

**Mexico-US:  
The Best Is Yet To  
Come.**

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Mexican Senator**



# A. Immigration

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- Immigrants founded venture funds created 450,000 jobs and represented market capitalization of roughly \$500Billion. 5 additional jobs were created for every high-skilled Visa (H-B1) due to the high proportion of immigrants working in Research and development and exports.
- Immigrant inventors are responsible for many international patents including 72% of Qualcomm's patents, 65% Merck's patents, 64% of GE's patents and 41% of government patents.
- Immigration is not undermining the American experiment; it is an integral part of it. "Successive waves of immigrants have kept our country demographically young, enriched our culture and added to our productive capacity as a nation, enhancing our influence in the world" (*CATO Institute, 2016*)


# B. Mexico-US Today

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- More than 10 % of Mexico population lives in the US. (12.2 millions)
- US- Mexico trade 525 billion dollars in 2016, Mexico is the third commercial partner in total trade. Although the US exports to Mexico represent the 16 % of total, the second most important partner, a bigger share than China, Japan and Germany combined.
- 14 million US Jobs depend directly from the bilateral relation.
- Together we have the most dynamic border in the world, 350 millions border crosses through 330 entry points. 37 million of Mexican and Mexican-American live in the US.
- In the U.S. Mexicans, including 2nd and 3rd generations, contribute approximately 8% of US GDP (BBVA Bancomer Foundation, 2012). Mexicans make up 12% of the immigrants that own a small business. 570,000 businesses in the United States, more than 1 in 25, are owned by a Mexican immigrant, and together they generate over 17 billion dollars in revenue per year Partnership for a New American Economy (PNAE) 2011.

# Where do we stand now?

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- At risk. Under the speech of hate, racism to our fellow Mexico Citizens living in the U.S., building a wall and attacking remittances, Mexico cannot turn a blind eye.
  - A crisis of this magnitude requires clear positions from the side of Mexico. We need to show how much we bring to the table of our bilateral relationship. Not only regarding trade, but also in terms of security and migration.
  - We must look into the future and build something better.
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# Where does Operation Monarch fit into the equation?

- A legislative-political project to race a new paradigm; a group of multi partisan senators are working together in order to uphold harmony among nations in the short, medium and long term.
- Thinking “out of the box” solutions to guarantee Human Rights for all.
- Immigrants make great countries, and Mexican immigration to the USA has contributed in the creation of new jobs, culture, an important labor force, talent, creativity, innovation among many other things.
- Today all of this is at risk under the new administration speech we must reinforce and seek:
  - ✓ Reinforce Human Rights and Dignity
  - ✓ Sanctuaries for all
  - ✓ Better economies



# Anti-Trump Bill: Operation Monarch Prequel

## ■ The first steps are being taken:

Initiative to Protect Mexican State Interest Against Foreign Governments (September 6, 2016):

- Explicitly forbids financing the Border Wall on U.S. territory.
- If remittances were expropriated or taxes were imposed to finance the Border Wall, its within the power of the Mexican Government to compensate on same proportion the harm caused by US measures through fiscal, tariff or commercial policies.
- The Mexican Senate or the Executive have the obligation to suspend, review or withdraw one or all treaties signed with a partner country in the event of threat, by the latest, to national security, economic security and citizen human rights.

# Legislative Work Under Operation Monarch

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- Initiative to Address Resources to Mexican Consulates Across the States to Ensure Protection of Mexican Citizens. (January 25, 2017)
  - Mexican consulates in the United States are actively offering legal advice to any migrant facing deportation.
  - More resources are needed to hire lawyers and set up outreach programs.
  - USD\$50 Million granted for Consular Protection
- Initiative to Reform Educational Law in Order to Address Reinsertion to the Mexican Educational System. (February 1st, 2017)
  - Require less paper work.
  - Recognition of studies done abroad in order to complete and continue education in Mexico.
  - The lack of personal documentation won't delay any primary or secondary student reintegrating the Mexican Educational System.

# Legislative Work Under Operation Monarch

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## ■ Initiative to Eliminate Corn Imports Dependency from the United States (February 21, 2017)

- US is the main corn producer and exporter in the World, in 2016 produced more than 384 million tons for a market value of 63.2 billion dollars.
- 60% of the production is geographically concentrated in country Midwest, the corn-belt. More than 582,000 Jobs.
- Main corn exporters are: Iowa(17% of total production), Illinois (16% ), Nebraska (12%), Minnesota (9%) and Indiana (8%).

## ■ To diversify our corn imports market we need to identify three conditions:

1. Tariff free corn imports (integration treaties with tariff free corn)
2. Corn production available (ending stocks) for us to buy.
3. At least, equal transport costs.
4. Internal mechanisms and budget to increase mexican production in the mid and long run



# Legislative Work Under Operation Monarch

## ■ Initiative to Eliminate Corn Imports Dependency from the United States (February 21, 2017)

Mexico Buys 24.4 % of US Corn Exports

- 13.8 million tons
- 2.6 billion dollars

Transport cost from the United States, in 2016, where around 80 dollars per ton. Importing corn for 2.6 billion dollars caused a transport cost of 1.1 billion.

**Table 1. Mexican Demand and Supply for Corn**  
(Thousands of metric tons)

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Consumption</b>	27,000	31,700	34,550	37,300	37,500
<b>Production</b>	21,591	22,880	25,480	25,971	24,500
<b>Exports</b>	522	501	784	1,000	800
<b>Imports</b>	<b>5,676</b>	<b>10,949</b>	<b>11,341</b>	<b>14,011</b>	<b>13,800</b>

Source: United States Department of Agriculture, (2017). *Coarse Grains: World Market and Trade. Office of Global Analysis.* Consulted February 16, 2017, at <https://apps.fas.usda.gov/psdonline/circulars/grain-corn-coarsegrains.pdf>

# Legislative Work Under Operation Monarch

**Table 2. Mexico Buying Proposal for Yellow Corn from the World**

<b>Diversification First Scenario (Fixed to US Final Price)</b>							
	(1)	(2)	(3)	(4) = (5)/(0.6*(1))	(5) = (4)*(0.6*(1))	(6) = (5+(1)*(AvPr))	
	Imports (thousand metric tons)	Imports Distribution	Ending Stocks (thousand metric tons)	Transport Cost (dollars by ton)	Total Transport Cost (million dollars)	Final Price (dollars by ton)	
<b>CURRENT US IMPORTS</b>	12,748	100%	59,822	80	611.900	268	
<b>PROPOSAL TO DIVERSIFY 60% OF IMPORTS THE FIRST YEAR</b>	<b>Brazil</b>	5,354	68%	6,442	71	369.282	259
	<b>Canada</b>	1,912	25%	2,343	96	183.570	284
	<b>Argentina</b>	382	7%	2,058	109	58.360	297
	<b>Total</b>	<b>7,649</b>	<b>100%</b>	<b>10,843</b>	<b>80</b>	<b>611.212</b>	<b>268</b>
<b>Diversification Second Scenario (Reduced final Price)</b>							
<b>CURRENT US IMPORTS</b>	12,748	100%	59,822	80	611.900	268	
<b>PROPOSAL TO DIVERSIFY 60% OF IMPORTS THE FIRST YEAR</b>	<b>Brazil</b>	<b>5,813</b>	<b>76%</b>	<b>6,442</b>	<b>71</b>	<b>412.727</b>	<b>259</b>
	<b>Canada</b>	1,530	20%	2,343	96	146.856	284
	<b>Argentina</b>	306	4%	2,058	109	33.349	297
	<b>Total</b>	<b>7,649</b>	<b>100%</b>	<b>10,843</b>	<b>80</b>	<b>592.932</b>	<b>266</b>

The First scenario allow us to buy corn form Brazil (68%), Argentina(7%) and Canada (25%) at 80 dlls per ton, equal to US cost.

The Second Scenario allows us to buy corn at a less final cost.

We can save 2 dollars by ton or 15 million dollars each year.

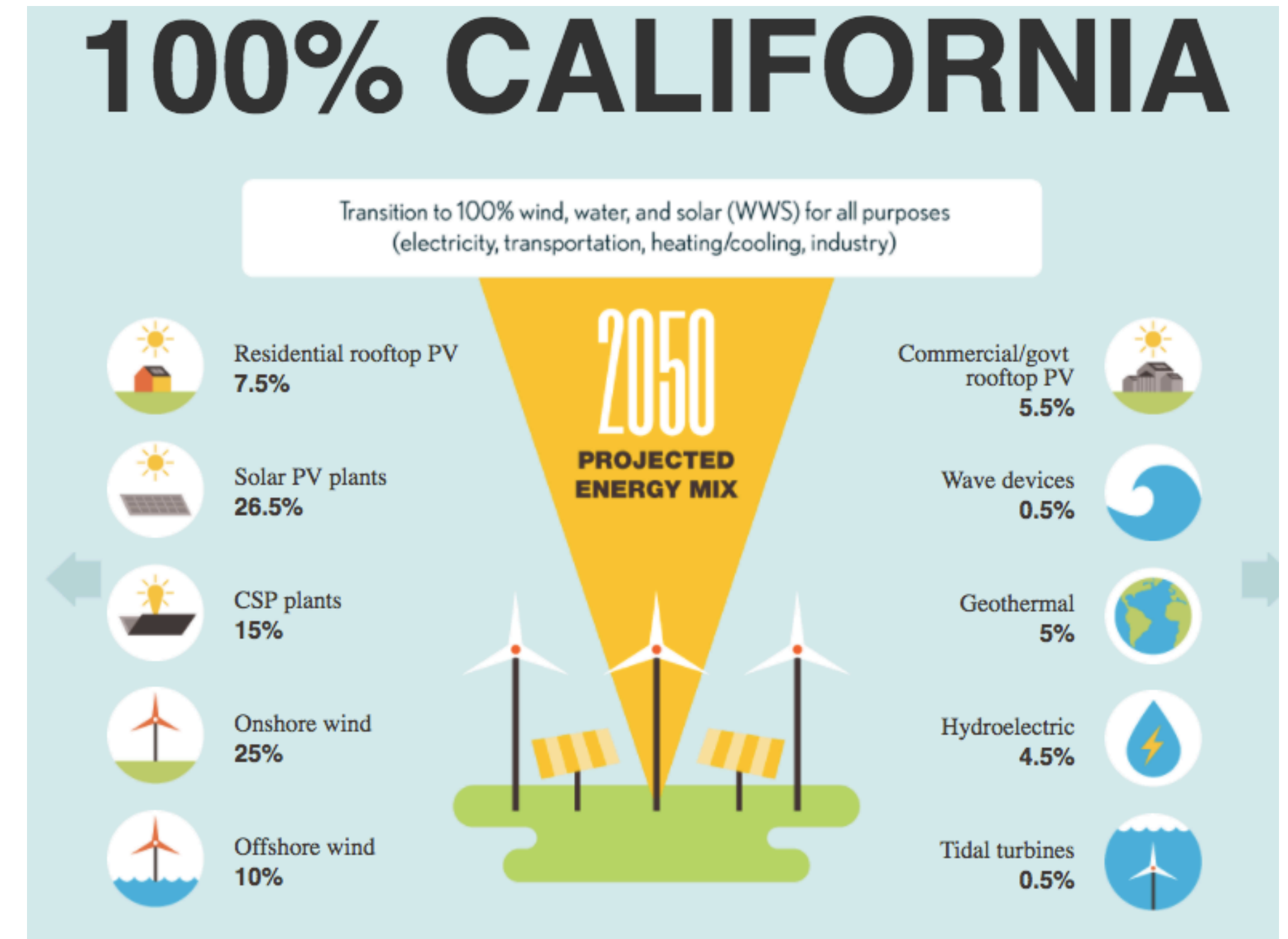
Note: except for the US, total transport cost is calculates as the total shipment cost from the main agricultural exports port for each country over average amount of corn loaded in a 20,000 ft. FCL Container, 24 tons.

Final Price it's the addition of each country transport cost and average 2016 corn farm price by ton. The numbers are rounded to the first integer.

Source: own calculations with data from United States Department of Agriculture, (2017). *Coarse Grains: World Market and Trade. Office of Global Analysis.* Consulted on February 16, 2017, at <https://apps.fas.usda.gov/psdonline/circulars/grain-corn-coarsegrains.pdf> & U.S. Department of Agriculture, Agricultural Marketing Service, (2016). Mexico Transport Cost Indicator Reports. Consulted on February 16, 2017, at [https://www.ams.usda.gov/sites/default/files/media/MexicoIndicatorsReport\\_2ndQuarter\\_11-2016.pdf](https://www.ams.usda.gov/sites/default/files/media/MexicoIndicatorsReport_2ndQuarter_11-2016.pdf)&FreightCalculator, World Freight Rates, Consulted on February 16, 2017, at <http://worldfreightrates.com/freight>

# California is the Future

- It's the 6<sup>th</sup> largest Economy in the World.
- Pushing towards 100% Clean Energy by 2050 and in only 8 more years making sure 50% of it's energy is clean (2025) with the bill SB584 is an example to the rest of the world which; will not only make a better place for it's citizens but will also create jobs.
- Silicon Valley is still and will continue to be a laboratory worth \$176 billion. The reason it is what it is: Silicon Valley truly beliefs in diversity, discernment and creativity.



In times like this Mexico needs to stand strong and have dignity. Make sure it is clear: it won't put up with bullying.

*“Never be bullied into silence. Never allow yourself to be made a victim. Accept no one's definition of your life, but define yourself.”*

*Tim Fields*

