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# Borderplex Business Barometer, Volume 3, Number 8

Thomas M. Fullerton Jr.  
*University of Texas at El Paso, tomf@utep.edu*

Steven L. Fullerton  
*University of Texas at El Paso, slfullerton@miners.utep.edu*

Ana Gutierrez Zubiate  
*University of Texas at El Paso, apgutierrez3@miners.utep.edu*

Ignacio Santana  
*University of Texas at El Paso, isantana2@miners.utep.edu*

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# BORDERPLEX BUSINESS BAROMETER

**August 2019**

**Border Region Modeling Project**

Thomas M. Fullerton, Jr.

Steven L. Fullerton

Ana Gutierrez Zubiarte

Ignacio Santana

Department of Economics & Finance

College of Business Administration

University of Texas at El Paso

**Mailing Address**

Border Region Modeling Project - CBA 236

UTEP Department of Economics & Finance

500 West University Avenue

El Paso, TX 79968-0543

**Physical Address**

College of Business Administration, Room 325

University of Texas at El Paso

**Email**

[tomf@utep.edu](mailto:tomf@utep.edu)

[sfullerton@utep.edu](mailto:sfullerton@utep.edu)

**Telephone**

915-747-7747

915-747-7775

**Fax**

915-747-6282

**Website**

**For more information about the Border Region  
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*Border Commerce & Economics*

**Borderplex Business Barometer, Volume 3, Number 8**

**International Medicine Import Prices Hold Steady**

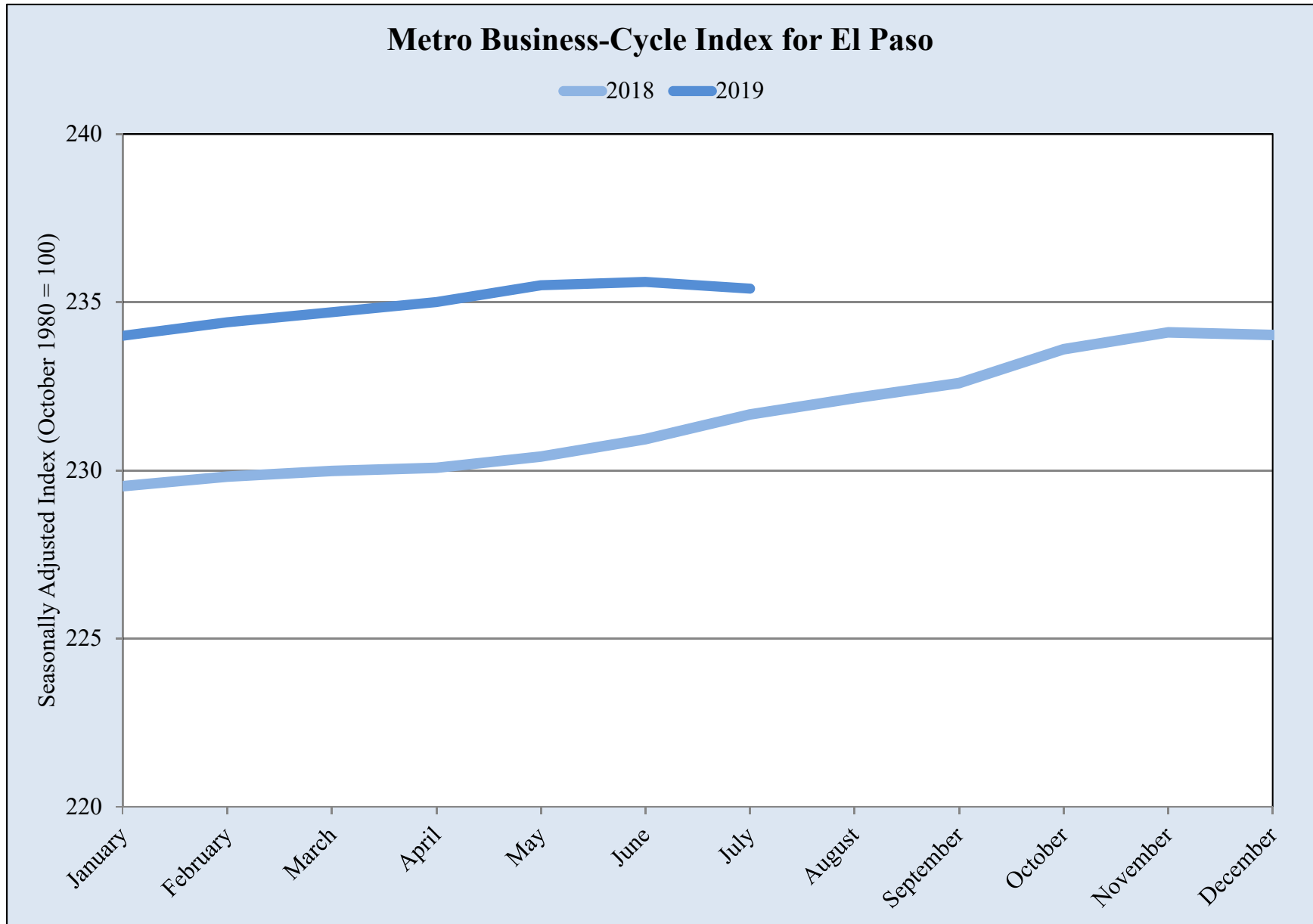
Federal Reserve Bank of Dallas Metropolitan Business Cycle Index for El Paso dropped slightly in July. Although the index remains comfortably above year-ago levels, the marginal dip merits some attention. Federal Reserve concerns over national economic vulnerability caused the Federal Open Market Committee to vote for a 25 basis point reduction to the Federal Funds target rate. The trade war with China, an apparent recession in Germany, plus a partially inverted or flat yield curve are some of the developments affecting the outlook. In spite of that, the BRMP El Paso Household Economic Stress Index declined slightly in May and is comfortably below its year-ago reading. A similar pattern is also observed for the June unemployment rate in El Paso County. Supplemental Nutrition Assistance Program (SNAP) enrollments remained below 160 thousand for a third consecutive month in July, but that will change if the local economy weakens.

The El Paso Median Housing Price for July is 4.6 percent above the figure tallied for July 2018. That strong rate of increase is not surprising. The Months of Housing Inventory remained below 4 for a ninth consecutive month in July. Gasoline prices rose by 9 cents per gallon to \$2.62 in July. The cost of crude oil has hovered around the \$55 a barrel mark in recent months, causing oil and gas rig counts to decline in both Texas and New Mexico.

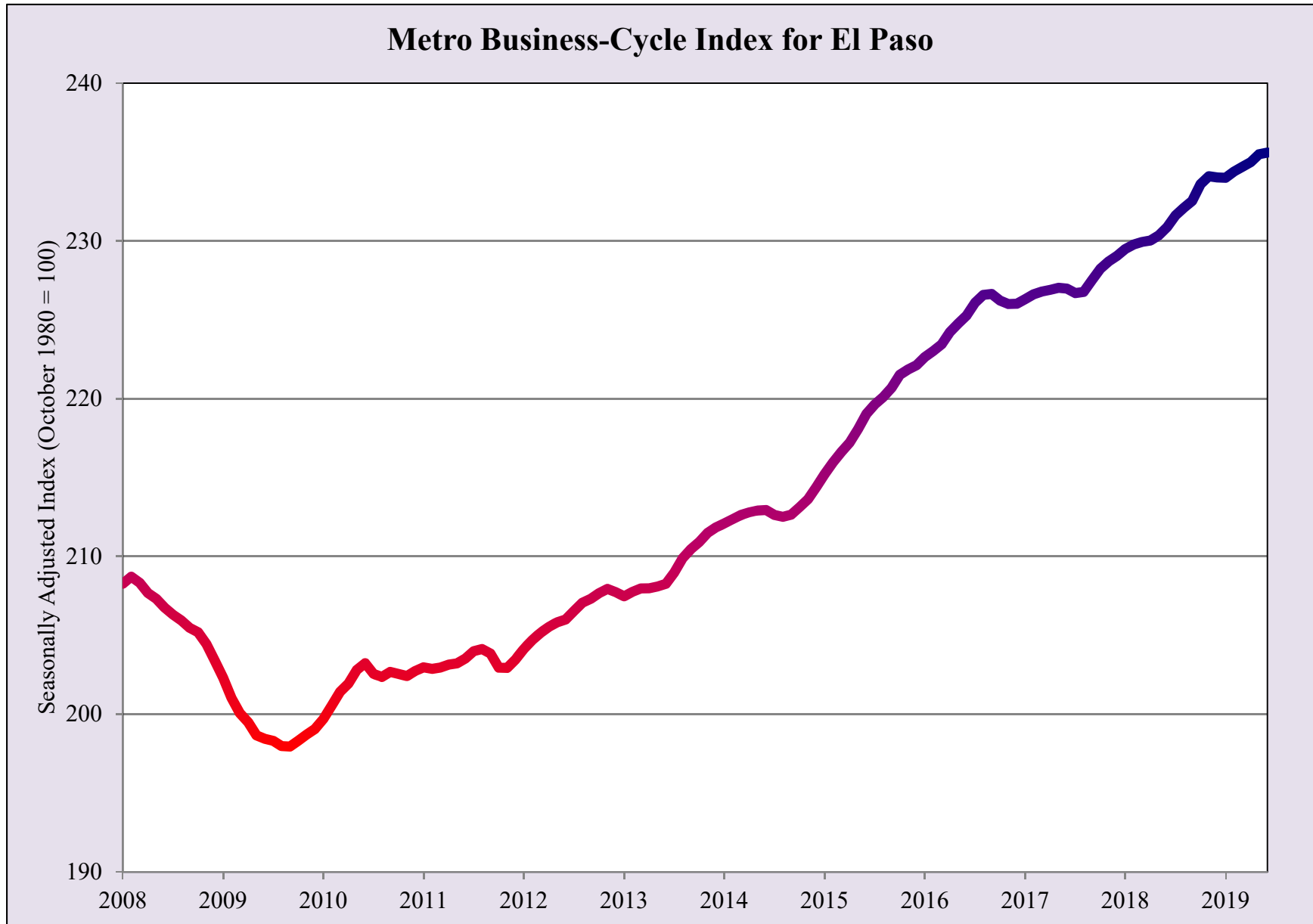
At 6.3 percent, the July unemployment rate for Doña Ana County is barely one-tenth of a percentage point above the July 2018 jobless rate. Better labor market conditions have encouraged more adults to seek work this summer. Sectors that have performed especially well in 2019 include construction, manufacturing, and health services. Las Cruces area SNAP caseloads remained below 28,000 in June, the twenty-seventh consecutive month it has done so.

The July peso-per-dollar nominal exchange rate declined slightly to 19.07. A 38 percent gap separates the July exchange rate from Borderplex restaurant price ratio, indicating that further appreciation for the Aztec currency may occur. A new item is introduced this month, a Nominal Price Ratio for Brand Name Medicines that can be purchased via internet transactions in Mexico and the United States. These prices do not include shipping and handling costs, nor do they include the cost of doctor appointments. For July, internet medicine prices in Mexico, on average, are 44 percent below the online prices charged in the United States.

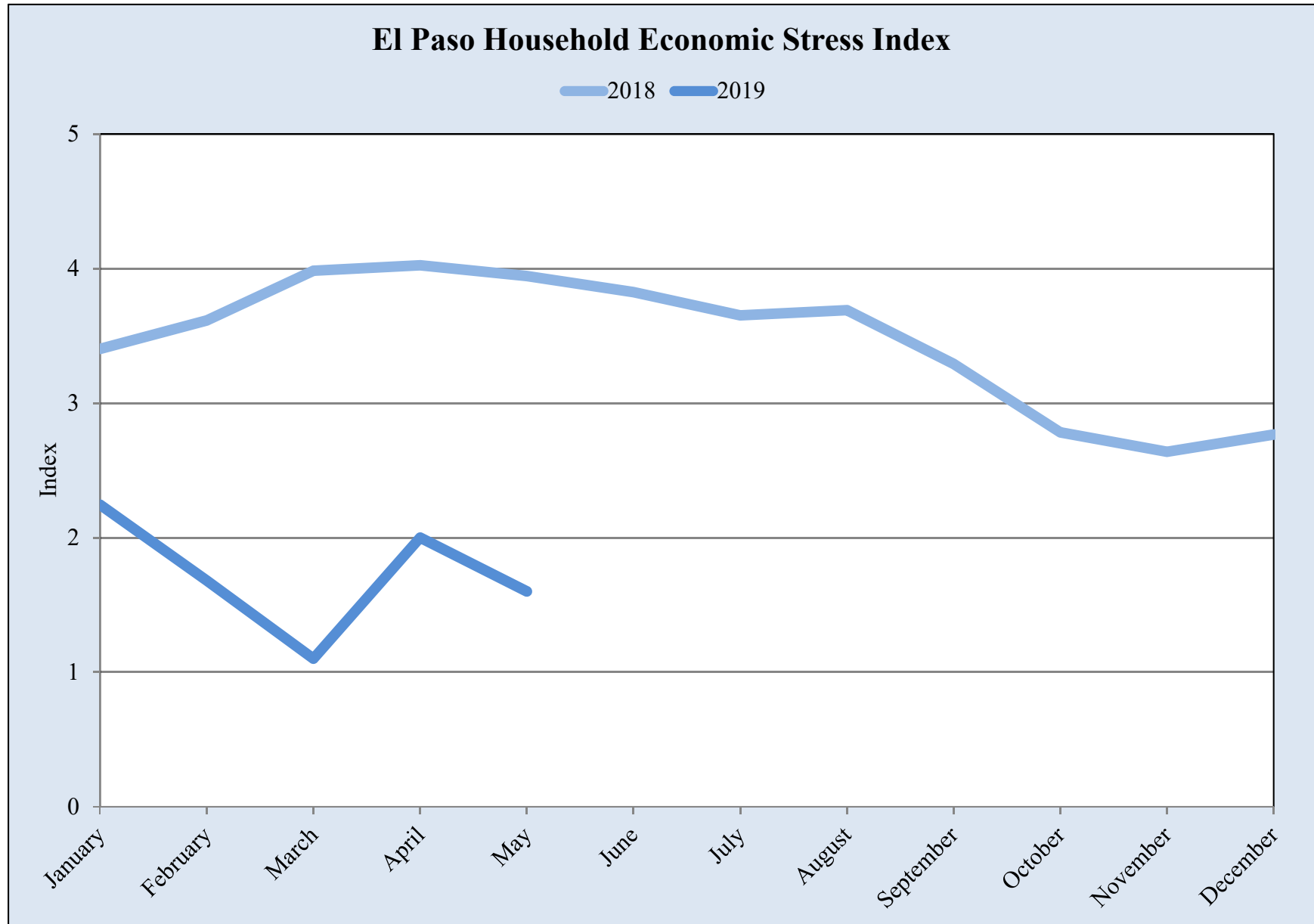
Monthly wait increased by at least small amounts at all three of the major international bridges used to enter the United States in this region. On average, queue times lasted more than one hour per trip at all three main ports of entry to El Paso. In response, personal vehicle crossings during July dropped by more than 250,000 from the same month in 2018. In response to the long wait times, many commuters elected to walk across the border. Pedestrian traffic volumes increased by more than 20 percent to just over 730 thousand in July. Although freight traffic was also subject to similar bottlenecks, the number of cargo trucks flows traversing the bridges was mostly unchanged, albeit much more costly. Total trade through the El Paso Customs District dropped below year-ago levels in June, the first time that has occurred in 2019. Export manufacturing employment in Ciudad Juarez continued to exceed the levels observed during the corresponding months of 2018 in May. For Chihuahua State, overall economic activity grew during the first quarter, and construction activity has increased on a year-over-year basis for most of 2019. Retail activity has, however, dipped slightly in recent months.



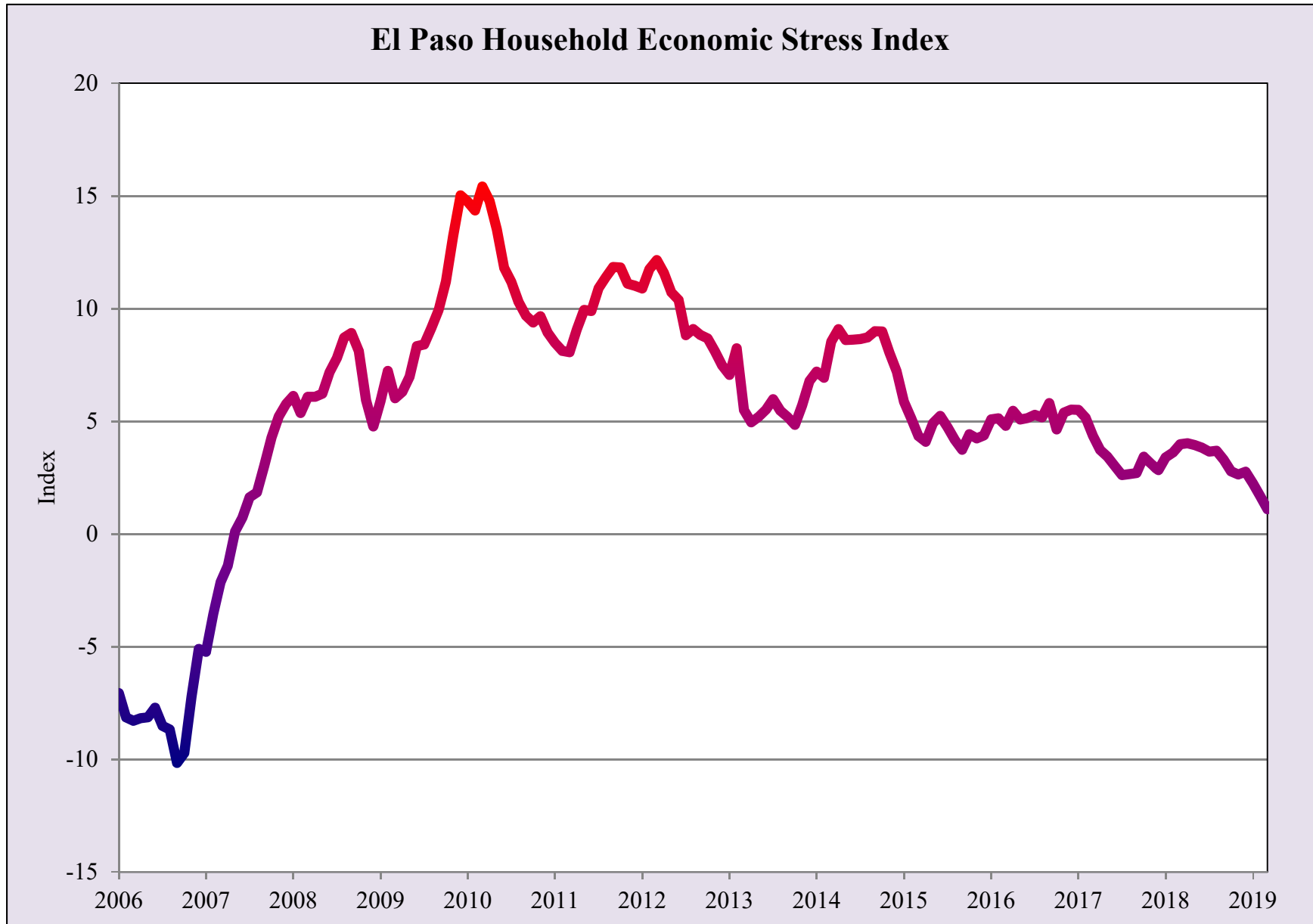
Source: Federal Reserve Bank of Dallas



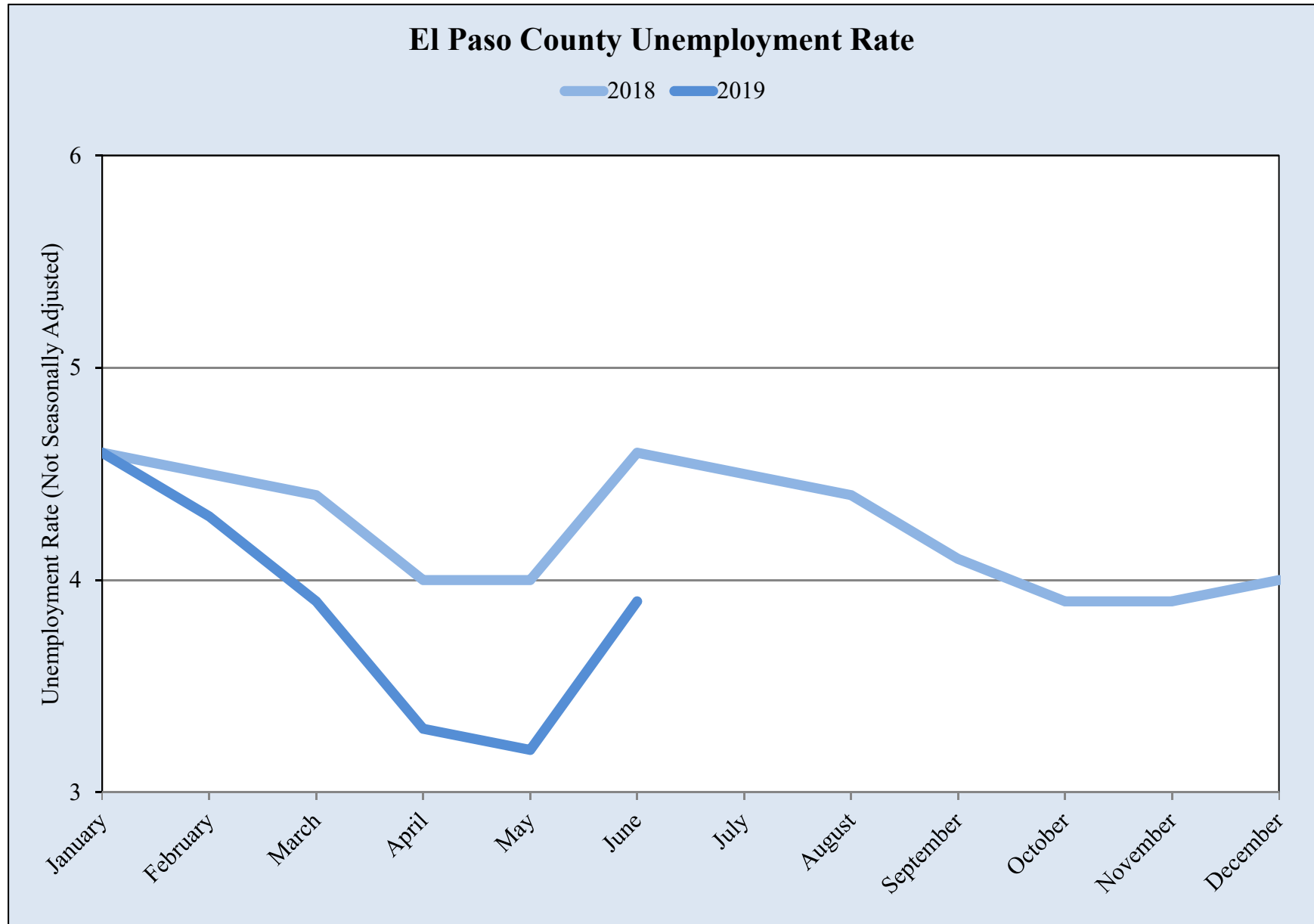
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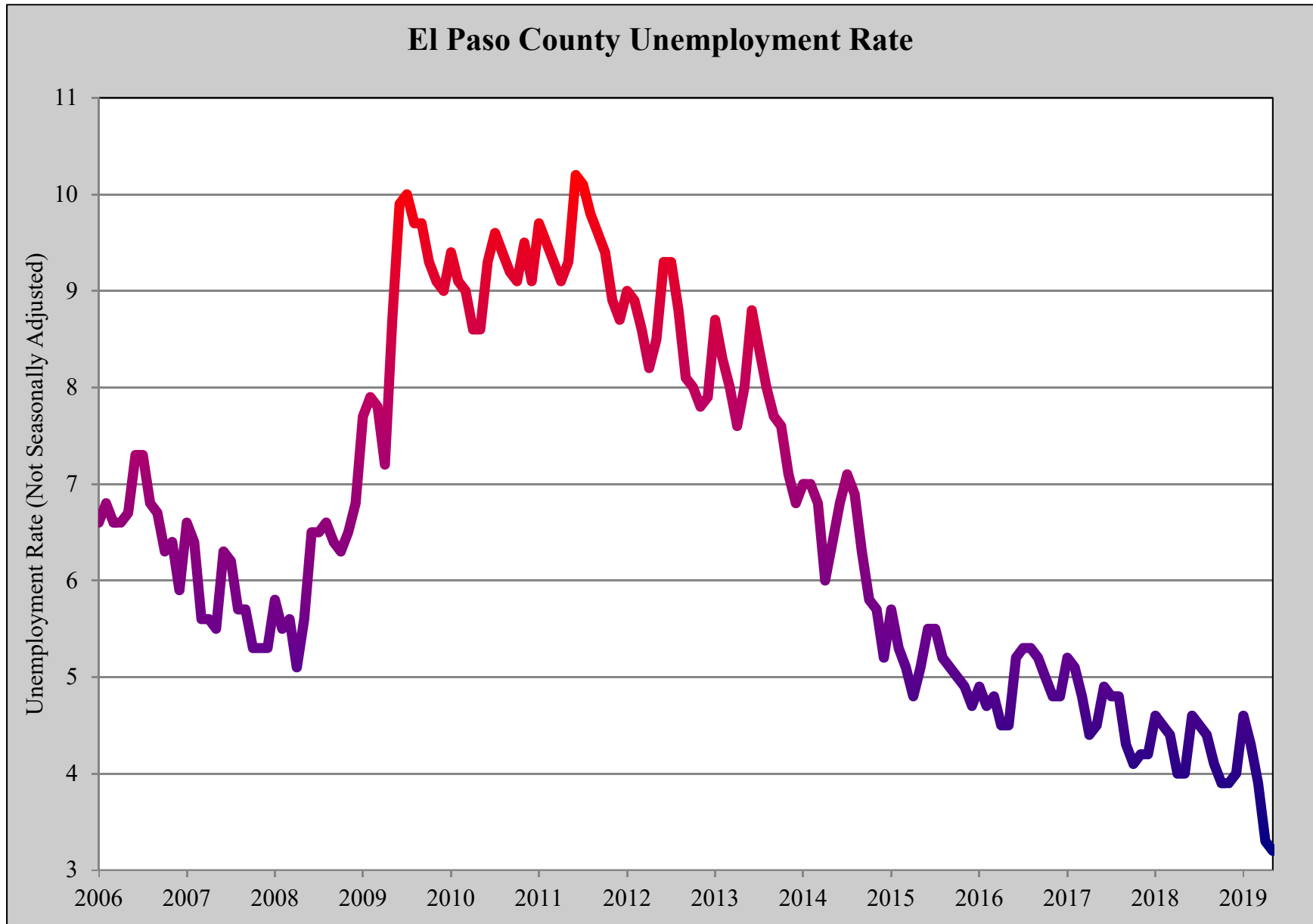
Source: UTEP Border Region Modeling Project



Source: UTEP Border Region Modeling Project

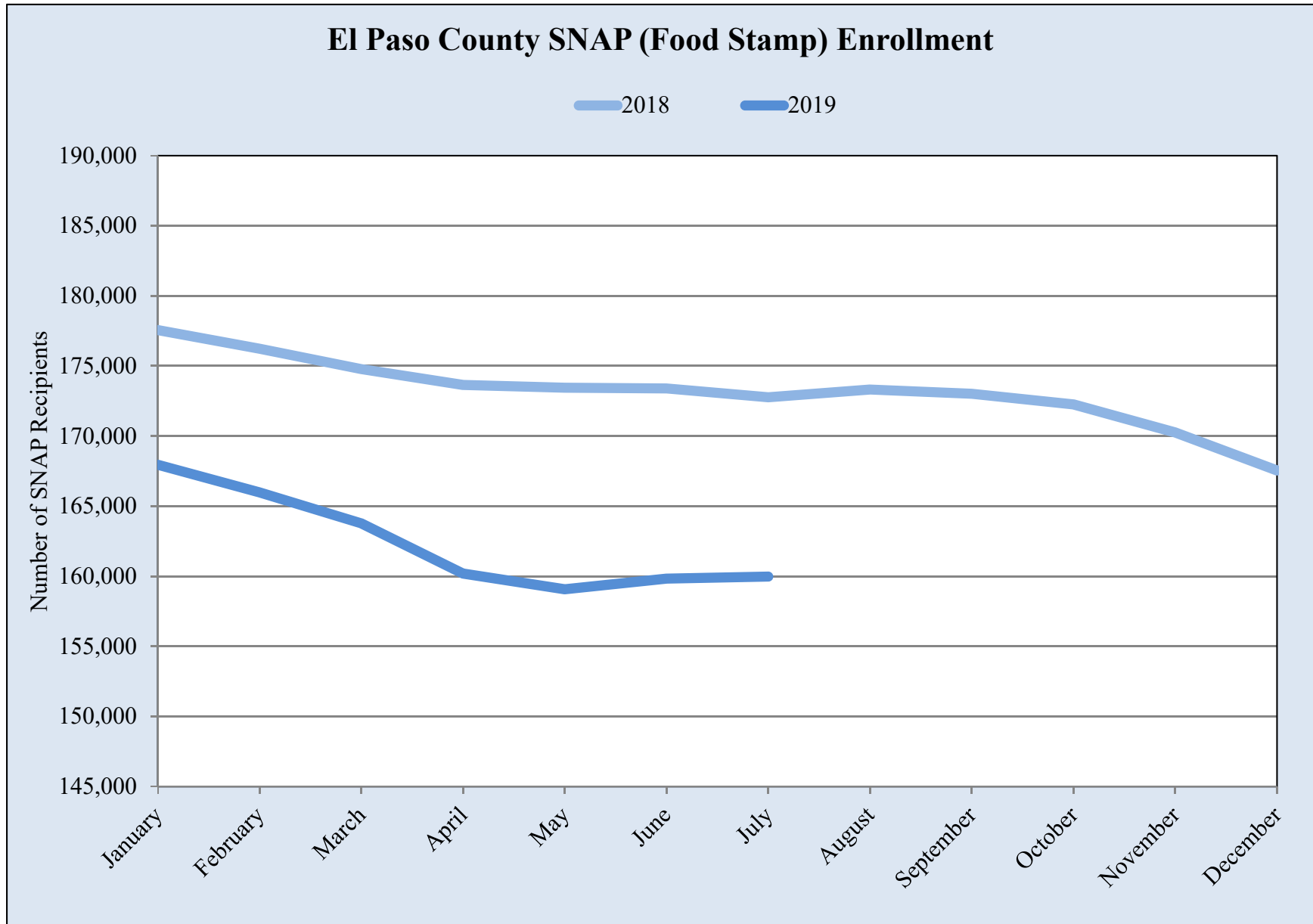


Source: Bureau of Labor Statistics



Source: Bureau of Labor Statistics

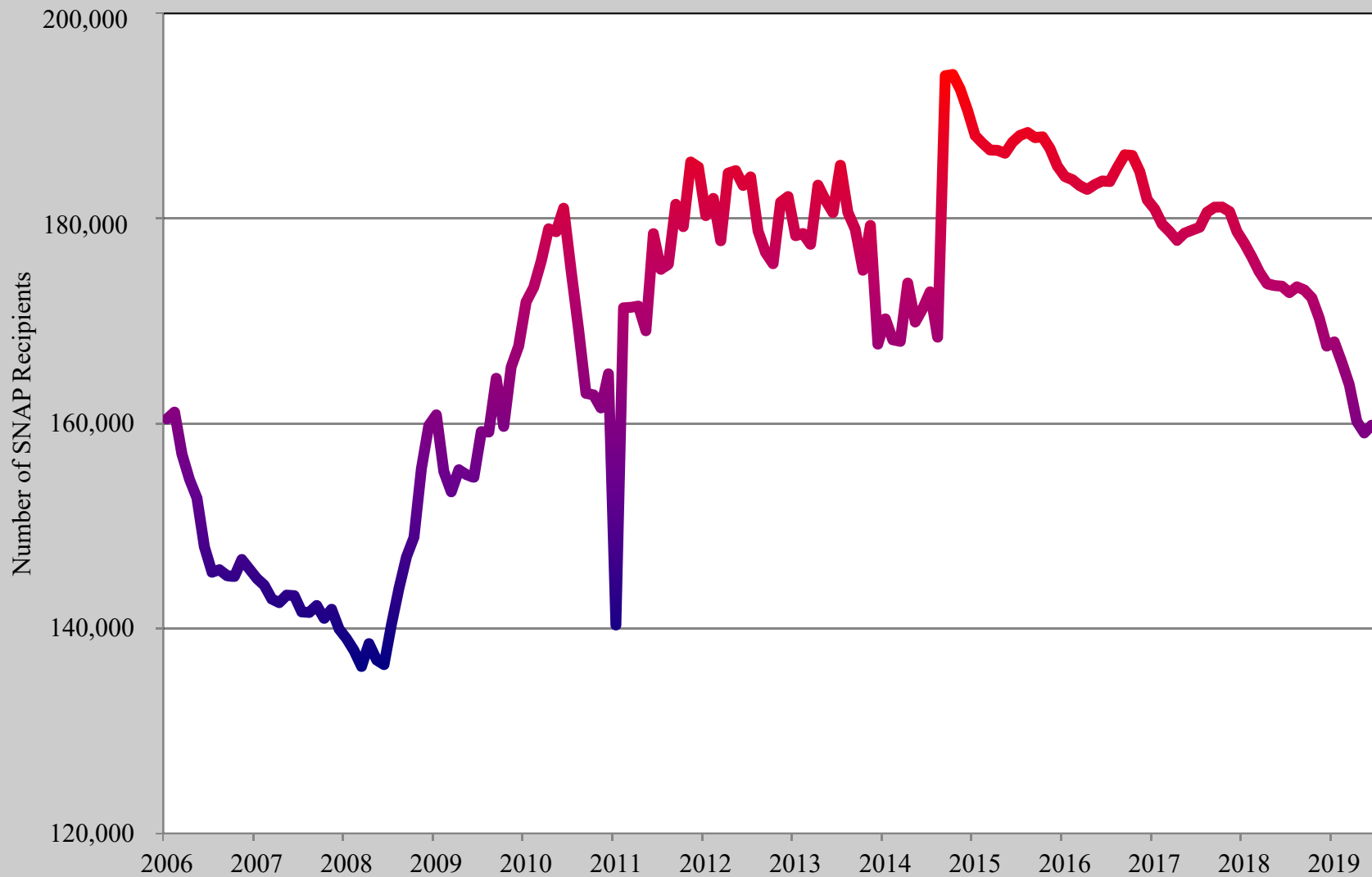




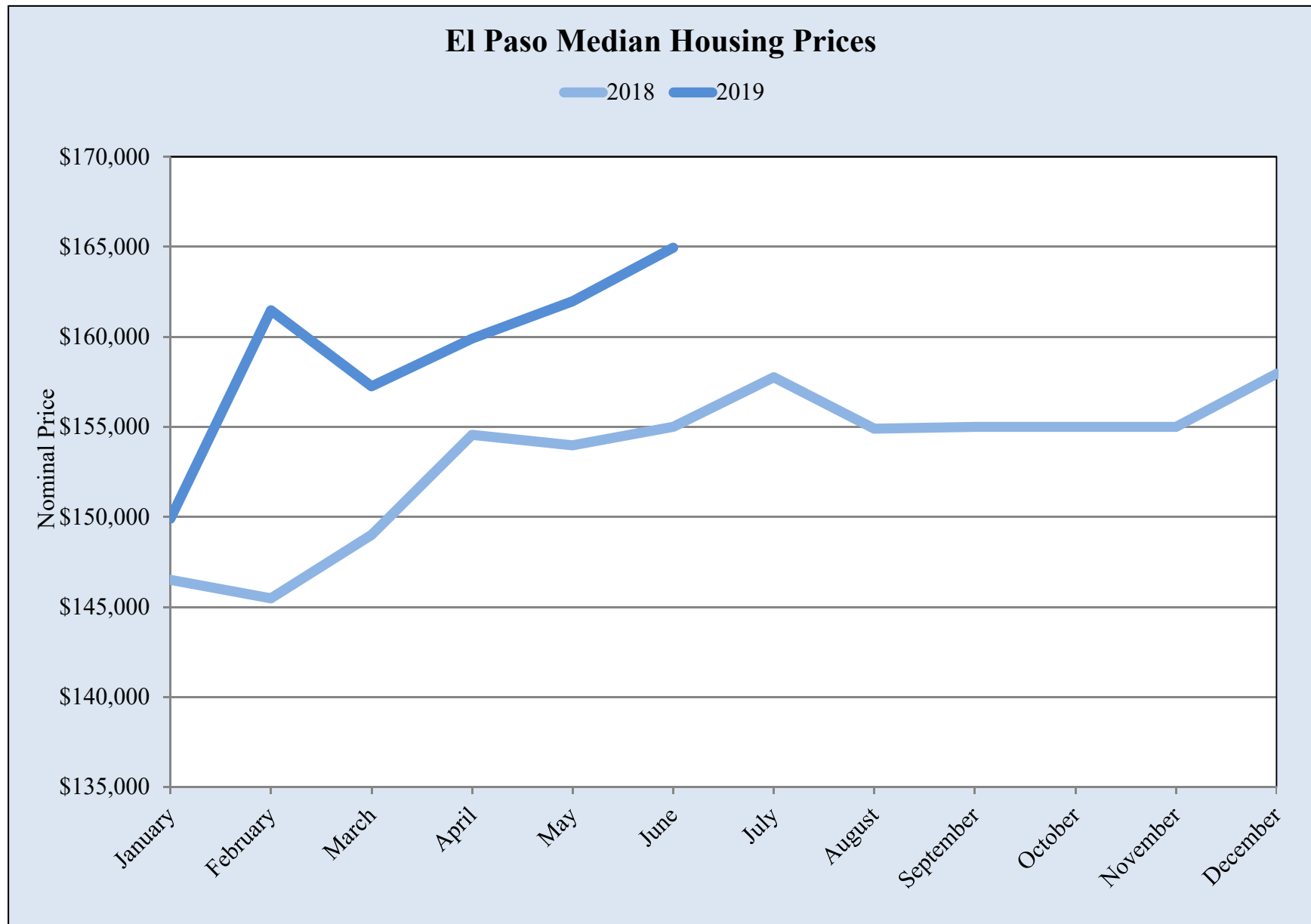
Source: Texas Health and Human Services Commission



## El Paso County SNAP (Food Stamp) Enrollment



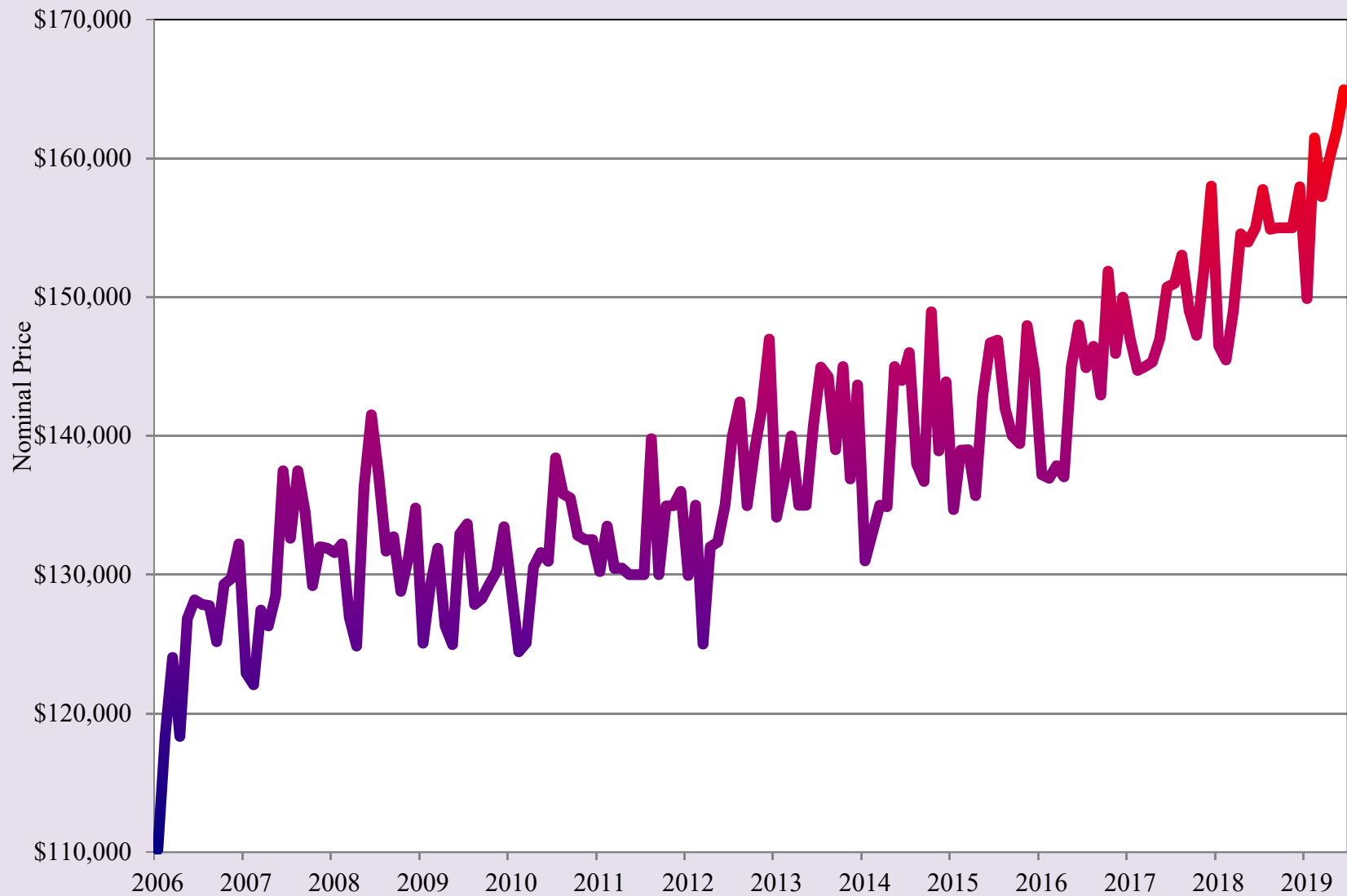
Source: Texas Health and Human Services Commission



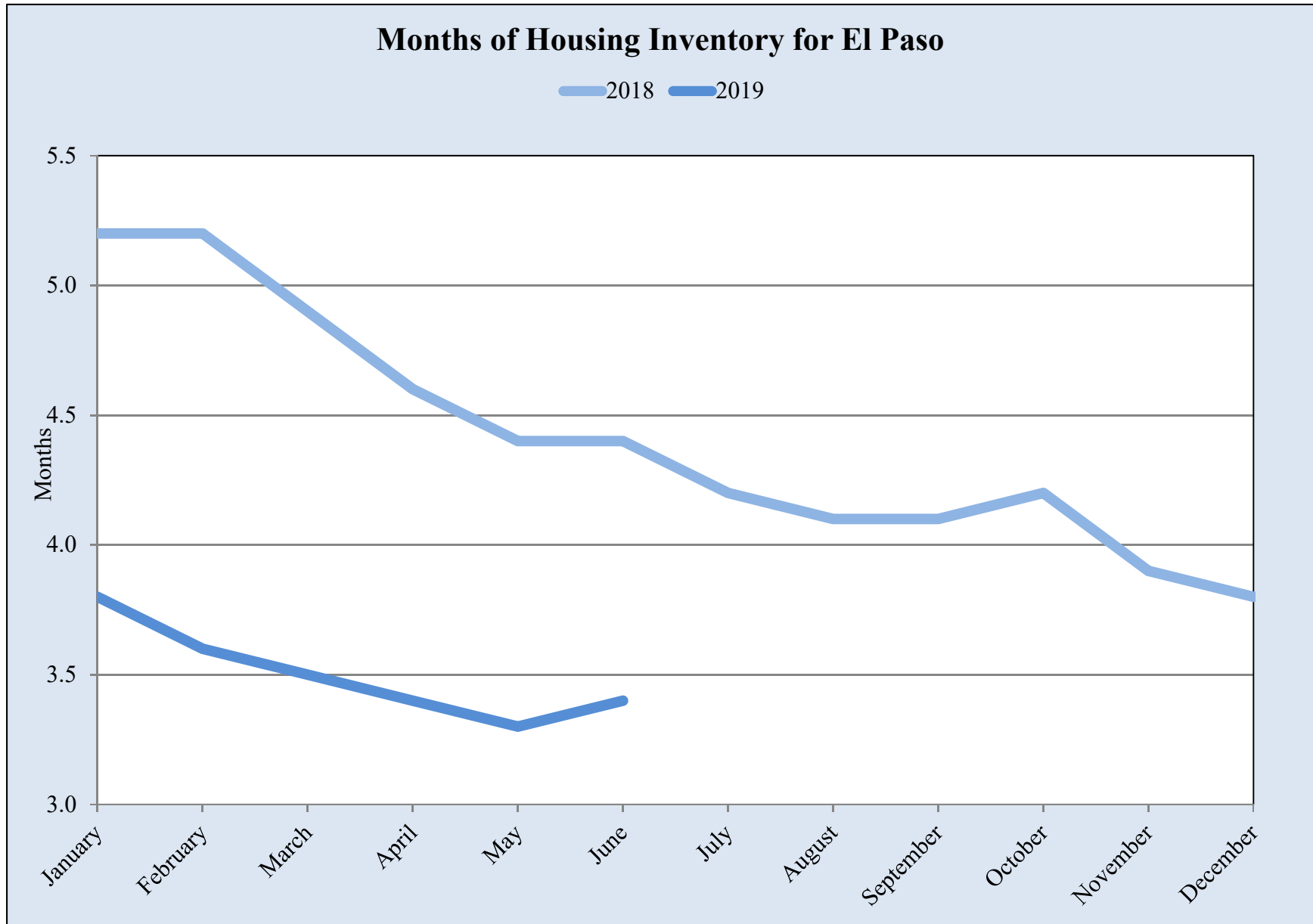
Source: Texas A&M Real Estate Center



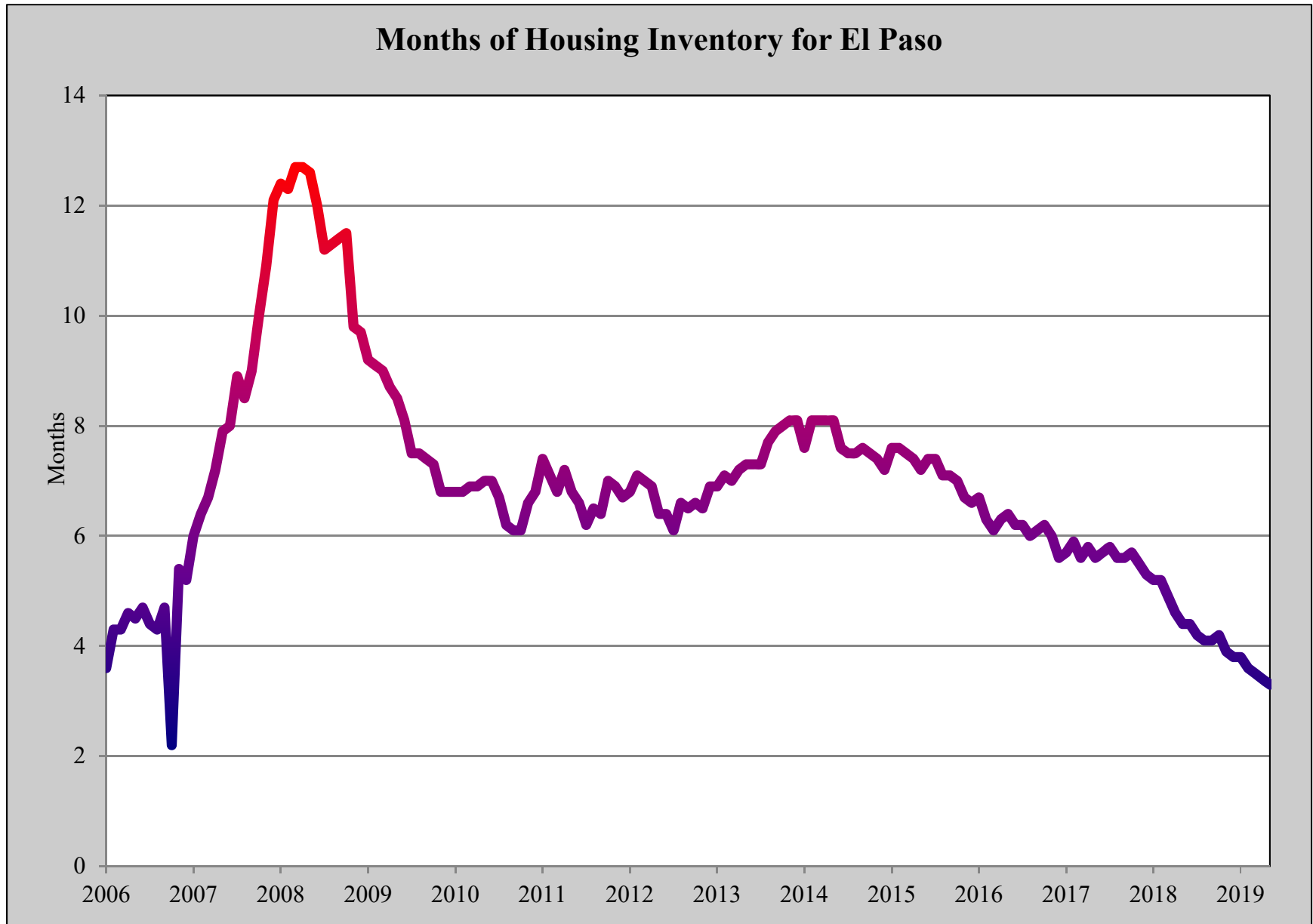
## El Paso Median Housing Prices



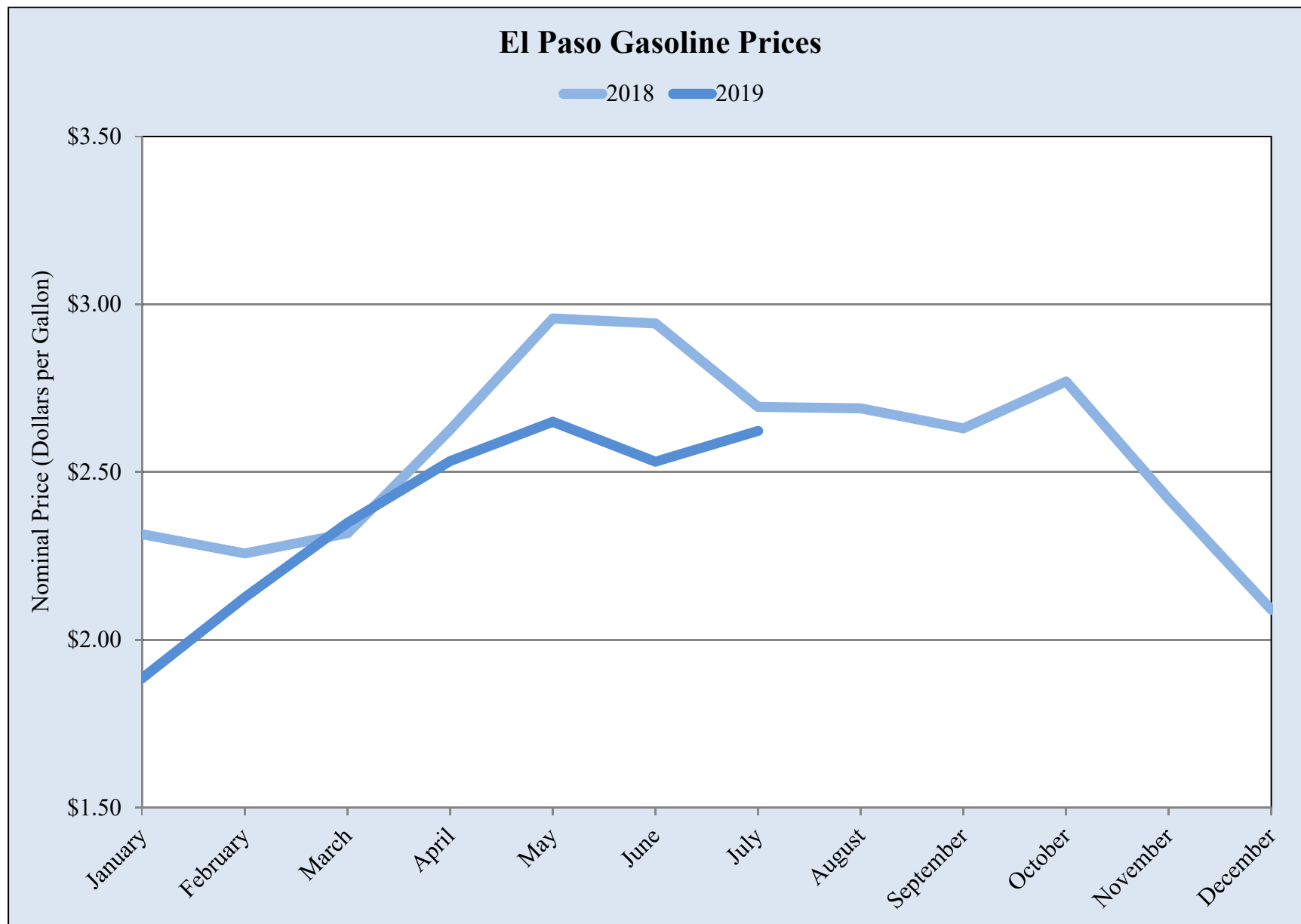
Source: Texas A&M Real Estate Center



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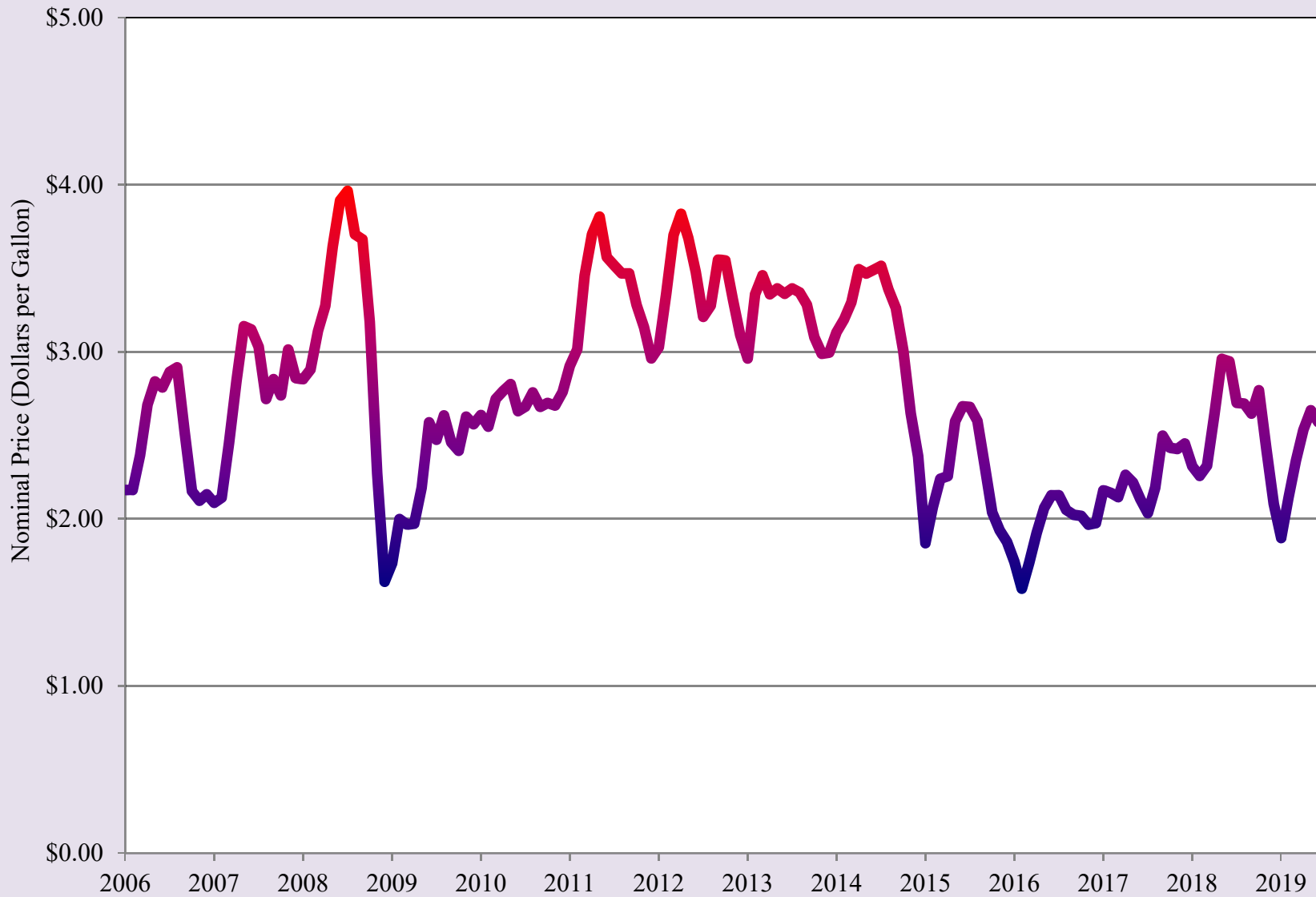
Source: Texas A&M Real Estate Center



Source: GasBuddy.com

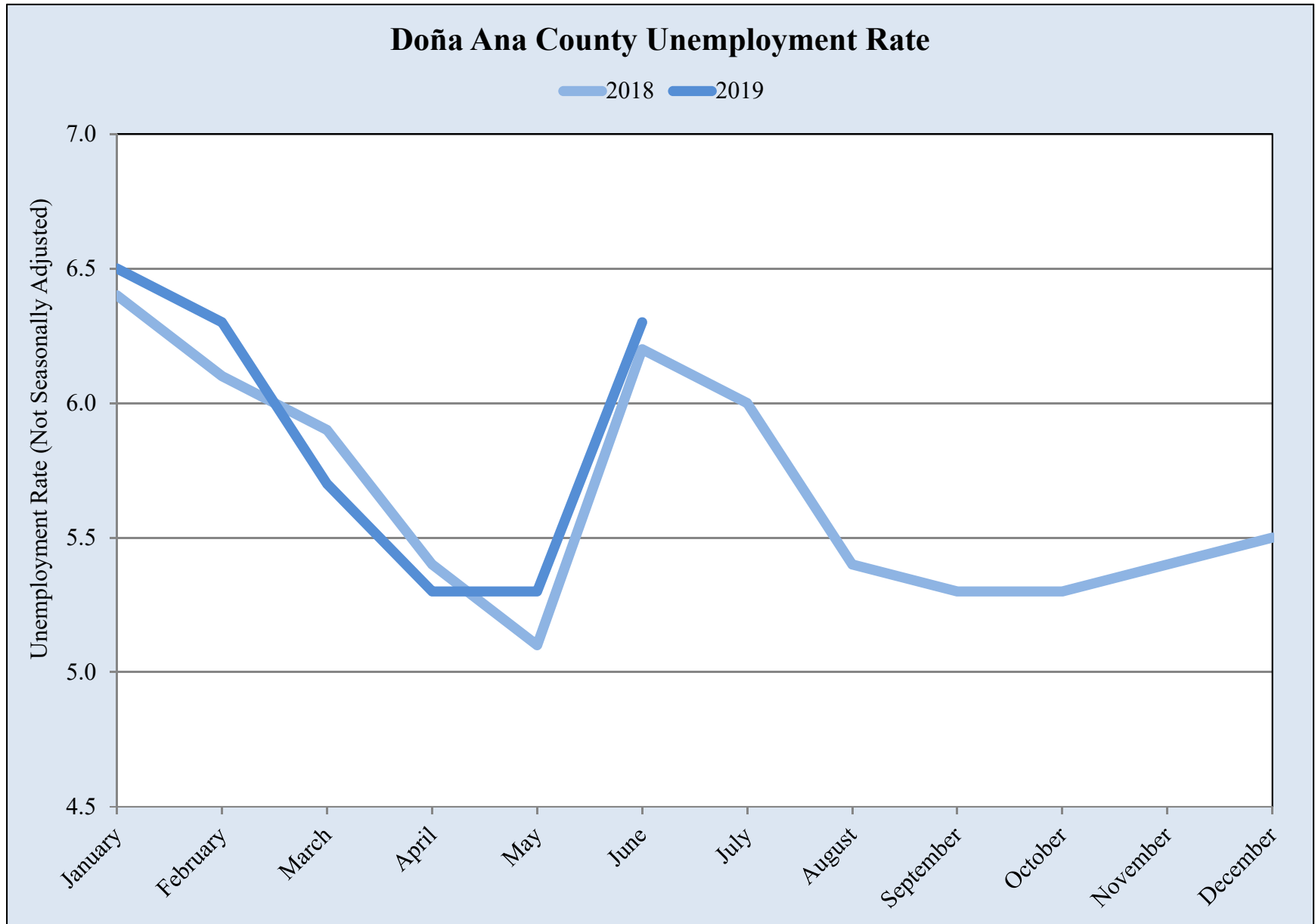


## El Paso Gasoline Prices

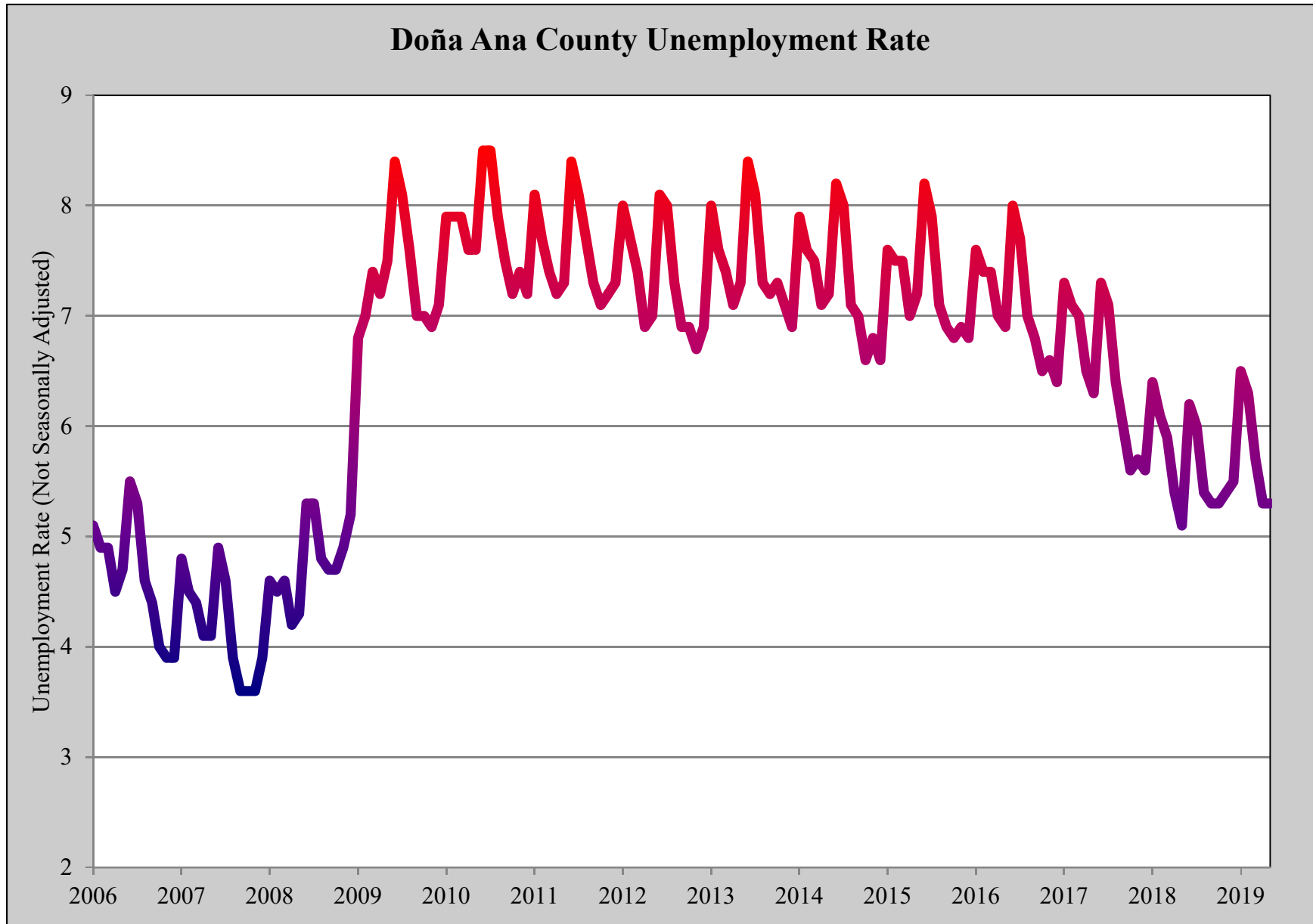


Source: GasBuddy.com

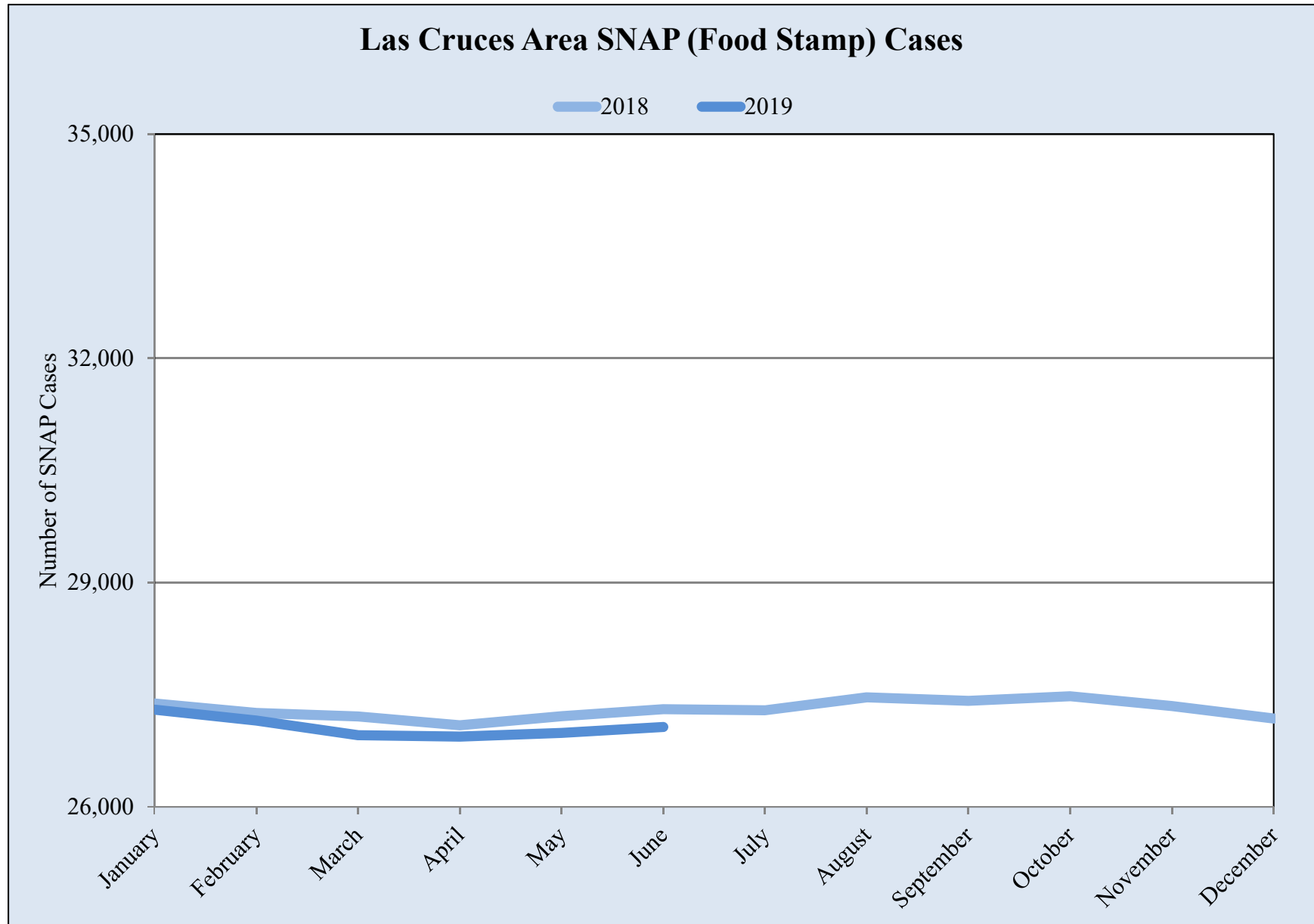




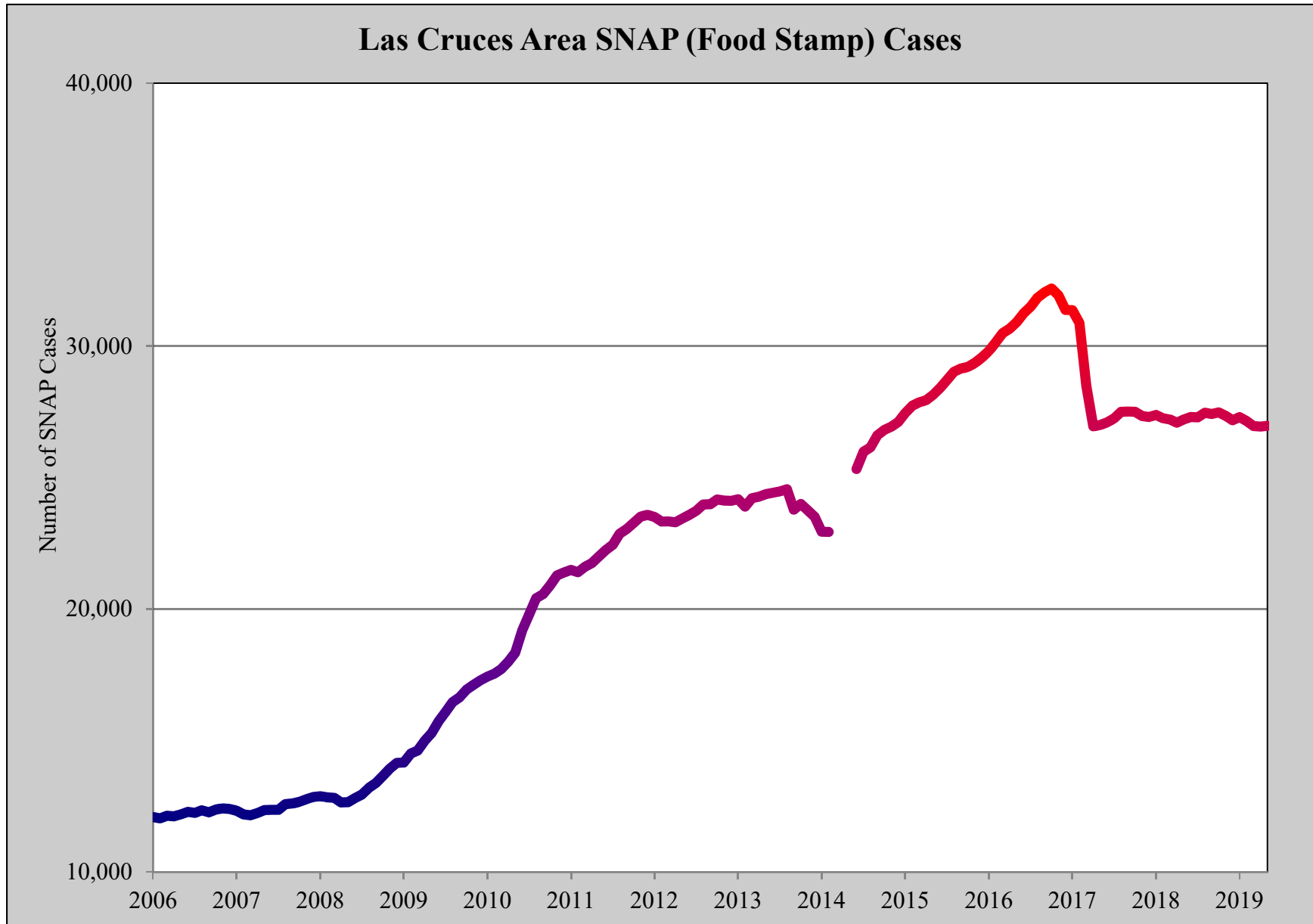
Source: Bureau of Labor Statistics



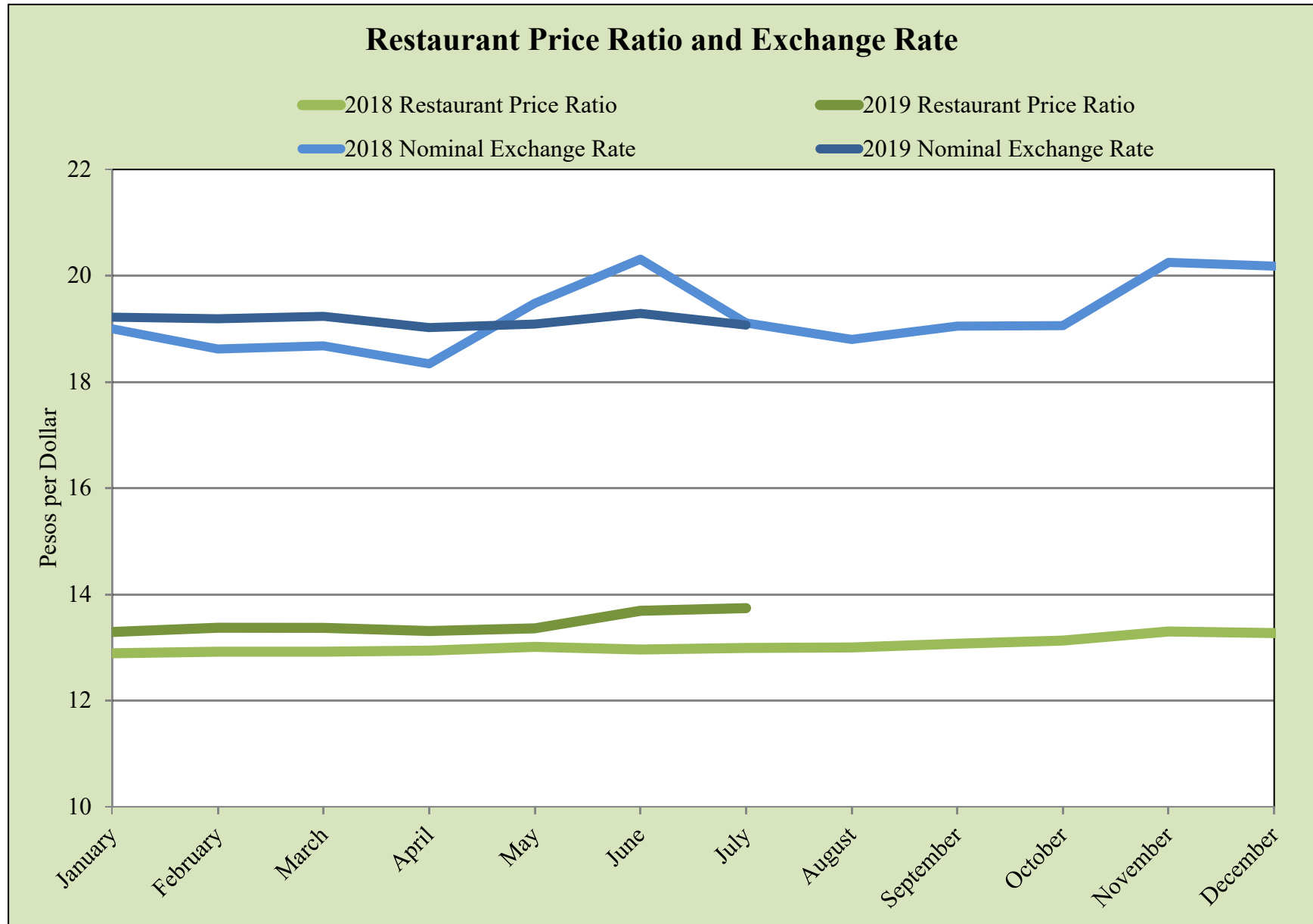
Source: Bureau of Labor Statistics



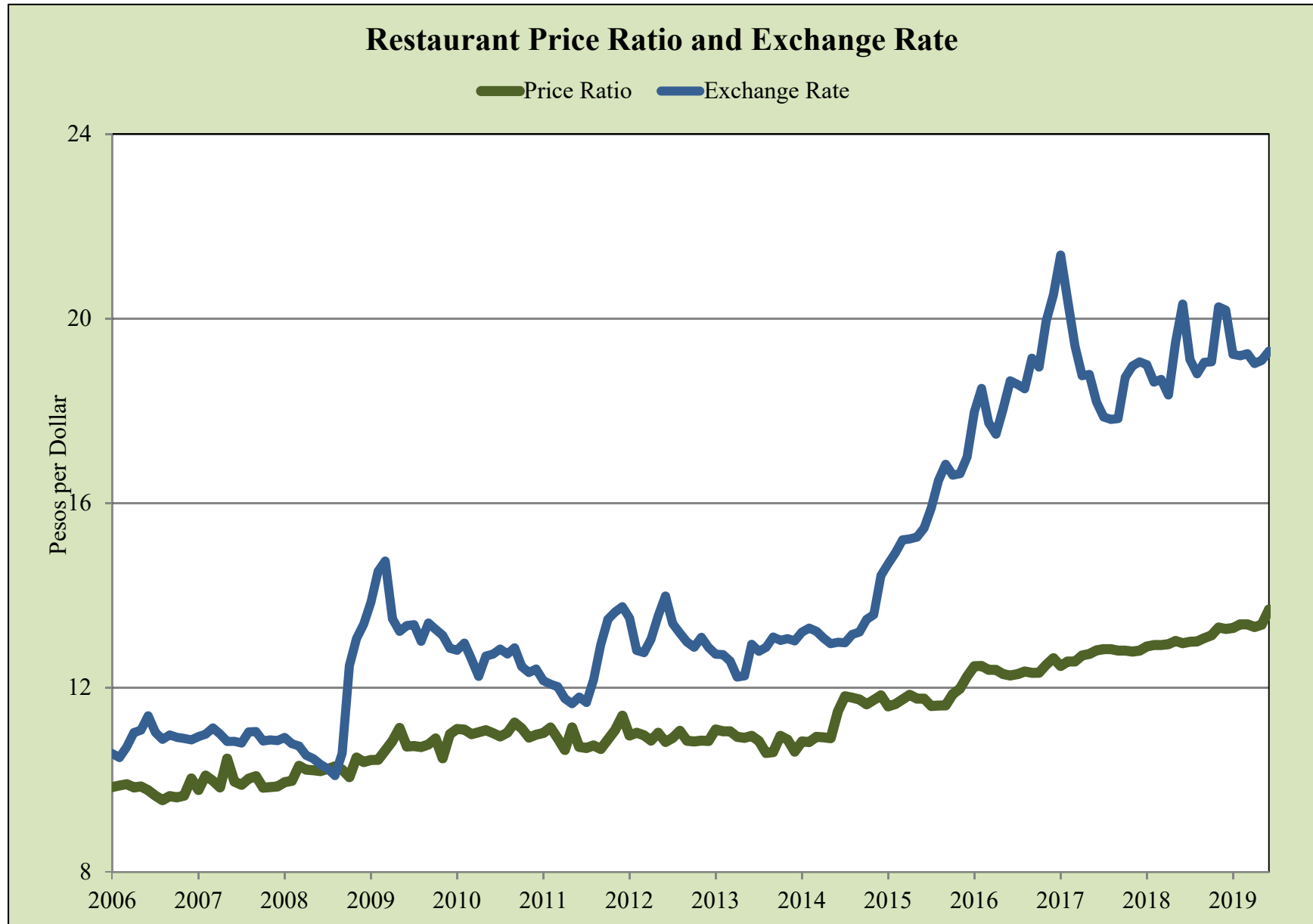
Source: New Mexico Human Services Department



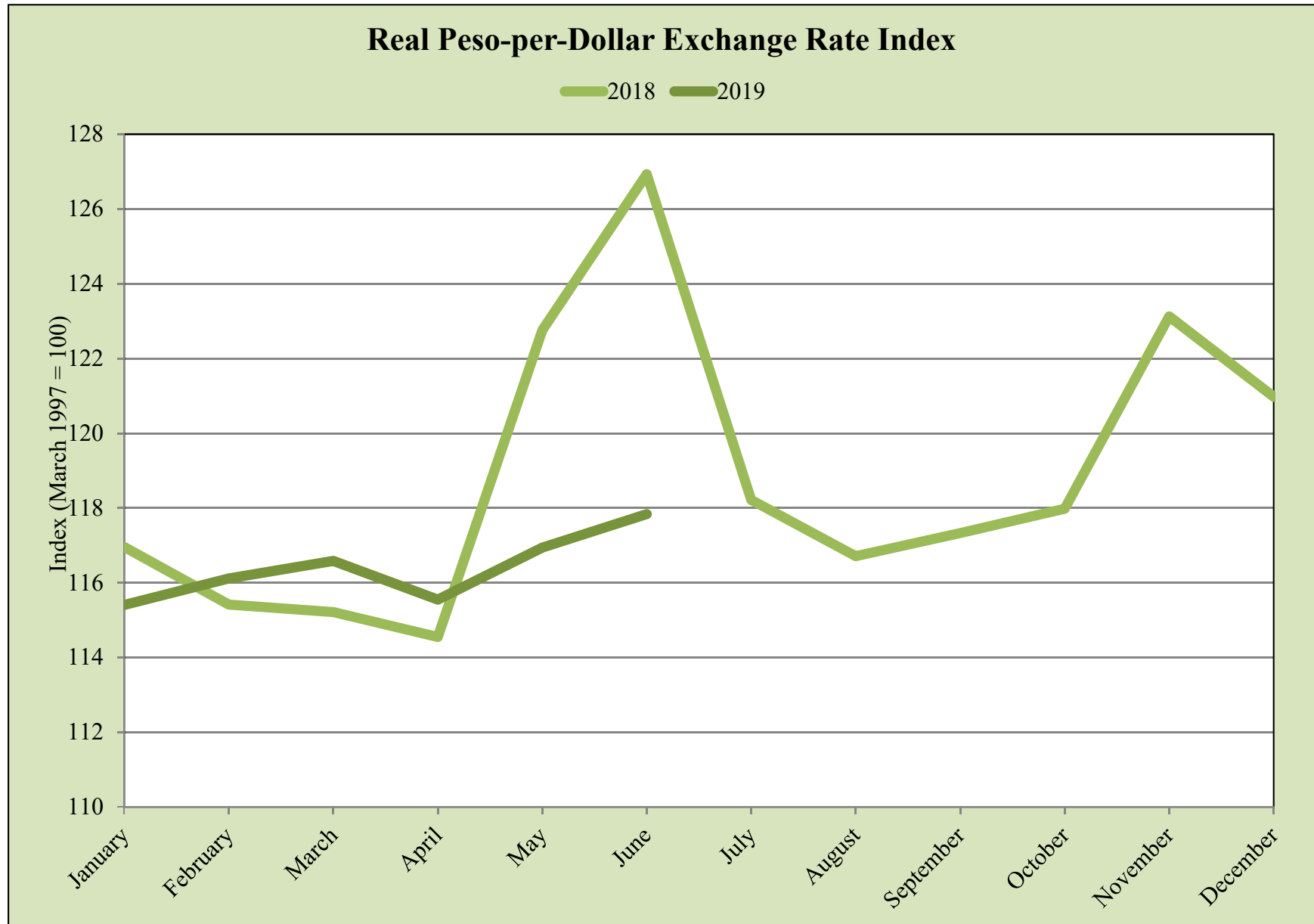
Source: New Mexico Human Services Department



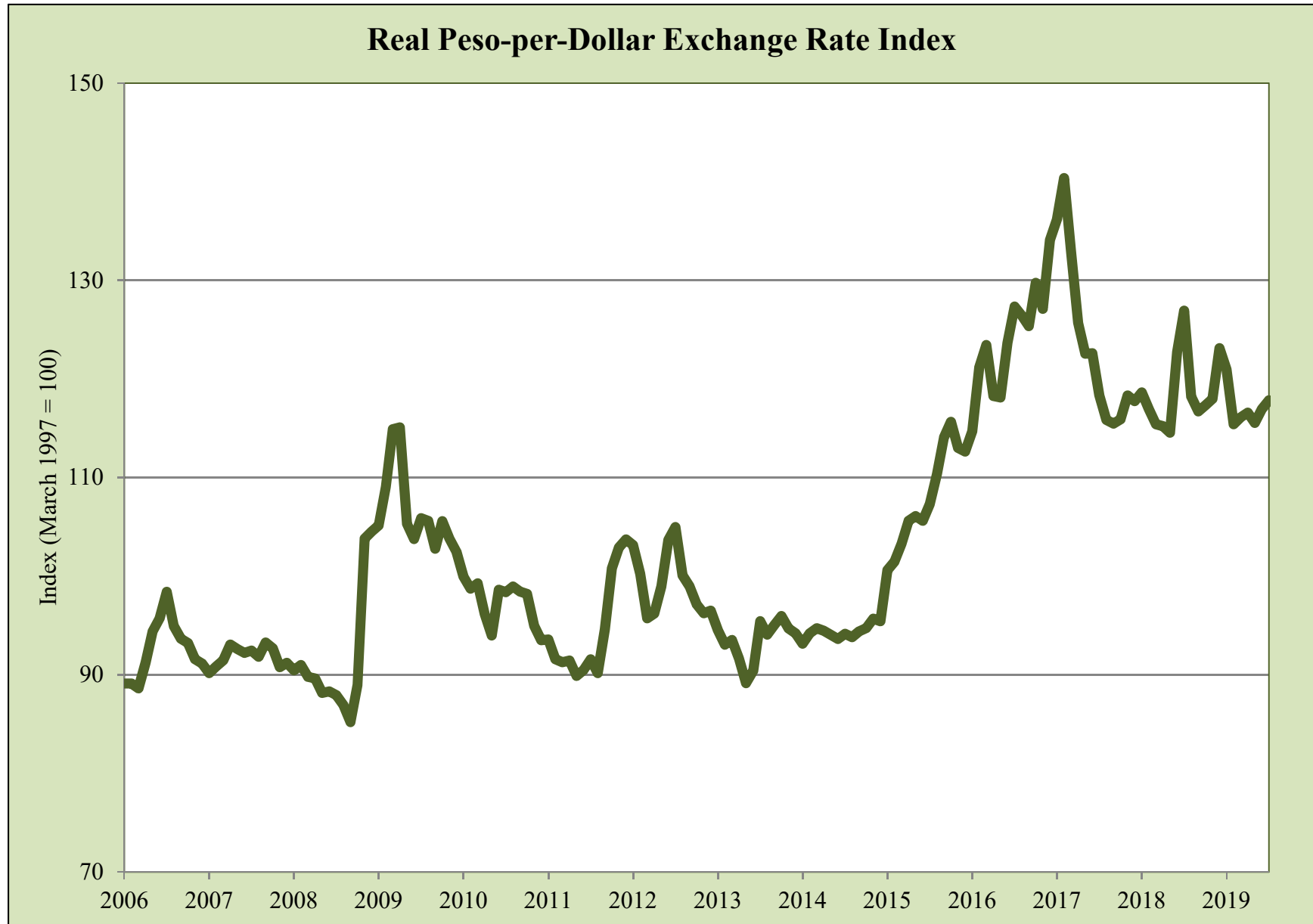
Source: UTEP Border Region Modeling Project and Banco de Mexico



Source: UTEP Border Region Modeling Project and Banco de Mexico

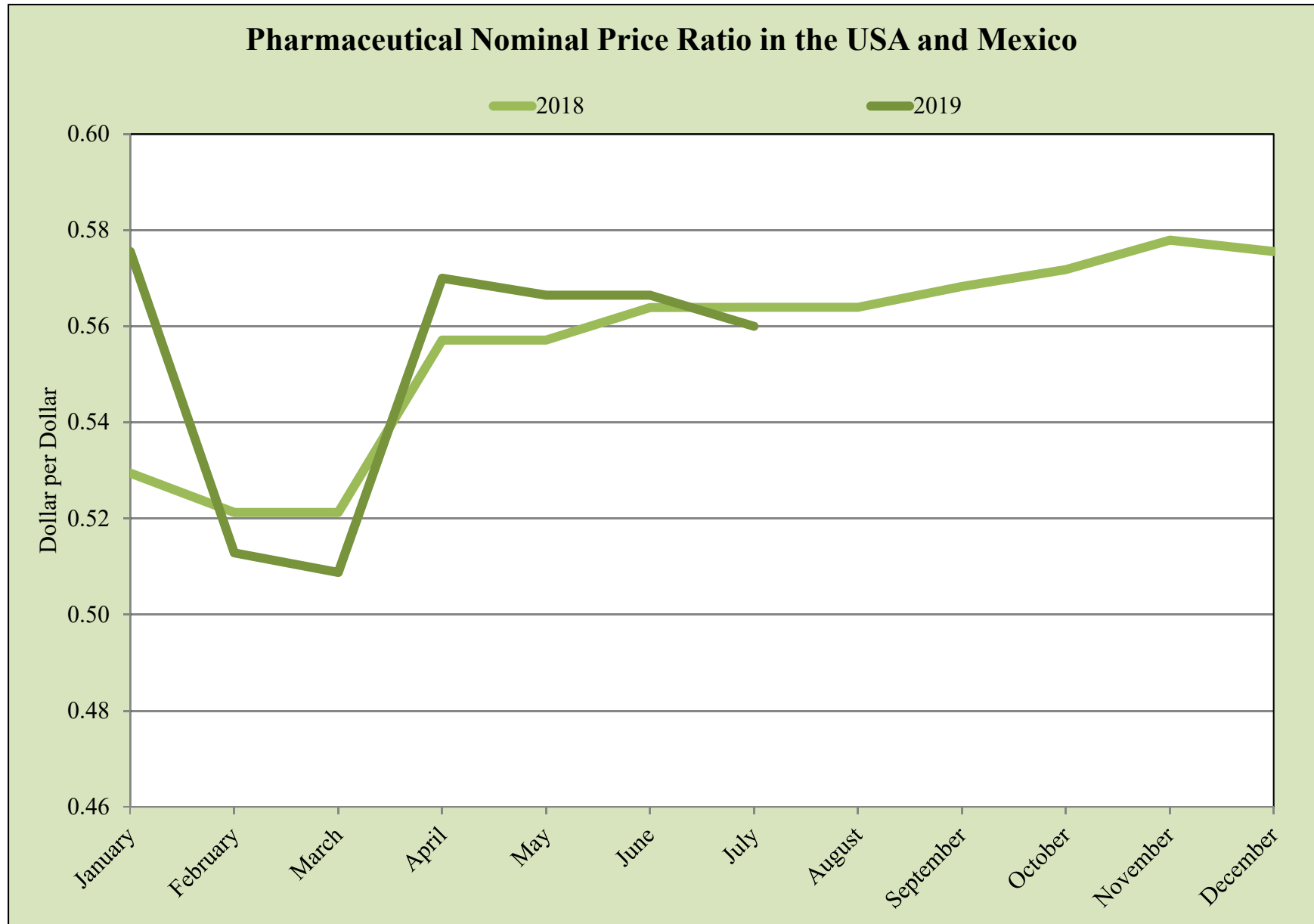


Source: UTEP Border Region Modeling Project

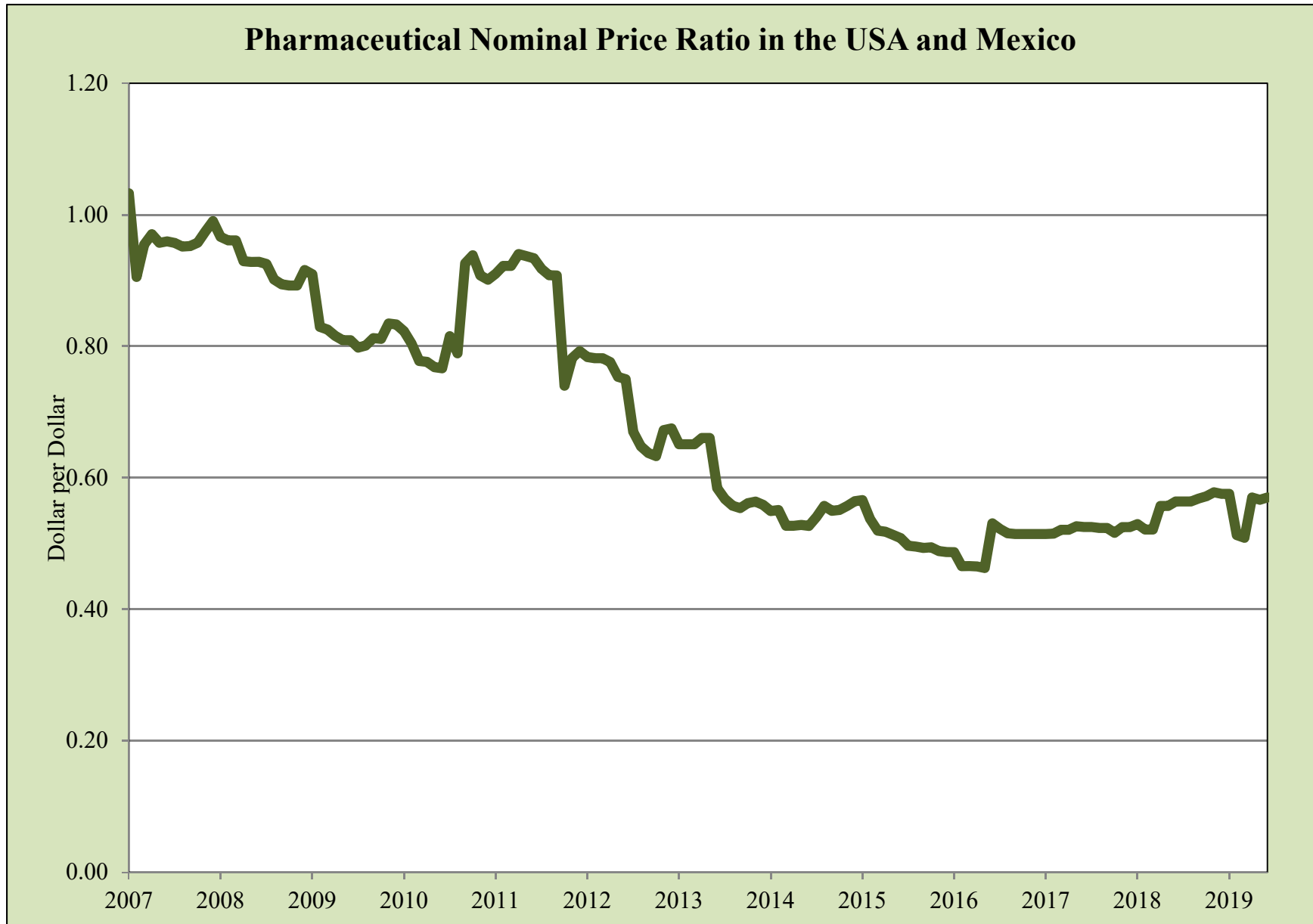


Source: UTEP Border Region Modeling Project

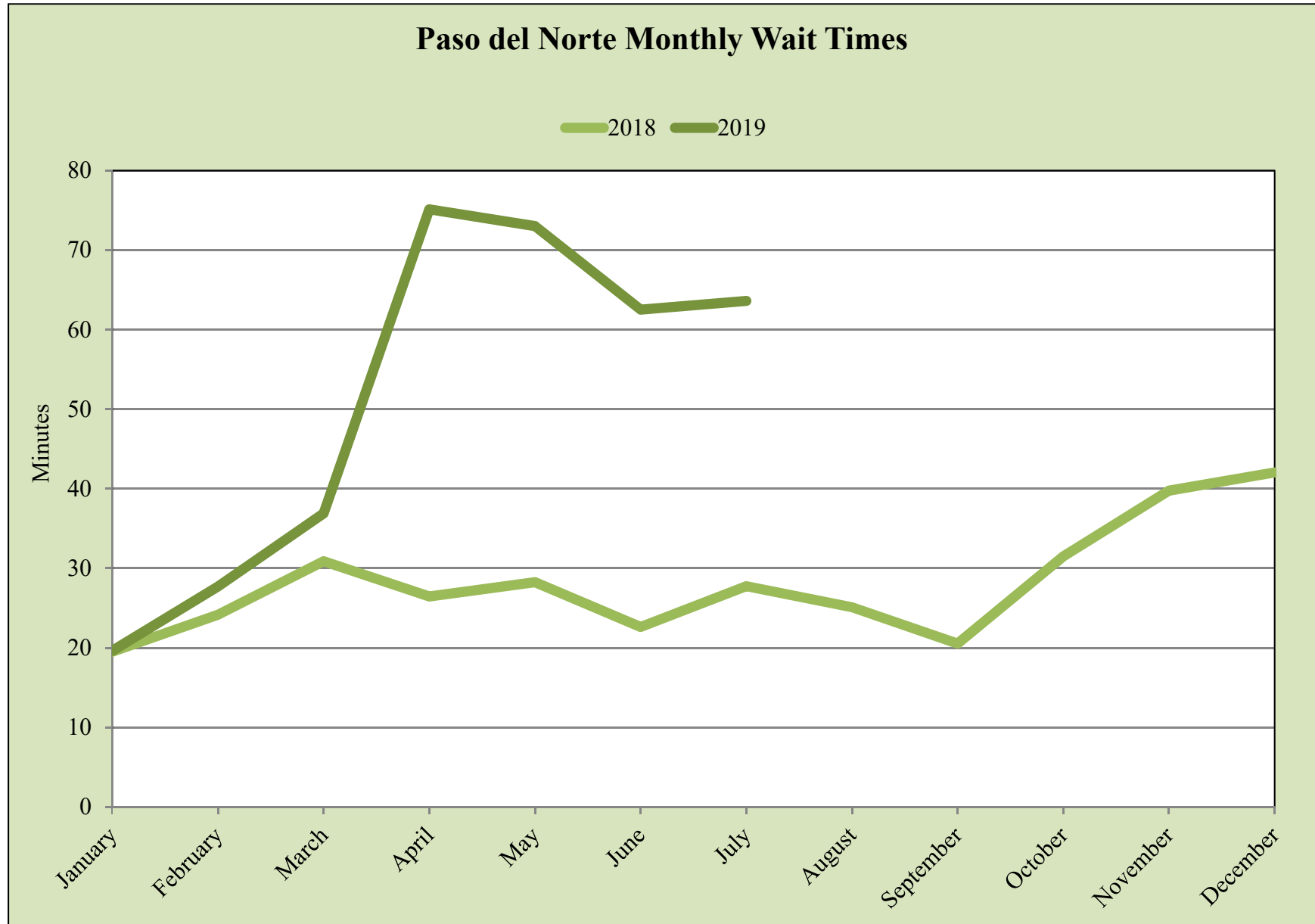




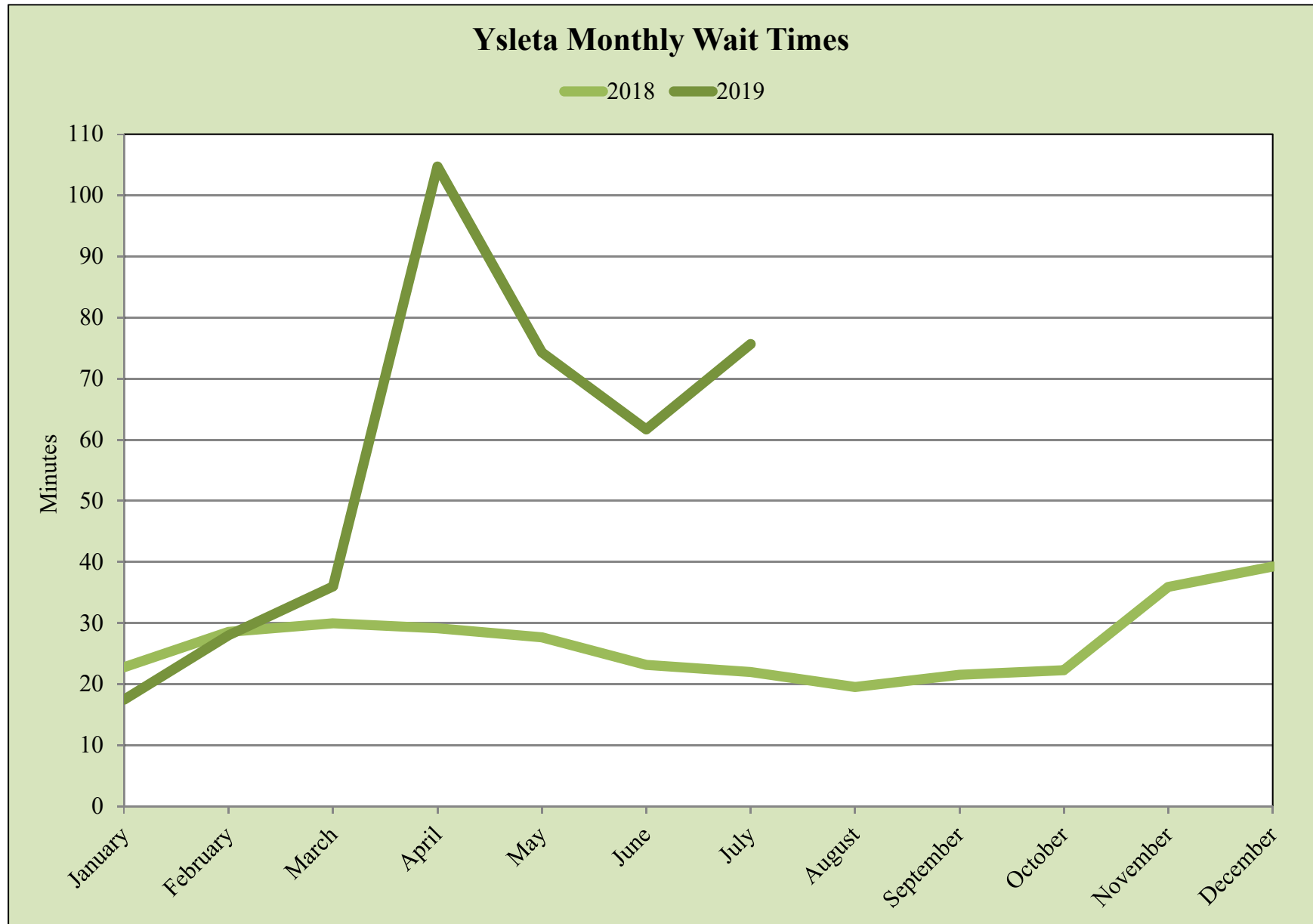
Source: UTEP Border Region Modeling Project, [healthwarehouse.com](http://healthwarehouse.com), [medicinesmexico.com](http://medicinesmexico.com), [medsmex.com](http://medsmex.com)



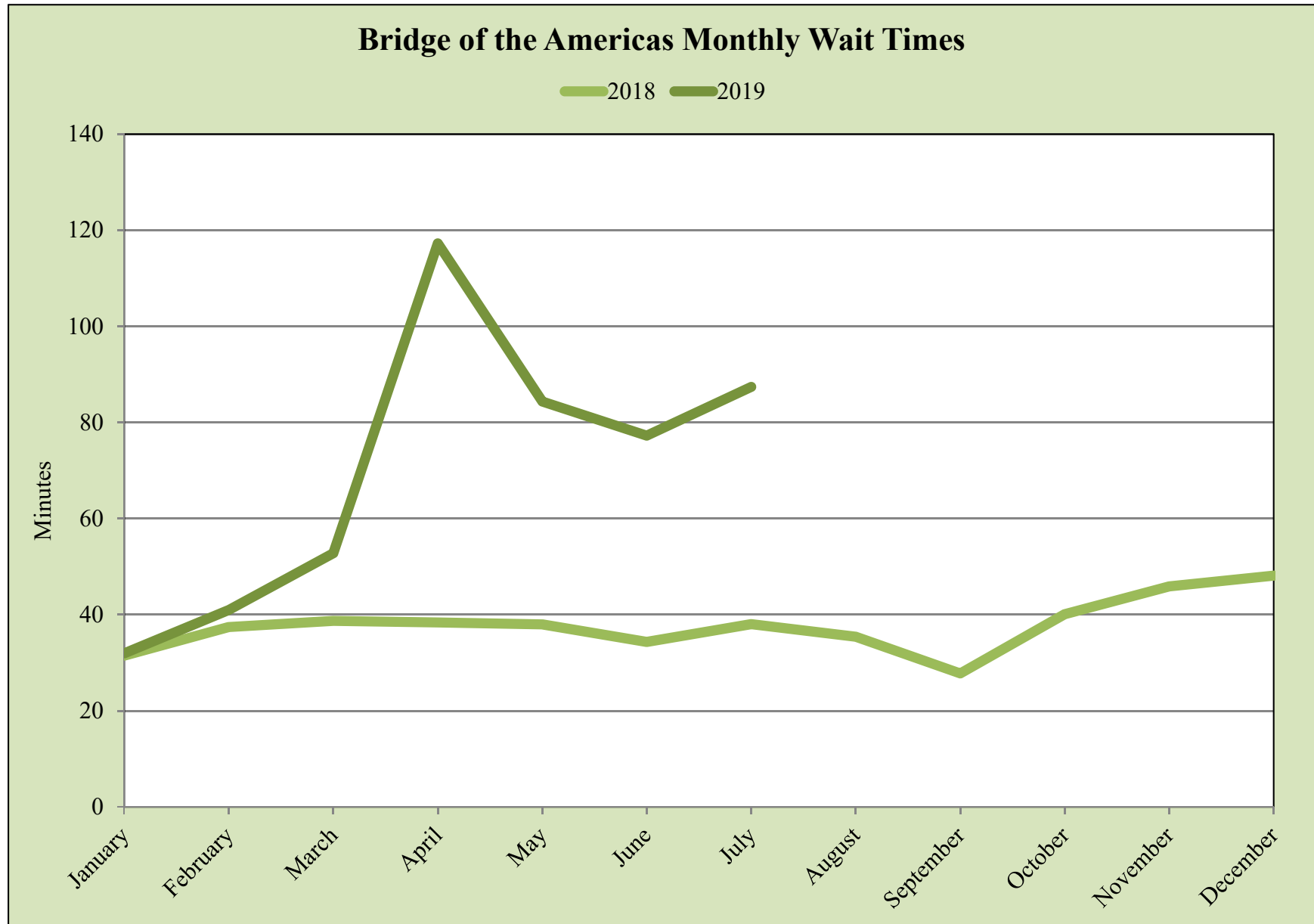
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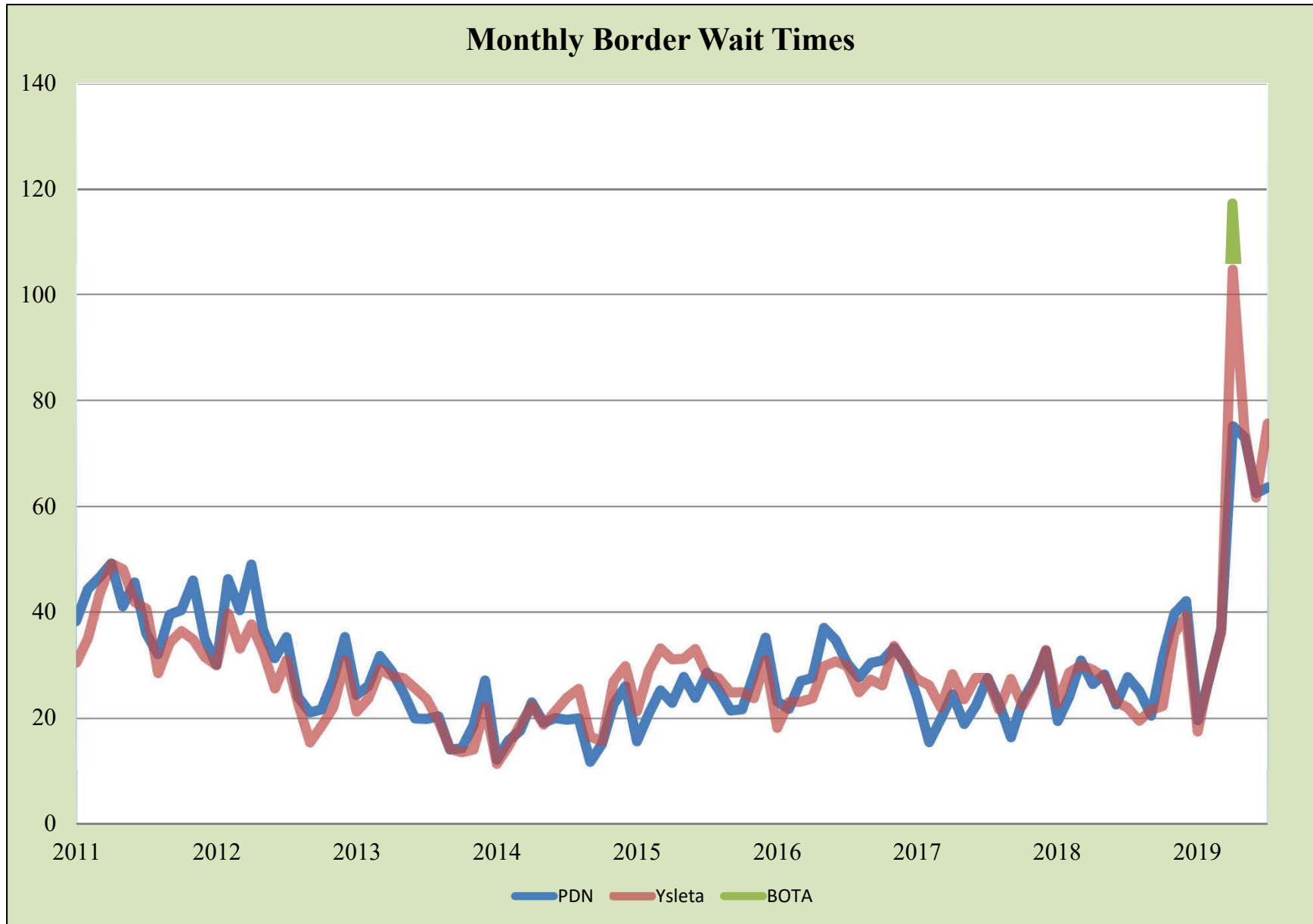
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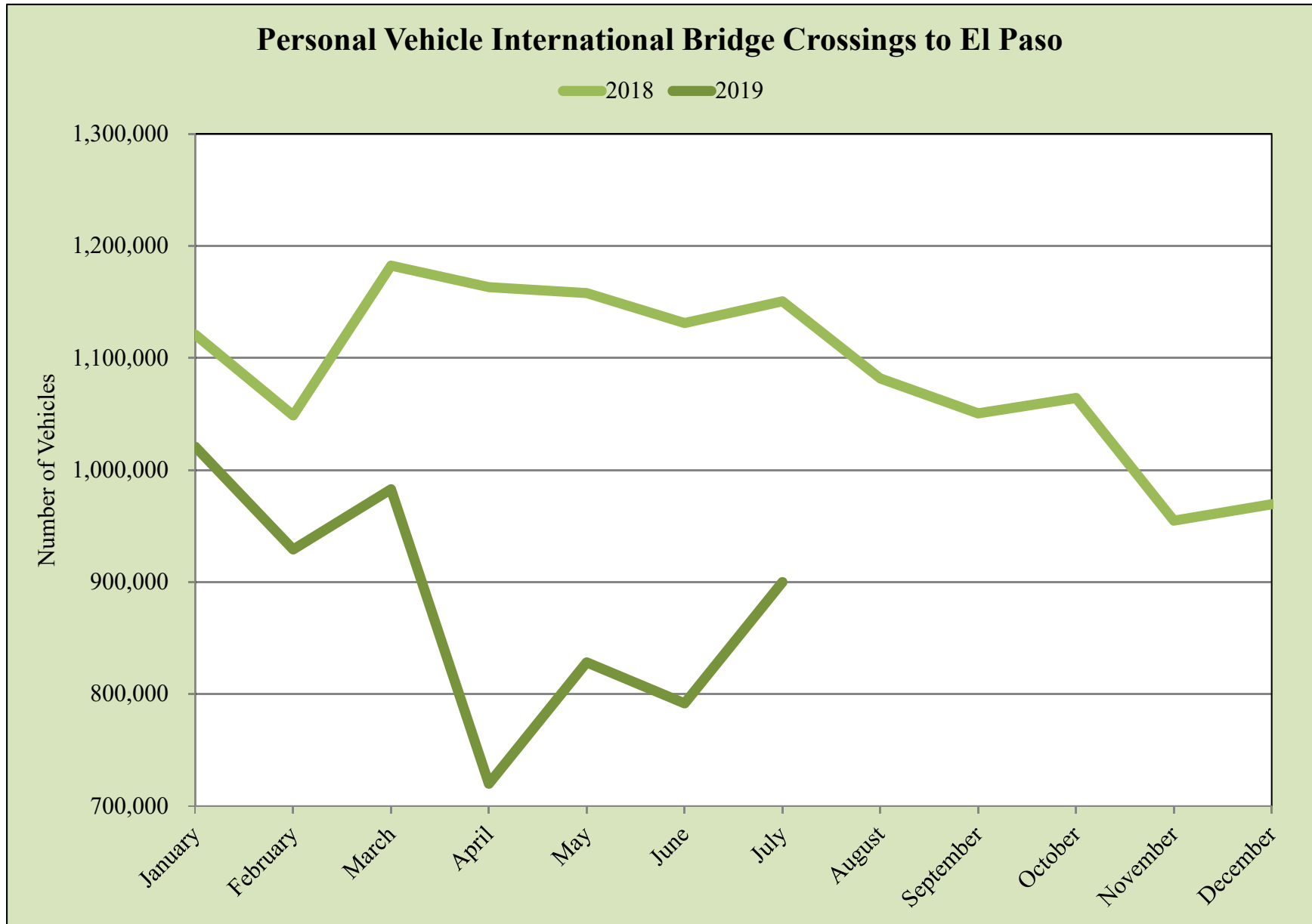
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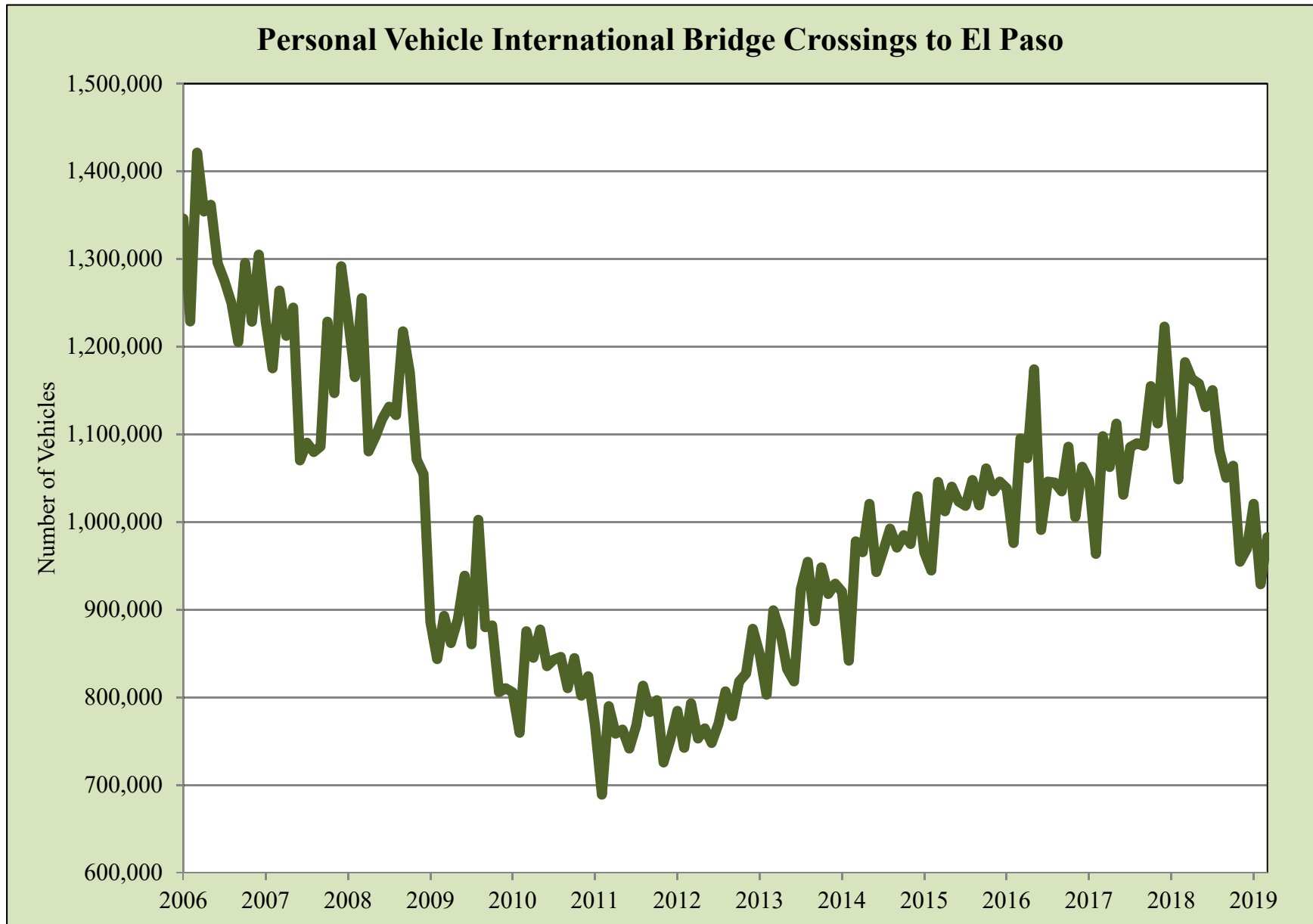
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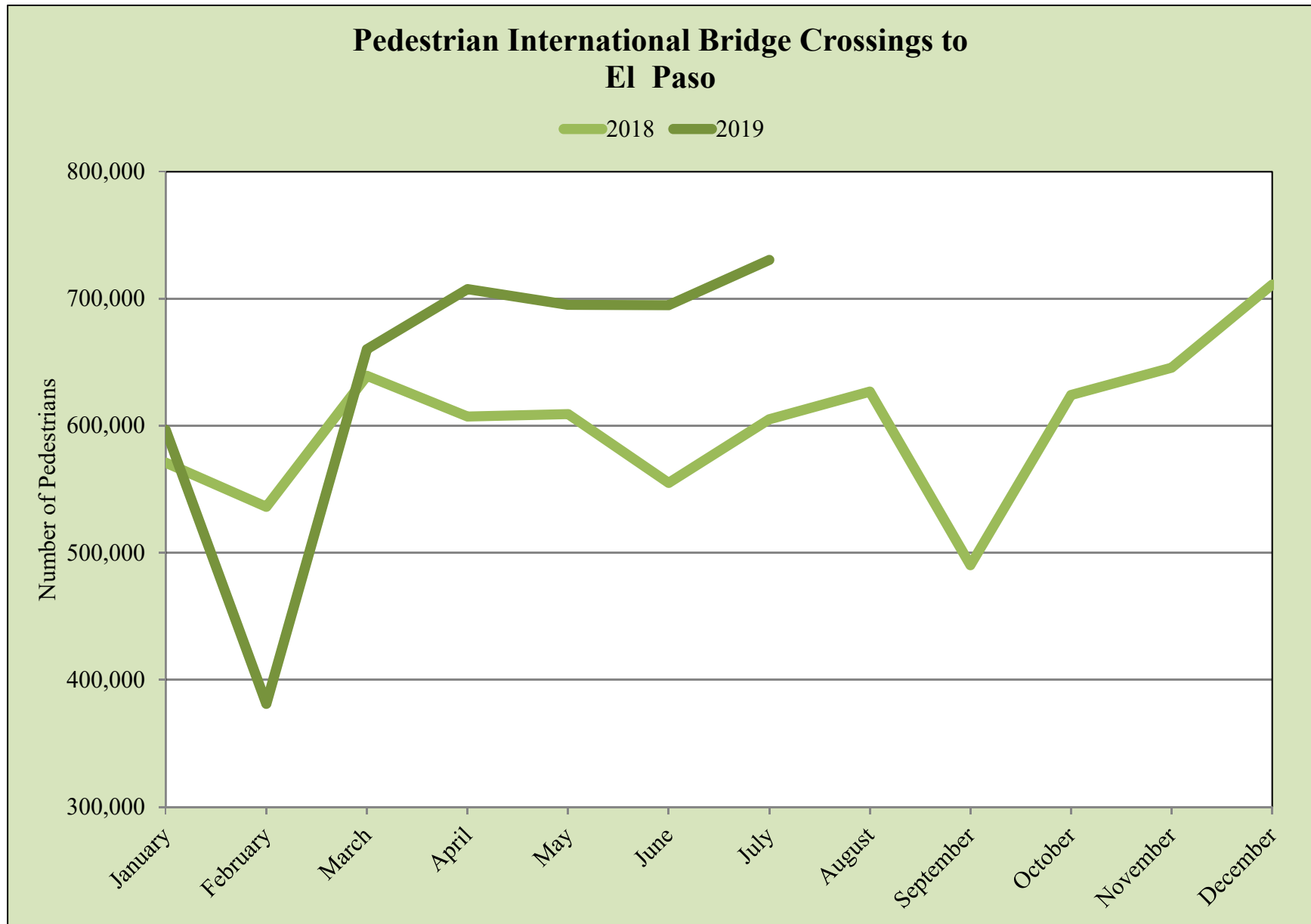


Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

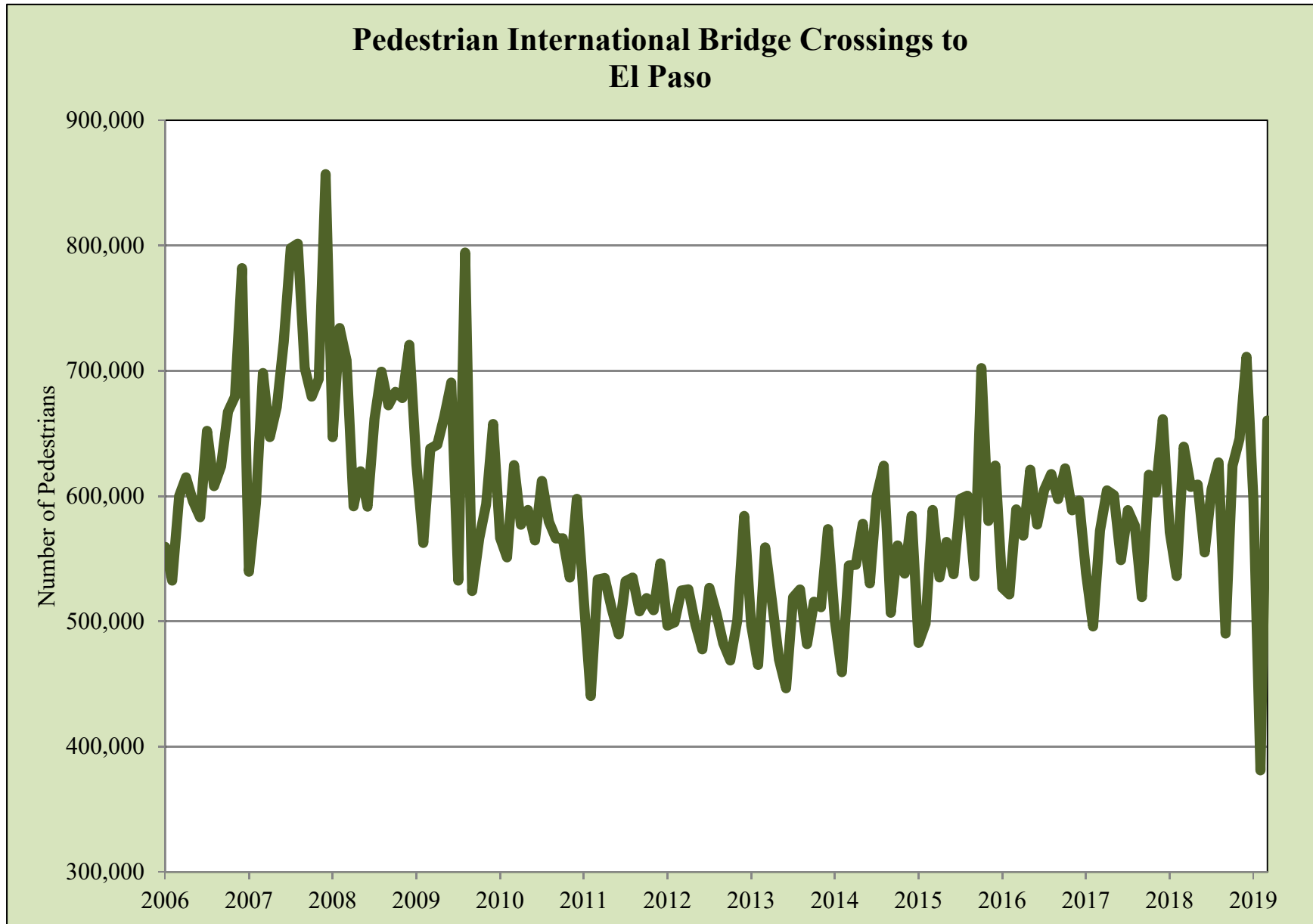


Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

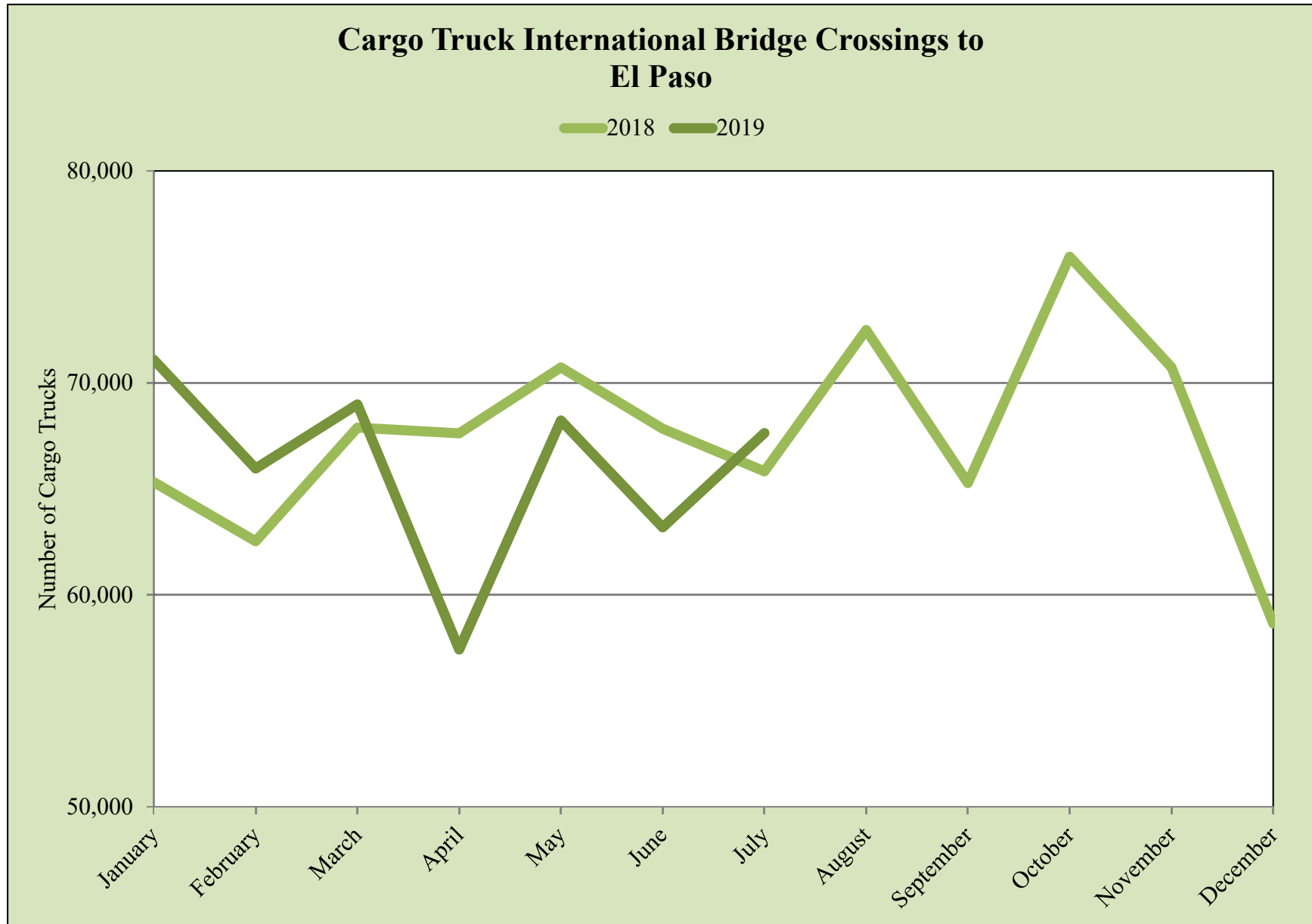




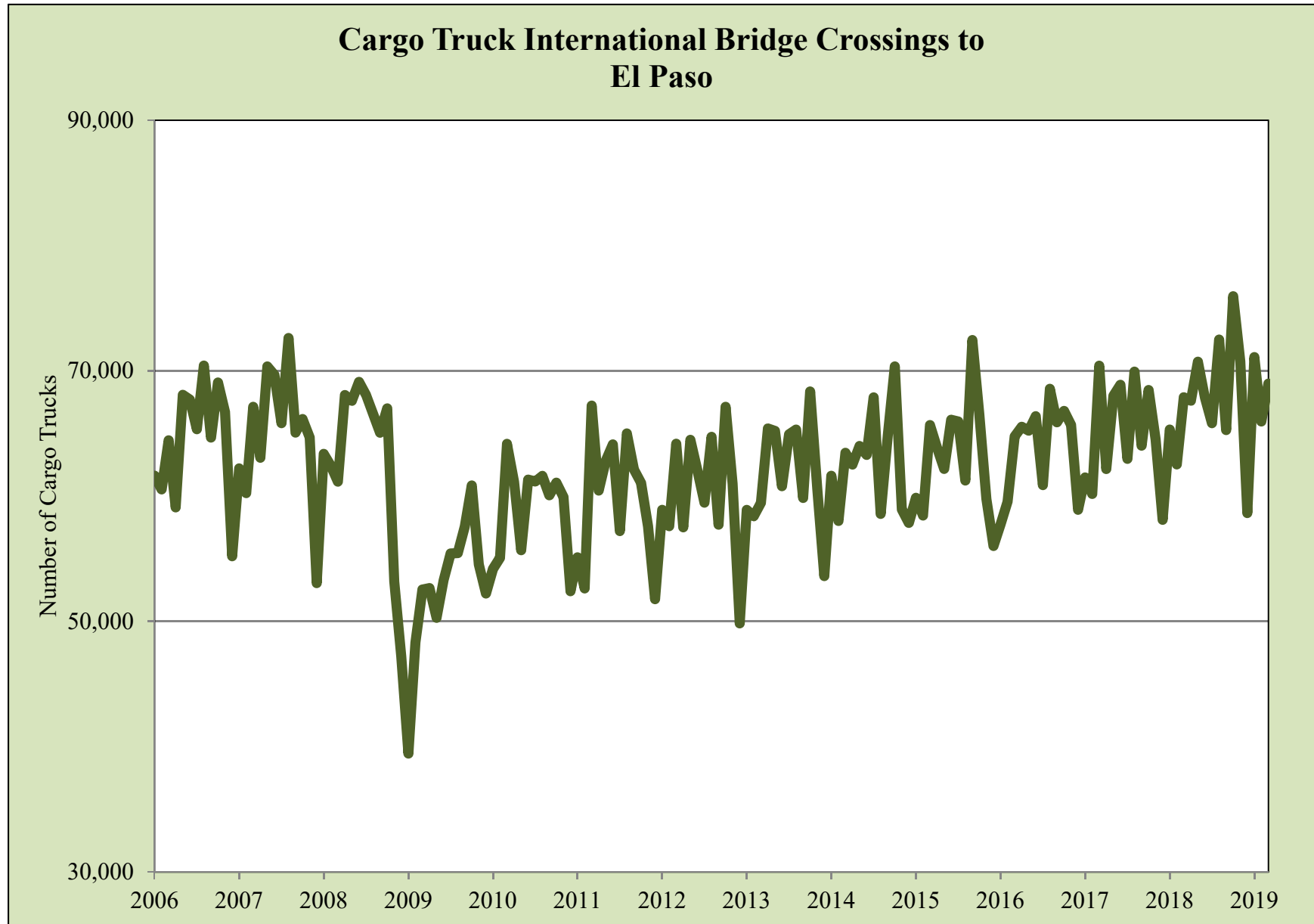
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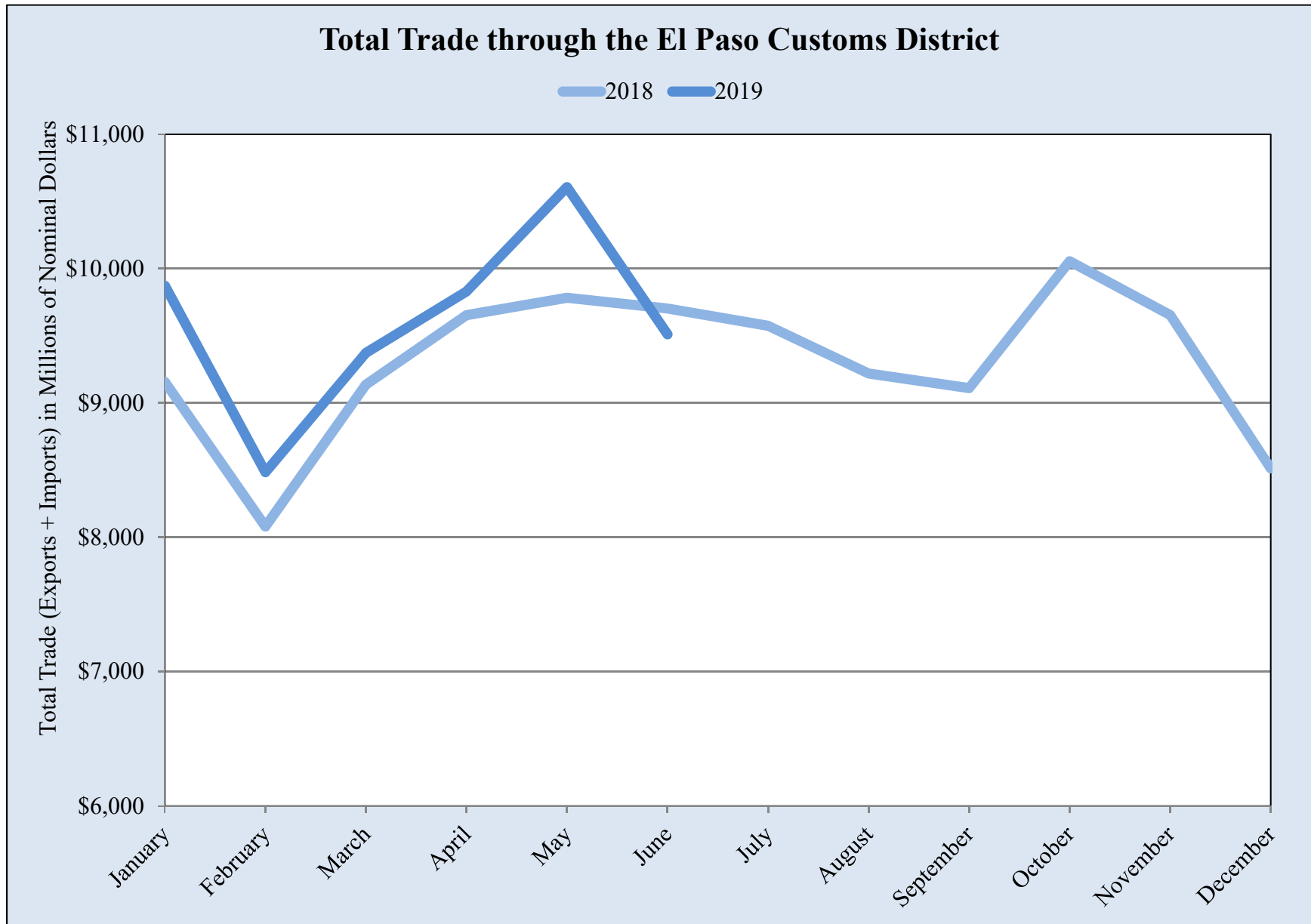
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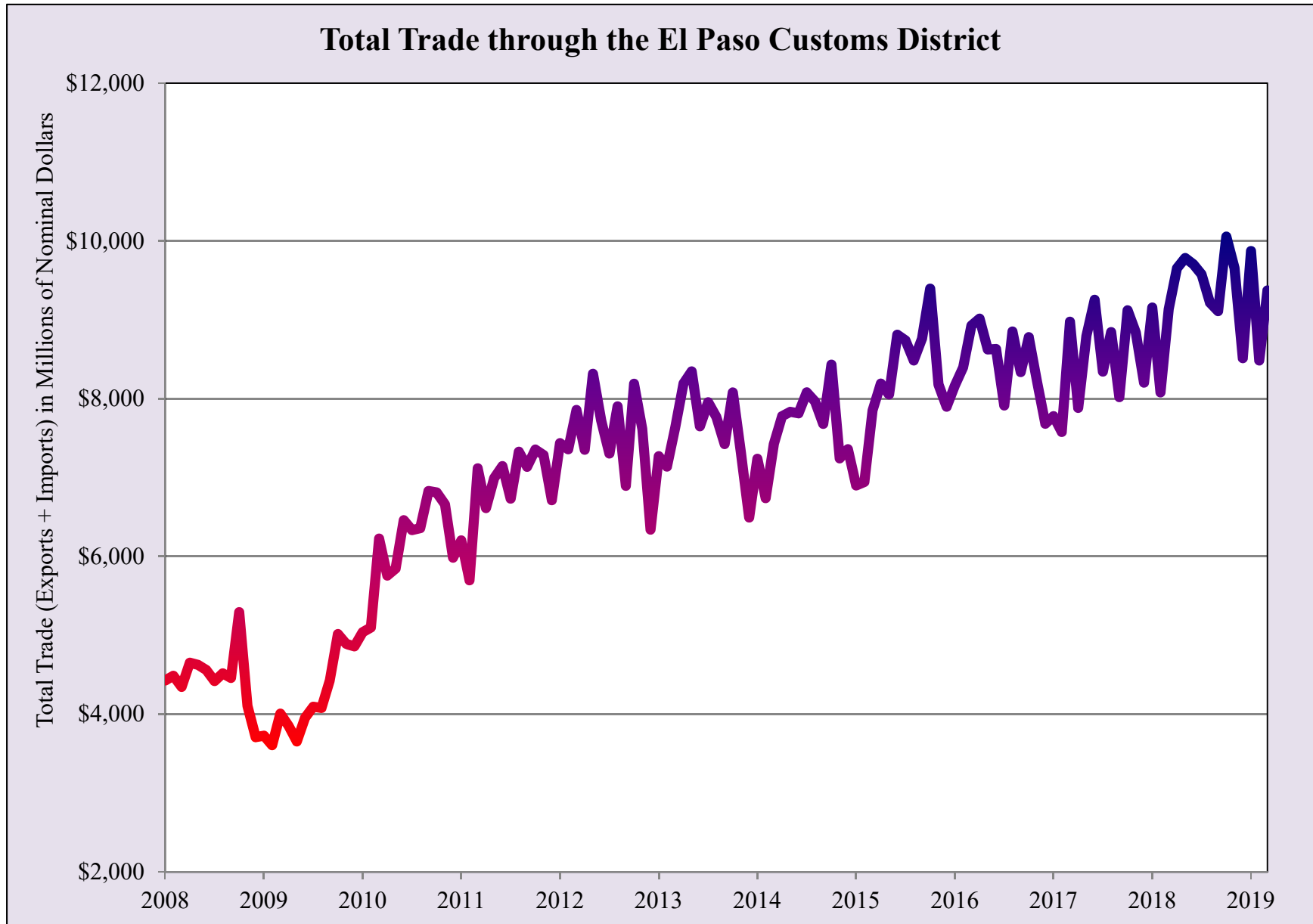
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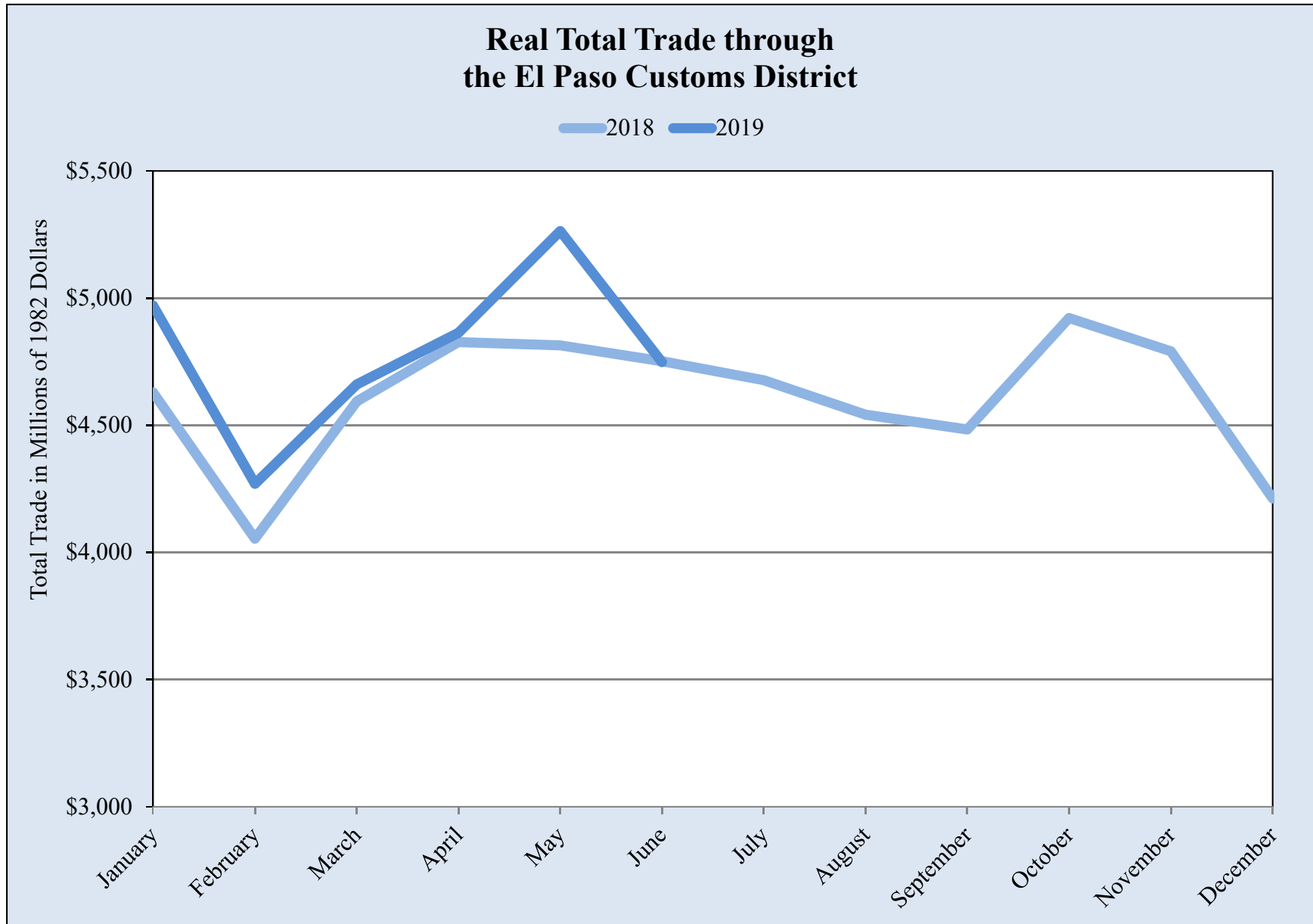
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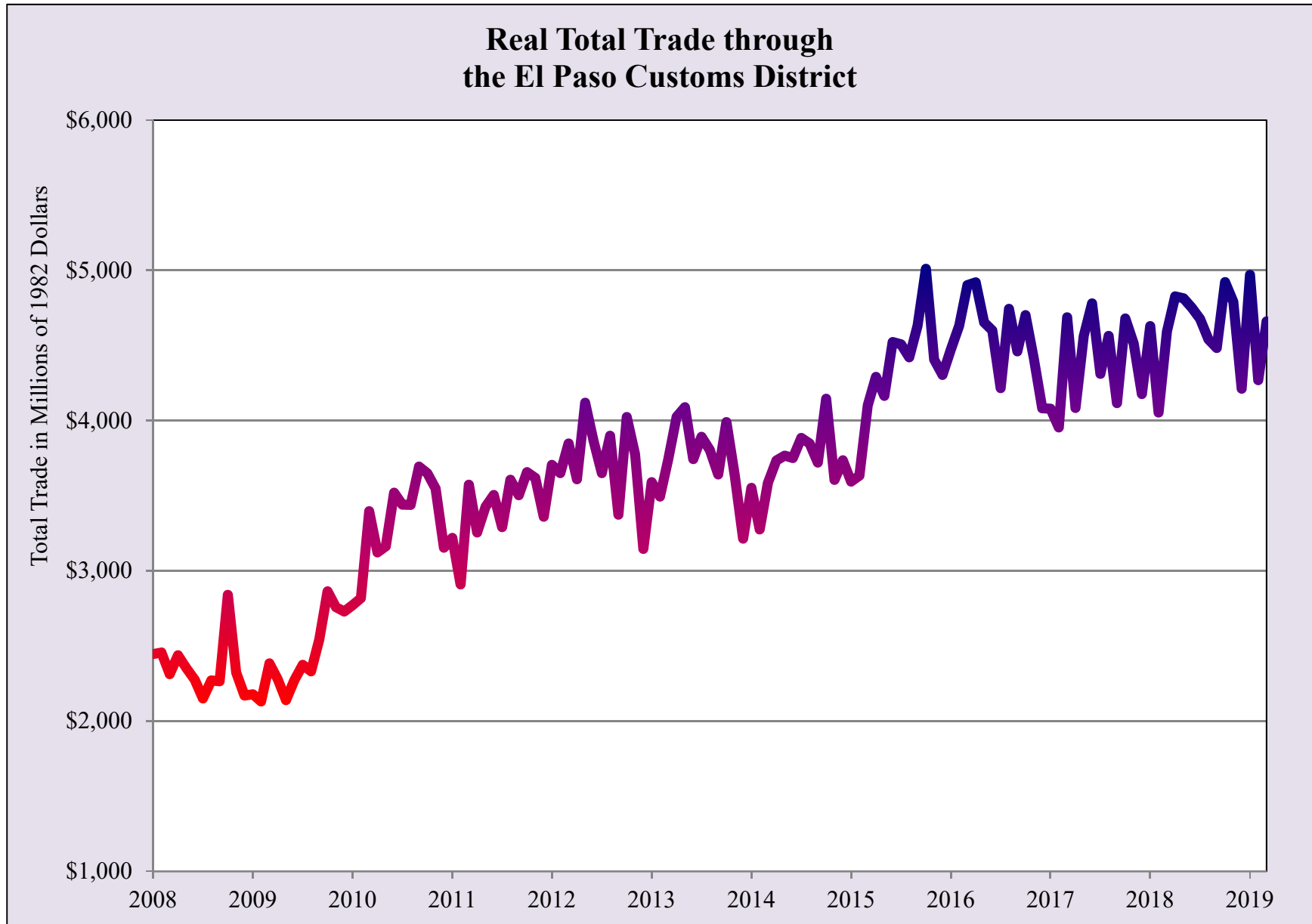
Source: U.S. International Trade Commission



Source: U.S. International Trade Commission



Source: U.S. International Trade Commission and Bureau of Labor Statistics

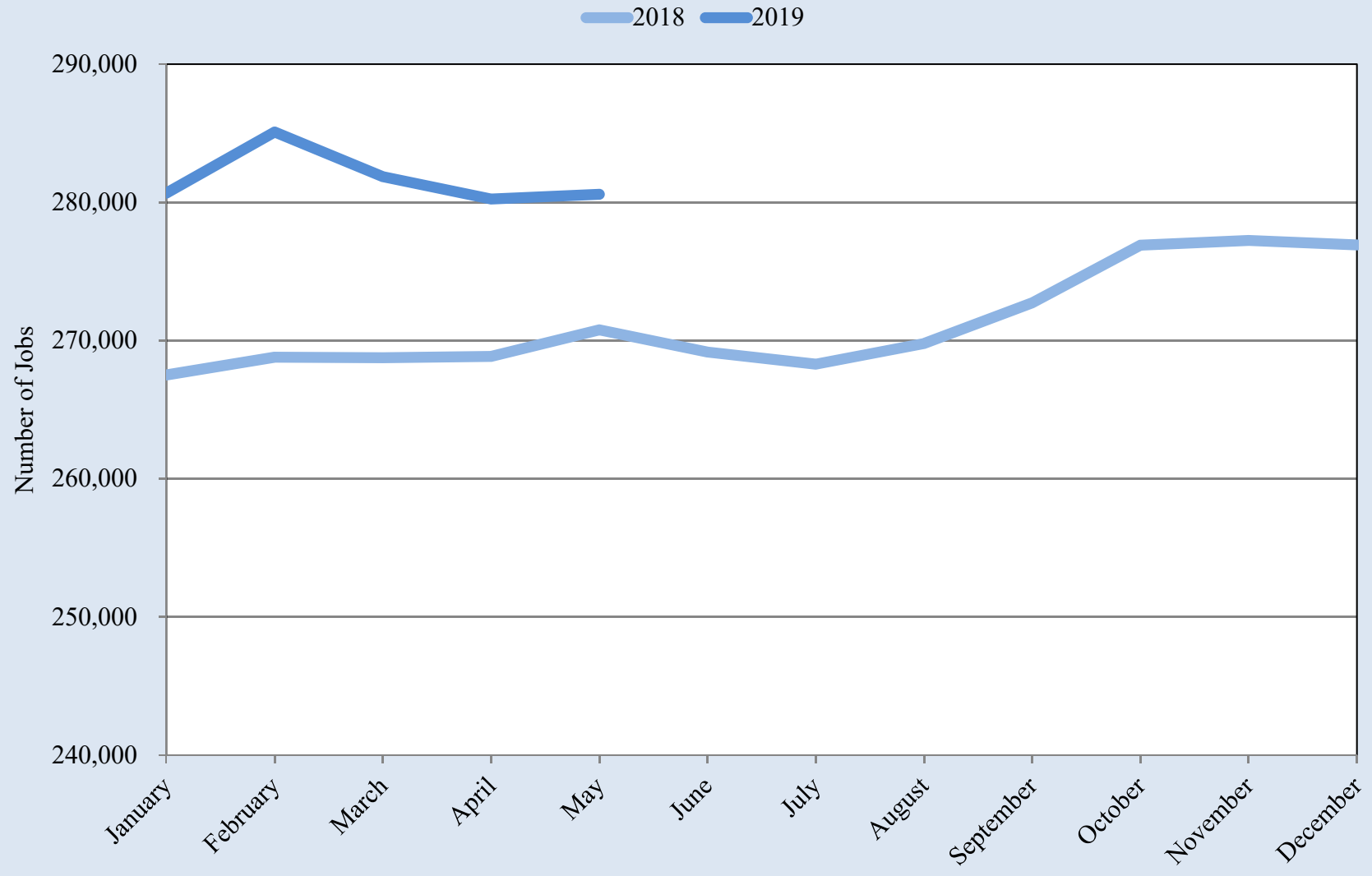


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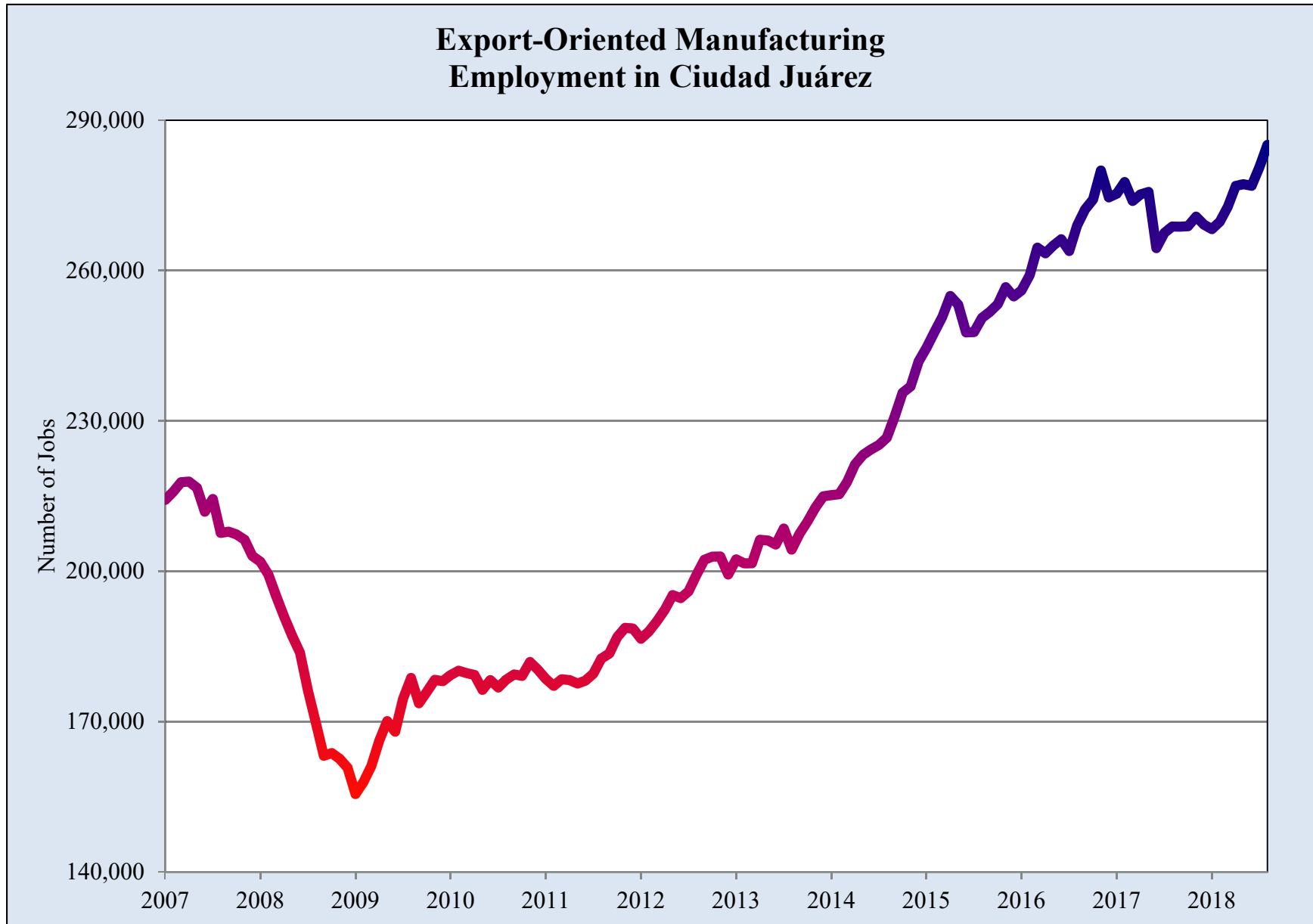




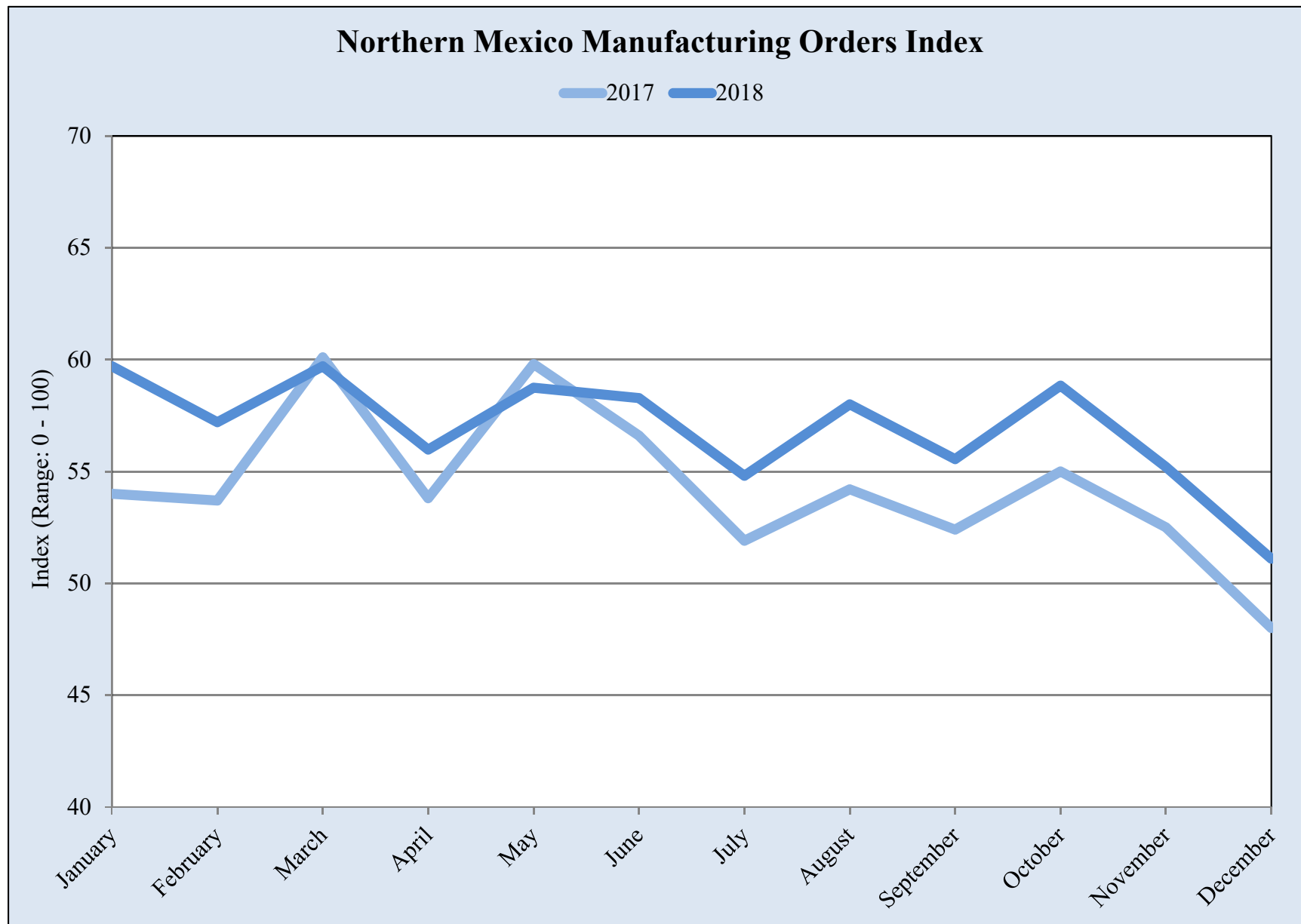
## Export-Oriented Manufacturing Employment in Ciudad Juárez



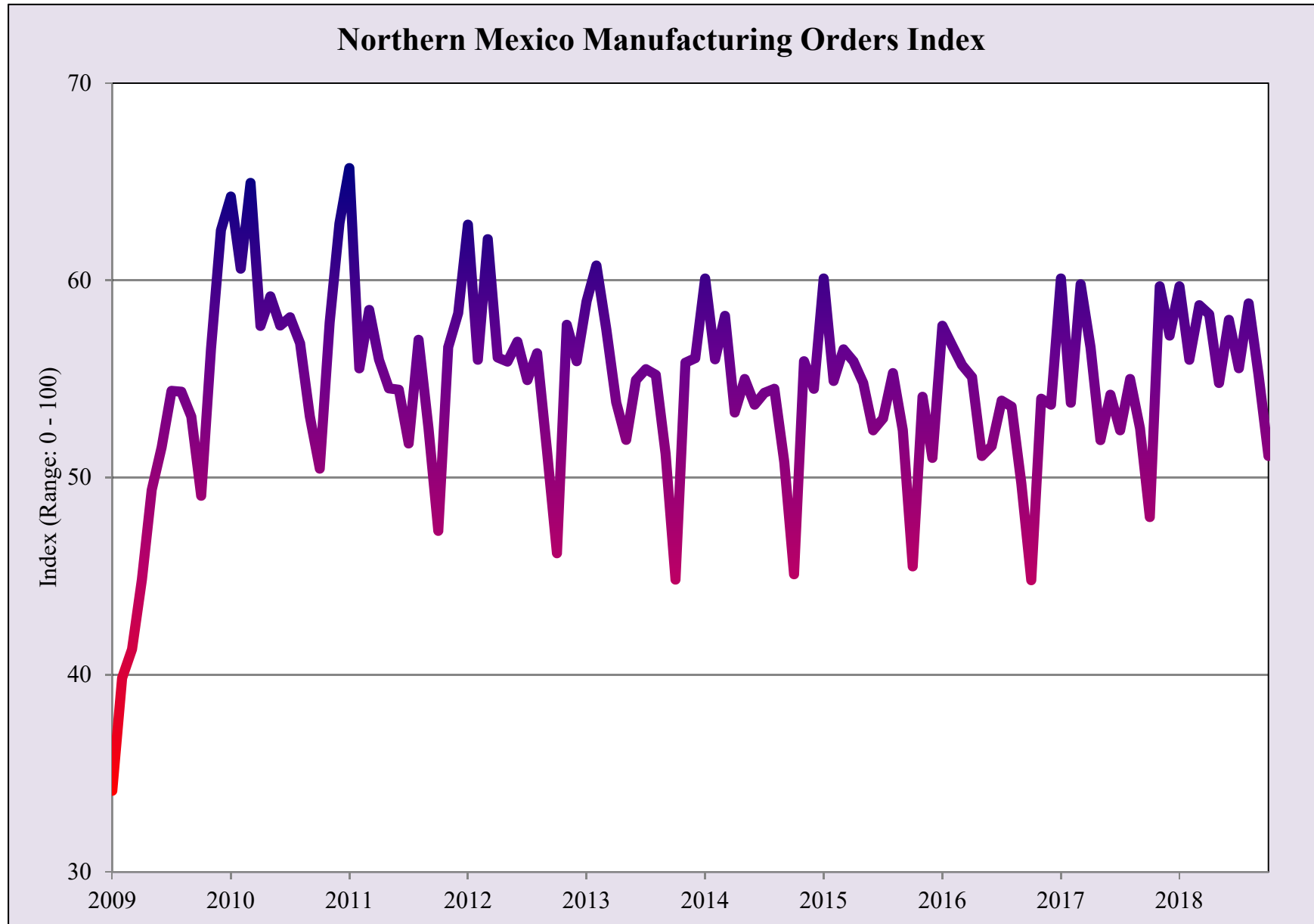
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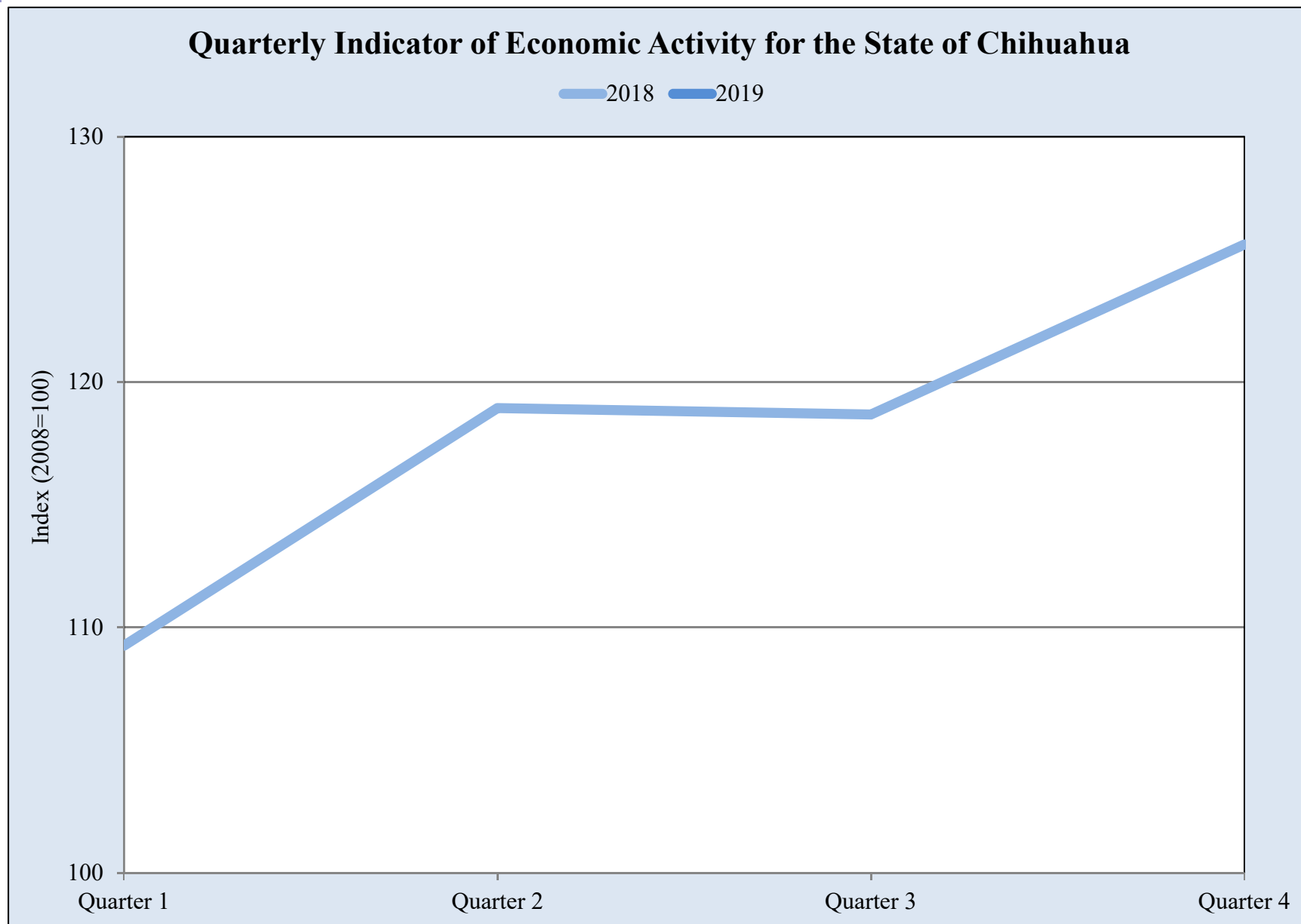
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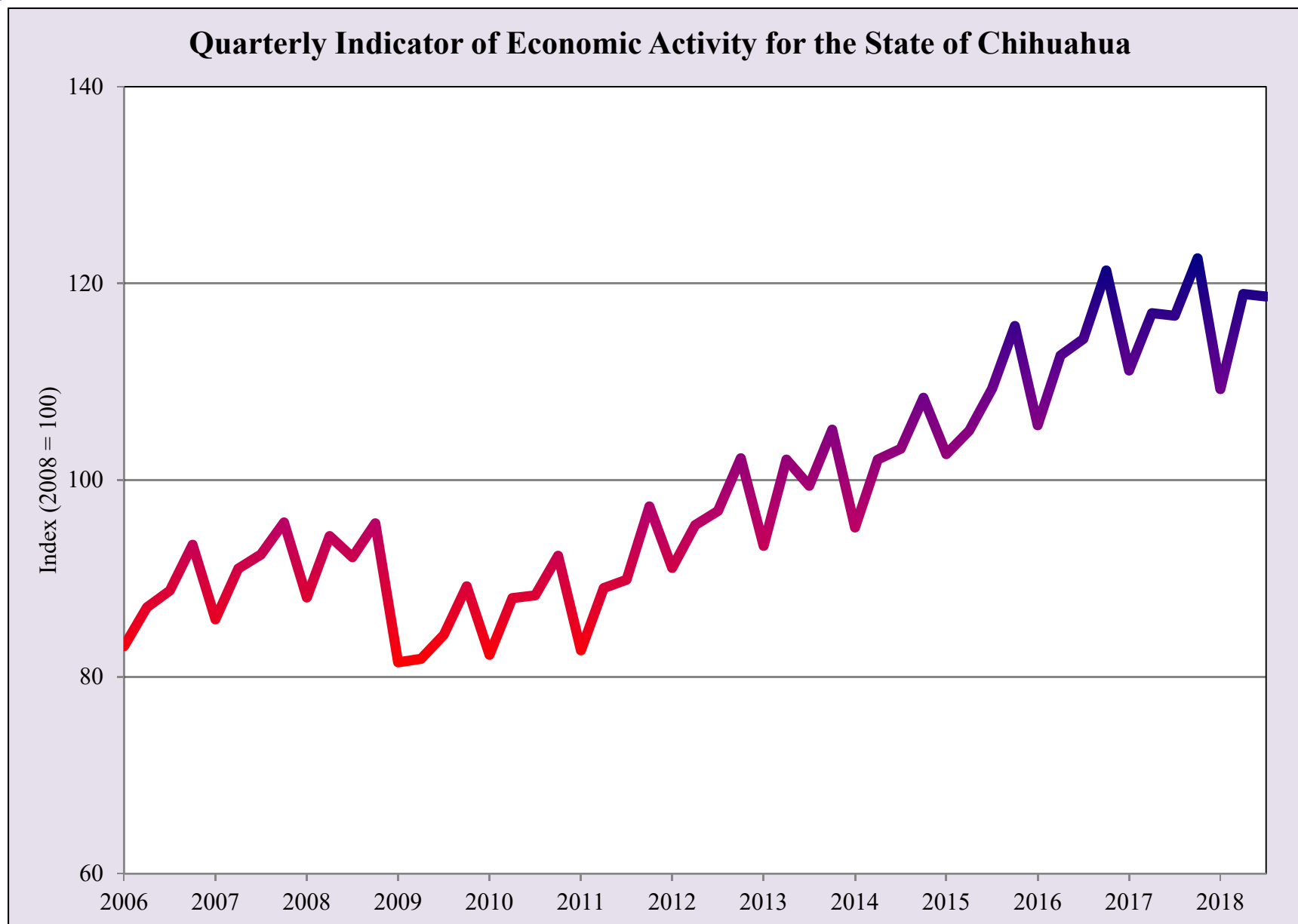
Source: Banco de México



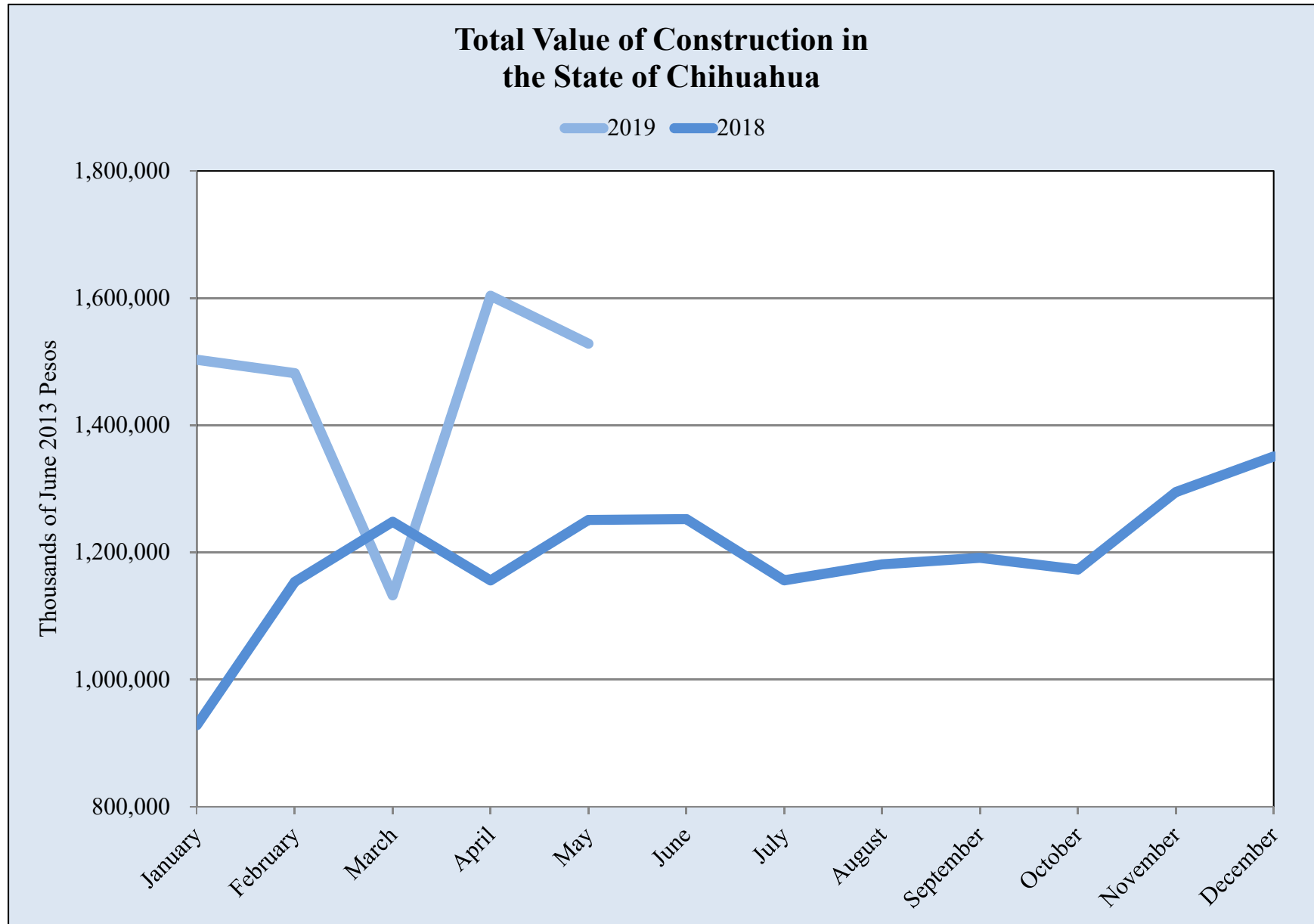
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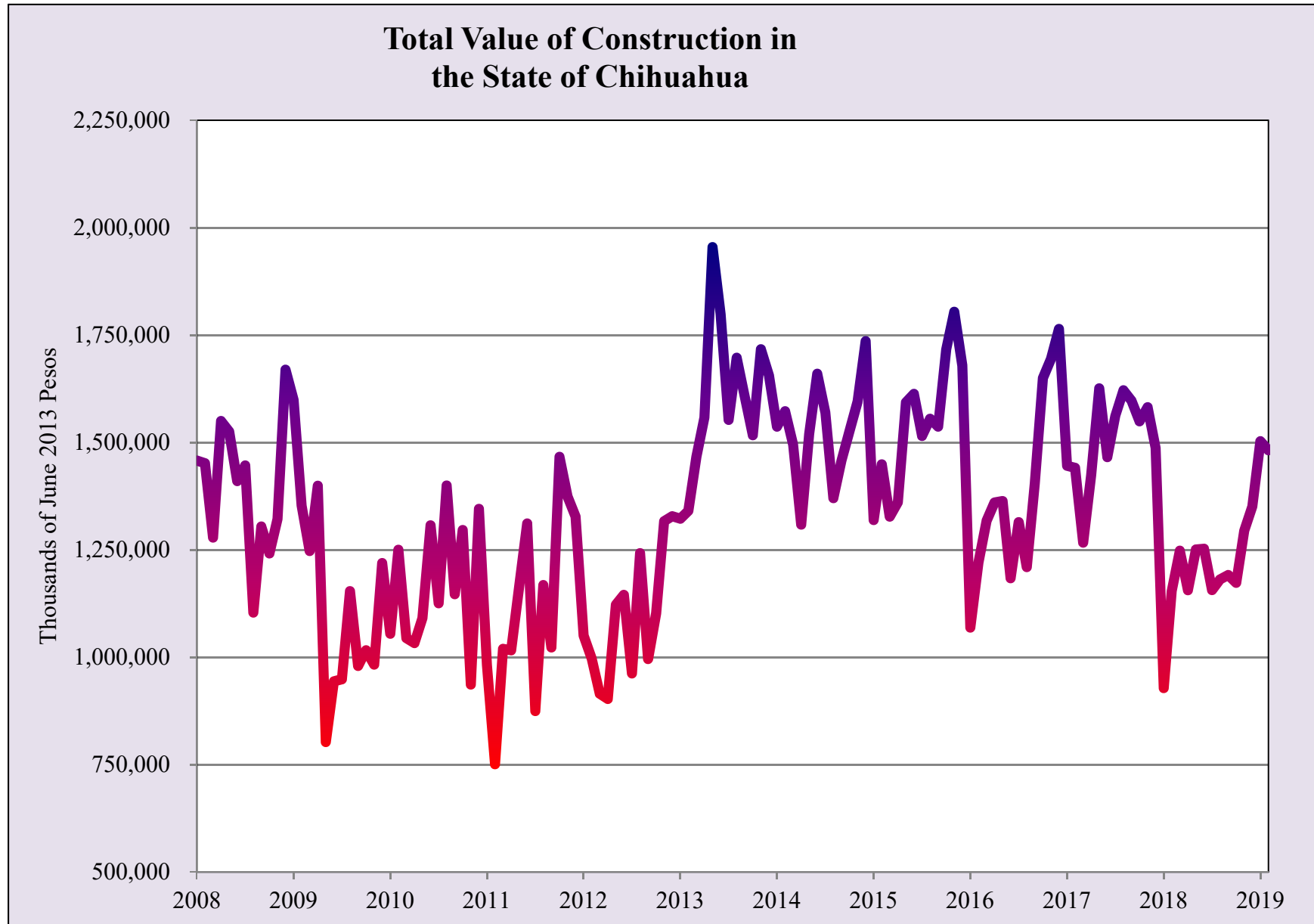
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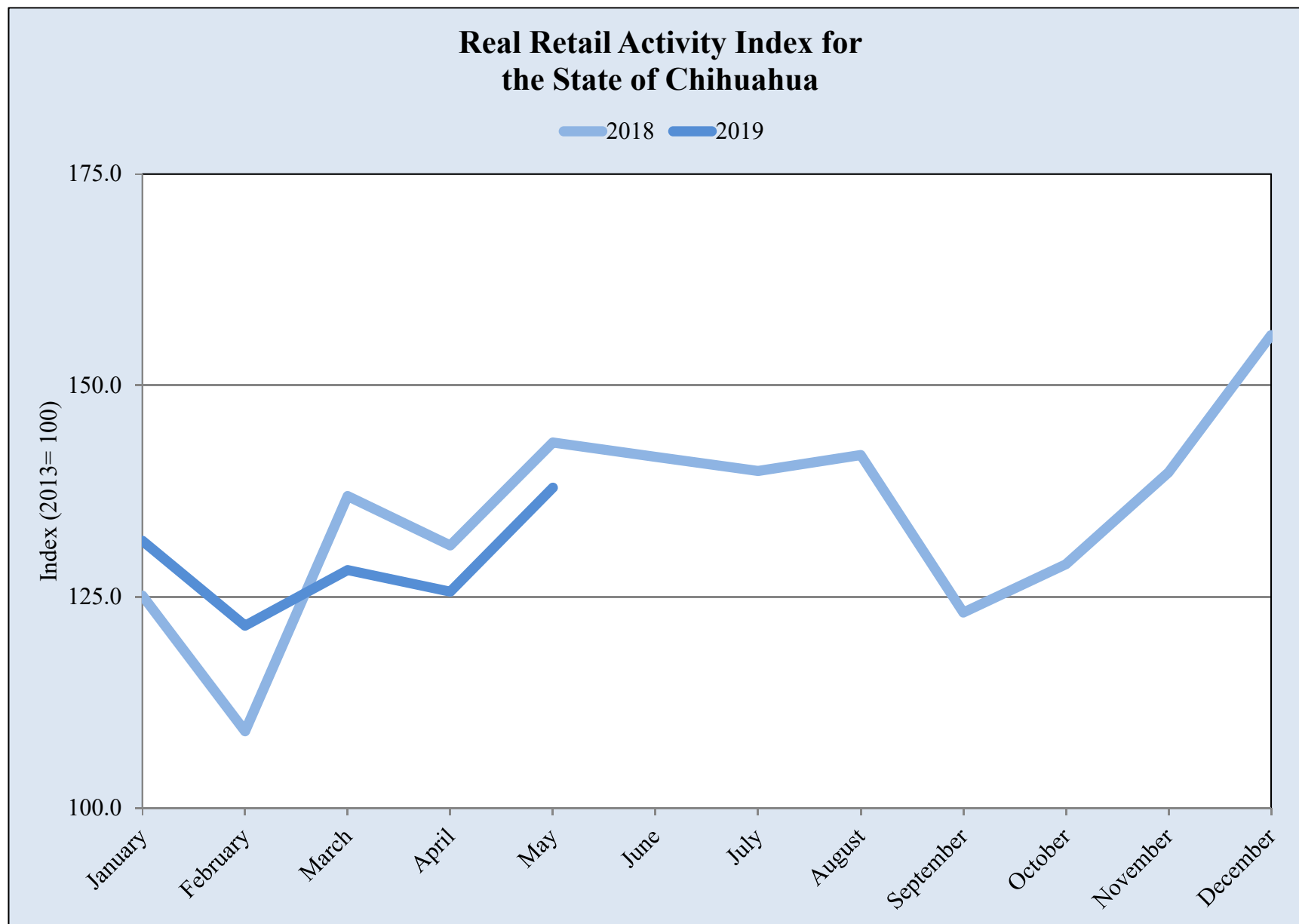


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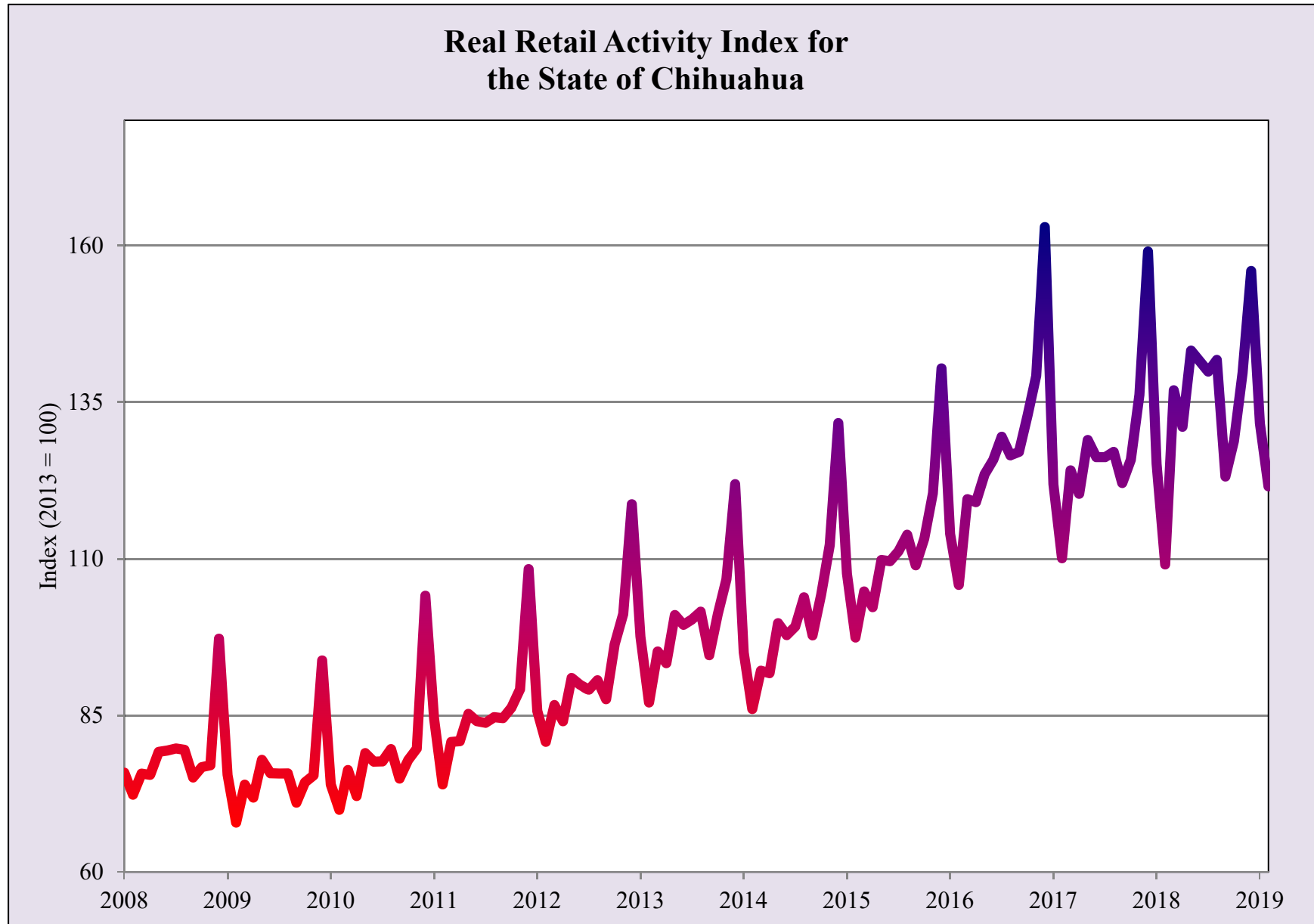


Source: INEGI





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