

MARKET SNAPSHOT

Mexico Trade



CREG

Tucson, Arizona: Just an Hour's Drive from Mexico and A Growing Southwest Trade Hub

This *Market Snapshot* highlights the proximity of Tucson, Arizona to Mexico, placing this Southwest city in a unique position to become a home base for any company who considers Mexico or international trade to be part of its future.

Tucson is located only 64 miles (103 kilometers) north of the Mexican border and the Nogales point of entry. As the major commercial entry point closest to Arizona's 300 miles of international border with Mexico, it is uniquely and strategically located as a gateway for international trade. The city's proximity to Mexican cities and other growing southwestern U.S. cities places it in a favorable position to serve local, regional and global markets. There are over 34 million people in just a 500-mile radius of Tucson.

Mexico – A Few Facts

- Mexico's GDP reached \$1.178 trillion in 2012, making it the 14th largest economy in the world at the time.
- Mexico is expected to become the largest economy in Latin America by 2020, overtaking Brazil.
- The International Monetary Fund projects that Mexico's economy will grow by 3.8% through 2018.
- In 2013 Mexico was expected to receive some \$35 billion in Foreign Direct Investment (FDI) from countries worldwide and in almost every sector of the economy.

CITY	DISTANCE FROM TUCSON Miles (km)
Nogales, Mexico (PORT OF ENTRY)	64 (103 km)
Phoenix, AZ	113 (182 km)
Hermosillo, Mexico	245 (394 km)
El Paso, TX	318 (512 km)
Guaymas, Mexico (PORT)	324 (521 km)
San Diego, CA (PORT)	413 (665 km)
Long Beach/Los Angeles, CA (PORT) *	498 (801 km)

*The world's fifth-busiest port complex.

"Located just 60 miles from the Mexican border, at the intersection of two interstate highways and the Union Pacific Railway System, Tucson is set to become a logistics hub. We are the nearest major U.S. city to the expanding deep-water port at Guaymas – a gateway not only to Central and South America, but to the Pacific Rim. These natural advantages are why we're focused on transportation infrastructure that expedites trade."

...Jonathan Rothschild, Mayor of Tucson

Arizona & Mexico Trade – A Few Facts

- Arizona exports \$6.29 billion worth of goods to Mexico annually, more than to any other country.
- Arizona posted merchandise exports of \$7.1 billion to Mexico in 2013, representing 36.5% of the state's total merchandise exports. Mexico was followed by Canada with \$2.2 billion worth of exports.
- In 2013, over \$8.3 billion of imports came to the United States via Arizona, with 37% of those goods coming from Mexico.
- In 2012, over 111,000 jobs in Arizona relied on trade with Mexico.

Market Snapshot courtesy of:



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Maquiladora Industry

- These 100-plus Mexican manufacturing plants located just south of the Arizona border in the state of Sonora operate in a free trade zone and play a valuable role in U.S.-Mexico trade.
- Major industries with manufacturing activities within these Sonoran maquiladoras include computer/ electronic products, apparel, transportation equipment, aerospace components and parts, fabricated metal products, machinery, plastics and rubber products, chemicals and paper products.

The Port of Tucson

While Tucson cannot boast inland waterways, it can boast about the intermodal rail facility that is referred to as The Port of Tucson. Sitting on 767 acres in southeast Tucson, the Port handles intermodal containers and provides boxcar access, team track facilities and public warehousing. The facility consists of over 50,000 feet of Union Pacific rail track and in addition to connecting Tucson with Mexico, it provides the ability to ship goods directly to and from Asia via rail through Southern California ports. The Port is able to connect Tucson’s businesses almost seamlessly with the rest of the world.



Arizona Canning Company - the flavor of Mexico on the south side of Tucson

Arizona Canning Company is a wonderful local reminder of how Tucson and Mexico can come together for success. Owned by Conservas La Costeña, Arizona Canning Company is a 100% Mexican owned company. It plans to expand its Tucson manufacturing plant by 92,000 square feet.

Tucson isn’t the only city offering itself as a transportation hub. Just over 300 miles south of Tucson, the Mexican deep-water seaport in Guaymas is being expanded, making Tucson even more crucial for international trade.



“Geographically, Tucson for distribution works extremely well. We’re right off the Interstate 10 freeway, which also connects to Interstate 8 without having to go through Phoenix, so that works well to get to the southern California markets. A lot of our product also ships to the east out of Laredo, Texas so we’re right off of Interstate 10 for that. We also bring in quite a bit of product on rail cars.”

...Shane Gesbeck, Plant Manager, Arizona Canning Company (www.treoaz.org)

Go to www.cretucson.com and download our White Paper “Tucson, Arizona. A Growing Southwest Logistics & Transportation Hub?” for more information on how Tucson is becoming a global transportation hub for Mexico and world trade. Or request it from Michael Coretz at Commercial Real Estate Group of Tucson LLC.

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