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Borderplex Business Barometer, Volume 5, Number 10

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T.M. Fullerton, Jr., and S.L. Fullerton, 2021, Northern Border Parity, *Borderplex Business Barometer* 5(10), 1-58.



BORDERPLEX BUSINESS BAROMETER

October 2021

Border Region Modeling Project

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Borderplex Business Barometer, Volume 5, Number 10

Northern Border Parity!

The pandemic-related closure of the international ports-of-entry to all but essential traffic has caused numerous difficulties on both borders. Among them is leakage of approximately \$300 million in retail sales in El Paso that otherwise would have accrued to residents of Northern Mexico. Re-opening the ports to fully vaccinated, B1/B2 "laser" visa holders should boost commercial activity on the north side of the border. Also encouraging is that the White House intends to implement northern border parity for how it manages the border with Mexico.

Several important questions still loom for the Borderplex regional economy once the border is re-opened to visa holders who are fully vaccinated:

1. How many lanes will be re-opened, and for how many hours each day?
2. How long will the wait times be for automobiles?
3. How long will the wait times be for pedestrians?
4. How many residents of Northern Mexico hold B1/B2 border-crossing visas and have also been fully vaccinated against the Novel Coronavirus?
5. How much pent-up demand is there for goods and services that Northern Mexico residents typically purchased in El Paso prior to the pandemic?
6. Will there be substantial export sales erosion in El Paso due to continued online purchasing on platforms such as Amazon in Seattle, Alibaba in Guangzhou, and Mercado Libre in Buenos Aires?

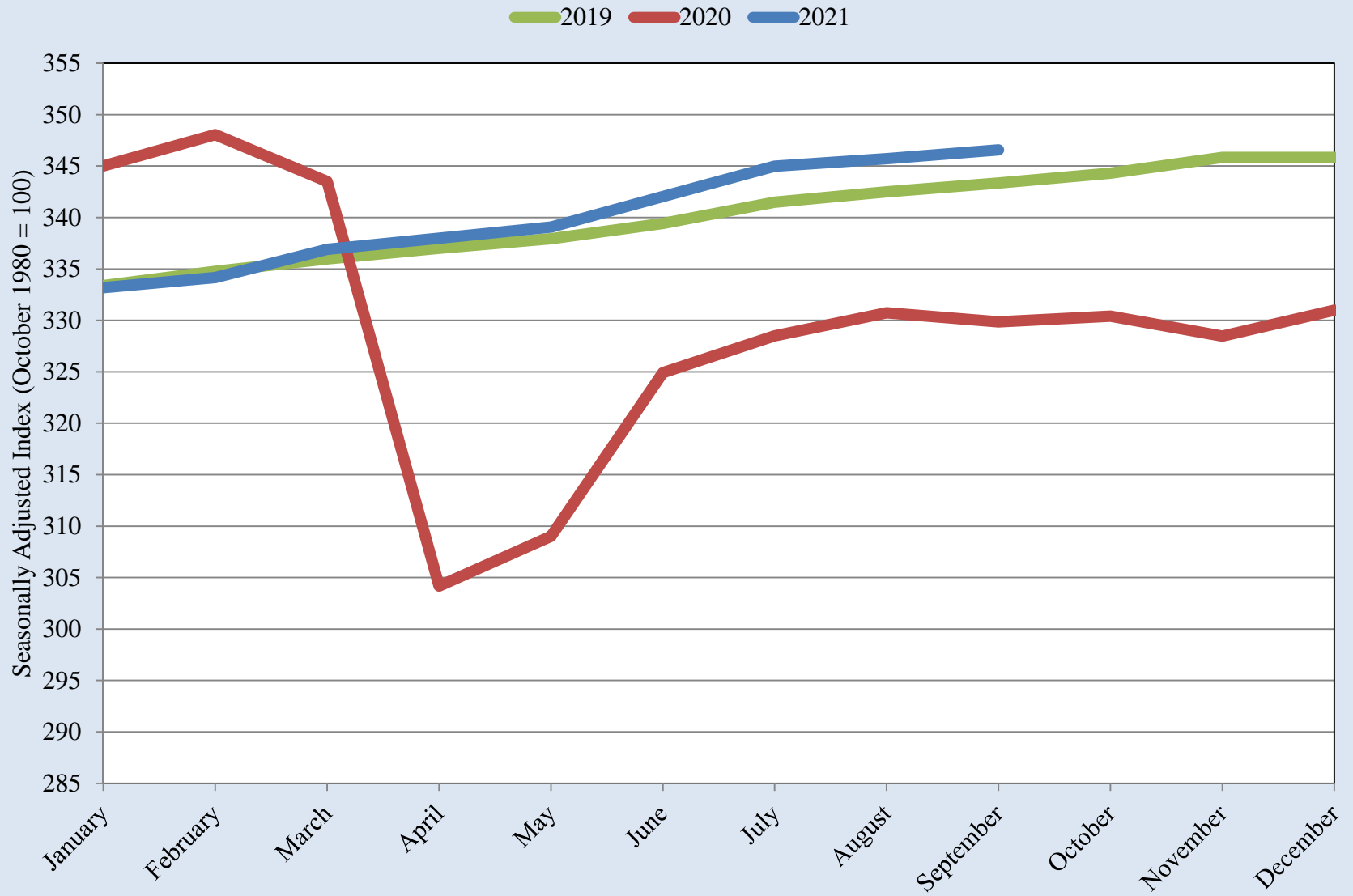
While uncertainty remains, re-opening the ports-of-entry is a good development for the Borderplex that will help households and improve overall regional economic efficiency.

Northbound wait times at the Bridge of the Americas and Ysleta ports of entry averaged nearly 40 minutes for small vehicles in September. For cars on the Santa Fe Paso del Norte Bridge, average queue times lasted slightly less than 20 minutes. Subsequent to 8 November, average wait times for personal vehicle and pedestrian traffic at each port of entry are expected to increase. Border economic history indicates that longer delays are probably inescapable due to the implementation of new inspection procedures.

On the industrial side of the border crossing ledger, the total volume of cargo vehicles crossing into El Paso continued to exceed year-ago levels in August. That is not surprising. From March through August, total trade through the El Paso Customs District consistently surpasses the corresponding volumes from 2020.

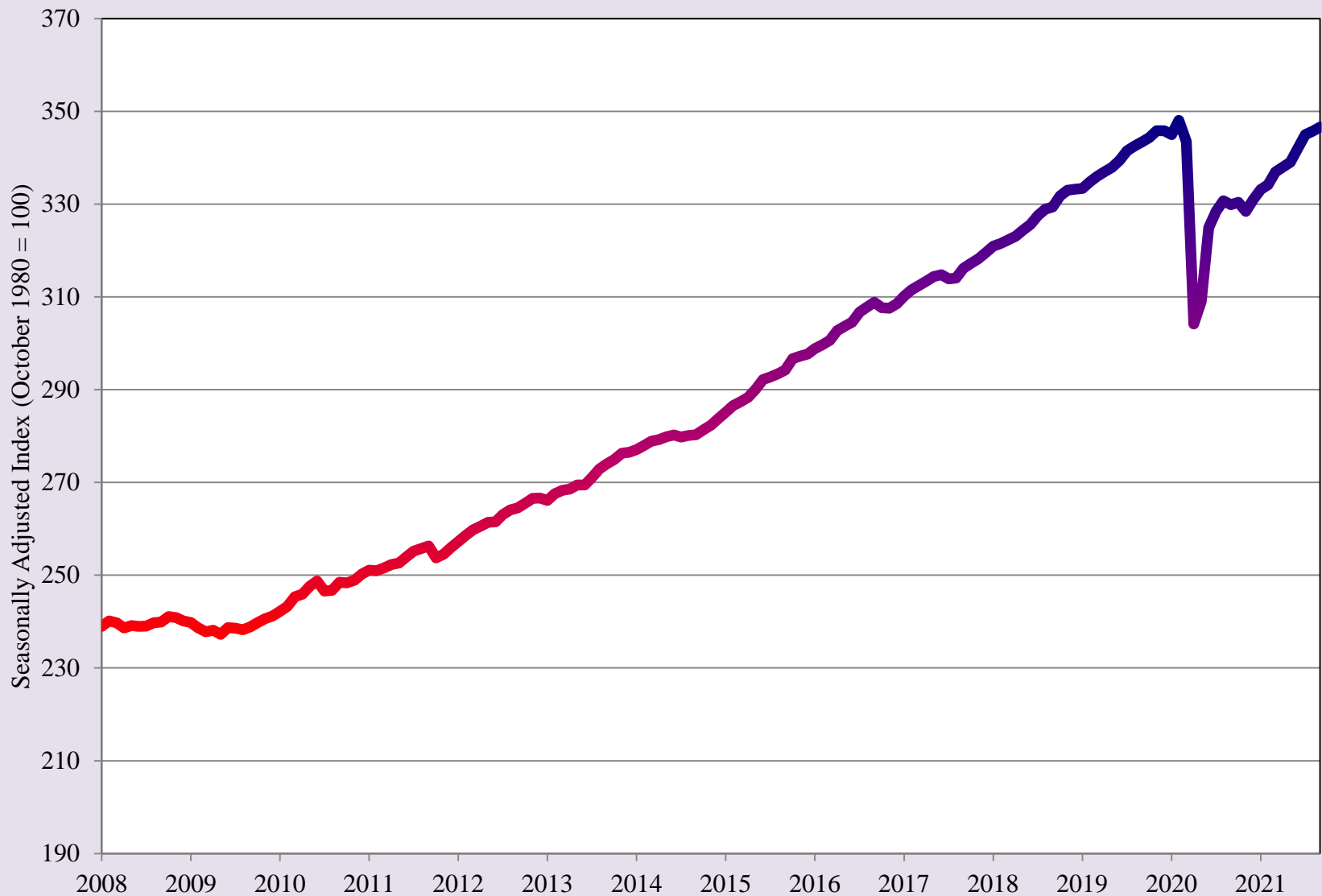
Although Borderplex factories and warehouses continue to be affected by global supply chain disruptions and seaport snarls in California, Customs District freight traffic is expected to remain at or above \$10 billion per month for the foreseeable future. That, plus a relatively weak peso, means that IMMEX payrolls in Ciudad Juarez should remain strong in 2022. Greater IMMEX activity also translates into more air freight shipments through El Paso International Airport. Increased ocean cargo rates have made air freight more attractive during much of 2021, which may persist into 2022.

El Paso Metropolitan Business Cycle Index



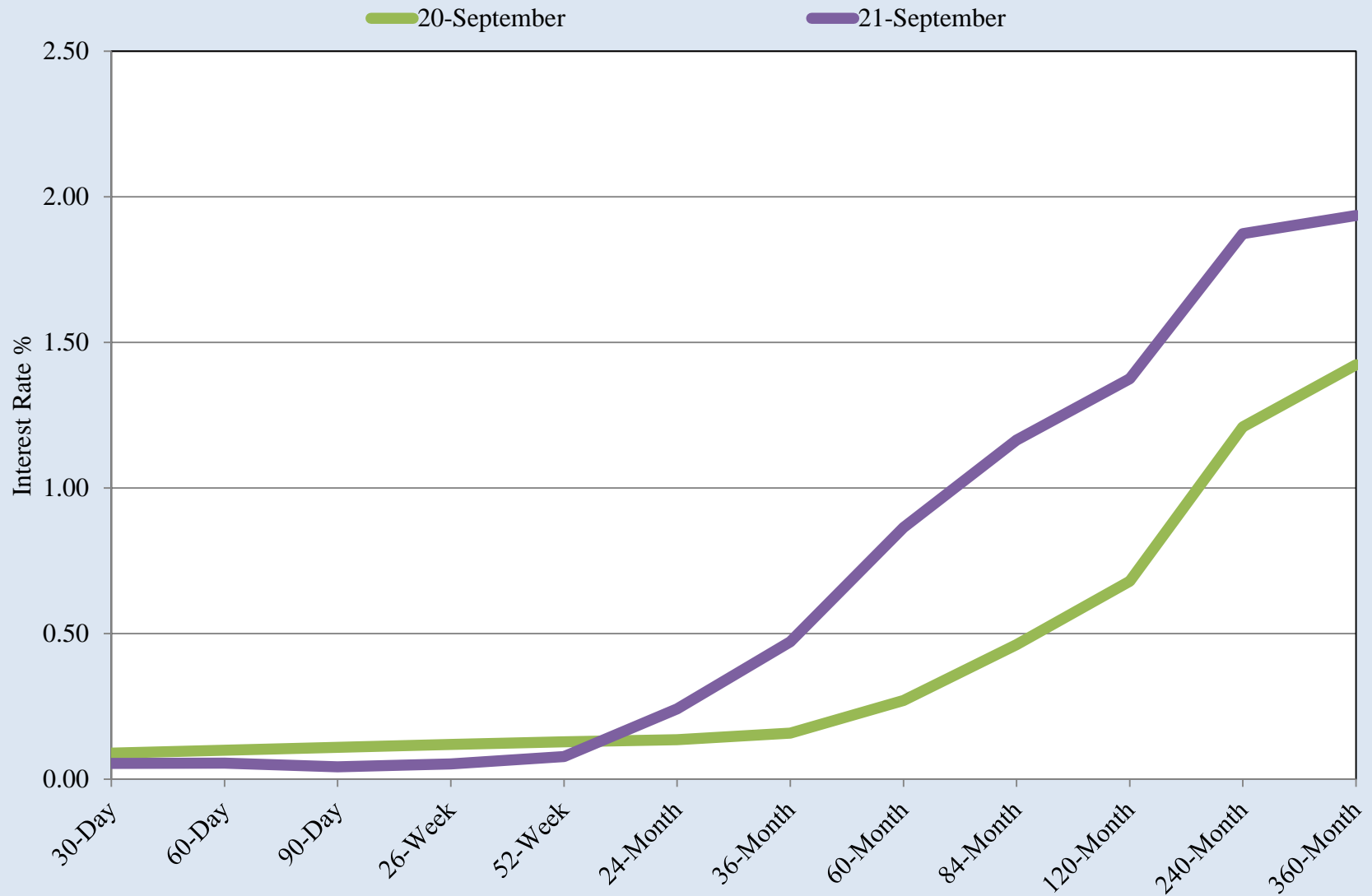
Source: Federal Reserve Bank of Dallas

El Paso Metropolitan Business Cycle Index



Source: Federal Reserve Bank of Dallas

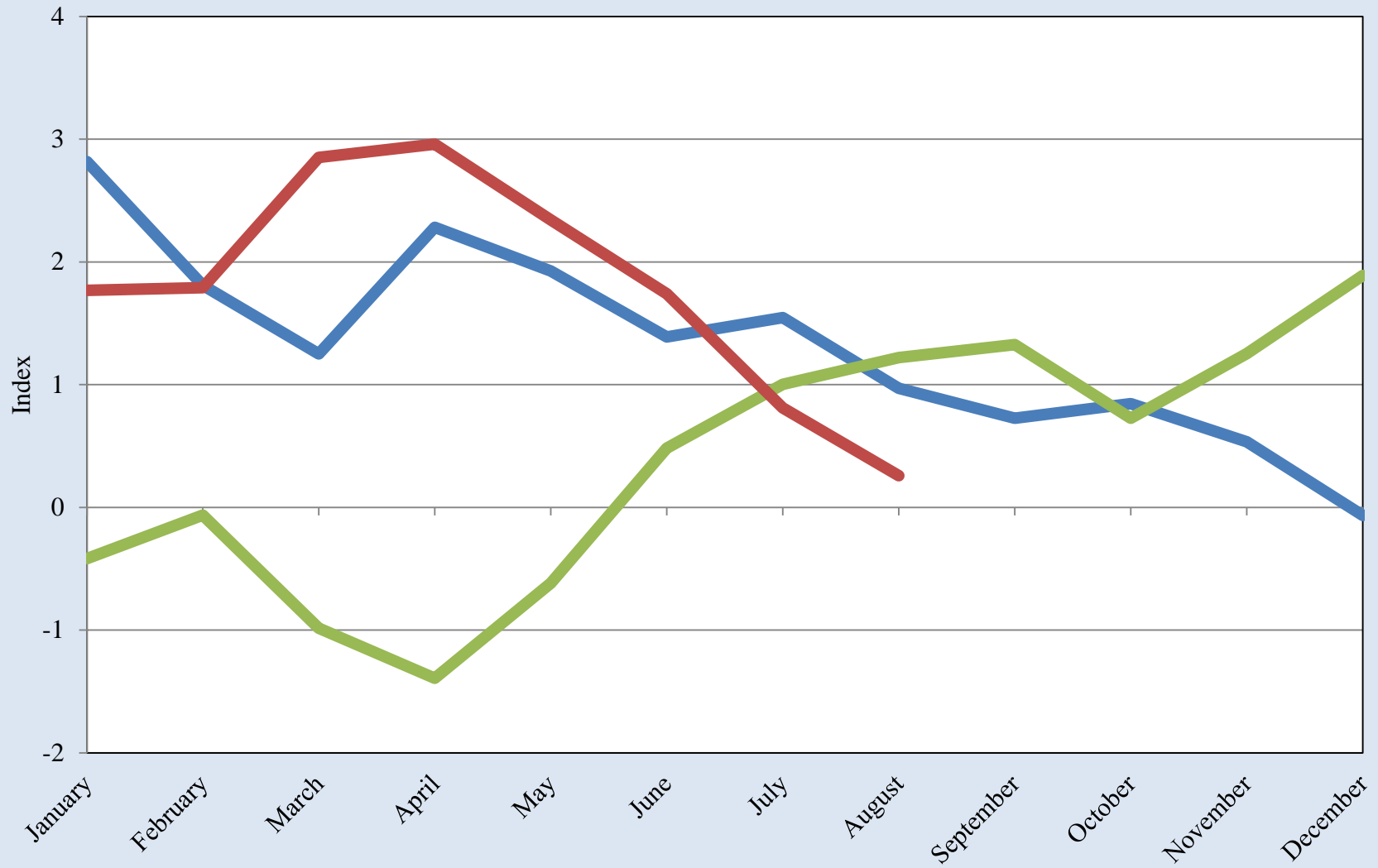
Average Treasury Yield Curve Rates



Source: U.S. Treasury, Daily Treasury Yield Curve Rates and BRMP Calculations

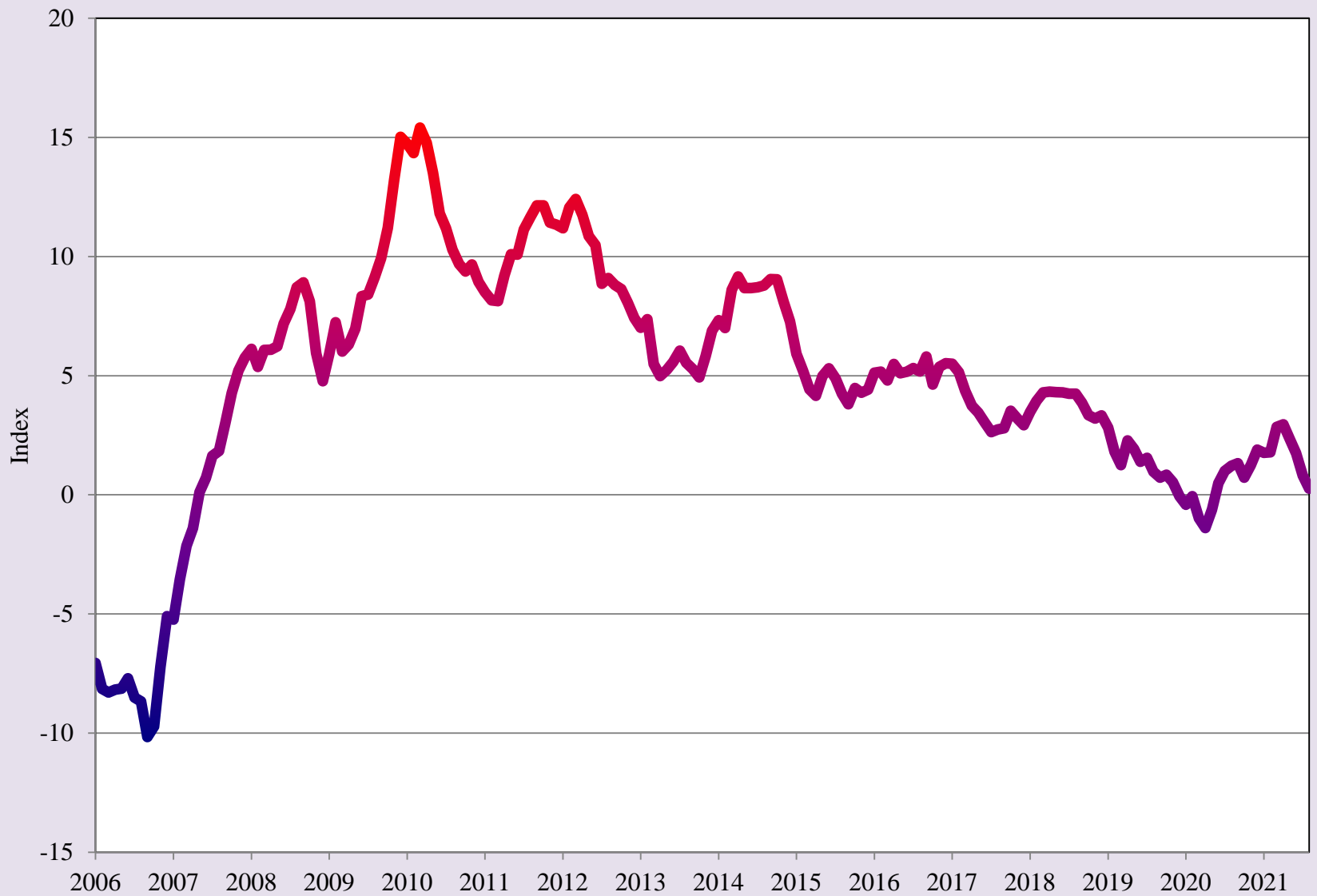
El Paso Household Economic Stress Index

2019 2020 2021



Source: UTEP Border Region Modeling Project

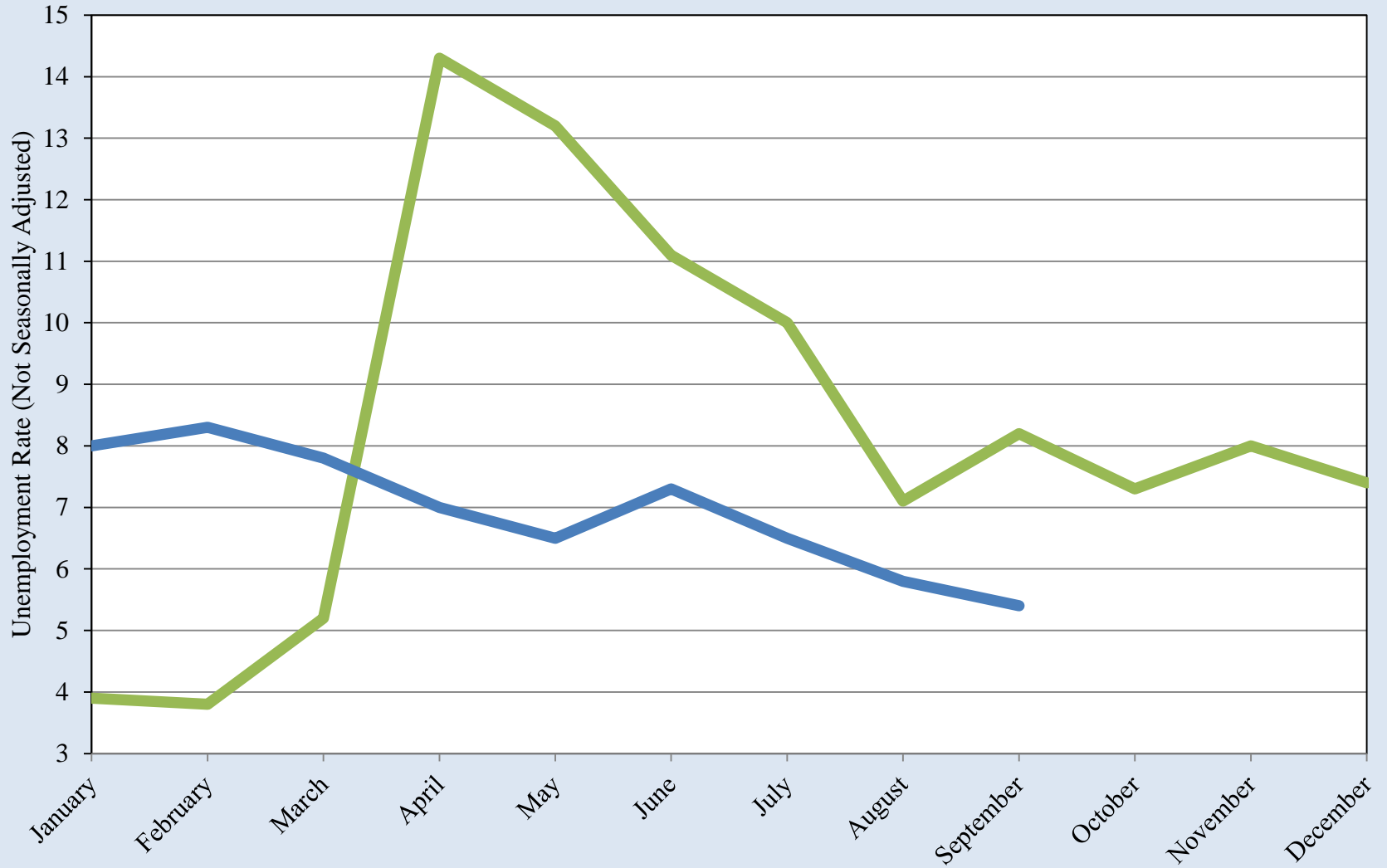
El Paso Household Economic Stress Index



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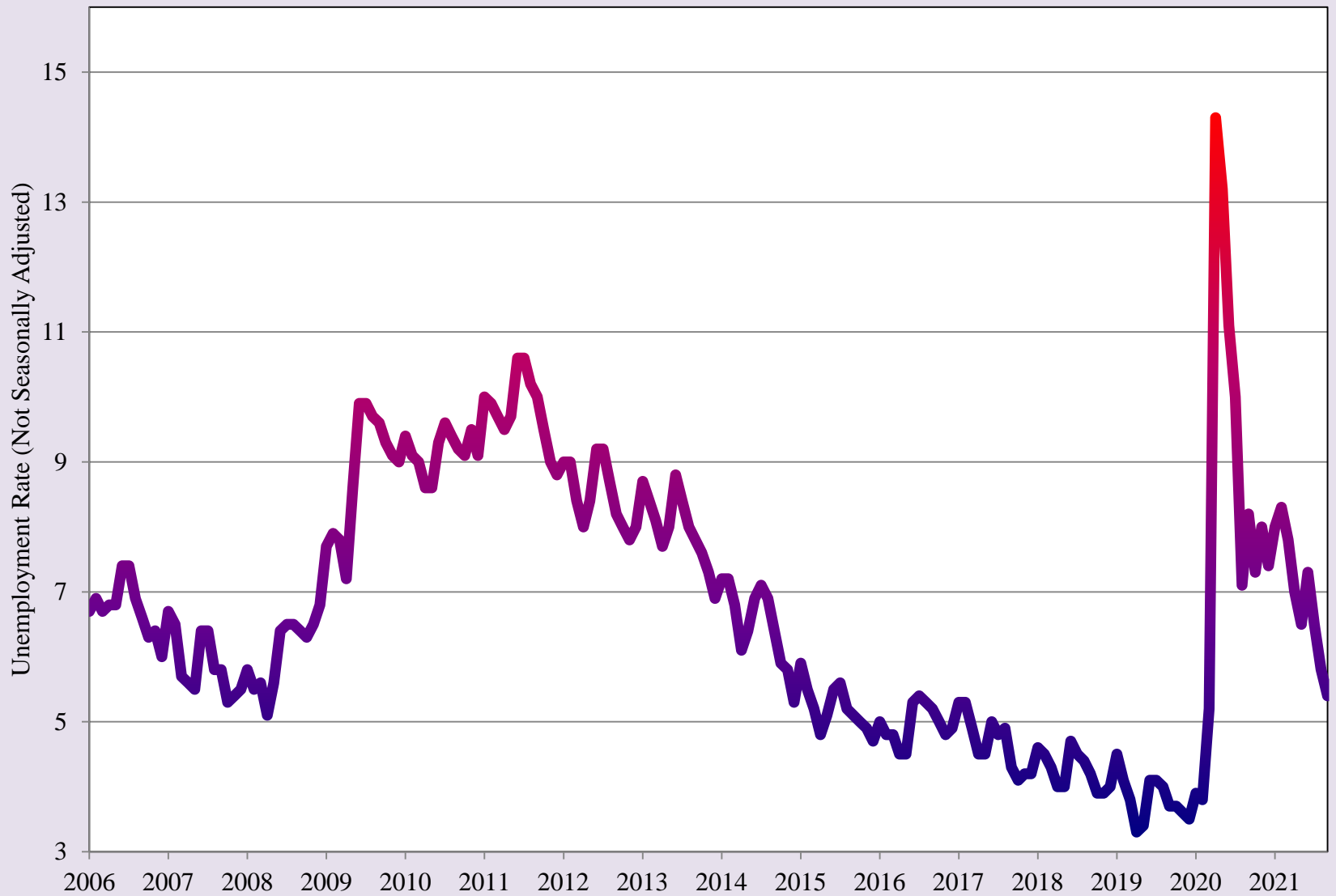
El Paso County Unemployment Rate

2020 2021



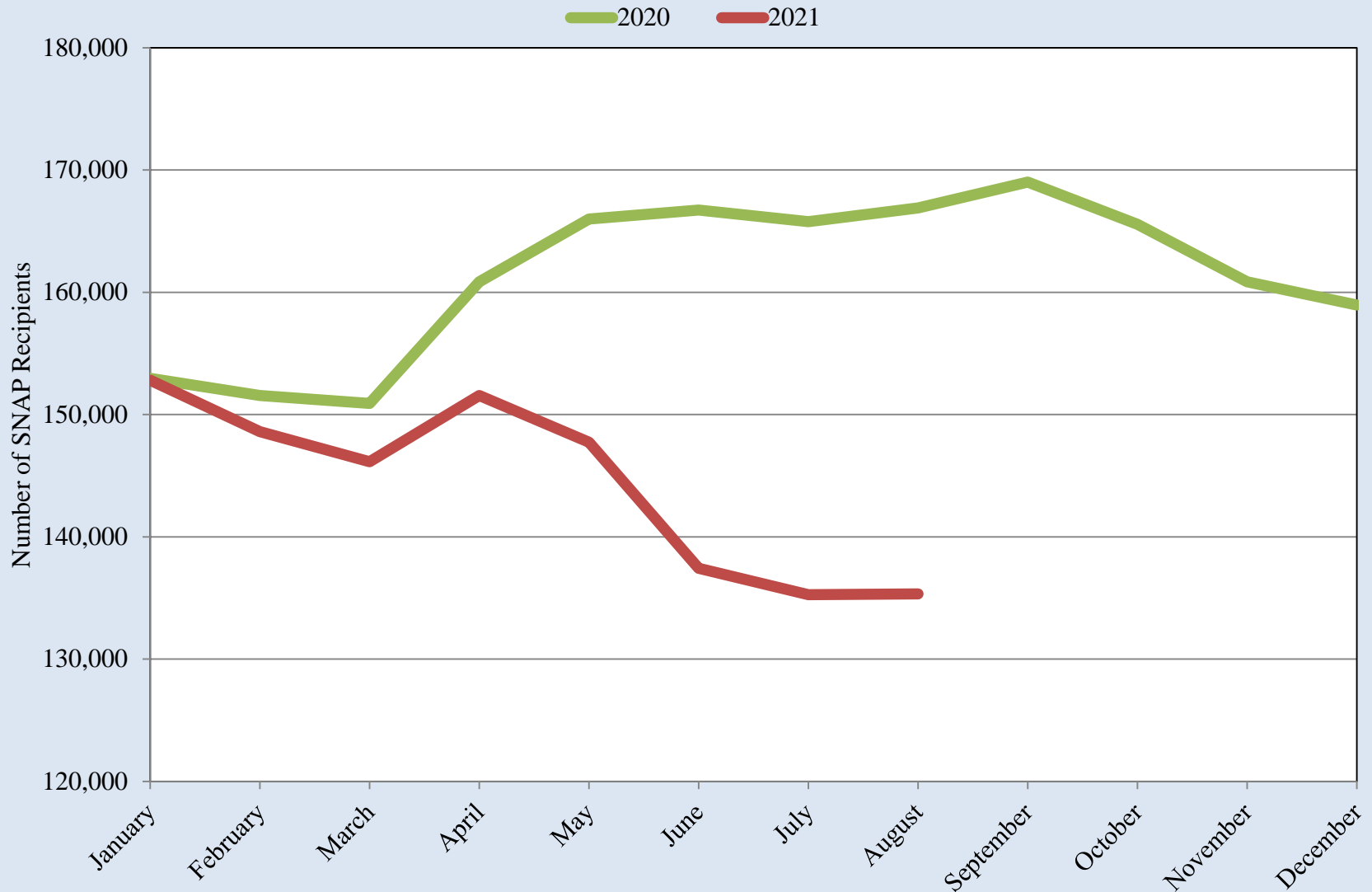
Source: Bureau of Labor Statistics

El Paso County Unemployment Rate



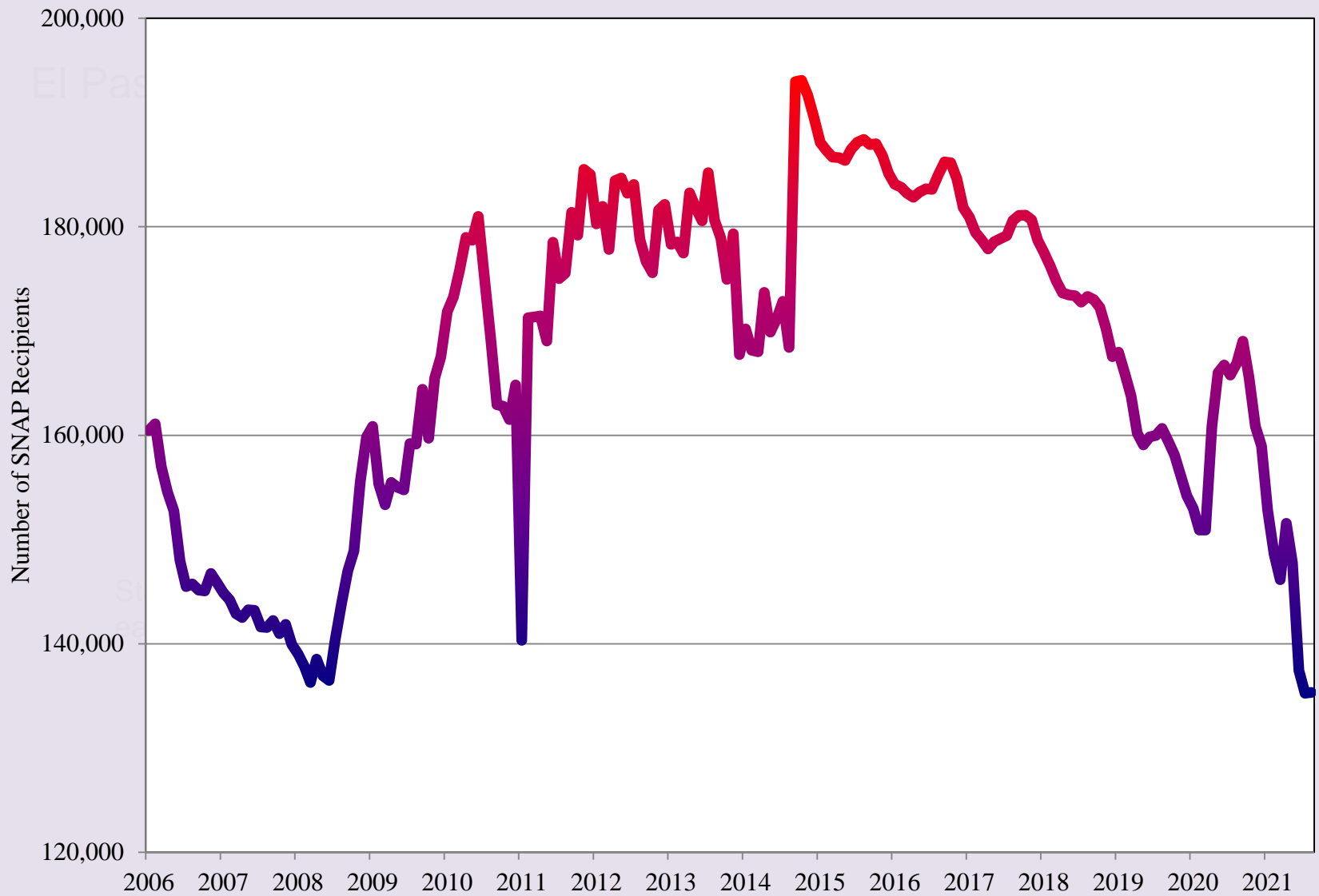
Source: Bureau of Labor Statistics

El Paso County SNAP (Food Stamp) Enrollment



Source: Texas Health and Human Services Commission

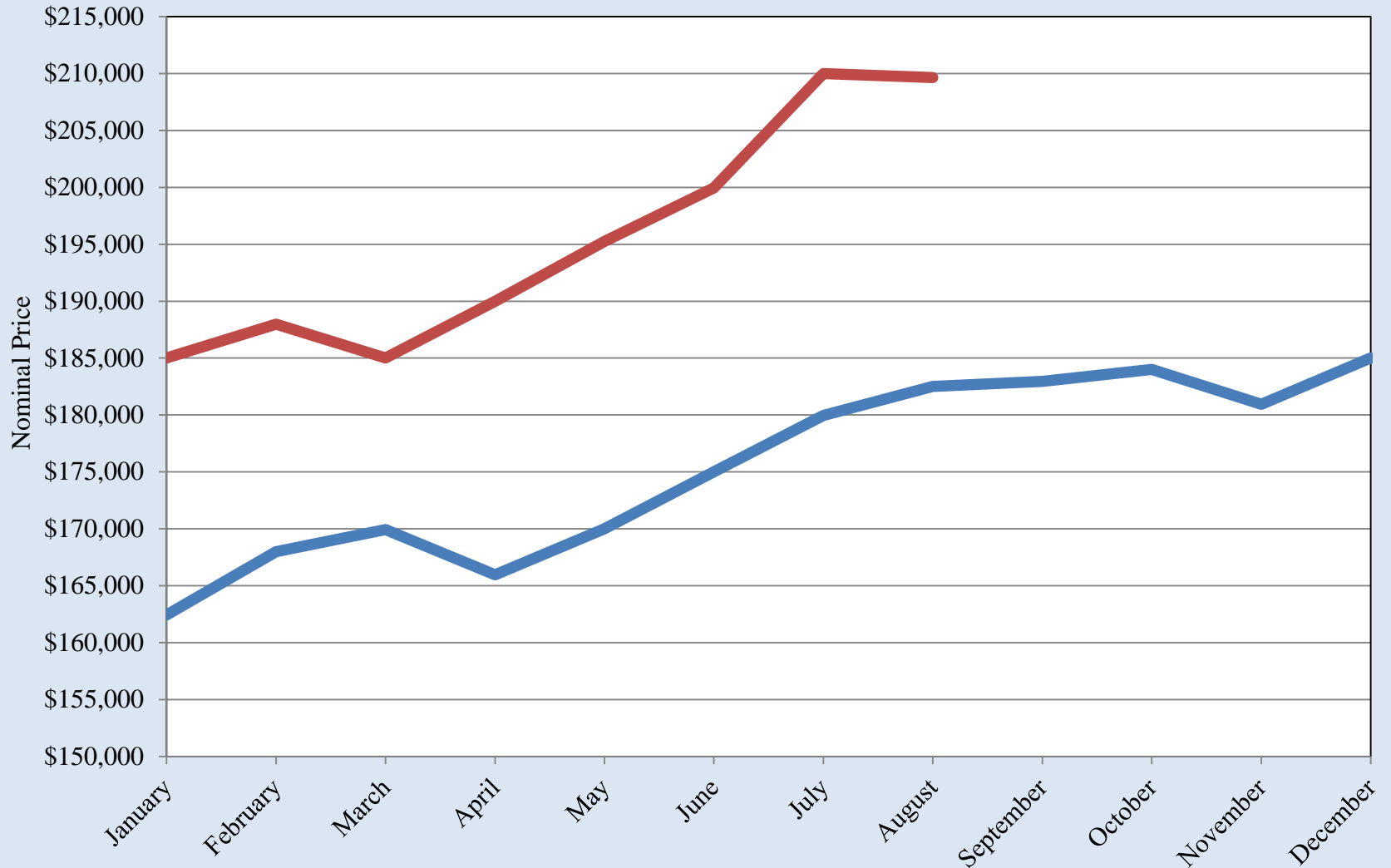
El Paso County SNAP (Food Stamp) Enrollment



Source: Texas Health and Human Services Commission

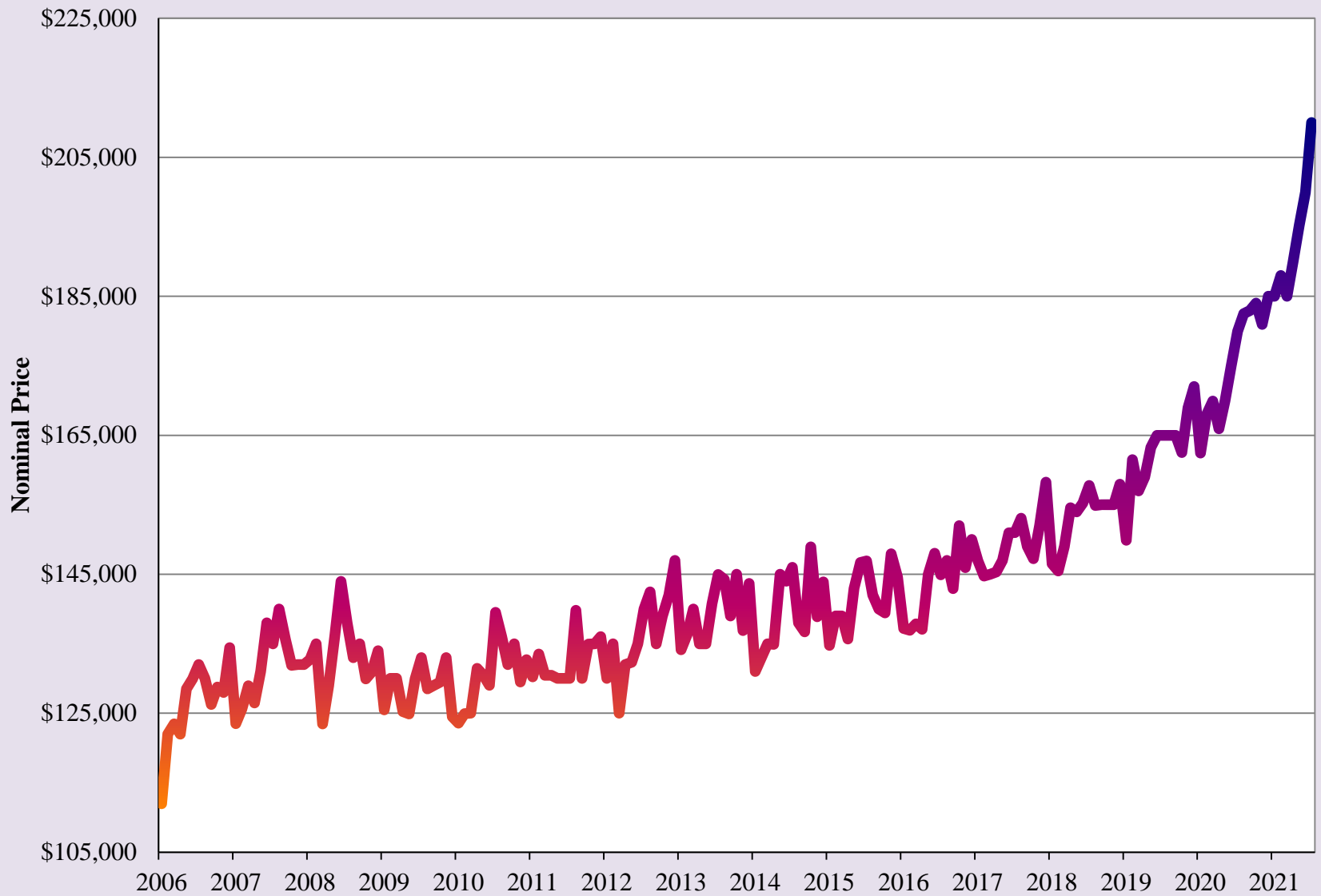
El Paso Median Housing Prices

— 2020 — 2021



Source: Texas A&M Real Estate Center

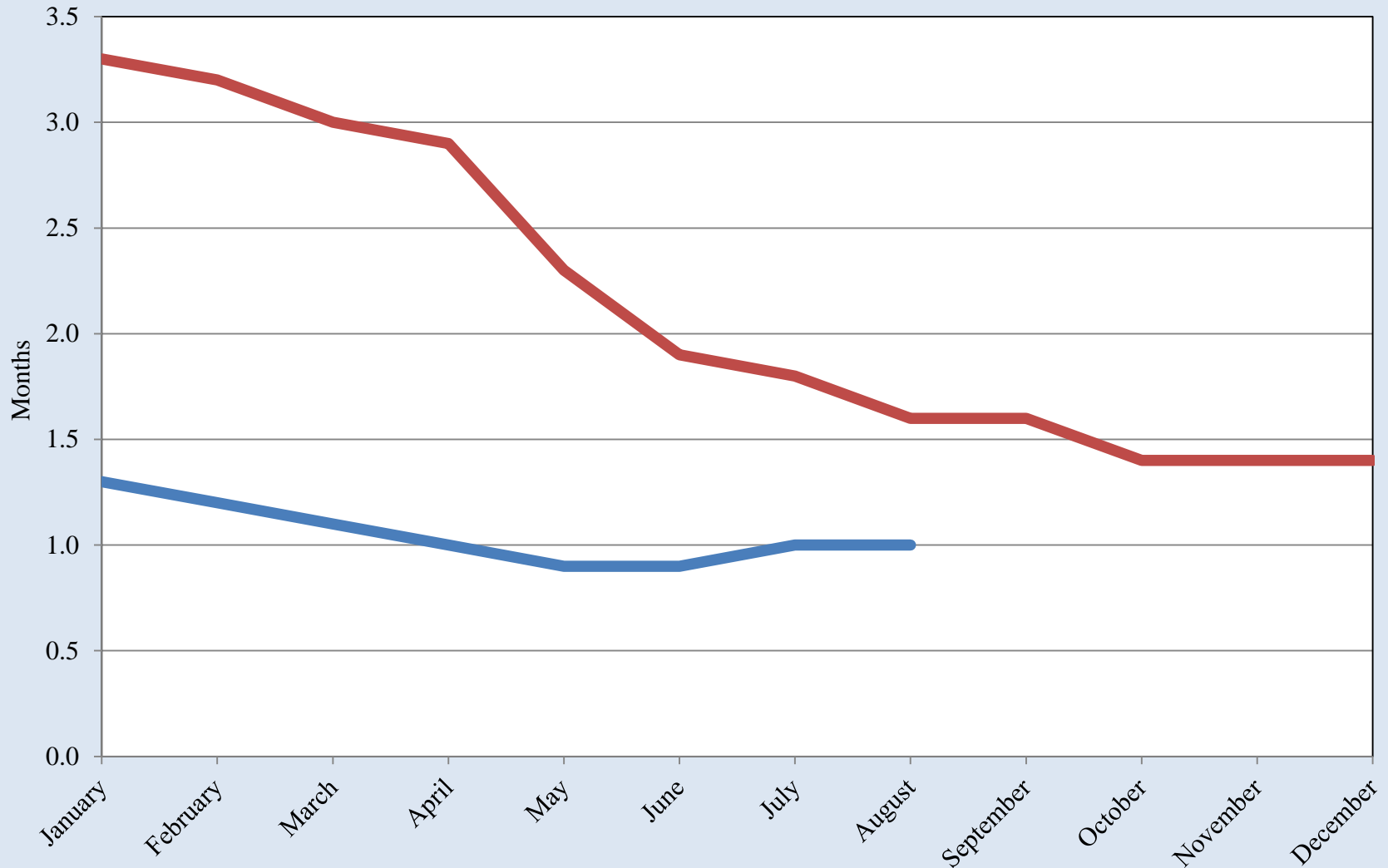
El Paso Median Housing Prices



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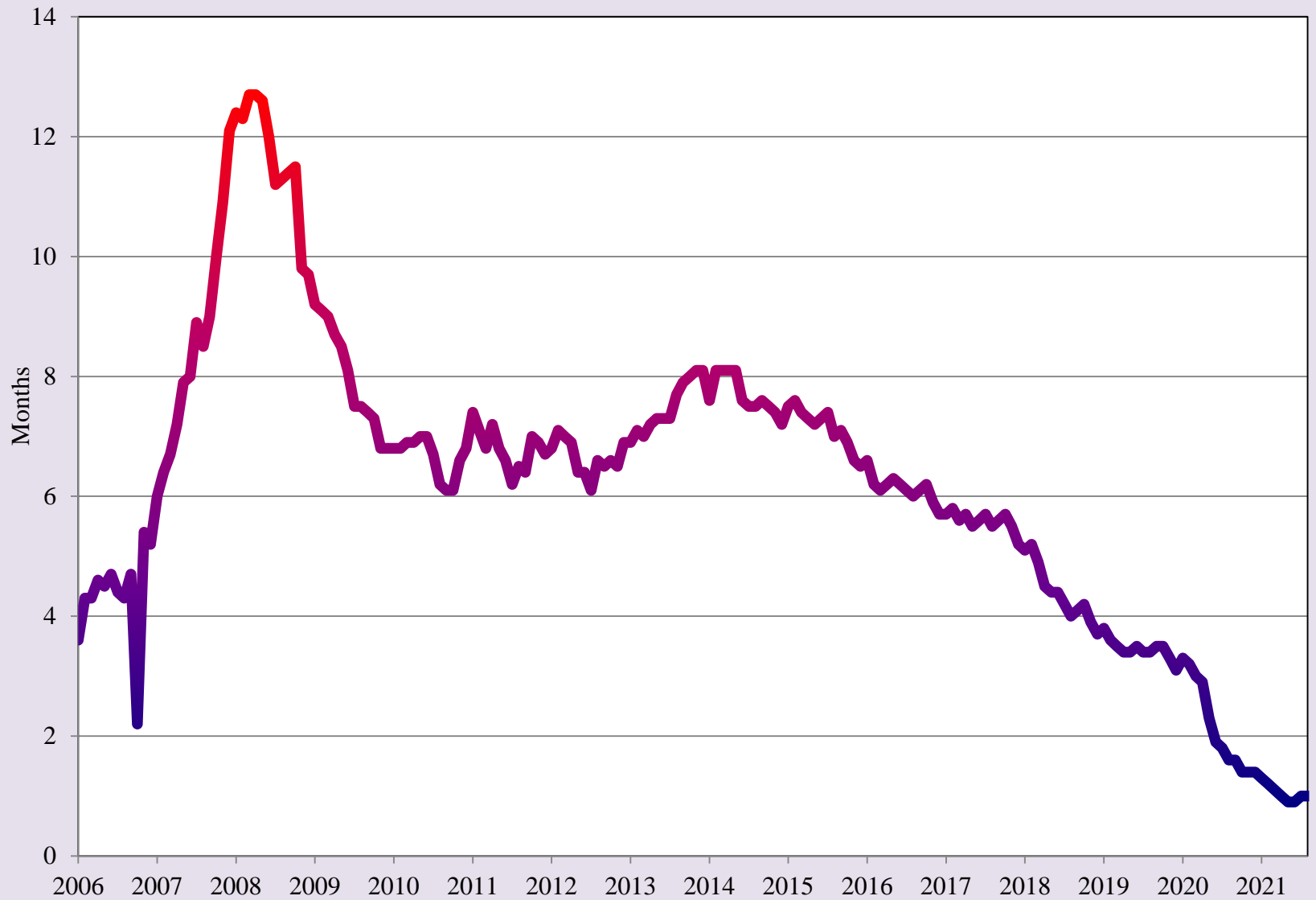
Months of Housing Inventory for El Paso

2020 2021



Source: Texas A&M Real Estate Center

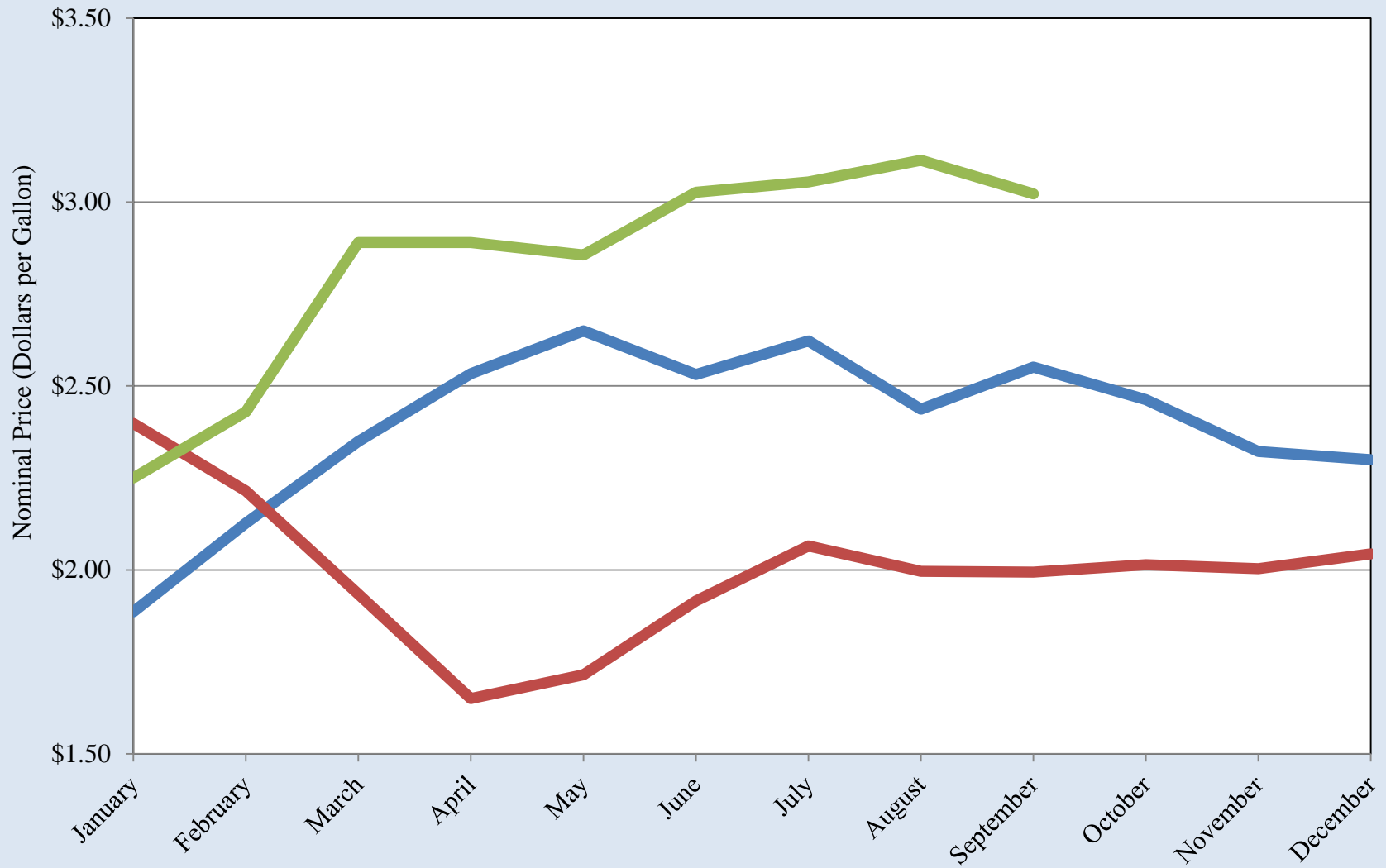
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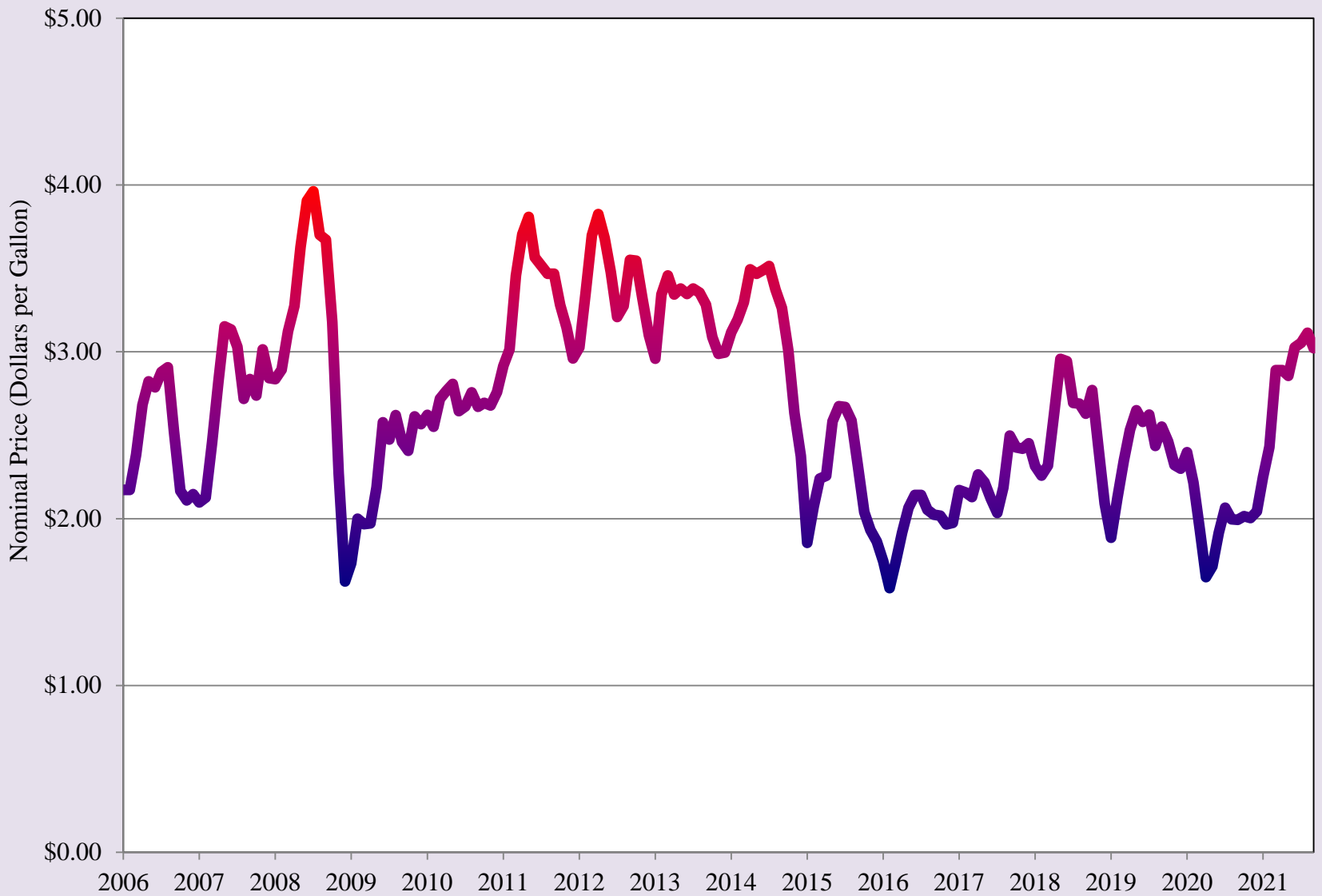
El Paso Gasoline Prices

2019 2020 2021



Source: GasBuddy.com

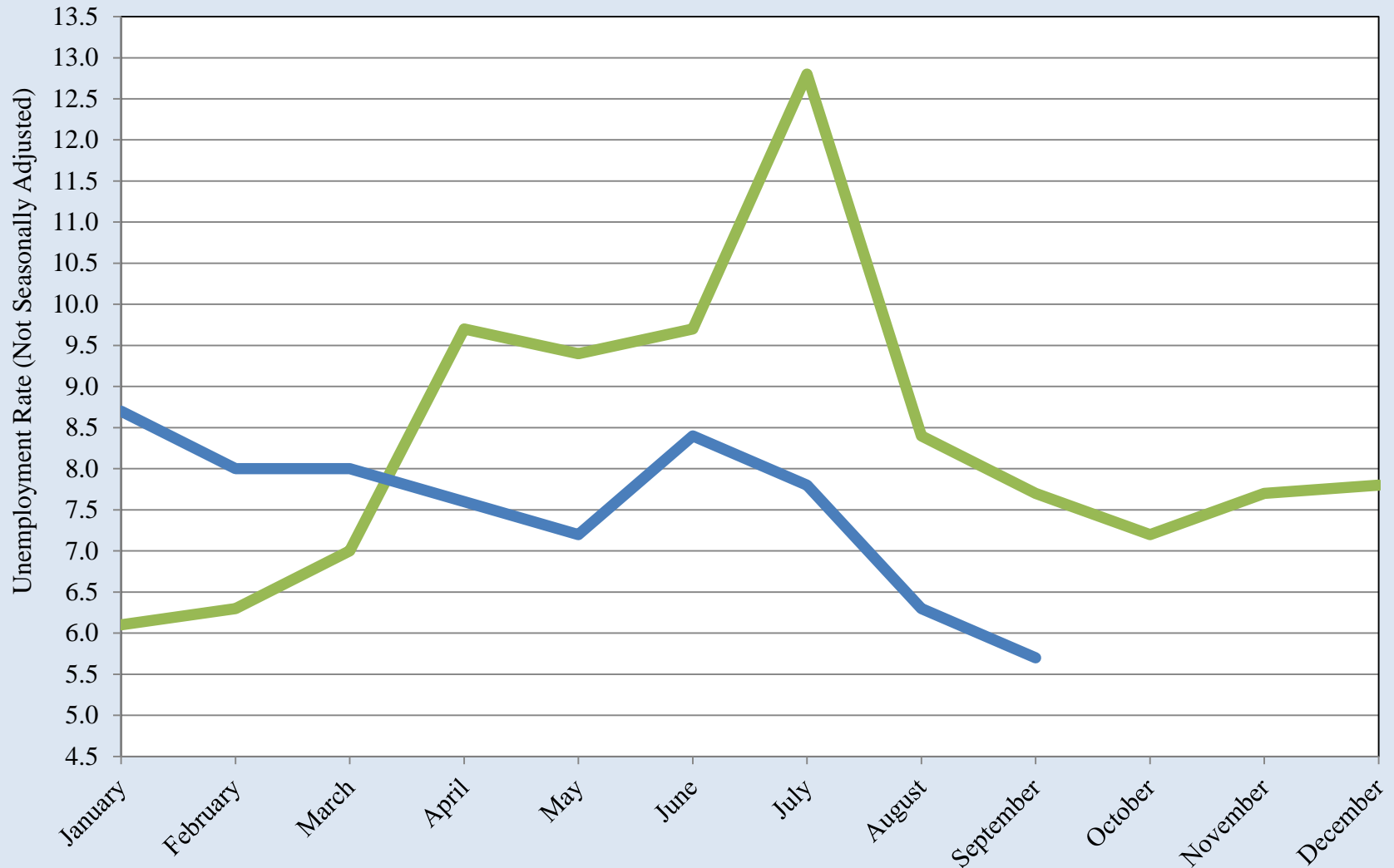
El Paso Gasoline Prices



Source: GasBuddy.com

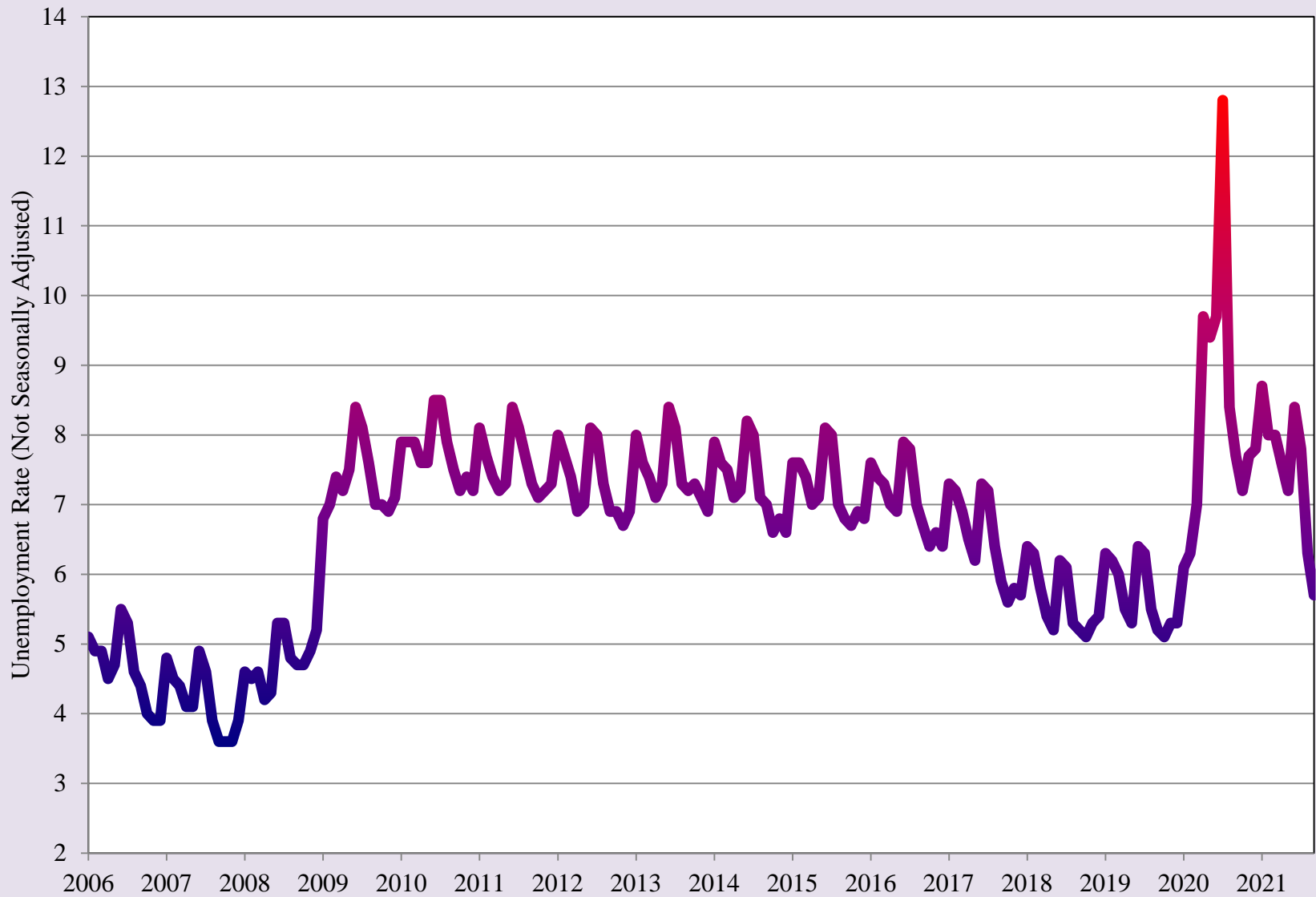
Doña Ana County Unemployment Rate

2020 2021



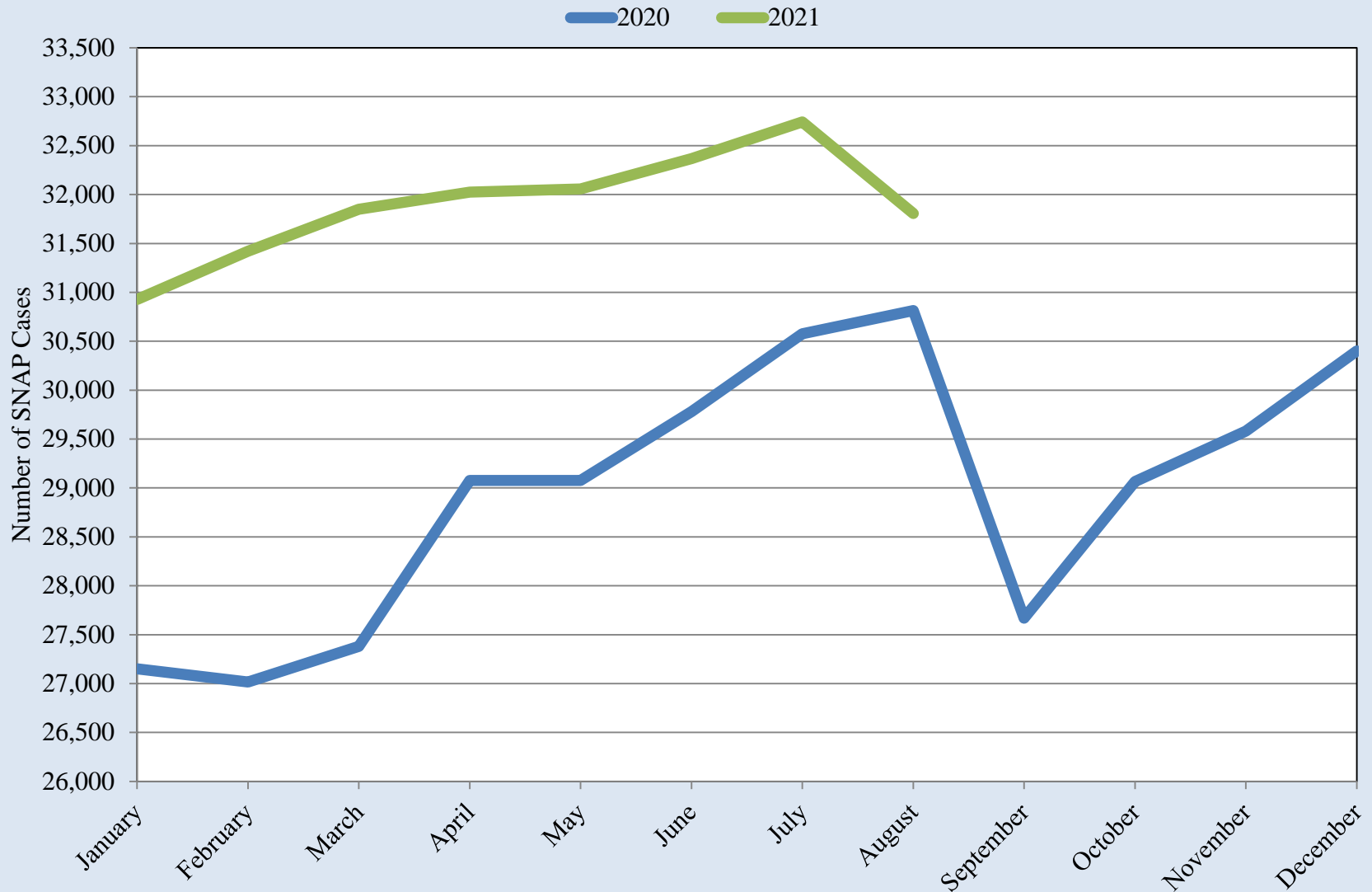
Source: Bureau of Labor Statistics

Doña Ana County Unemployment Rate



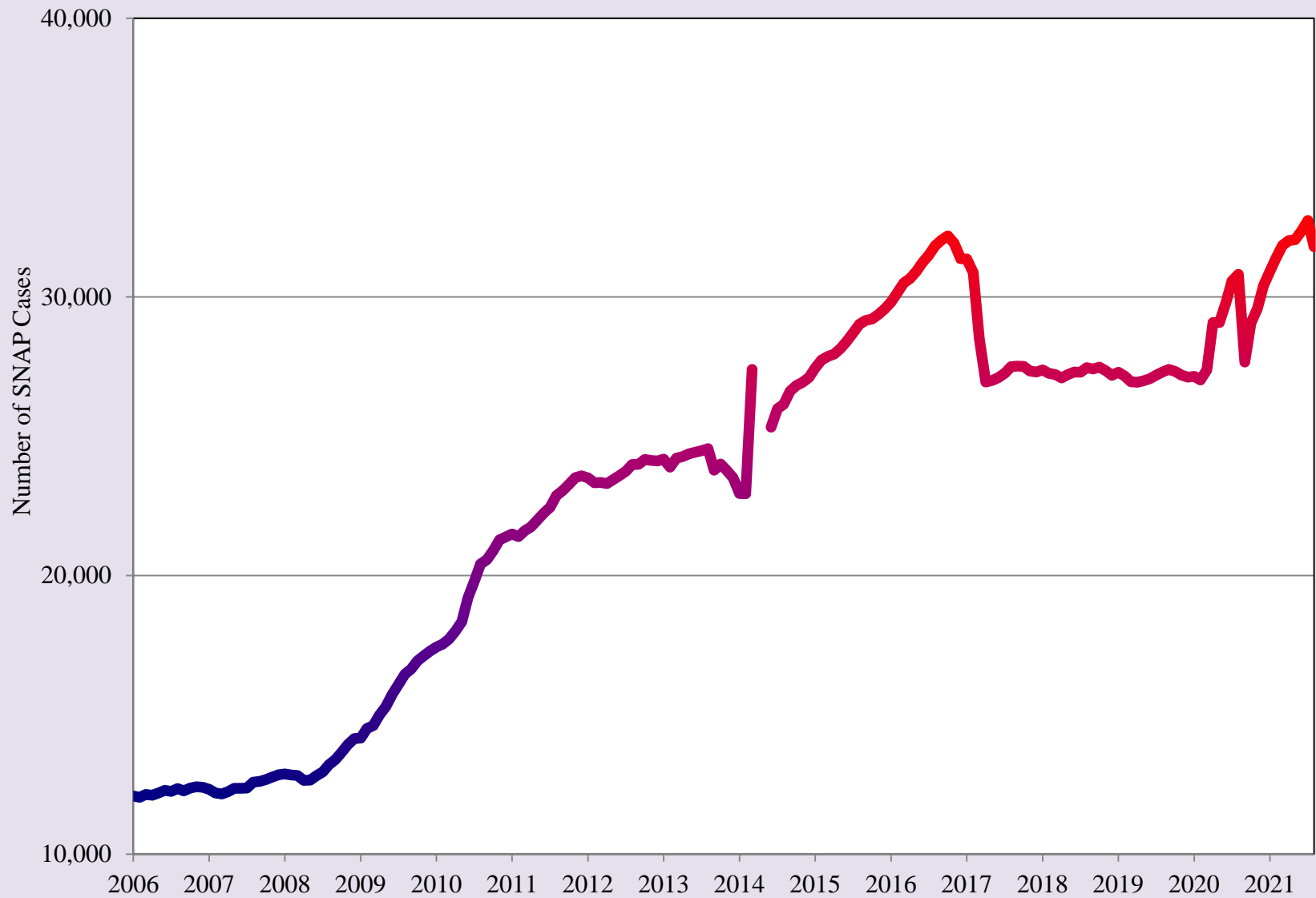
Source: Bureau of Labor Statistics

Las Cruces Area SNAP (Food Stamp) Cases



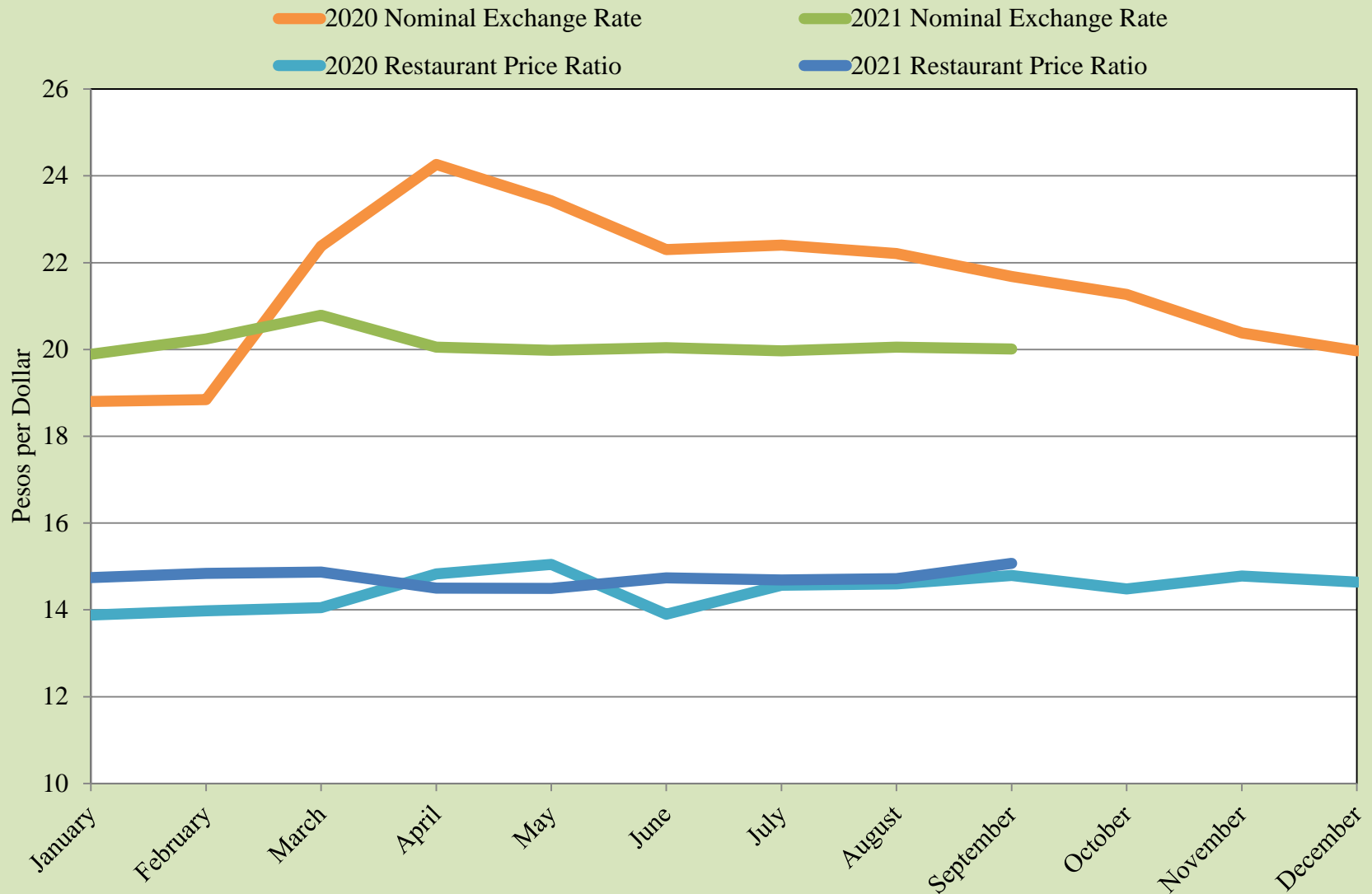
Source: New Mexico Human Services Department

Las Cruces Area SNAP (Food Stamp) Cases



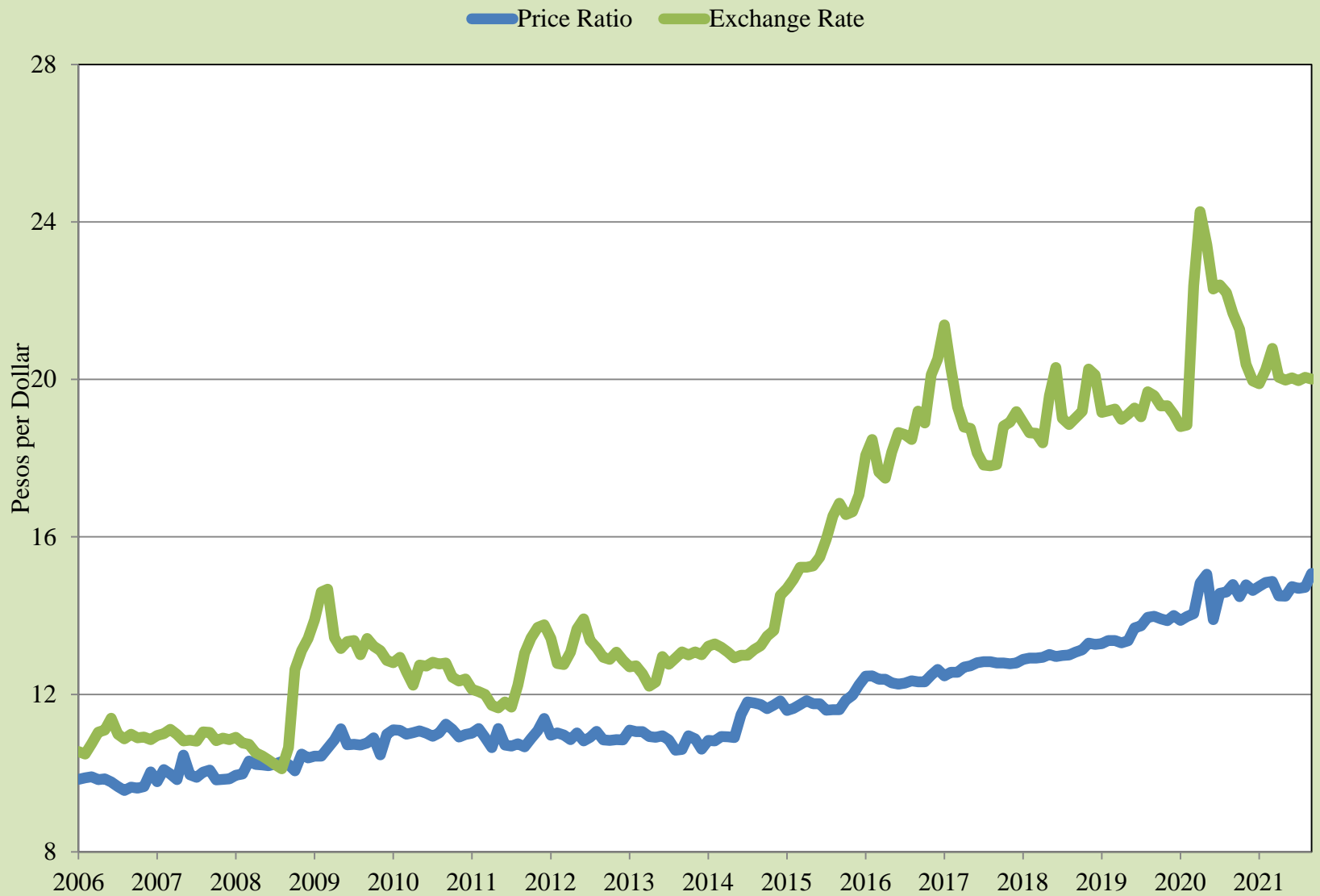
Source: New Mexico Human Services Department

Restaurant Price Ratio and Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

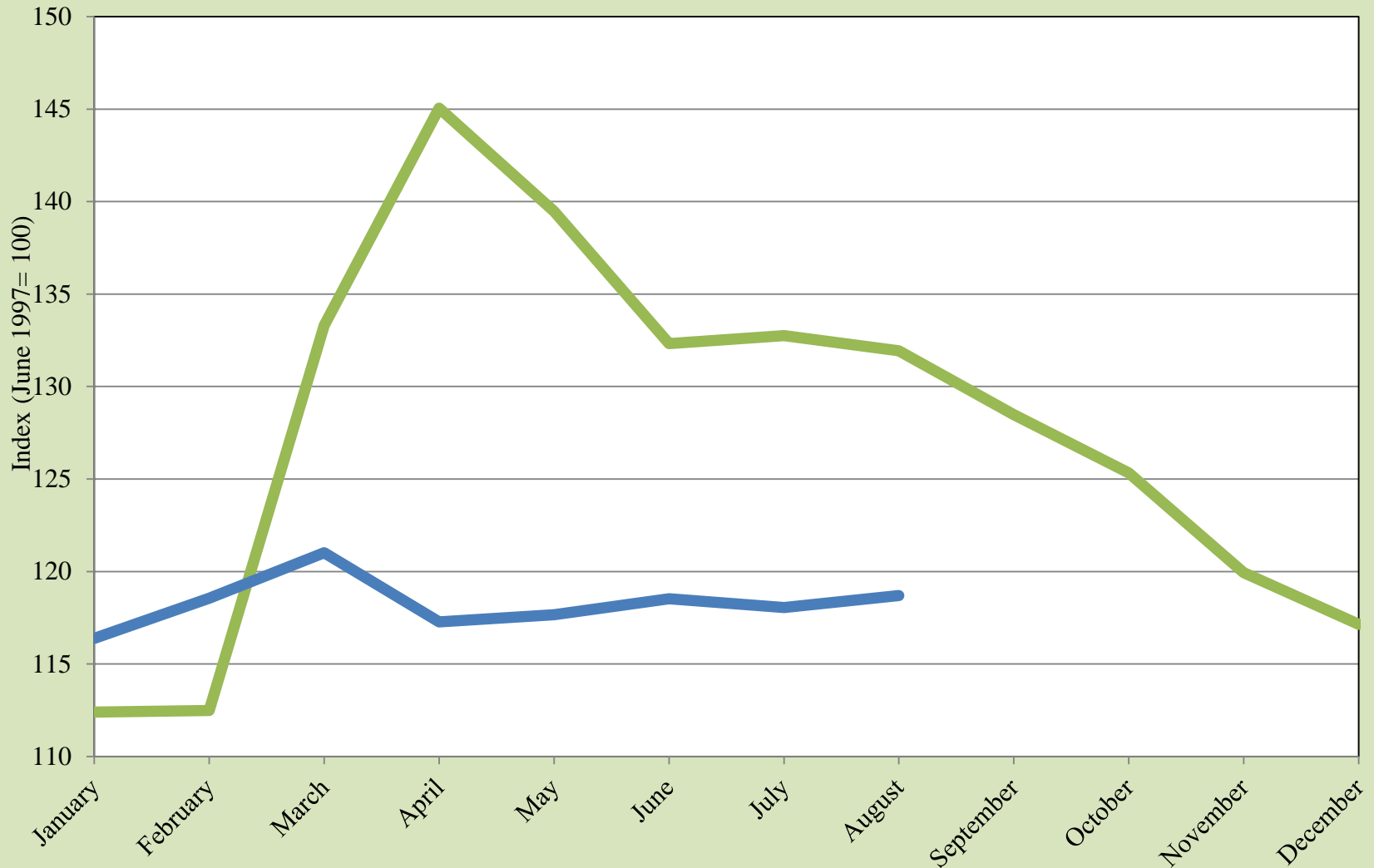
Restaurant Price Ratio and Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

Real Peso-per-Dollar Exchange Rate Index

— 2020 — 2021



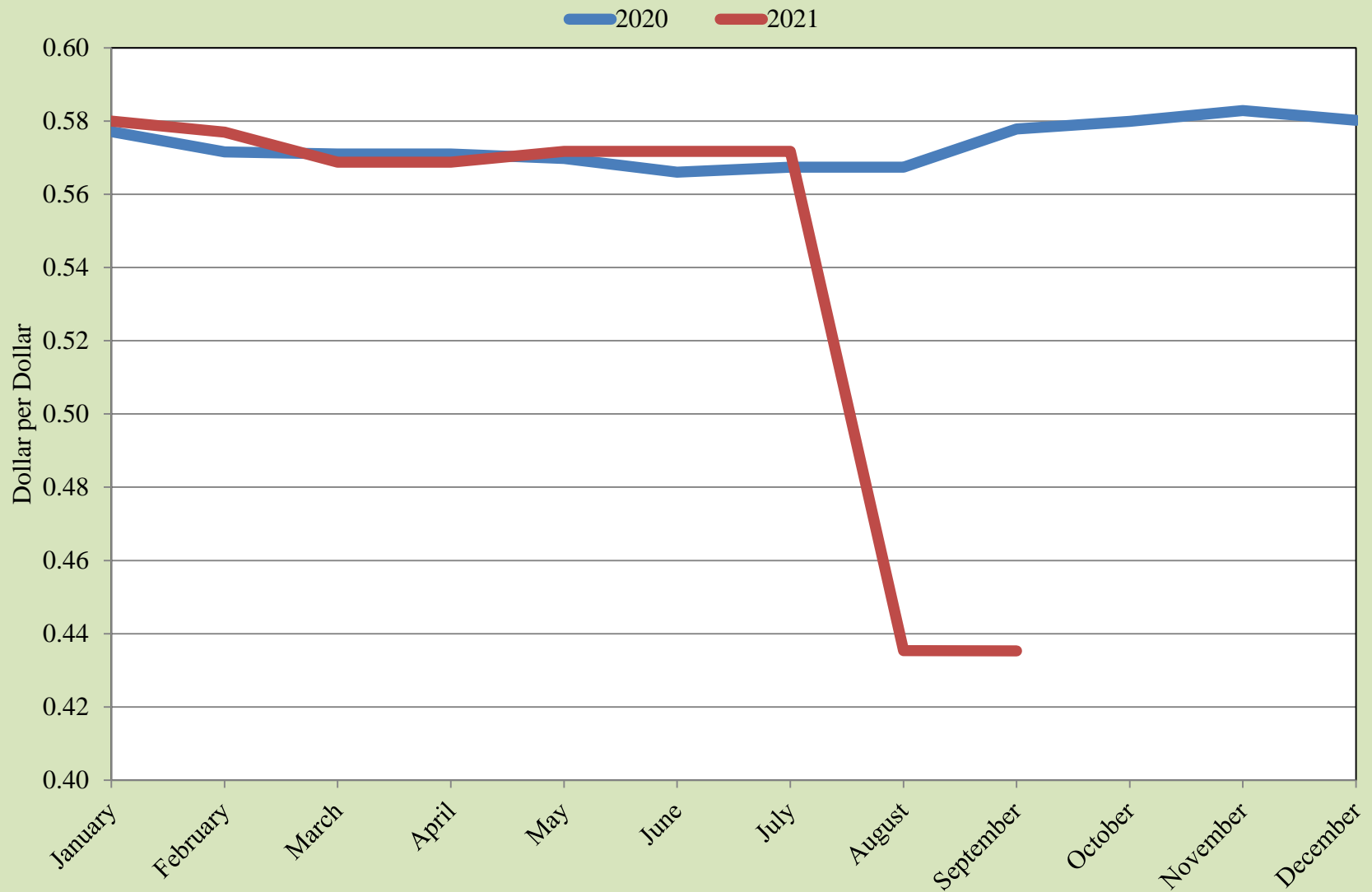
Source: UTEP Border Region Modeling Project

Real Peso-per-Dollar Exchange Rate Index



Source: UTEP Border Region Modeling Project

Pharmaceutical Nominal Price Ratio in the USA and Mexico



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

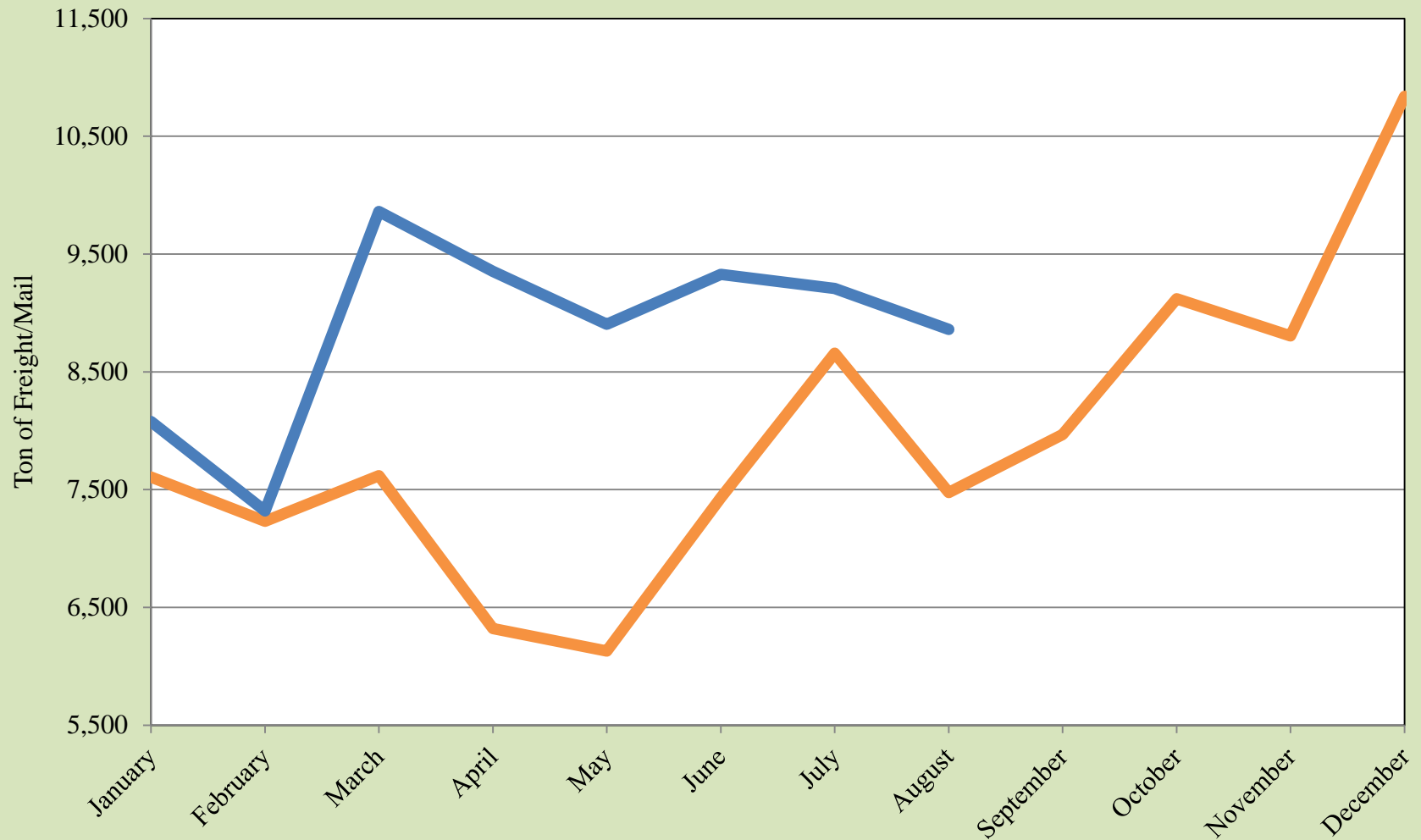
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EPIA Freight and Mail

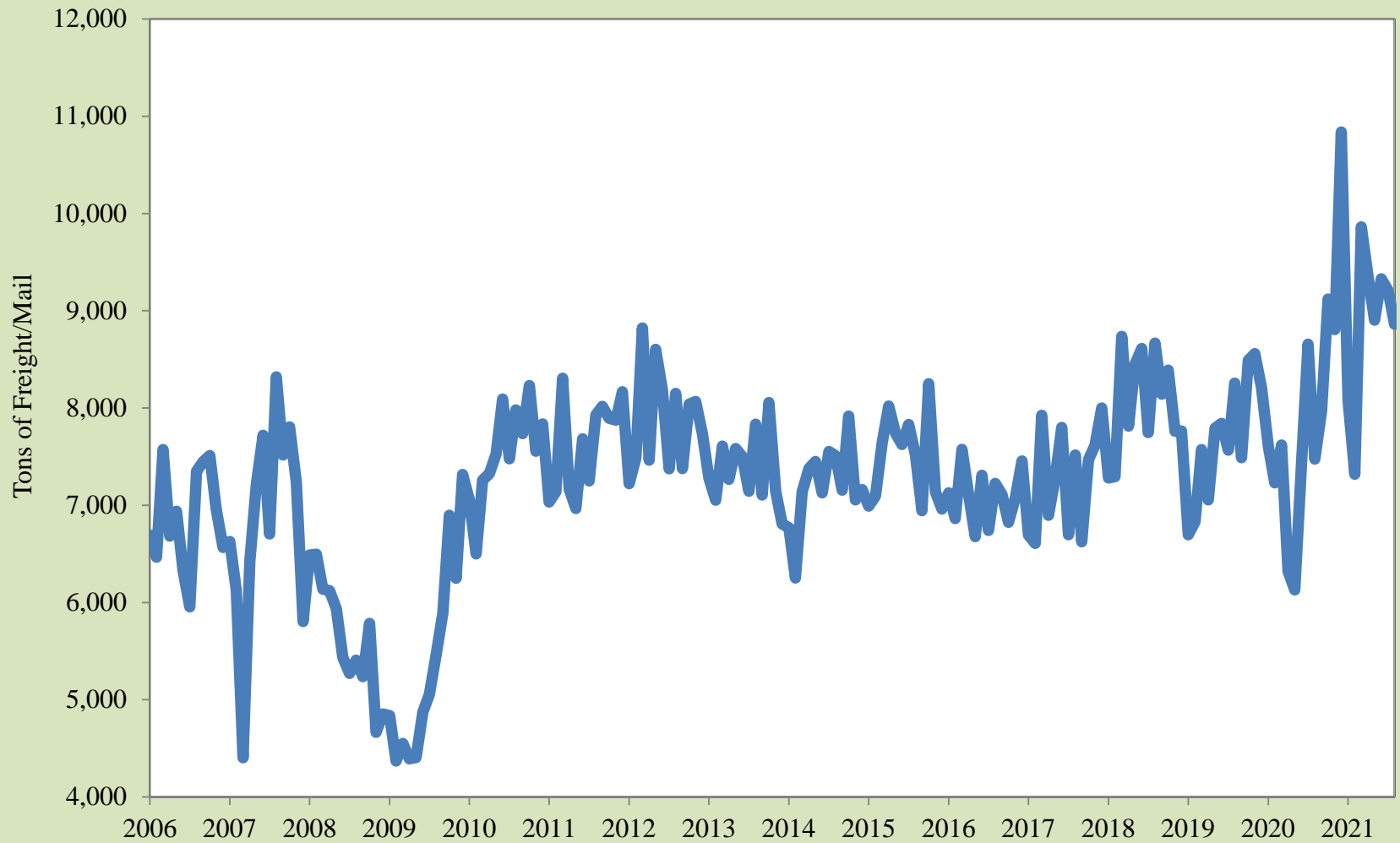
Total 2020 Total 2021



Source: EPIA Operations

EPIA Freight and Mail

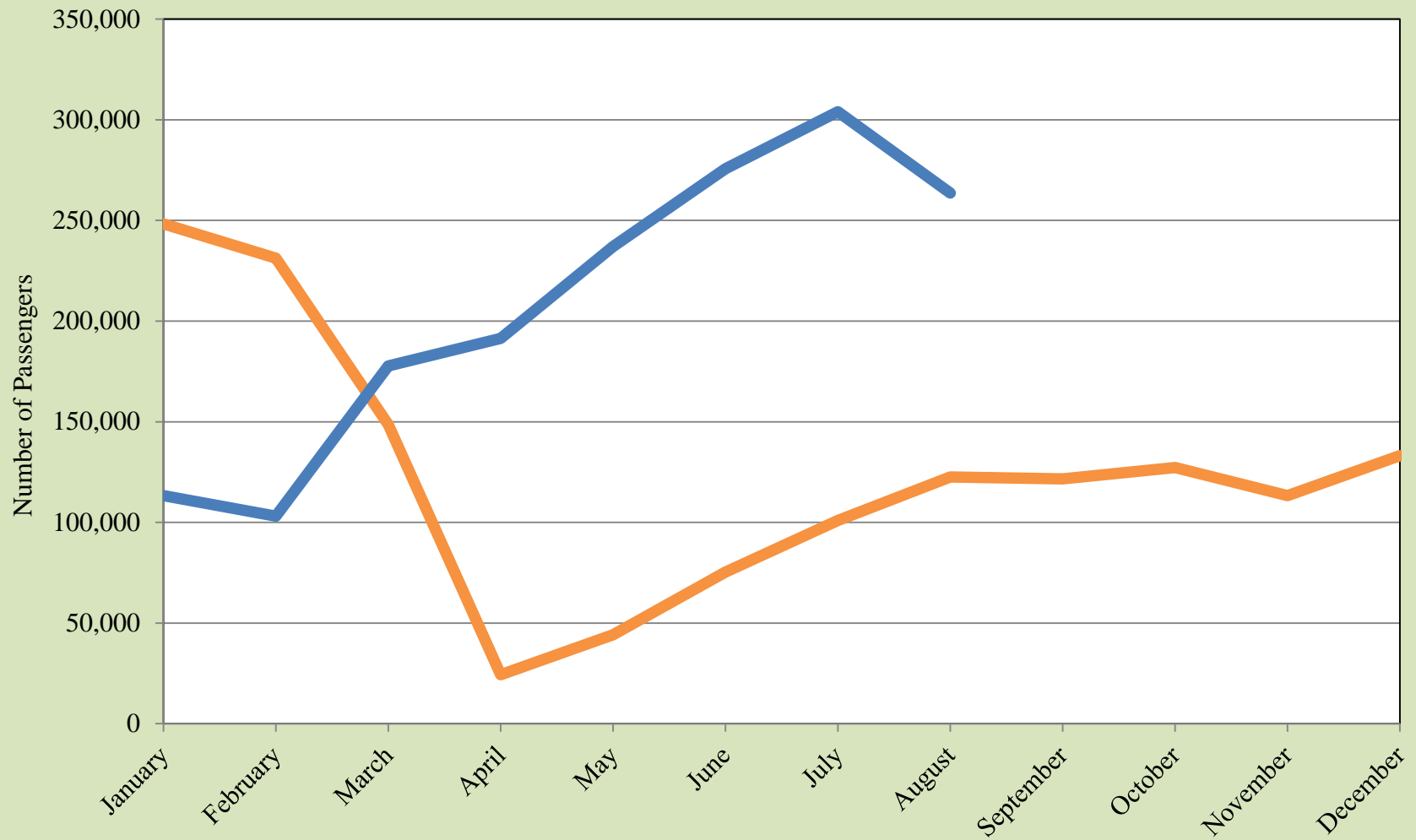
— Inbound+Outbound



Source: EPIA Operations

EPIA Passengers

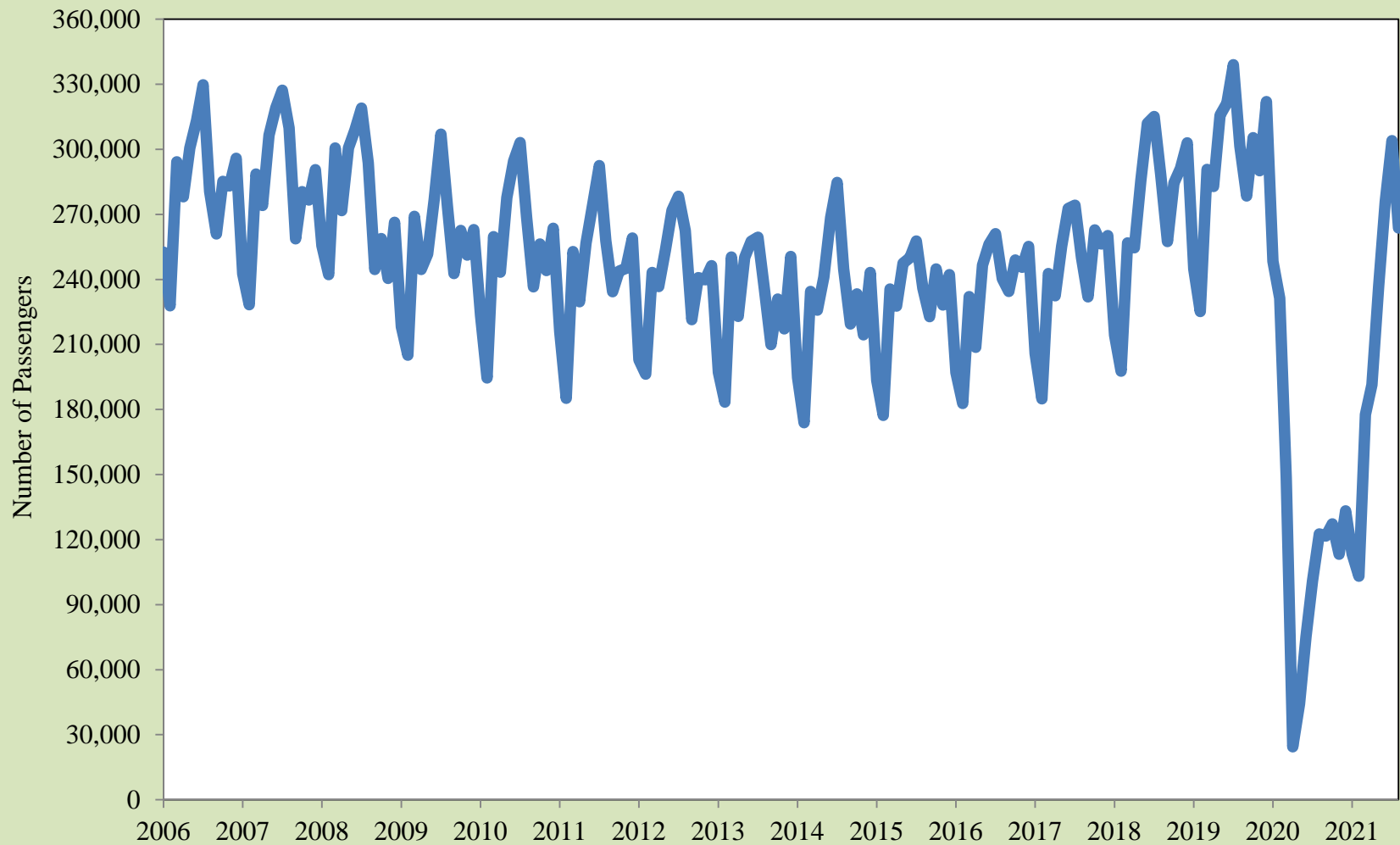
Total 2020 Total 2021



Source: EPIA Operations

EPIA Passengers

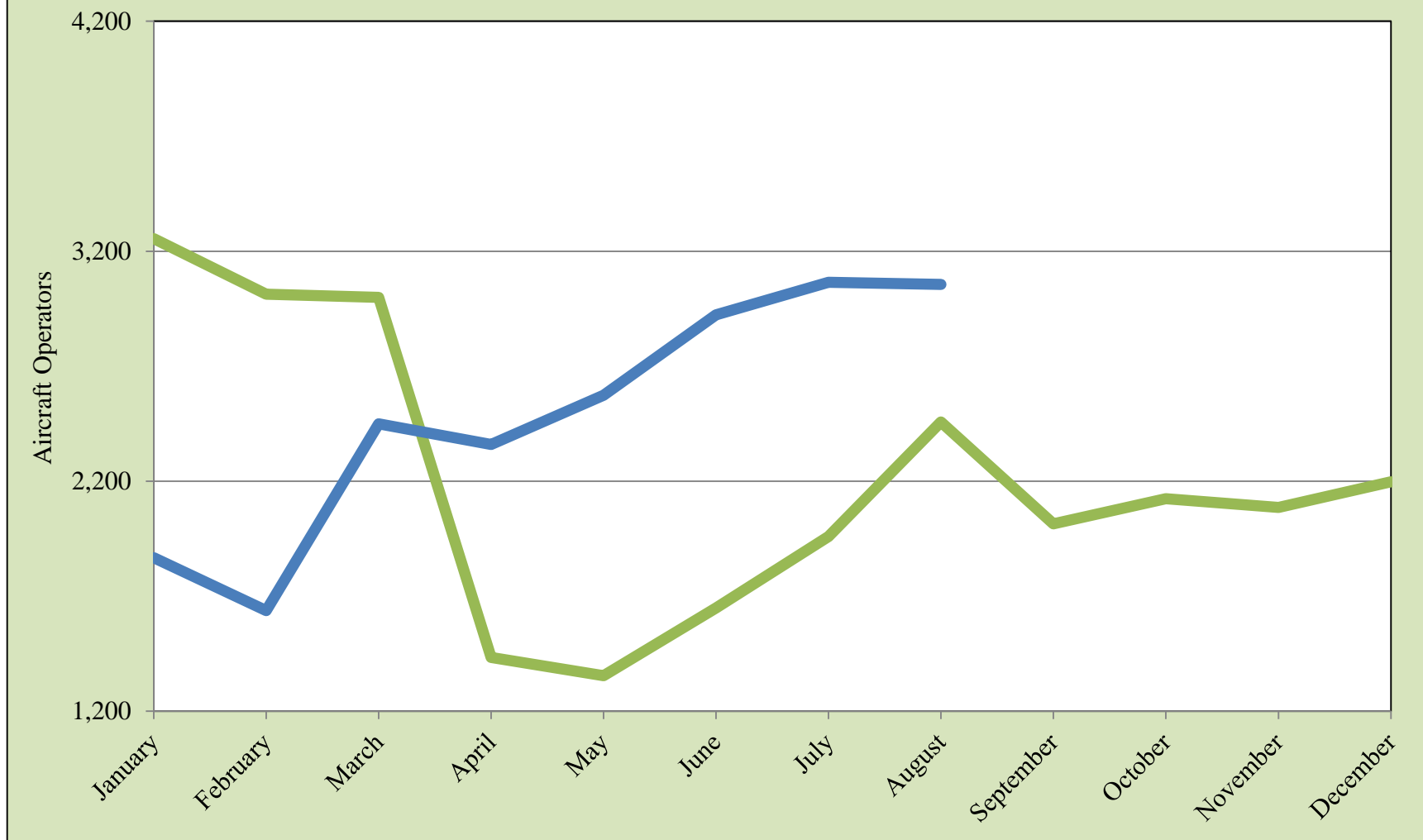
— Inbound+Outbound



Source: EPIA Operations

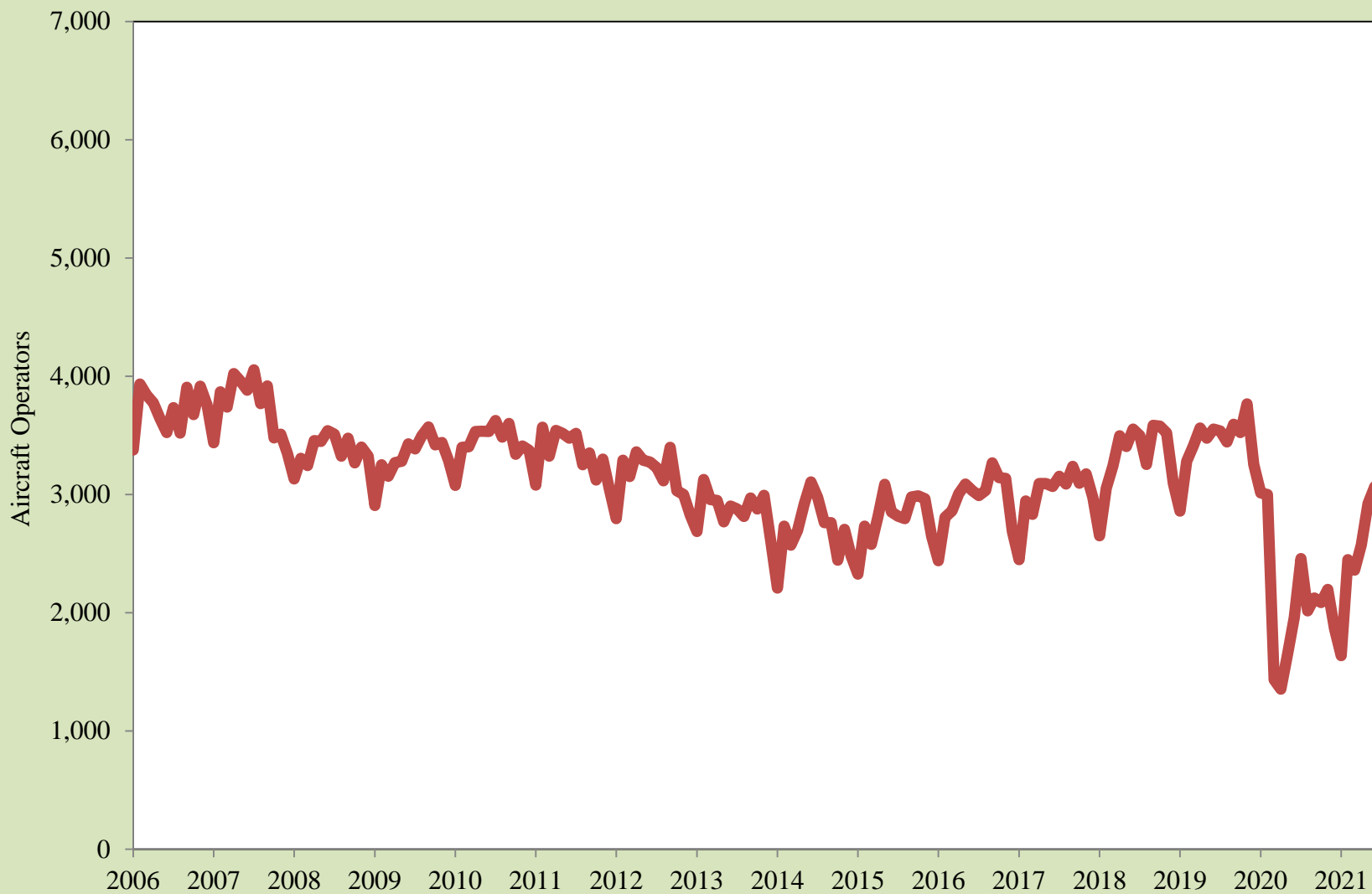
EPIA Air Carrier Operations

20-Air Carriers 21-Air Carriers



Source: EPIA Operations

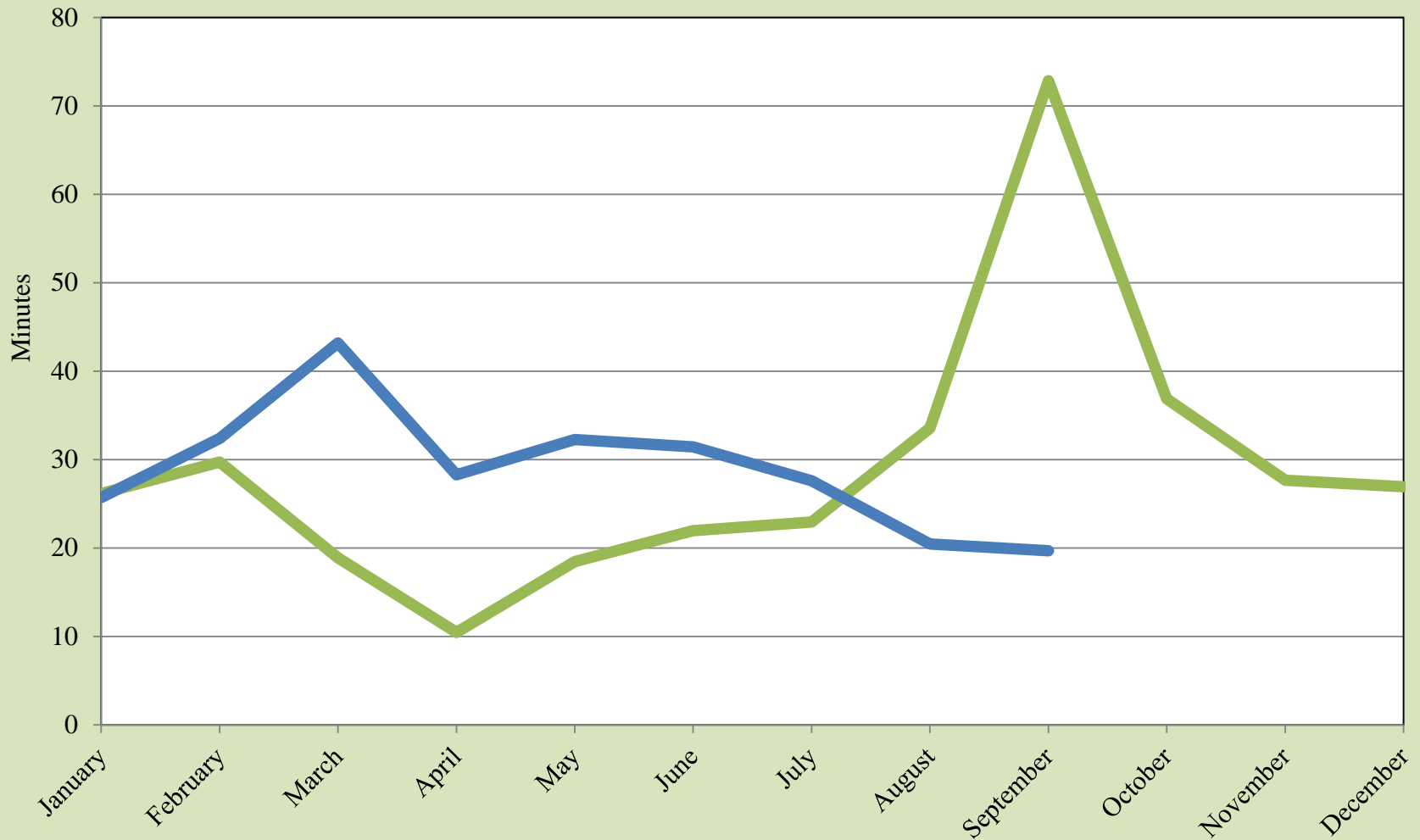
EPIA Air Carrier Operations



Source: EPIA Operations

Paso del Norte Monthly Wait Times

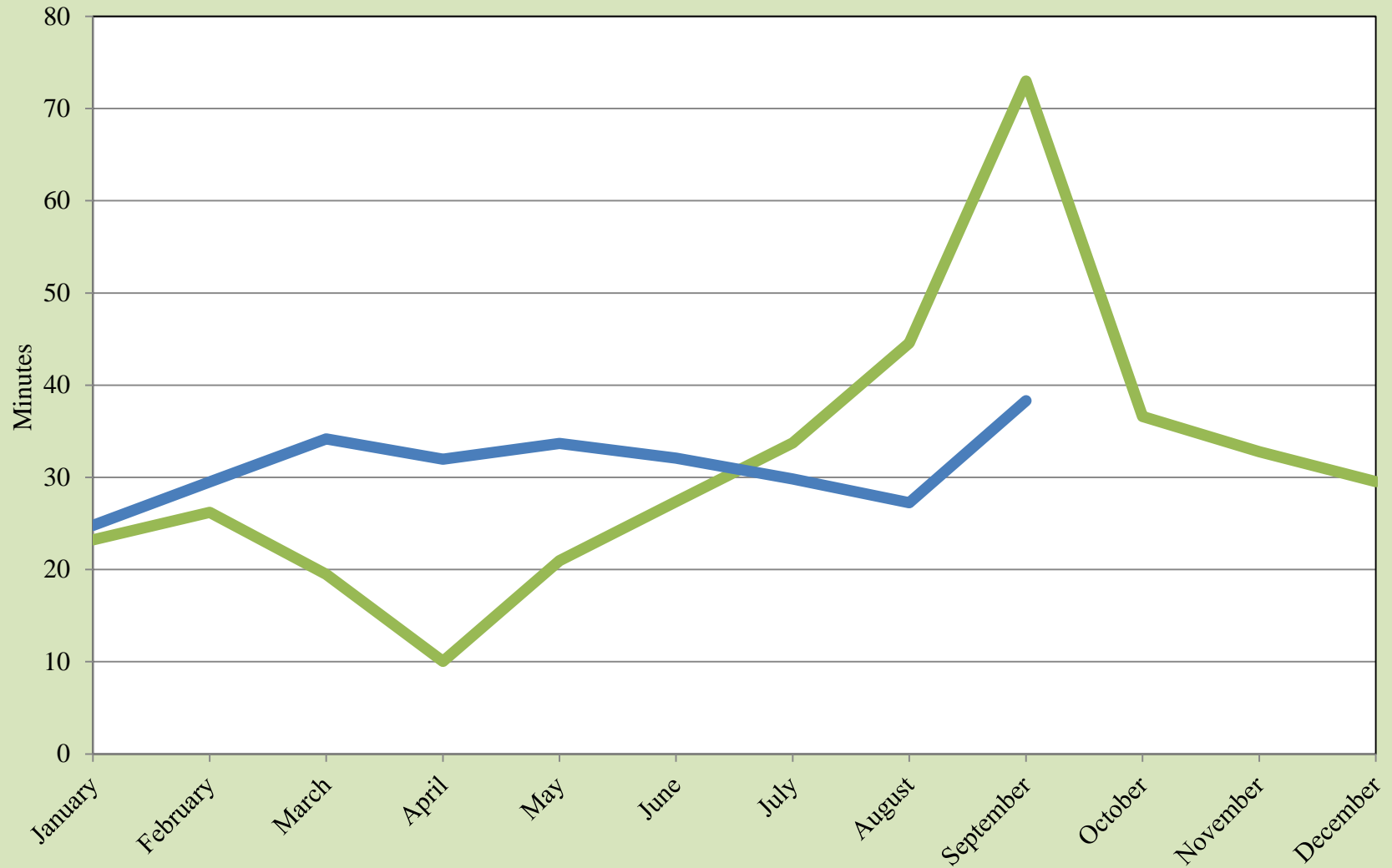
2020 2021



Source: UTEP Border Region Modeling Project

Ysleta Monthly Wait Times

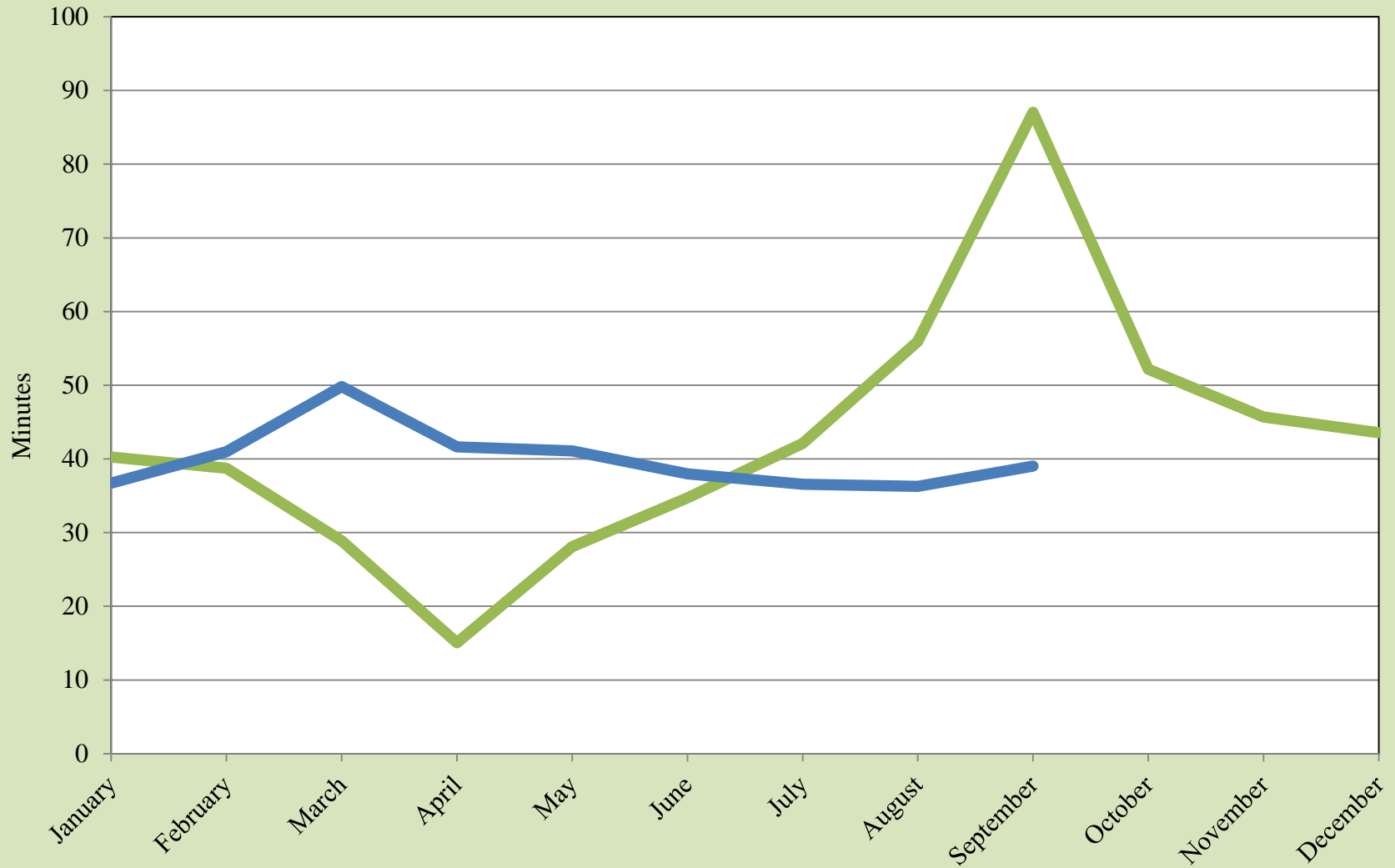
2020 2021



Source: UTEP Border Region Modeling Project

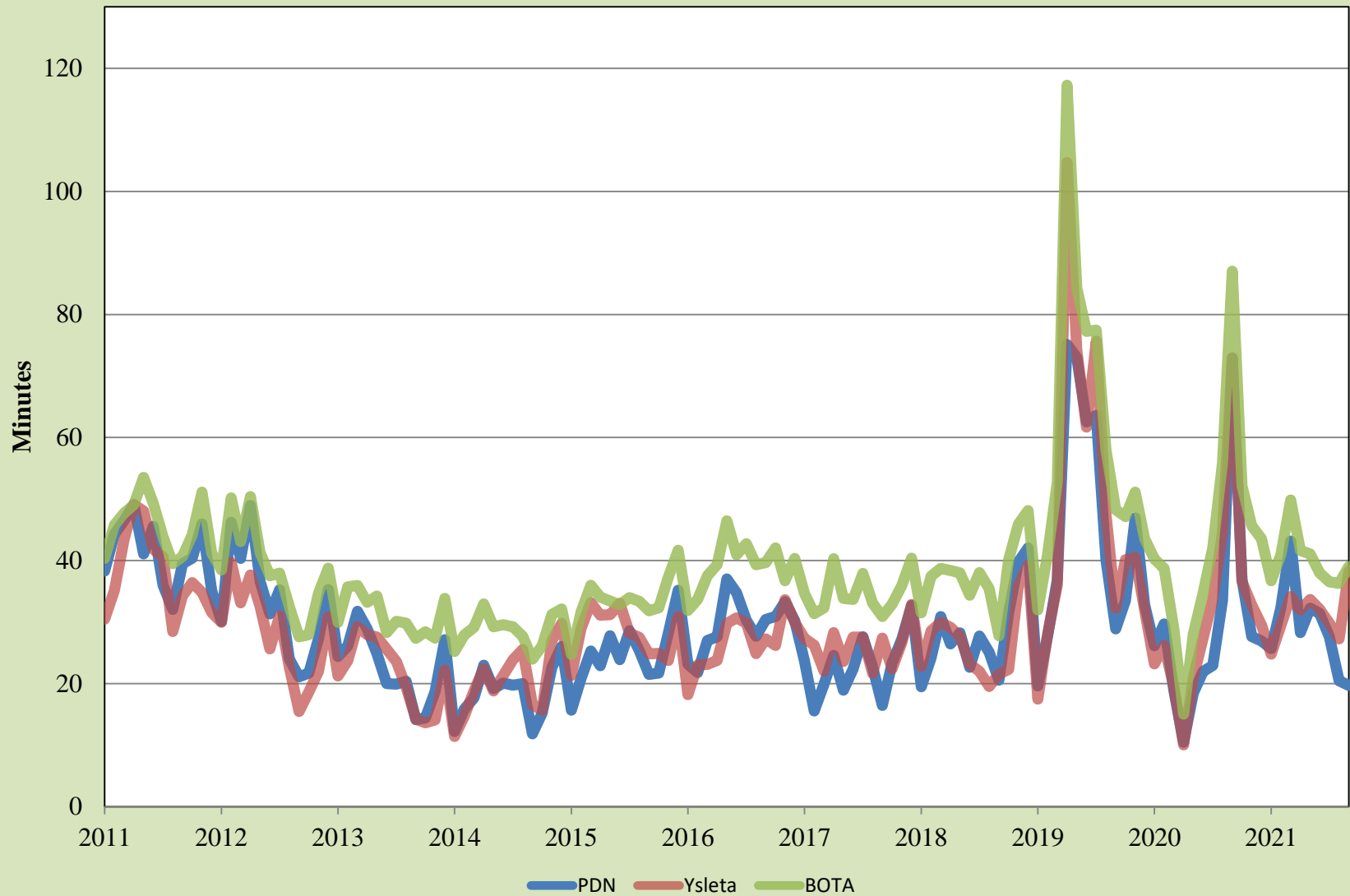
Bridge of the Americas Monthly Wait Times

2020 2021



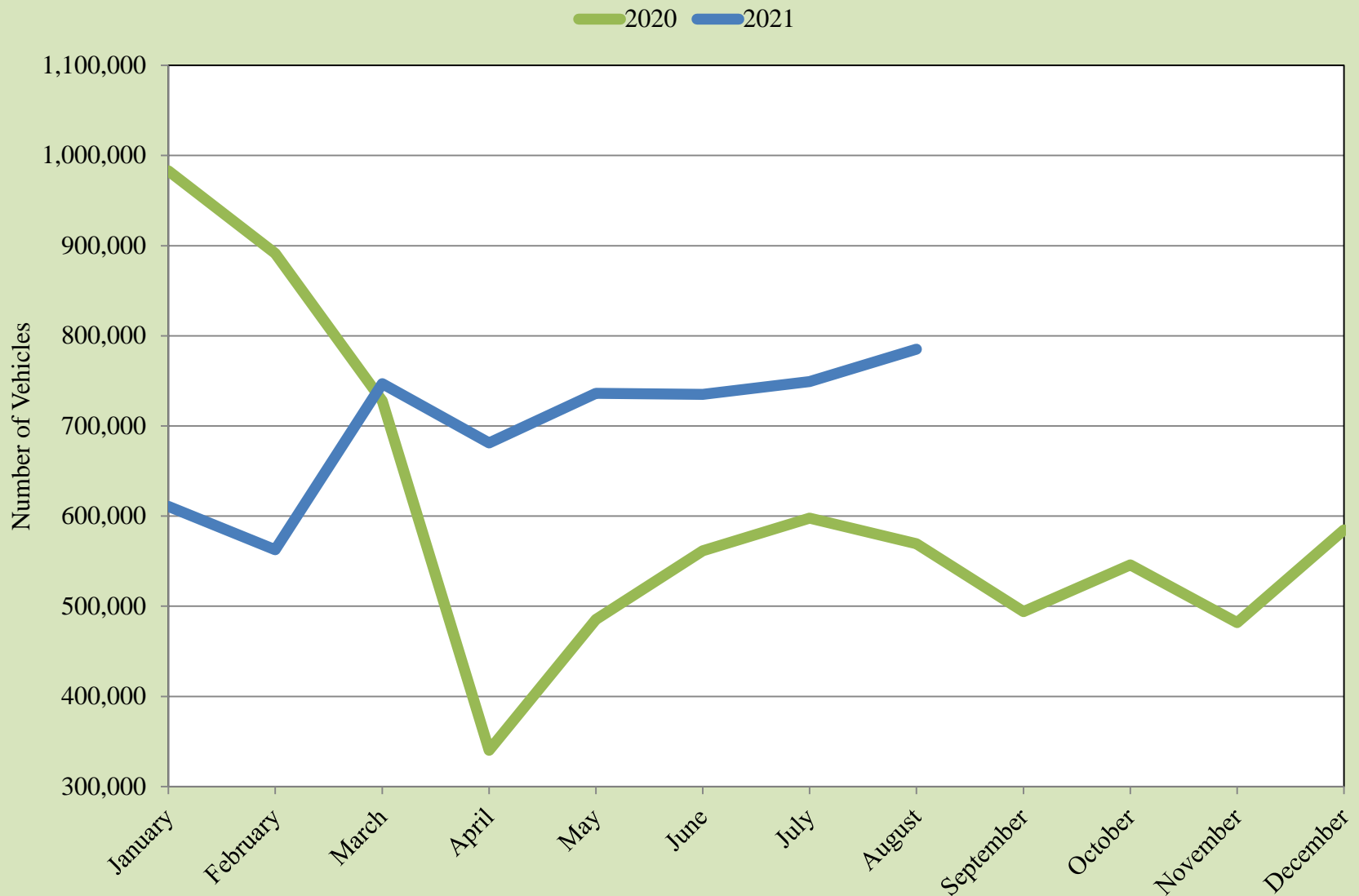
Source: UTEP Border Region Modeling Project

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

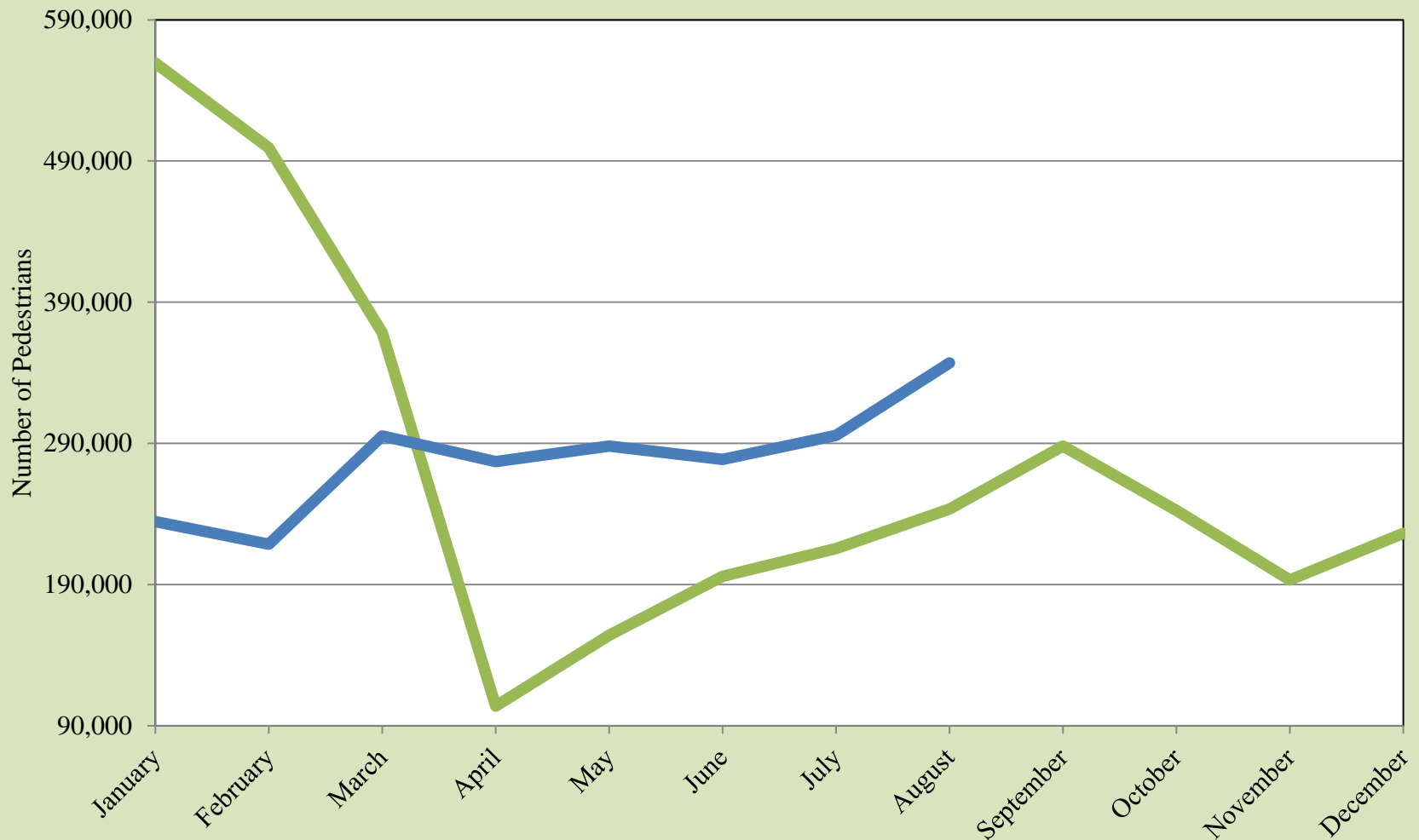
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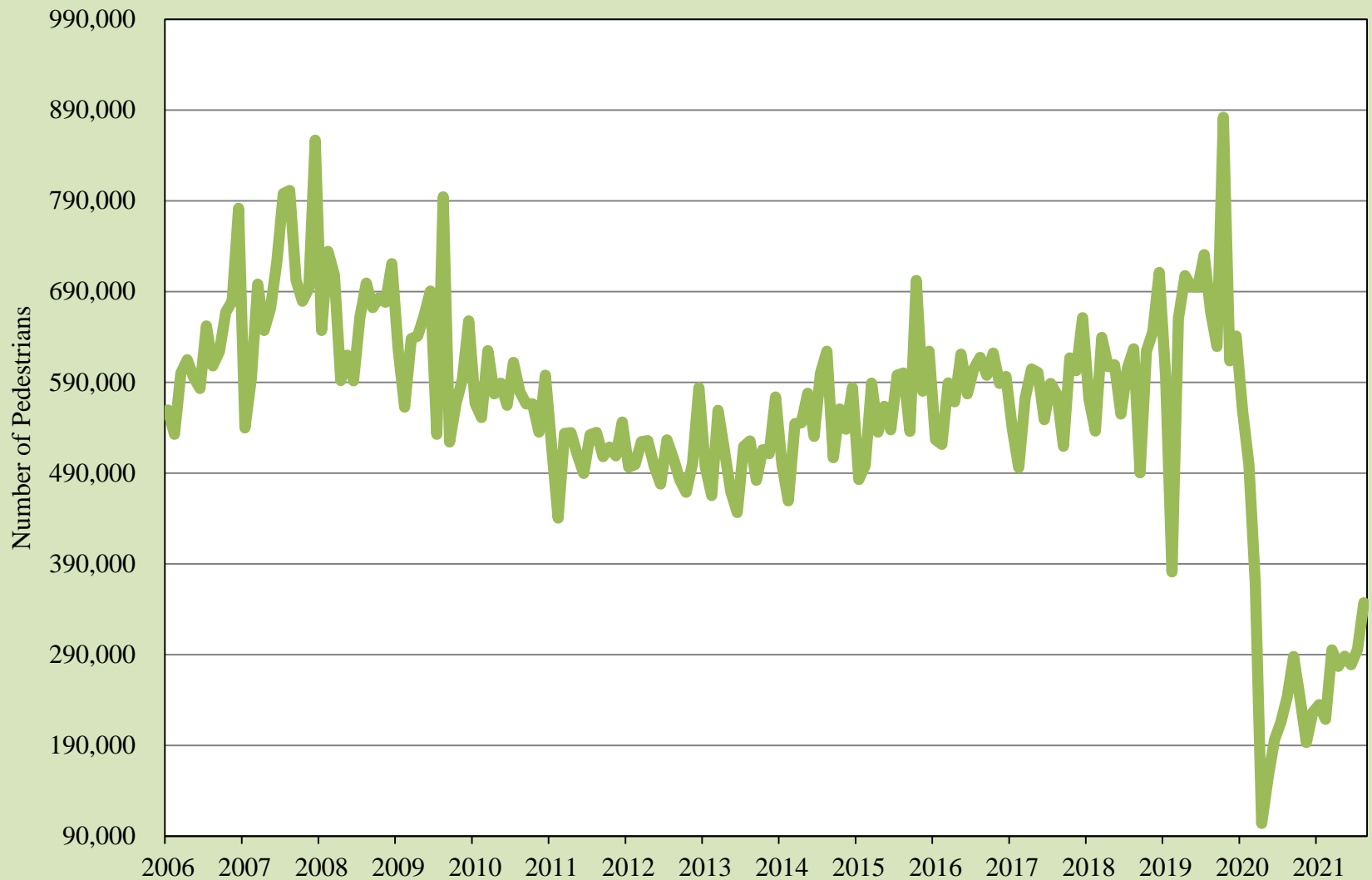
Pedestrian International Bridge Crossings to El Paso

2020 2021



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

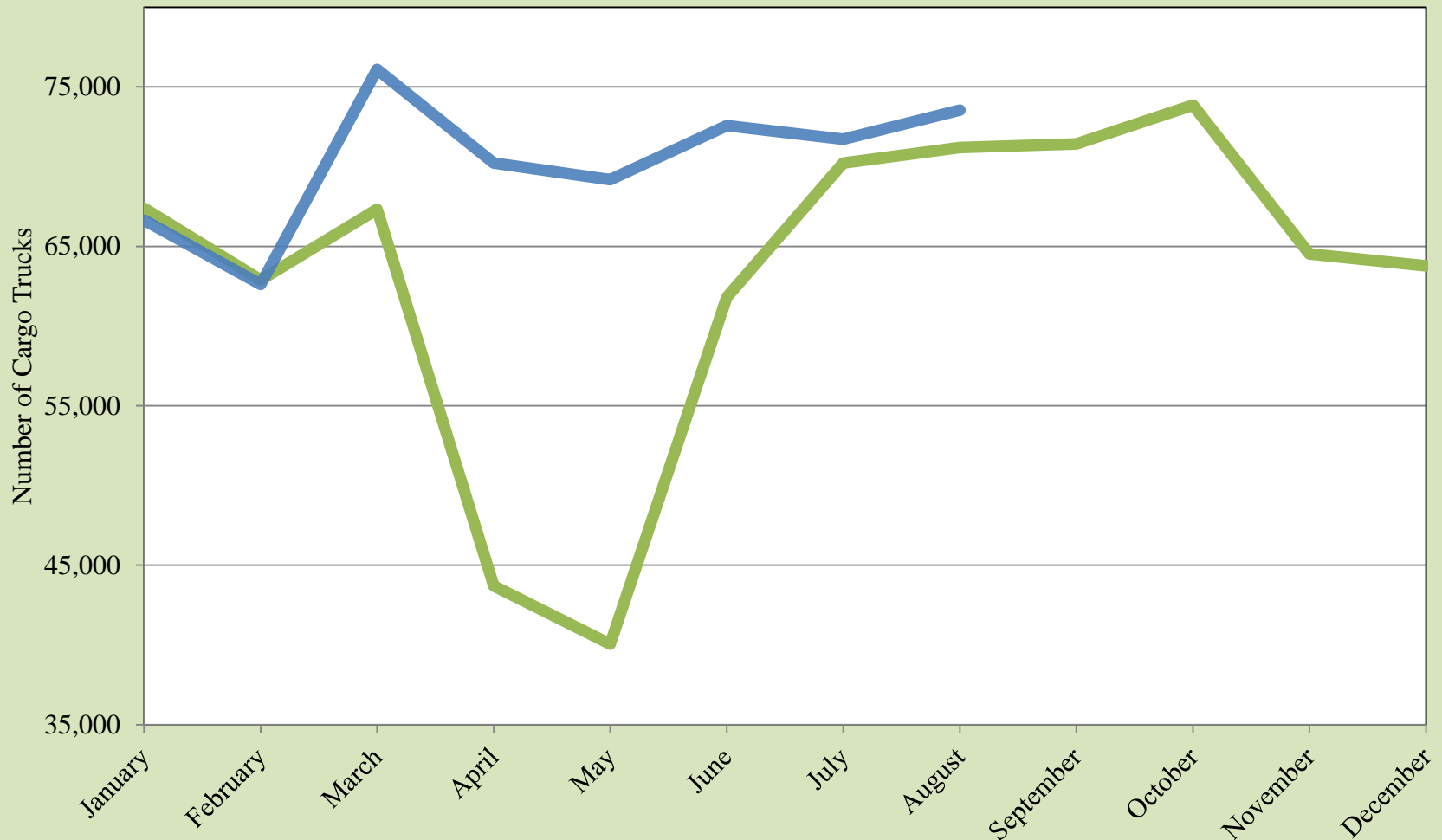
Pedestrian International Bridge Crossings to El Paso



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

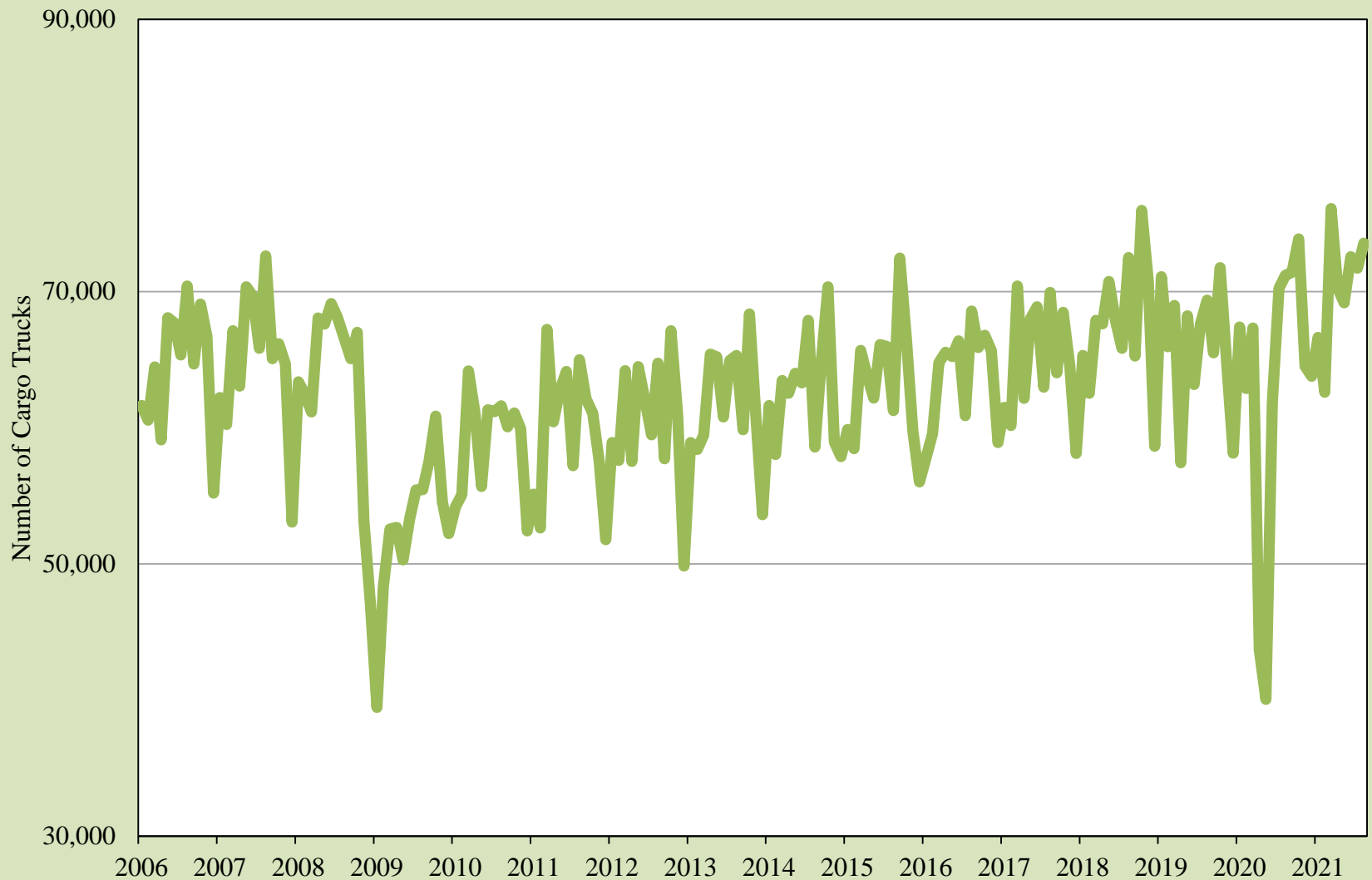
Cargo Truck International Bridge Crossings to El Paso

2020 2021



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

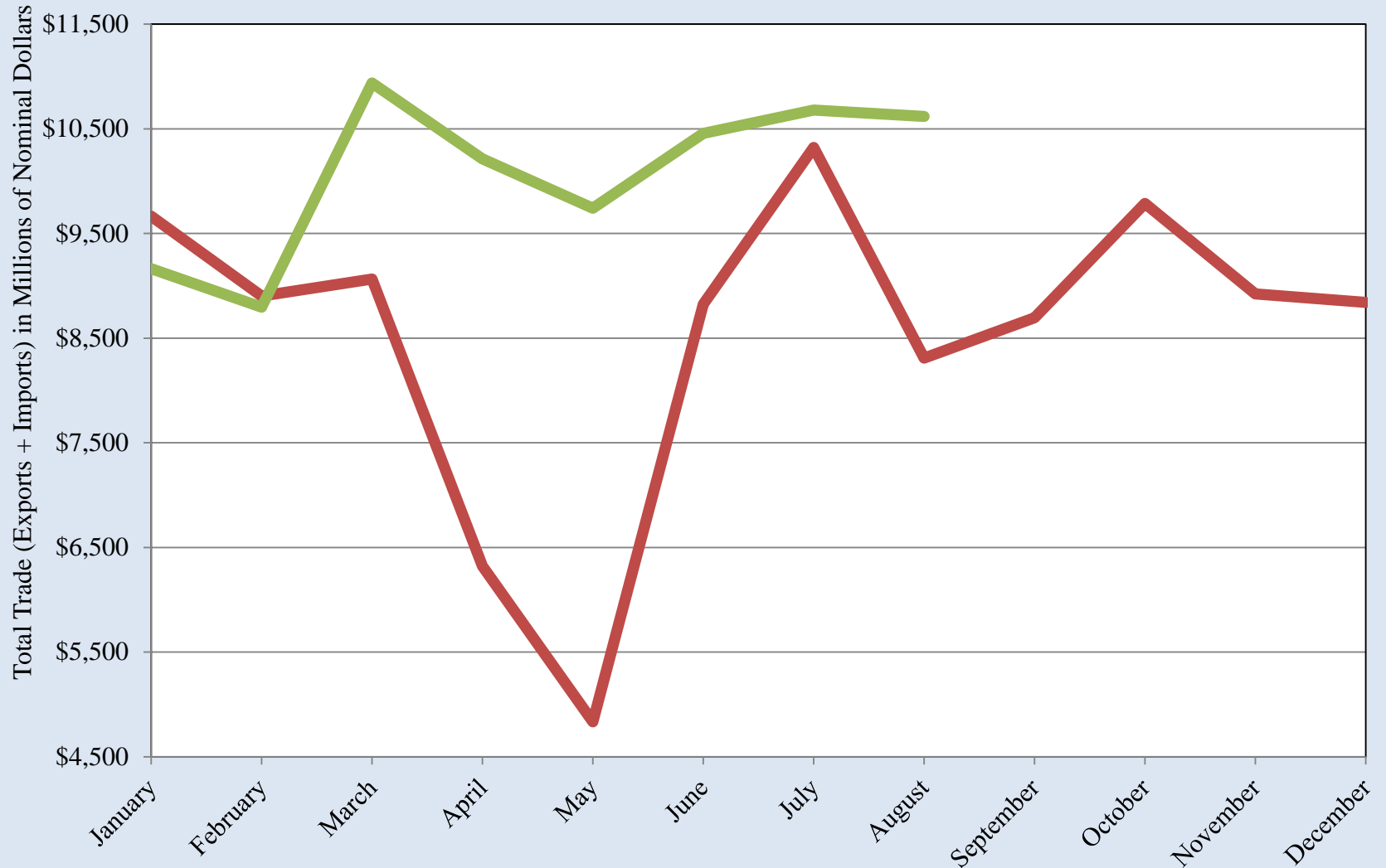
Cargo Truck International Bridge Crossings to El Paso



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

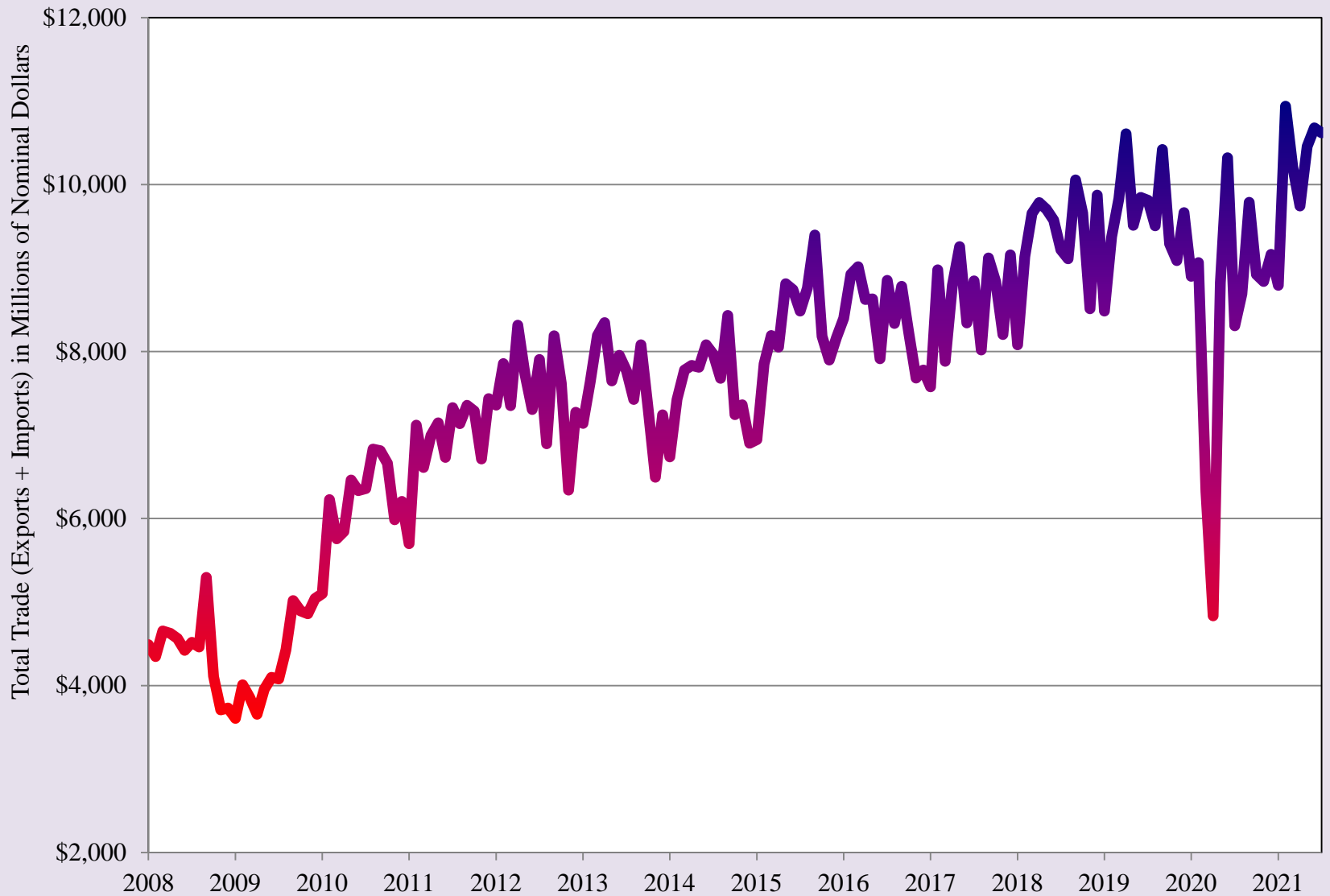
Total Trade through the El Paso Customs District

2020 2021



Source: U.S. International Trade Commission

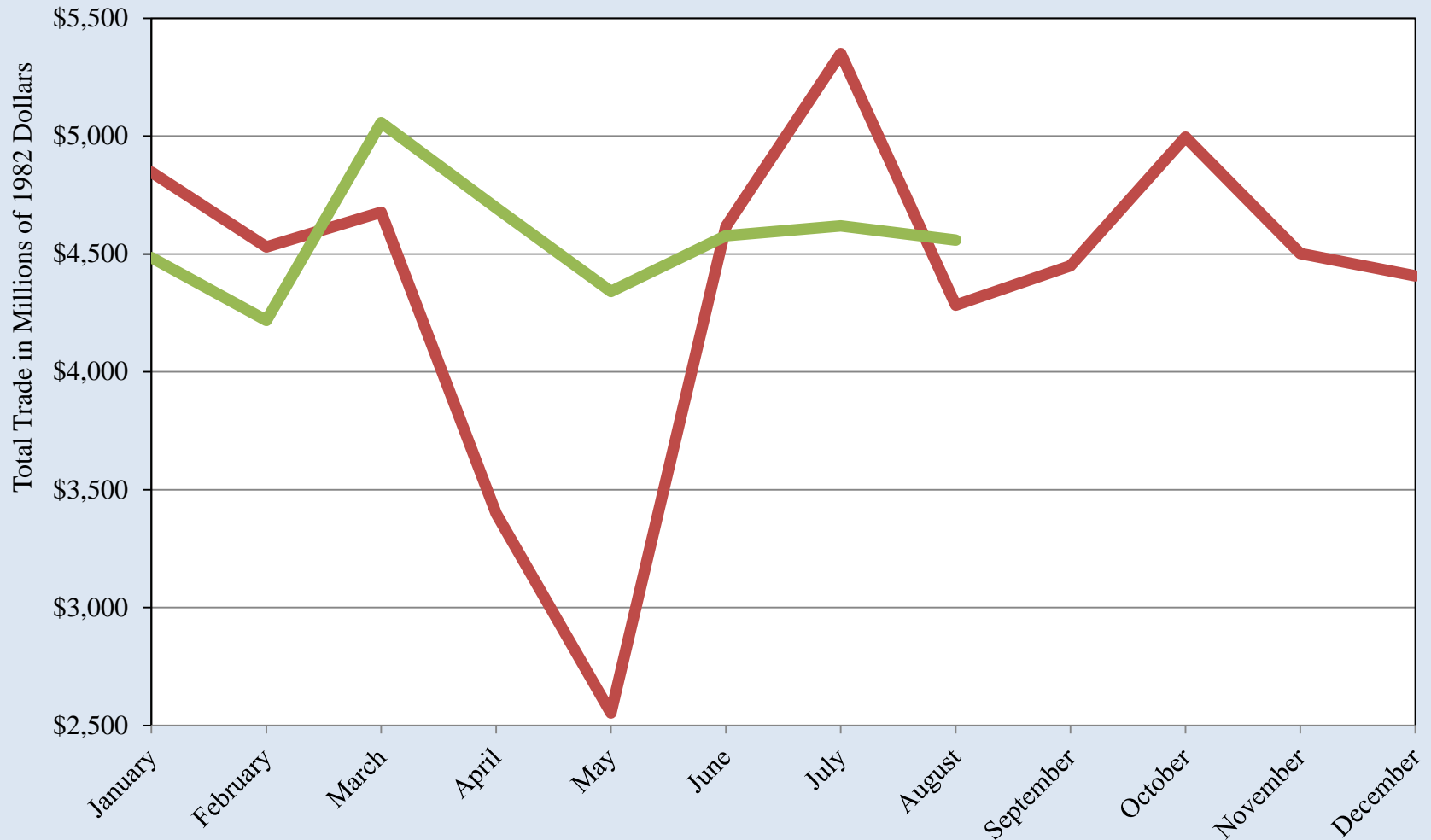
Total Trade through the El Paso Customs District



Source: U.S. International Trade Commission

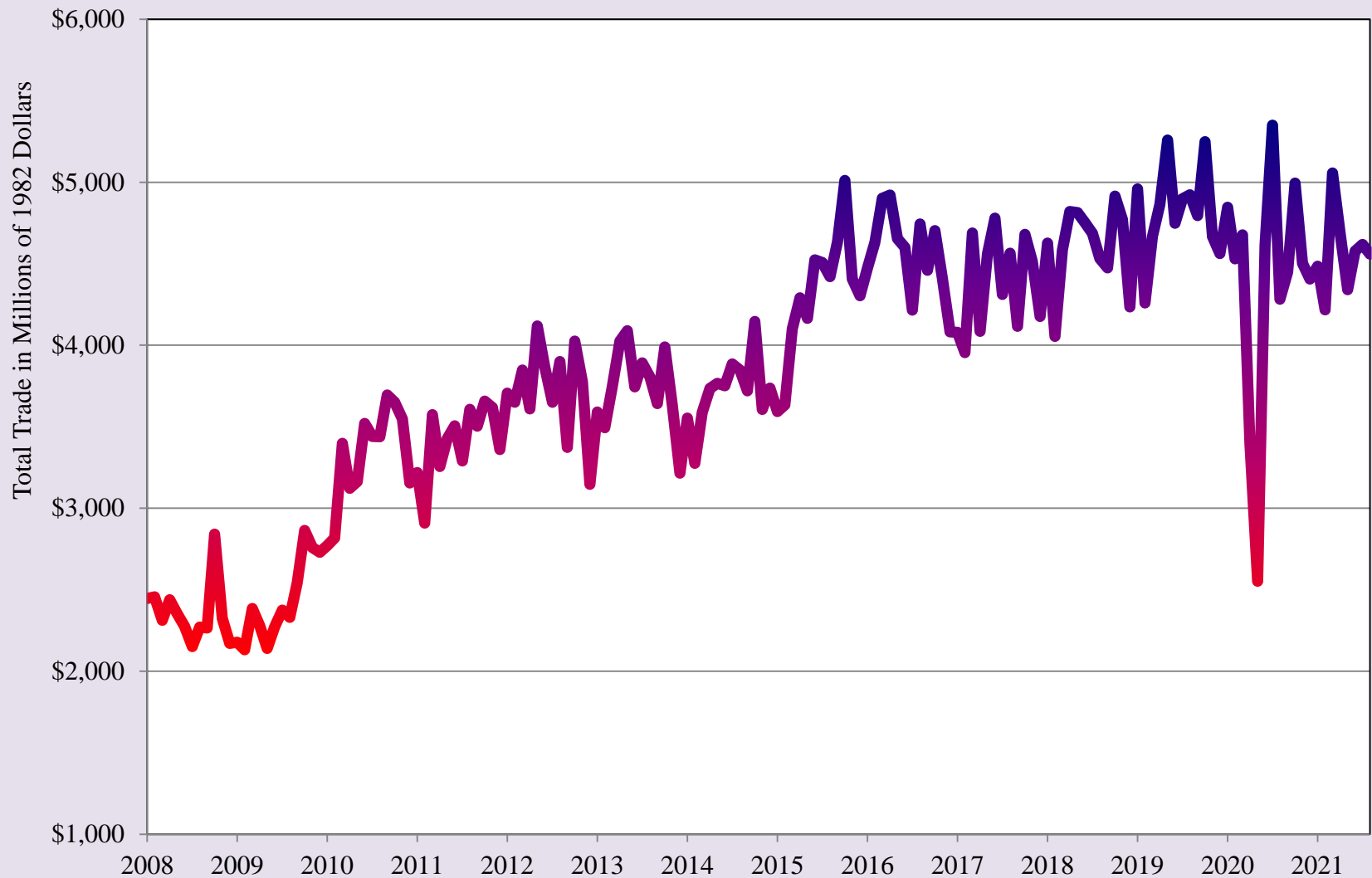
Real Total Trade through the El Paso Customs District

— 2020 — 2021



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

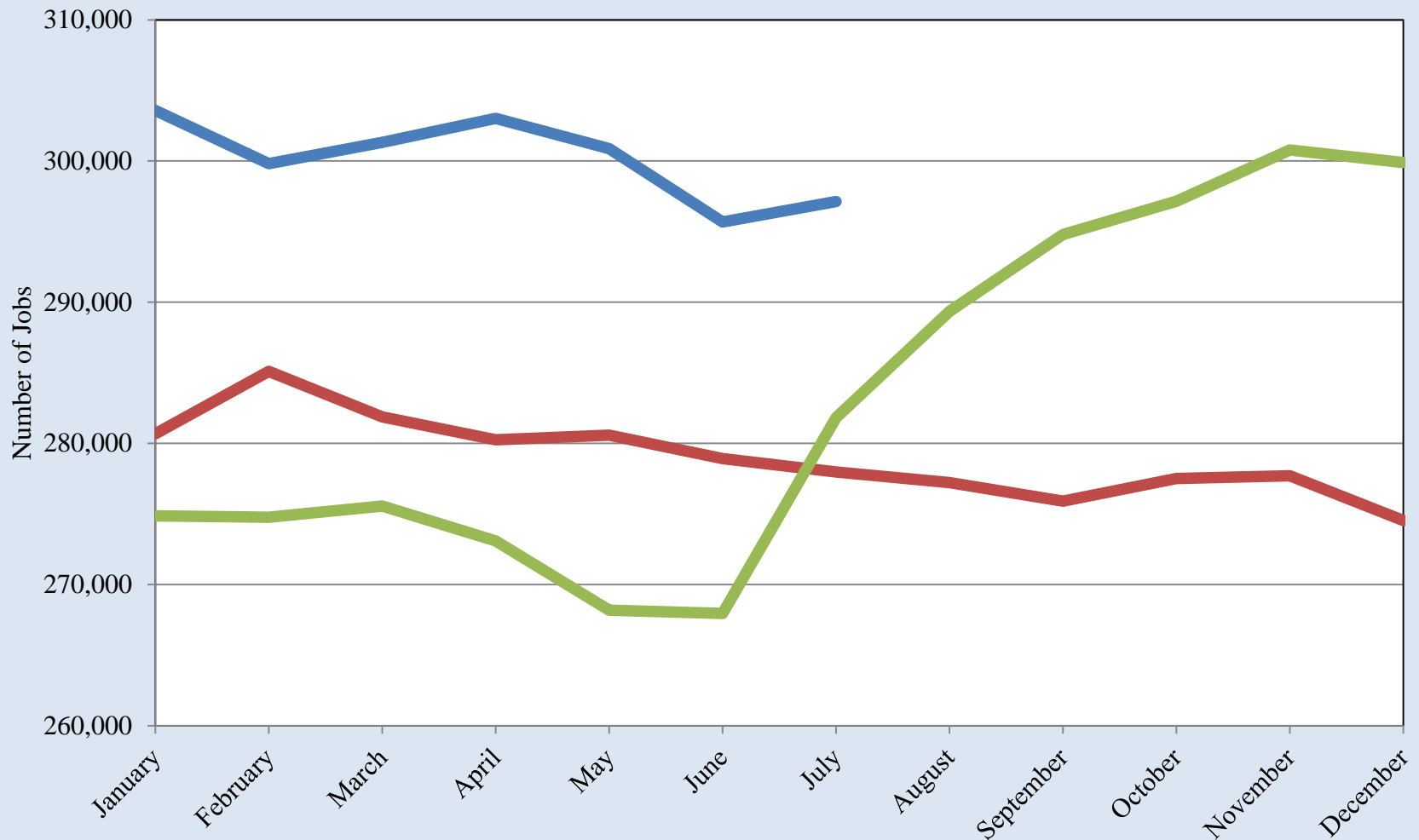
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Source: U.S. International Trade Commission and Bureau of Labor Statistics

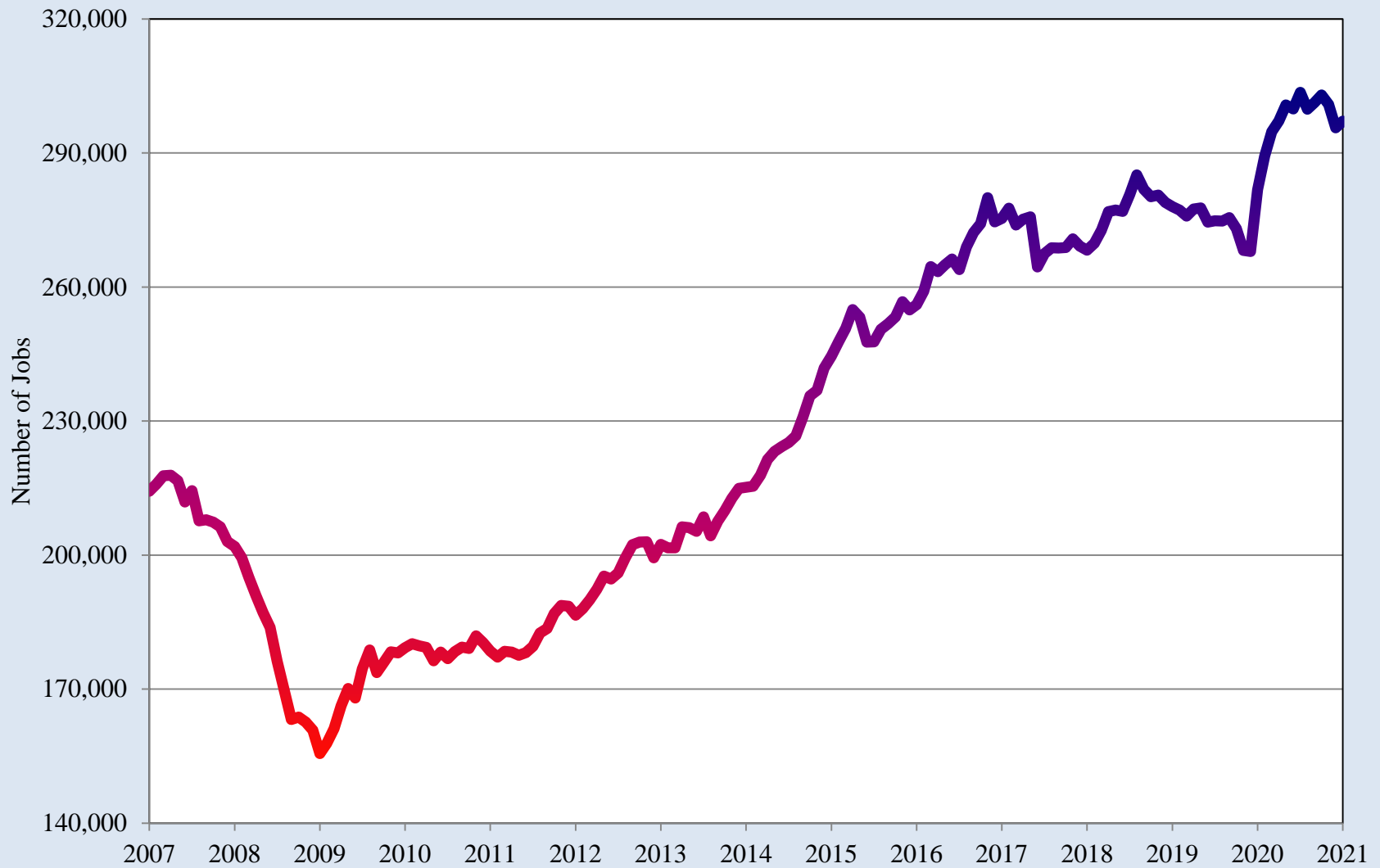
Export-Oriented Manufacturing Employment in Ciudad Juárez

2019 2020 2021



Source: INEGI

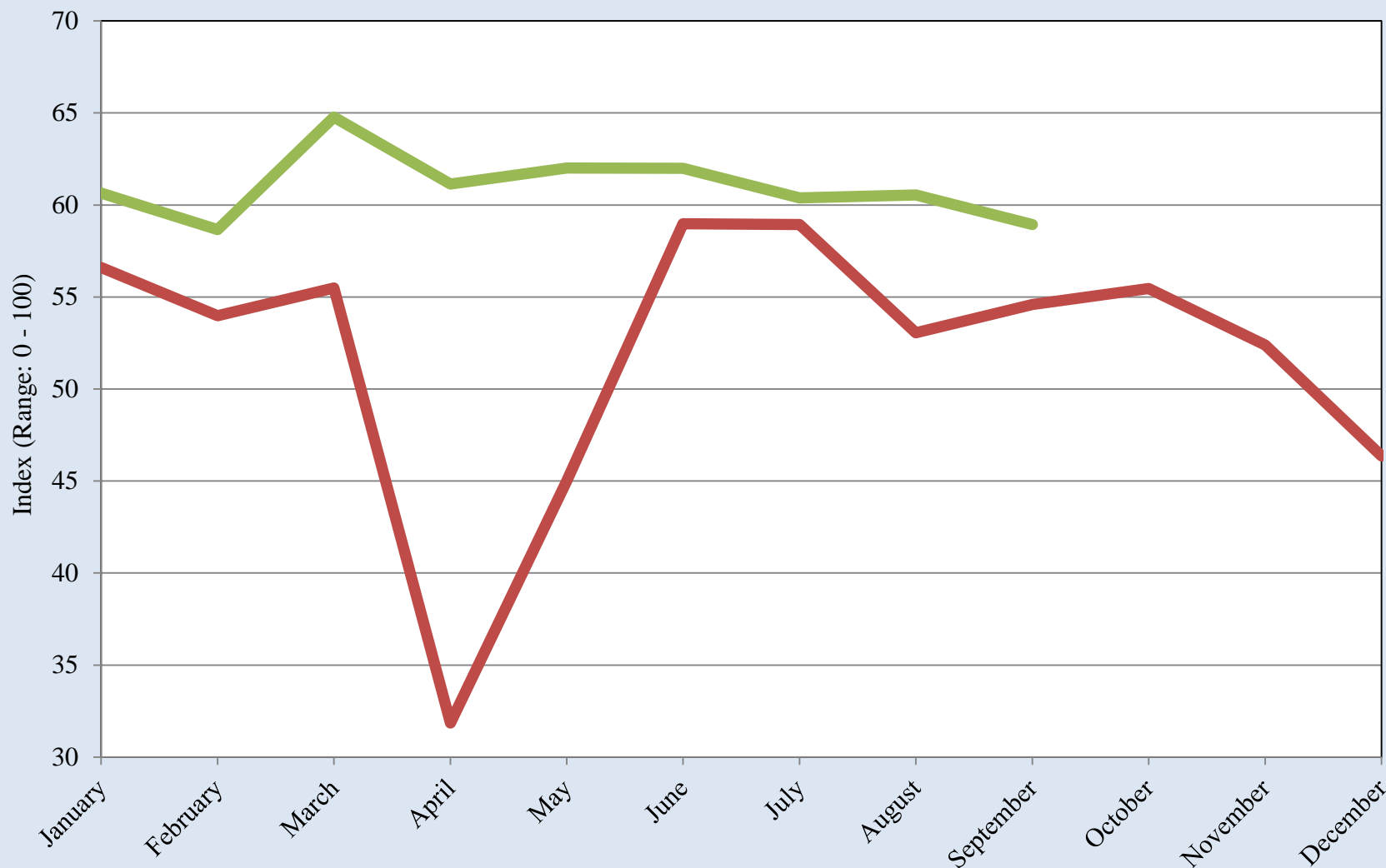
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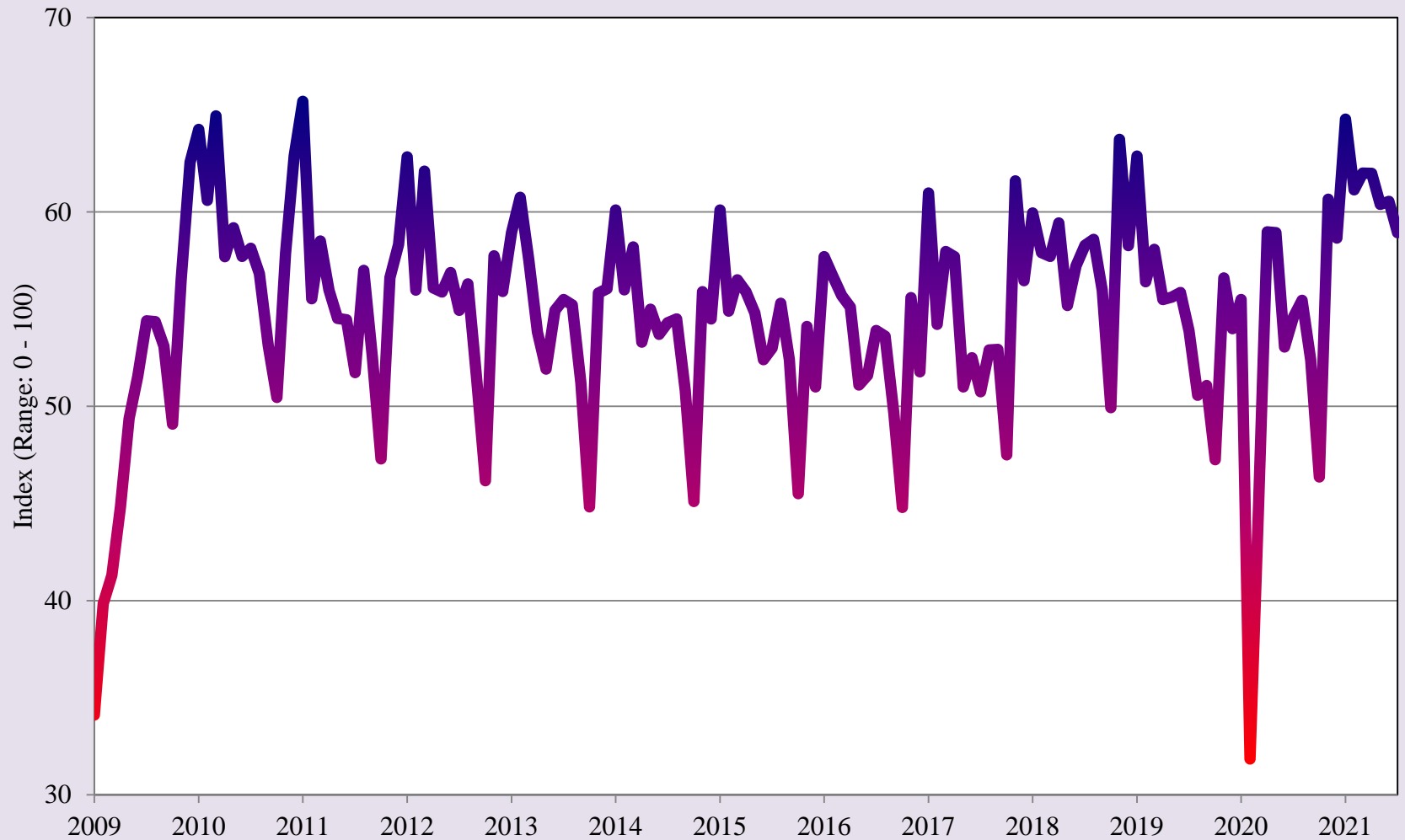
Northern Mexico Manufacturing Orders Index

2020 2021



Source: Banco de México

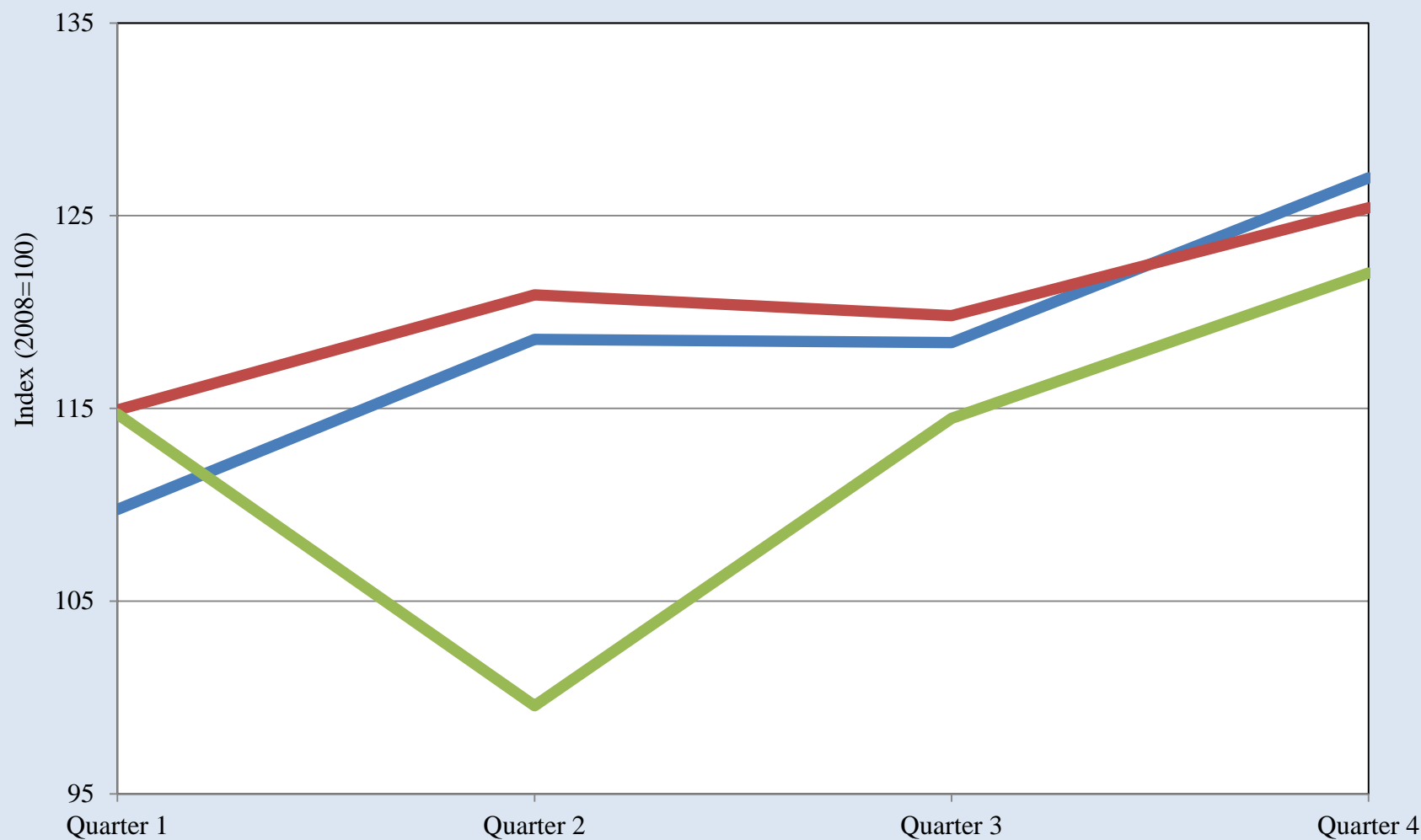
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Source: Banco de México

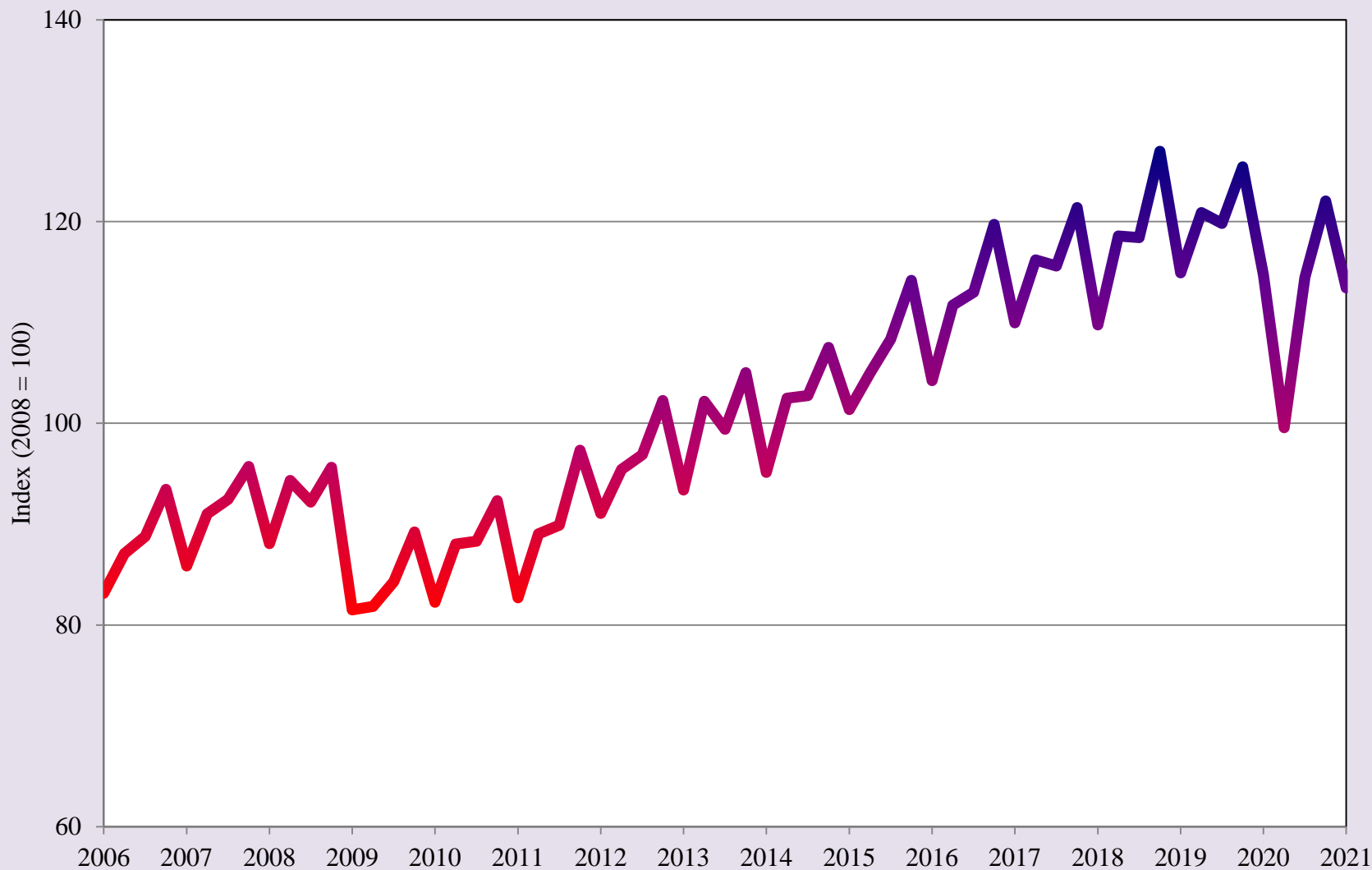
Quarterly Indicator of Economic Activity for the State of Chihuahua

2018 2019 2020



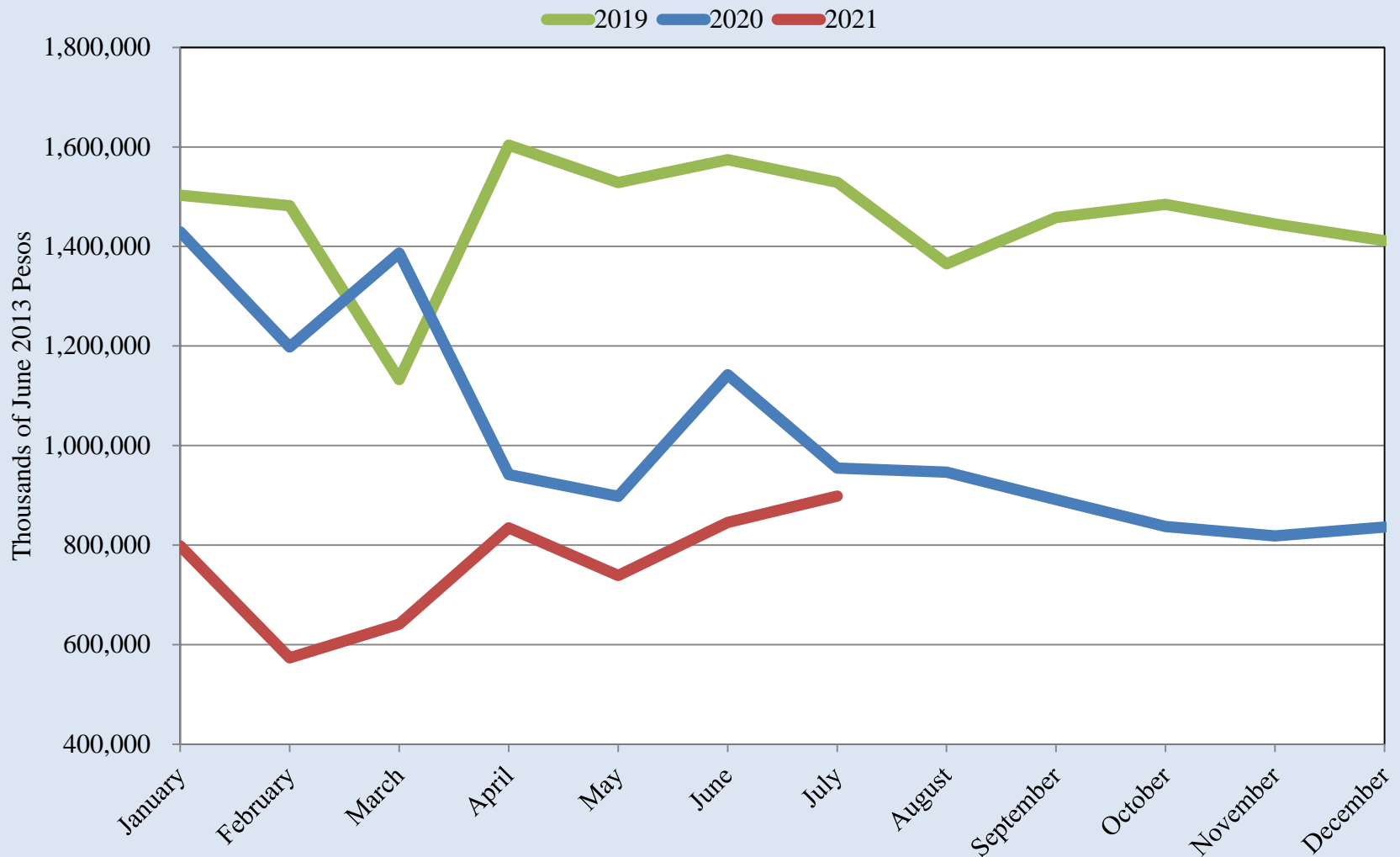
Source: INEGI

Quarterly Indicator of Economic Activity for the State of Chihuahua



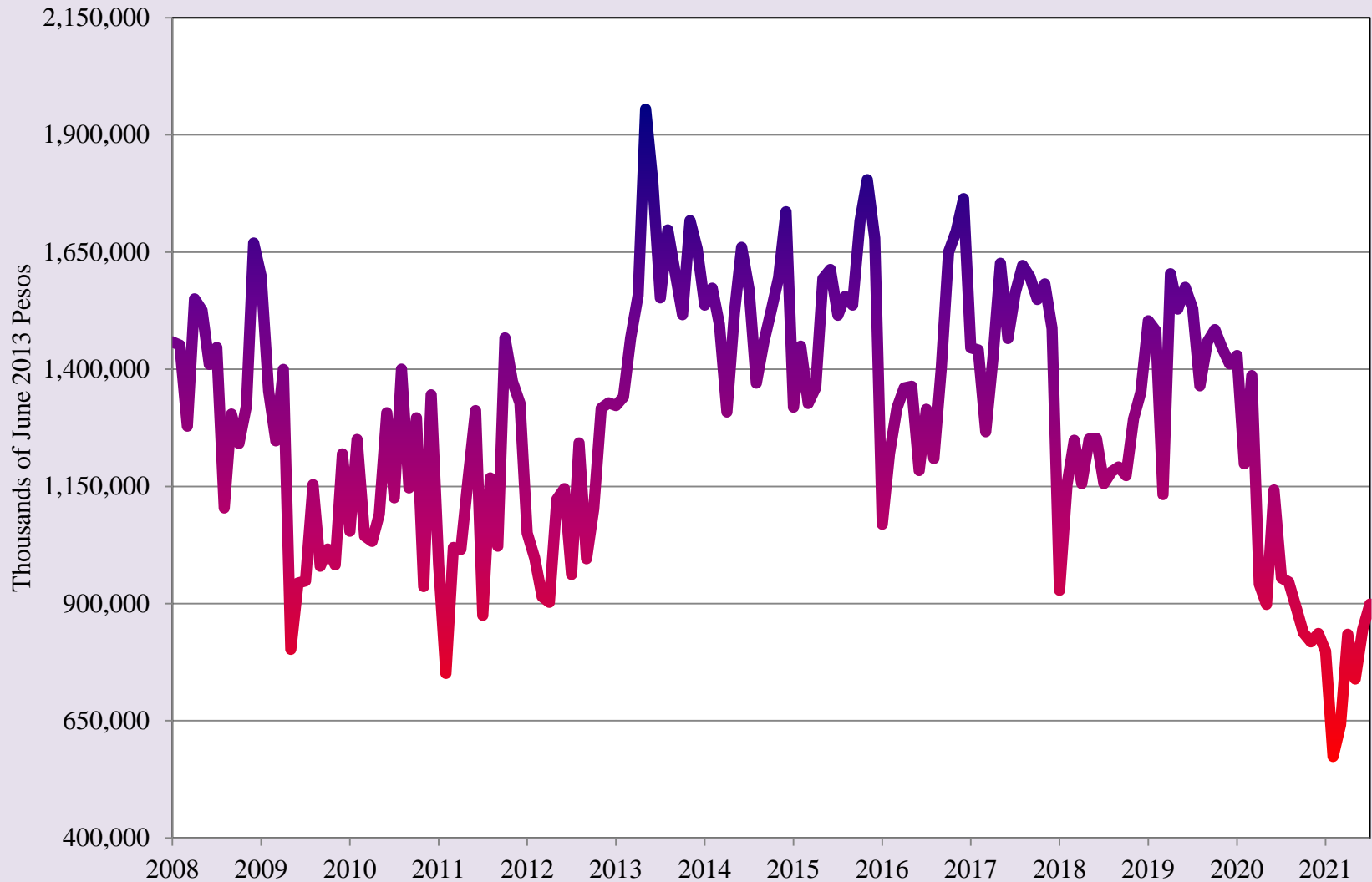
Source: INEGI

Total Value of Construction in the State of Chihuahua



Source: INEGI

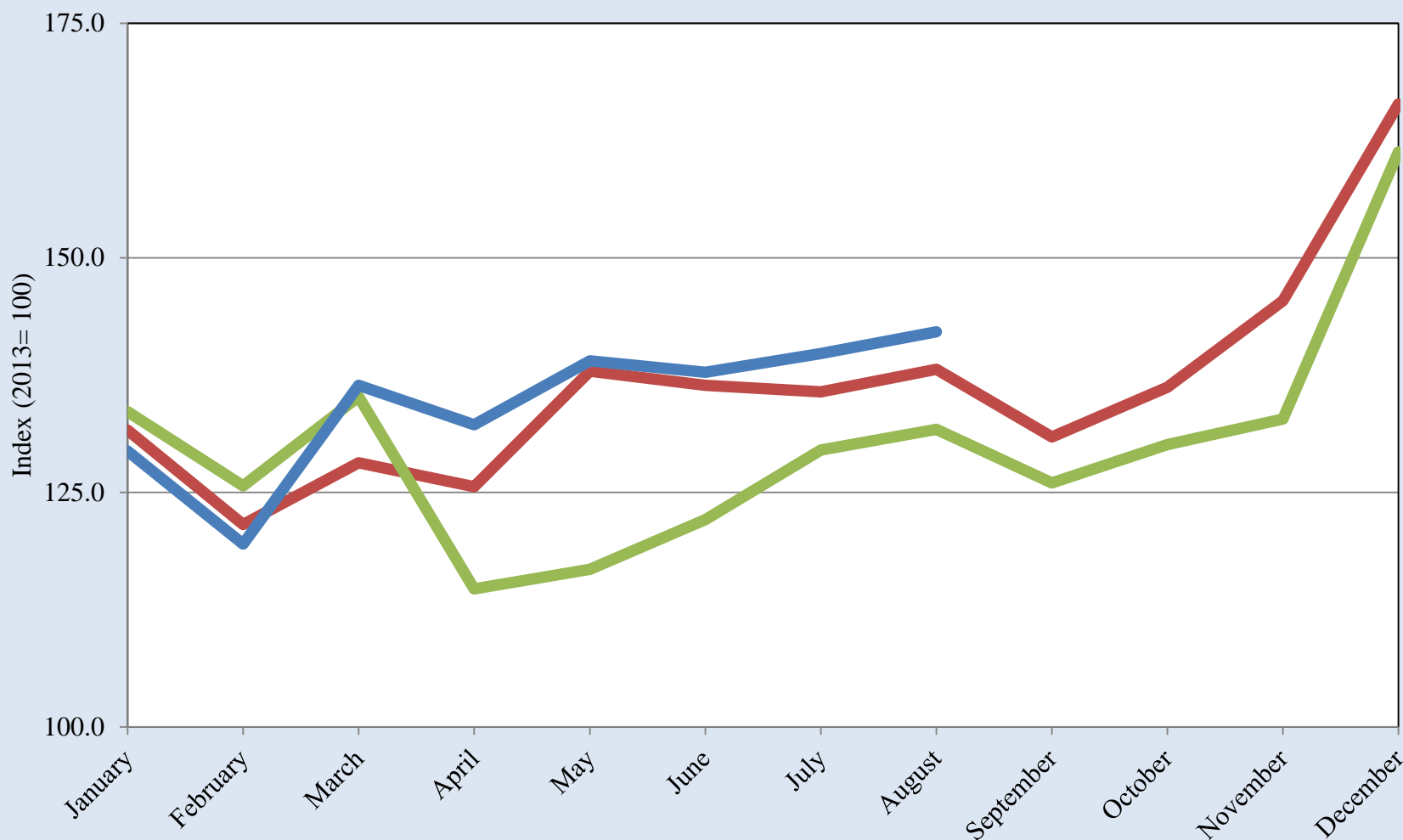
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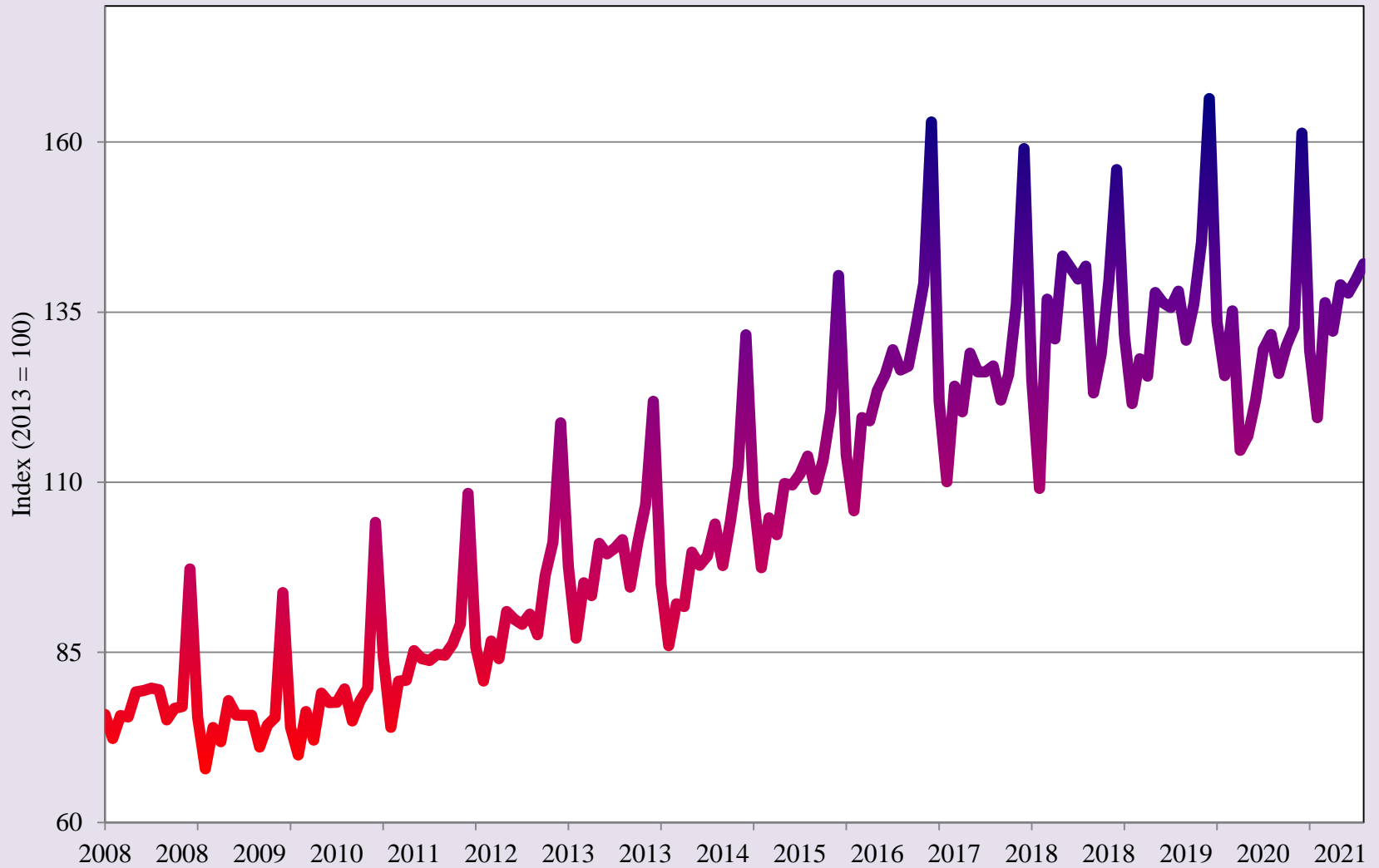
Real Retail Activity Index for the State of Chihuahua

— 2019 — 2020 — 2021



Source: INEGI

Real Retail Activity Index for the State of Chihuahua



Source: INEGI



Short-Term Outlook to 2022



BORDERPLEX BUSINESS BAROMETER

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