



COVID-19 BULLETIN

April 21, 2020

As Charlie Munger, vice chairman of Berkshire Hathaway Inc. and Warren Buffett's longtime business partner, put it last week in a Wall Street Journal interview: "Nobody in America's ever seen anything else like this. This thing is different. Everybody talks as if they know what's going to happen, and nobody knows what's going to happen."

However, as Albert Einstein stated, "Creativity comes out of anxiety, like daybreak comes out of the dark night. It is in the crisis that inventiveness, discoveries, and grand strategies are born. Who overcomes the crisis overcomes himself without being overcome."

In this edition of the bulletin, I describe the tense government and industrial plant relationship in Baja California and the creativity and energy displayed by the non-profit and private business sectors in helping our communities overcome this crisis. With the COVID-19 crisis hitting Tijuana very hard, this last week saw a surge in cooperation to fill gaps.

The Baja California state government extended the public health emergency until May 31. It bravely decided to close down many industrial plants, placing the onus on them to provide proof of essential activity status. Companies like Toyota, Foxconn and Samsung had already suspended activity, but most had not.

The coalition was glad to see that private enterprise opened a much-needed dialogue with State of Baja California authorities. One of our coalition members is part of this group. Private sector representatives include Index Tijuana and Mexicali (indextijuana.org.mx/), the Tijuana EDC (tijuanaedc.org/), the IT chamber (canieti.org/sedes/noroeste.aspx), and the industrial chamber (canacitra.net/).

Key Tijuana business organizations have established a single channel for all suspended companies to submit sensitive information to the state government for two purposes. One is to make sure suspended companies can perform basic administrative, payroll, maintenance, and warehousing activities. The other is for companies performing essential activities to formally confirm this status and their compliance with federal COVID-19 guidelines for social distancing and employee security.

We are looking at two different stages of a reaction to the COVID-19 crisis. Baja California will be in the worst phase over the next 3-4 weeks, with closed industrial plants, spiraling infections, overwhelmed hospitals and first responders, lack of personal protective equipment, and the need to enforce rules in a community where 57% of all employment is in the informal sector. California has passed the most critical stage of the crisis and has had a much lower level of infections, hospitalization, and deaths than many models predicted 4 weeks ago.

There is a growing cross-border industrial supply chain issue. Through the Pentagon, the U.S. is urging Mexico to open factories closed due to the March emergency declaration. The situation is affecting prime defense contractors. Mexico must weigh several factors, not least of which is keeping people at home or letting them work in secure workplaces and using private, sanitized transportation to get there. What is more, with California and the U.S. looking at how to recover from the health and business aspects, ramping up cross-border supply chains will be critical. **How do we keep supply chains going recognizing that Mexico is at a different stage in the pandemic?** This requires real dialogue without the politics and some very tough decisions. The pressure is on.

It was good to see that San Diego County and city leaders announced a new bipartisan and binational **advisory group** to help get economy up and running and that Tijuana business leaders will also participate.

As a board member of the International Community Foundation (ICF, icfdn.org), I have been inspired by their incredible work. They are at the apex of the non-profit effort in most

of the Baja California peninsula, facilitating over \$1 million to non-profits in Baja Sur and the Tijuana border area.

ICF is a founding member of the Baja Sur Community Alliance which coordinates the local response from five municipalities (facebook.com/ACBajaSur/ and monitorbcs.com/inicia-alianza-comunitaria-de-baja-california-sur-con-la-primera-entrega-de-despensas-a-familias).

ICF is trying to replicate this in Baja California. The Smart Border Coalition participated at a convening last week. The business community must set the tone, commit substantial money. Tijuana non-profits and local and state government must strongly support. The priorities are to secure food reserves, facilitate safe healthcare for hospitals and first responders, and protect non-profits working through the crisis.

Mario Garcia, Deloitte head for Northwest Mexico in Tijuana, has rallied behind this effort. Three out of Tijuana's nine hospitals are fully dedicated to COVID-19 efforts: IMSS clinics #1, #20, and the *Hospital General*. He highlighted *Apoyemos a Tijuana* (apoyemosatijuana.com) as an important donation platform. If you have questions, please call (619) 941-3198 in San Diego and (664) 423-2299 in Tijuana, or send questions to info@apoyemosatijuana.com or info@letshelptijuana.com.

Any well-coordinated binational community alliance must include emblematic organizations: **Tijuana Food Bank** (Banco de Alimentos, banati.org/), which normally handles 350 food baskets per day but are now in the 500 range and cannot sustain this effort for much longer; **Acción Social en Red** (ASER, A.C.), which works with 26 non-profits and has a wide network to channel basic needs; and Mexicali's **Cadenas de Ayuda** (cadenasdeayuda.org/) has been an important player in the food space for the poor, migrants and seniors.

The Tijuana Local Development Council (cdt.org.mx/) launched "Tijuana Contigo," an alliance of major regional networks including elimparcial.com, "Yo Amo Tijuana," Coparmex (coparmextijuana.org/), and the Local Business Development Council (cctijuana.org/) to feature a directory of organizations needing assistance and those willing to donate.

Frank Carrillo and the SIMNSA team let me know there is an ENORMOUS need for food in Tijuana. They launched a GoFundMe campaign and their goal is 20,000 family food baskets. Carolina Chavez says that because so many in Tijuana are losing their jobs, some are resorting to stealing or are looking for food, increasing the risk of infection. Please donate by clicking on the link: <https://www.gofundme.com/f/simnsa-fundacion>.

lenova's Ensenada Fund will donate \$680,000 pesos (close to \$30,000 USD) to the City of Ensenada for its efforts against COVID-19. The fund also donated 10 public washing stations to promote hygiene among workers. In the coming weeks lenova Foundation will donate food baskets in Tecate and Mexicali in collaboration with Save the Children.

I spoke with SAT Tijuana about facilitating U.S. donations to Tijuana. SAT has created a new rule to facilitate this through the Ministry of Health (*Secretaría de Salud*) and decentralized entities such as public clinics. Applications should be sent to donacionesxdesastre@sat.gob.mx. Our coalition can send instructions to anyone who is interested. There is a second way to donate directly to non-governmental entities such as *Hospital General*, Cruz Roja, or the Rotary Club, among others.

If you have information to share about crisis response, please do not hesitate to let me know.

Gustavo De La Fuente
Executive Director
gdelafuente@smartbordercoalition.com