



Brownsville/Matamoros Economic Overview

**It All Starts
Here!**



November 14, 2003

Executive Overview

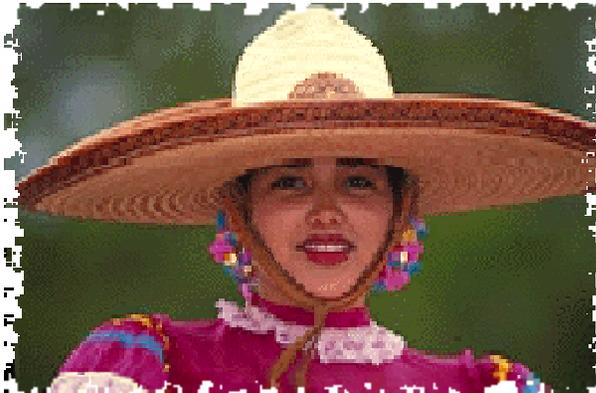
- **Matamoros/Brownsville has been a major maquiladora center for over 30 years. The major manufacturing industries are metal working, automotive components, plastics and electronics.**
- **The Matamoros/Brownsville location makes it possible to efficiently move products within the Americas.**
- **Matamoros boasts low turnover rates, and a highly trained, available laborforce. Wages are competitive with no hidden costs or extra benefits.**
- **The quality labor force has helped companies distinguish themselves internationally.**
- **An excellent quality of life in Brownsville for maquiladora managers.**

Location



A Brief History

- 1777: Colonists led by Jose de Escandon land at Matamoros' Bagdad Beach. Bagdad later became famous as a haven for pirates. It was also a shipping port for Southern cotton during the U.S. Civil War.
- 1846-1848: The area is the site of several major battles in the U.S./Mexican War. Zachary Taylor and Ulysses S. Grant fought here.
- 1848: Brownsville is founded.



- 1865: The last battle of the U.S. Civil War is fought near Brownsville at Palmetto Hill.
- 1875: Porfirio Diaz uses Brownsville as a headquarters to plan his overthrow of Mexico's government.
- 1929: Charles Lindbergh arrives in Brownsville, carrying the first air mail from Mexico to the U.S. On March 8, the Brownsville Airport is opened by Charles Lindbergh and Amelia Earhart.
- 1938: The first Charro Days is held. The annual festival celebrates bi-national friendship.

Border Traffic Capabilities

Bridges	4
Truck Bridges	2
Rail Crossing	1
Airport	BRO/SPI



Note: The Port of Brownsville serves the entire Rio Grande region for deep water seaport needs as well as intercoastal barge service.

Modes of Transportation

Brownsville's central location makes it possible to quickly move products to anywhere in the U.S.-Mexico region or the world using the Foreign Trade Zone.

- **Air Passenger/Cargo**

Brownsville/South Padre Island International Airport: Continental Airlines runs daily flights to almost any part of the country via its Houston hub.

- **Truck**

All major U.S. and regional carriers service the area. Trucks leaving Brownsville can be in Chicago in less than 48 hours. Brownsville has three international bridges with a truck and rail crossing to Mexico.



- **Ship/Barge**

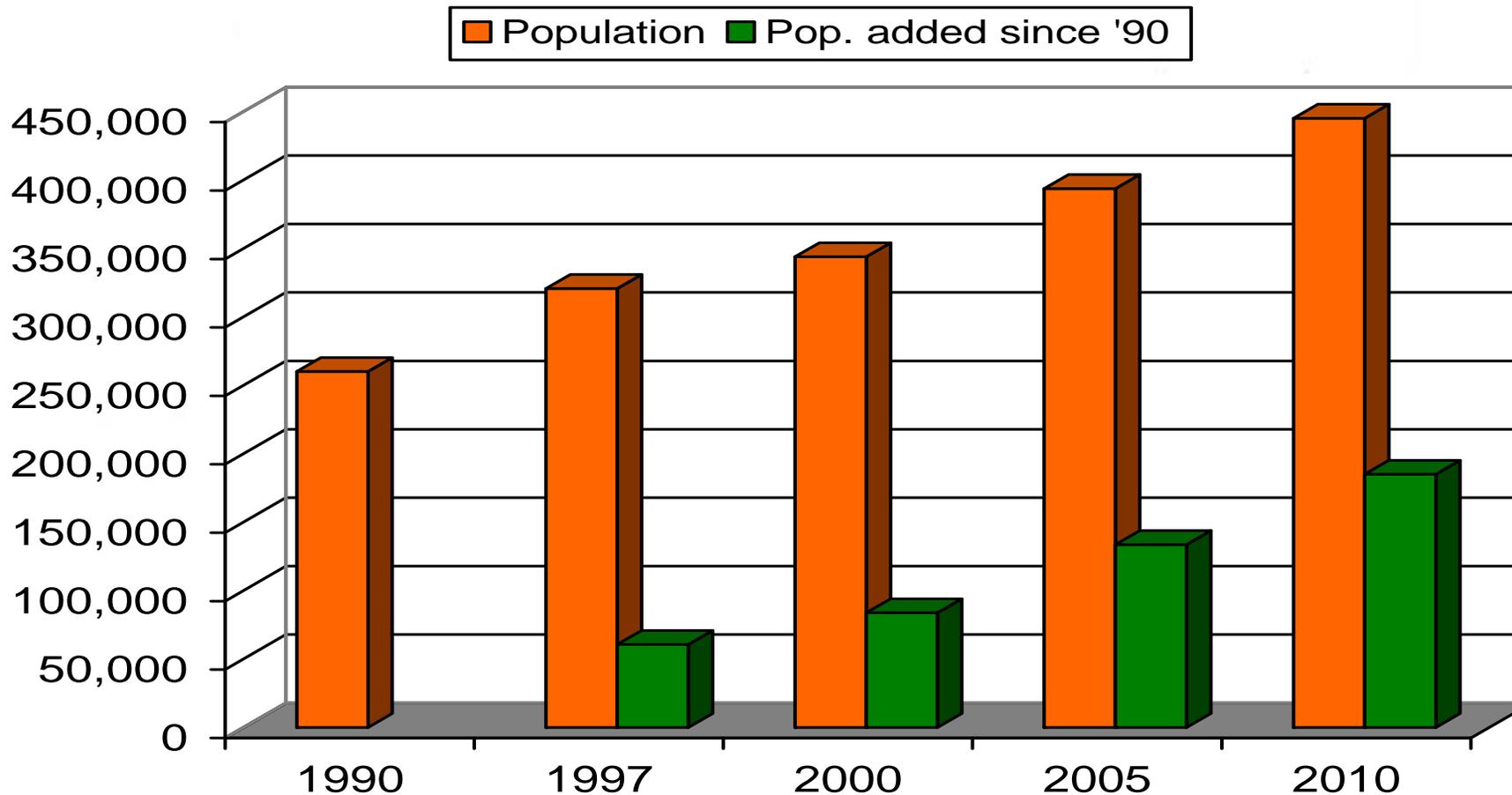
There are significant cost savings to moving raw materials and bulk commodities via barge and ship through the Port of Brownsville.

- **Rail**

Products can be in the Midwest in 3-5 days. Brownsville/Matamoros is 1 of 4 border regions offering an international rail crossing into Mexico.

Population Forecast

Brownsville's metro area is one of the fastest-growing regions in the U.S. The population is up 60,000 persons since 1990.



The Unemployment Rate

Despite above average job growth, Brownsville's unemployment rate has stayed in double digits.



Labor Pool in Matamoros

Unions*	3
Avg. Turn-over	Less than 2% per month
Population	600,000
Work Week	48 hours
Workforce Recruitment	Union acts as employment agency for company

*Companies choose the union. Labor unions in Mexico are similar to employment agencies in the US.



Matamoros Labor Quality

- Local companies have reported a 20% increase in production because of Matamoros labor efficiencies.
- A trained labor force is readily available. Matamoros officials estimate that over 15,000 former maquiladora workers are currently seeking employment.
- Border location makes it easier to recruit managers and engineers.
- In Matamoros, turnover is generally less than 2% a month, compared to 4-10% in other maquiladora centers.
- Long manufacturing history has helped cultivate local manufacturing expertise.
- Matamoros has many training institutions for employees to elevate their skill levels.



- Matamoros unions help minimize turnover rates and encourage training.
- Union environments are pro-business.

Growing Local Supplier Base

- Important working relationship with the Maquiladora Association has allowed the BEDC to take a lead in working with local manufacturers to attract a greater amount of suppliers.
- Area of concentration has included plastic injection molding, metal stamping, packaging, metal plating/painting, etc.
- Brownsville is able to offer suppliers cash incentives to assist with their expansion to the area.
- A small sample of local suppliers include:
 - Steel Technologies: Steel service center.
 - Bright Finishing: Metal finishing.
 - Tella Tool: Metal Stamping and tooling.
 - Gibbs Die Casting.
 - T&C Stamping.
 - Olson Metal Stamping.
 - Exel Plastics.
 - Unique Molded Products
 - Sun Microstampings



Local Industry Speaks for Itself

- Companies like Trico, Delphi Automotive, Tyco Electronics, Fonatine Fifth Wheel and Johnson Electric have chosen Brownsville/Matamoros as their place to do business.
- Local maquiladoras have distinguished themselves for their quality manufactured products. Some distinctions include:
 - Delphi Rimir: Selected one of the top 25 manufacturing plants in North America by *Industry Week Magazine*.
 - Shingo Prizes.
 - Q1 Award.
 - Pentastar Award.
 - J.D. Powers & Associates Award.
- The Matamoros Maquiladora Association is very active in the community. The past national president is a member of the Brownsville EDC Board of Directors.

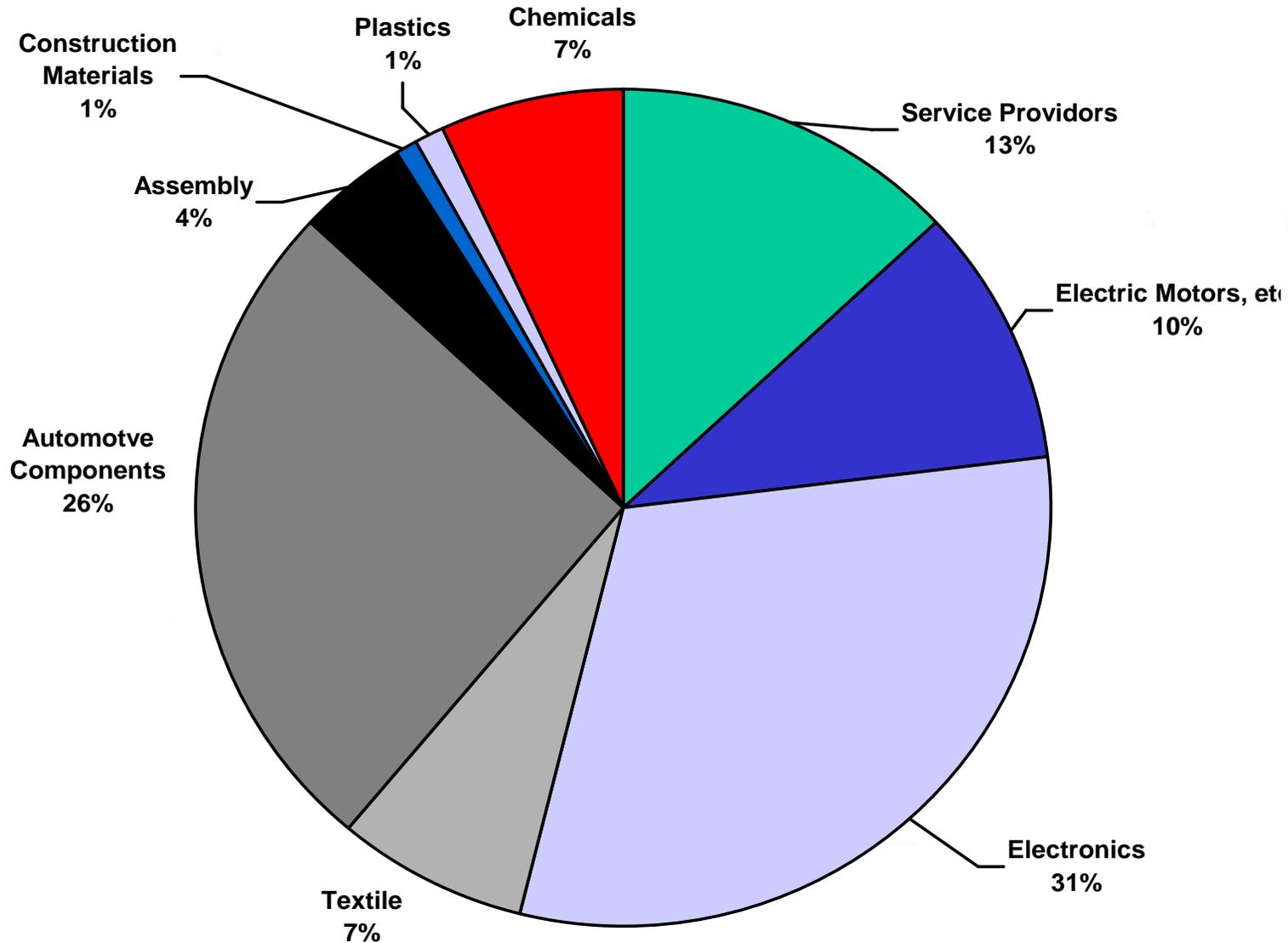


Recent Achievements in Local Industry

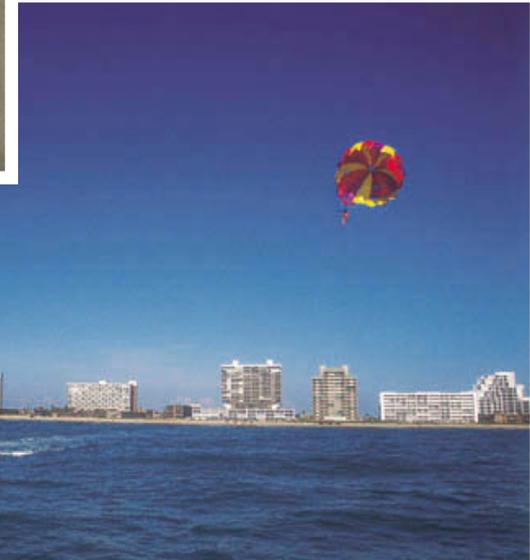
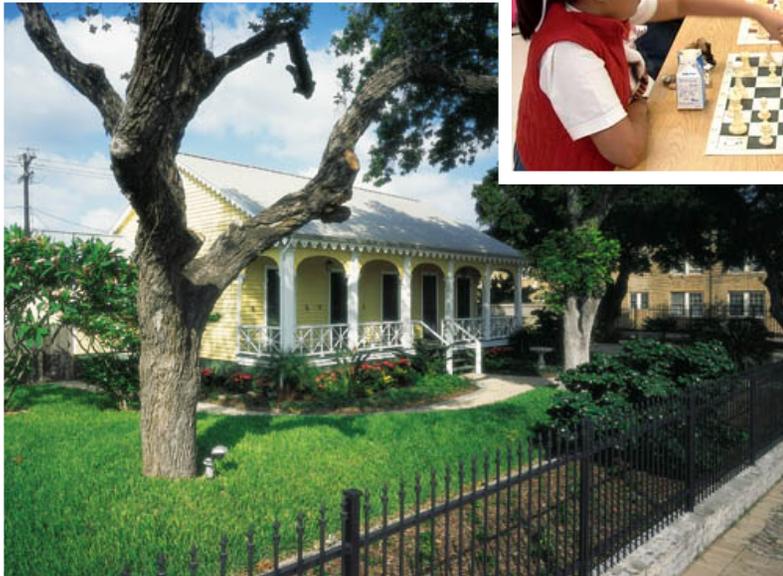
- Trico Products announces \$4.2 million expansion in Brownsville. Brownsville is now the US Manufacturing headquarters for the company.
- Flexi-Mat Corporation announces distribution expansion in Brownsville by adding 100,000 s.f.
- Delphi Automotive expands into new 70,000 s.f. Matamoros facility.
- Milwaukee Electric Tool announces expansion to Matamoros.
- US Hanger expands to Matamoros.
- KS Centoco of Canada expands into new 60,000 facility in Matamoros.
- Fontaine Fifth Wheel completes 120,000 s.f. expansion
- Duro Bag begins 60,000 s.f. expansion in Brownsville.
- Agere Systems purchased by TriQuint Semiconductor.



Matamoros Industry Overview



Did Someone Say Quality of Life?



The Brownsville Advantage

- Recreational opportunities include seven golf courses, nature activities like birding, and fishing.
- The resort town of South Padre Island, just 20 miles away, offers a quality beach, water activities, and fine restaurants.
- The area's top attractions include plenty of recreational opportunities, terrific weather, a low cost of living, and a bi-cultural environment.
- A 2,400 square foot, 3 bedroom house averages \$150,000 in an upscale Brownsville neighborhood.
- The existence of four international bridges minimizes crossing times for maquiladora managers.



- In 2001 Brownsville was selected as one of the top 10 nation-wide cities to receive the All-America City award. This prestigious honor is given by the National Civic League for civic excellence.



Local Growth & Promising Future

- A \$90 million expansion has transformed Sunrise Mall into one of the largest retail malls in the area with new national chain retailers entering the market every year since the expansion.
- The Hudson Farm Project, a 4,000-unit, upscale, master-planned subdivision is taking shape north of town.
- The new Los Tomates Bridge has opened a 2.5 mile expressway corridor to commercial/retail development.
- Road improvements include the expansion of the main expressway from four to six lanes.
- *Forbes Magazine* considers Brownsville MSA one of the hottest regions for economic growth.
- Brownsville has been a leader in all the construction in the Rio Grande Valley. This attests to the dynamic growth and prosperity of the community.



Education: “We’re All About Children”

University of Texas at Brownsville

- The University of Texas at Brownsville offers degrees in 20 fields, including business, engineering, and liberal arts programs.
- Major expansions have added a School of Public Health, new student union, bookstore, and dormitories.
- Approximately 10,000 students are enrolled in the school.

Brownsville - Tech schools

- *Texas Southmost College* offers 500 courses in fields like electronics, accounting and data processing. TSC also does customer-specific training courses to meet community demands.
- *Texas State Technical College* offers training in diverse fields like robotics, semiconductors and welding.



Brownsville - Independent School District (BISD)

- Local schools help prepare students for college. Local students have been accepted to prestigious universities such as Harvard, MIT, Columbia, Yale and Stanford to name a few.
- Brownsville magnet schools offer advanced courses in engineering, science, math, arts, medicine and international business.

Private Schools

- The city boasts an extensive selection of private and parochial schools from K-12.

Incentives are available for qualified companies moving into Brownsville. We will be happy to discuss these options in more detail as well as host a tour of the business community.

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