



# PROJECT NORTH AMERICA

Chairperson: Michael Patterson

Goals for this committee include:

- Engage the Canadian government about increasing their participation in the Arizona-Sonora region
- Key focus areas include mining, clean energy, advanced technology, agriculture, and manufacturing
- Tie in Canadian pension plans in Project Foreign Direct Investment to opportunities for Canada, Arizona, and Mexico
- Leverage private sector to become the tether between the three countries, augmenting government
- Increase Canadian banks' participation on deploying debt capital in Arizona and Sonora
- Work with Maricopa Association of Governments and Pima Association of Governments to identify large transportation projects, while we evaluate large water and energy projects
- Identify strategy for the state of Arizona to receive large infrastructure funding
- Evaluate the need for Arizona to have its own office of infrastructure covering water, transportation, and energy
- Facilitate border infrastructure conversations between Canada, USA/AZ and Mexico/Sonora
- Recognize the importance of Mexico in next stages of growth

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Project North America emphasizes its theme that “Together We Are Stronger!” With an already successful tri-lateral trade history between Canada, United States and Mexico, it is now a perfect storm to create an even greater presence by producing a MEGA-REGION trading bloc in North America. CABC is focusing its efforts on strengthening relations between Canada, Arizona and Northern Mexico, specifically the State of Sonora through encouraging a Canadian General Consul in Northern Mexico and government entities to set-up trade offices for ease of commerce between the countries and state.

The North American Leader’s Summit in March 2023 had an emphasis on Mexico and its pool of potential labor and natural resources, specifically in the semiconductor industry sector. Together with Canada’s financial investments, Arizona’s proximity for manufacturing and distribution we are in a prime situation for revolutionizing the mega-region’s growth and advancement. In-shoring, ally-shoring and near-shoring all have the same goal, to decrease the dependency on manufacturing supply chains in more volatile global environments. There is a paradigm shift that de-globalization trends and consumer pattern changes are happening. Now is the time to build the mega-region up for manufacturing, resourcing, foreign direct investment and educating and training labor for these growth sectors. CABC will continue to educate and provide information to its membership about opportunities and activities with Project North America.

-The total population between Canada, United States and Mexico is over 550 million people.

-Canadian visitors came to Arizona when it was a Territory for its therapeutic climate, mining, and agriculture.

-\$3.6 billion in bilateral trade and services between Canada and Arizona annually. (2022)

-9.4% of the state’s total exports to Canada include: engines, electronics, and fresh produce. (2022)

-Canada is Arizona’s #1 Foreign Direct Investment (FDI). (2022)

-500 companies owned or run by Canadians in Arizona.

-\$2.5 Billion in trade making Canada a driver of regional economic activity. (2022)

-\$3 Billion dollars annually into Arizona’s economy with one million tourists both short and extended stay. Canadians own or rent 100,000 houses in the state. (2022)

-\$7-billion worth of produce is shipped to Canada through Nogales, Arizona. Produce raised by Mexican farmers with their Canadian partners.(2022)

-Canadian growth industries in this region in aerospace, mining, supply chain manufacturing, tourism and real estate development. (2022)

-350,000+ trucks cross from Mexico into Arizona each year with goods destined to Canada and 100,000 trucks cross directly into Canada. (2022)

-375-mile shared border between Arizona and Mexico along with a rich history and cultural roots.

-The geographic proximity and skilled labour in the northern states of Mexico, including Sonora, Sinaloa, Baja, and Chihuahua is a plus for Canadian businesses.

-54 Canadian mines operating in the State of Sonora, Mexico 46 of them are listed on the Toronto Stock Exchange.

-North American Leader's Summit (NALS) touched on regional supply chains focusing on semiconductors and critical minerals committing to jointly mapping resources specifically for the semi-conductor industry.

-NALS announced a trilateral semiconductor industry initiative to boost Mexico's role in near-shoring with industry sectors relocating operations closer to US.

-US bound Mexican exports are estimated at \$35 billion generated from "near-shoring."

-The three countries have a goal to substitute 25% of Asian imports with North American manufacturing of similar products.

-North American countries are to develop the North American Student Mobility Project to increase the talent in these sectors and assist all stages of advancement in manufacturing supply chains.

-Canadian and Arizona-based companies amped up "ally-shoring" supply chain manufacturing approximately 80% of Sonoran-Maquiladoras (post-COVID).

-China, Vietnam, Germany, Japan, Korea, Nicaragua, Canada, and the United States actively invest in Northern Mexico.

Arizona is positioned to stand in its backyard reaching over the fence to both neighbors to the north and south, extending a handshake in agreement to be a unified neighborhood with common goals and objectives for all.

Eller Study; Arizona University of Arizona and SPGlobal.com