



Border shutdown: Here's how US economy could be impacted

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The Department of Homeland Security said it is redeploying hundreds of Customs and Border Protection personnel to the U.S.-Mexico border in an emergency surge operation, as the president threatens to shut down the border entirely.

“The crisis at our border is worsening, and DHS will do everything in its power to end it,” DHS Secretary Nielsen said in a statement on Monday. “We will not stand idly by while Congress fails to act yet again, so all options are on the table.”

The Trump administration repeated threats to close the border over the weekend, after the president cut aid to three Central American countries that he accused of deliberately sending migrants to the U.S.

Trump said Friday that there was a “very good likelihood” the border could be shut down this week, which is likely to have economic consequences for both economies.

Simon Lester, associate director of the Cato Institute's Herbert A. Stiefel Center for Trade Policy Studies, told FOX Business that since many industries – particularly the auto industry – are highly integrated between both countries, the impact on companies could be substantial.

“Parts are produced in one country, and then transported to the other country for final assembly,” Lester noted. “Shutting down the border will essentially shut down the production process for these companies, making it impossible for them to produce.”

Dan Griswold of the Mercatus Center said in a statement that an average of 15,000 trucks and \$1.6 billion worth of goods cross the southern border each day, meaning U.S. producers could “suffer crippling disruptions of their supply chains,” leading to a spike in consumer prices.

In 2018, the U.S. imported \$346.5 billion worth of goods from Mexico, according to data from the U.S. Census Bureau. Exports were valued at \$265 billion during the same time period.

Council of Economic Advisers chair Kevin Hassett told reporters on Monday that a border shutdown could impact the U.S. economy, though he said he would have to get back to them with specifics and modeling projections.

The number of border apprehensions in March exceeded 100,000 in March, while more than 76,000 individuals illegally crossed the border in February. The president has been trying to obtain funding to construct a physical barrier along the border.