

7-2021

## **Paso del Norte Economic Indicator Review, July**

Hunt Institute for Global Competitiveness

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## Key Takeaways

### Employment

- Continuing the streak that began in February, in May non-farm employment in El Paso and Las Cruces increased on a monthly basis with gains of 1,100 jobs and 800 jobs, respectively. Ciudad Juárez decreased in non-farm employment by 600 jobs in May compared to April, ending its four-month streak of gains.
- Non-farm employment increased again across the Paso del Norte region on a year-over-year basis in May with gains of 19,400 jobs in El Paso, 3,600 jobs in Las Cruces, and 33,700 jobs in Ciudad Juárez.

### Maquiladora Employment

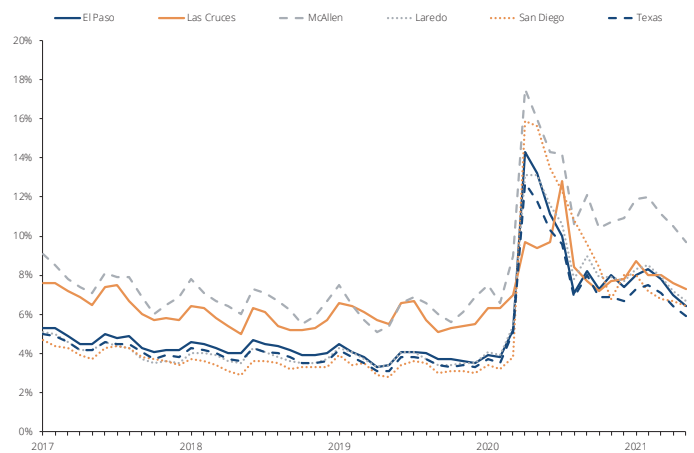
- Of Mexico's northern border cities, Ciudad Juárez comprised the largest share of border maquiladora employment with 31% (263,084 jobs).
- Ciudad Juárez ranked last among northern border cities in terms of average monthly wages for maquiladora production workers at \$466 in 2020, while ranking 4<sup>th</sup> among northern border cities in terms of average monthly wages for maquiladora administrative workers at \$1,985 in the same year.
- Average wages in maquiladoras for both production and administrative workers increased in Ciudad Juárez during the first four months of the year compared to the same period in 2020.

### Air Passengers

- Across selected international airports, the number of air passengers decreased sharply following the travel restrictions due to COVID-19, but have begun to rebound in recent months. While generally trending upwards after the sharp fall in April 2020, the number of air passengers struggled to see significant recovery until March of this year.

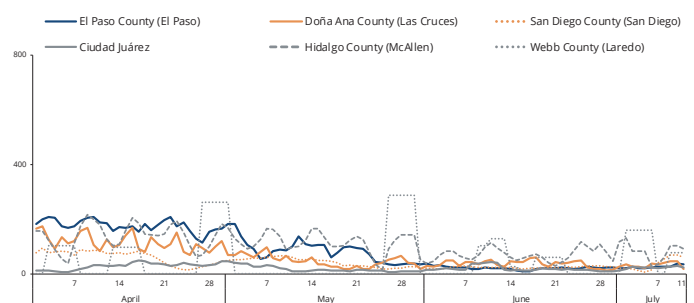
## Quick-Glance Indicators

### Unemployment Rate



**Note:** Data as of May 2021. Preliminary data for May 2021. Not seasonally adjusted.  
**Source:** Hunt Institute using U.S. Bureau of Labor Statistics.

### New Coronavirus Cases per 1 Million Inhabitants, 5-Day Moving Average



**Note:** Data as of July 11, 2021.  
**Source:** Hunt Institute calculations using Texas Health and Human Services, New Mexico Department of Health, Secretaría de Salud de Chihuahua, Center for Systems Science and Engineering at Johns Hopkins University, U.S. Census Bureau, and Consejo Nacional de Población data.

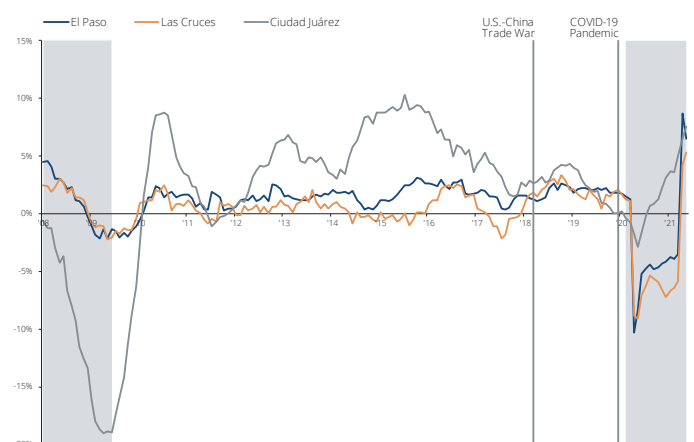
### Employment

## Streak of Job Gains Continues

El Paso and Las Cruces exhibited monthly gains in non-farm employment for the fourth consecutive month, continuing the streak that began in February.

For the fourth month in a row, non-farm employment increased in May on a monthly basis in El Paso and Las Cruces with gains of 1,100 jobs (0.3%) and 800 jobs (1.1%), respectively. On the other hand, Ciudad Juárez decreased in total non-farm employment by 600 jobs (-0.1%) in May compared to April, ending its four-month streak of monthly gains. Again, following the increases in April, on a year-over-year basis, non-farm employment increased across the Paso del Norte region in May with gains of 19,400 jobs (6.5%) in El Paso, 3,600 jobs (5.3%) in Las Cruces, and 33,700 jobs (7.6%) in Ciudad Juárez. However, both El Paso and Las Cruces remained down in May compared to employment numbers from May 2019 with El Paso at -2.4% (-7,700 jobs) and Las Cruces at -4.3% (-3,200 jobs).

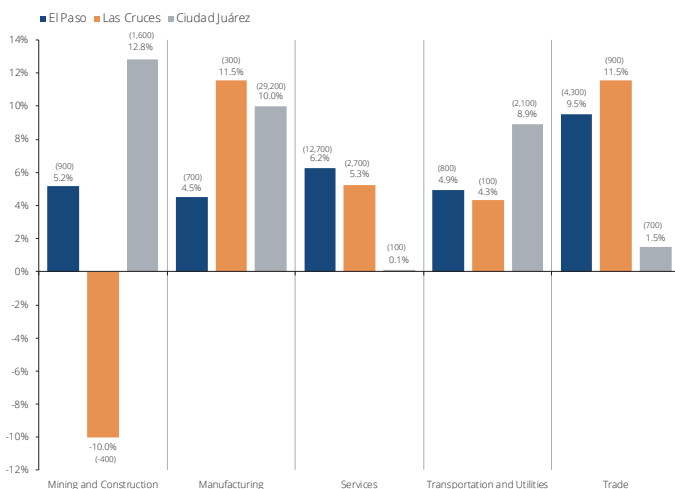
### Paso del Norte Total Non-Farm Employment (Year-over-Year, %)



**Note:** Preliminary data for May 2021. Shaded area indicates NBER defined recession (2020 recession began in February with no end date at time of publication).  
**Source:** Hunt Institute calculations using U.S. Bureau of Labor Statistics and Instituto Mexicano del Seguro Social data.

Analyzing five sectors of employment across the Paso del Norte region from April to May, El Paso increased in the Services sector (1,000 jobs) and Transportation and Utilities sector (200 jobs), remained stagnant in the Manufacturing and Trade sectors, and decreased in the Mining and Construction sector (-100 jobs). In Las Cruces, the Services (700 jobs), Transportation and Utilities (100 jobs), and Trade (100 jobs) sectors increased, the Manufacturing sector did not change, and the Mining and Construction sector decreased (-100 jobs). Ciudad Juárez increased on a monthly basis in the Trade (300 jobs) and Transportation and Utilities (100 jobs) sectors and decreased in the Manufacturing (-800 jobs), Mining and Construction (-100 jobs), and Services (-100 jobs) sectors. On a year-over-year basis, El Paso increased across all sectors with the Services sector (12,700 jobs) leading the way, followed by the Trade sector (4,300 jobs), Mining and Construction sector (900 jobs), Transportation and Utilities sector (800 jobs), and Manufacturing sector (700 jobs). As in April, aside from the Mining and Construction sector (-400 jobs), all sectors in Las Cruces increased in May with the Services sector gaining 2,700 jobs, the Trade sector gaining 900 jobs, the Manufacturing sector gaining 300 jobs, and the Transportation and Utilities sector gaining 100 jobs. Ciudad Juárez increased across all sectors with the Manufacturing sector (29,200 jobs) exhibiting the largest gain, followed by the Transportation and Utilities sector (2,100 jobs), Mining and Construction sector (1,600 jobs), Trade sector (700 jobs), and Services sector (100 jobs).

**Paso del Norte Total Non-Farm Employment by Sector, May 2021 (Year-over-Year)**



**Note:** Preliminary data for May 2021. Services exclude Transportation and Utilities and Trade. Numbers are rounded to the nearest hundred.

**Source:** Hunt Institute calculations using U.S. Bureau of Labor Statistics and Instituto Mexicano del Seguro Social data.

## Maquiladora Employment

### Maquiladoras Show Higher Employment and Wages in 2021

At both the national level and along the northern border, Mexico exhibited higher employment and wages for both production and administrative workers in the first four months of the year.

Mexico's northern border cities accounted in 2020 for about 40% (840,992 jobs) of average maquiladora employment in Mexico. Of these cities, Ciudad Juárez comprised the largest share with almost a third of all border maquiladora employment at 31% (263,084 jobs). As a whole, Mexican maquiladora employment increased in the January to April 2021 period on a year-over-year basis by 3.5% (75,342 jobs gained). The northern border cities as a whole exhibited an even stronger relative gain, increasing by 7.2% (59,702 jobs gained) in the same period. Of the border cities, the largest absolute increases were Ciudad Juárez with an uptick of 24,935 jobs (9.8%), Tijuana with an uptick of 20,841 jobs (9.6%), and Reynosa with an uptick of 8,292 jobs (6.9%).

#### Maquiladora Employment in Mexican Northern Border Cities

City/Region	2020	Share (%)	A	B	B-A
			Jan-April 2020	Jan-April 2021	(Δ%)
<b>Ciudad Juárez</b>	<b>263,084</b>	<b>31.3%</b>	<b>255,673</b>	<b>280,607</b>	<b>9.8%</b>
Tijuana	224,432	26.7%	217,331	238,172	9.6%
Reynosa	118,852	14.1%	120,114	128,405	6.9%
Mexicali	63,003	7.5%	62,236	67,002	7.7%
Matamoros	58,488	7.0%	59,160	56,152	-5.1%
Acuña	35,476	4.2%	36,809	32,580	-11.5%
Nogales	37,644	4.5%	35,304	41,015	16.2%
Nuevo Laredo	28,729	3.4%	28,522	29,890	4.8%
Tecate	11,284	1.3%	11,211	12,239	9.2%
<b>Border</b>	<b>840,992</b>	<b>100.0%</b>	<b>826,360</b>	<b>886,062</b>	<b>7.2%</b>
Chihuahua City	58,924		60,864	60,209	-1.1%
Rest of Mexico	1,287,797		1,311,003	1,326,642	1.2%
Nationwide	2,128,789		2,137,363	2,212,704	3.5%

**Note:** Average of maquiladora hired workers (not subcontracted).

**Source:** Hunt Institute calculations using INEGI data.

In 2020, the average monthly wage for maquiladora production workers in Mexico was \$543, while the northern border cities as a whole averaged slightly lower at \$532. Ciudad Juárez ranked last among northern border cities with an average monthly wage of \$466. In the first four months of the year, the average monthly wage for maquiladora production workers increased by 5.8% (\$30) on a year-over-year basis for Mexico as a whole and 7.7% (\$39) for the border cities as a whole. The largest absolute increases of the border cities were exhibited at Tecate (\$73 per month or 12.5%), Acuña (\$62 per month or 12.7%), and Ciudad Juárez (\$47 per month or 10.4%); none of the border cities exhibited decreases during this period.

## Wages per Production Worker in Maquiladoras, USD

City/Region	2020	A	B	B-A
		Jan-April 2020	Jan-April 2021	(Δ%)
Mexicali	\$616	\$598	\$605	1.2%
Tecate	\$612	\$583	\$656	12.5%
Tijuana	\$612	\$583	\$616	5.6%
Nogales	\$609	\$588	\$621	5.6%
Matamoros	\$530	\$523	\$574	9.8%
Acuña	\$512	\$485	\$546	12.7%
Nuevo Laredo	\$510	\$466	\$495	6.2%
Reynosa	\$470	\$433	\$472	8.9%
<b>Ciudad Juárez</b>	<b>\$466</b>	<b>\$453</b>	<b>\$500</b>	<b>10.4%</b>
Border	\$532	\$509	\$549	7.7%
Chihuahua City	\$513	\$489	\$523	7.0%
Rest of Mexico	\$550	\$530	\$555	4.6%
Nationwide	\$543	\$522	\$552	5.8%

**Note:** Average monthly real wages (April 2021=100). Exchange rate for April 2021.  
**Source:** Hunt Institute calculations using INEGI data.

In 2020, the average monthly wage for maquiladora administrative workers in Mexico was \$1,691, while the northern border cities as a whole averaged higher at \$1,911. Ciudad Juárez ranked 4<sup>th</sup> among northern border cities with an average monthly wage of \$1,985. In the January to April 2021 period, the average monthly wage for maquiladora administrative workers increased by 3.9% (\$63) for Mexico as a whole compared to the same period last year, while the border cities as a whole increased by 2.0% (\$37). The northern border cities with the largest absolute increases were Reynosa with a gain of \$138 per month (8.3%), Nuevo Laredo with a gain of \$110 per month (8.7%), and Ciudad Juárez with a gain of \$83 per month (4.4%). Matamoros (-5.2%), Mexicali (-1.4%), and Tijuana (-0.8%) exhibited decreases in average monthly wages for administrative workers during the first four months of the year.

## Wages per Administrative Worker in Maquiladoras, USD

City/Region	2020	A	B	B-A
		Jan-April 2020	Jan-April 2021	(Δ%)
Tijuana	\$2,253	\$2,156	\$2,139	-0.8%
Tecate	\$2,105	\$1,985	\$1,997	0.6%
Mexicali	\$1,995	\$1,914	\$1,888	-1.4%
<b>Ciudad Juárez</b>	<b>\$1,985</b>	<b>\$1,895</b>	<b>\$1,979</b>	<b>4.4%</b>
Reynosa	\$1,764	\$1,658	\$1,796	8.3%
Acuña	\$1,751	\$1,679	\$1,680	0.0%
Matamoros	\$1,618	\$1,635	\$1,550	-5.2%
Nogales	\$1,450	\$1,418	\$1,424	0.5%
Nuevo Laredo	\$1,304	\$1,254	\$1,364	8.7%
Border	\$1,911	\$1,834	\$1,870	2.0%
Chihuahua City	\$1,962	\$1,903	\$1,836	-3.5%
Rest of Mexico	\$1,608	\$1,550	\$1,620	4.5%
Nationwide	\$1,691	\$1,627	\$1,689	3.9%

**Note:** Average monthly real wages (April 2021=100). Exchange rate for April 2021.  
**Source:** Hunt Institute calculations using INEGI data.

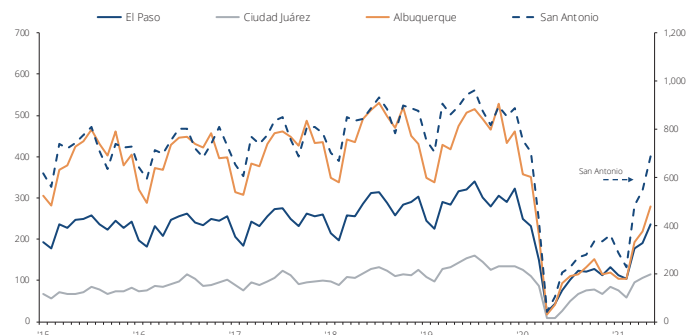
## Air Passengers

### Airports See Uptick in Ridership

From March to May of this year, El Paso, Ciudad Juárez, Albuquerque, and San Antonio airports reached their highest numbers in terms of air passengers since February 2020.

Across selected international airports, the number of air passengers decreased sharply following the travel restrictions due to COVID-19. However, recent data suggest that these downward trends are beginning to reverse. In April of last year, passengers through El Paso, Ciudad Juárez, Albuquerque, and San Antonio airports fell to 24,375; 9,029; 17,701; and 42,118 passengers, respectively. While generally trending upwards after that, the number of air passengers struggled to see significant recovery until March. Since then, the largest increases from month to month have taken place, with El Paso going from about 103,000 in February to 178,000 in March and from 191,000 in April to 237,000 in May. Ciudad Juárez went from 59,000 in February to 96,000 in March and from 160,000 in April to 115,000 in May. Albuquerque went from 105,000 in February to 192,000 in March and from 220,000 in April to 279,000 in May. San Antonio went from 227,000 in February to 482,000 in March and from 547,000 in April to 685,000 in May. These numbers from March onwards were the highest for each of the airports since the onset of travel restrictions last year. While numbers are still below pre-lockdown levels from both 2019 and the beginning of 2020, the surge in air passengers over the past few months indicates the reopening of travel for many people and a continued reactivation in the sectors of the economy that were forced to go dormant for roughly a year and a half.

### Air Passengers through Selected Airports, Thousands



**Note:** Data as of May 2021.  
**Source:** Hunt Institute using El Paso International Airport, Grupo OMA, Albuquerque International Sunport, and San Antonio International Airport data.

## About Hunt Institute for Global Competitiveness

Since 2014, the Hunt Institute for Global Competitiveness at The University of Texas at El Paso has provided economic analysis of the Paso del Norte Region that includes the binational communities of El Paso, Texas; Las Cruces, N.M.; and Ciudad Juárez, Mexico. The mission of the Hunt Institute is to produce high-quality market analysis tools that can strengthen regional and binational cross-border economic and social development.

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