

The Arizona Republic

Mayor Greg Stanton / Why Phoenix must boost its ties with Mexico

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Greg Stanton: I recently finished my 13th trade mission to Mexico since 2012. Here's why the travel time is so important.

I am often asked why building a stronger relationship with Mexico is so important.

The answer? It's all about Phoenix. I want us to build the strongest Phoenix economy that we can. I recently returned from my 13th trade mission since taking office in 2012. We are also fortunate to have many strong partners on the City Council working to rebuild this relationship, especially Councilman Michael Nowakowski.

This trade mission was led by a delegation of mayors touting Arizona to business and political leaders in Mexico City. Our economy is becoming more global every day. Mayors from across the state increasingly realize that cities that embrace and prepare for a global economy will fare better than those that don't.

For Phoenix, stronger Mexico ties make sense. We are neighbors to a growing economy, increasing in sophistication and manufacturing prowess, with an expanding middle class. Multinational business consultants PwC predicts that Mexico will rise from the 11th to the 6th largest economy in the world by 2050.

Our own Latino population is by and large young, bilingual and entrepreneurial, with many strong family, cultural and business ties to Mexico. The number of Hispanic-owned businesses in Arizona has grown by 70 percent since 2007, according to the most recent Datos State of the Hispanic Market report. If we harness our talent here while improving our relationships with Mexico, Phoenix will become one of the leading cities in the nation when it comes to global trade.

The potential is enormous, and the opening of a ProMexico trade office in Phoenix was a big step forward. However, we face real challenges to becoming a major export player with Mexico.

Arizona has received tremendous negative publicity as a result of our divisive politics over the last several years. Mexico and Arizona too often were positioned as adversaries, not business partners. That had to change.

Building closer relationships with Mexico will help improve Arizona's image not just in Mexico, but across the United States. Our diversity is our greatest competitive advantage. But there is a perception around the country that we reject that advantage.

A 2014 nationwide poll of Latinos by the Kellogg Foundation reinforces this notion. The pollsters asked 1,000 respondents an open-ended question: "Where do you think Latinos encounter racism or discrimination most?" The single most common answer at 21 percent was "Arizona."

Our image problem persists. If we don't work together to turn it around, our economy's vast potential won't be reached.

The most recent trade mission to Mexico City both affirmed my concerns – everyone from young students to the Mexican Secretary of Foreign Relations referenced Arizona's image in conversation – and gave me tremendous hope for the joint future of our economies.

In Mexico City the leaders of the Arizona Business Incubation Association and the Arizona Technology Council signed a mutual "soft landing" agreement with Startup Mexico, the country's premier tech-sector incubator. This will help break down barriers for young companies and entrepreneurs in both markets, allowing them to share ideas and expand beyond our respective borders.

I also signed an agreement with Mexico City to promote two-way trade and student exchanges. We have more college students spending their semesters abroad in Italy and France than in Mexico. For the future of our trade relationships, having more business and engineering students learn a true understanding of Mexican business society and culture is vitally important.

We were accompanied by executives from Pinnacle Transplant Technologies, a highly innovative human tissue bank based in Phoenix. Pinnacle was one of the first companies to take part earlier this year in ExporTech, a partnership with the Arizona Commerce Authority that trains companies for export readiness.

Pinnacle is now actively seeking markets in Mexico, but they face a potentially years-long approval process with the country's equivalent of the Food and Drug Administration. With guidance from our Mexico Trade Representative Jose Andres Garcia, we expect to turn those years into a months. This will create jobs here in Phoenix and improve lives south of the border.

"Without assistance from the City, not only would we have not been able to go faster through the regulatory process, we would not have been able to identify potential markets so quickly," said Pinnacle CEO Russ Yelton. "Our goal is to be active in the Mexican market by the end of this year."

That is why improving our relationship with Mexico is so important to Phoenix.

Greg Stanton is the mayor of Phoenix.