



# Kansas City, Missouri



# NAITCP 2004 SUMMIT

North American International Trade Corridor Partnership

## An Executive Summary



*David Eaton, CEO NAITCP, Dr. James McNiven, Dalhousie University Halifax, Canada, Dr. Stephen Blank, Pace University New York*



*Oklahoma City Mayor Mick Cornett, Kansas City, Missouri, Councilwoman Bonnie Sue Cooper, Felipe Cantu, Director General National Institute for Federal & Municipal Development in Mexico*

*“We will deepen the ties among us, not weaken them. We will improve cooperation among our communities.*

*The economic vitality and social integration of our communities demand open, dynamic and secure borders. We encourage our respective governments to dedicate sufficient resources to create ‘smart’ and efficient borders. Likewise, we urge our governments to assist us in forming a North American Transportation and Infrastructure Committee that will formulate a strategic vision for an integrated regional logistics system.”*

From the Kansas City Declaration



*David Eaton, CEO NAITCP, Francisco Gil Diaz, Secretary of Finance, Mexico, Dr. Robert Pastor, American University, Geronimo Guterrez, Mexican Ministry of Foreign Affairs, Noemi Hernandez, Deputy Consul of Mexico, Dr. Dietmar Westphal, Sr VP Bayer, Mayor Kay Barnes, Kansas City MO, Mayor Alejandro Paez, San Pedro Garza Garcia, Jim Jones, Former US Ambassador to Mexico, Everardo Suarez, Consul of Mexico in Kansas City, Mike Haverty, President & CEO Kansas City Southern.*



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# Executive Summary

## Mexico, United States, Canada move forward together

Mayors and other government, business and academic leaders throughout North America signed a document effectively called “The Kansas City Declaration” on May 21, 2004. The pledge “to work together to create greater prosperity and security in our communities and throughout North America” was one of five major accomplishments of the NAITCP (North American International Trade Corridor Partnership) 2004 Summit held in Kansas City, MO, May 19-21.

Entitled, “North American Convergence: The Path Forward,” the Summit reviewed the 10 years of accomplishments since the signing of the NAFTA Treaty and focused on what might be expected of the North American system in the future.



*The Bayer Team: Dr. Dietmar Westphal, Sr VP, Laura Seward, Sr Staff Assoc., Sharon Boujeman, CropScience, Michelle Lewis, Animal Health, Nicole Riegel, Site Communications Specialist*

**“We must think of how to eliminate roadblocks, how to reach out to groups that have not been involved, how to build continental systems and even North American institutions that will help capture new gains from integration.”**

*Dr. Stephen Blank, Professor of International Business and Management, Pace University, New York City.*

Dr. Blank’s mantra of greater involvement and capturing new gains from integration dominated the theme of plenary sessions as well as the four conference tracks—Construction and Infrastructure, Doing Business in the NAFTA Economy, Travel and Tourism in North America and Life Sciences and Technology Collaboration.

Along with securing more than 90 signatures on the Kansas City Declaration, additional accomplishments include:

- R\_xCCI, TransAm Group and the Kansas City Life Science Institute signed a Life Science Agreement with the State of Nuevo Leon
- A task force, lead by Secretary Francisco Gil Diaz, Mexican Minister of Finance and Public Credit,

focuses on the establishment of a Mexican customs office in Kansas City, Missouri

- Positive talks at meetings with BancoMext, resulted in a working group being formed to continue discussions of planning a BancoMext Desk at the Kansas City, Missouri, Mexiplex

- G e r o n i m o G u t i e r r e z , Undersecretary for North America Mexican Ministry of Foreign Affairs, invited Kansas City to be the site

of Mexico’s 2005 Diplomatic Conference next May

“NAFTA’S 10<sup>th</sup> anniversary is this year and its success has demonstrated the power of a positive vision. It has become a model for trade growth globally. Trade has more than doubled between the three countries over the past 10 years,” said opening keynote speaker Randal K. Quarles, Assistant Secretary for International Affairs, United States Department of Treasury.

**“Mexico’s labor force is directly affected by NAFTA. One out of five Mexicans is employed in an export-related job and those employed in these jobs are paid an average of 32 per cent more than those who aren’t,”**

*Assistant Secretary Randal K. Quarles*

Secretary Quarles pointed out additional benefits to Mexico as a result of NAFTA:

- During NAFTA, Mexico’s foreign direct investment has grown 8.5 per cent. The decade prior to NAFTA, Mexico experienced a 0.1 per cent growth.
- Prior to NAFTA, in 1982, Mexico experienced a pesos crisis. It took seven years to recuperate. In 1994, during NAFTA, Mexico experienced a similar crisis, but this time it took less than seven months to recover.

# Executive Summary



- Mexico's financial sector is improving. International best practices are under development due to the influx of foreign managed banks.

When Francisco Gil Diaz, Secretary of Finance and Public Credit, Mexico, opened Friday's plenary session, he too highlighted Mexico's success since NAFTA.

"Retirement funds have grown dramatically over the past 10 years, which is an excellent trend. In 1994, Mexico's retirement funds totaled 9.6 billion pesos. In 2003, this number has swelled to 300+ billion pesos," Secretary Gil Diaz said.

NAFTA started a new era of multilateral trade openness, he continued. Positive results include:

- Exports became an important engine of Mexico's growth and placed Mexico as the world's eighth largest exporter
- Increased employment and real wages especially in the manufacturing sector
- Significantly increased the foreign direct investment
- Promoted a more efficient allocation of resources
- Provided a legal framework to settle disputes among agents and institutions in the three countries

However, challenges exist. Secretary Gil Diaz proposed urgent issues that Mexico must address including (a) reforms in the judiciary system (b) fiscal reform and (c) energy reform.

Felipe Cantu, General Director of the Mexican Institute for Federalism and Municipal Development,

practices, to explore new development opportunities, to benefit from financial resources and technical support, and to build productive and successful partnerships with public and private entities."

However, various issues still need to be addressed, he added. Education is among the first—Mexico has a 66 per cent level of poverty resulting from lack of education.

Raul Rodriguez, Managing Director and CEO, North American Development Bank, agreed.



*Mayor Alejandro Paez,  
San Pedro Garza Garcia*

**"There are growing gaps in income inequalities, which need to be addressed with patterns of education,"**

*Raul Rodriguez, CEO, North American Development Bank*

To establish true North American Convergence, Mr. Rodriguez said, it is essential for governments to address: "How do we create a world with benefits for all people that is open and stable for structural reforms?"

Issues to focus on as NAFTA progresses include:

- a) Good laws to protect people and the environment—security
- b) Good governments—open and transparent to allow capitalism to flow
- c) Training and education—to improve job skills and create new products and services to improve everyone's quality of life
- d) Basic infrastructures—roads, housing, health care, education

The Honorable Jim Jones, Former Ambassador of the United States to Mexico, said, "We have so much to do to decide what NAFTA should become. The United States will be the driver. The only way we will change is to organize those businesses that have benefited from NAFTA and encourage them to be open and pass on the word to others. More than 50 per cent of Mexico does not believe they've gained anything from NAFTA. This can change by spreading the word."

opened the May 20 luncheon. He explained, "Local government's international and regional linking represents a valuable element in order to take advantage of management experiences and acquired lessons, to know best



*George Blackwood, Chairman NAITCP International,  
Kansas City Councilwoman Cooper, Nicole Riegel, Bayer*



# Reviewing the Results

## Four tracks focus on distinct benefits, future solutions

The NAITCP 2004 Summit attracted 425 registrants who came from three countries—Canada, the United States of America, and Mexico. Participants came from such diverse areas as:

- Nova Scotia, Ottawa, Winnipeg and Toronto in Canada
- New York, Washington DC, San Antonio, North Carolina and Kansas City in the United States
- Mexico City, Guadalajara, Toluca, Ecatepec, San Pedro Garza Garcia, Tlalnepantla, Monterrey and Manzanillo in Mexico

**Travel & Tourism:** “When peace prevails, tourism flourishes.”

- Americans and Canadians are in the top 12 highest spenders on tourism—tourism depends upon availability of air travel, time and border control
- Among the 10 most important world tourism issues for 2004, safety and security ranks as number one

*“Through travel comes peace!  
To this end, it is important that Canada,  
the United States and Mexico all  
communicate openly regarding security  
and that we all learn more about each  
others’ cultures and heritage  
through travel.”*

*Dr. Don Anderson, Purdue University*



*Deputy Consul of Mexico in Kansas City,  
Noemi Hernandez*

**Life Sciences & Technology:** “Biotechnology will revolutionize this new era.”

- Government, private sector and universities need to work together—government focuses on policies and regulatory commissions; private sector takes the risks and distributes goods; universities can educate, coach, create knowledge
- The goal is to increase sharing of technology and science within the academic world via a research virtual lab

**Construction & Infrastructure:** “Trade drives the economy; the corridor drives trade.”

- The I-35 corridor transports 33 per cent of all NAFTA truck traffic and that will increase by 80 per cent in the next 20 years
- Trade processing needs to be moved inland to Smartports.

**Doing Business in the NAFTA Economy:** “NAFTA trade has increased three-fold in the last ten years.”

- NAFTA needs to increase productivity and efficiencies in order to compete in the Global Marketplace with the European Union.
- All three countries need a more integrated chain of promotion and must make sure to keep the borders open.

The NAITCP 2004 Summit represented an extraordinary unified effort.

- Bayer, the Global Presenting Sponsor for the Summit provided significant financial assistance and company leaders participated in the event.
- Additionally, 37 other sponsors supported the overall Summit as well as special events, luncheons and breakfast meetings.
- The contribution of 36 marketing partners was invaluable as they communicated the Summit’s benefits to their constituents and distributed important information.

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