U.S. Border Businesses Want Back Mexicans Shut Out by Covid-19 Travel Bans

Restrictions on nonessential travel keep out many day-trippers, depriving businesses from Southern California to Texas of the rebounds seen in other areas

By Bryan Mena

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EL PASO, Texas—When the Covid-19 pandemic caused the U.S.-Mexico border to shut down in the spring of 2020, many retail and other businesses on the U.S. side lost a swath of customers. Gregoria Flores is still waiting for their return.

Ms. Flores' store, Novedades Yeya's, sits a few blocks away from the Paso del Norte port of entry in downtown El Paso. She estimates that before border restrictions banned nonessential travel, about 90% of her customers were Mexican nationals from the neighboring city of Ciudad Juárez who would regularly cross into El Paso to shop, eat or visit family.

Now, the stretch of South El Paso Street where Ms. Flores's shop is located sees fewer border crossers than in pre-pandemic times, and further away from the port, foot traffic is sparser, she, other business owners and employees said.



Gregoria Flores, waiting on a customer this month, says traffic has been down since the U.S. imposed restrictions on travel from Mexico. PHOTO: PAUL RATJE FOR THE WALL STREET JOURNAL

While retail, restaurants and other establishments have been <u>springing back to life across much of the U.S.</u> as <u>more people get vaccinated</u> and some Covid restrictions ease, many consumer-facing businesses in cities along the Southern border have yet to see a rebound, their customers still shut out by travel bans.

"We need our customers back," Ms. Flores said in Spanish. "The people from Juárez would buy our items in bulk, and it was a lot of them."

From Brownsville, Texas, to San Ysidro, Calif., crossings at border ports for personal travel remain sharply lower than pre-Covid days, according to U.S. government statistics. That has affected business revenues, employment and government tax receipts. The recent rise in infections from the Delta variant means the restrictions might not be lifted soon

Ms. Flores stocked shelves and worked the store alone for many months during the

pandemic. She said business is picking up as vaccinations rise, though it is far from normal.



Foot traffic was light in downtown El Paso, Texas, this month.

PHOTO: PAUL RATJE FOR THE WALL STREET JOURNAL

Jon Barela, chief executive officer of the Borderplex Alliance, an economic-development organization based in El Paso, said that Mexican nationals usually comprise between 15% to 30% of retail customers in the El Paso area. So the travel restrictions, he said, are pinching consumer businesses.

In the San Diego area, day-trippers from Tijuana used to flock across the border on weekends to visit the zoo and spend money at shopping venues near the San Ysidro port of entry. "The Mexican weekend traffic is just no longer there," said Marc Muendler, a professor of economics at the University of California, San Diego. "And these stores just can't say, 'Oh, let's get customers from Imperial County,'" which lies further east in California.

"That's not going to happen," he said. "No one's going to drive more than 100 miles to the border to shop. For the Tijuana residents, it was only a few miles to get to the stores."

At the San Ysidro border crossing, the busiest on the Southern border, 412,677 people crossed by foot in June, about half of what traffic was in January 2020, according to Transportation Department data, while another 1.9 million people came in personal vehicles in June, more than 80% of January's level. For El Paso's port of entry, No. 2 on the Southern border, pedestrian crossings dropped to 200,043 in June, a third of January 2020, and those coming by private vehicle were down by half at 836,744, according to the statistics.



Pedestrians wait on the Paso del Norte international bridge to enter the U.S. as Customs and Border Protection agents check reasons for entry. PHOTO: PAUL RATJE FOR THE WALL STREET JOURNAL

While the U.S. is dealing with a <u>surge in people arriving illegally</u>, legal crossings have been sharply restricted since the border shutdown in March 2020 to stem the spread of Covid-19. The border has since been reopened for trade and for people to attend school or receive medical treatment. Mr. Barela, the economic-development executive, said manufacturing and other industries are recovering robustly in the El Paso area.

But the closure to nonessential travel—which includes tourism, sightseeing and gambling —remains in place until Aug. 21, <u>its latest monthly extension</u> by the Department of Homeland Security, and could be extended. U.S. and Mexican officials have said a wider reopening on the Southern border hinges on higher vaccination rates.

"It's been tough," said Lilly Arias, whose La Campana Fabric Store in McAllen, Texas, sells fabric to bridal stores, designers and individual shoppers, many from the Monterrey metropolitan area, a commercial hub of about five million people.







Lilly Arias, laying out fabric at her store La Campana in McAllen, Texas, says business has been hurting since the U.S. Southern border has been closed to nonessentia CÁRDENAS FOR THE WALL STREET JOURNAL

Another problem for her business, she said, is the rising prices for textiles from her suppliers.

"We depend on shoppers who come across weekly, and Mexican nationals are not coming over," Ms. Arias said. "I am counting on clients coming back someday, but they've already restructured their way of life at this point."

An hour's drive north from El Paso in Mesilla, a New Mexican town known for its historic Southwestern plaza, the restaurant La Posta de Mesilla has been in business for more than 80 years. Tom Hutchinson, who owns the restaurant as well as boutique hotel Hacienda de Mesilla, said customers from Juárez and elsewhere in the state of Chihuahua "have been a mainstay for us every weekend since forever."

Before the pandemic, he said, La Posta employed about 120 but now is down to about 25.

Business from Mexican nationals "dropped to zero," he said.







La Posta de Mesilla has reduced its number of workers since business has slowed during the coronavirus pandemic. La Posta De Mesilla owner Tom Hutchinson, looki from Mexican nationals have plunged. PHOTOS: PAUL RATJE FOR THE WALL STREET JOURNAL

Border restrictions have also meant longer wait times for people permitted to cross at San Ysidro for work, said Kenia Zamarripa, executive director of international business affairs at the San Diego Regional Chamber of Commerce. Customs and Border Protection officers have heightened scrutiny at ports of entry to screen out nonessential travel.

Ms. Zamarripa said that about 200 businesses in the area have permanently closed due to the lack of Mexican tourists, and the border restrictions are affecting a wider group of companies.

"Brokers, warehouses, logistics and cleaning companies have employees from Mexico that can still technically cross, but they're being impacted by longer wait times," she said. "They're showing up late to work, sometimes a couple hours. Sometimes it's so long of a wait that they just turn around and just don't show up."

In Cameron County, which lies between McAllen and the Gulf of Mexico, County Judge Eddie Treviño Jr. said the fall in tourist dollars has meant lower sales-tax revenues for local governments. The solution to that, he said, is reopening the border.

"Just like the vaccine is a needed shot in the arm to protect people's lives, the lifting of the ban to nonessential travel through the border would be that shot in the arm of the economies of all of the border communities," Mr. Treviño said.



Downtown El Paso, Texas, where border restrictions are impacting a variety of businesses. PHOTO: PAUL RATJE FOR THE WALL STREET JOURNAL

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