

12-2021

Paso del Norte Economic Indicator Review, December

Hunt Institute for Global Competitiveness

Follow this and additional works at: https://scholarworks.utep.edu/hunt_techrep



Part of the [Regional Economics Commons](#)

Key Takeaways

Employment

- Year-over-year employment gains were recorded across the Paso del Norte region in October with El Paso, Las Cruces, and Ciudad Juárez adding 8,900 (2.8%), 2,300 (3.2%), and 23,900 (5.1%) jobs, respectively.
- Nonetheless, non-farm employment levels in El Paso (-6,300 jobs or -1.9%) and Las Cruces (-2,200 jobs or -2.9%) remained below October 2019 levels.

Sales Tax Collections

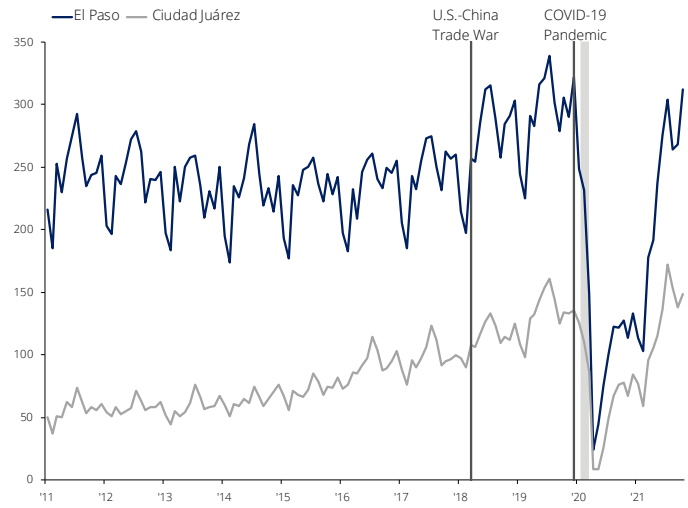
- El Paso collected nearly \$95,300,000 in sales and use tax allocations during the January to October 2021 period, registering the largest relative increase of selected Texas cities (McAllen, Laredo, Houston, San Antonio, Dallas, Austin, and Fort Worth) compared to the same period in 2019 at \$16,700,000 (21.3%).

Trade

- Each of the top ten U.S.-Mexico border ports of entry (PoE) recorded an increase in total trade through the first ten months of 2021 over the same period in 2020. Laredo, El Paso, Otay Mesa, and Hidalgo led the way with the largest increases compared to 2020.
- Gains relative to the first ten months of 2019 were also recorded for a majority of the top ports. However, merchandise trade through Santa Teresa PoE, Nogales PoE, and Del Rio PoE remained below 2019 levels.

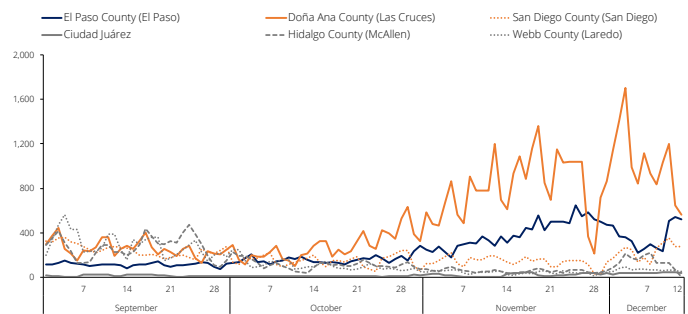
Quick-Glance Indicators

El Paso and Ciudad Juárez Air Passengers, Thousands



Note: Data as of October 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 December 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.

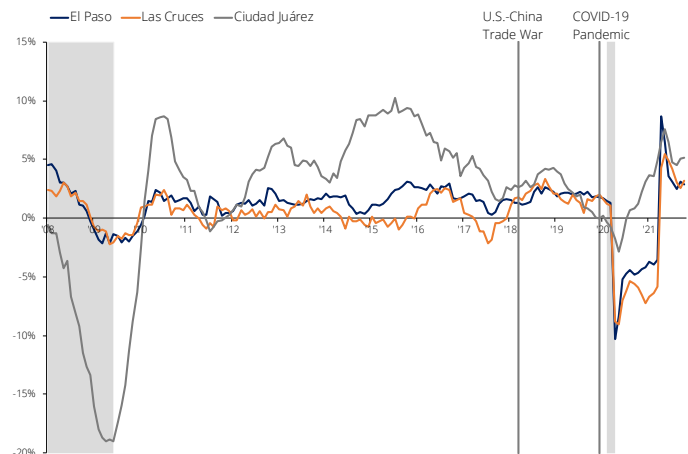
Employment

Jobs Show Uptick throughout Region

Non-farm employment in El Paso, Las Cruces, and Ciudad Juárez increased in October on both a month-over-month and year-over-year basis.

Non-farm employment gains on a monthly basis continued across the Paso del Norte region in October, as El Paso, Las Cruces, and Ciudad Juárez increased by 1,900 (0.6%), 1,200 (1.7%), and 4,200 jobs (0.9%), respectively, compared to September. El Paso (8,900 jobs or 2.8%) and Las Cruces (2,300 jobs or 3.2%) also exhibited year-over-year employment gains in October for the seventh month in a row, while Ciudad Juárez (23,900 jobs or 5.1%) continued its year-over-year employment gains for the fifteenth consecutive month. Employment levels in El Paso and Las Cruces, however, were below October 2019 levels by 6,300 (-1.9%) and 2,200 jobs (-2.9%), respectively.

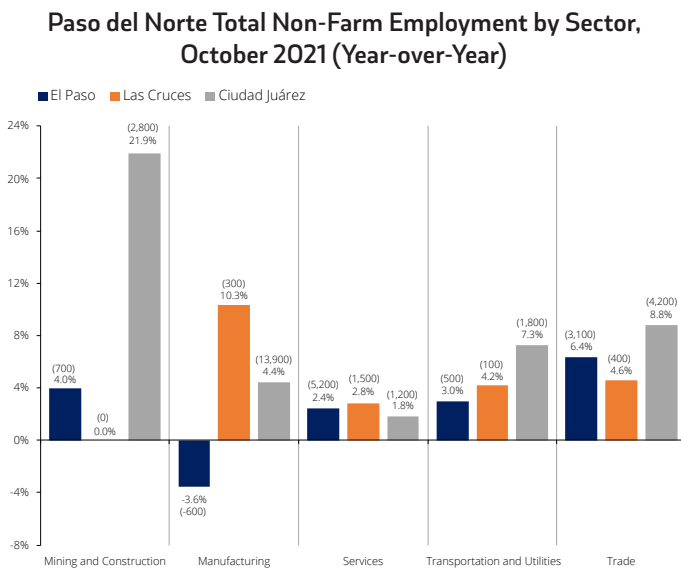
Paso del Norte Total Non-Farm Employment (Year-over-Year, %)



Note: Preliminary data for October 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.

Across the five sectors used to compare non-farm employment throughout the region, the only sector to decrease in October on a monthly basis in El Paso was the Mining and Construction sector (-300 jobs or -1.6%), while the Manufacturing sector remained stagnant, and the Services (1,000 jobs or 0.5%), Trade (700 jobs or 1.4%), and Transportation and Utilities (500 jobs or 3.0%) sectors increased. In Las Cruces, the Mining and Construction sector (-100 jobs or -2.7%) decreased, the Transportation and Utilities sector exhibited no change, and the Services (1,100 jobs or 2.0%), Manufacturing (100 jobs or 3.2%), and Trade (100 jobs or 1.1%) sectors increased. Once again, all five sectors increased in Ciudad Juárez, with gains led by the Manufacturing sector (1,900 jobs or 0.6%), followed by the Mining and Construction (800 jobs or 5.5%), Trade (700 jobs or 1.3%), Services (600 jobs or 0.8%), and Transportation and Utilities (200 jobs or 0.9%) sectors.

On a year-over-year basis, the only sector to decrease in El Paso (for the fourth consecutive month) was the Manufacturing sector with 600 jobs lost (-3.6%). Leading the job gains in El Paso were the Services and Trade sectors with 5,200 (2.4%) and 3,100 jobs (6.4%) added compared to October 2020. The Mining and Construction sector gained 700 jobs (4.0%), and the Transportation and Utilities sector gained 500 jobs (3.0%). In Las Cruces, the Mining and Construction sector remained stagnant while all other sectors increased, with the Services, Trade, Manufacturing, and Transportation and Utilities sectors adding 1,500 (2.8%), 400 (4.6%), 300 (10.3%), and 100 (4.2%) jobs, respectively. Year-over-year employment gains were exhibited across all sectors in Ciudad Juárez in October with the Manufacturing, Trade, Mining and Construction, Transportation and Utilities, and Services sectors adding 13,900 (4.4%), 4,200 (8.8%), 2,800 (21.9%), 1,800 (7.3%), and 1,200 jobs (1.8%), respectively.



Note: Preliminary data for October 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.

Sales Tax Collections

Sales Tax Collections in El Paso Surge

Of selected Texas cities, El Paso recorded the largest relative increase in sales and use tax collections during the first ten months of 2021 compared to 2019.

The cities of El Paso, McAllen, Laredo, Houston, San Antonio, Dallas, Austin, and Fort Worth all registered increases in sales and use tax collections during the January to October 2021 period on a year-over-year basis. El Paso collected nearly \$95,300,000 in sales and use tax allocations during the first ten months of 2021, an increase of \$16,000,000 (20.3%) compared to the same period last year. McAllen recorded the largest relative increase during this period at \$13,100,000 (26.5%), while Austin was second at \$42,600,000 (22.2%). Houston exhibited the smallest relative increase at \$85,800,000 (16.0%). In comparison to the January to October 2019 period, El Paso registered the largest relative increase during the first ten months of the year at \$16,700,000 (21.3%). The next largest relative increases were exhibited by McAllen and Austin with increases of \$10,500,000 (18.6%) and \$34,600,000 (17.3%), respectively. As in comparison to 2020, Houston recorded the smallest relative increase compared to 2019 at \$47,100,000 (8.2%).

Sales and Use Tax Allocations for Selected Texas Cities, Thousand USD

City	2020	A Jan-Oct 2020	B Jan-Oct 2021	B-A	B-A (Δ%)
Houston, TX	\$661,875	\$537,326	\$623,121	\$85,796	16.0%
San Antonio, TX	\$363,458	\$294,895	\$346,586	\$51,691	17.5%
Dallas, TX	\$306,207	\$245,442	\$297,451	\$52,009	21.2%
Austin, TX	\$235,754	\$191,657	\$234,214	\$42,557	22.2%
Fort Worth, TX	\$166,504	\$134,513	\$157,978	\$23,465	17.4%
El Paso, TX	\$98,311	\$79,226	\$95,271	\$16,045	20.3%
McAllen, TX	\$66,889	\$52,655	\$66,610	\$13,955	26.5%
Laredo, TX	\$41,906	\$33,596	\$40,983	\$7,386	22.0%

Note: The given months and years represent the collection dates. Calendar year for 2020. Selected cities have sales and use tax rates of 1%, except for Laredo and McAllen who have rates of 1.25% and 2.0%, respectively. The maximum rate in Texas is 8.25%: a fixed 6.25% by the state and a 2.0% rate that combined local entities may charge.

Source: Hunt Institute calculations using data from the Texas Comptroller of Public Accounts.

Trade

Trade Recovery through Santa Teresa PoE Struggles

Trade through Santa Teresa PoE remained significantly below 2019 levels during the January to October 2021 period despite increases compared to 2020.

Total merchandise trade registered gains across the top ten U.S.-Mexico border ports of entry during the January to October 2021 period on a year-over-year basis. During the first ten months of 2021, the top ten ports processed nearly \$469.3 billion in trade, an increase of more than \$85.2 billion (22.2%) compared to the

same period in 2020. Once again, the top four ports of Laredo, El Paso, Otay Mesa, and Hidalgo led the way with the largest increases compared to 2020.

In total, the top ten ports recorded an increase in trade of about \$27.7 billion (6.3%) compared to the first ten months of 2019. Seven of the top ports recorded increases during the January to October 2021 period compared to 2019. Laredo, El Paso, Otay Mesa, and Hidalgo ports of entry exhibited the largest trade gains with increases of approximately \$10.2 billion (5.3%), \$7.4 billion (11.2%), \$4.8 billion (11.6%), and \$3.7 billion (12.1%), respectively. Once more, Santa Teresa PoE (-\$3.1 billion or -12.2%), Nogales PoE (-\$1.3 billion or -5.9%), and Del Rio PoE (-\$573 million or -13.0%) were the only ports to decrease in trade volume compared to the January to October 2019 period.

On a month-over-month basis, nine of the top ports exhibited increased trade in October with Laredo PoE (\$976 million or 4.7%) and Santa Teresa PoE (\$532 million or 24.8%) recording the largest increases. On a year-over-year basis, eight of the top ports increased in trade with the largest gains taking place at El Paso PoE (\$973 million or 14.0%) and Laredo PoE (\$519 million or 2.4%).

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

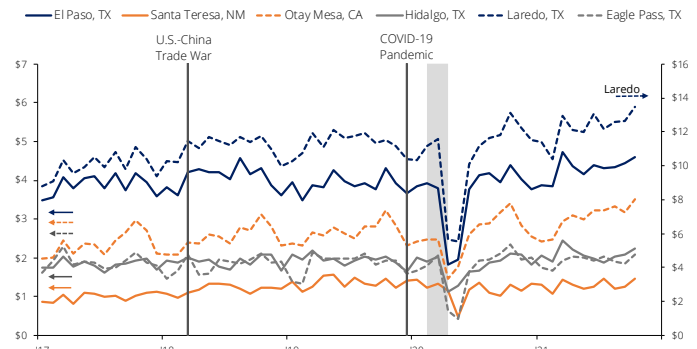
Port of Entry	A Jan-Oct 2020	B Jan-Oct 2021	B-A	B-A (Δ%)	October 2021	
					MoM	YoY
Laredo, TX	\$166,991	\$205,421	\$38,430	23.0%	\$976	\$519
El Paso, TX	\$60,048	\$73,570	\$13,522	22.5%	\$235	\$973
Otay Mesa, CA	\$37,883	\$45,952	\$8,069	21.3%	\$504	\$352
Hidalgo, TX	\$26,958	\$34,665	\$7,708	28.6%	\$231	\$456
Eagle Pass, TX	\$22,654	\$27,819	\$5,165	22.8%	\$112	-\$185
Santa Teresa, NM	\$19,841	\$22,514	\$2,672	13.5%	\$532	\$364
Nogales, AZ	\$18,826	\$20,917	\$2,091	11.1%	\$194	\$453
Brownsville, TX	\$14,391	\$18,644	\$4,253	29.6%	-\$45	\$493
Calexico-East, CA	\$12,974	\$15,942	\$2,968	22.9%	\$130	\$110
Del Rio, TX	\$3,491	\$3,827	\$336	9.6%	\$113	-\$2

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.

On a year-over-year basis, five of the top six U.S.-Mexico border ports of entry for total trade recorded gains in imports in October. Santa Teresa PoE (\$148 million or 11.2%) and Hidalgo PoE (\$125 million or 5.9%) recorded the largest relative increases in imports, while Eagle Pass PoE (-\$259 million or -11.1%) was the only port of the six to decrease compared to October 2020.

Compared to October 2019, each of the top six ports also increased with the largest relative gains in imports recorded at Laredo PoE (\$1.9 billion or 16.9%) and Hidalgo PoE (\$195 million or 9.5%).

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

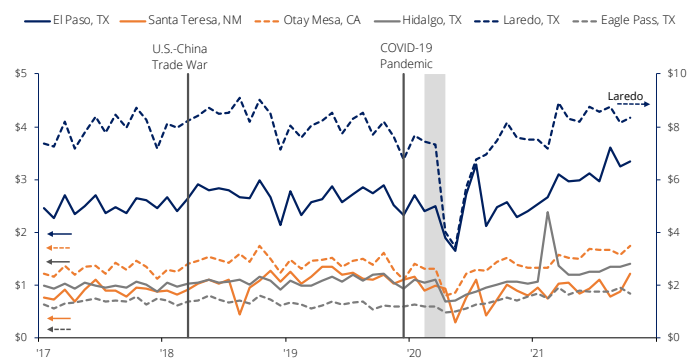


Note: Data as of October 2021. Top six ports in total trade. El Paso PoE includes Ysleta PoE. Shaded area indicates recession as defined by the National Bureau of Economic Research (2020 recession began in February and ended in April).
Source: Hunt Institute calculations using data from the U.S. Census Bureau.

Each of the top six ports exhibited an increase in exports processed on a year-over-year basis in October. Hidalgo PoE, El Paso PoE, and Santa Teresa PoE registered the largest relative increases in exports with gains of about \$331 million (30.9%), \$763 million (29.7%), and \$216 million (21.6%), respectively.

All six ports also increased in exports compared to October 2019 with Eagle Pass PoE (\$225 million or 36.5%) exhibiting the largest relative increase, followed by Hidalgo PoE (\$198 million or 16.5%). In October 2021, for the first time this year, Santa Teresa PoE (\$13 million or 1.1%) exceeded its October 2019 export levels.

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



Note: Data as of October 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.

utep.edu/hunt-institute