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BORDER DELAYS COSTLY: STUDY DETAILS ECONOMIC IMPACT OF SLOWDOWNS
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Traffic slowdowns at the border are bad for the economy, never mind closing the border.

That's the conclusion of a study commissioned by IBC Bank and just released by the Perryman Group. Analyzing total economic losses stemming from the current border slowdown, Perryman concluded that a one-third reduction in trade over three months would cost the U.S. economy more than $69 billion in Gross Domestic Product.

Losses to the state would total nearly $32.6 billion in GDP, and to the border region $2 billion, according to the study, which IBC commissioned in support of Texas Association of Business, Texas Border Coalition, Texas Business Leadership Council and the Border Trade Alliance.

Texas, responsible for about 35 percent of all U.S. trade with Mexico, is particularly hard hit by border slowdowns, according to Perryman. A big reason border delays are damaging to the economy is that they interrupt cross-border supply chains, according to the report, which notes that a substantial portion of goods crossing the border are not final products but rather are on their way to manufacturing plants or assembly facilities for further production.

Meanwhile, U.S. ports of entry are funded by nearly $5 billion a year, increasingly understaffed and overwhelmed by growing levels of trade, according to a joint statement accompanying the Perryman study.

"With resources stretched thin, even a threat of a border shutdown is enough to cause major disruption to the flow of commerce through ports of entry, especially along our southern border, where the vast majority of cargo enters the United States," according to the statement.

"Although the (Trump) administration chose not to shut down the border, the constant threat of a shutdown will slow and reduce foreign investment in the United States."