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Crackdown on Contraband Along Guatemala's Northern Border

by Louisa Reynolds
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The Talismán-El Carmen border crossing between Mexico and Guatemala is a hub of activity. It’s 8 a.m. and a long line of Guatemalans on bicycles and cycle rickshaws are waiting to cross the border. Many are farm laborers who commute to Mexico on a daily basis to work on agricultural plantations; others go to Mexico to purchase groceries and other goods. Although these goods might be legally purchased in Mexican territory they are then sold in Guatemala’s local markets, which is a criminal offense as it creates a price distortion that affects local producers who are driven out of business.

From the bridge that crosses the Río Suchiate, five makeshift rafts made from large tires and planks of wood can be spotted in the distance. Those on board—some rafts carry a single individual while others are used by entire families—use a wooden pole as an oar and many are piled high with gasoline containers, eggs, and various foodstuffs. This constant trickle of goods from one side of the border to the other is known as contrabando hormiga (ant contraband) as these small-time smugglers are like busy ants scurrying across the border, heavily laden with goods that are sold in street stalls, local markets, or along the roads of Guatemala’s northern department of San Marcos.

What is surprising is that this illegal transportation of goods should occur so openly and in broad daylight with the authorities from either side of the border seemingly unable or unwilling to tackle such activities.

The Comisión Nacional Contra el Contrabando (CONACON), a multisector coordinating body that includes business representatives and various government security bureaus, estimates that some 30,000 Guatemalan families are involved in piecemeal contraband. This includes the smugglers who bring the goods to Guatemala on makeshift rafts, the owners of cycle rickshaws who take smugglers across the border, the intermediaries, and those who sell the goods in local markets or along the roads.

What this figure doesn’t include is those involved in the last part of the chain: the consumers who are all too willing to purchase cheap Mexican gasoline or foodstuffs. Many Guatemalans regard the purchase of such goods as acceptable, and an increasing number of families in San Marcos actively protect smugglers and have been involved in violent clashes with the police when contraband goods have been seized.

In January 2012, 71 police agents were forced to pull out of San Marcos, fearing for their safety, after officers who confiscated two trucks containing contraband gasoline were attacked by armed residents who demanded that the gasoline be returned.

A few kilometers away, in the Tecún Umán II customs office, a long line of trucks is already waiting to enter Mexican territory. Many are empty and will return to Guatemala with foodstuffs, electronic goods, and medicines, among other products. Others belong to big multinational banana companies.

Crossing the border can be slow. Unlike their Mexican counterparts, the Guatemalan customs offices do not have x-ray or gamma-ray equipment to detect suspicious cargo, which means that
trucks are selected at random and inspected manually, while a long line waits impatiently in the sweltering heat.

The Mexican customs officers recently found 10 kg of cocaine hidden in a banana cargo and bound for the US. On the Guatemalan side, when the trucks coming from Mexico are inspected, contraband goods are often found. Some cargos are burnt and buried on site and other nonperishable goods are donated to orphanages. This is large-scale contraband that involves complex criminal organizations that often engage in other activities such as smuggling illegal immigrants, drug trafficking, and prostitution.

**Border development, an urgent task**

Contraband results in Q2 billion (US$252 million) annual losses for Guatemala’s tax authorities, the Superintendencia de Administración Tributaria (SAT) says. Guatemalan egg producers alone estimated that 20% of local consumers purchase contraband eggs, with daily losses totaling Q4 million (US$504,000). Guatemalan eggs are more expensive not because local producers are inefficient but because, in Mexico, basic foodstuffs are exempt from paying the value-added tax (Impuesto Sobre el Valor Agregado, IVA). Contraband goods are also cheaper because they have not been subjected to import duties. The Asociación de Productores de Huevos de Guatemala (APHG) says that contraband has driven many small producers out of business.

Guatemala’s Ministerio de Relaciones Exteriores says there are eight legal crossing points along the border and 56 points where vehicles cross the border illegally. The authorities on both sides are striving to enforce tighter surveillance in these areas. However, Vice Minister of Foreign Relations Carlos Raúl Morales points out that, as long as the authorities fail to invest in development projects that give locals a source of income, impoverished families will continue to earn a living through contraband, protect smugglers, and continue to purchase contraband goods in the local market. Official figures indicate that 66% of the population of San Marcos lives below the poverty line.

"On one occasion, I was travelling across the border with a Mexican government official when we spotted a man entering Mexico illegally. ‘What do you think you’re doing? What you’re doing is illegal,’ she told him. The man replied, ‘Look ma’am. I come here to buy gasoline because the nearest gas station in Guatemala is 100 km away from here. This is my job.’ And that is reality, whether we like it or not," says Morales.

"What we need is a border-development plan that allows people on our side of the border to improve their living standards. People in southern Mexico have electricity, decent roads that allow them to take their produce to the local markets, public health care, and schools. As long as people here don’t have those things and continue to see a huge difference between the way they live and the way the Mexicans live, people will continue to get involved in organized crime," he added.