Borderplex Business Barometer, Volume 5, Number 1

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Borderplex Top 10 Economic Predictions for 2021

Mass COVID-19 vaccine rollouts will help the regional economy re-open. Positive employment growth will occur during the second half of 2021 in El Paso, Las Cruces, Ciudad Juarez, and Chihuahua City.

As the lockdown recession begins to fade, per capita incomes are expected to drop slightly to approximately $38,500 in both El Paso and Las Cruces.

Economic recovery will raise the demand for energy. The price of regular unleaded gasoline is expected to increase at a double-digit rate and average $2.22 in 2021.

As the novel coronavirus pandemic subsides, pandemic related fatalities will also decline by enough to force the total numbers of resident deaths in both Ciudad Juarez and Chihuahua City to fall in 2021.

Low mortgage rates will combine with local housing supply limitations to cause the median price for new single-family units to exceed $177 thousand this year. Aggregate retail sales should climb above $13 billion in 2021 as the jobless rate declines and consumer confidence strengthens in El Paso.

Greater economic stability plus fewer White House whipsaw policy threats will allow the peso to appreciate against the dollar to roughly 19.5 P/$ for the year as a whole.

USMCA non-essential cross-border travel restrictions will begin to be eased during the second quarter. Northbound pedestrian and small vehicle traffic flows will surge by more than 1 million persons and cars, respectively.

As global trade accelerates, a double-digit rate of increase is also projected for the number of cargo vehicles traversing the international bridges into El Paso from Mexico.

Growth in international commerce plus new warehousing and distribution operations will cause in-bound and out-bound air freight flows to expand in 2021. As the pandemic subsides, passenger flows will expand substantially at El Paso International Airport. Average round trip air fares are predicted to jump by nearly 10 percent to nearly $340 per ticket.

College enrollments will not fully recover until 2022 in El Paso, Las Cruces, Ciudad Juarez, and Chihuahua City. The demand for skilled labor will eventually draw students back to regional campuses. Labor market recoveries will allow automobile registrations to begin slow rebounds in El Paso, Ciudad Juarez, and Chihuahua City in 2021.

The Borderplex region is in the initial phase of a slow return to economic normalcy. The Border Region Modeling Project has developed 18 tables of statistical detail regarding regional business cycle prospects. This extensive report is intended to support executives, managers, policy analysts, news organizations, and data analysts with operations in the region. Orders for Borderplex Economic Outlook to 2022 can made online: https://secure.touchnet.net/C21711_ustores/web/product_detail.jsp?PRODUCTID=825
El Paso Metropolitan Business Cycle Index

Seasonally Adjusted Index (October 1980 = 100)

Source: Federal Reserve Bank of Dallas
El Paso Metropolitan Business Cycle Index

Source: Federal Reserve Bank of Dallas
Average Treasury Yield Curve Rates

Reflects 1 month, 2 month, 3 month, 6 month, 12 month, 2 year, 3 year, 5 year, 7 year, 10 year, 20 year, 30 year.

Interest Rate %

Source: U.S. Treasury, Daily Treasury Yield Curve Rates and BRMP Calculations
El Paso Household Economic Stress Index

Source: UTEP Border Region Modeling Project
El Paso Household Economic Stress Index

Source: UTEP Border Region Modeling Project
El Paso County Unemployment Rate

Source: Bureau of Labor Statistics
El Paso County Unemployment Rate

Unemployment Rate (Not Seasonally Adjusted)

Source: Bureau of Labor Statistics
El Paso County SNAP Enrollment. Three year period 2018 –2020

Number of SNAP Recipients

<table>
<thead>
<tr>
<th>Year</th>
<th>Recipients</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>190,000</td>
</tr>
<tr>
<td>2020</td>
<td>185,000</td>
</tr>
</tbody>
</table>

Source: Texas Health and Human Services Commission
Starting in September, 2014, the number of SNAP recipients is recorded for the end of each month.

Source: Texas Health and Human Services Commission
El Paso Median Housing Prices

Source: Texas A&M Real Estate Center
El Paso Median Housing Prices

Source: Texas A&M Real Estate Center
Months of Housing Inventory for El Paso

Source: Texas A&M Real Estate Center
El Paso Gasoline Prices

- Nominal Price (Dollars per Gallon)
  - $3.50
  - $3.00
  - $2.50
  - $2.00
  - $1.50

Source: GasBuddy.com
El Paso Gasoline Prices

Source: GasBuddy.com
Doña Ana County Unemployment Rate

Source: Bureau of Labor Statistics
Unemployment rate for Doña Ana County

Doña Ana County Unemployment Rate


Unemployment Rate (Not Seasonally Adjusted)

Source: Bureau of Labor Statistics
Las Cruces Area SNAP (Food Stamp) Cases

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of SNAP Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>31,000</td>
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<tr>
<td>2020</td>
<td>30,500</td>
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<tr>
<td>2019</td>
<td>30,000</td>
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<tr>
<td>2020</td>
<td>29,500</td>
</tr>
<tr>
<td>2019</td>
<td>29,000</td>
</tr>
<tr>
<td>2020</td>
<td>28,500</td>
</tr>
<tr>
<td>2019</td>
<td>28,000</td>
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<tr>
<td>2020</td>
<td>27,500</td>
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<tr>
<td>2019</td>
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</tr>
<tr>
<td>2020</td>
<td>26,500</td>
</tr>
<tr>
<td>2019</td>
<td>26,000</td>
</tr>
<tr>
<td>2020</td>
<td>25,500</td>
</tr>
<tr>
<td>2019</td>
<td>25,000</td>
</tr>
</tbody>
</table>

Source: New Mexico Human Services Department
Las Cruces Area SNAP cases

Doña Ana County Unemployment Rate

Source: New Mexico Human Services Department
Source: UTEP Border Region Modeling Project and Banco de Mexico
Restaurant Price Ratio and Exchange Rate

Source: UTEP Border Region Modeling Project and Banco de Mexico
Real Peso-per-Dollar Exchange Rate Index

Index (June 1997= 100)

Source: UTEP Border Region Modeling Project
Source: UTEP Border Region Modeling Project
Pharmaceutical Nominal Price Ratio in the USA and Mexico

Source: UTEP Border Region Modeling Project, healthcarewarehouse.com, medicinesmexico.com, medsmex.com
Pharmaceutical Nominal Price Ratio in the USA and Mexico

Source: UTEP Border Region Modeling Project, healthwarehouse.com, medicinesmexico.com, medsmex.com
Table:

<table>
<thead>
<tr>
<th></th>
<th>Total 2019</th>
<th>Total 2020</th>
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<tbody>
<tr>
<td>9,500 Ton of Freight/Mail</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9,000</td>
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<tr>
<td>8,000</td>
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<td>7,500</td>
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<td>7,000</td>
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</tr>
<tr>
<td>6,500</td>
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<tr>
<td>6,000</td>
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<td></td>
</tr>
<tr>
<td>5,500</td>
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Source: EPIA Operations

Line Graph:

- EPIA Freight and Mail
- Blue line: Total 2019
- Orange line: Total 2020

The graph shows the tonnage of freight and mail for each month from January to December for both 2019 and 2020. The data indicates fluctuations throughout the year with a general trend of decreasing tonnage from January to July and then increasing from August to December.
EPIA Freight and Mail

Inbound+Outbound Tons of Freight/Mail


Source: EPIA Operations
EPIA Passengers (Deplaned and Enplaned)

- EPIA Passengers
- EPIA 2019 EPIA 2020

Number of Passengers

- 400,000
- 350,000
- 300,000
- 250,000
- 200,000
- 150,000
- 100,000
- 50,000
- 0

Source: EPIA Operations
EPIA Passengers

Inbound + Outbound

Source: EPIA Operations
EPIA Air Carrier Operations 2006-2020

Aircraft Operators

Source: EPIA Operations
Paso del Norte Monthly Wait Times

Source: UTEP Border Region Modeling Project
Ysleta Monthly Wait Times

Source: UTEP Border Region Modeling Project
Bridge of the Americas Monthly Wait Times

Source: UTEP Border Region Modeling Project
Monthly Border Wait Times

Source: UTEP Border Region Modeling Project
Personal Vehicle International Bridge Crossings to El Paso

Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection
Personal Vehicle International Bridge Crossings to El Paso

Number of Vehicles

Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection
Pedestrian International Bridge Crossings to El Paso

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Pedestrians</th>
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<tbody>
<tr>
<td>2019</td>
<td>990,000</td>
</tr>
<tr>
<td>2020</td>
<td>890,000</td>
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<tr>
<td>2021</td>
<td>790,000</td>
</tr>
<tr>
<td>2022</td>
<td>690,000</td>
</tr>
<tr>
<td>2023</td>
<td>590,000</td>
</tr>
<tr>
<td>2024</td>
<td>490,000</td>
</tr>
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<td>2025</td>
<td>390,000</td>
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<td>2026</td>
<td>290,000</td>
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<tr>
<td>2027</td>
<td>190,000</td>
</tr>
<tr>
<td>2028</td>
<td>90,000</td>
</tr>
</tbody>
</table>

Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection
Aggregate Pedestrian International Bridge Crossing to EP

990,000
890,000
790,000
690,000
590,000
490,000
390,000
290,000
190,000
90,000


Pedestrian International Bridge Crossings to El Paso

Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection
Cargo Truck International Bridge Crossings to El Paso

Number of Cargo Trucks

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Trucks</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>75,000</td>
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<tr>
<td>2020</td>
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<td>2021</td>
<td>55,000</td>
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<tr>
<td>2022</td>
<td>45,000</td>
</tr>
<tr>
<td>2023</td>
<td>35,000</td>
</tr>
</tbody>
</table>

Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection
Cargo Truck International Bridge Crossings to El Paso

Number of Cargo Trucks

Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection
Total Trade through the El Paso Customs District

Source: U.S. International Trade Commission
Total Trade through the El Paso Customs District

Source: U.S. International Trade Commission
Real Total Trade through the El Paso Customs District

Aggregate Real Total Trade through the El Paso Customs District

Total Trade in Millions of 1982 Dollars

Export-Oriented Manufacturing
Employment in Ciudad Juárez

Source: INEGI
Export-Oriented Manufacturing Employment in Ciudad Juárez

Number of Jobs

Source: INEGI
Northern Mexico Manufacturing Orders Index

Source: Banco de México
Northern Mexico Manufacturing Orders Index

Source: Banco de México
Quarterly Indicator of Economic Activity for the State of Chihuahua

Source: INEGI
Thousands of June 2013 Pesos

Total Value of Construction in the State of Chihuahua

<table>
<thead>
<tr>
<th>Month</th>
<th>2019</th>
<th>2020</th>
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</thead>
<tbody>
<tr>
<td>January</td>
<td>1,600</td>
<td>1,400</td>
</tr>
<tr>
<td>February</td>
<td>1,400</td>
<td>1,200</td>
</tr>
<tr>
<td>March</td>
<td>1,200</td>
<td>1,000</td>
</tr>
<tr>
<td>April</td>
<td>1,800</td>
<td>1,600</td>
</tr>
<tr>
<td>May</td>
<td>1,600</td>
<td>1,400</td>
</tr>
<tr>
<td>June</td>
<td>1,400</td>
<td>1,200</td>
</tr>
<tr>
<td>July</td>
<td>1,200</td>
<td>1,000</td>
</tr>
<tr>
<td>August</td>
<td>1,400</td>
<td>1,200</td>
</tr>
<tr>
<td>September</td>
<td>1,600</td>
<td>1,400</td>
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<tr>
<td>October</td>
<td>1,400</td>
<td>1,200</td>
</tr>
<tr>
<td>November</td>
<td>1,600</td>
<td>1,400</td>
</tr>
<tr>
<td>December</td>
<td>1,800</td>
<td>1,600</td>
</tr>
</tbody>
</table>

Source: INEGI
Total Value of Construction in the State of Chihuahua

Source: INEGI
Real Retail Activity Index for the State of Chihuahua

Source: INEGI
Real Retail Activity Index for the State of Chihuahua

Source: INEGI
Short-Term Outlook to 2022
Borderplex Business Barometer is a monthly publication of the Border Region Modeling Project (BRMP), a research unit within the Department of Economics & Finance at the College of Business Administration of The University of Texas at El Paso. BRMP information is available at: https://www.utep.edu/business/border-region-modeling-project/index.html. For additional information, contact the Border Region Modeling Project - CBA 236, UTEP Department of Economics & Finance, 500 West University Avenue, El Paso, TX 79968-0543, USA, (915) 747-7775.