

February 3, 2025

## Statement from the El Paso Chamber on Proposed 25% Tariffs on Imports from Mexico and Canada

The El Paso Chamber acknowledges the recent agreement between the United States and Mexico to pause the implementation of the proposed 25% tariffs for one month. This pause follows a commitment from Mexico to deploy 10,000 National Guard troops to the U.S. border to curb the flow of drugs, particularly fentanyl, into the United States. In return, the U.S. has pledged to address the trafficking of high-powered weapons into Mexico.

While we recognize the value of these diplomatic efforts, the Chamber remains deeply concerned about the potential economic repercussions if these tariffs on imports from both Mexico and Canada are enacted after the pause. These proposed tariffs threaten the deeply interconnected economies of the United States, Mexico, and Canada and would have severe consequences for businesses, consumers, and workers across the region.

Mexico is Texas' largest trading partner, with bilateral trade totaling \$272.3 billion in 2023, and Canada ranks second, with trade amounting to \$71 billion (1). Together, these trade relationships support more than 1 million jobs in Texas and drive economic activity that sustains families and businesses alike. The Paso Del Norte region, as a critical gateway for U.S.-Mexico trade, contributes \$127 billion in annual cross-border commerce, according to UTEP's Hunt Institute for Global Competitiveness, while Texas ports of entry handle 68% of all U.S.-Mexico trade, amounting to \$24 million in commerce every hour (2).

Tariffs of this magnitude act as taxes on consumers and businesses, jeopardizing key industries—including agriculture, manufacturing, and retail—that are the backbone of the Texas economy (3). They would increase prices for families, disrupt integrated supply chains, and create inefficiencies in vital trade networks. For El Paso, a thriving border economy, these impacts would be particularly devastating.

The Chamber urges policymakers to pursue solutions that strengthen our trading relationships, rather than policies that create barriers to economic growth. The United States-Mexico-Canada Agreement (USMCA) has fostered innovation, job creation, and regional competitiveness for decades. Policies that threaten this progress undermine not just economic prosperity but also the trust and cooperation that have made North America a global trade leader.

### El Paso Chamber Leadership Perspectives:

"El Paso is at the forefront of North American trade, and tariffs of this scale would severely impact our local businesses, disrupt supply chains, and hurt families across our community. We urge the administration to reconsider these proposed measures," said Ricardo Mora, President and CEO of the El Paso Chamber.

"Now more than ever, it is essential to champion policies that enhance our region's global competitiveness. El Paso's partnership with Mexico and Canada is vital to the strength of our community and our economy," said Elizabeth O'Hara, Board Chair of the El Paso Chamber.

### About the El Paso Chamber:

Since 1899, the El Paso Chamber has driven connection and innovation in El Paso. Guided by our core pillars for Economic Prosperity: Economic Development & Innovation, Workforce Development & Education, Public Policy and Government Relations, and Cross-border transportation and Infrastructure.

El Paso Chamber is the unifying voice of the Borderplex business. Member-driven, the El Paso Chamber has been a part of every major business and social development in our region's history. Our brand is a catalyst for business success. As it did more than a century ago, the El Paso Chamber is dedicated to fostering job growth, economic expansion, and elevating quality of life.

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1. *Texas Leads Trade Coalition, Texas Association of Business. Texas-Mexico Trade Overview.*

2. *Hunt Institute for Global Competitiveness, The University of Texas at El Paso. Border Crossings and Trade Fact Sheet*

3. *Texas Comptroller of Public Accounts. (2018). Texas Ports and Economic Impact Report*