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FISCAL IMPACT REPORT

SPONSOR Martinez ORIGINAL DATE 2/11/2020
LAST UPDATED _____ HB _____
SHORT TITLE New Mexico-Taiwan Relations SM 39
ANALYST Martinez

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT

Appropriation		Recurring or Nonrecurring	Fund Affected
FY20	FY21		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Economic Development Department (EDD)

SUMMARY

Synopsis of Bill

Senate Memorial 39 requests legislative support for the negotiation of a bilateral trade agreement between the United States and Taiwan along with support for Taiwan's participation in international organizations. The memorial also promotes closer cooperation and mutual agreements between New Mexico and Taiwan on energy and trade.

FISCAL IMPLICATIONS

No fiscal impact.

SIGNIFICANT ISSUES

The Economic Development Department states that Taiwan has emerged as one of the largest suppliers of high technology equipment and components to the US and a large importer of US and New Mexico goods and services. Under the One China policy, the mainland Chinese government has denied Taiwan entry to membership in leading international organizations. Recognition of the special relationship between the U.S. and Taiwan is fundamental to promote trade and cooperation in the dynamic, fast growing Asian region.

EDD also states that increased exports of New Mexico goods and services helps to create high paying jobs in New Mexico. Taiwanese investors are looking to invest in the U.S. to offset many of the problems that resulted from the imposition of tariffs on mainland China goods from Taiwanese owned companies. Taiwan is looking for alternative fuel and energy sources to diversify away from the volatile Middle East region.

EDD states that they will be hosting a delegation from Taiwan in New Mexico to discuss trade and foreign direct investment opportunities. The objective of the planned visit will be to promote future Taiwanese investment in New Mexico and expand New Mexico exports.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Duplicate to House Memorial 35

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

EDD states that opportunity would be lost for the State of New Mexico to continue to build relationships in the Asia Pacific region. Creating, maintaining and expanding mutual relationships in the global economy is critical for success in exporting and attracting foreign direct investment. The relationship between Taiwan and New Mexico is longstanding and has already generated positive results.

JM/sb