



ARIZONA HISPANIC
CHAMBER *of* COMMERCE

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2025 PUBLIC POLICY PRIORITIES

The Arizona Hispanic Chamber of Commerce, AZHCC, promotes the success of emerging and established businesses by facilitating business relationships, economic development, and the sharing of knowledge for the benefit of the State of Arizona and the growth and success of the members of the Chamber.



PUBLIC POLICY PRINCIPLES

The AZHCC is the state's premier advocate for emerging and Latino-owned businesses. We advocate in support of economic prosperity by supporting businesses and business leaders.

In doing so, we prioritize support for initiatives, programs, and policies that align with the Chamber's mission to:

- Support the growth of new and established businesses.
- Facilitate international trade, including with our state's largest trading partner, Mexico.
- Encourage job development across the economy with an eye toward policies that create jobs for our state's burgeoning population.

2025

PUBLIC POLICY PRIORITIES

The AZHCC annually adopts a public policy agenda aligned with our Public Policy Principles and Mission. It reflects both the constant principles of economic success as well as in-the-moment challenges and opportunities facing our members and fellow business leaders.

The agenda is built around three key focus areas consistent with the above-stated Mission. They are Education and Workforce Development; Access to Capital; and the recognizing the Importance of International Trade to business growth.

Education and Workforce Development

A future-ready education system that meets the needs of Arizona's employers and prepares all students for success.

- Encourage the renewal of Prop 123 and consider any recommended changes to its current design.
- Provide clear pathways to postsecondary opportunities for degrees, in-demand certifications, and apprenticeships.
- Recognize businesses and community organizations that support career programming.
- Promote and support a functioning federal immigration system that ensures a stable border, timely adjudication of requests for citizenship and authorization to work; and that recognizes the importance of authorized workers to in-demand industries and job creation.

Access, Management and Control of Capital

Entrepreneurs and emerging businesses need access to capital to launch, grow, and innovate.

- Engage with the new federal administration to ensure relevant agency leaders and staff understand the importance of sustaining investments in emerging businesses and job creation. This includes helping small businesses obtain capital, organizing competitions for angel investors, and growing entrepreneurship.
- Work with State partners to ensure the full opportunity of federal SSBCI dollars are made available to Arizona's small business community.
- Ensure emerging businesses have access to a variety of lenders and quality banking services
- Support public policies, appropriations, and incentives including the Tax Cuts and Jobs Act, Opportunity Zones, efforts to improve supplier competitiveness, and commerce infrastructure.

International Trade

Exporting goods is a defining characteristic of a growing business. Roughly 87% of businesses in Arizona who trade internationally are small and medium sized businesses. Indeed, 15% of Latino small businesses trade internationally and 40% of that trade is with Mexico.

- Support and participate in trade mission opportunities led by state and federal partners.
- Encourage the federal government to ensure any new tariff strategies not only protect domestic industries but also avoid diminishing US exports.
- Support safe and efficient ports of entry without shifting the burden to states, cities, and rural communities.

Business Operations and Regulatory Environment

Tax policy, insurance, data privacy, labor law, occupational safety, business licensing, permitting, and environmental regulations are just a few of the regulatory issues that impact businesses, large and small. Regulatory moderation, certainty and transparency is critical to avoiding operational and productivity disruptions.

- Monitor the Transaction Privilege Tax (TPT)
- Support policy that limits accessibility in obtaining Professional and Special Licensing and Permits
- Employment Authorization Document (EAD) support policy that assist immigrants in obtaining permits.

What is known about products coming into Arizona from Mexico in terms of types of products, volume, and cost?

2023

ARIZONA'S IMPORTS
from Mexico totaled

**\$11.8
billion**

which is an 8.2% increase
from the previous year

8.2%

ARIZONA'S TOTAL IMPORTS

- One-third, or 33.2% of Arizona's total imports come from Mexico.

(33.2%) MEXICO



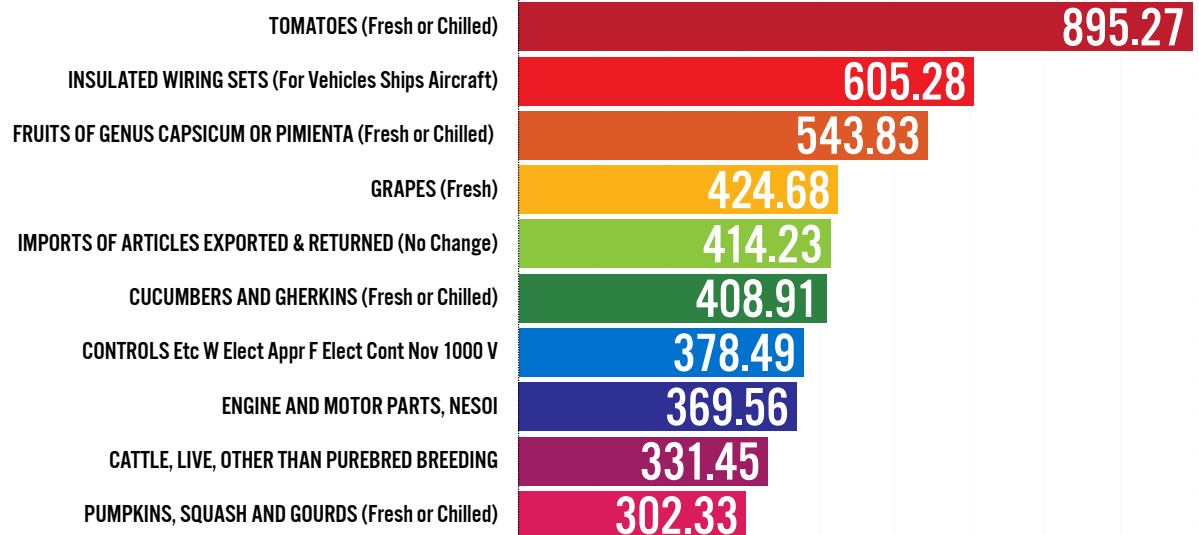
Fresh produce make up the largest
share of **Arizona's imports from Mexico**

The largest share of
Arizona imports come
from Mexico

2023

TOP 10 ARIZONA IMPORTS FROM MEXICO

IN MILLIONS



Source: The University of Arizona Eller College of Management, Arizona-Mexico Economic Indicators: Imports from Mexico
azmex.eller.arizona.edu/imports/imports-from-mexico

- After entering through southern ports like Nogales, these products are distributed across Arizona.

Sources:
The University of Arizona Eller College of Management, Arizona-Mexico Economic Indicators: Imports from Mexico
azmex.eller.arizona.edu/imports/imports-from-mexico

U.S. Department of Commerce International Trade Administration, Tradestats Express - State Trade By Partner (Countries and Regions)
www.trade.gov/data-visualization/tradestats-express-state-trade-partner-countries-and-regions

How would new tariffs impact that current dynamic in terms of supply chain for Arizona businesses and governmental operations?

- At this point, it is unclear what the Trump Administration's actual tariff policy will be. The United States' tariff policy is ongoing and being monitored by the Trump Administration.

2025

On February 3rd, 2025, President Trump suspended the tariffs against Mexico and Canada by one month. However, tariffs against China went into effect on February 4th, 2025. Presented below are the proposed policies for each specific country:



10%

additional* tariff on imports from **China**

25%

tariff on all imports from **Mexico and Canada**

*Tariffs on China currently exist under Section 301 of the Trade Act issued under the first Trump and Biden Administrations

Sources:

U.S. News and World Report, Trump Vows New Canada, Mexico, China Tariffs That Threaten Global Trade, Thomson Reuters, November 25, 2024
www.usnews.com/news/top-news/articles/2024-11-25/trump-promises-a-25-tariff-on-products-from-mexico-canada

The White House, Fact Sheet: President Donald J. Trump Imposes Tariffs on Imports from Canada, Mexico and China, February 2025
www.whitehouse.gov/fact-sheets/2025/02/fact-sheet-president-donald-j-trump-imposes-tariffs-on-imports-from-canada-mexico-and-china/

Hunton, President Trump Pauses Tariffs on Mexico and Canada, but not China, February 6, 2025
www.hunton.com/insights/legal/president-trump-pauses-tariffs-on-mexico-and-canada-but-not-china

IMPACT

INCREASED COSTS

Businesses in Arizona that import products from Mexico, such as fresh produce, electronics, and manufactured goods, may face higher costs due to the proposed 25% tariff on Mexican imports. This could lead to higher operational costs which could be passed on to consumers and may also lead to reduced profit margins for businesses.

GOVERNMENTAL OPERATIONS

Due to increased costs caused by such tariffs, local government agencies procuring imported materials and equipment may face budgetary constraints. This could impact public projects and services by potentially leading to delays or scaled-back initiatives.

ECONOMIC UNCERTAINTY

The threat of such tariffs has created uncertainty in the market, leading some businesses to stockpile inventory to mitigate potential cost increases in the future. While this strategy may provide short-term relief, it can lead to higher warehousing costs.

Source: Newsweek, Small Businesses Brace for Impact as Trump's Tariff Plans Loom, Shannon McDonagh, December 03, 2024
www.newsweek.com/donald-trump-tariffs-small-businesses-import-costs-1995031

What are the anticipated costs to the workforce in Arizona related to deportations?

- According to Pew Research, as of 2022, there are about **190,000** unauthorized immigrant workers in Arizona, which comprised **5%** of the total labor force in Arizona.

2022

According to
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unauthorized immigrant
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5%



Also, according to Pew Research, the industry with the **most** unauthorized immigrant workers in Arizona was the **construction** industry. The industry with the **largest percentage** of workers who were unauthorized immigrants was the **agriculture** industry.

Source: Pew Research Center, What We Know About Unauthorized Immigrants Living the U.S., Jeffrey S. Passel and Jens Manuel Krogstad, July 22, 2024
www.pewresearch.org/short-reads/2024/07/22/what-we-know-about-unauthorized-immigrants-living-in-the-us/

“Today, we share our concerns regarding increased tariffs on our **closest trading partners, Mexico and Canada**. This level of increase could be catastrophic for Arizona businesses and our customers. The potential impact to supply chains and the price of everyday goods is unknown but threatens the stability of small- and medium sized businesses as well as the average household.”

“Exporting goods is a defining characteristic of a growing business. Roughly **87% of businesses in Arizona** that trade internationally are small and medium sized businesses. Tariffs at this level are as much of a danger to economic growth and stability as inflation and should be avoided.”

“We are disappointed by this drastic action without a clear assessment of the impact on our economy. We encourage the federal government to rethink these tariff increases and ensure any tariff strategy not only protects domestic industries but also avoids diminishing US exports.”

—**Monica Villalobos, President and CEO, Arizona Hispanic Chamber of Commerce**



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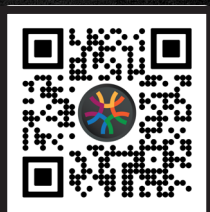


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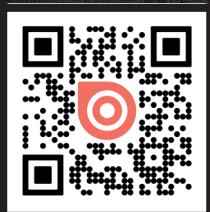
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