Borderplex Business Barometer, Volume 5, Number 5

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Borderplex Bifurcation

The Covid-19 lockdown recession of 2020 was triggered by the first global disease pandemic in more than a century. The pandemic placed human capital at risk throughout the world as well as within the Borderplex regional economy. Controlling the Covid-19 infection rate has always been the key first step toward eventual economic recovery from the pandemic. By the fourth week of May 2021, more than 819 thousand vaccines have been administered in El Paso County. Approximately 360 thousand El Paso residents have received full doses of one of the vaccines, with nearly 459 thousand recipients of one dose.

In response to similar progress across Texas, many state and local commercial restrictions have now been lifted. In response, the El Paso labor market has re-gained many of the jobs that were lost beginning in March 2020. Revised data indicate that the 6.9 percent April 2021 El Paso unemployment rate is less than one-half of its prior-year level. Leading the chargeback to normalcy in April was the leisure and hospitality sector as restaurants, hotels, and entertainment businesses continued to post sales increases.

Similar progress has also been achieved in Doña Ana County. New Mexico Department of Health data indicate that by the fourth week of May 2021, more than 89 thousand county residents have completed one of the Novel Coronavirus vaccination series. With fewer than 8 cases per 100 thousand people for the previous four consecutive weeks, Doña Ana County reached the "turquoise" level of lockdown restrictions during the first week of May. Among other things, reaching the turquoise level means that commerce can expand with restaurants in the Las Cruces metropolitan economy allowed to operate at 75 percent of capacity.

While still under the “green” level of lockdown restrictions, the county labor market posted some notable improvements. In April, substantial job gains were achieved within the restaurant, hotel, and retail trade segments. As shown in the accompanying graphs, those increases helped the greater Las Cruces jobless rate drop to 7.7 percent, a 200 basis point drop from 12 months earlier. Turquoise related commercial acceleration may lead to similar developments in the May statistical estimates, as well.

Although the nascent turnarounds in El Paso and Las Cruces are welcome news, similar progress has yet to materialize in Ciudad Juarez or Chihuahua City. Relatively high Covid-19 infection rates have periodically caused curfews to be implemented in both cities during the last 12 months. Nationally, less than 10 percent of the population in Mexico has been fully vaccinated by the fourth week of May. In recent weeks, export manufacturing companies have been coordinating efforts with the Chihuahua State Public Health officials to administer vaccines to 50- to 59-year-old workers in both cities. Until the vaccination program extends to the population in general, commerce will continue to operate at levels that are well below full capacity.

All of the above manifest themselves in various manners in the accompanying graphs that appear in this month’s report. While many commercial data aggregates remain well below historical norms, Borderplex region industrial activity has been largely shielded from the impacts of the Coronavirus lockdown. Airfreight volumes remain intact, but commercial passenger flows are substantially below pre-pandemic levels. International bridge cargo traffic has generally exceeded year-ago totals in recent months, while automobile and pedestrian volumes have been deliberately reduced by a tri-lateral agreement between Ottawa, Washington, and Mexico City. Manufacturing activity and payrolls have remained strong across the State of Chihuahua, but commercial sector weakness caused overall economic activity to fall in 2020 with additional difficulties on deck in 2021. Until the rate of vaccinations accelerates in the southern half of the region, the odd patterns depicted in many of the graphs shown below will persist throughout the remainder of 2021 and maybe longer.
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 yr, 3 yr, 5 yr, 7 yr, 10 yr, 20 yr, 30 yr.

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
Unemployment Rate (Not Seasonally Adjusted)

El Paso County Unemployment Rate

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>15</td>
<td>14</td>
</tr>
<tr>
<td>2021</td>
<td>13</td>
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<td>2022</td>
<td>11</td>
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<td>2023</td>
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<tr>
<td>2025</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>2026</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics
El Paso County Unemployment Rate

Source: Bureau of Labor Statistics
El Paso County SNAP Enrollment. Three year period 2018–2021

Number of SNAP Recipients

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of SNAP Recipients</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>175,000</td>
</tr>
<tr>
<td>2021</td>
<td>170,000</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
Nominal Price

El Paso Median Housing Prices

Source: Texas A&M Real Estate Center
El Paso Median Housing Prices from 2006 to 2021

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

Source: Texas A&M Real Estate Center
Months of housing inventory in El Paso for single family homes 2006-2021

Months of Housing Inventory for El Paso

Source: Texas A&M Real Estate Center
El Paso unleaded gasoline prices from January 2006 to April 2021

El Paso Gasoline Prices

Source: GasBuddy.com
El Paso Gasoline Prices

Nominal Price (Dollars per Gallon)

Source: GasBuddy.com
Doña Ana County Unemployment Rate

Source: Bureau of Labor Statistics
Unemployment rate for Doña Ana county ranging from January 2006 to April 2021.

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>25,000</td>
</tr>
<tr>
<td>2021</td>
<td>26,000</td>
</tr>
</tbody>
</table>

Source: New Mexico Human Services Department
Las Cruces Area SNAP (Food Stamp) cases from January 2006 with a gap in April and May of 2014 continuing June 2014 to March 2021.

Source: New Mexico Human Services Department
Restaurant Price Ratio and Exchange Rate

<table>
<thead>
<tr>
<th>Year</th>
<th>Exchange Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td></td>
</tr>
</tbody>
</table>

Pesos per Dollar

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

Price Ratio

Exchange Rate

Source: UTEP Border Region Modeling Project and Banco de Mexico
Index (June 1997= 100)

Real Peso-per-Dollar Exchange Rate Index

Source: UTEP Border Region Modeling Project
Real Peso per dollar exchange rate index.

Dates range from January 2006 to April 2021.

Real Peso-per-Dollar Exchange Rate Index

Index (March 1997 = 100)

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

Source: UTEP Border Region Modeling Project, healthwarehouse.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
EPIA Freight and Mail (Inbound and Outbound) 2020 and 2021 (2 year comparison)

Ton of Freight/Mail

<table>
<thead>
<tr>
<th>Source: EPIA Operations</th>
<th>Total 2020</th>
<th>Total 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>11,500</td>
<td>10,500</td>
</tr>
<tr>
<td></td>
<td>9,500</td>
<td>8,500</td>
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<tr>
<td></td>
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<td>6,500</td>
</tr>
<tr>
<td></td>
<td>5,500</td>
<td>4,500</td>
</tr>
</tbody>
</table>

EPIA Freight and Mail

Total 2020 Total 2021

Source: EPIA Operations
EPIA Freight and Mail

Inbound + Outbound

Tons of Freight/Mail

Source: EPIA Operations
### EPIA Passengers (Deplaned and Enplaned)

<table>
<thead>
<tr>
<th>Source: EPIA Operations</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Number of Passengers</th>
<th>Total 2020</th>
<th>Total 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>300,000</td>
<td>250,000</td>
</tr>
<tr>
<td></td>
<td>200,000</td>
<td>150,000</td>
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<tr>
<td></td>
<td>100,000</td>
<td>50,000</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

#### EPIA Passengers Graph

- **EPIA Passengers**
  - **Total 2020**
  - **Total 2021**

**Source:** EPIA Operations
EPIA Passengers

Source: EPIA Operations
EPIA Air Carrier Operations 2020-2021 (2 year comparison)

EPIA Air Carrier Operations

<table>
<thead>
<tr>
<th>20-Air Carriers</th>
<th>21-Air Carriers</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,200</td>
<td>3,200</td>
</tr>
<tr>
<td>2,200</td>
<td>1,200</td>
</tr>
</tbody>
</table>

Source: EPIA Operations
EPIA Air Carrier Operations 2006-2021

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 at Paseo Del Norte, Ysleta and Bridge of the Americas. Data set ranging from January 2011 to April 2021.

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

Number of Pedestrians

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

Number of Pedestrians

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

Number of Cargo Trucks

2020 2021

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

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Trade (Exports + Imports) in Millions of Nominal Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$11,500</td>
</tr>
<tr>
<td>2021</td>
<td>$10,500</td>
</tr>
</tbody>
</table>

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

Real Total Trade through the El Paso Customs District

Export-Oriented Manufacturing Employment in Ciudad Juárez

2019 2020 2021

Number of Jobs

Source: INEGI
Export-Oriented Manufacturing Employment in Ciudad Juárez

Source: INEGI
Northern Mexico manufacturing orders index (Range: 0 - 100)

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
Quarterly Indicator of Economic Activity for the State of Chihuahua

Index (2008 = 100)

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

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

Thousands of June 2013 Pesos

Source: INEGI
Real retail activity index for the state of Chihuahua

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

Source: INEGI
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.