



Every day, thousands of trucks cross the Texas-Mexico border, bringing a variety of goods ranging from fruits and vegetables to electronic equipment. Cross-border supply chains are common, and manufacturing facilities on both sides of the border depend on the efficient flow of products across the border. The recent slowdowns due to additional inspections disrupted these patterns, resulting in not only spoilage of perishable items, but also production delays. Given the strained capacity at the border in normal times, it will be difficult and, in many instances, impossible to “catch up.”

The Perryman Group has analyzed US-Mexico trade for many years and used models and methods developed to estimate the economic cost of the recent delays. This assessment uses data related to typical levels and types of trade, the percentage that

flows through Texas border crossings, and the portion of trade that is by truck.

Any economic stimulus leads to dynamic responses across the economy. For trade, exports involve business activity in Texas to produce and transport the export commodities. Imports generate downstream effects as they are transported and sold in retail stores or used in additional production in Texas. There are also indirect effects through the supply chain and consumer/induced impacts as wages earned throughout the production process are spent.

When the disruptions and related multiplier effects are considered, The Perryman Group estimates that the daily loss to US Gross Domestic Product (GDP) totals \$996.3 million, with Texas losing \$470.3 million. For the entire period of the

### Economic Impact of Recent Border Slowdowns on Business Activity

Indicator	United States	State of Texas
Total Expenditures	-22,453.6 million	-10,329.1 million
Gross Product	-8,966.6 million	-4,232.9 million
Personal Income	-5,394.0 million	-2,557.3 million
Employment	-77,019 job-years	-36,330 job-years

Source: US Multi-Regional Impact Assessment System, The Perryman Group

Notes: Monetary values given in millions of 2021 US dollars. A job-year is equivalent to one person working one job for a year.

slowdown, losses rise to an estimated \$8.967 billion in GDP and the equivalent of 77,019 job-years for the United States and \$4.233 billion in gross product and 36,330 job-years of employment in Texas. (A job-year is one person working for a year, though in this case it is primarily multiple

individuals working for shorter periods.)

Mexico is a top trading partner not only for Texas, but also for the United States. Inefficiencies in the flow of imports and exports across the border leads to notable economic losses. While border security is certainly an issue that must

be addressed, introducing artificial inefficiencies into an important, capacity constrained element of an already overly stressed national supply chain is a costly option.

### Economic Impact of Recent Border Slowdowns on Business Activity in the US

Results by industry

Industry	Total Expenditures	Gross Product	Personal Income	Job-Years
Agriculture	-879.4 m	-223.5 m	-149.3 m	-2,152
Mining	-1,006.0 m	-237.6 m	-122.5 m	-685
Utilities	-909.9 m	-201.4 m	-87.9 m	-348
Construction	-317.2 m	-170.8 m	-140.8 m	-1,800
Manufacturing	-10,918.0 m	-3,236.7 m	-1,872.2 m	-22,290
Wholesale Trade	-1,728.5 m	-1,169.7 m	-674.5 m	-6,970
Retail Trade*	-1,675.7 m	-1,253.9 m	-728.4 m	-20,399
Transportation & Warehousing	-1,389.5 m	-898.0 m	-593.9 m	-7,366
Information	-267.3 m	-164.8 m	-70.4 m	-574
Financial Activities*	-1,746.4 m	-466.8 m	-181.0 m	-1,709
Business Services	-502.6 m	-302.3 m	-246.6 m	-2,730
Health Services	-381.0 m	-266.6 m	-225.4 m	-3,388
Other Services	-732.0 m	-374.4 m	-301.0 m	-6,609
<b>Total, All Industries</b>	<b>-22,453.6 m</b>	<b>-8,966.6 m</b>	<b>-5,394.0 m</b>	<b>-77,019</b>

### Economic Impact of Recent Border Slowdowns on Business Activity in Texas

Results by industry

Industry	Total Expenditures	Gross Product	Personal Income	Job-Years
Agriculture	-217.0 m	-56.6 m	-37.6 m	-542
Mining	-635.9 m	-143.3 m	-69.7 m	-353
Utilities	-374.2 m	-82.8 m	-36.1 m	-143
Construction	-169.0 m	-91.1 m	-75.1 m	-959
Manufacturing	-4,929.0 m	-1,586.0 m	-939.3 m	-10,227
Wholesale Trade	-659.7 m	-446.3 m	-257.4 m	-2,660
Retail Trade*	-897.5 m	-671.8 m	-390.3 m	-10,925
Transportation & Warehousing	-499.0 m	-316.8 m	-209.6 m	-2,599
Information	-140.6 m	-86.8 m	-37.0 m	-302
Financial Activities*	-951.8 m	-249.0 m	-93.9 m	-886
Business Services	-269.0 m	-162.4 m	-132.5 m	-1,466
Health Services	-206.3 m	-144.4 m	-122.1 m	-1,835
Other Services	-379.9 m	-195.7 m	-156.7 m	-3,434
<b>Total, All Industries</b>	<b>-10,329.1 m</b>	<b>-4,232.9 m</b>	<b>-2,557.3 m</b>	<b>-36,330</b>

Source: US Multi-Regional Impact Assessment System, The Perryman Group

Notes: Monetary values given in millions of 2021 US dollars. A job-year is equivalent to one person working one job for a year. Components may not sum due to rounding. Retail Trade includes Restaurants, Financial Activities includes Real Estate.

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