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Borderplex Business Barometer, Volume 5, Number 10

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

Source: Federal Reserve Bank of Dallas
El Paso Household Economic Stress Index

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

Source: Bureau of Labor Statistics
El Paso County SNAP (Food Stamp) Enrollment

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

El Paso County SNAP Enrollment

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of SNAP Recipients</th>
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<tbody>
<tr>
<td>2006</td>
<td>120,000</td>
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<tr>
<td>2007</td>
<td>140,000</td>
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<tr>
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<tr>
<td>2020</td>
<td>400,000</td>
</tr>
<tr>
<td>2021</td>
<td>420,000</td>
</tr>
</tbody>
</table>

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

Source: GasBuddy.com
Doña Ana County Unemployment Rate

Source: Bureau of Labor Statistics
Doña Ana County Unemployment Rate

Unemployment Rate (Not Seasonally Adjusted)

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 from January 2006 with a gap in April and May of 2014 continuing June 2014 to August 2021.

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

- 2020 Nominal Exchange Rate
- 2021 Nominal Exchange Rate
- 2020 Restaurant Price Ratio
- 2021 Restaurant Price Ratio

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

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

Source: UTEP Border Region Modeling Project, healthwarehouse.com, goodrx.com, medsmex.com
EPIA Freight and Mail (Inbound and Outbound) for 2020 and 2021

**Source:** EPIA Operations

<table>
<thead>
<tr>
<th>Month</th>
<th>Total 2020</th>
<th>Total 2021</th>
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<tr>
<td>December</td>
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</tbody>
</table>

**Graph:**

- **EPIA Freight and Mail**
- **Ton of Freight/Mail**
- **Source:** EPIA Operations
EPIA Freight and Mail

Source: EPIA Operations
EPIA Passengers

Inbound+Outbound

Source: EPIA Operations
EPIA Air Carrier Operations

Source: EPIA Operations
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 September 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

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

Number of Cargo Trucks

Year

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
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

Source: INEGI
Aggregate Export-Oriented Manufacturing Employment in Ciudad Juárez

Number of Jobs

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
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.