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International Trade Halted at Texas-Mexico Border Crossings

Client Alert

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Less than two months after the Canadian trucker blockade ended at Detroit's Ambassador bridge, a new disruption to international trade is taking place. This week, approximately 500 truckers from Mexico set up a blockade in Mexico at a key south Texas port of entry.

All commercial traffic north and south-bound stopped for several days at the Pharr-Reynosa International Bridge with similar protests that slowed trade at other border crossings. The Mexican truckers are protesting Texas Governor Greg Abbott's recent decision to have Texas state troopers conduct additional security inspections on entering vehicles, which is on top of those inspections by the federal government. Though the decision is intended to help combat human trafficking and illegal immigration, the additional state inspections are causing extensive delays.

The Pharr-Reynosa bridge is the busiest trade route in southern Texas. This route typically sees 3,000 commercial trucks amounting to about \$70 million worth of goods daily according to some estimates. The route also handles most of the produce that the U.S. imports from Mexico. Experts are warning that with this disruption, U.S. consumers could soon notice shortages on shelves and even higher prices.

For importers, these disruptions are becoming all too familiar. Importers are faced with tough business decisions when their suppliers are not able to deliver or deliver on time due to unforeseen circumstances such as political protests. Unfortunately, this will not only affect importers of perishable goods, whose cargo may spoil before reaching its destination, this is also a critical situation for automotive component suppliers as these companies depend heavily on efficient cross-border trade between the US and Mexico at various ports of entry. Mexico is the largest exporter of automotive parts into the

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US, with about 39 percent of all automotive parts into the US coming from south of the border.

The situation remains fluid at the Pharr-Reynosa Bridge and at the Zaragoza Bridge between El Paso and Ciudad Juarez where drivers have also set up a blockade blocking both northbound and southbound commercial lanes. As of Wednesday evening, commercial traffic has resumed, at least at the Pharr-Reynosa bridge. Still, there is no sign from the Abbott administration that these enhanced inspections and related delays will ease any time soon.

For more information on how this may impact your business, contact the author or your trusted Butzel attorney.

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