



PROJECT NORTH AMERICA

Chairperson: Michael Patterson

Project North America: Goals for Strengthening the Tri-National Mega-Region

Goal 1: Foster Trilateral Trade Relations Between Canada, Arizona, and Northern Mexico

- **Objective:** Strengthen and expand trade ties among Canada, Arizona, and Northern Mexico by enhancing economic cooperation and creating a more seamless and efficient trade network.
- **Action:** Advocate for the creation of new trade offices, including a Canadian General Consulate in Northern Mexico, to facilitate easier and more efficient cross-border commerce.
- **Target Audience:** Government entities in Canada, the U.S., and Mexico; Arizona businesses involved in trade and manufacturing; Canadian and Mexican trade representatives.

Goal 2: Facilitate the Development of a North American "MEGA-REGION" for Manufacturing and Supply Chain Security

- **Objective:** Position the North American Mega-Region as a manufacturing powerhouse by capitalizing on the region's strengths in semiconductor production, labor availability, natural resources, and infrastructure.
- **Action:** Promote collaboration between Canada, Arizona, and Northern Mexico to drive the in-shoring, near-shoring, and ally-shoring initiatives that strengthen supply chain resilience and reduce dependence on volatile international markets.
- **Target Audience:** Manufacturing and technology companies; investors; governmental bodies focused on trade, labor, and infrastructure development.

Goal 3: Build the Semiconductor and Critical Mineral Industry Cluster in the Mega-Region

- **Objective:** Position the North American Mega-Region as a global leader in semiconductor production and critical mineral extraction and processing, especially in the context of Mexico's role in near-shoring semiconductor manufacturing.

- **Action:** Continue to support the trilateral semiconductor industry initiative, including jointly mapping resources, identifying potential manufacturing sites, and increasing investment in supply chains that support the sector.
- **Target Audience:** Semiconductor manufacturers, investors, technology companies, governmental agencies, and research institutions involved in critical minerals and technology sectors.

Goal 4: Enhance Regional Education and Talent Development for the Advanced Manufacturing Sector

- **Objective:** Ensure that North America has a highly skilled workforce capable of supporting the growth of advanced manufacturing sectors such as semiconductors, aerospace, mining, and technology.
- **Action:** Support the development of the North American Student Mobility Project, which aims to increase the talent pool in advanced manufacturing sectors by facilitating cross-border student exchanges and specialized training programs.
- **Target Audience:** Educational institutions, workforce development programs, corporations in advanced manufacturing sectors, and government policymakers.

Goal 5: Accelerate Foreign Direct Investment (FDI) and Trade Between Canada, Arizona, and Northern Mexico

- **Objective:** Drive greater foreign direct investment (FDI) into Arizona, Northern Mexico, and the broader North American Mega-Region by capitalizing on the region's strategic position and economic potential.
- **Action:** Promote the region's competitive advantages (e.g., proximity, labor availability, existing infrastructure, trade agreements) through targeted marketing and trade delegations. Increase awareness of opportunities for investment, especially in the semiconductor and technology sectors.
- **Target Audience:** Canadian and international investors, Arizona businesses, Mexican business development agencies, and trade associations.

Goal 6: Strengthen Cross-Border Infrastructure and Logistics to Support Regional Trade and Manufacturing

- **Objective:** Enhance the infrastructure and logistics networks necessary to support the increased volume of trade, manufacturing, and movement of goods within the North American Mega-Region.
- **Action:** Advocate for investments in border infrastructure, logistics hubs, and transportation networks that facilitate the smooth flow of goods, especially within the semiconductor, mining, and critical minerals industries.
- **Target Audience:** U.S., Canadian, and Mexican government agencies, logistics companies, and trade infrastructure development partners.

Goal 7: Promote the Arizona-Sonora Border as a Key Hub for Manufacturing and Economic Growth

- **Objective:** Develop the Arizona-Sonora border region into a key manufacturing and economic hub, leveraging the proximity to both the U.S. and Mexican markets and the availability of skilled labor in Northern Mexico.

- **Action:** Support public-private partnerships and encourage investment in joint manufacturing projects, especially in high-growth industries such as aerospace, semiconductors, and supply chain logistics.
- **Target Audience:** Arizona-based companies, Northern Mexico manufacturers, investors, and governments in Sonora, Sinaloa, Baja, and Chihuahua.

Goal 8: Increase Canadian Engagement in Arizona and Northern Mexico's Key Industries

- **Objective:** Expand Canadian involvement in key industries such as aerospace, mining, supply chain manufacturing, and tourism within Arizona and Northern Mexico, fostering greater economic integration.
- **Action:** Engage Canadian businesses to explore opportunities for expansion into Arizona and Northern Mexico by highlighting the region's existing infrastructure, skilled workforce, and favorable trade agreements.
- **Target Audience:** Canadian businesses, government trade agencies, and industry leaders in aerospace, mining, and technology.

Goal 9: Expand the Role of Arizona and Northern Mexico in Regional and Global Supply Chains

- **Objective:** Increase the participation of Arizona and Northern Mexico in regional and global supply chains by leveraging the "near-shoring" trend to move critical manufacturing and resource extraction closer to the U.S. market.
- **Action:** Foster partnerships between U.S., Canadian, and Mexican companies to build resilient, efficient supply chains focused on semiconductors, critical minerals, automotive manufacturing, and aerospace.
- **Target Audience:** Supply chain managers, manufacturers, investors, and government agencies supporting trade and manufacturing.

Goal 10: Promote North America's Economic Independence from Volatile Global Markets

- **Objective:** Strengthen North America's economic resilience by reducing reliance on overseas manufacturing, especially from countries with less stable political and economic environments (e.g., China, Vietnam).
- **Action:** Support policies and initiatives that encourage in-shoring and near-shoring, particularly in high-value sectors such as semiconductors, advanced manufacturing, and resource extraction.
- **Target Audience:** Policymakers, trade associations, manufacturers, and international investors.

Conclusion

Project North America aims to create a powerful and integrated economic and manufacturing zone in North America by leveraging the existing strengths of Canada, Arizona, and Northern Mexico. By focusing on cross-border collaboration, investment, infrastructure, and workforce development, we can accelerate the growth of key industries such as semiconductors, aerospace, and critical minerals, while simultaneously reducing dependence on volatile global supply chains.

Through increased foreign direct investment, enhanced regional partnerships, and a focus on education and talent development, Project North America will help the region become a global leader in advanced manufacturing, supply chain resilience, and economic stability.

PROJECT NORTH AMERICA

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