



International Trade Disruptions Ahead for South Florida's gateway economy

December 4th, 2024 / Miami



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We help our clients make crucial decisions based on intelligence & advice



CUSTOMER (Market research)



COMPETITOR (Competitive intelligence)



CONTEXT (Risk analysis)

- Decide in which products, channels and markets to invest
- Develop a market entry strategy
- Disrupt the competition and win share
- Decide whether to and how to acquire a company
- Find, evaluate and choose a local business partner
- Adapt a product or service to the local market
- Decide upon which markets to focus marketing spend
- Build a new strategic plan and local management buy-in
- Defend a company's market share
- Improve brand awareness and conversion
- Identify and mitigate multiple risks
- Understand the reputational risk of a partner or project
- Measure and improve customer satisfaction

AMI's customized forecasting presentations support the

Planning efforts of multiple clients

Corporate planning requires objective 3rd party analysis of economic, political, investment and industry trends. AMI provides such analysis and delivers it via bespoke regional and industry specific forecasting presentations.



A wide-angle photograph of a city skyline at night, viewed from across a body of water. The sky is a deep blue with some light clouds. The city lights are reflected in the water. The buildings are illuminated with various colors, including yellow, white, and blue. The water is dark with some ripples.

Defining our gateway economy

South Florida conducts international trade via three leading ports, as well as trucking and rail, totaling

>\$100bn international trade

1. Brazil

2. Colombia

3. Dominican Republic

4. Chile

5. China

6. Costa Rica

7. Canada

8. Honduras

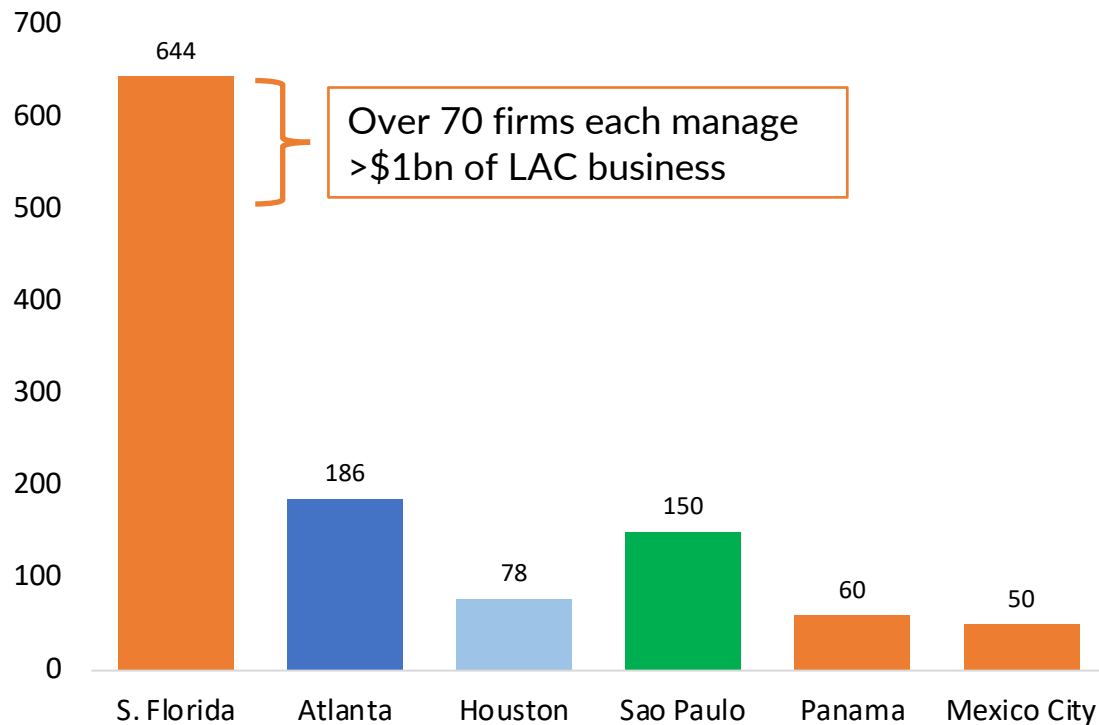
9. Peru

10. Argentina

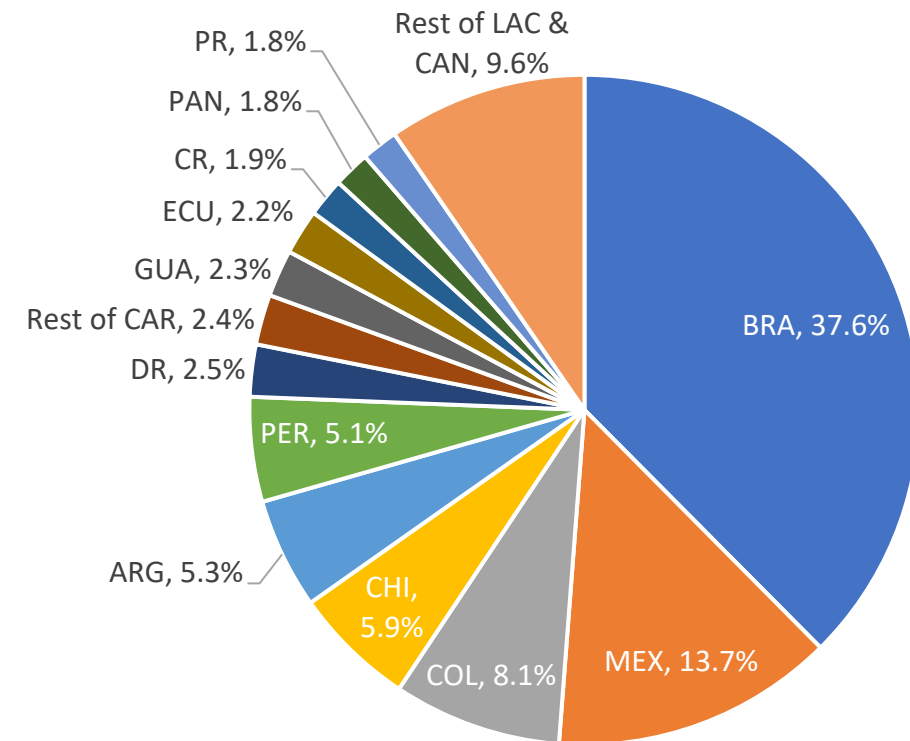
Sources: Enterprise Florida, AMI analysis

Regional headquarters in Miami manage an estimated \$800 bn of business

Number of multi-nationals with LatAm regional headquarters (2019)



Share of S. Florida HQ revenues

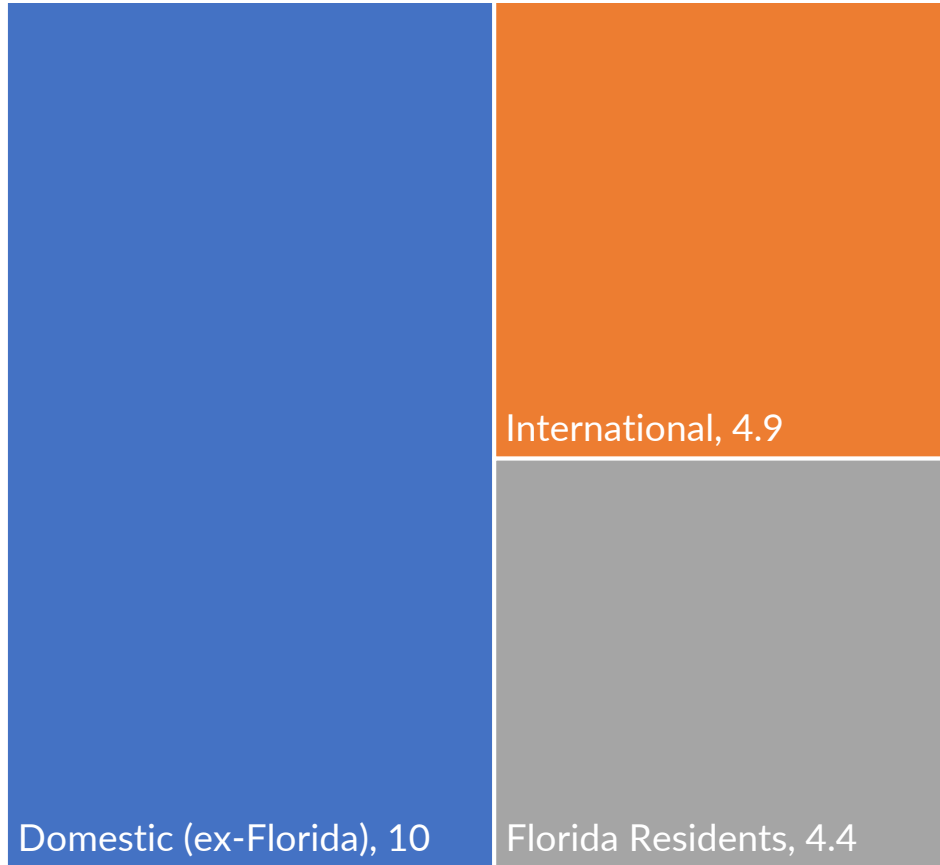


Source: Americas Market Intelligence

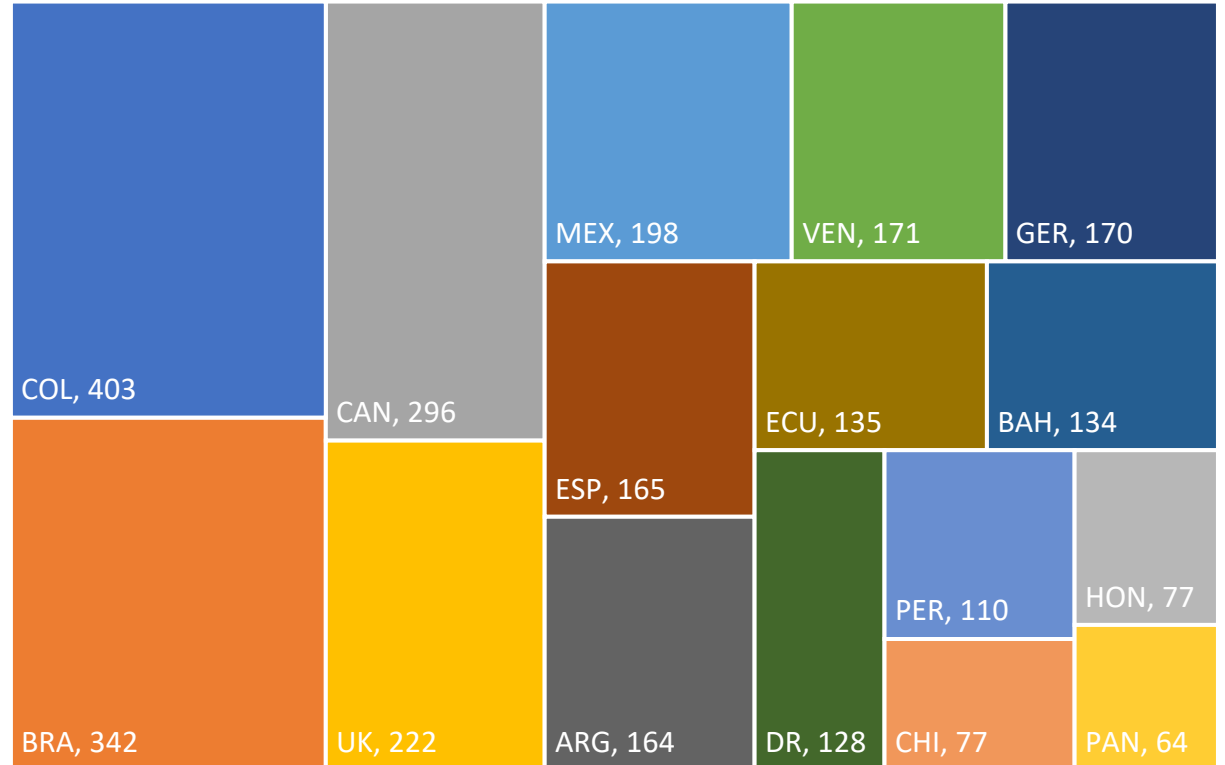
The Americas originates over 70% of international overnight visitors to Miami (2023), totaling more than

3.53 million visitors

2023 Miami Overnight Visitors (millions)



Leading International markets (000s)



Source: Greater Miami Convention & Visitor's Bureau

Who drives Miami's gateway economy?

Rank	Country	Miami MSA Economic impact Score*
1	Brazil	77
2	Colombia	36
3	Dominican Republic	27
4	Chile	25
5	China	25
6	Canada	19
7	Mexico	18
8	Costa Rica	18
9	Peru	17
10	Argentina	17

*based upon estimated employment in Greater Miami generated by trade, tourism and regional HQ employment

Source: AMI analysis



Gauging the Trump card

Among the 70 largest US trading partners, there are several nations in the Americas that are highly exposed to

changes in US policies in the 2nd Trump term

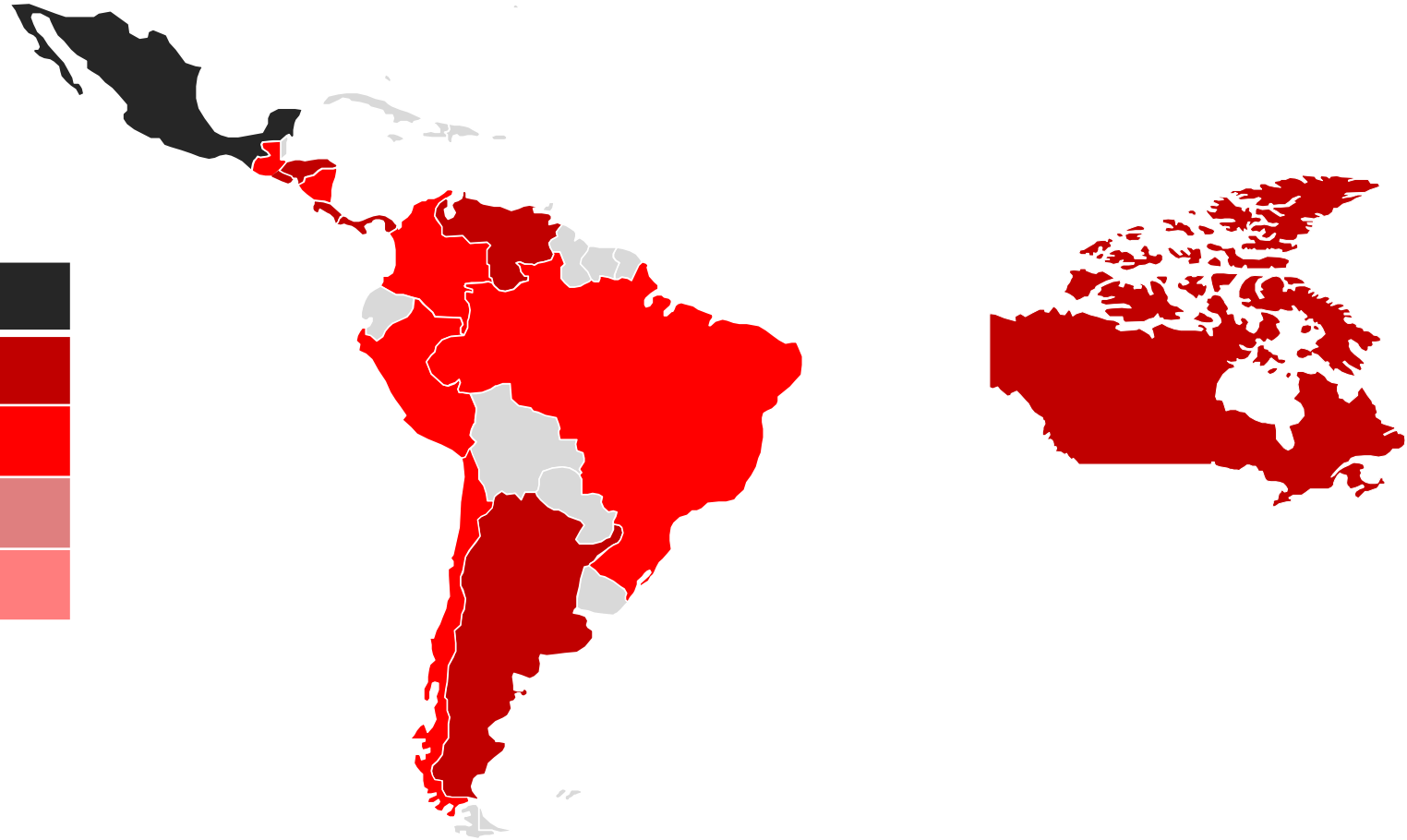
60-72 (extremely exposed)

45-60 (highly exposed)

30-45 (quite exposed)

15-30 (somewhat exposed)

0-15 (lightly exposed)



Source: EIU

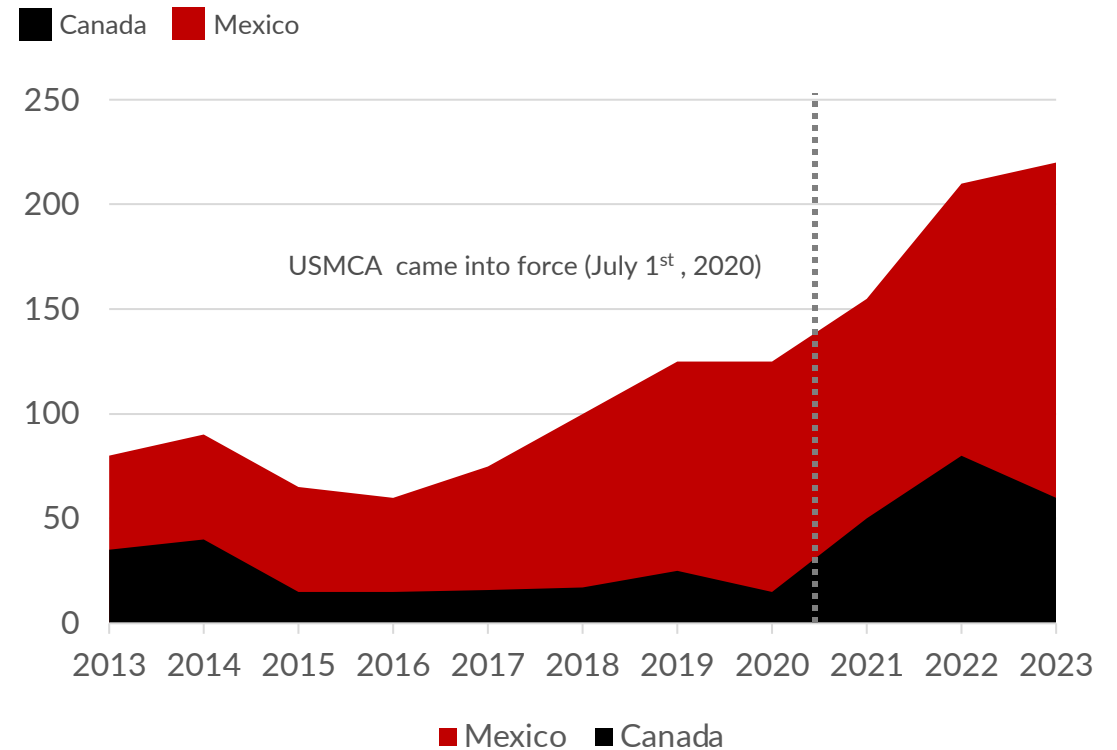
■ Mexico readies itself for a new set of

US-Mexico bi-lateral relationship risks

- Both the US and Canadian auto parts industry feel threatened by Mexican and Chinese auto parts assembled in Mexico and will pressure for changes when the USMCA is reviewed in 2026.
- A Trump presidency will push for more protectionist measures including tariffs, stricter customs controls, etc.
- The US president is empowered to impose new tariffs without congressional approval, even when a legislated trade agreement is in place (like the USMCA).
- The Trump administration will investigate the veracity of certificate of origin status of Chinese products assembled in Mexico. Sheinbaum will aid the investigation in the hopes of limiting the damage of US protectionism.
- The Trump presidency will push for more border control, but not necessarily immigration reform.
- A Trump presidency may encourage disgruntled US energy investors to pursue planned lawsuits against the Mexican government – as a bargaining chip.

US trade deficit (USD bn) with USMCA partners has widened since 2020, particularly with Mexico

100-highest like hood and highest impact



Sources: USTA, EIU

Many markets in the Americas are bracing for

increased US political risk

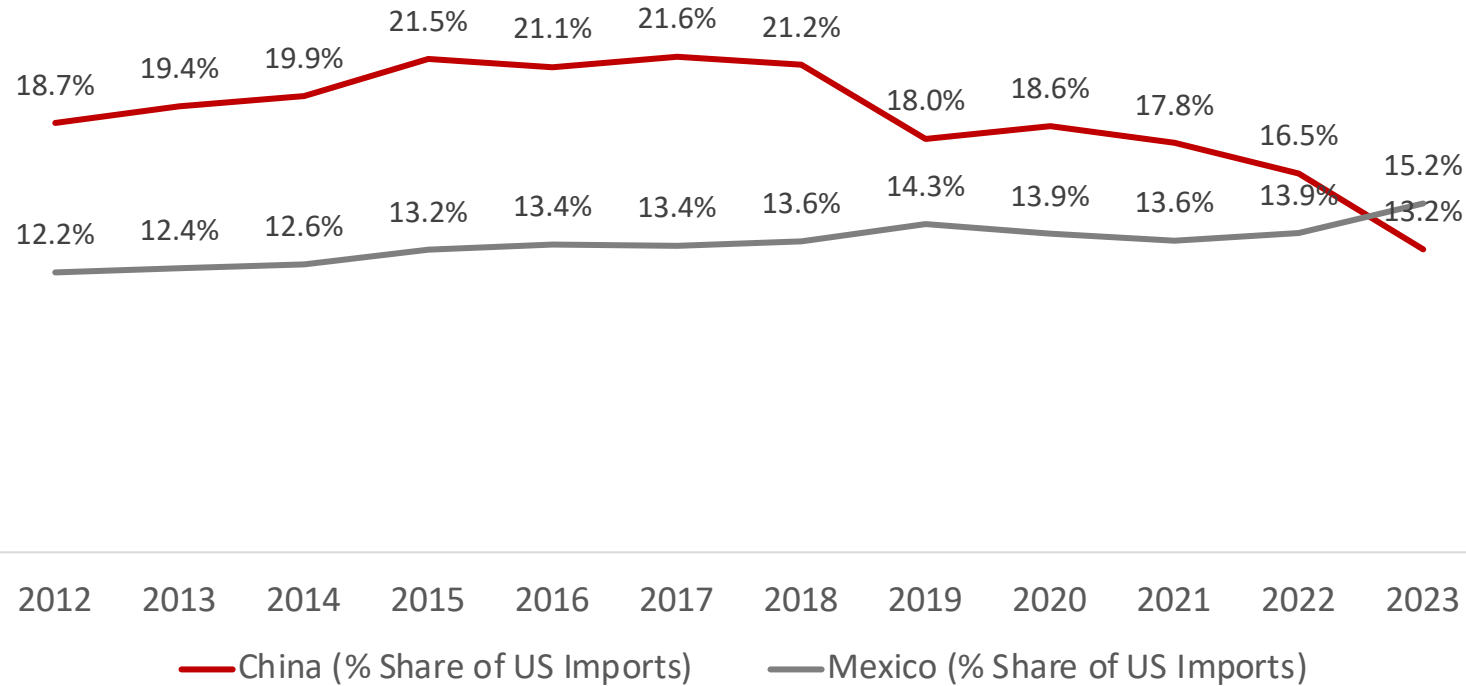
Country	Prioritized Trump policies
Mexico	Tariff pressure to lower non-Mexican migration. Push to cancel/reform USMCA in 2026. Militarize border.
Canada	Tariff pressure to decrease drug flow southward. Pressure to increase military spending.
Venezuela	More sanctions, possible military intervention (if Venezuela sends troops into Guyana)
Argentina	Expect a 'bromance' between Milei and Trump and strong DC support for Argentina via IMF, World Bank
Nicaragua	More sanctions against gov't, military & biz leaders
Cuba	Cosmetic increase in sanctions, more Cuban eco decline
Colombia	More vocal US criticism of Petro, possible sanctions. Higher tariffs to leverage for greater drug interdiction.
Panama	Mulino & friends considered as allies and left alone. Possible aid increase to surveil Chinese operations.
Rest of Central America	Reduced engagement, except for Panama, which is seen as a strategic pawn in geopolitical battle against China.
Haiti	Reduction of aid. May provide military support if Kenyan policing effort fails.
Dominican Rep.	Abinader will be well received by Trump and may look for a larger regional role like Fernandez once did.
Trinidad & Tobago	Drop regulations that restrict US natural gas exports → prices drop, exports expand. T&T loses market share.

Source: AMI research

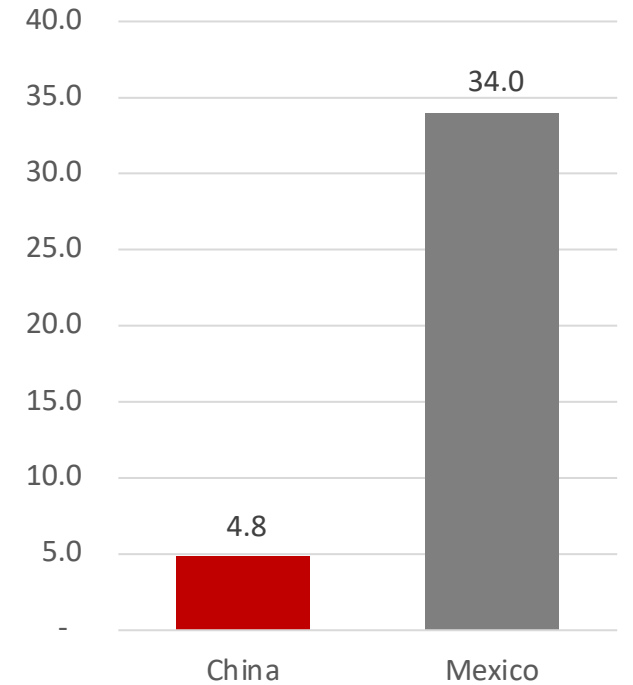
If forced to choose between China and Mexico as its preferred out-sourcing partner,

The US will ally with Mexico

% Share of US Imports, 2012-2021



% Share of US FDI in Respective Countries, 2020



China – US exports CAGR ('22-'28): -1%

Mexico – US exports CAGR ('22-'28): 4.4%

Sources: Statista, EIU, AMI

Demanding that Latin American countries choose the US over China

will prove to be a dilemma for many



Sources: EIU, ECLAC



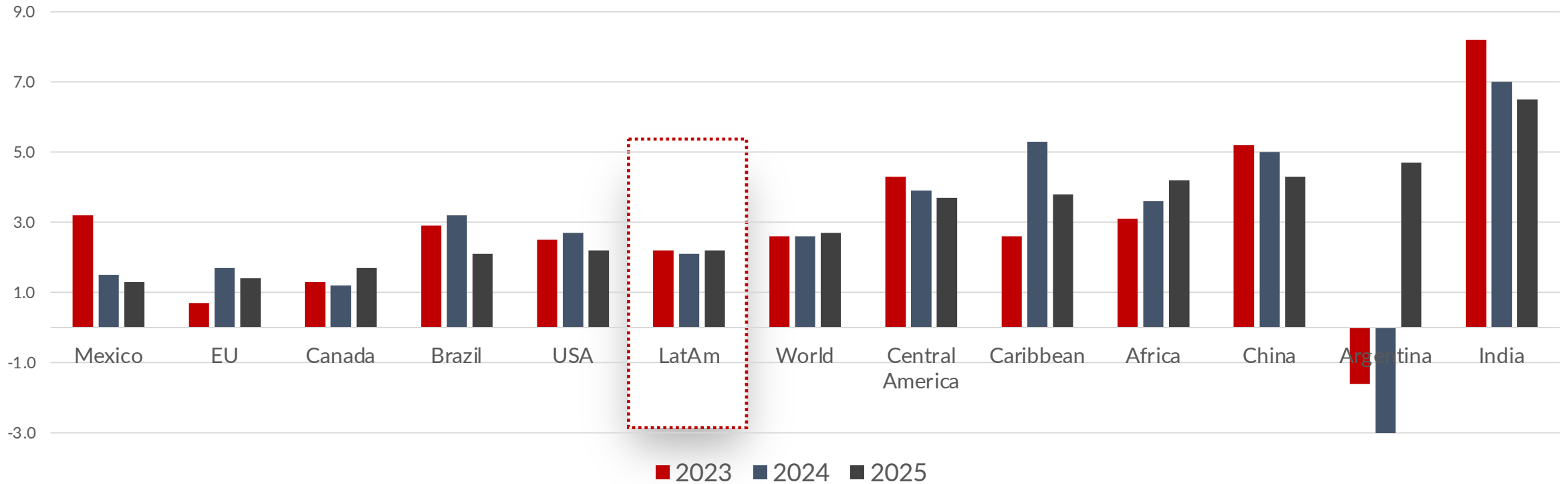
The Americas growth outlook

In 2025, in real growth terms, LatAm will grow at

2.2%, en par with the US

Mexico's anticipated fall in growth will be compensated for by decent growth in Brazil and robust growth in smaller markets

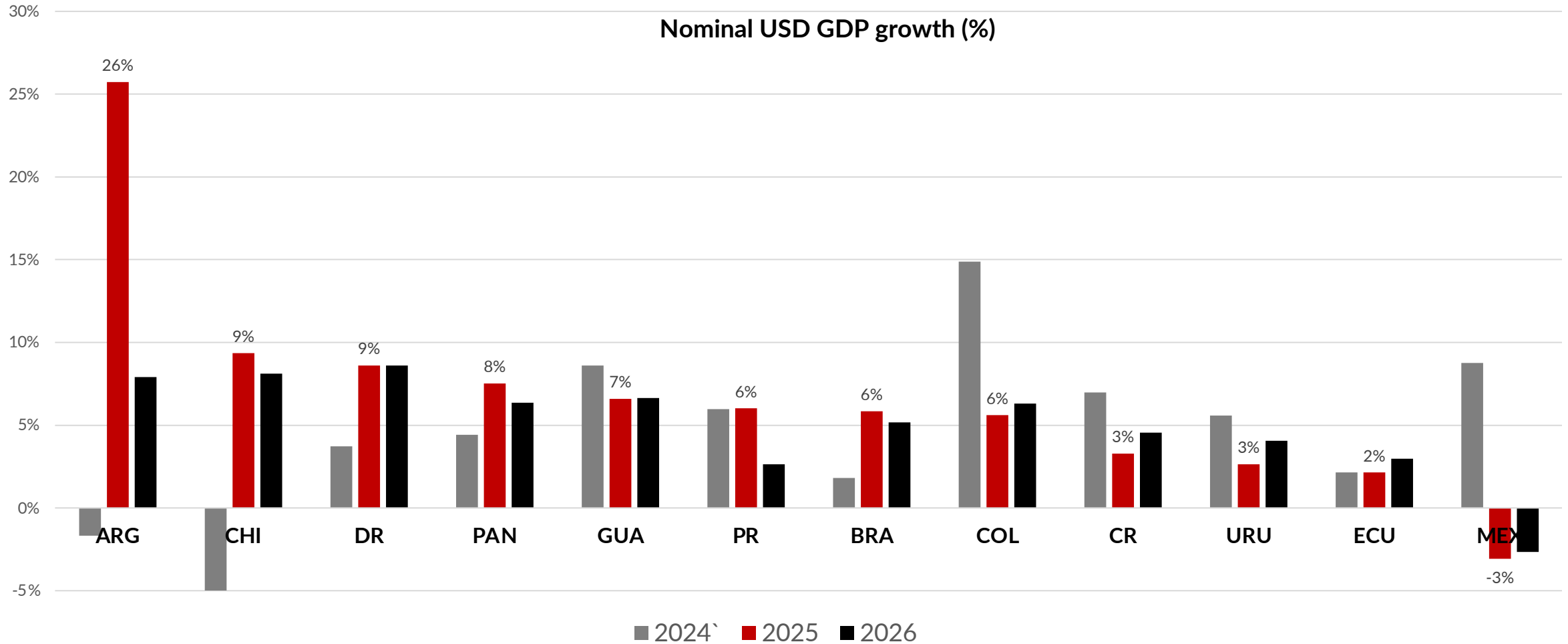
Real GDP growth (%)



Sources: EIU, IMF, MarketWatch

When measured in nominal USD growth

Growth outlooks vary dramatically by country

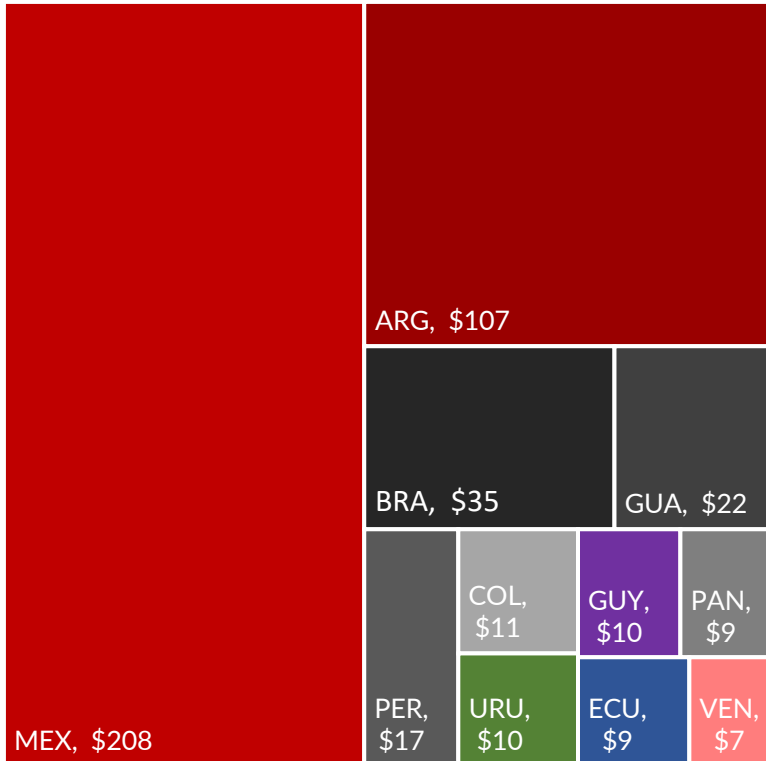


Sources: EIU, World Bank

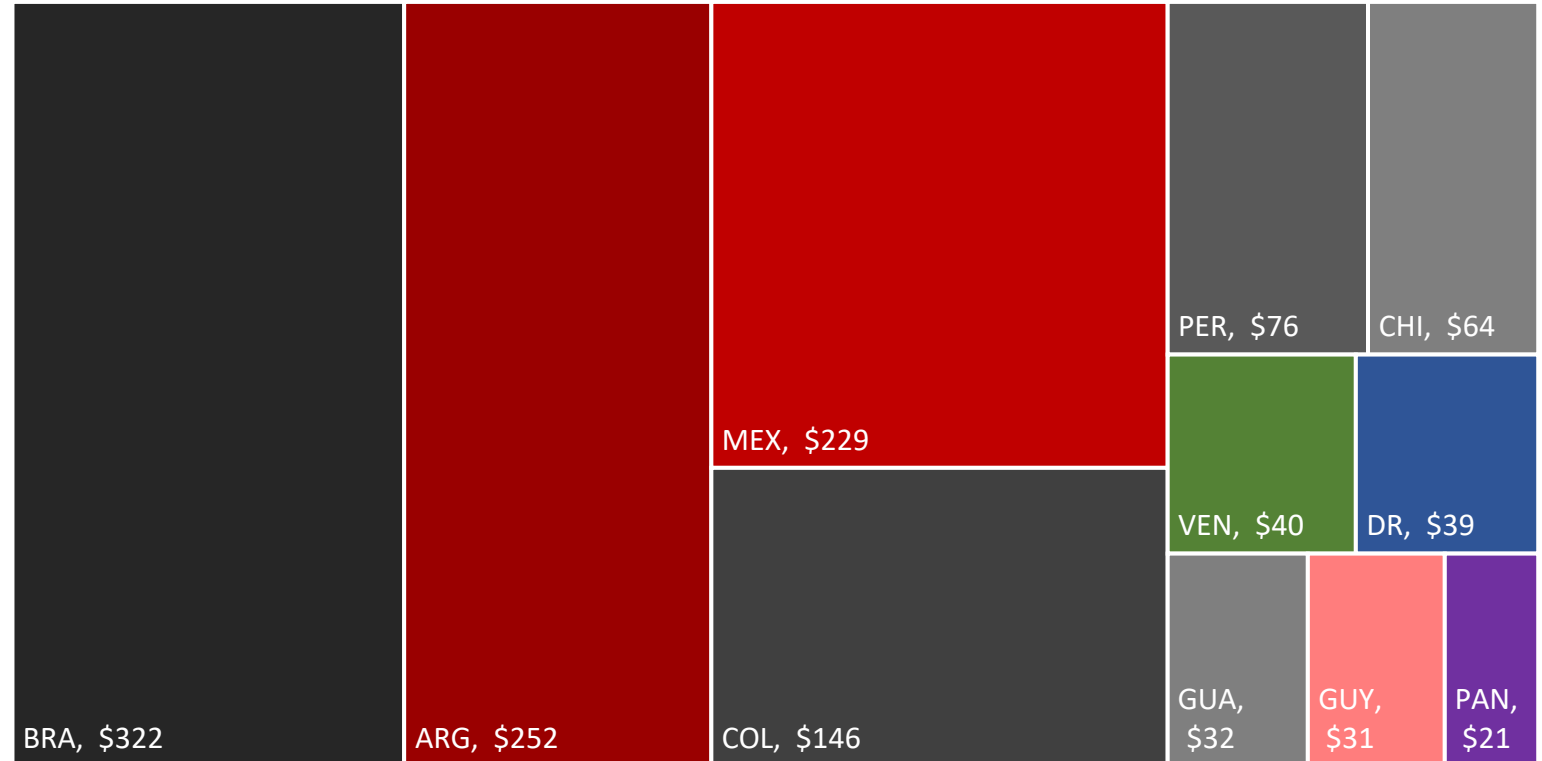
The roster and rank of leading markets will change over the next three years

as net GDP growth triples

US\$459 bn net GDP growth ('18-'22)



US\$1,311 bn net GDP growth ('23-'27)



Source - EIU

In times of moderate commodity prices

politics matters



MEXICO:

AMLO's sexenio delivered the slowest growth in 36 years. His plan C undermines investor confidence. Sheinbaum faces an uphill battle.



COLOMBIA:

Petro's policies frighten investors but congress and the court reign him in.



ECUADOR

Investors like Noboa's economic policies but worry about disruptive power of organized crime.



PERU

President Boluarte decided to bend to the will of a center-right congress in order to remain in power.



CHILE

Boric began on the left but was pushed to the center by the voting public and congress. Chilean politics will move further right-ward in 2025.



DOMINICAN REPUBLIC

Abinader has delivered pro-business policy and less egregious corruption than in the past.



VENEZUELA

Maduro's brazen election fraud will further isolate Venezuela.



BRAZIL

Lula has acquiesced to a center-right congress but exercises his left-wing instincts in foreign policy.



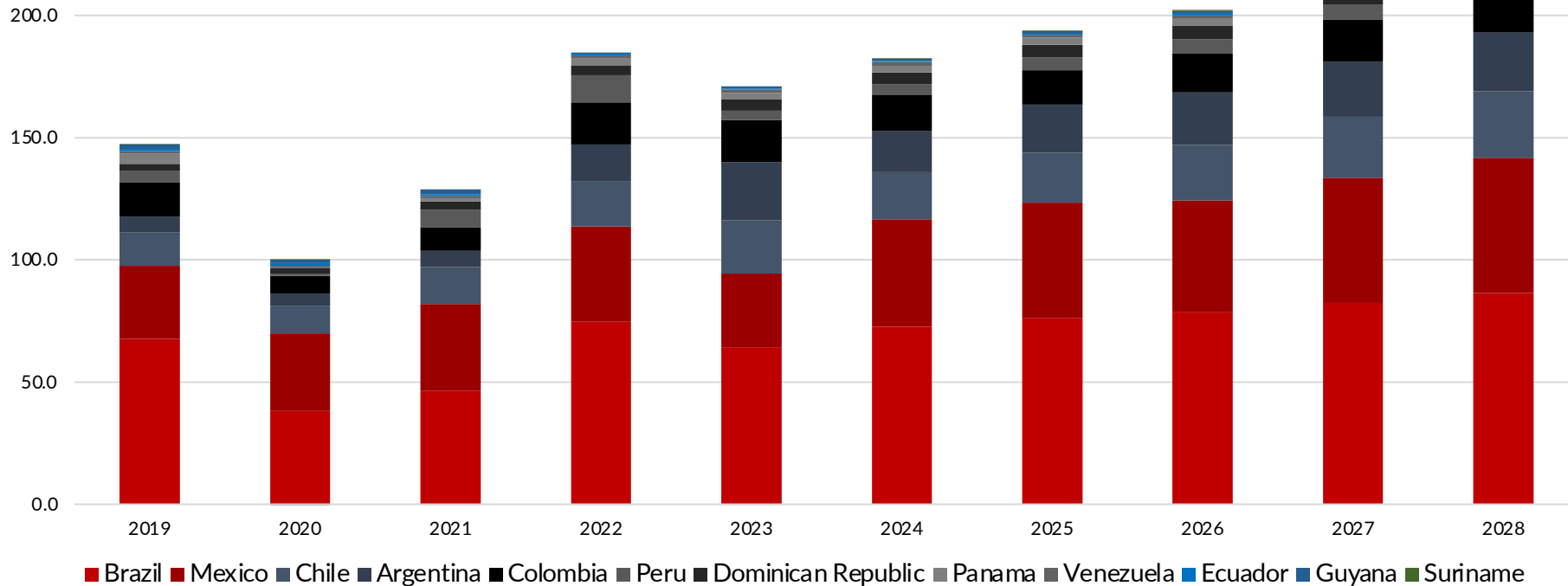
ARGENTINA

Milei has radically pivoted Argentine politics to the right, igniting a regional curiosity in libertarianism.

FDI is growing again

as interest rates drop & LAC politics veer right

2019 - 2028 Inbound FDI (USD billions)



FDI CAGR ('19-'28)	
SUR	20.5%
ARG	15.3%
DOM REP	9.2%
CHI	8.0%
MEX	7.0%
PER	4.1%
BRA	2.8%
COL	2.1%
VEN	0.8%
GUY	-1.4%
PAN	-2.3%
ECU	-2.9%

Source - EIU

A photograph of several palm trees against a bright blue sky with scattered white clouds. The palm fronds are blowing and appear somewhat disheveled, suggesting a strong wind or storm. The trees are silhouetted against the sky, with some showing signs of damage or stress.

How will South Florida be impacted?

Breaking down the impact on Miami's gateway economy

by the fortunes facing our leading partners

- (decrease) **Trade volumes** (increase) +

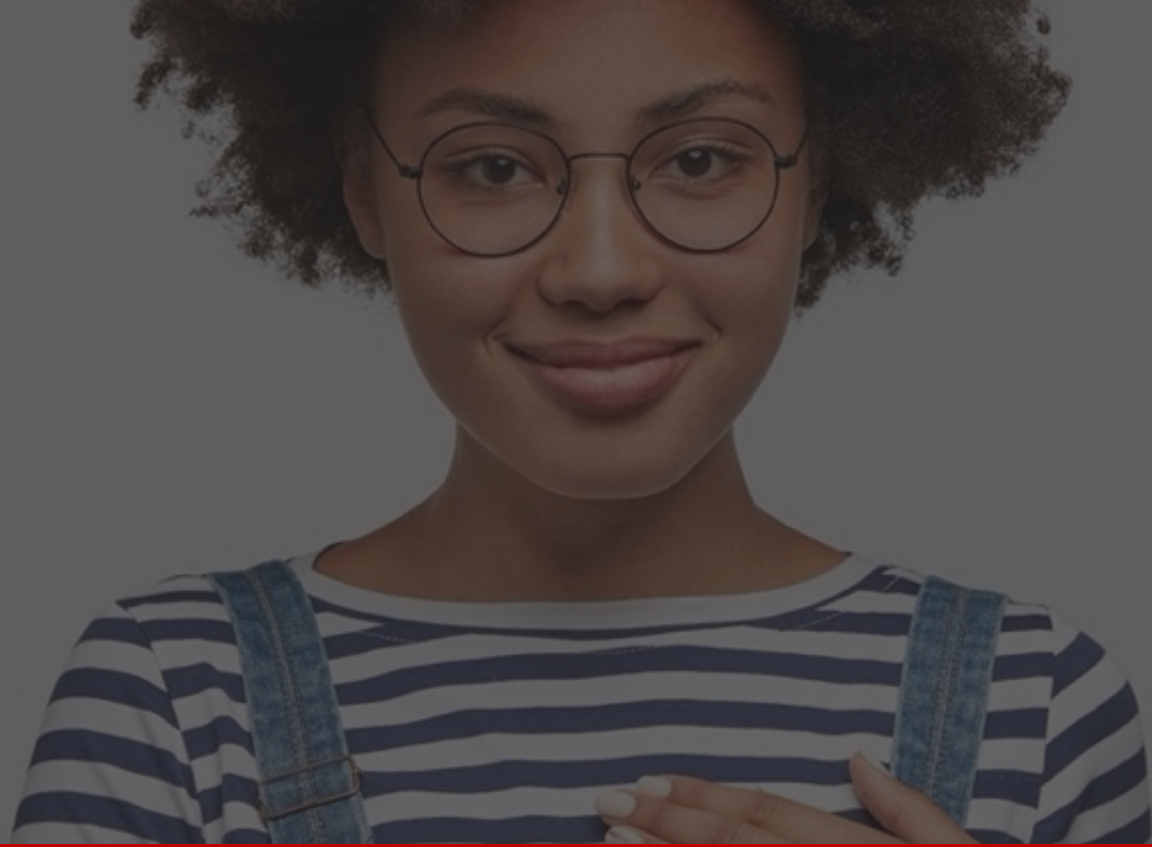


- (decrease) **Tourism volumes** (increase) +



- (decrease) **S. Florida corporate division investment** (increase) +





Thank you!

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