Regional Border Crossing Trends & Economic Impacts

Unbiased business, industry and policy market research, strategies and market-entry services for Mexico and the NAFTA/CAFTA marketplace
Crossborder Group is pleased to provide this CrossborderINFORMA briefing of key indicators and survey results - one of the many ways our firm offers data and insights about business and policy issues along the US-Mexico border region and throughout Mexico.

This CrossborderINFORMA briefing is focused on Regional Border Crossing Trends and Economic Impacts.
TREND: DECREASED LEGAL SOUTHERN BORDER CROSSINGS

• For a variety of reasons - from long border waits, to security concerns by US-based visitors, to a multi-year economic slowdown - the fact is that the number of individuals crossing legally at US-Mexico border crossings is dramatically lower: from an average of 24.2 million/mo. in 2000 to an average of only 12.9 million/mo. in Q1-2012...

• This is a -46.7% reduction in monthly US-Mexico border crossers.
CROSSINGS DOWN AT SAN DIEGO-TIJUANA BORDER TOO

• From a peak year of 2003 - in which 61.5 million individuals (car passengers, bus passengers and pedestrians) crossed from Tijuana into San Diego - the trend has also been largely down...

• While in 2003, an average of 5.1 million individuals crossed Northbound at San Ysidro and Otay Mesa POEs each month, this has dropped -33.7% to an average of only 3.4 million individuals monthly in 2012.
EXCEPTION: INCREASED CAR CROSSINGS AT OTAY MESA

• One standout from this downward trend: passenger vehicle (POV) traffic at Otay Mesa POE has increased significantly since mid-2011, likely related to construction at San Ysidro POE, as well as the expansion of Ready Lanes at Otay Mesa...

• During 1H-2012 (Jan-Jun2012), more than 2.5 million POVs crossed at Otay Mesa POE (+32.6% higher than 1H-2011)
However, border crossings are more than a transportation or security issue, as a large portion of Mexico-residing visitors spend a significant amount of money while in the United States...

Baja California-residing border crossers surveyed by Crossborder Group between 2003-2012 reported estimated daily expenditures averaging between $140-170 (in fact, over 25% stated they would spend $200+).
At-border surveys also show that Mexico-residing visitors to San Diego County are relatively frequent shoppers...

In Crossborder’s April 2012 at-border survey, 75% of Baja California respondents stated they shopped 1-4 times/month in San Diego; in addition, over 7% shopped in San Diego more than twice/week.

“In a normal month, how many times do you cross the border to San Diego to go shopping?”
(n=1,068; April 2012)
Some of the most common products purchased: food, electronics, beauty-related, clothing, electrical and autoparts...

Top stores include Walmart, Costco, Target, Ross, and Macy’s, among many...

**What’s the economic impact:** Crossborder estimates at least $10-14 million in crossborder shopping expenditures daily from Baja California into San Diego County...

...or a minimum of $3.5-5.0 billion annually.
BORDER WAITS REDUCING CROSSINGS (AND SPENDING)?

• However, regional border surveys show a key factor in the declining number of border crossers is long border waits (despite fewer actual crossers) - undermining the economic benefits of crossborder shoppers.

• Border crossers from Tijuana, San Diego, and other areas of the US consistently cite “long border waits” as a major reason for fewer crossborder trips - with SENTRI users as the only exception...
**SOME REGIONAL HOPE: SENTRI USAGE INCREASING**

- SENTRI, in fact, may be providing some of the best news for the crossborder economy, as the number of (higher-spending) SENTRI participants using San Ysidro and Otay Mesa POEs has been on the upswing over the last 2+ years...

- From an average of 350K SENTRI crossings/mo. at San Diego-Tijuana Ports of Entry in 2010, average usage increased +21.6% in 2012 to over 426K northbound crossings/mo. - now, nearly one-third of all cars.
For more insights on crossborder shoppers, border retail strategies, tourism, and economic impacts; border crossing trends; Mexico consumer markets and/or manufacturing strategies; or other issues along and across the Mexico-US border, contact the team at Crossborder Group...

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