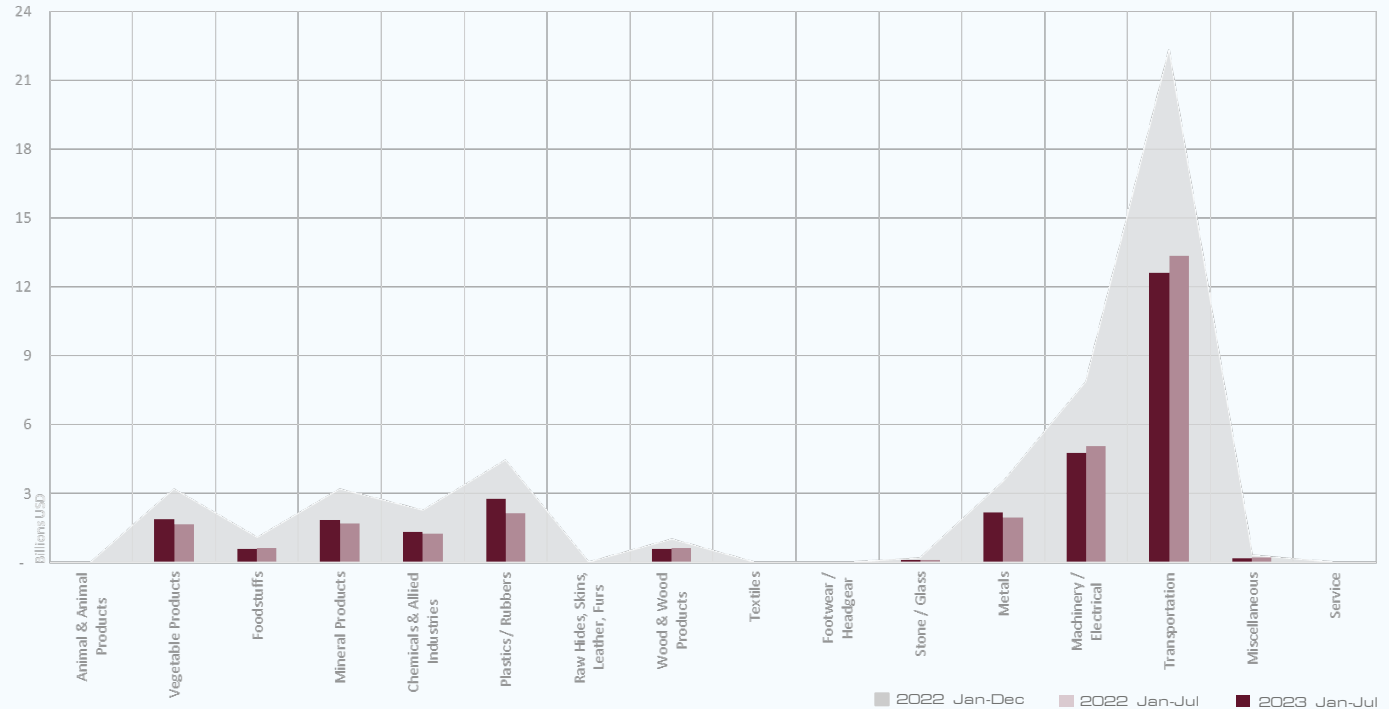


LAREDO POE

RAIL



TOTAL TRADE VALUE





02

Nearshoring: A Boom for U.S. – Mexico Cross Border Trade?



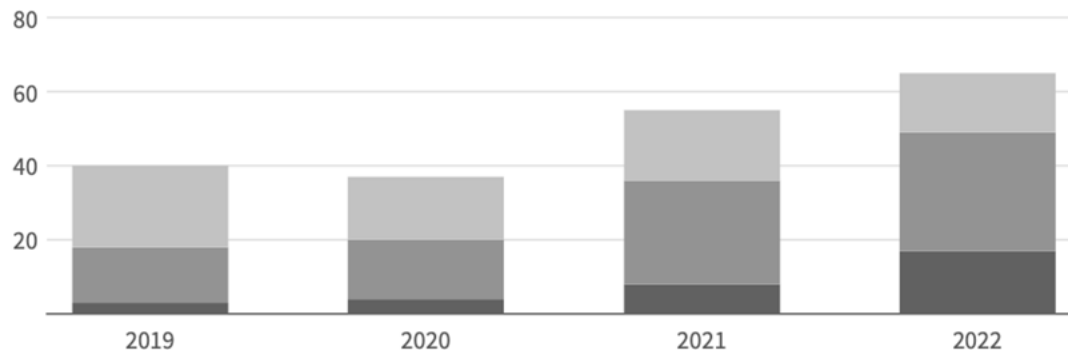
Nearshoring Growth by State

Source: CBRE Research 2022

NEARSHORING-RELATED AND TOTAL GROSS ABSORPTION, MEXICO

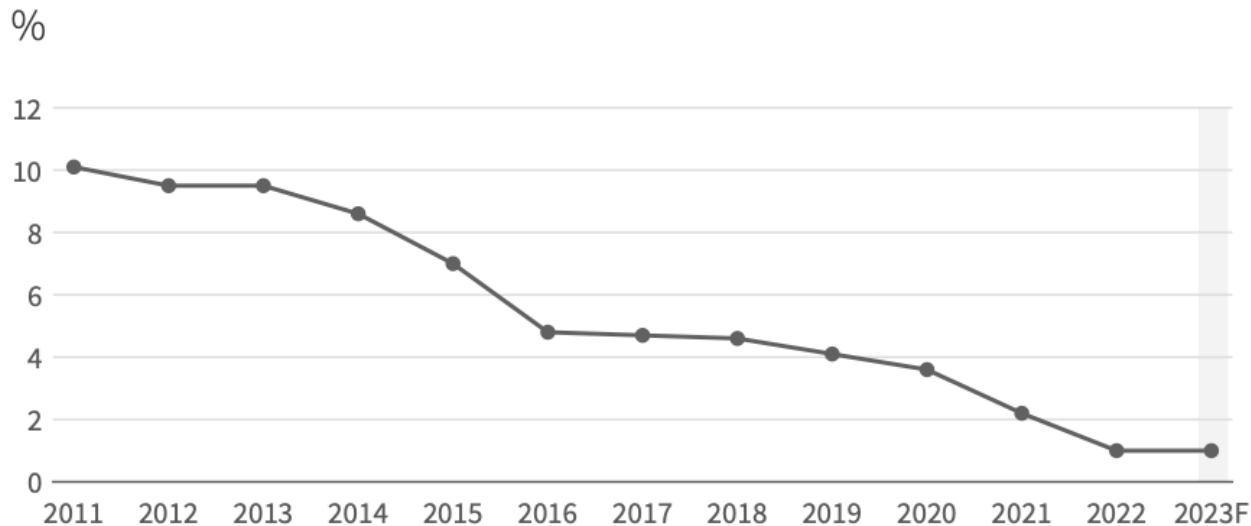
MSF

■ Tier 1 Nearshoring ■ Tier 2 ■ Other



- Annual nearshoring absorption (direct manufacturing capacity expansions to supply the US, installed in leased logistics space) grew from **3 MSF in 2019 to 16 MSF in 2022, increasing from 8% to 26% of gross absorption** in the country.
- Tier 2 nearshoring absorption (domestic providers and third-party logistics providers specializing in manufacturing warehousing) **grew from 15 MSF in 2019 to 29 MSF in 2022, or nearly half of the gross absorption.**

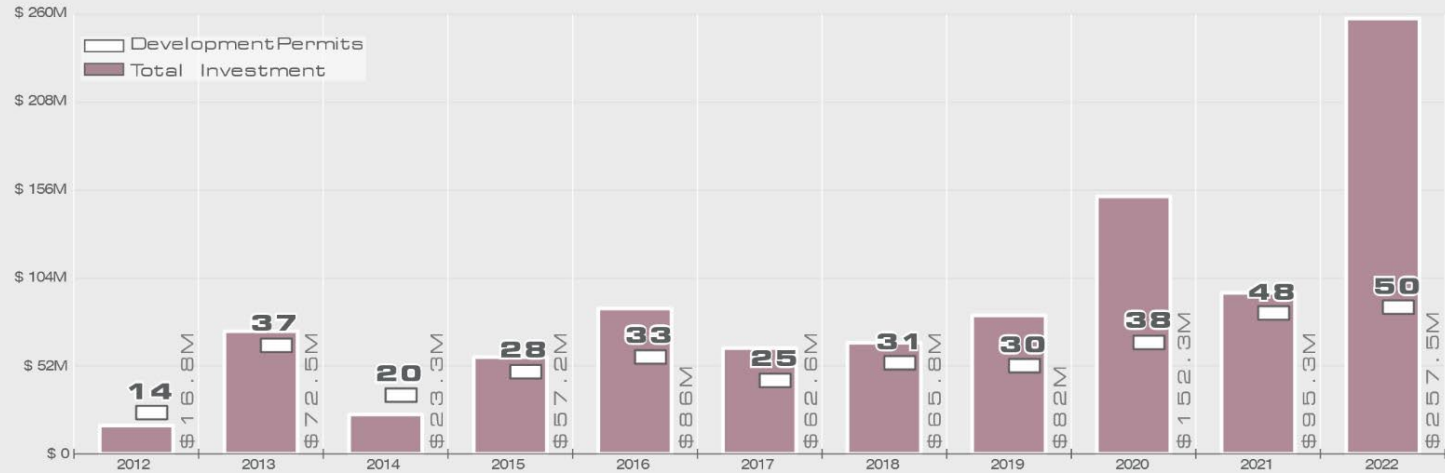
VACANCY RATE, MEXICO 6 MAIN MARKETS



- Very low space **availability (1.1% as of Q1 2023 vs. 6% expansion average for 2013-2019)** pushes demand into the future.
- **60%** of the space currently under construction is pre-leased, compared to **36%** in 2019.
- CDMX, Monterrey, Ciudad Juárez, Guadalajara, Reynosa y Tijuana

LOGISTICS FACILITIES

LAREDO POE WAREHOUSE & INDUSTRIAL PARK DEVELOPMENT



TOTAL NEARSHORING OPPORTUNITIES BY COUNTRY ADDITIONAL EXPORTS OF GOODS (M: US\$ MILLIONS, B: US\$ BILLIONS)



Source: Companies Market Cap
<https://companiesmarketcap.com>

Nearshoring: potential opportunities for increased exports, by country

Trade in goods only - US\$ millions

COUNTRY	Quick Wins – United States	Intra-LAC Quick Wins	Medium-Term Opportunities	Total
Argentina	890.7	1518.0	1497.8	3906.5
Bahamas	33.2	23.8	119.9	177.0
Belize	5.9	6.3	31.7	43.9
Bolivia	50.5	60.8	14.1	125.3
Brazil	4153.0	3144.3	546.8	7844.1
Barbados	9.7	42.8	8.1	60.6
Chile	665.8	516.0	641.1	1822.9
Colombia	1498.5	886.9	188.4	2573.8
Costa Rica	918.1	539.3	87.4	1544.8
Dominican Republic	1362.9	150.2	67.6	1580.7
Ecuador	482.0	285.8	72.8	840.7
Guatemala	436.4	293.8	55.5	785.7
Guyana	23.7	370.1	6.2	400.0
Honduras	745.1	418.7	79.0	1242.8
Haiti	237.2	11.4	4.4	253.1
Jamaica	84.9	25.8	27.8	138.5
Mexico	29679.4	2628.2	2970.6	35278.2
Nicaragua	473.3	78.2	17.0	568.5
Panama	81.3	549.2	171.5	802.0
Peru	792.0	498.0	128.4	1418.5
Paraguay	43.9	181.1	26.3	251.3
El Salvador	686.4	343.6	19.9	1049.9
Suriname	25.0	18.7	14.8	58.5
Trinidad and Tobago	87.9	304.5	84.3	476.7
Uruguay	69.3	369.5	89.4	528.2
Venezuela	218.4	48.7	53.8	320.9
Latin America and Caribbean (LAC)	43754.4	13313.7	7024.9	64093.0

Source: Companies Market Cap
[//companiesmarketcap.com](https://companiesmarketcap.com)

LAREDO TRUCK CROSSINGS

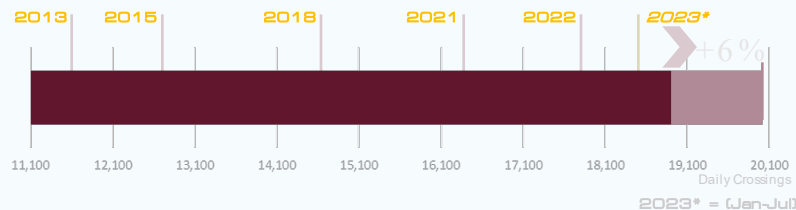
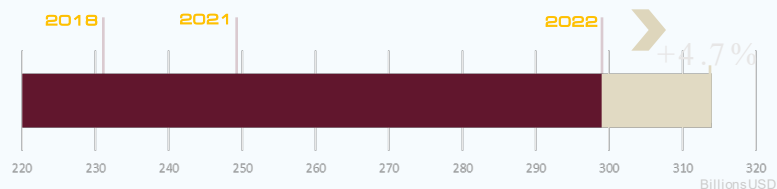


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NEARSHORING IMPACT



Why Mexico in this Nearshoring Context?

- **Location:** Proximity to the US, which favors companies that serve North American consumers.
- **Free Trade Agreements:** Mexico is the only developing country that has free trade agreements with the US, Canada, the European Union and Japan. In total, Mexico has 13 Free Trade Agreements signed with 46 countries
- **Regulations and Trade Wars:** Recent regulatory decisions and trade wars are favoring alignment among North American supply chains.



03

Smart Borders: The key to more resilient cross-border trade



SMART BORDERS

Smart borders refer to the use of technology and data to facilitate the movement of people and goods across borders while ensuring security.

These initiatives include electronic customs systems, automated border control systems, and risk assessment tools (Svitek et al.:2019).

Benefits

1. Increase the efficiency of border crossings by reducing wait times and processing times.
2. Can improve security by effectively identifying and targeting high-risk individuals and goods.
3. Reduce costs by decreasing the need for manual processing and increasing automation.
4. improve data collection and analysis, allowing for better decision-making and risk assessment

SMART BORDERS

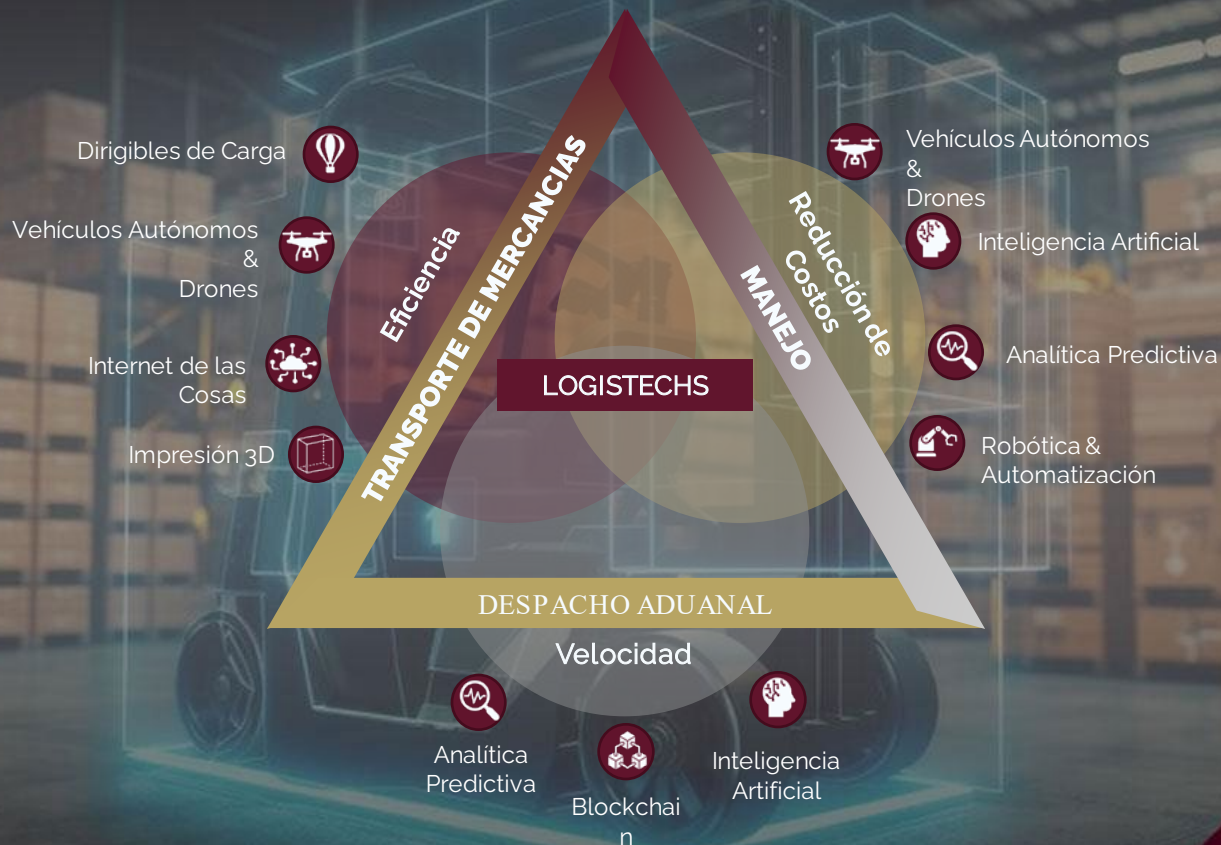
Challenges

1. Implementing smart border initiatives requires significant investment in technology and infrastructure.
2. using technology and data raises concerns about privacy and data protection. Smart borders require collecting and analyzing significant amounts of personal data, raising privacy and data protection concerns.
3. Implementing smart borders requires international cooperation and coordination, which can take time and effort.

LO · GIS · TECHS

Represent the impact that exponential technologies have on logistics and can be classified as the technologies that support the transport of goods, those that improve their handling, and the ones that expedite their customs clearance.

LOGISTECHS





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