ECONOMIC IMPORTANCE OF CROSS-BORDER TRADE IN TEXAS

The movement of goods across the Texas-Mexico border is a major contributor to both the U.S. and Mexican economies. The Texas multimodal freight transportation network is a critical component enabling the movement of raw materials, intermediate goods, and finished products between the two countries each year. Mexico is the United States’ number one trading partner with 70 percent of the trade flows utilizing the Texas-Mexico border.

Texas-Mexico Cross-Border Trade Flows

The information provided comes from the TxDOT Economic Role of Freight in Texas Study and represents year 2018.
Jobs Supporting Cross-Border Trade

Throughout Texas, there are **176,025** jobs directly supporting cross-border trade with Mexico. These annual direct jobs are distributed as follows:

- 31,437 jobs in TxDOT’s rural districts (18%)
- 33,340 jobs in TxDOT’s urban districts (19%)
- 111,248 jobs in TxDOT’s metro districts (63%)

The largest cross-border traded industry subsectors include:

- Oil & Gas Extraction—30,936 jobs (18%)
- Machinery Manufacturing—21,652 jobs (12%)
- Computer & Electronic Products—18,549 jobs (11%)

The information provided comes from the TxDOT Economic Role of Freight in Texas Study and represents year 2018.

Texas-Mexico Cross-Border Trade Flows by Mode

<table>
<thead>
<tr>
<th>Mode</th>
<th>Million Tons</th>
<th>Billions of $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water</td>
<td>268</td>
<td>$183</td>
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<tr>
<td>Truck</td>
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<td>$15</td>
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<tr>
<td>Pipeline</td>
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<td>$3</td>
</tr>
<tr>
<td>Rail</td>
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<td>$1</td>
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<tr>
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<td>$0.2</td>
</tr>
<tr>
<td>Other</td>
<td>0.1</td>
<td>$0.03</td>
</tr>
</tbody>
</table>

Economic Contribution of Cross-Border Trade on TxDOT Districts

Cross-border trade activity between Texas and Mexico supports...

- **54,520** jobs annually in TxDOT’s Rural Districts, adding nearly $3.6 billion in labor income, generating $6.2 billion in GSP, and leading to $1.0 billion in tax revenue.
- **78,690** jobs annually in TxDOT’s Urban Districts, adding nearly $4.5 billion in labor income, generating $9.7 billion in GSP, and leading to $1.5 billion in tax revenue.
- **389,550** jobs annually in TxDOT’s Metro Districts, adding nearly $34.2 billion in labor income, generating $68.9 billion in GSP, and leading to $9.5 billion in tax revenue.
- **522,760** jobs overall, adding nearly $42.3 billion in labor income, generating $84.8 billion in GSP, and leading to $12.0 billion in tax revenue.

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