

Connections: Key Links Between Mexico and California

Why focus on Mexico?

Mexico, California's largest international market by volume, is experiencing an unprecedented socio-political moment. The current political environment in the U.S. has caused concern across all socioeconomic levels, impacting the economy, outlook and consumer confidence. Although the sentiment of uncertainty spans the globe, in Mexico, it is influenced by the multitude of bilateral agreements with the United States and the singling out of current and future policies.

Key factors contributing to the current overall national sense of uncertainty in Mexico include:

- On January 1, 2017, a national 20 percent increase in gasoline prices stemmed from the deregulation of the energy sector.
- The accelerated weakening of the Mexican peso reached an all-time low of 22.04 against the U.S. dollar — a 20 percent devaluation over the past year.
- Political uncertainty in the U.S. government and uneasiness over possible U.S.- imposed automobile and manufacturing tariffs.

While tour operators and agencies are reporting that consumers are continuing to book travel—and California's strong market share and proximity greatly benefit the destination—travel from Mexico to California is going to be impacted.

1. The influence of Mexico and the Mexican culture on California is undeniable, influencing language, food, music, architecture and more, even before California became a state.
2. California and Mexico share 140 miles of border along the state's southern edge and the northern edge of the Mexican state of Baja California.
3. The San Ysidro border crossing between Tijuana and San Diego is the busiest border crossing in the Western Hemisphere, with more than 33 million people entering California every year — just 6 million shy of the entire population of the state.

4. With California being a minority-majority state, Latinos make up the largest single ethnic group in the state, with the majority of Latinos of Mexican ancestry — the highest total number of any U.S. state. California's Mexican population is also the highest in the country, making up approximately 40% of the population.
5. Spanish is California's second most spoken language, after English and is the state's "alternative" language.
6. There are 4.3 million Mexican-born residents currently residing legally in California.
7. In California, nearly 700,000 jobs depend on Mexico-U.S. trade and investment.
8. Mexico is California's top market for exported goods and services, making up for 16% of total exports into Mexico, and accounting for more than \$25 billion. Computers and electronic products remained California's largest exports, accounting for \$6.7 billion. Transportation equipment totals \$2.9 billion and machinery accounts for \$2.1 billion. Other top exports include food manufactures and agricultural products.
9. California imports \$46.4 billion in goods from Mexico annually. The top import categories are transportation equipment, computer and electronic products, agricultural products, and manufactured commodities. California is the second largest importing state for goods from Mexico.
10. The state's creative community is well-represented by Mexican and Mexican-American artists are either from or currently reside in California. Well-known names include:
 - Carlos Santana (musician)
 - Joan Baez (musician)
 - Salma Hayek (actress)
 - Danny Trejo (actor)
 - George Lopez (actor/comedian)
 - Mario Lopez (television personality)
11. In addition to sharing tastes in food, Mexicans and Californians share a love of wine and spirits. With more than 100 wineries across the country, California's immediate neighbor, Baja California, produces nearly 90% of Mexico's wine. More than wine, Mexico is famous for its tequila and Californians consume the most tequila in the U.S. — more than 27 million bottles a year!