

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-sixth Legislature - First Regular Session

HOUSE COMMITTEE ON INTERNATIONAL TRADE

Report of Interim Meeting
Monday, April 10, 2023
House Hearing Room 3 -- 11:00 A.M.

MINUTES RECEIVED
CHIEF CLERK'S OFFICE
4-10-23

Convened 11:09 A.M.
Recessed
Reconvened
Adjourned 12:03 P.M.

Members Present

Representative Cook, Chairman
Representative Wilmeth, Vice-Chairman
Representative Biasiucci
Representative Dunn
Representative Hernandez
Representative Sandoval
Representative Stahl-Hamilton

Members Absent

Agenda

Original Agenda – Attachment 1

Committee Attendance

Report – Attachment 2

Presentations

<u>Name</u>	<u>Organization</u>	<u>Attachments (Handouts)</u>
Luca Moldovan	House Research	3,4

Committee Action

<u>Bill</u>	<u>Vote</u>	<u>Attachments</u>
Approval of Trade Plan	7-0-0-0	5



Caitlin Tillis, Committee Secretary
April 10, 2023

(Original attachments on file in the Office of the Chief Clerk; video archives available at <http://www.azleg.gov>)

ARIZONA HOUSE OF REPRESENTATIVES

INTERIM MEETING NOTICE OPEN TO THE PUBLIC

HOUSE COMMITTEE ON INTERNATIONAL TRADE

Date: Monday, April 10, 2023

Time: 11:00 A.M.

Place: HHR 3

Convened: 11:09a
Adjourned: 12:03p

Members of the public may access a livestream of the meeting here:
<https://www.azleg.gov/videoplayer/?clientID=6361162879&eventID=2023041015>

AGENDA

1. Call to Order
2. Introduction
3. International Trade Plan Approval
4. Discussion on the Canada Trade Mission
5. Public Testimony
6. Adjourn

Members:

Representative David L Cook, Chair
Representative Justin Wilmeth, Vice Chair
Representative Leo Biasiucci
Representative Timothy M Dunn
Representative Melody Hernandez
Representative Mariana Sandoval
Representative Stephanie Stahl-Hamilton

04/05/2023
JY

People with disabilities may request reasonable accommodations such as interpreters, alternative formats, or assistance with physical accessibility. If you require accommodations, please contact the Chief Clerk's Office at (602) 926-3032 or through Arizona Relay Service 7-1-1.

ARIZONA STATE LEGISLATURE

Fifty-sixth Legislature - First Regular Session

COMMITTEE ATTENDANCE RECORD

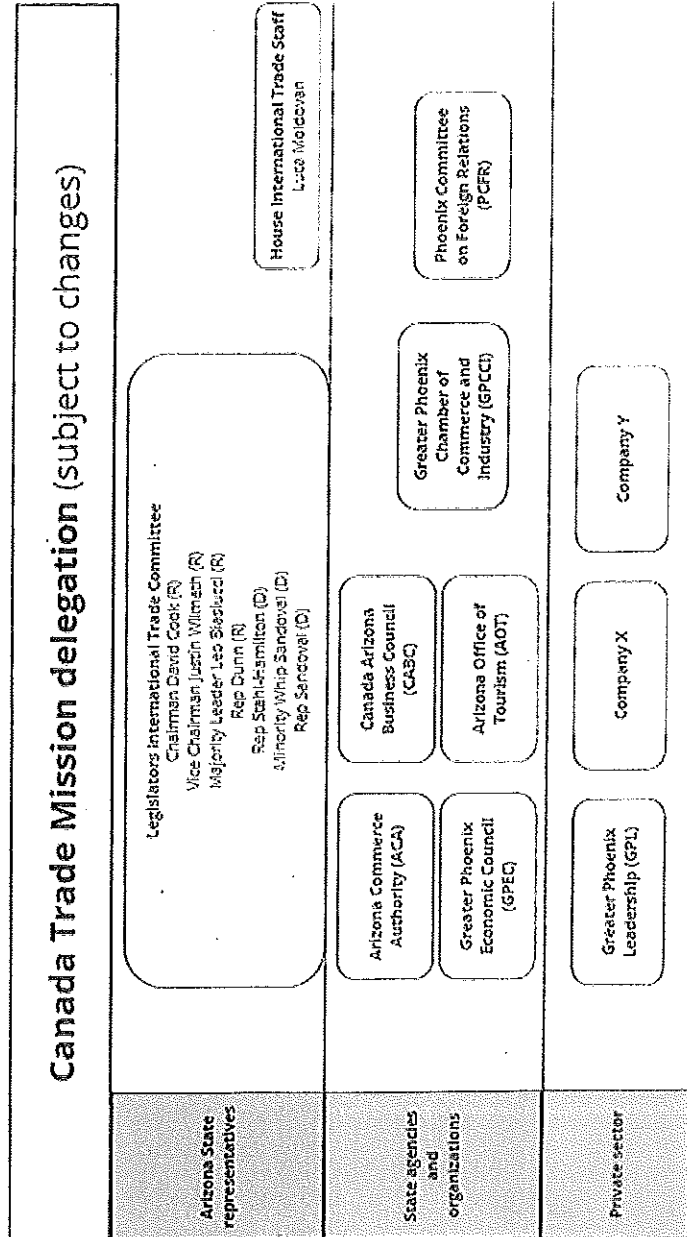
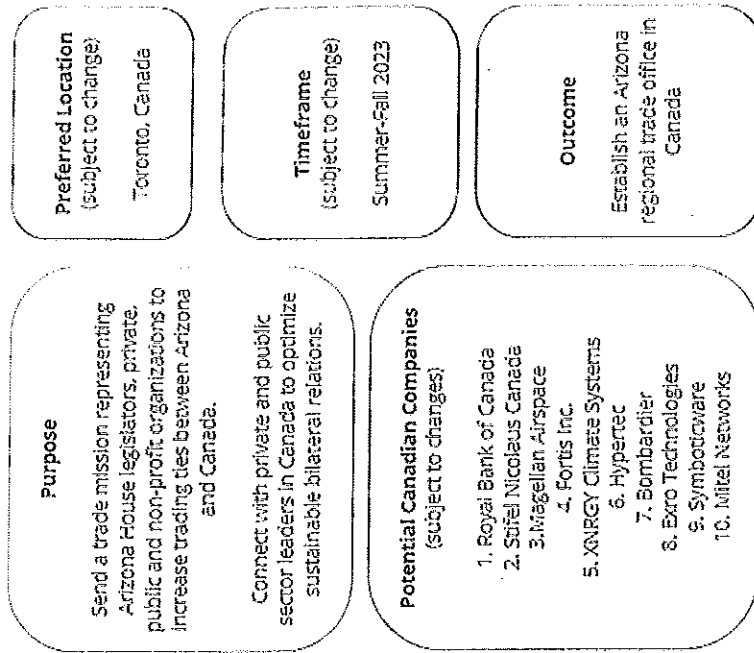
COMMITTEE ON INTERNATIONAL TRADE

CHAIRMAN: David L. Cook VICE-CHAIRMAN: Justin Wilmeth

DATE	04/10/23	/23	/23	/23	/23
CONVENED	11:09 a m	m	m	m	m
RECESSED					
RECONVENED					
ADJOURNED	12:03p				
MEMBERS					
Biasiucci	✓				
Dunn	✓				
Hernandez M	✓				
Sandoval	✓				
Stahl-Hamilton	✓				
Wilmeth, Vice-Chairman	✓				
Cook, Chairman	✓				

✓ Present --- Absent exc Excused

Canada Trade Mission delegation (subject to changes)



- Potential Canadian Companies**
(subject to changes)
1. Royal Bank of Canada
 2. Stifel Nicolaus Canada
 3. Magellan Aerospace
 4. Fortis Inc.
 5. XNRY Climate Systems
 6. Hypertec
 7. Bombardier
 8. Exro Technologies
 9. Symbiotware
 10. Mitel Networks

International Trade Plan

April 10, 2023

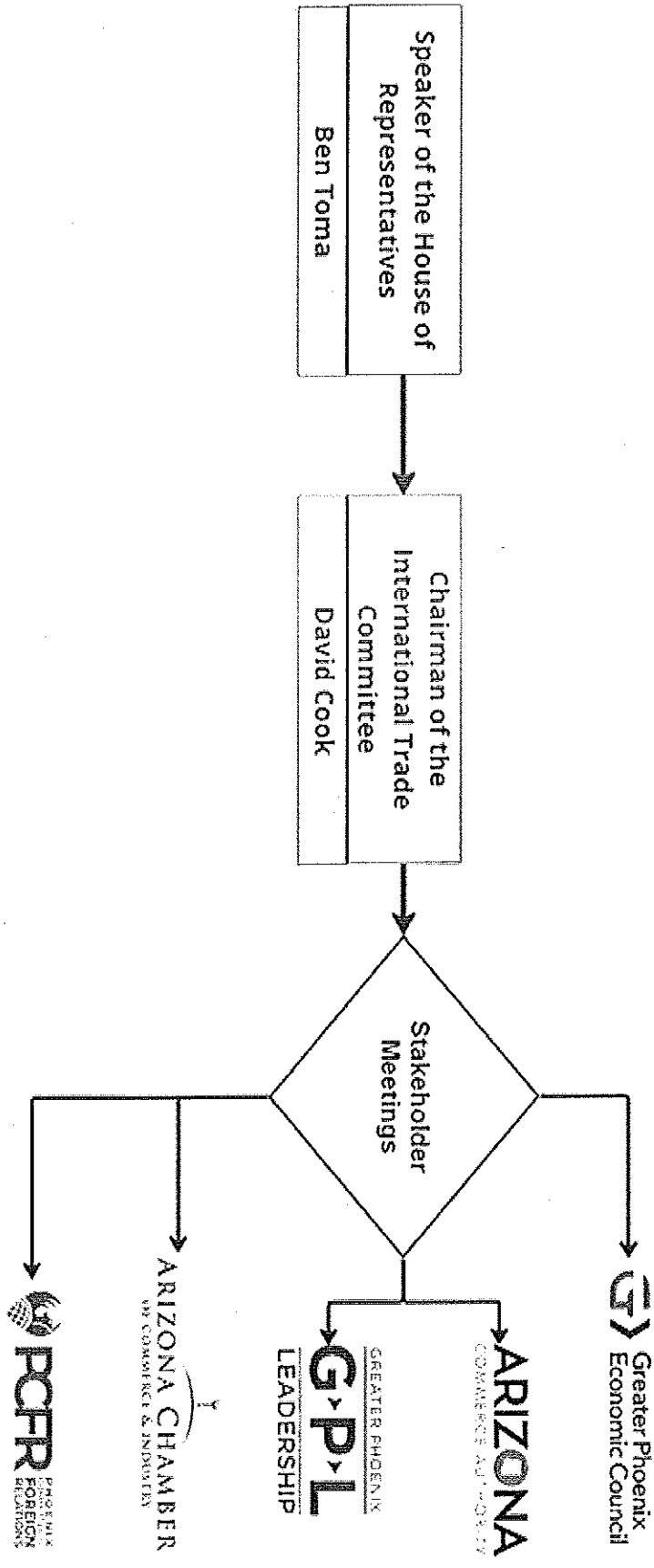
Objectives of the International Trade Plan

- To strengthen bilateral ties with existing international partners
- Attract more Foreign Direct Investment to Arizona; and
- Extend Arizona's international reach for sustaining a resilient and growing economy

Mission of the International Trade Plan

- To enact trade missions and connect with international counterparts for the establishment of Arizonan international trade offices in counterparts' regions/countries

International Trade Process Flow



Arizona Commerce Authority Trade Offices

- Three trade offices in Mexico:
 - Mexico City
 - Chihuahua
 - Guanajuato
 - Funded at a combined amount of \$500,000 annually
- Israel trade office in Tel Aviv, \$500,000 funded
- Western Europe regional trade office based in Frankfurt, Germany, \$500,000 funded
- Two new offices to open:
 - South Korea
 - Taiwan
 - Funded at a combined amount of \$750,000

Countries for Trade Offices

in alphabetical order

- Brazil
 - Regional trade office model
- Canada
 - Regional trade office model
- Mexico
 - Performance reviews of existing offices
 - Regional trade office model
- Romania
 - Regional trade office model for Eastern Europe, Balkan states, Adriatic and Baltic seas
- United Kingdom (UK)
 - Utilize German regional trade office for extension into UK

Arizona - Brazil Trade

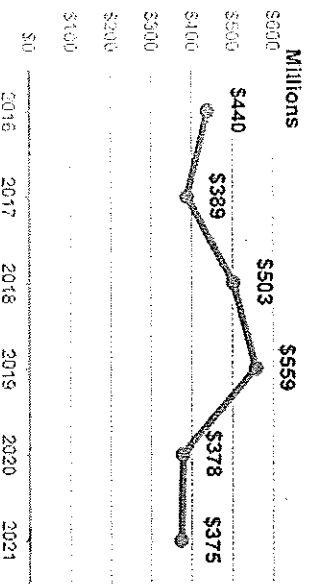
Arizona trade with Brazil, 2021

	Exports	Imports
Total, 2021 (millions USD)	\$375	\$269
Percent of state total, 2021	1.6%	1.0%
Rank among AZ trade partners, 2021	19	19
Percent change, 2020-2021	-0.9%	-61.9%
Percent change, 2016-2021	-14.9%	-69.2%

Source: WISERTrade, accessed 05-11-2022. Not adjusted for inflation. Figures are rounded.

Arizona Commerce Authority

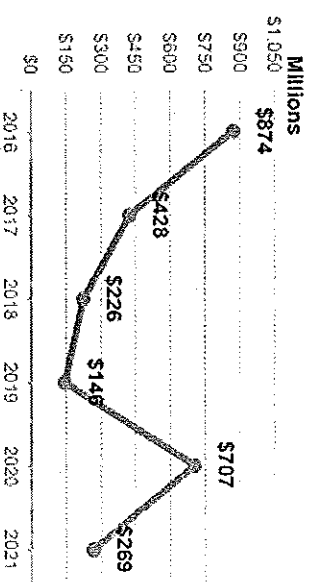
Arizona exports to Brazil, 2016-2021



Source: WISERTrade, accessed 05-11-2022. Not adjusted for inflation. Figures are rounded.

Arizona Commerce Authority

Arizona imports from Brazil, 2016-2021



Source: WISERTrade, accessed 05-11-2022. Not adjusted for inflation. Figures are rounded.

Arizona Commerce Authority

Arizona - Canada Trade

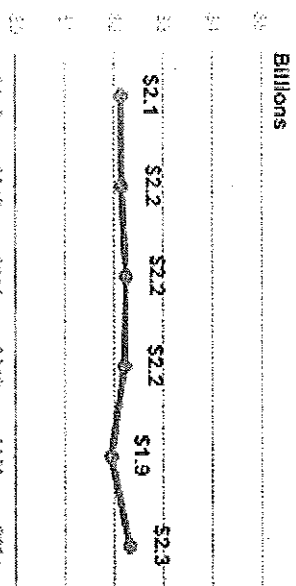
Arizona trade with Canada, 2021

	Exports	Imports
Total, 2021 (billions USD)	\$2.31	\$2.33
Percent of state total, 2021	9.6%	8.3%
Rank among AZ trade partners, 2021	2	3
Percent change, 2020-2021	19.6%	4.5%
Percent change, 2016-2021	8.2%	76.4%

Source: WISERTrade, accessed 07-21-2022. Not adjusted for inflation. Figures are rounded.

Arizona Commerce Authority

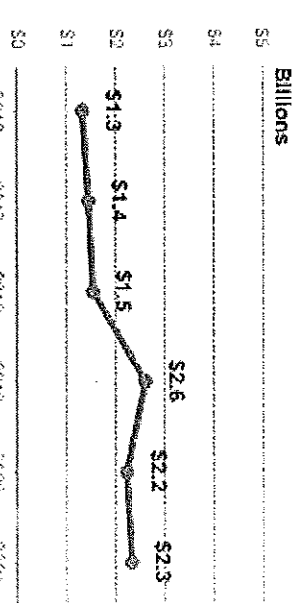
Arizona exports to Canada, 2016-2021



Source: WISERTrade, accessed 07-21-2022. Not adjusted for inflation. Figures are rounded.

Arizona Commerce Authority

Arizona imports from Canada, 2016-2021



Source: WISERTrade, accessed 07-21-2022. Not adjusted for inflation. Figures are rounded.

Arizona Commerce Authority

Arizona - Mexico Trade

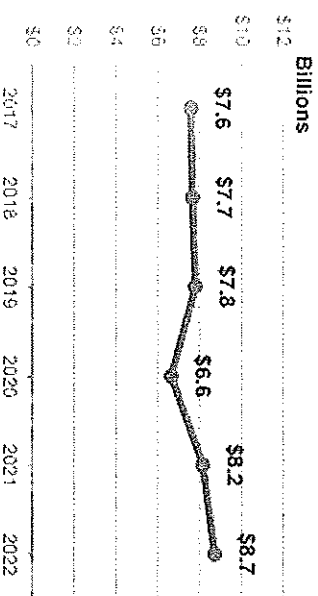
Arizona trade with Mexico, 2022

	Exports	Imports
Total, 2022 (billions USD)	\$8.7	\$10.9
Percent of state total, 2022	32.1%	32.9%
Rank among AZ trade partners, 2022	1	1
Percent change, 2021-2022	7.0%	16.0%
Percent change, 2017-2022	15.3%	37.9%

Source: WISERTrade, accessed 02-28-2023. Not adjusted for inflation. Figures are rounded.

Arizona Commerce Authority

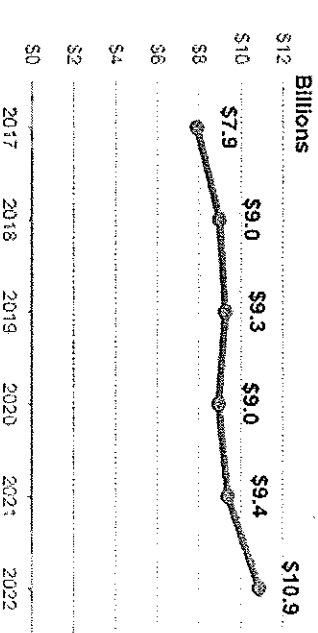
Arizona exports to Mexico, 2017-2022



Source: WISERTrade, accessed 02-28-2023. Not adjusted for inflation. Figures are rounded.

Arizona Commerce Authority

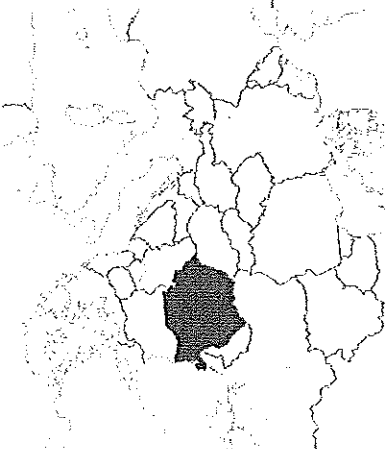
Arizona imports from Mexico, 2017-2022



Source: WISERTrade, accessed 02-28-2023. Not adjusted for inflation. Figures are rounded.

Arizona Commerce Authority

Arizona - Romania Trade



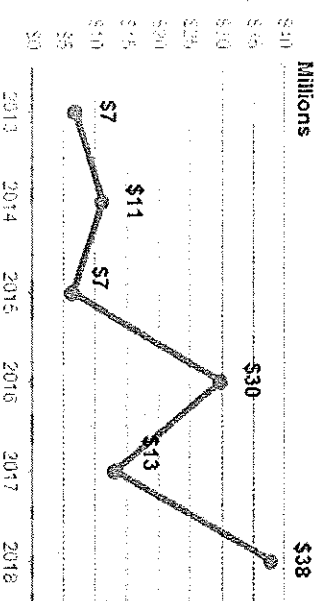
Arizona trade with Romania, 2013-2018

	Exports	Imports
Total, 2018 (millions USD)	\$38	\$8
Percent of state total, 2018	< 1%	< 1%
Rank among AZ trade partners	44	49
Percent change, 2017-2018	184.0%	-17.7%
Percent change, 2013-2018	436.0%	-34.8%

Source: U.S. Census Bureau. Accessed 03-06-2019. Not adjusted for inflation. Figures are rounded.

Arizona Commerce Authority

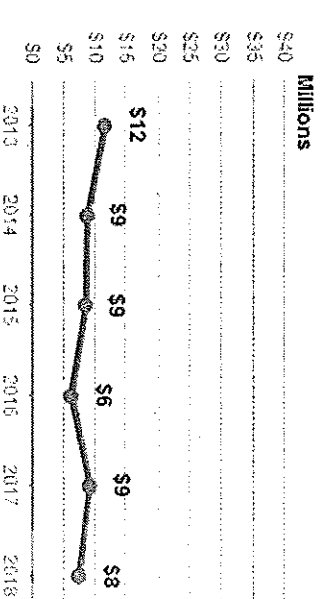
Arizona exports to Romania, 2013-2018



Source: U.S. Census Bureau. Accessed 03-06-2019. Not adjusted for inflation. Figures are rounded.

Arizona Commerce Authority

Arizona imports from Romania, 2013-2018



Source: U.S. Census Bureau. Accessed 03-06-2019. Not adjusted for inflation. Figures are rounded.

Arizona Commerce Authority

Arizona - UK Trade

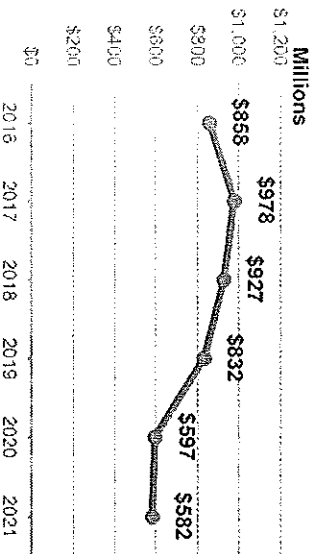
Arizona trade with United Kingdom, 2021

	Exports	Imports
Total, 2021 (millions USD)	\$582	\$862
Percent of state total, 2021	2.4%	3.1%
Rank among AZ trade partners, 2021	9	7
Percent change, 2020-2021	-2.5%	38.8%
Percent change, 2016-2021	-32.1%	53.5%

Source: WISERTrade, accessed 01-18-2023. Not adjusted for inflation. Figures are rounded.

Arizona Commerce Authority

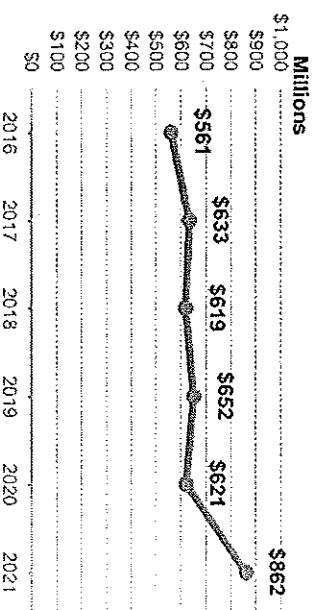
Arizona exports to United Kingdom, 2016-2021



Source: WISERTrade, accessed 01-18-2023. Not adjusted for inflation. Figures are rounded.

Arizona Commerce Authority

Arizona imports from United Kingdom, 2016-2021



Source: WISERTrade, accessed 01-18-2023. Not adjusted for inflation. Figures are rounded.

Arizona Commerce Authority

Outcome of Plan

- Enhanced B2B and B2G relations with existing partners:
 - Facilitate trade across borders
 - Explore cost-saving projects for state government, local municipalities and cities
 - Public Private Partnership opportunities for a sustainable and resilient economy
- Tourism boost in Arizona and region - examples:
 - Attract more intercontinental visitors
 - Partner with Arizona Office of Tourism to develop an international advertising strategy
 - Expand direct flight destinations and increase passenger volumes

Thank you.

April 10, 2023

ARIZONA STATE LEGISLATURE
Fifty-sixth Legislature - First Regular Session

INTERIM COMMITTEE ROLL CALL VOTE

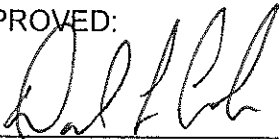
COMMITTEE: HOUSE COMMITTEE ON INTERNATIONAL TRADE

DATE: April 10, 2023 MOTION: Approval of Trade Plan

CHAIRMAN: David L Cook VICE-CHAIRMAN: Justin Wilmeth

	PASS	AYE	NAY	PRESENT	ABSENT
Leo Biasiucci		✓			
Timothy M Dunn		✓			
Melody Hernandez		✓			
Mariana Sandoval		✓			
Stephanie Stahl-Hamilton		✓			
Justin Wilmeth, Vice-Chairman		✓			
David L Cook, Chairman		✓			
		7	0	0	0

APPROVED:



DAVID L COOK, Chairman
 JUSTIN WILMETH, Vice-Chairman



COMMITTEE SECRETARY

ATTACHMENT 5