

11-2021

Paso del Norte Economic Indicator Review, November

Hunt Institute for Global Competitiveness

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Key Takeaways

Employment

- Non-farm employment increased on a year-over-year basis across the Paso del Norte region, with El Paso, Las Cruces and Ciudad Juárez adding 9,500 (3.1%), 1,900 (2.7%) and 23,400 jobs (5.1%), respectively, in September.
- However, El Paso and Las Cruces remained down 6,100 (-1.9%) and 2,300 jobs (-3.1%), respectively, compared to September 2019.
- In both El Paso and Las Cruces, the Services sector was the primary source of the decline compared to 2019, with losses of 7,000 (-3.1%) and 3,000 jobs (-5.2%), respectively. The only other sectors to decrease compared to 2019 were the Manufacturing sector in El Paso (-1,300 jobs or -7.4%) and the Mining and Construction sector in Las Cruces (-200 jobs or -5.1%).

Bankruptcies

- Total bankruptcy filings in El Paso dropped during the January to October 2021 period by 329 cases (-28.7%) on a year-over-year basis. The decline was even steeper when compared to the same period in 2019, with 996 fewer cases (-54.9%).

Border Crossings

- Loaded container truck crossings through the top ten U.S.-Mexico border ports of entry continued to rise above 2020 levels in the first three quarters of 2021. El Paso Port of Entry (PoE) exhibited the third largest gain with approximately 52,000 more truck crossings (16.8%).
- Total passenger and pedestrian crossings increased through nine of the top ten ports in the first three quarters of 2021 compared to 2020. As with truck crossings, El Paso PoE recorded the third largest gain with an increase in passenger and pedestrian crossings of 964,000 (8.3%).

Employment

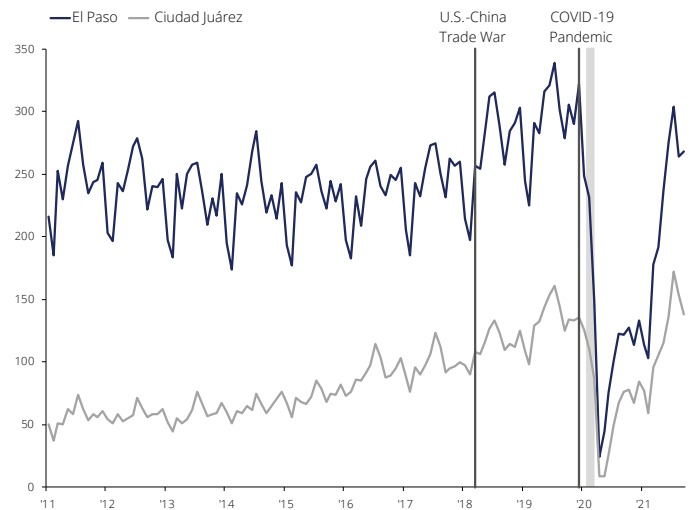
Jobs Down Compared to 2019

Despite month-over-month gains, El Paso and Las Cruces remained below 2019 employment levels in September.

On a monthly basis, non-farm employment increased for the second month in a row in September in El Paso and Las Cruces with gains of 3,200 (1.0%) and 1,500 jobs (2.1%), respectively. Ciudad Juárez also expanded its non-farm employment numbers compared to August with 5,600 jobs added (1.2%) for its third monthly increase in a row. Moreover, year-over-year employment gains for El Paso (9,500 jobs or 3.1%) and Las Cruces (1,900 jobs or 2.7%) continued for the seventh month in a row in September. Ciudad Juárez extended its streak of year-over-year job increases to fourteen months as it added 23,400 jobs (5.1%) in September. Compared to September 2019 employment levels, however, El Paso and Las Cruces remained down 6,100 (-1.9%) and 2,300 jobs (-3.1%), respectively.

Quick-Glance Indicators

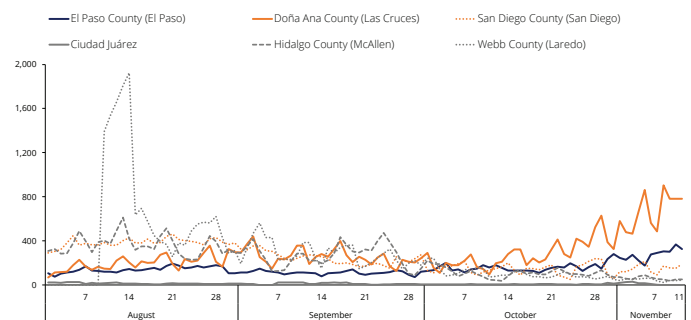
El Paso and Ciudad Juárez Air Passengers, Thousands



Note: Data as of September 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.

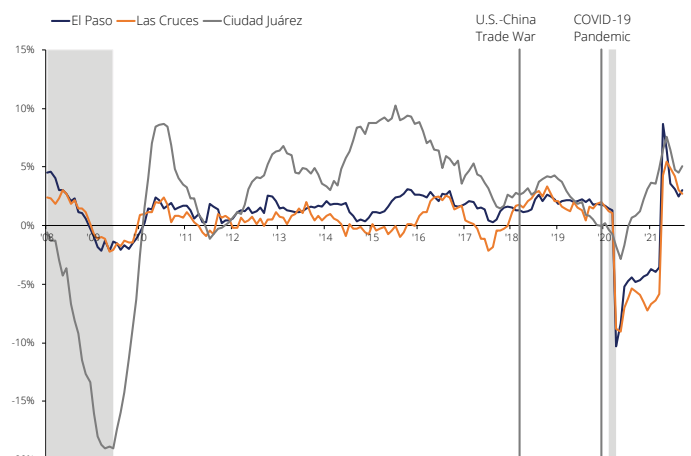
New Coronavirus Cases per 1 Million Inhabitants, 5-Day Moving Average



Note: Data as of November 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.

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



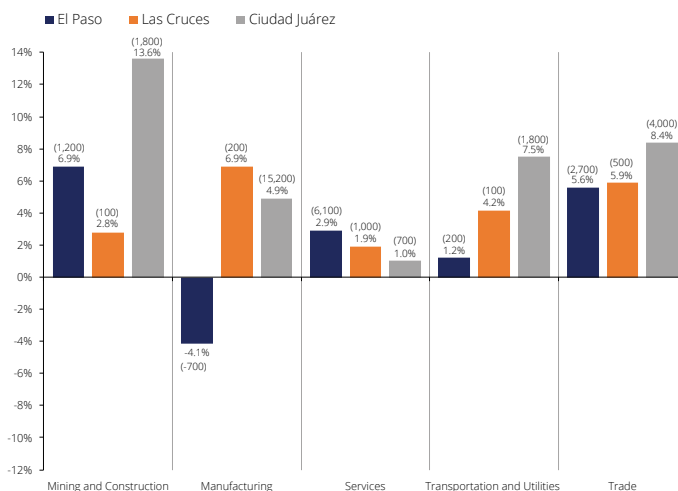
Note: Preliminary data for September 2021. Shaded area indicates recession as defined by the National Bureau of Economic Research (2020 recession began in February and ended in April).

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

Employment at the sector level in El Paso declined on a monthly basis in the Manufacturing sector (-100 jobs or -0.6%), remained stagnant in the Mining and Construction sector, and increased in the Services (2,200 jobs or 1.0%), Trade (900 jobs or 1.8%) and Transportation and Utilities (200 jobs or 1.2%) sectors. In September, Las Cruces exhibited no change compared to August in the Transportation and Utilities and Trade sectors but increased by 1,300 jobs (2.5%) in the Services sector, 100 jobs (2.8%) in the Mining and Construction sector and 100 jobs (3.3%) in the Manufacturing sector. All five sectors increased in Ciudad Juárez with gains led by the Manufacturing sector (3,300 jobs or 1.0%), followed by the Services (1,100 jobs or 1.6%), Mining and Construction (500 jobs or 3.6%), Transportation and Utilities (500 jobs or 1.8%) and Trade (300 jobs or 0.5%) sectors.

For the third month in a row in September, the only sector to decrease in El Paso on a year-over-year basis was the Manufacturing sector with 700 jobs lost (-4.1%). Conversely, the Services sector added 6,100 jobs (2.9%), the Trade sector added 2,700 jobs (5.6%), the Mining and Construction sector added 1,200 jobs (6.9%) and the Transportation and Utilities sector added 200 jobs (1.2%). In Las Cruces, all sectors increased compared to September 2020 with the Services, Trade, Manufacturing, Mining and Construction and Transportation and Utilities sectors adding 1,000 (1.9%), 500 (5.9%), 200 (6.9%), 100 (2.8%) and 100 jobs (4.2%), respectively. Similarly, all sectors increased in Ciudad Juárez with the Manufacturing, Trade, Transportation and Utilities, Mining and Construction and Services sectors adding 15,200 (4.9%), 4,000 (8.4%), 1,800 (7.5%), 1,800 (13.6%) and 700 jobs (1.0%), respectively.

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



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

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

In both El Paso and Las Cruces, the Services sector was the primary source of the decreases compared to September 2019 employment levels with losses of 7,000 (-3.1%) and 3,000 jobs (-5.2%), respectively. The Manufacturing sector in El Paso (-1,300 jobs or -7.4%) and the Mining and Construction sector in Las Cruces (-200 jobs or -5.1%) were the only other sectors to decrease compared to 2019. In El Paso, Transportation and Utilities exhibited no change, Mining and Construction added 1,200 jobs (6.9%) and Trade added 1,000 jobs (2.0%). In Las Cruces, Trade added 400 jobs (4.7%), Manufacturing added 300 jobs (10.7%) and Transportation and Utilities added 200 jobs (8.7%) in September compared to 2019.

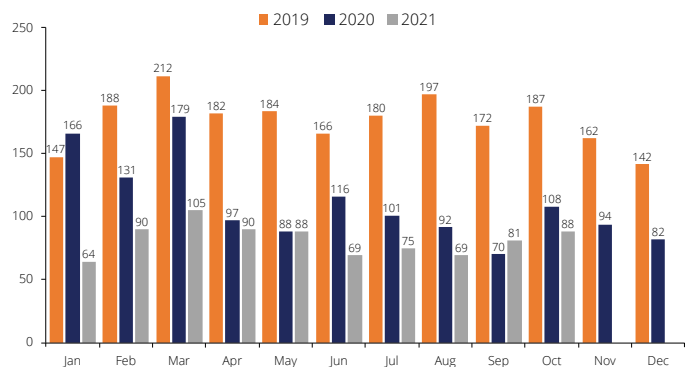
Bankruptcies

Bankruptcy Filings Decline in El Paso

Following a 15-year low in 2020, bankruptcy filings continued to decrease in El Paso during the January to October 2021 period on a year-over-year basis.

There were a total of 819 bankruptcy filings for the El Paso Office of the Western District of Texas U.S. Bankruptcy Court from January to October 2021, which represents a decrease of 329 cases (-28.7%) on a year-over-year basis. Moreover, this decline in bankruptcy filings is even steeper when compared to the same period in 2019 (-996 cases or -54.9%). To date, January exhibited the largest year-over-year decline of any month in 2021 on both a relative and absolute basis, with a decrease of 102 cases (-61.4%). While bankruptcy filings peaked in March 2021, they were lower relative to 2020. The only months not to record decreases in bankruptcy filings in El Paso during the first ten months of the year were May (no change compared to 2020) and September (11 cases or 15.7%). Since 2006, the year with the highest number of bankruptcy filings in El Paso was 2009 with 2,895 cases in the aftermath of the 2008 financial crisis; the year with the lowest number was 2020 with 1,324 cases.

Total Bankruptcy Filings in El Paso



Note: Numbers include Chapter 7, Chapter 11 and Chapter 13 cases for the El Paso Office of the Western District of Texas U.S. Bankruptcy Court.

Source: Hunt Institute using data from the Western District of Texas U.S. Bankruptcy Court.

Border Crossings

Crossings through El Paso PoE Remain Below 2019 Levels

Of the top ten ports of entry, El Paso registered the largest declines in both commercial and noncommercial traffic during the first three quarters of 2021 compared to 2019.

Over the first three quarters of 2021, the top ten U.S.-Mexico border ports of entry registered gains in loaded container truck crossings compared to the same period last year. Laredo PoE, Otay Mesa PoE and El Paso PoE increased the most with gains of approximately 246,000 (21.0%), 88,000 (17.0%) and 52,000 truck crossings (16.8%), respectively. Santa Teresa PoE increased by about 14,000 truck crossings (23.9%). In total, loaded container truck crossings through the top ten ports increased by nearly 498,000 (17.0%) in the first nine months of 2021 on a year-over-year basis.

However, eight of the top ten ports continued to fall behind 2019 numbers in the January to September 2021 period. El Paso PoE decreased by nearly 98,000 truck crossings (-21.2%) compared to the same period in 2019, exhibiting the largest loss of the top ports. Eagle Pass PoE and Calexico-East PoE followed with losses of almost 21,000 truck crossings each (-18.3% for Eagle Pass PoE and -10.9% for Calexico-East PoE). Santa Teresa PoE remained down by more than 13,000 truck crossings (-15.6%). The two ports to increase compared to 2019 were Laredo PoE and Otay Mesa PoE with gains of 118,000 truck crossings (9.1%) and 40,000 truck crossings (7.0%), respectively. Hampered by the losses at eight ports, loaded container truck crossings through the top ten ports remained down by roughly 41,000 (-1.2%) in the January to September 2021 period compared to the same period in 2019.

Change in Commercial Traffic at the Top Ten U.S.-Mexico Border Ports of Entry

Port of Entry	2020	Share (%)	A Jan-Sep 2020	B Jan-Sep 2021	B-A	B-A (Δ%)
Laredo, TX	1,629,156	38.7%	1,173,253	1,419,173	245,920	21.0%
Otay Mesa, CA	712,100	16.9%	517,509	605,296	87,787	17.0%
Hidalgo, TX	436,671	10.4%	320,681	351,905	31,224	9.7%
El Paso, TX	429,384	10.2%	310,827	363,130	52,303	16.8%
Nogales, AZ	258,948	6.2%	194,561	212,080	17,519	9.0%
Calexico-East, CA	207,582	4.9%	154,069	168,941	14,872	9.7%
Brownsville, TX	116,710	2.8%	86,514	101,085	14,571	16.8%
Eagle Pass, TX	105,437	2.5%	77,119	92,757	15,638	20.3%
Santa Teresa, NM	80,806	1.9%	58,775	72,850	14,075	23.9%
Del Rio, TX	47,462	1.1%	34,452	38,306	3,854	11.2%
Total	4,024,256	95.7%	2,927,760	3,425,523	497,763	17.0%

Note: Top ten ports based on 2020 traffic. Numbers are for loaded container truck crossings. El Paso PoE includes Ysleta PoE.

Source: Hunt Institute calculations using data from the U.S. Bureau of Transportation Statistics.

Total passenger and pedestrian crossings increased across nine of the top ten U.S.-Mexico border ports of entry on a year-over-year basis in the January to September 2021 period. San Ysidro PoE, Otay Mesa PoE and El Paso PoE recorded the largest gains with increases in passenger and pedestrian crossings of 2,550,000 (14.7%), 1,546,000 (22.3%) and 964,000 (8.3%), respectively. Laredo PoE was the only port to decrease with a loss of about 285,000 passenger and pedestrian crossings (-4.7%). In total, passenger and pedestrian crossings through the top ten ports increased by 7,598,000 (11.2%) in the first three quarters of 2021 on a year-over-year basis.

Nonetheless, each of the top ten ports remained below 2019 levels in the January to September 2021 period. Exhibiting the largest decreases in passenger and pedestrian crossings were El Paso PoE (-7,151,000 or -36.4%) and San Ysidro PoE (-7,139,000 or -26.4%). In total, passenger and pedestrian crossings through the top ten ports fell by 39,046,000 (-34.1%) in the January to September 2021 period compared to the same period in 2019. Although the top ten ports remained significantly below 2019 levels in total passenger and pedestrian crossings, the recent decision by the United States government to allow nonessential travel through its borders is an important step to regaining noncommercial traffic and may signal a turning point in the recovery process.

Change in Noncommercial Traffic at the Top Ten U.S.-Mexico Border Ports of Entry

Port of Entry	2020	Share (%)	A Jan-Sep 2020	B Jan-Sep 2021	B-A	B-A (Δ%)
San Ysidro, CA	23,091,334	21.7%	17,394,364	19,944,248	2,549,884	14.7%
El Paso, TX	14,580,485	13.7%	11,557,404	12,521,379	963,975	8.3%
Otay Mesa, CA	9,289,103	8.7%	6,930,136	8,476,286	1,546,150	22.3%
Calexico, CA	7,838,424	7.4%	5,868,664	6,733,932	865,268	14.7%
Laredo, TX	7,672,728	7.2%	6,043,768	5,758,862	-284,906	-4.7%
Brownsville, TX	6,226,588	5.8%	4,717,277	5,053,865	336,588	7.1%
Hidalgo, TX	5,978,744	5.6%	4,545,964	4,865,553	319,589	7.0%
San Luis, AZ	5,284,567	5.0%	3,877,026	4,531,631	654,605	16.9%
Nogales, AZ	5,060,302	4.7%	3,933,926	4,439,241	505,315	12.8%
Eagle Pass, TX	3,872,780	3.6%	3,003,202	3,145,103	141,901	4.7%
Total	88,895,055	83.4%	67,871,731	75,470,100	7,598,369	11.2%
20. Santa Teresa, NM	750,081	0.7%	585,555	621,787	36,232	6.2%

Note: Top ten ports based on 2020 traffic. Numbers are for total passengers and pedestrians. El Paso PoE includes Ysleta PoE. Total is for the top ten ports.

Source: Hunt Institute calculations using data from the U.S. Bureau of Transportation Statistics.

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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