



TEXAS CENTER
FOR BORDER ECONOMIC & ENTERPRISE DEVELOPMENT
TEXAS A&M INTERNATIONAL UNIVERSITY

INSIGHTS FROM THE LAREDO 2024 ECONOMIC OUTLOOK REPORT

**NAVIGATING GROWTH AS THE
NATION'S BUSIEST TRADE HUB**

Daniel Covarrubias, Ph.D.

May 21, 2024

Vison 2024 Conference

Laredo, Tx.



01 North American Trade

02 Nearshoring

03 Insights 2024 Economic Outlook Report

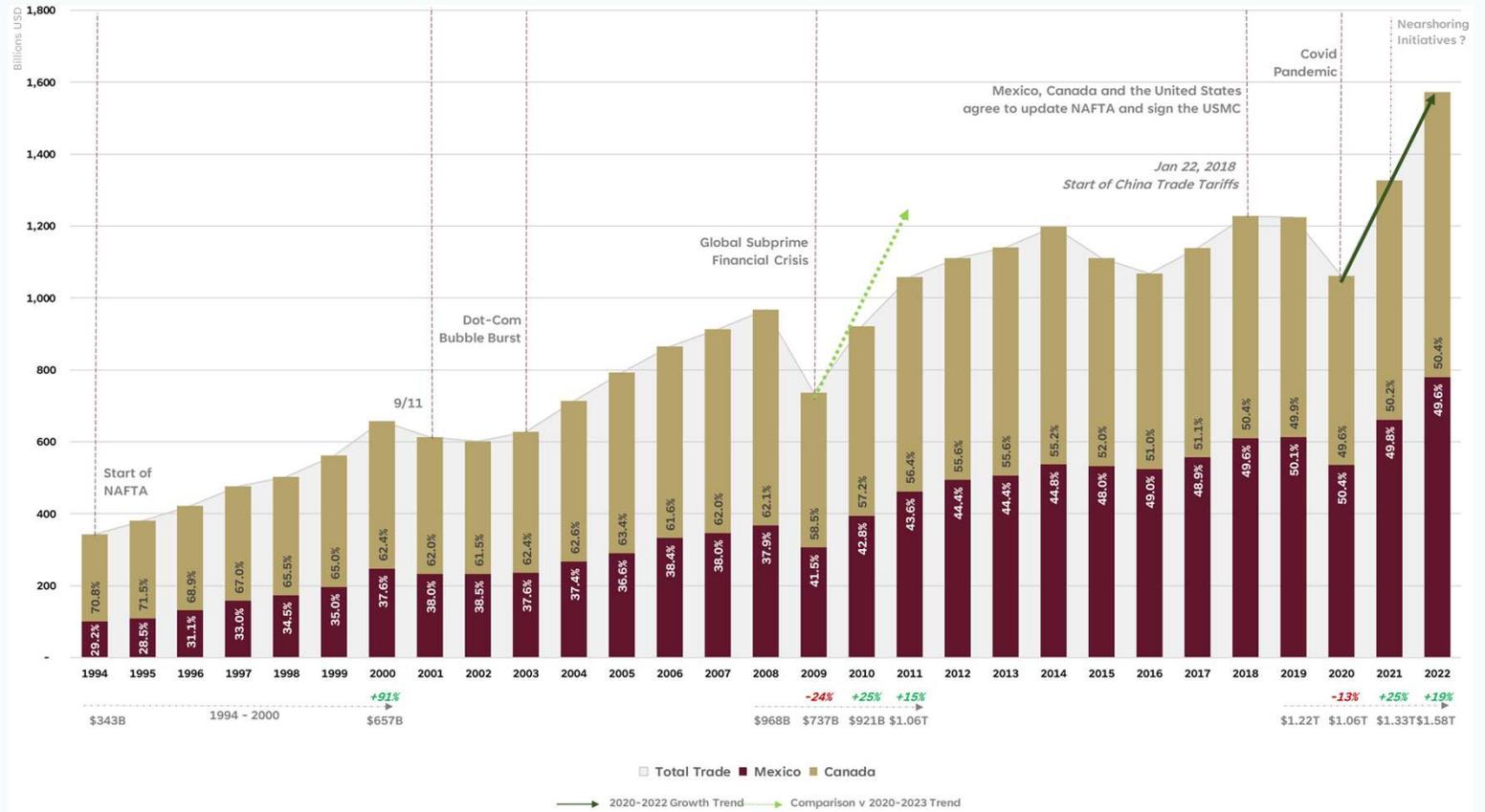


01

North American Trade: The USMCA and US Tariff Era

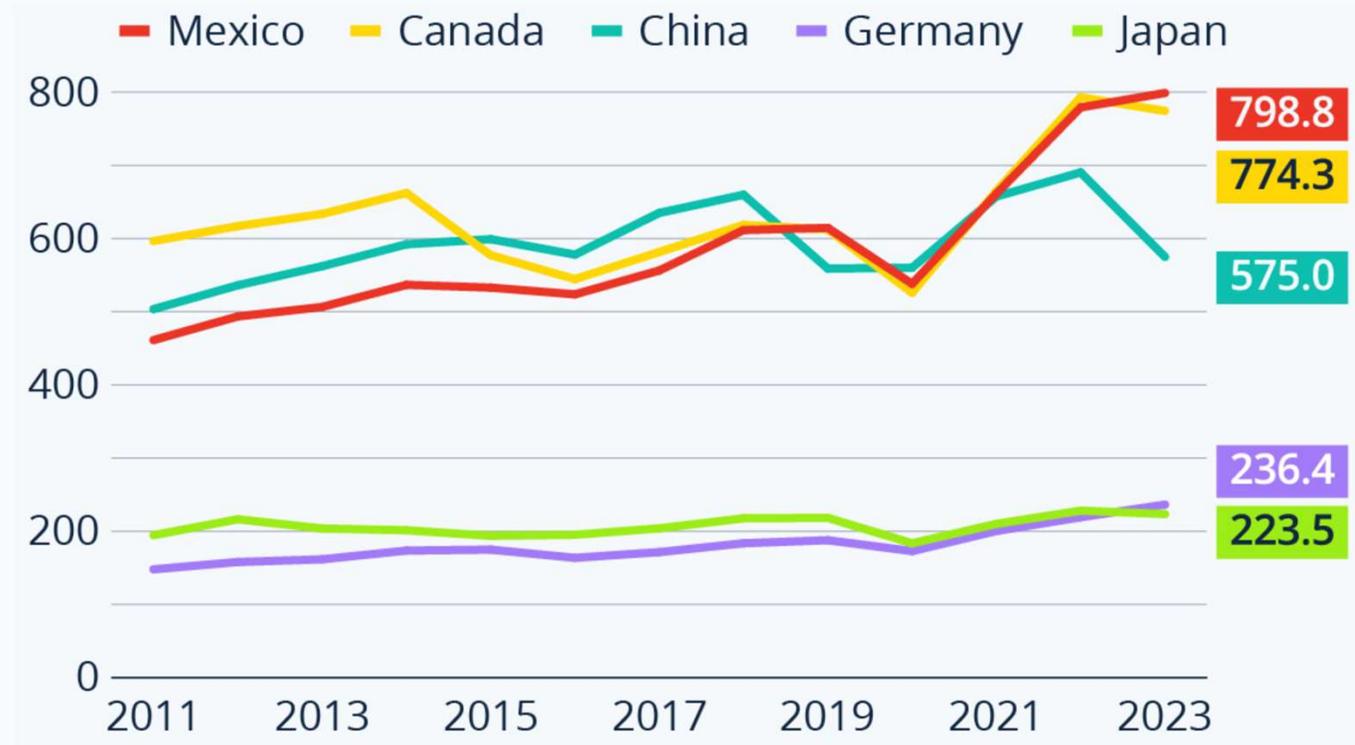
US TRADE MEX / CAN

NAFTA / USMC TRADE



U.S. TOTAL TRADE

U.S. TOTAL TRADE VALUE IMPORTS PLUS EXPORTS 2011-2023

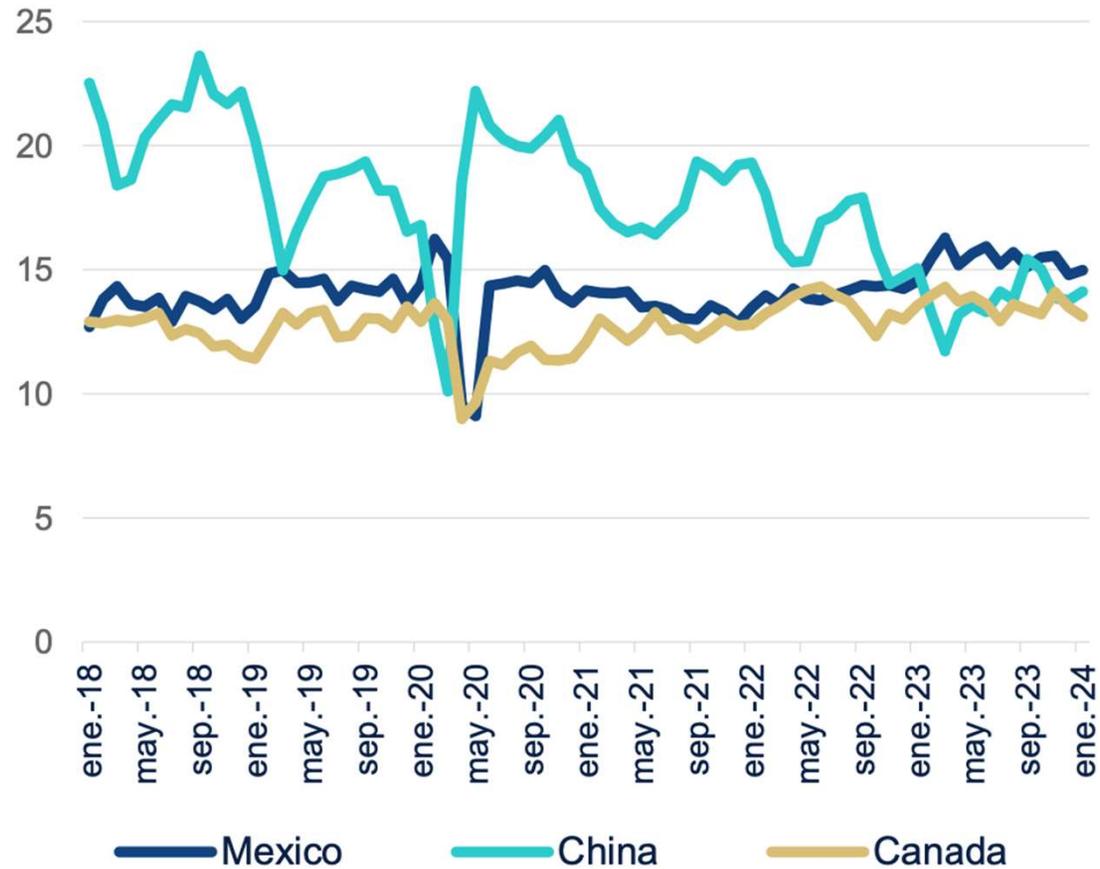


Source: Statista. U.S. Census Bureau Economic Indicators Division.

U.S. IMPORTS



U.S. TOTAL IMPORTS VALUE MEXICO, CANADA & CHINA 2018-2024



Source: BBVA Research. U.S. Census Bureau Economic Indicators Division.

U.S. IMPORTS FROM MEXICO BY STATE

BILLIONS OF DOLLARS

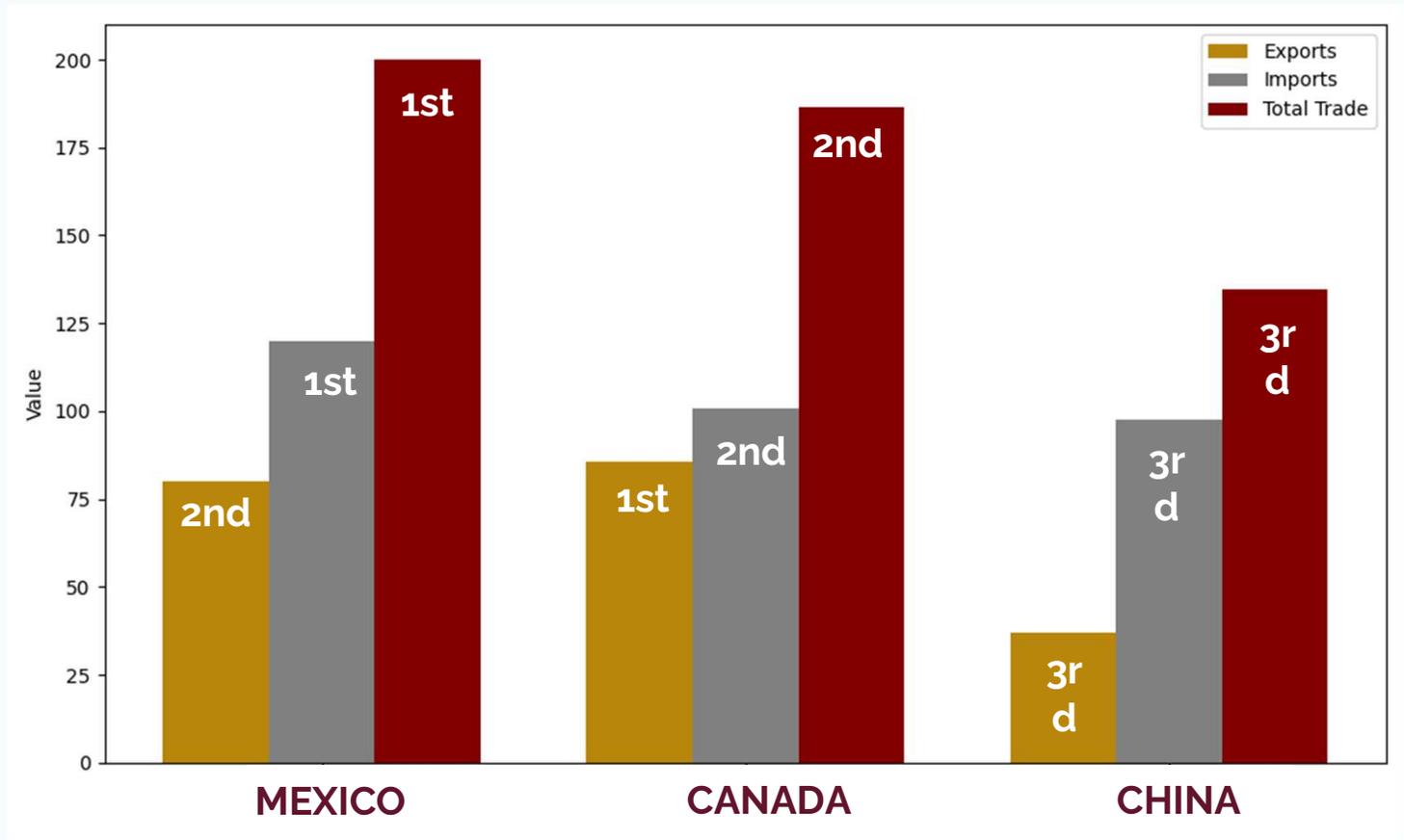
U.S. IMPORTS



U.S. TOTAL TRADE



TOTAL U.S. TRADE YEAR-TO-DATE 2024 (MARCH)



Source: U.S. Census Bureau Economic Indicators Division.

The USMCA era marks a new chapter in North America trade relations.

- Mexico has surpassed Canada as the top U.S. trading partner, with imports from Mexico outpacing those from China for the first time in 2023.
- U.S. imports from Mexico and Canada have shown steady growth, while imports from China have declined.
- Texas, California, and Michigan lead the nation in imports from Mexico, highlighting the strong regional ties in cross-border trade.
- Implementing the USMCA and U.S. tariffs on Chinese goods has contributed to the shifts in trade patterns, favoring closer economic integration between the U.S., Mexico, and Canada.



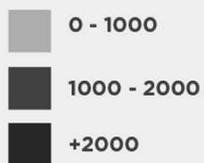
02

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

TOTAL NEARSHORING OPPORTUNITIES BY COUNTRY

ADDITIONAL EXPORTS OF GOODS

(M: US\$ MILLIONS, B: US\$ BILLIONS)



Source: IADB

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: IADB

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	84.0	25.0	27.0	136.0
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: IADB

Anuncios de Inversión en México

Del 1 de enero al 31 de diciembre de 2023

Se han identificado **378 anuncios de inversión**, con una expectativa de **110 mil 744 millones de dólares**, que equivalen al **6.7 % del PIB** de 2022.

Con una posibilidad de **234 mil 725 nuevos empleos directos**

42% asociados a la industria automotriz.



¹ Cifras originales a precios corrientes

Los 10 principales países de origen concentran el 91% de los anuncios de inversión:



- 1. Estados Unidos 38%
- 2. China 12%
- 3. Dinamarca 9%
- 4. Australia 7%
- 5. Corea 6%
- 6. Argentina 5%
- 7. Alemania 5%
- 8. Francia 4%
- 9. Taiwán 3%
- 10. Países Bajos 2%

El 47% de la inversión anunciada corresponde al sector de la manufactura

Principales industrias manufactureras



GOBIERNO DE MÉXICO

ECONOMÍA

Highlighting how the shift from globalization to regionalization impacts trade patterns.

- The transition from globalization to regionalization, driven by geopolitical tensions and supply chain disruptions, leads to the reconfiguring of international trade networks.
- Regionalization promotes the development of more localized, resilient supply chains as companies seek to reduce their dependence on distant suppliers and tap into nearshoring opportunities.
- The shift towards regionalization can result in increased trade flows between neighboring countries, as exemplified by the growing importance of U.S.-Mexico trade in North American economic integration.



03

Laredo Trade Outlook: Port Laredo's Rise to the Top

Laredo Trade Outlook

Share of Total U.S. Trade

2023 Top 5 Ports of Entry (POE)



1
1
Laredo POE
\$313 billion

Laredo Trade Outlook

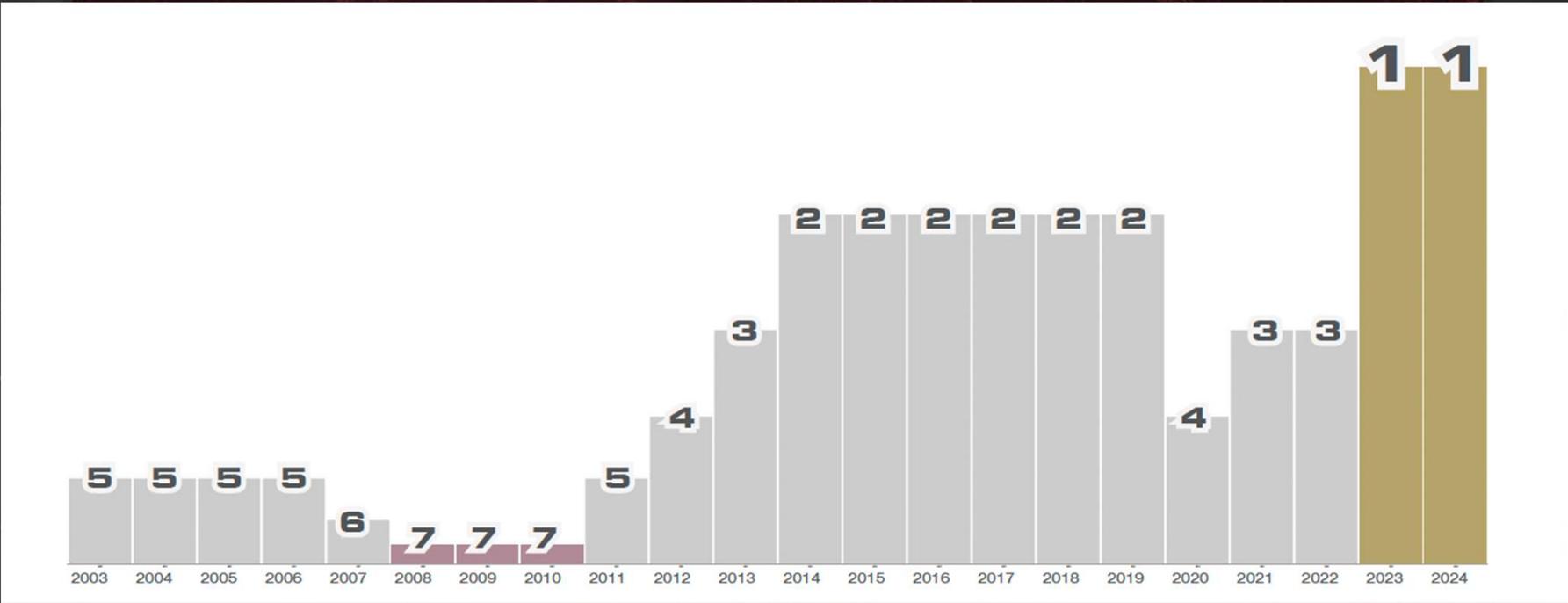
Top 5 U.S. Ports of Entry 2023 Total Import/Export Trade Value

- 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



Port of Laredo Yearly Ranking vs Other U.S. POE

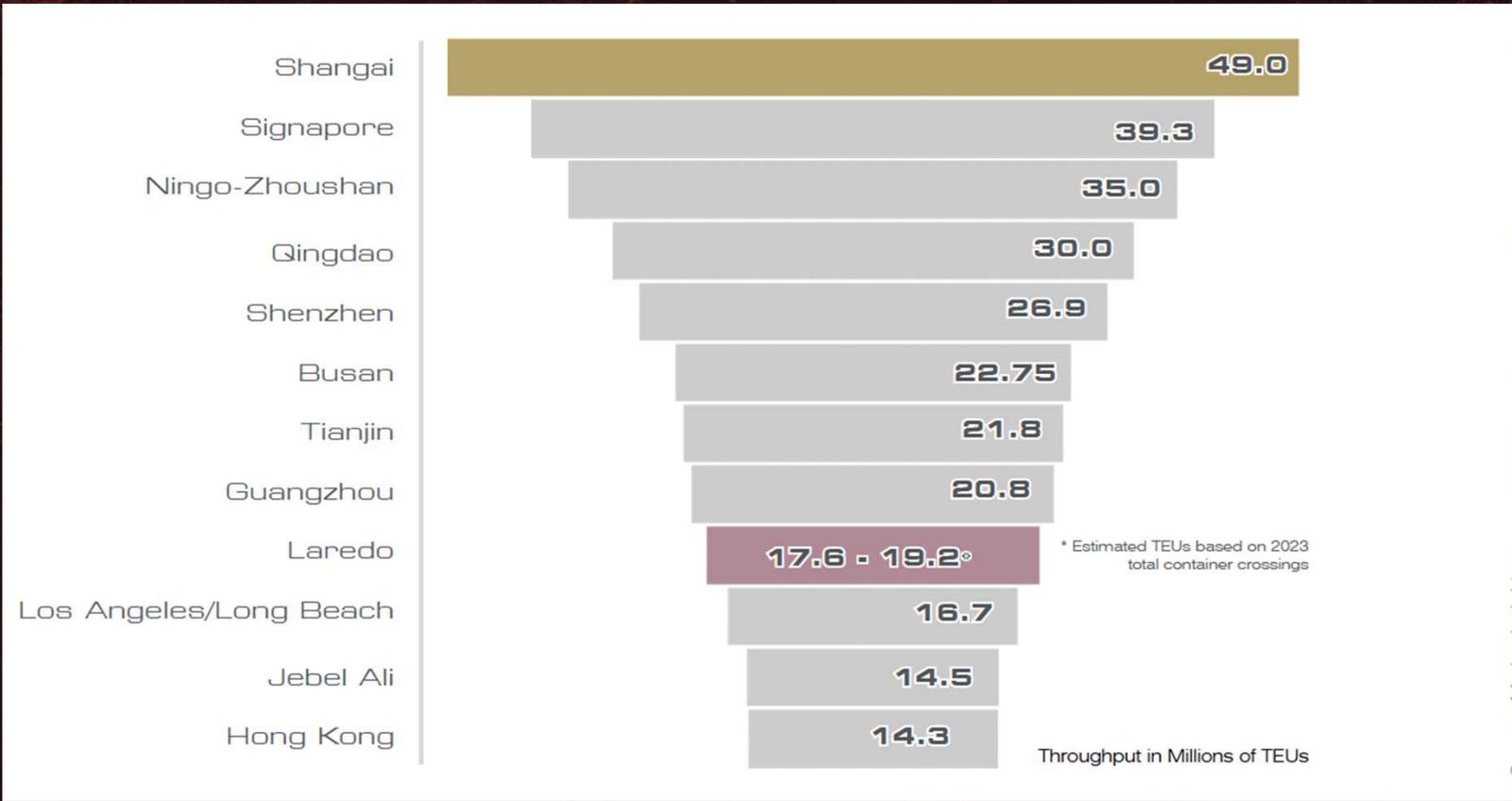
Figure 1



Source: U.S. Census Bureau Economic Indicators Division

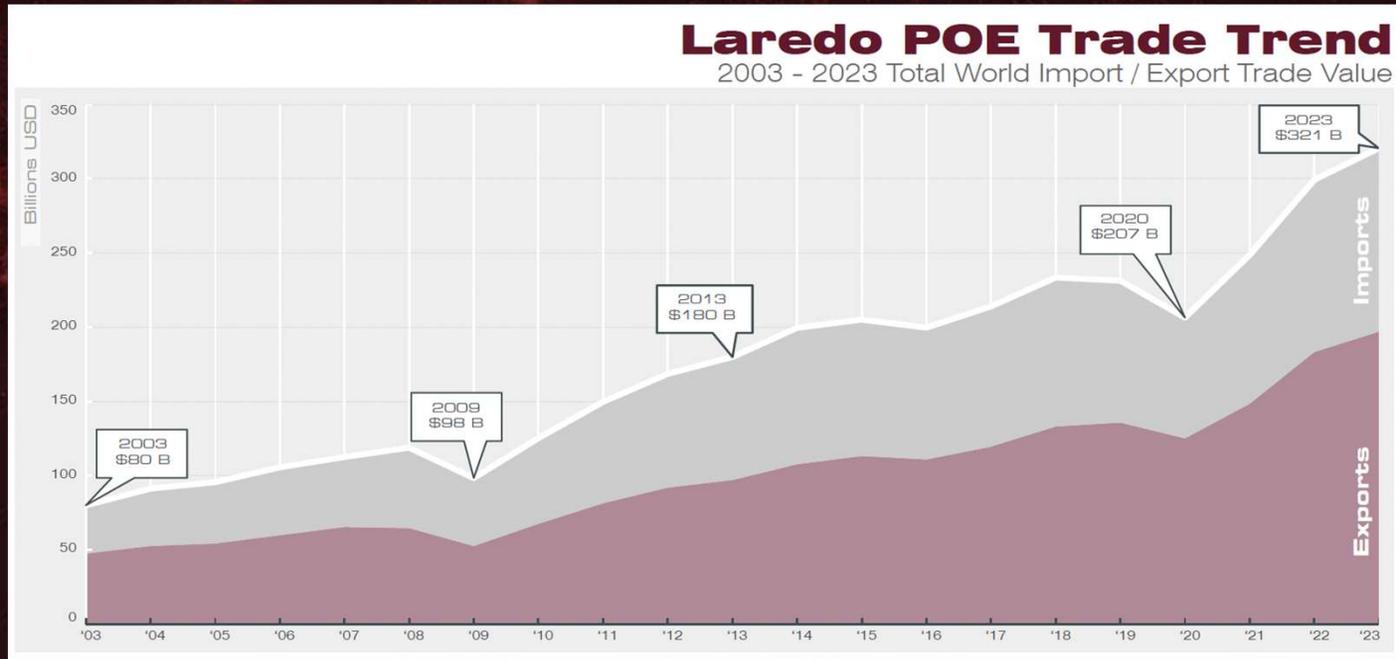


2023 Port of Laredo Placement Within the Largest Ports in the World Based on Throughput
 Figure 2



Source: Marine Insight - <https://www.marineinsight.com/ports/top-10-busiest-ports-in-the-world/>
 U.S. Bureau of Transportation Statistics, City of Laredo Bridge System, Port of Long Beach, Port of Los Angeles,

Laredo Trade Outlook



Laredo Trade Outlook

Commodity Transportation

2023 Container Crossings into U.S. through Border POE



Truck Container Crossings

3.1 Million
Truck Containers Crossing into the U.S.

\$261 Billion
Total Import/Export Traded Value



Rail Container Crossings

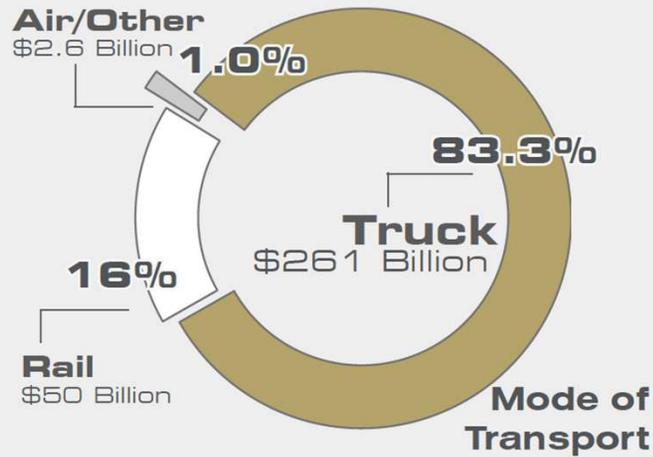
531,566
Rail Containers Crossing into the U.S.

\$50 Billion
Total Import/Export Traded Value

Laredo Trade Outlook

Total World Import / Export Trade

2023 Laredo POE



Top Exports

1	Machinery, Boilers	\$22.2 Billion
2	Vehicles and Parts	\$18.6 Billion
3	Electric Machinery	\$15.1 Billion
4	Plastics	\$10.8 Billion
5	Mineral Fuel, Oil	\$4.5 Billion

1	Vehicles and Parts	\$62.2 Billion
2	Machinery, Boilers	\$40.1 Billion
3	Electric Machinery	\$33.1 Billion
4	Furniture, Bedding	\$6.3 Billion
5	Iron or Steel Articles	\$4.6 Billion

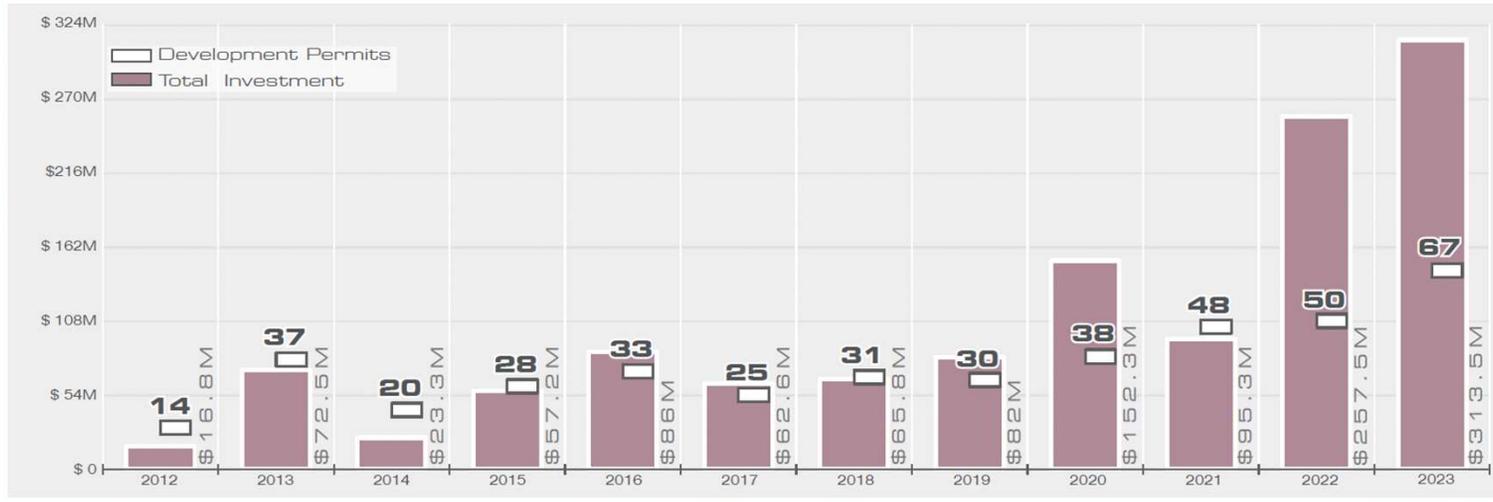
Top Imports



Laredo Trade Outlook

Logistics Facilities

Laredo POE Warehouse & Industrial Park Development



Port Laredo's Geographical Advantage and State of the Art Facilities

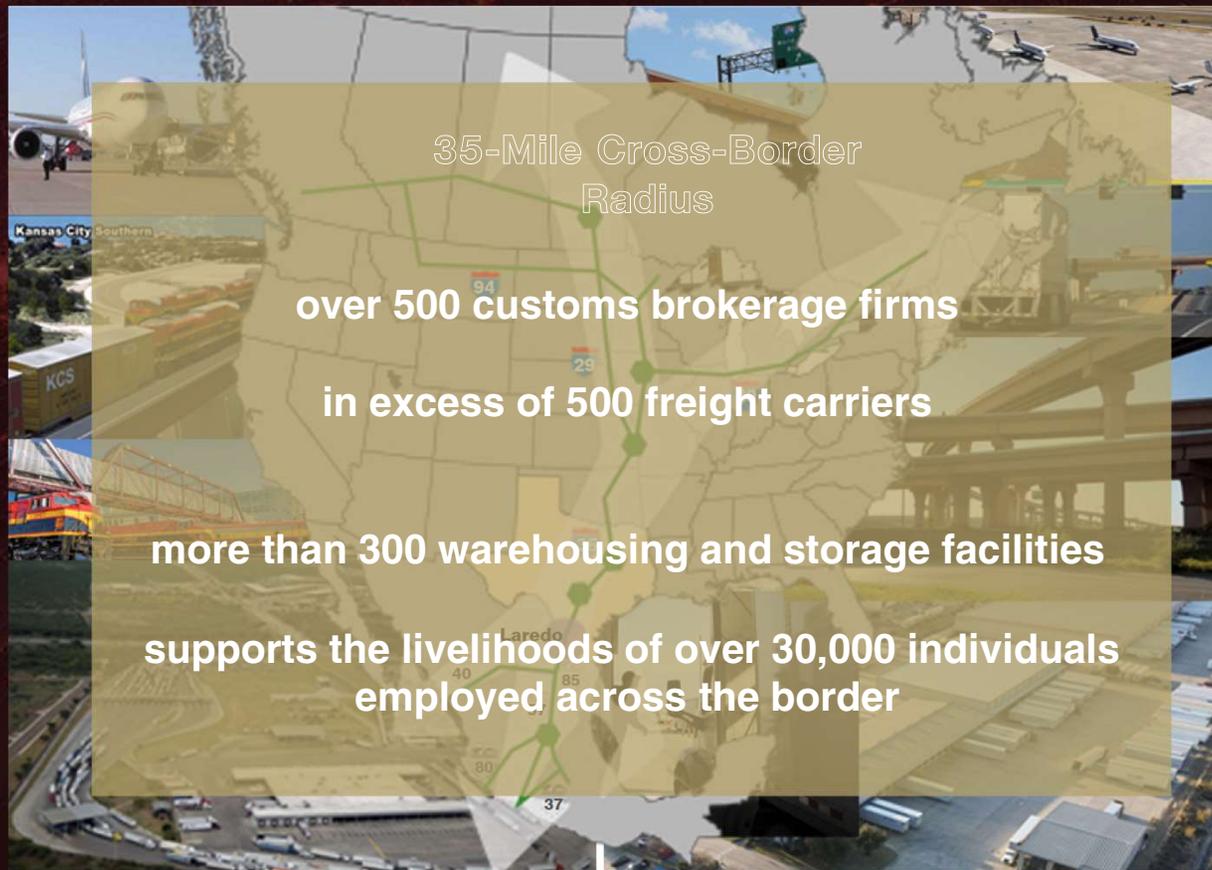
Figure 3



Source: Marine Insight - <https://www.marineinsight.com/ports/top-10-busiest-ports-in-the-world/>
U.S. Bureau of Transportation Statistics, City of Laredo Bridge System, Port of Long Beach, Port of Los Angeles,

Port Laredo's Geographical Advantage and State of the Art Facilities

Figure 3



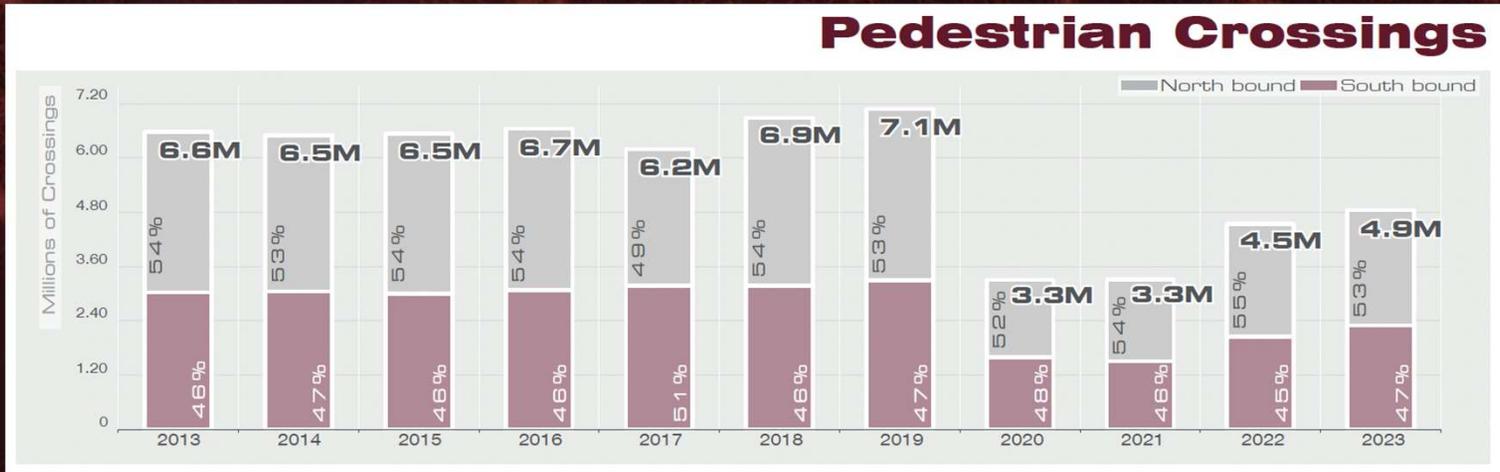
Port Laredo's rise to the top showcases its efficiency, strategic location, and infrastructure.

- Port Laredo emerged as the top U.S. port of entry in 2023, surpassing Chicago O'Hare Airport and the Port of Los Angeles.
- The port's truck throughput ranks 9th globally, surpassing major seaports like Guangzhou and Los Angeles/Long Beach.
- In 2023, Port Laredo facilitated \$321 billion in total trade value, experiencing significant growth in key sectors like vehicles and electric machinery.
- Substantial investments in warehouse and industrial park development underscore Laredo's expanding capacity to accommodate future trade growth.

04

Laredo International Bridges Outlook: Enhancing Infrastructure for Thriving Trade

Laredo International Bridge Outlook

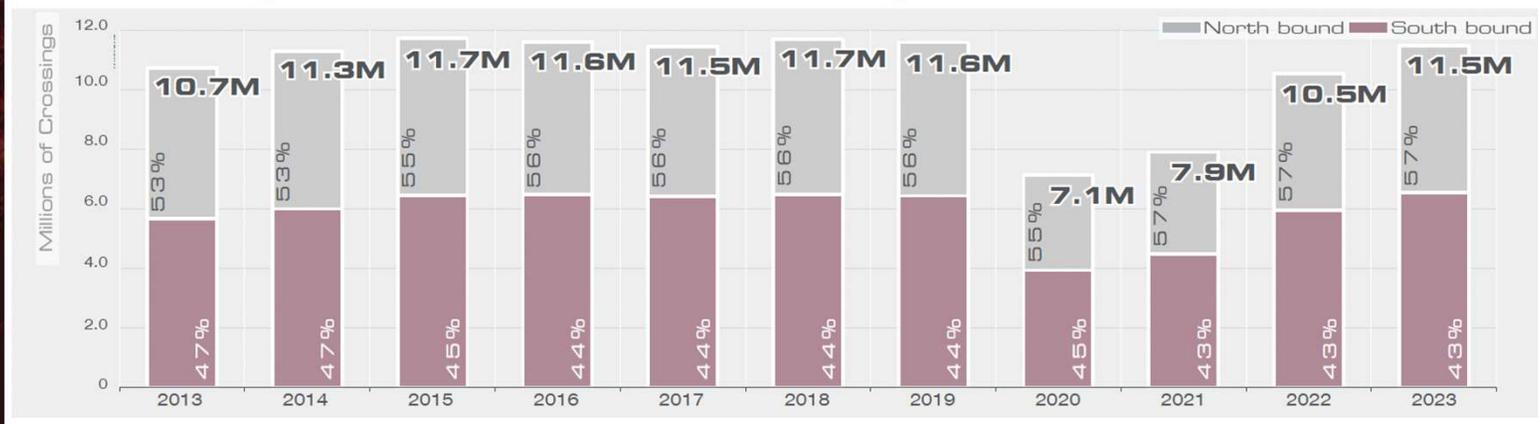


Source: U.S. Bureau of Transportation Statistics, City of Laredo Bridge System



Laredo International Bridge Outlook

Passenger Vehicle Crossings

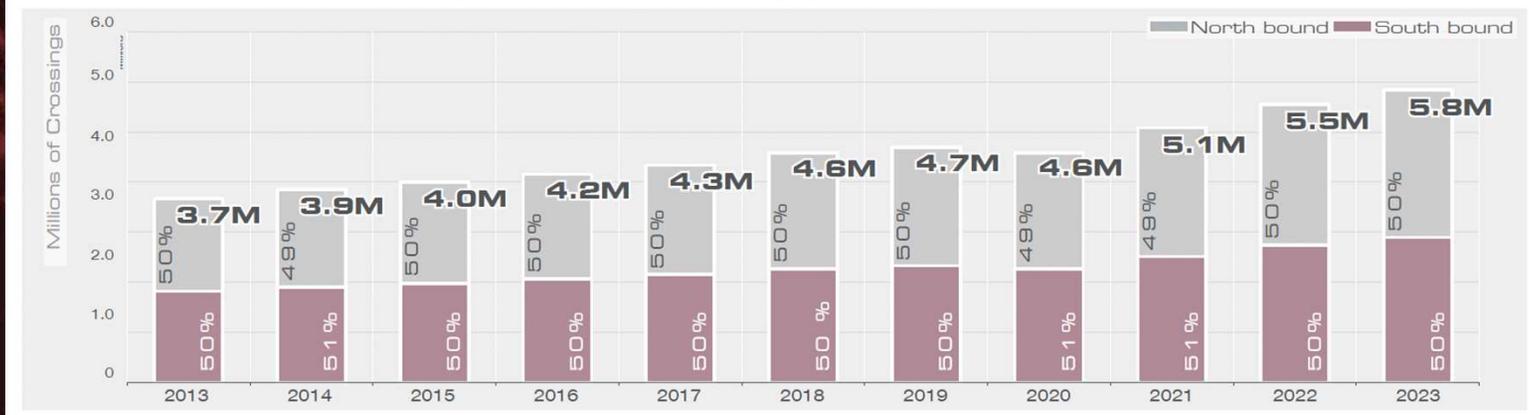


Source: U.S. Bureau of Transportation Statistics, City of Laredo Bridge System



Laredo International Bridge Outlook

Commercial Truck Crossings



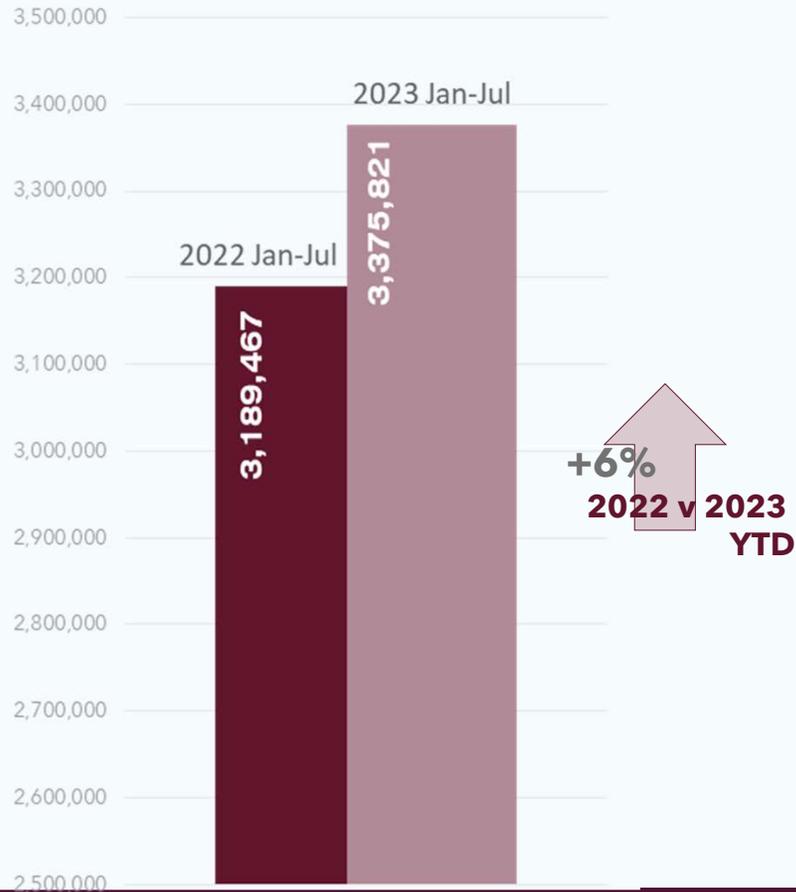
Source: U.S. Bureau of Transportation Statistics, City of Laredo Bridge System



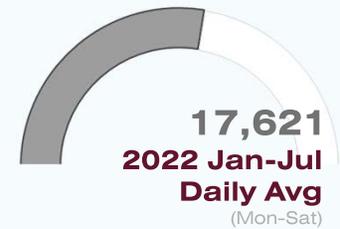
LAREDO

2022 -2023

NORTH-SOUTH BOUND



TRUCK CROSSINGS



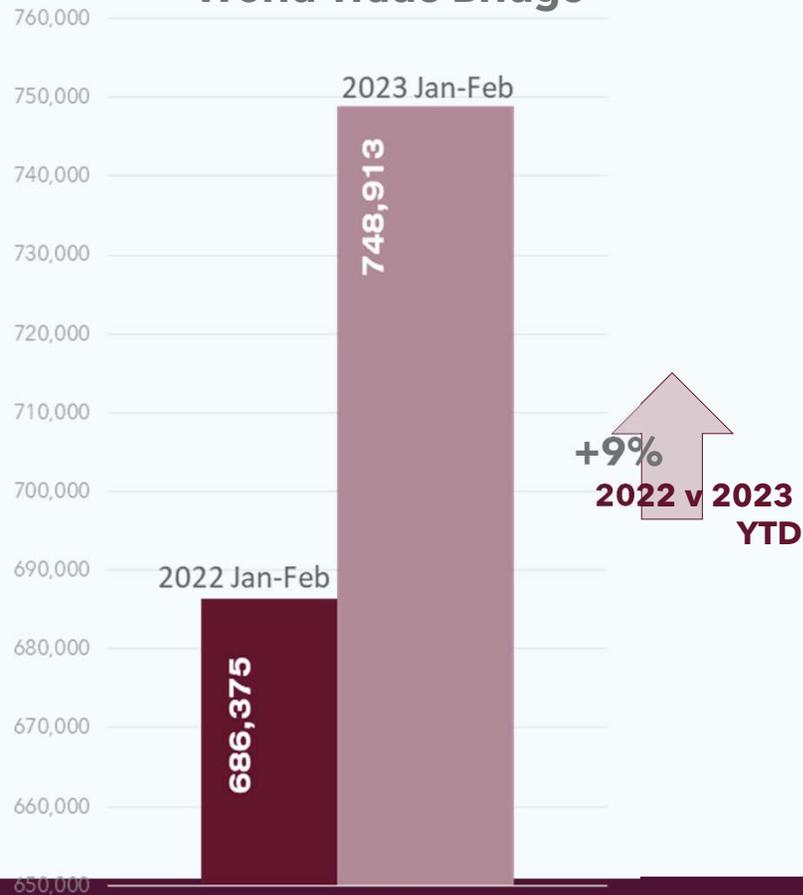
LAREDO

2022-2023

NORTH-SOUTH
BOUND



World Trade Bridge



TRUCK CROSSINGS



Source: Bureau of Transportation Statistics, City of Laredo Bridge Department, ICCE Nuevo Laredo

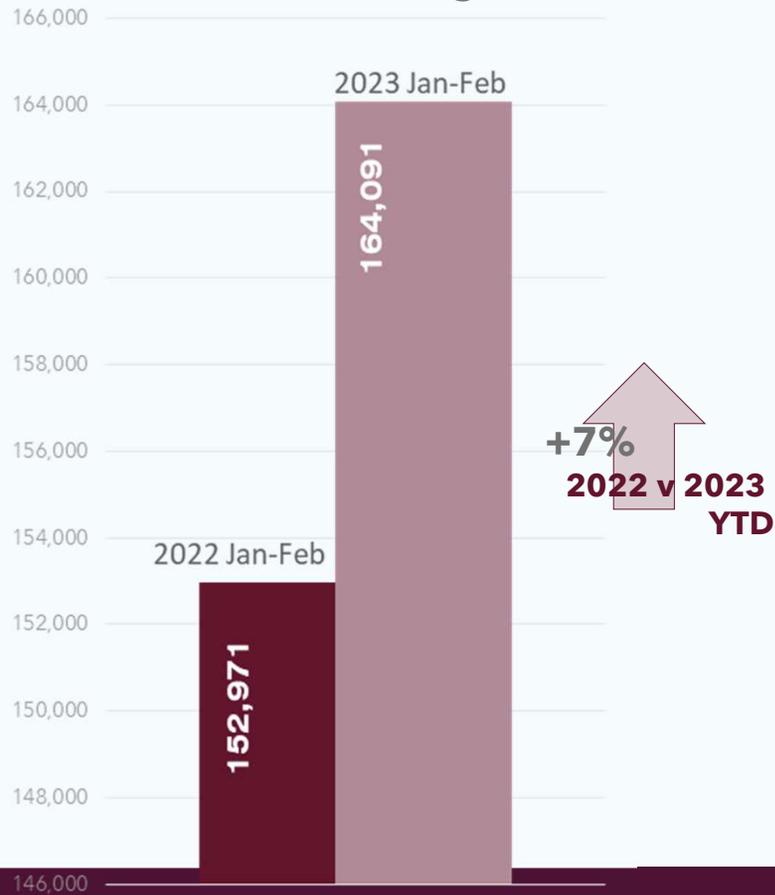
LAREDO

2022-2023

NORTH-SOUTH
BOUND



Colombia Bridge



TRUCK CROSSINGS



Source: Bureau of Transportation Statistics, City of Laredo Bridge Department, ICCE Nuevo Laredo

LAREDO TRUCK CROSSINGS

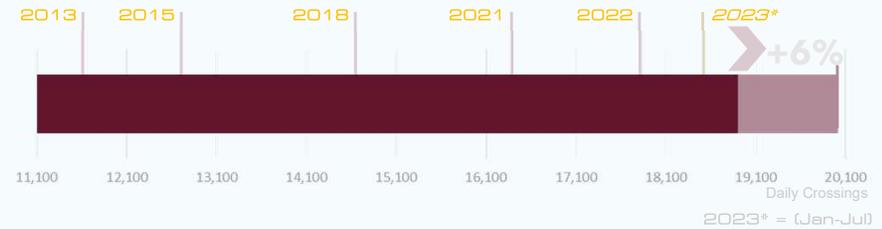
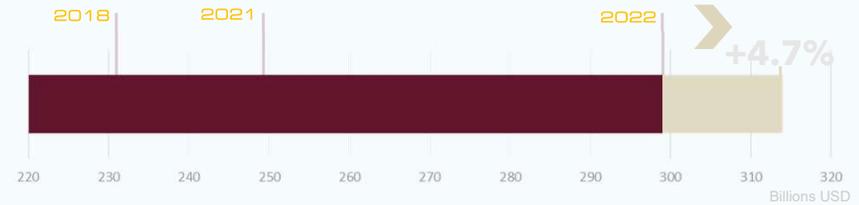


↑
+\$35B
Expected US-Mexico
Trade Increase

↑
+\$14B
Expected through
Laredo POE

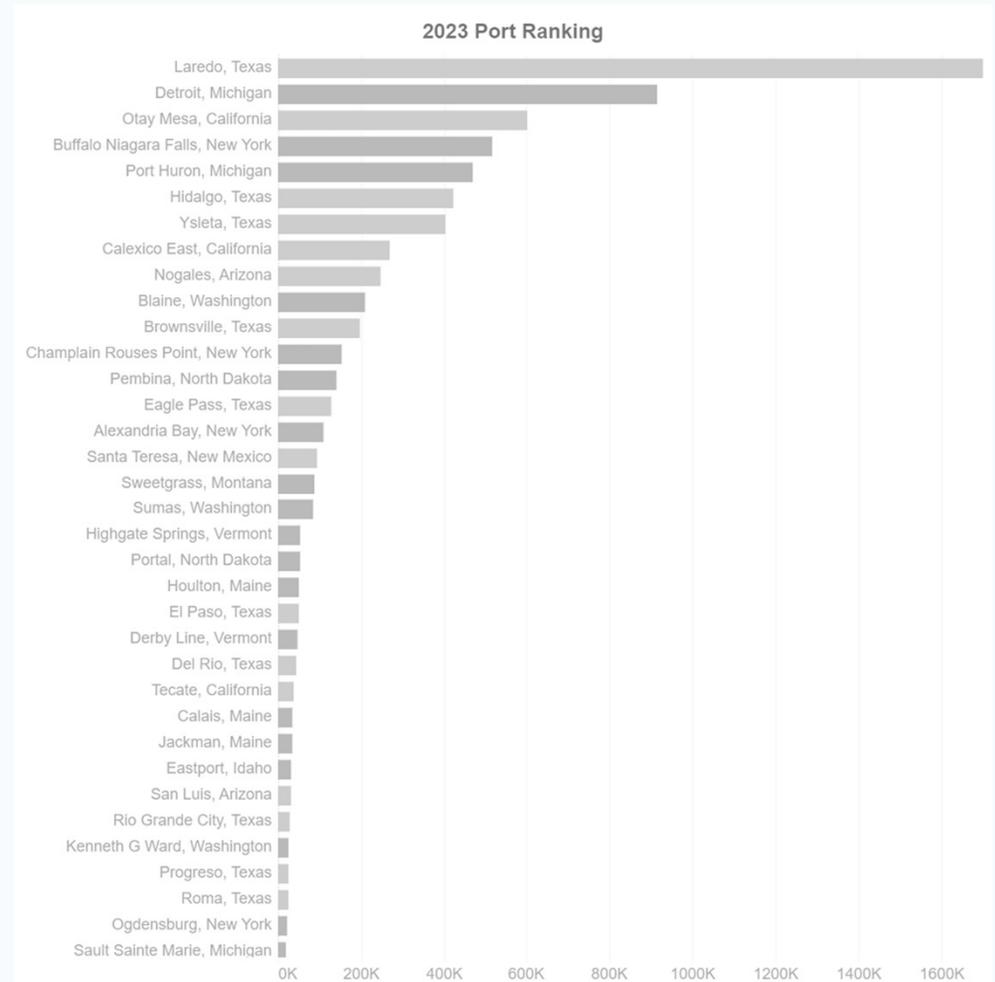
↑
950-1,120
Estimated Additional
Daily Truck Crossings

NEARSHORING IMPACT



IN-BOUND (USA) 2023

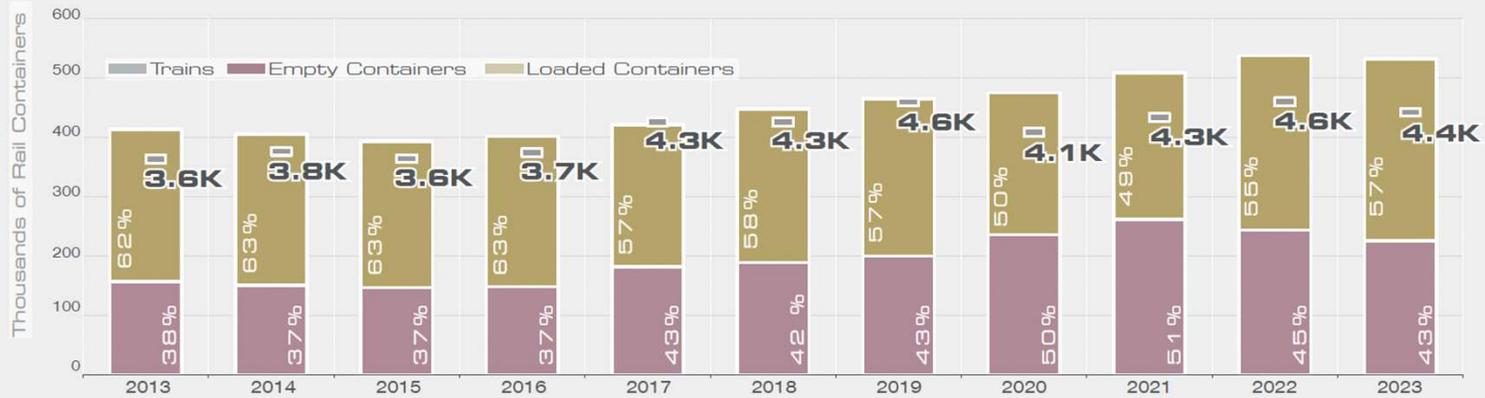
TRUCK CROSSINGS



Source: Bureau of Transportation Statistics

Laredo International Bridge Outlook

Northbound Rail Crossings



Source: U.S. Bureau of Transportation Statistics, City of Laredo Bridge System

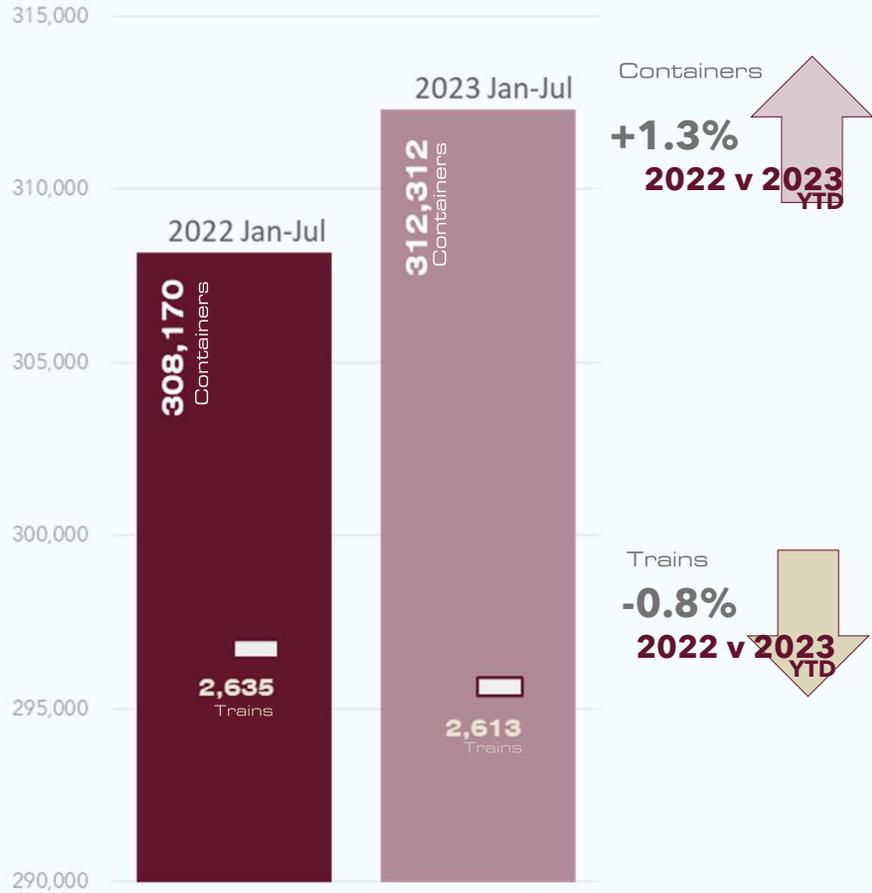


IN-BOUND

(TX)

2022 - 2023

LAREDO POE



RAIL CROSSINGS



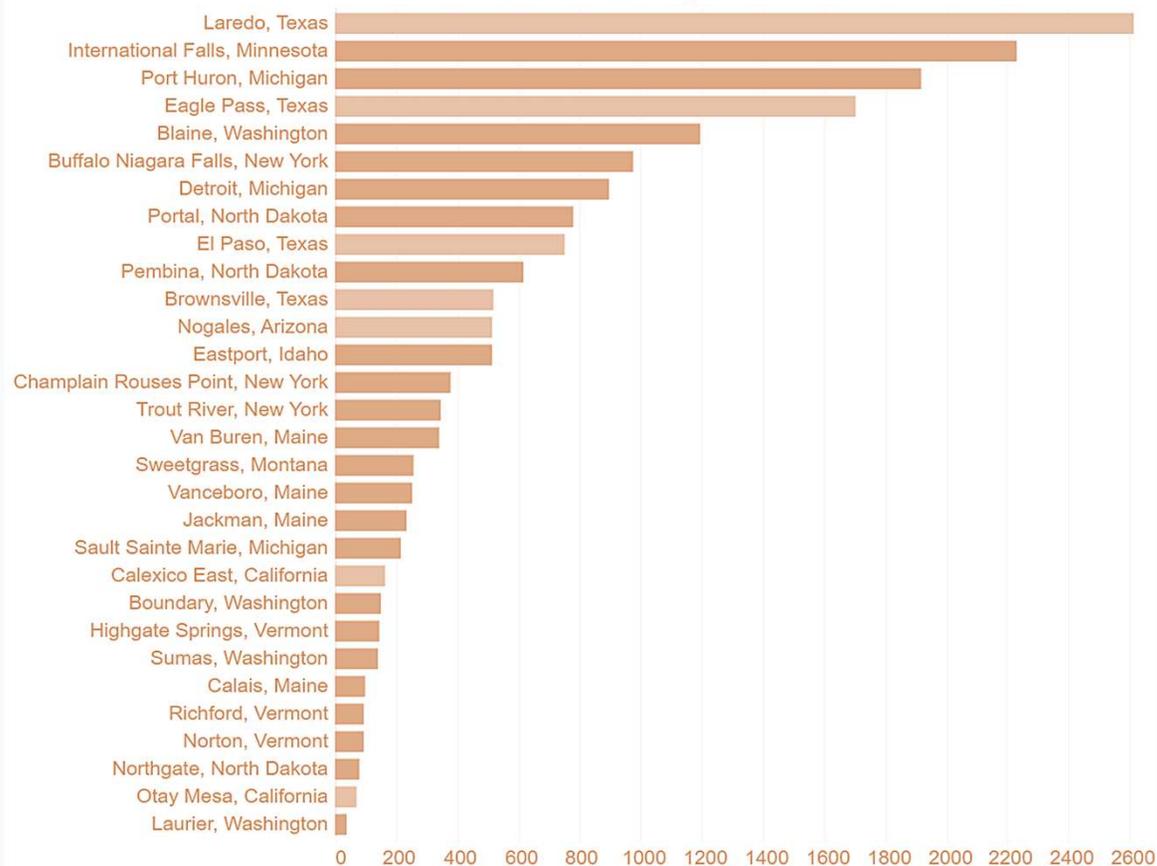
Source: Bureau of Transportation Statistics

IN-BOUND (USA)

2023

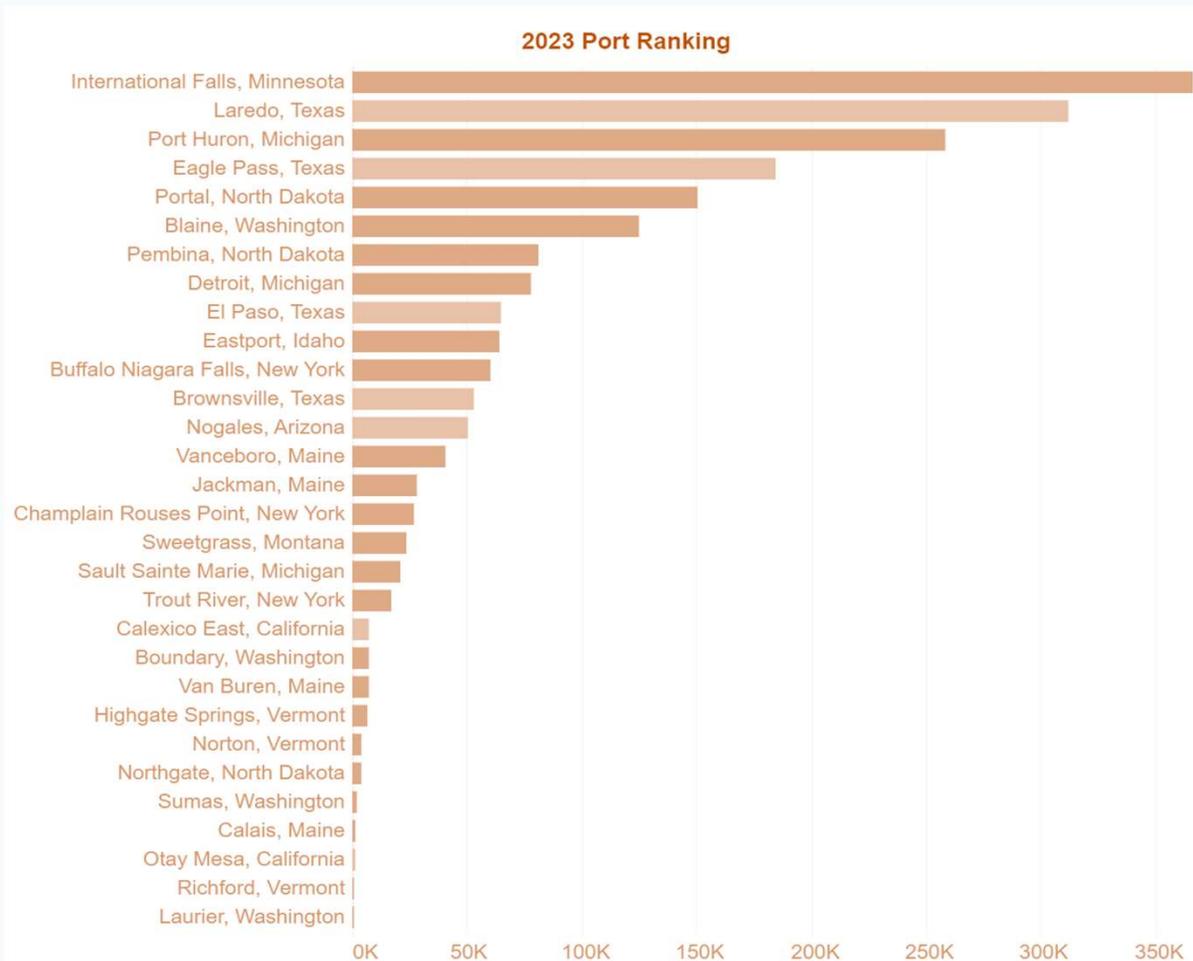
RAIL CROSSINGS: TRAINS

2023 Port Ranking



IN-BOUND (USA) 2023

RAIL CROSSINGS: CONTAINERS



As trade volumes continue to surge, investments in bridge infrastructure and technology upgrades are crucial to maintaining Laredo's competitive advantage.

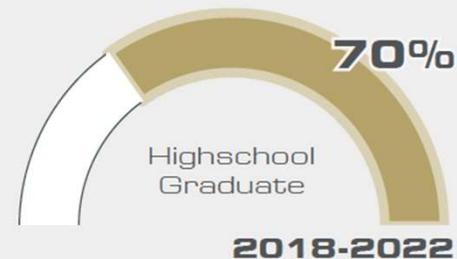
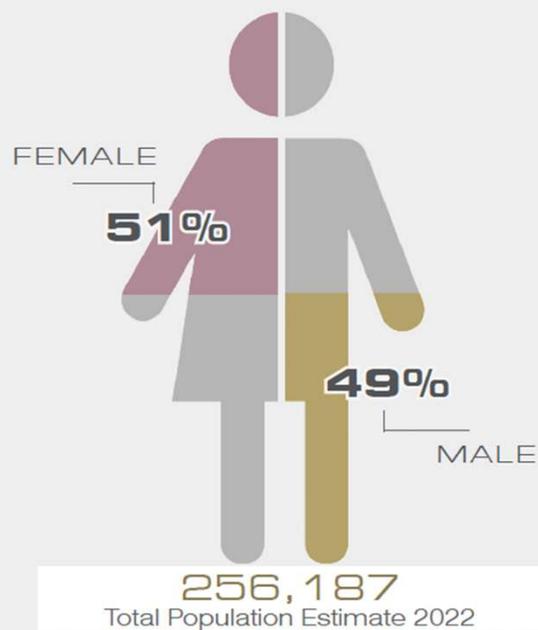
- Laredo's international bridges witnessed substantial growth in cross-border traffic, with a 6% increase in north and south-bound truck crossings from 2022 to 2023.
- The World Trade Bridge experienced a remarkable 10% growth in truck crossings, handling an average of nearly 15,000 trucks per day in 2023.
- Colombia Bridge also saw a 7% increase in truck crossings, with a daily average of over 3,000 trucks in 2023.
- Laredo's rail infrastructure plays a vital role in facilitating trade, with a 1.3% increase in rail crossings from 2022 to 2023 despite a slight decrease in loaded containers.

05

Laredo Demographic Outlook:
Are we ready for sustained growth?

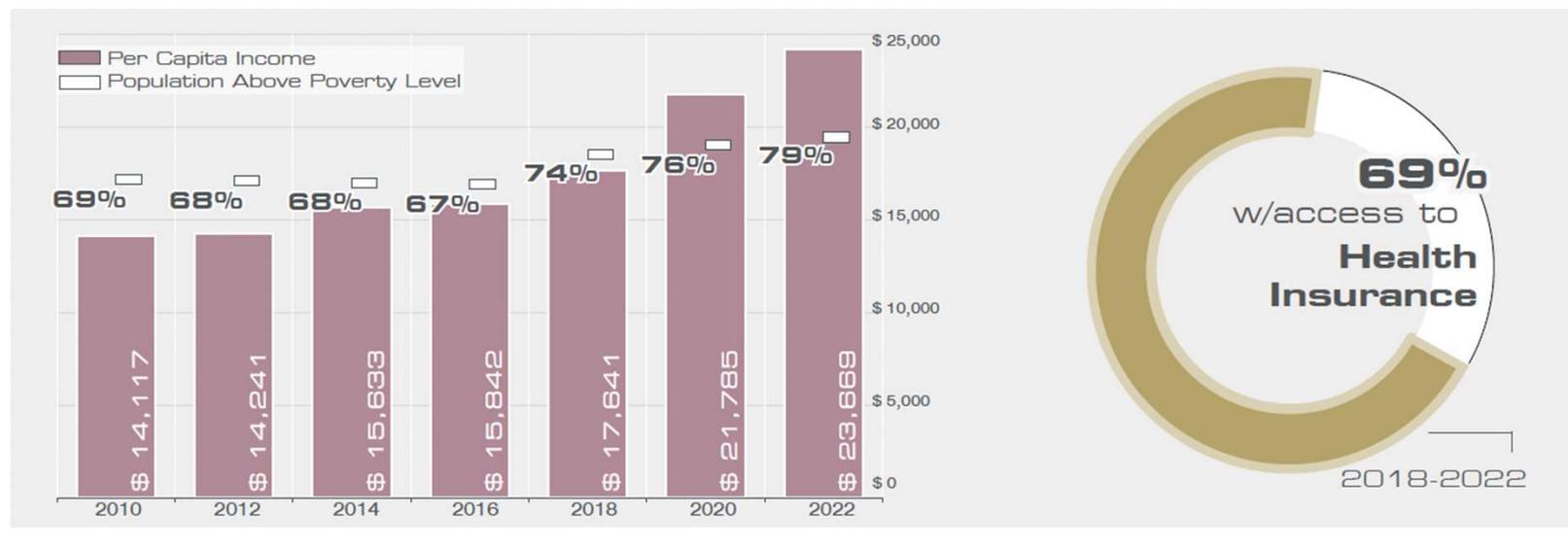
Laredo Demographic Outlook

Population



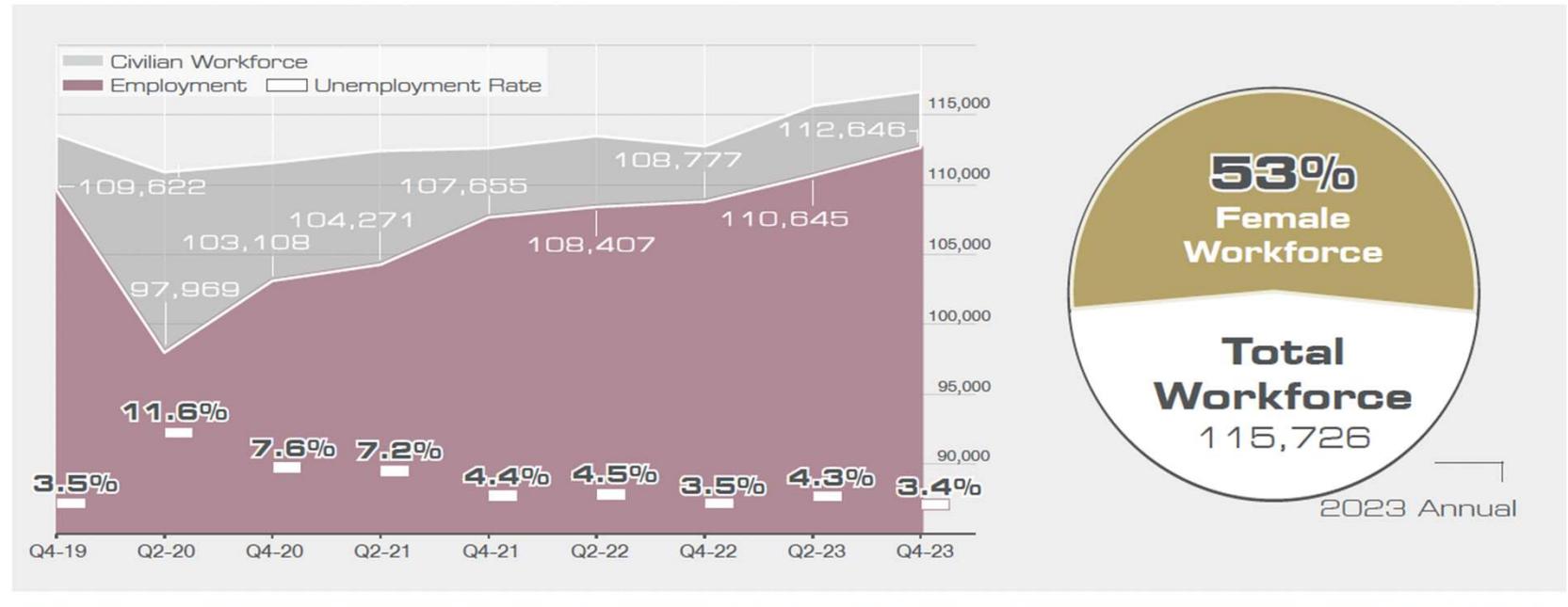
Laredo Demographic Outlook

Income and Health



Laredo Demographic Outlook

Workforce 2023



Laredo's demographic trends showcase a resilient and growing workforce.

- Laredo's population has grown steadily, reaching an estimated 256,187 in 2022.
- The city has a high percentage of high school graduates (70%) and a growing number of residents with bachelor's degrees (21%).
- Laredo's civilian workforce has experienced consistent growth, totaling 115,726 in 2023.
- The unemployment rate has remained relatively low, dropping from 4.3% in Q2 2023 to 3.4% by Q4 2023.
- Per capita income has risen steadily from \$14,117 in 2010 to \$23,669 in 2022.
- The percentage of the population above the poverty level has increased from 69% in 2010 to 79% in 2022.



TEXAS CENTER
FOR BORDER ECONOMIC & ENTERPRISE DEVELOPMENT
TEXAS A&M INTERNATIONAL UNIVERSITY

MEET THE TEAM



**Daniel
Covarrubias, Ph.D.**
Director



Leo Lozano
Program
Manager



Karyme Castillo
Program
Coordinator



Andrea Vazquez
Research Specialist
TTI



Enrique Alba
Student Data &
Information Assistant



texascenter.tamui.edu

 @jdcova

 dcova@tamui.edu