

US-Mexico economic talks are key to cross-border prosperity

U.S. Commerce Secretary Penny Pritzker

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On both sides of the 2,000 mile border we share with Mexico, our people and our businesses are working together to create jobs, economic opportunity, and prosperity. The interests we share with our neighbor to the south, our third largest trading partner in the world, are not just about border security and immigration. We are also focused on how we can grow the \$1.5 billion in goods and services that already move between our countries each day, do more business together, and strengthen our collective competitiveness.

As the United States welcomes Mexican President Enrique Peña Nieto to Washington this week, the importance of our commercial relationship with Mexico will take center stage during the second meeting of the U.S.-Mexico High Level Economic Dialogue (HLED).

Nearly two years ago, President Obama and President Peña Nieto announced the formation of the HLED, a forum through which our governments can better collaborate to advance strategic commercial priorities central to promoting mutual economic growth, job creation, and global competitiveness. As a result of these efforts, we are already working together more effectively. We have made significant strides in areas ranging from cross-border trade to the promotion of a knowledge economy.

The HLED has achieved several concrete outcomes. We are moving goods and people across our border more efficiently, and we have negotiated a new air-services agreement that will benefit travelers, shippers, airlines and the economies of the United States and Mexico with competitive pricing and more convenient services. To reduce bottlenecks at the border, we are expanding capacity at our ports of entry. For example, at the El Chaparral-San Ysidro Port of Entry between San Diego and Tijuana, the busiest land crossing in the world, new construction has reduced wait times from three hours to approximately 30 minutes. We are collaborating to boost travel and tourism between the United States and Mexico, expand supply-chain security, and better manage our telecommunications systems along the border. Our two governments have also pledged to increase international education exchanges, which will help ensure citizens of both countries have a workforce with the skills needed to succeed in the global economy.

The HLED represents the next step forward in the U.S.-Mexico economic relationship, a fruitful partnership shaped by openness, cooperation, and collaboration. Today, two decades after the North American Free Trade Agreement (NAFTA) entered into force, the benefits of our economic integration are clear. Two-way trade between the U.S. and Mexico now stands at half-a-trillion dollars annually, supporting millions of jobs in both countries. In the manufacturing/assembly sector, 75 percent of company activity is located along the border, and the United States supplies 80 percent of the inputs. When the U.S. imports final goods from Mexico, roughly 40 percent of the content of that merchandise has originated in the United States.

At the same time, business investment in both directions has grown dramatically. Nearly 20,000 American firms now have operations in Mexico, and the country is now the 15th largest source of foreign direct investment into the United States, supporting thousands of American jobs in sectors ranging from mining to retail. In short, we trade with each other more than ever. We invest in each other more than ever. We produce together more than ever. And we can do more.

Through the HLED, we are regularly engaged with the government of Mexico to devise solutions that will create new trade and economic opportunities and strengthen our commercial ties. We are doing this all in partnership with civil society and the private sector – because no one will feel the impacts of the HLED more strongly than U.S. and Mexican businesses and workers.

Guided by input from our stakeholders, our countries will focus on numerous key areas in 2015, including energy, modern borders, workforce development, regulatory cooperation, stakeholder engagement and partnering in regional and global leadership. In February, my team will host a stakeholder event to share the progress we've made on the HLED and solicit input from the private sector and civil society.

When I chose Mexico as my first international trade mission as Secretary of Commerce, I did so knowing the relationships between our governments, our businesses, and our people have never been stronger. As we look to the future, it is clear that the United States and Mexico are poised for even greater success as a result of our deep and blossoming cultural, economic, and person-to-person ties. Using the HLED as our guide, we can increase exports and boost trade, promote economic growth, create good jobs for all of our citizens, and keep our nations open for one another's business.