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FISCAL IMPACT REPORT

SPONSOR Trujillo, CH ORIGINAL DATE 02/12/14
LAST UPDATED _____ HJM 23
SHORT TITLE Support Participation By Taiwan SJM _____
ANALYST Chabot

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY14	FY15	FY16	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI	NFI			

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Economic Development Department (EDD)

SUMMARY

Synopsis of Bill

House Joint Memorial 23 requests Congress and the president of the United States to support the efforts of Taiwan to be granted observer status by certain international organizations and agreements, including the International Civil Aviation Organization, the United Nations framework convention on climate change, and the World Health Organization.

Second, the memorial requests Congress and the president to support Taiwan's participation in the Trans-Pacific Partnership and continuing trade and investment framework agreement talks discussing the signing of a bilateral investment agreement with the United States.

Third, the memorial requests the state of New Mexico continue to support economic, cultural, and trade exchanges with Taiwan through an official trade delegation visit to Taiwan for the purpose of enhancing New Mexico's economic outreach to the Asia-Pacific market.

FISCAL IMPLICATIONS

The Economic Development Department (EDD) reports there would be no fiscal impact to the agency.

SIGNIFICANT ISSUES

This memorial expands upon the support for Taiwan requested in Senate Joint Memorial 32, enacted in 2013, adding the second and third sections described in the “Summary” above. Taiwan is the United States’ eleventh-largest trading partner, and the United States is Taiwan’s third-largest trading partner, and Taiwan signed a bilateral investment agreement with Japan in 2011 and free trade agreements with New Zealand and Singapore in 2013. The memorial notes Taiwan hopes that trade relations with the United States will ultimately lead to a free trade agreement between the two countries. Additionally, New Mexico has had a strong economic and cultural relationship with Taiwan since establishing sister-state relations in 1985 and sister-city relations between Albuquerque and Hualien city in 1983. According to the U. S. Department of Commerce, New Mexico’s exports to Taiwan totaled \$10.8 million in 2012, and the machinery and computer and electronic products industries represent approximately half the value of all exported goods.

EDD currently contracts with an organization based in Taipei, Taiwan to assist New Mexico companies locate distributors and representatives in Taiwan, Hong Kong, and Mainland China. This region is commonly referred to as the Greater China area. EDD reports New Mexico receives support from the Taiwan government in the area of trade promotion and frequently assists the NM trade office. Taiwan and Mainland China signed the Economic Cooperation Framework Agreement in 2010, opening up new opportunities and allowing New Mexico businesses to collaborate with Taiwanese companies to leverage this agreement and utilize Taiwan as a gateway to Mainland China and other fast-growing Asian markets.

GAC/jl