

9-2021

Paso del Norte Economic Indicator Review, September

Hunt Institute for Global Competitiveness

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Key Takeaways

Employment

- In July, non-farm employment decreased on a monthly basis in El Paso (-1,400 jobs or -0.4%) and Las Cruces (-1,100 jobs or -1.6%), while increasing in Ciudad Juárez (1,000 jobs or 0.2%).
- On a year-over-year basis, non-farm employment increased across the Paso del Norte Region in July, with El Paso adding 8,900 jobs (2.9%), Las Cruces adding 2,800 jobs (4.2%), and Ciudad Juárez adding 21,900 jobs (4.8%).
- However, non-farm employment remained down in El Paso and Las Cruces compared to 2019 numbers by 6,300 jobs (-2.0%) and 1,600 jobs (-2.3%), respectively.

Unemployment Claimants

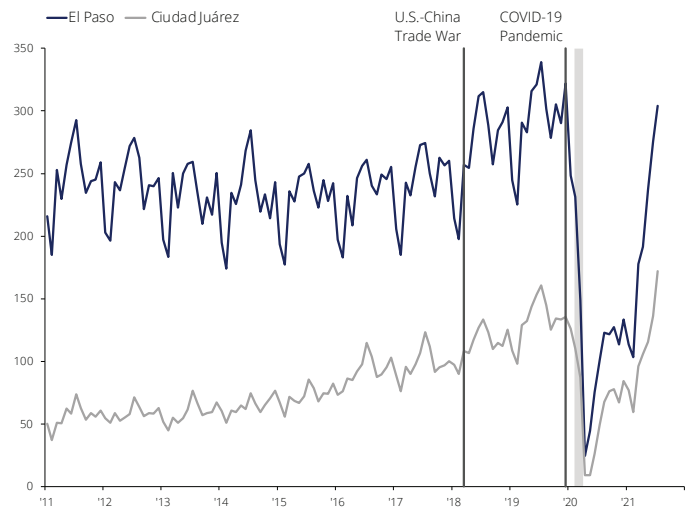
- Measuring from the beginning of May to the end of August, weekly new jobless claims peaked in El Paso County during the week ending on July 17, 2021 with 898 claimants.
- In general, El Paso County hovered around 500 unemployment insurance claimants per week since May, with 437 in the week ending on August 28, 2021.

Trade

- Total merchandise trade remained steady in its rebound and recovery across the top 10 U.S.-Mexico border ports of entry (PoE), with each exhibiting increases in the January to July 2021 period compared to the same period in 2020. In total, the top ten ports increased by roughly \$69.2 billion.
- Seven of the top ten ports of entry also increased during the January to July 2021 period when compared to the January to July 2019 period. In total, the top ten ports increased by about \$15.0 billion compared to 2019.

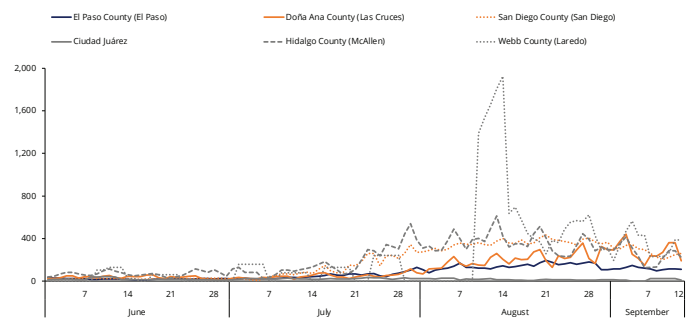
Quick-Glance Indicators

El Paso and Ciudad Juárez Air Passengers, Thousands



Note: Data as of July 2021. Shaded area indicates recession as defined by the National Bureau of Economic Research (2020 recession began in February and ended in April).
Source: Hunt Institute using El Paso International Airport and Grupo OMA data.

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



Note: Data as of September 12, 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.

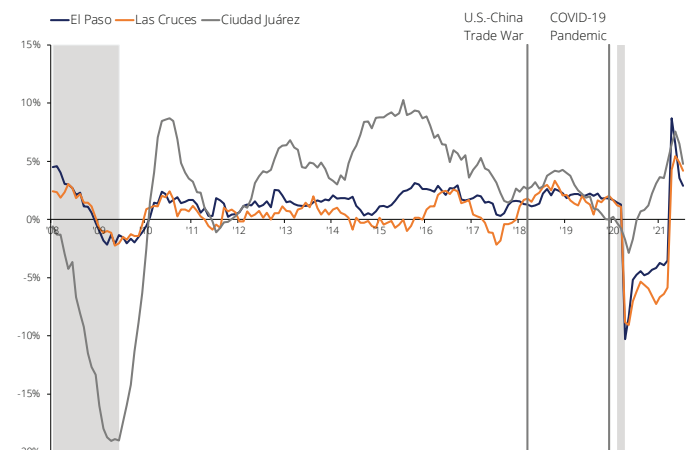
Employment

Jobs Continue to Exceed 2020 Levels

Employment numbers increased in July 2021 on a year-over-year basis for the fourth consecutive month in El Paso and Las Cruces, and the twelfth consecutive month in Ciudad Juárez.

Non-farm employment decreased in El Paso and Las Cruces on a monthly basis for the second month in a row in July by 1,400 jobs (-0.4%) and 1,100 jobs (-1.6%), respectively. Following losses in May and June, non-farm employment in Ciudad Juárez gained 1,000 jobs (0.2%) in July. Compared to 2020 levels, non-farm employment increased again across the region in July. For the fourth month in a row, El Paso and Las Cruces exhibited year-over-year employment gains with 8,900 jobs (2.9%) and 2,800 jobs (4.2%) added, respectively. Ciudad Juárez added 21,900 jobs (4.8%) compared to July 2020. El Paso and Las Cruces continued to lag behind employment levels from 2019. Relative to July 2019, El Paso remained down 6,300 jobs (-2.0%) and Las Cruces was down 1,600 jobs (-2.3%).

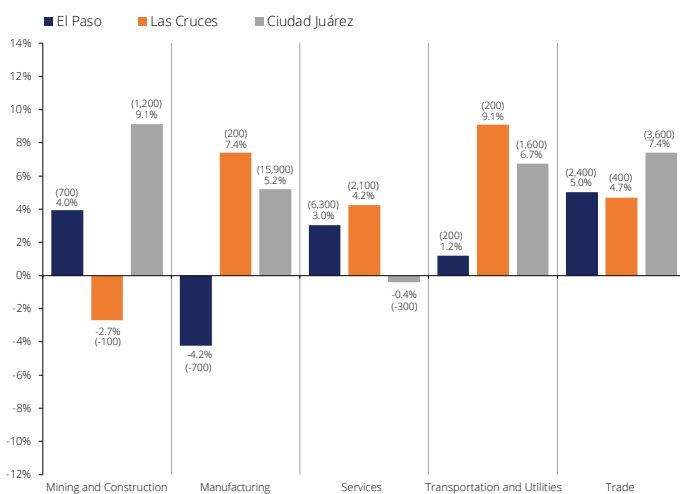
Paso del Norte Total Non-Farm Employment (Year-over-Year, %)



Note: Preliminary data for July 2021. Shaded area indicates recession as defined by the National Bureau of Economic Research (2020 recession began in February and ended in April).
Source: Hunt Institute calculations using U.S. Bureau of Labor Statistics and Instituto Mexicano del Seguro Social data.

Across the five sectors used to compare non-farm employment across the Paso del Norte region, El Paso decreased on a monthly basis in four of the five sectors in July. The Services sector led the decline with a loss of 800 jobs (-0.4%), followed by the Manufacturing (-500 jobs or -3.0%), Mining and Construction (-200 jobs or -1.1%), and Transportation and Utilities (-100 jobs or -0.6%) sectors. The Trade sector increased by 200 jobs (0.4%). In Las Cruces, the Services sector lost 900 jobs (-1.7%), the Mining and Construction sector lost 100 jobs (-2.7%), and the Trade sector lost 100 jobs (-1.1%). The Manufacturing and Transportation and Utilities sectors exhibited no change. Ciudad Juárez decreased on a monthly basis in the Services (-1,000 jobs or -1.4%) and Transportation and Utilities (-500 jobs or -2.1%) sectors and increased in the Trade (1,700 jobs or 3.4%), Manufacturing (500 jobs or 0.1%), and Mining and Construction (300 jobs or 2.3%) sectors. On a year-over-year basis in July, El Paso lost 700 jobs (-4.2%) in the Manufacturing sector and added 6,300 jobs (3.0%) in the Services sector, 2,400 jobs (5.0%) in the Trade sector, 700 jobs (4.0%) in the Mining and Construction sector, and 200 jobs (1.2%) in the Transportation and Utilities sector. In Las Cruces, the Mining and Construction sector (-100 jobs or -2.7%) was the only sector to decrease in July compared to last year, as it has been every month since April. Employment gains were led by the Services sector with 2,100 jobs added (4.2%), while the Trade sector added 400 jobs (4.7%), the Manufacturing sector added 200 jobs (7.4%), and the Transportation and Utilities sector added 200 jobs (9.1%). Ciudad Juárez increased across all sectors except the Services sector, which lost 300 jobs (-0.4%) in July. The Manufacturing, Trade, Transportation and Utilities, and Mining and Construction sectors added 15,900 jobs (5.2%), 3,600 jobs (7.4%), 1,600 jobs (6.7%), and 1,200 jobs (9.1%), respectively.

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



Note: Preliminary data for July 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.

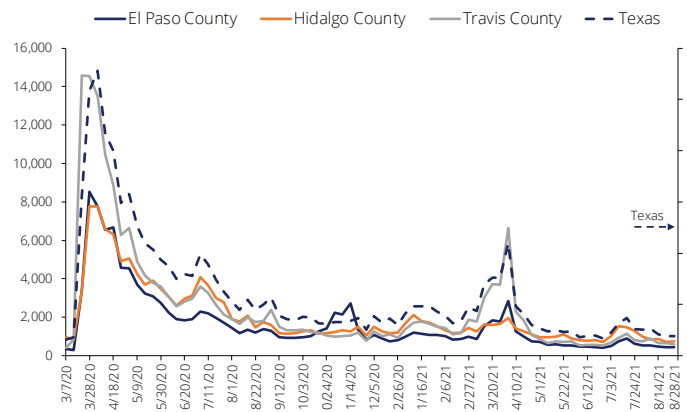
Unemployment Claimants

Weekly Unemployment Claimants Stabilize

The number of unemployment insurance claimants remained stable on a weekly basis from May to August, barring a slight uptick in July.

In terms of weekly unemployment insurance claimants, El Paso County continued to strongly mirror Hidalgo and Travis Counties from May until the week ending on August 28, 2021. Since May, El Paso County has been below those two counties in weekly unemployment claimants. El Paso County's peak during the period from May to the end of August was the week ending on July 17, 2021 at 898 claimants; peaks for Travis County and the state of Texas took place the same week with 1,143 and 37,027 claimants, respectively. Hidalgo County's highest week in unemployment claimants was the week prior, ending on July 10th, at 1,524 claimants. The lowest number of claimants El Paso County exhibited in a week since May was the week ending June 26th at 420. On average, El Paso County hovered around 500 unemployment insurance claimants per week since May, with 437 in the week ending on August 28, 2021.

Weekly Unemployment Insurance Claimants



Source: Hunt Institute using data from the Texas Workforce Commission.

Trade

Trade Rebound Continues

Total merchandise trade through the U.S.-Mexico border has largely recovered, with the majority of the top ports exceeding both their 2020 and 2019 numbers.

Total merchandise trade remained steady in its rebound and recovery across the top ten U.S.-Mexico border ports of entry, with each exhibiting increases in the January to July 2021 period compared to the same period last year. The largest increases took place at the top four ports of Laredo PoE, El Paso PoE, Otay Mesa PoE, and Hidalgo PoE. During the first seven months of the year, the top ten ports in total increased by roughly \$69.2 billion (27.3%) compared to the same period in 2020.

Seven of the top ten ports of entry also increased during the January to July 2021 period when compared to 2019. Laredo PoE led the increases with a gain of about \$5.5 billion (4.1%), followed by El Paso PoE with roughly \$4.4 billion (9.5%), and Otay Mesa PoE with about \$3.1 billion (11.2%). The three ports to decrease compared to 2019 were Santa Teresa PoE (-\$2.4 billion or -13.4%), Nogales PoE (-\$1.6 billion or -9.4%), and Del Rio PoE (-\$399 million or -12.8%). In total, the top ten ports increased by about \$15.0 billion (4.9%) compared to the first seven months of 2019.

Seven of the top ten ports decreased in July on a monthly basis. Laredo PoE, Nogales PoE, and El Paso PoE decreased the most, falling by roughly \$1.1 billion (-4.9%), \$448 million (-20.4%), and \$214 million (-2.9%), respectively. Santa Teresa PoE increased by \$384 million (17.6%) and Eagle Pass PoE increased by \$110 million (3.9%). On a year-over-year basis, eight of the top ten ports increased in July, with the top six ports increasing by over a billion dollars. Laredo PoE increased by approximately \$2.8 billion (15.8%) and Otay Mesa PoE increased by \$755 million (18.2%). Nogales and El Paso were the only ports to decrease compared to July 2020, down \$252 million (-12.6%) and \$135 million (-1.8%), respectively.

Top 10 U.S.-Mexico Border Ports of Entry for Total Trade with World, Million USD

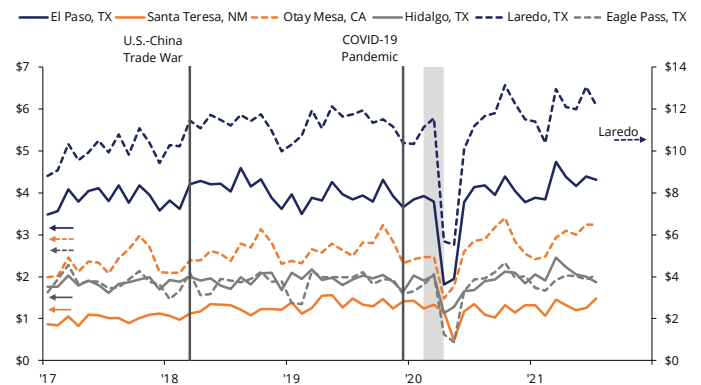
Port of Entry	A Jan-July 2020	B Jan-July 2021	B-A	B-A (Δ%)	July 2021	
					MoM	YoY
Laredo, TX	\$107,852	\$141,462	\$33,610	31.2%	-\$1,077	\$2,825
El Paso, TX	\$40,364	\$50,016	\$9,652	23.9%	-\$214	-\$135
Otay Mesa, CA	\$24,196	\$30,963	\$6,767	28.0%	-\$20	\$755
Hidalgo, TX	\$17,990	\$24,234	\$6,243	34.7%	-\$129	\$560
Eagle Pass, TX	\$14,133	\$19,318	\$5,185	36.7%	\$110	\$347
Santa Teresa, NM	\$14,262	\$15,709	\$1,448	10.2%	\$384	\$120
Nogales, AZ	\$13,901	\$14,954	\$1,053	7.6%	-\$448	-\$252
Brownsville, TX	\$9,676	\$12,184	\$2,507	25.9%	\$69	\$402
Calexico-East, CA	\$8,571	\$10,885	\$2,315	27.0%	-\$41	\$269
Del Rio, TX	\$2,339	\$2,711	\$372	15.9%	-\$6	\$65

Note: Top ten in 2020. El Paso PoE includes Ysleta PoE. YoY denotes year-over-year; MoM denotes month-over-month.

Source: Hunt Institute calculations using data from the U.S. Census Bureau.

Each of the top six U.S.-Mexico border ports of entry for total trade increased in imports on a year-over-year basis in July. Otay Mesa PoE exhibited the largest relative increase in imports at 13.5% (\$385 million). Hidalgo PoE and Santa Teresa PoE had the next highest relative increases at 11.0% (\$185 million) and 9.4% (\$126 million), respectively. However, Hidalgo PoE and Santa Teresa PoE were the only ports of the top six to remain down in comparison to July 2019 at -3.6% (-\$71 million) and -0.5% (-\$8 million), respectively.

Top U.S.-Mexico Border PoE for Imports from the World, Billion USD

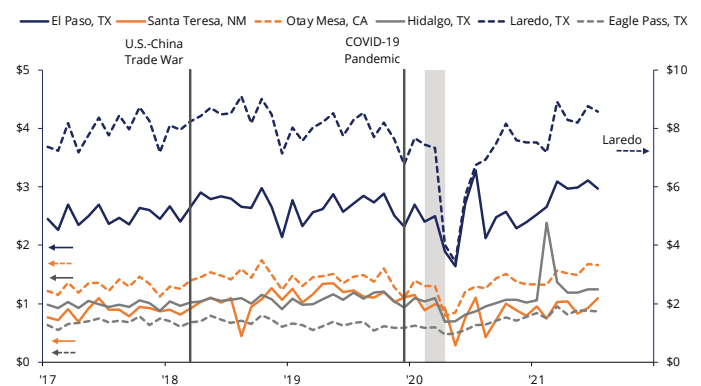


Note: Data as of July 2021. Top six ports in total trade. El Paso PoE includes Ysleta PoE. Shaded area indicates recession as defined by the National Bureau of Economic Research (2020 recession began in February and ended in April).

Source: Hunt Institute calculations using data from the U.S. Census Bureau.

Of the top six U.S.-Mexico border ports of entry for total trade, El Paso PoE and Santa Teresa PoE were the only two to decrease in exports on a year-over-year basis in July. El Paso PoE dropped by 9.4% (-\$308 million) and Santa Teresa dropped by 0.6% (-\$6 million). Hidalgo PoE and Eagle Pass PoE had the highest relative increases at 43.1% (\$375 million) and 36.8% (\$235 million), respectively. Compared to 2019, Santa Teresa PoE was the only port to be down in July at -10.5% (-\$128 million). Eagle Pass PoE exhibited the largest relative increase in exports compared to July 2019 at 30.9% (\$205 million), followed by Otay Mesa PoE at 13.7% (\$200 million) and El Paso PoE at 9.6% (\$260 million).

Top U.S.-Mexico Border PoE for Exports to the World, Billion USD



Note: Data as of July 2021. Top six ports in total trade. El Paso PoE includes Ysleta PoE. Shaded area indicates recession as defined by the National Bureau of Economic Research (2020 recession began in February and ended in April).

Source: Hunt Institute calculations using data from the U.S. Census Bureau.

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.