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In Case You Missed It

New Mexico needs to get serious about trade

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New Mexico needs to get serious about trade

By Jamie P. Estrada
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What's wrong with this picture? With nothing to show for it, Governor Bill Richardson has just returned from another so-called "[trade mission](#)" to Cuba to meet with the communist regime's dictators. Meanwhile, New Mexico lags behind other states in exports. Clearly, our state needs to get serious about trade, and that requires setting the right priorities in order to create jobs and get our economy growing again.

New Mexicans are wondering what has resulted from four annual trips to Havana, the first led in 2007 by then Congressman and now U.S. Senator Tom Udall. According to international trade data produced by the U.S. Department of Commerce, exports from New Mexico to Cuba since 2007 amount to zero. That's right, zero. Despite four consecutive "missions," New Mexico has not sold a single pecan, green chile pepper or grain of wheat to Cuba.

A [trade mission](#) should eventually result in sales. The delegation should consist mostly of business people, with only enough government officials on hand to increase the chances

for success. And mission destinations shouldn't be based on where we want to go, but rather where market data tells us we need to go – like countries that are actually capable of buying our goods and services.

So if selling New Mexico's products is really the goal, then it makes no sense for officials like Richardson and Udall to be going to Cuba. Far more lucrative markets exist, such as those opened up through [free trade agreements](#).

New Mexico exports lag behind neighboring states

In this same [press release](#) touting the Cuba trip, Richardson claims “the state has seen tremendous growth (in international trade) since 2003.” However, official trade data reveal the truth about the Richardson/Denish years: New Mexico's export performance lags behind our neighboring states. In 2008 – the latest year for which state GDP numbers are available – New Mexico's exports as a percentage of state GDP were at 3.8 percent. Meanwhile, the southern border states of California, Arizona and Texas performed much better at 7.8 percent, 7.9 percent and 15.7 percent, respectively.

New Mexico could also strive to be more like Utah. The state's former governor, [Jon Huntsman Jr.](#), put his vast international credentials to work for Utah's citizens. In his 4.5 years as governor, Huntsman, a former senior trade official in both Bush administrations and now the U.S. ambassador to China, led trade missions to Canada, Mexico, Israel and China. The result? 2008 exports as a percentage of Utah's GDP were 9.4 percent – or 2.5 times higher than New Mexico's percentage. And during Huntsman's tenure, Utah's exports grew at a compounded annual growth rate of 20 percent.

Disappointingly, under Richardson/Denish, New Mexico's exports from 2003 to 2008 grew by a meager 4 percent, proving that you reap what you sow.

When you consider 2009 export numbers – a year in which U.S. exports fell for most states due to the global recession – Utah's exports bucked the trend and actually grew by \$31 million from 2008. However, New Mexico's exports dropped by \$1.5 billion – a startling 54 percent fall from the prior year.

Perhaps realizing that eight years of the Richardson/Denish Administration have failed to produce results for international trade and foreign direct investment, [Richardson recently formed a “task force”](#) to deliver recommendations to him by Nov. 15. Yet another example of being “eight too late.”

If we don't make it here, we can't sell it there

It should come as no surprise that the states that rank highest for their positive business climate are also outperforming counterparts when it comes to exports. While New Mexico languishes at the bottom third of most rankings, states like Virginia, Utah and Texas are consistently at the top. These states all experienced double digit gains in exports during the last decade and their unemployment rates are lower than the national average.

As a border state, New Mexico is in a great position to become an export powerhouse and

thus create good paying private sector jobs. However, our state government must first adopt pro-business policies in order to attract investment from globally oriented industries. This means reining in government spending, rooting out corruption, improving education, keeping corporate and personal taxes low and standing up against job killing regulations – such as those proposed by the Richardson/Denish Environmental Improvement Board – that serve only to increase our energy costs and suppress our state’s potential to attract high-paying manufacturing jobs.

Trips to Cuba might allow Governor Richardson to feel he is playing a constructive role in international politics, but these trips are not helpful to hard working New Mexicans whose lives could be improved if our leaders supported a serious international trade and pro-business agenda.

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