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## **Borderplex Business Barometer, Volume 5, Number 11**

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T.M. Fullerton, Jr., and S.L. Fullerton, 2021, Transitory, Sequential, and Overlapping, *Borderplex Business Barometer* 5(11), 1-58.

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# BORDERPLEX BUSINESS BAROMETER

**November 2021**

**Border Region Modeling Project**

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*Border Commerce & Economics*

**Borderplex Business Barometer, Volume 5, Number 11**

**Transitory, Sequential, and Overlapping**

Following five consecutive monthly declines, the El Paso Household Economic Stress Index rose in October. A major contributing factor to that directional change was higher prices. The 12-month consumer price index (CPI) inflation rate rose to 6.2 percent in October (unadjusted data). The October surge was the fastest 12-month aggregate increase since November 1990, when oil prices accelerated following the Iraqi invasion of Kuwait.

CPI categories experiencing rapid price increases in October 2021 included food, energy, automobiles, and housing. If shoppers went to the grocery store, prices for food at home rose by 5.4 percent. If consumers visited their favorite restaurants, food away from home increased by 5.3 percent. Energy price hikes were among the most notable. Gasoline prices jumped by more than 50 percent above the pandemic-weakened levels of October 2020. For a manufacturing, warehousing, and logistics hub like the Borderplex, a 51 percent hike in diesel prices during the past year is equally important. Locally, the October price for unleaded gasoline averaged \$3.25 per gallon, an increase of more than \$1.20 on a year-over-year basis. For diesel, the price rose by \$1.10 to \$3.20 per gallon in El Paso during the same period.

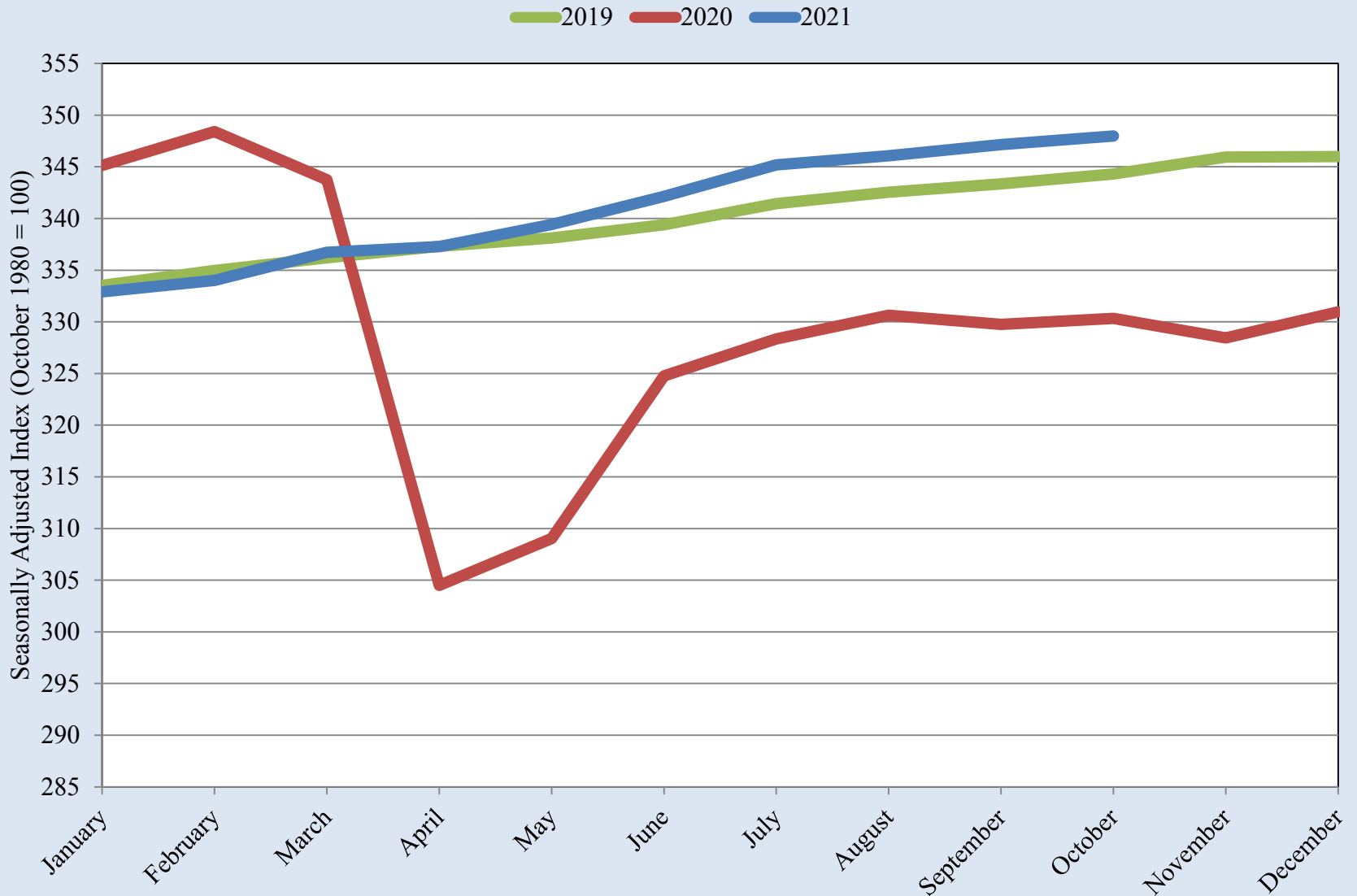
From a regional perspective, global supply chain disruptions have caused numerous manufacturing headaches. Ongoing electronic chip shortages have especially impacted the automotive parts segments of transportation manufacturing. Overall output slowdowns for automobiles, along with surging demand, have caused the prices for both new and used cars to accelerate in recent months. A notable exception to this general inflationary pattern has been electric vehicles. Technological advances and production streamlining have allowed electric vehicle prices to decline by approximately 10 percent in 2021.

Of course, other industrial sectors have affected chip shortages and supply chain upheavals. Consumer electronics and home appliances, two of the most prominent maquiladora categories in Ciudad Juarez, have had to repeatedly adjust production schedules due to chip supply problems. Other manufacturing sub-sectors in the region that have been hit by inventory issues include footwear, apparel, food, and beverage activities. If the 1990s were characterized by the move to just-in-time inventory management systems, COVID-19 may cause the 2020s to be characterized by widespread

shifts to precautionary just-in-case inventory management practices.

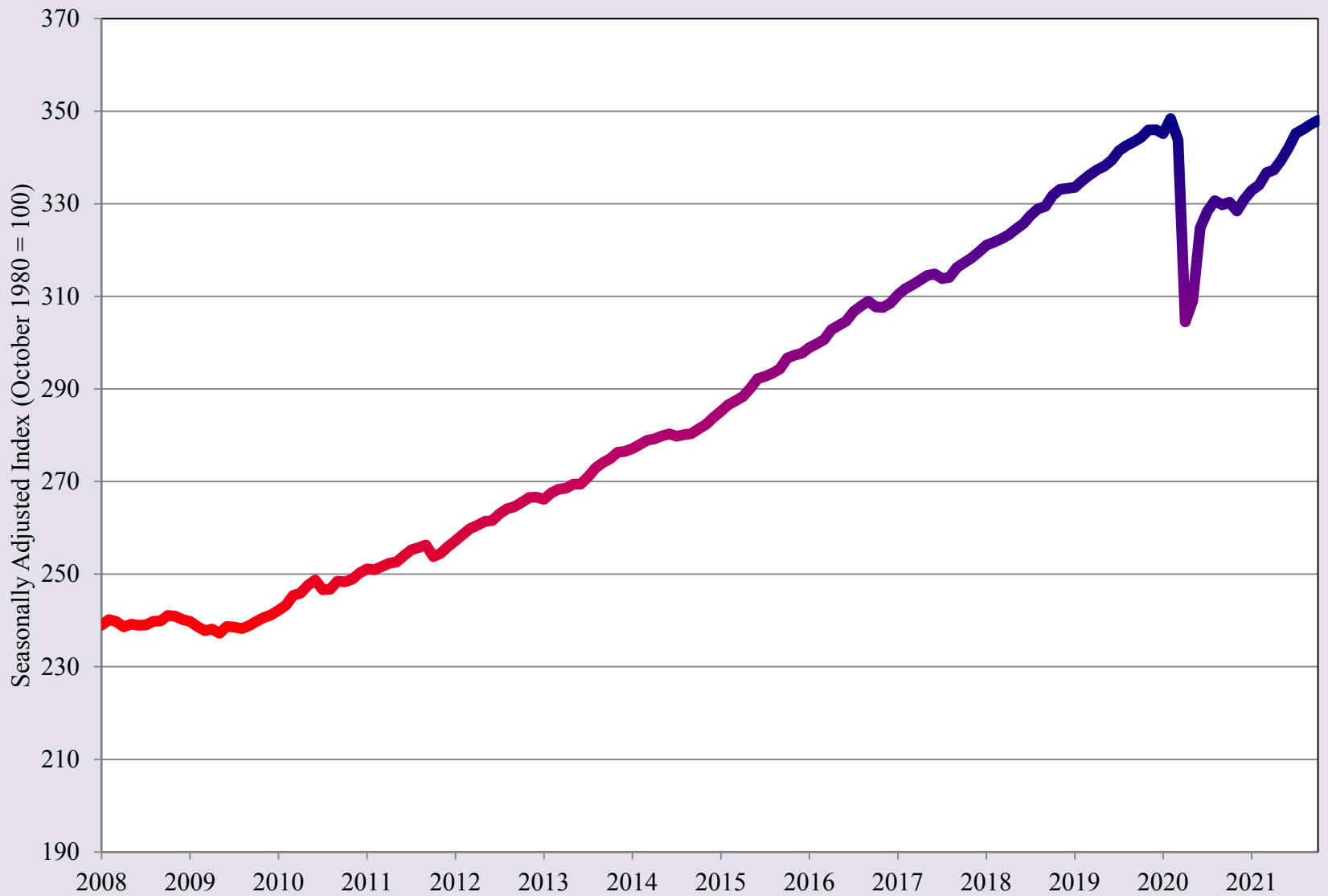
Federal Reserve economists have concluded that most of the 2021 inflationary bulge is transitory rather than chronic. If that is true, then the logical question to ask is how long is transitory? That question is almost assuredly impossible to answer. The pandemic supply chain disruptions seem to unleash pricing increases that last more than twelve months before they subside. While that is both problematic and inconvenient, what really complicates matters is that each successive wave of Novel Coronavirus infections discharges a new set of supply chain ruptures and the subsequent, unpredictable parts shortages result in additional price spikes. Consequently, transitory inflation may continue to batter the national economy for longer than expected. Borderplex businesses and households should probably prepare for a bumpy ride in 2022.

## El Paso Metropolitan Business Cycle Index



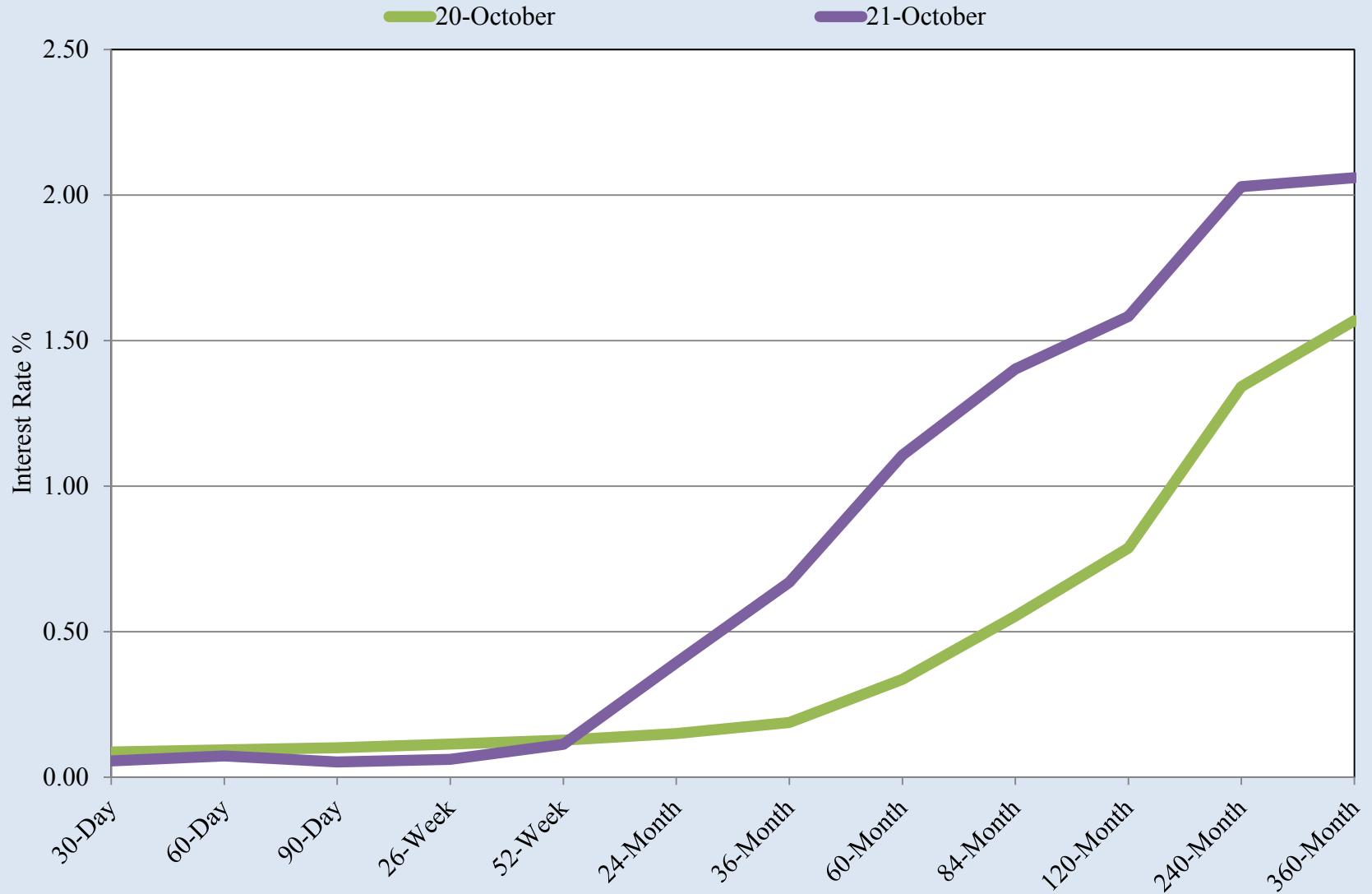
Source: Federal Reserve Bank of Dallas

## El Paso Metropolitan Business Cycle Index



Source: Federal Reserve Bank of Dallas

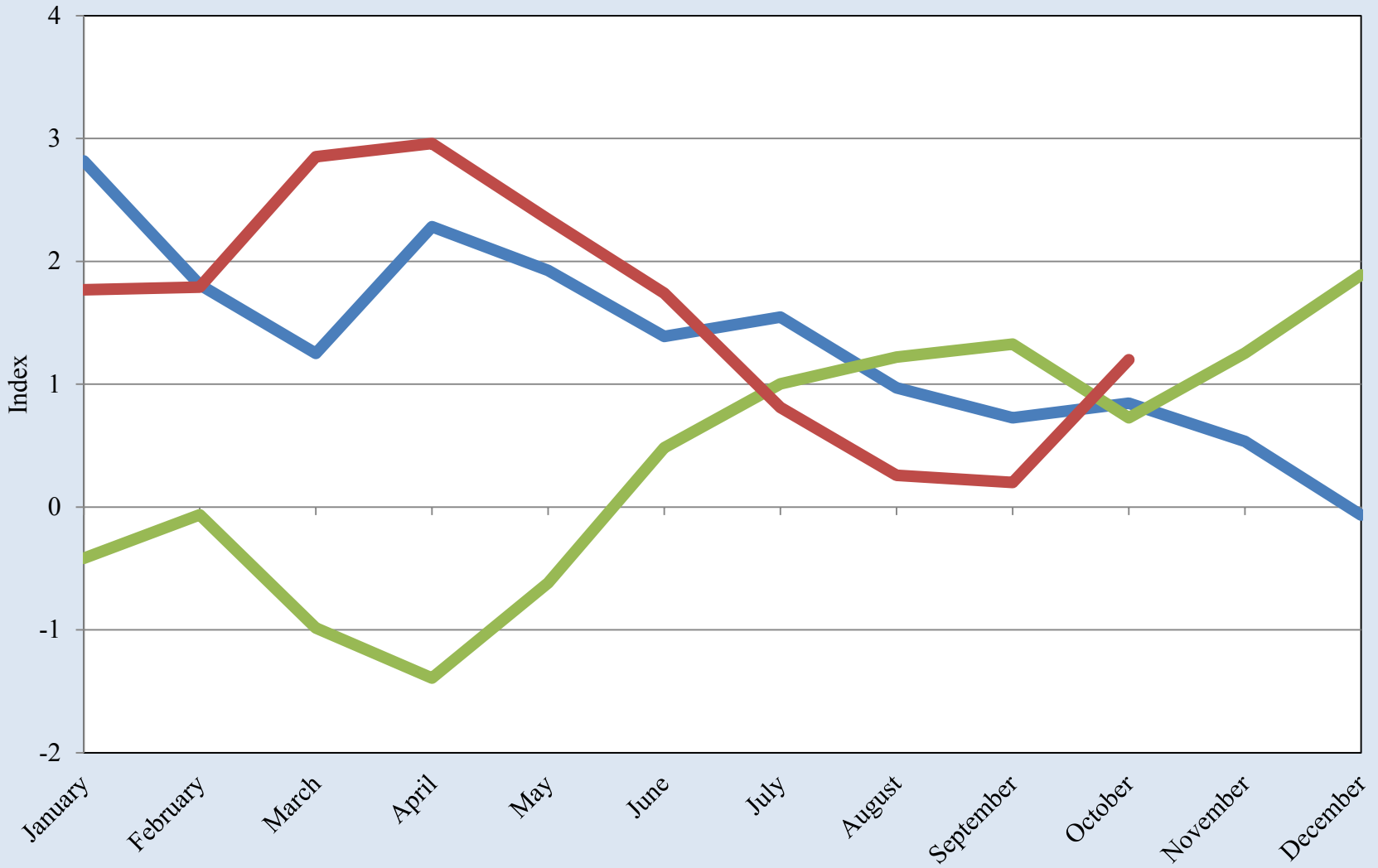
## Average Treasury Yield Curve Rates



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

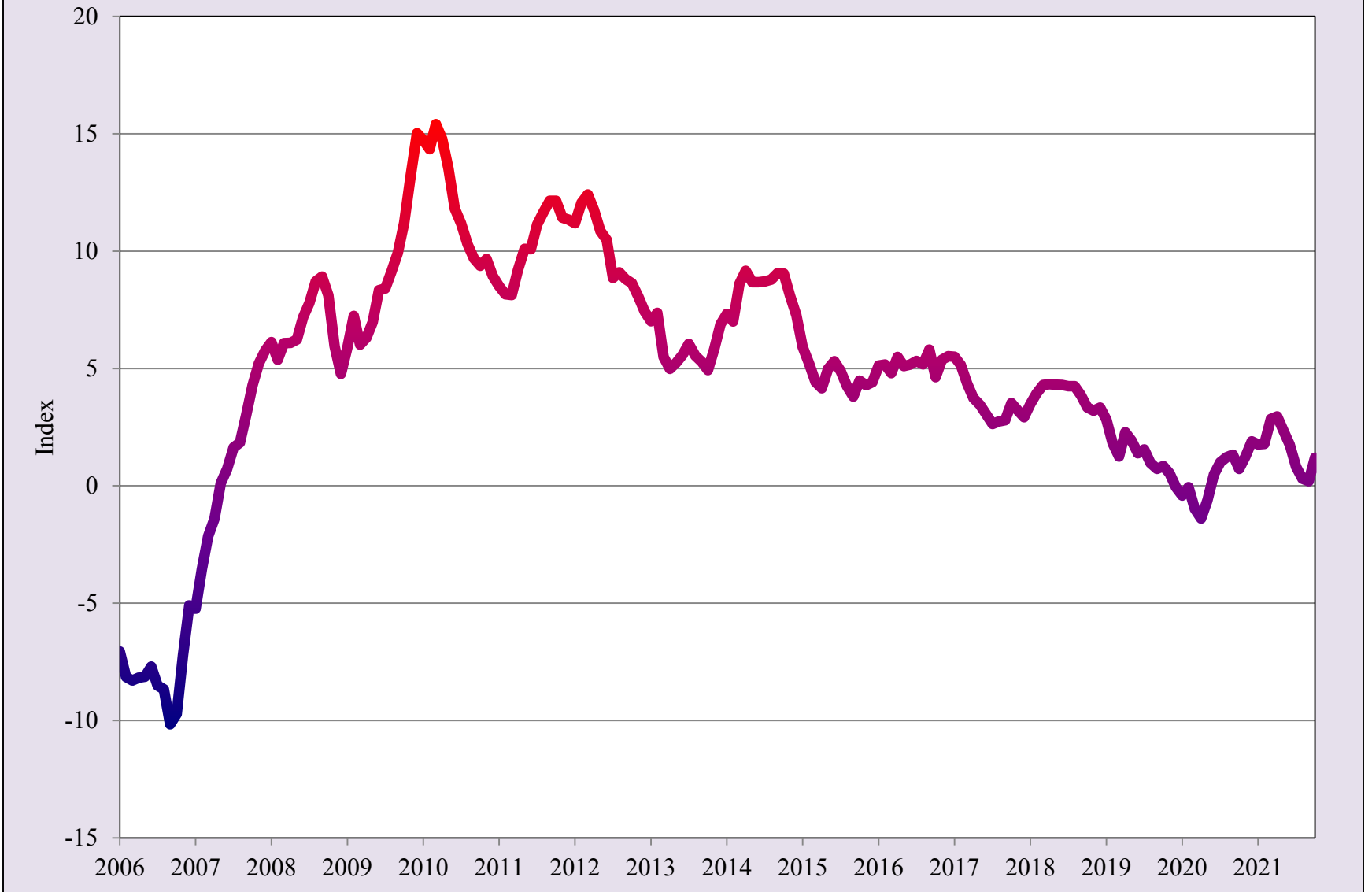
# El Paso Household Economic Stress Index

2019 2020 2021



Source: UTEP Border Region Modeling Project

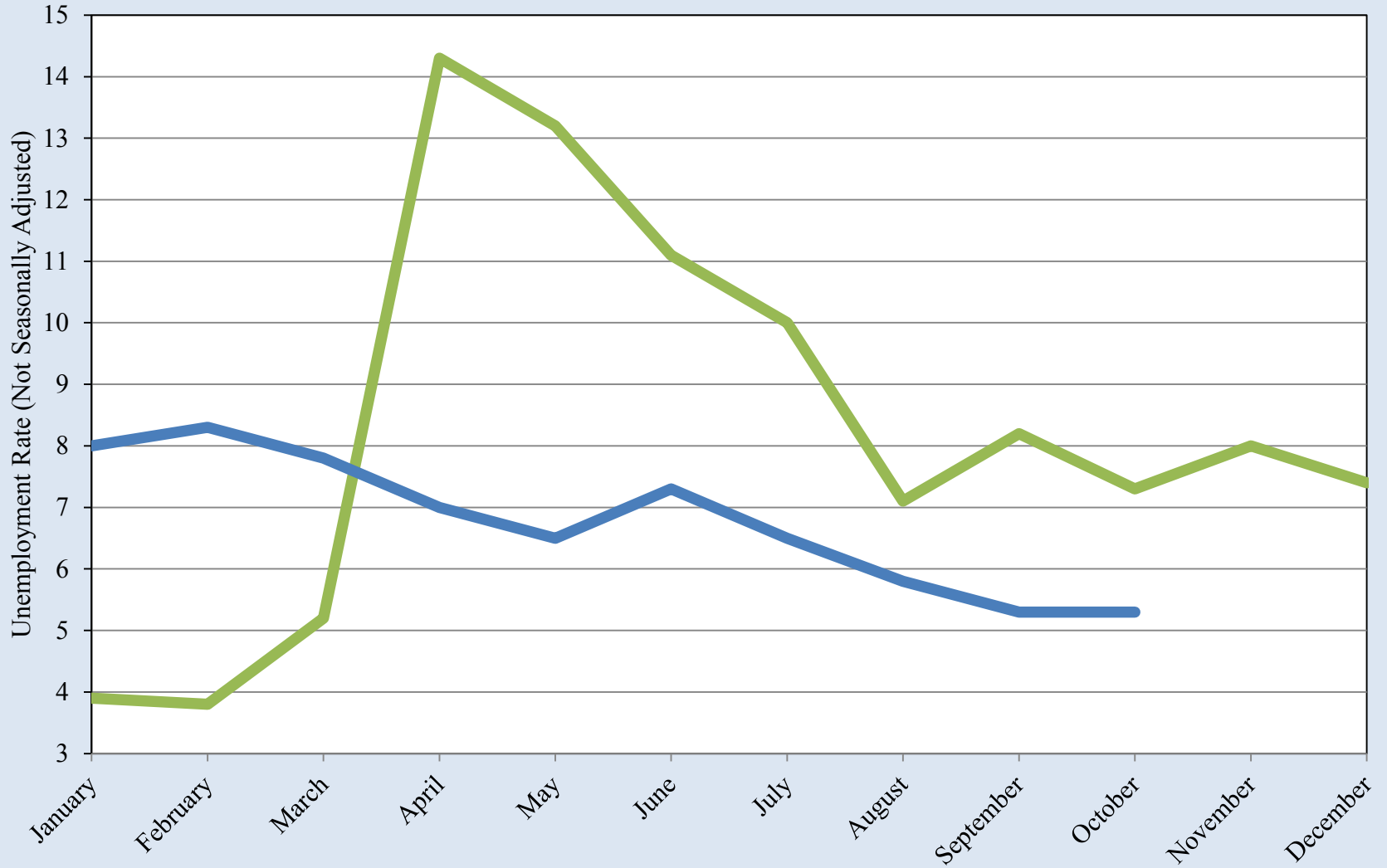
## El Paso Household Economic Stress Index



Source: UTEP Border Region Modeling Project

# El Paso County Unemployment Rate

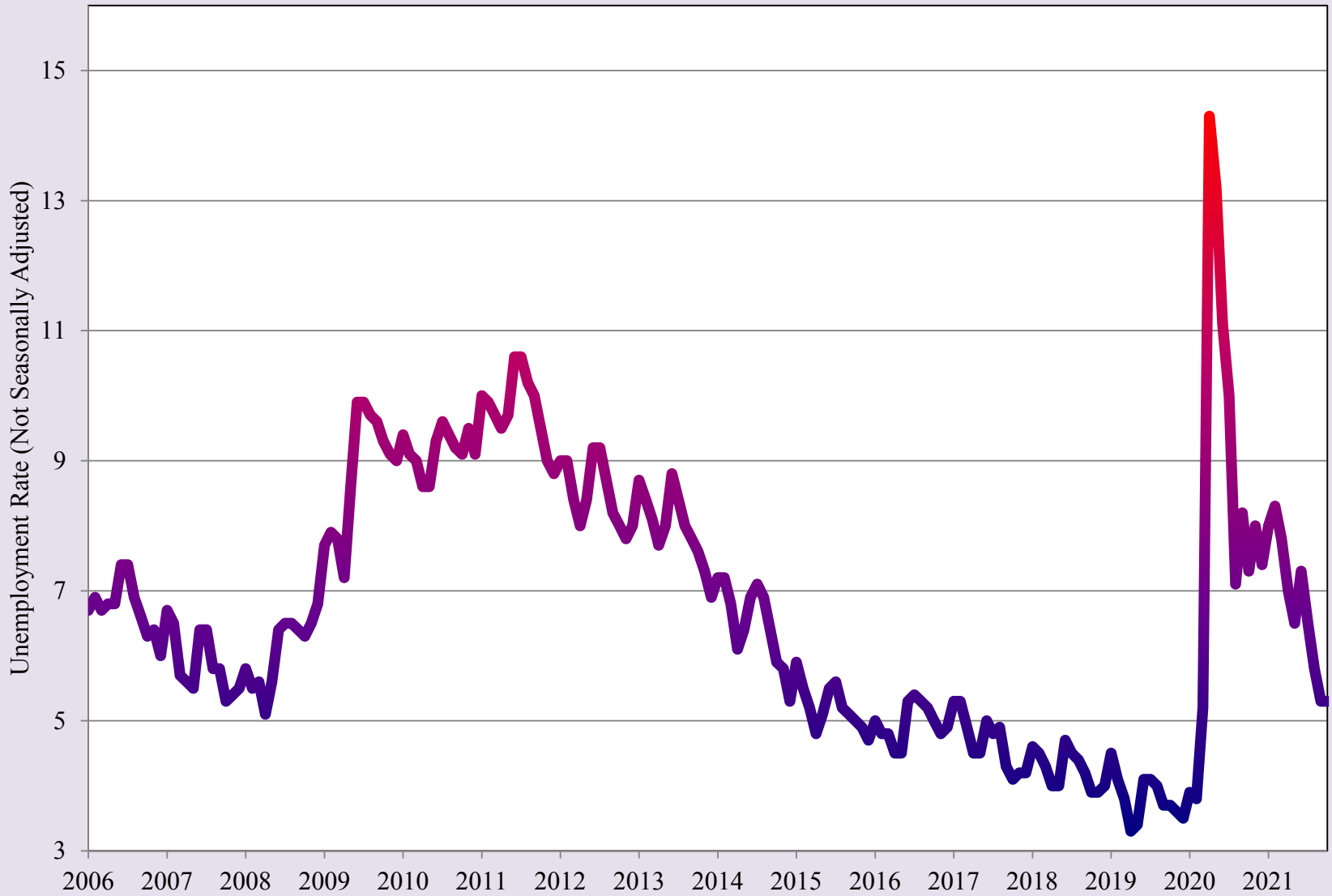
2020 2021



Source: Bureau of Labor Statistics

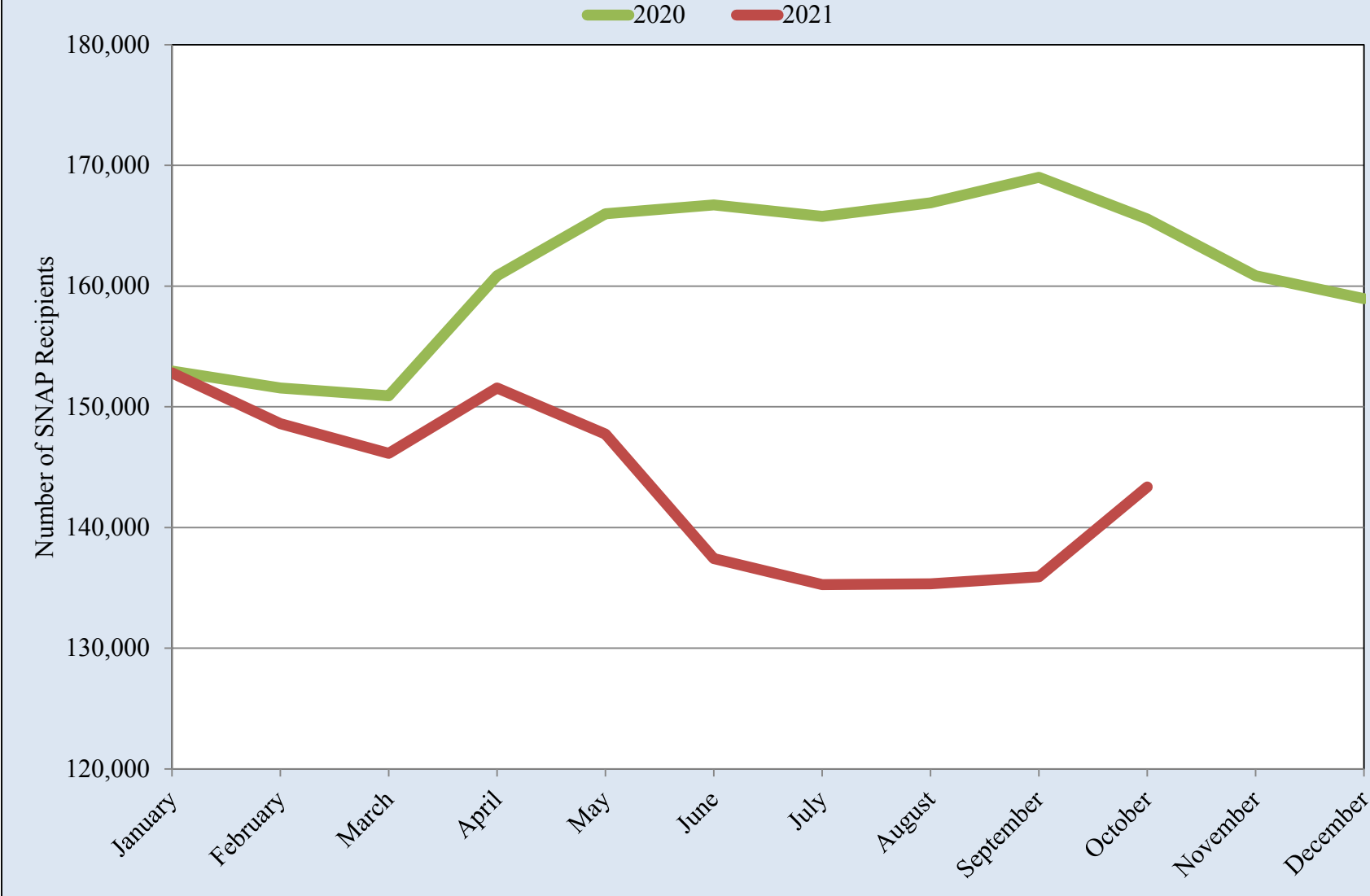


## El Paso County Unemployment Rate



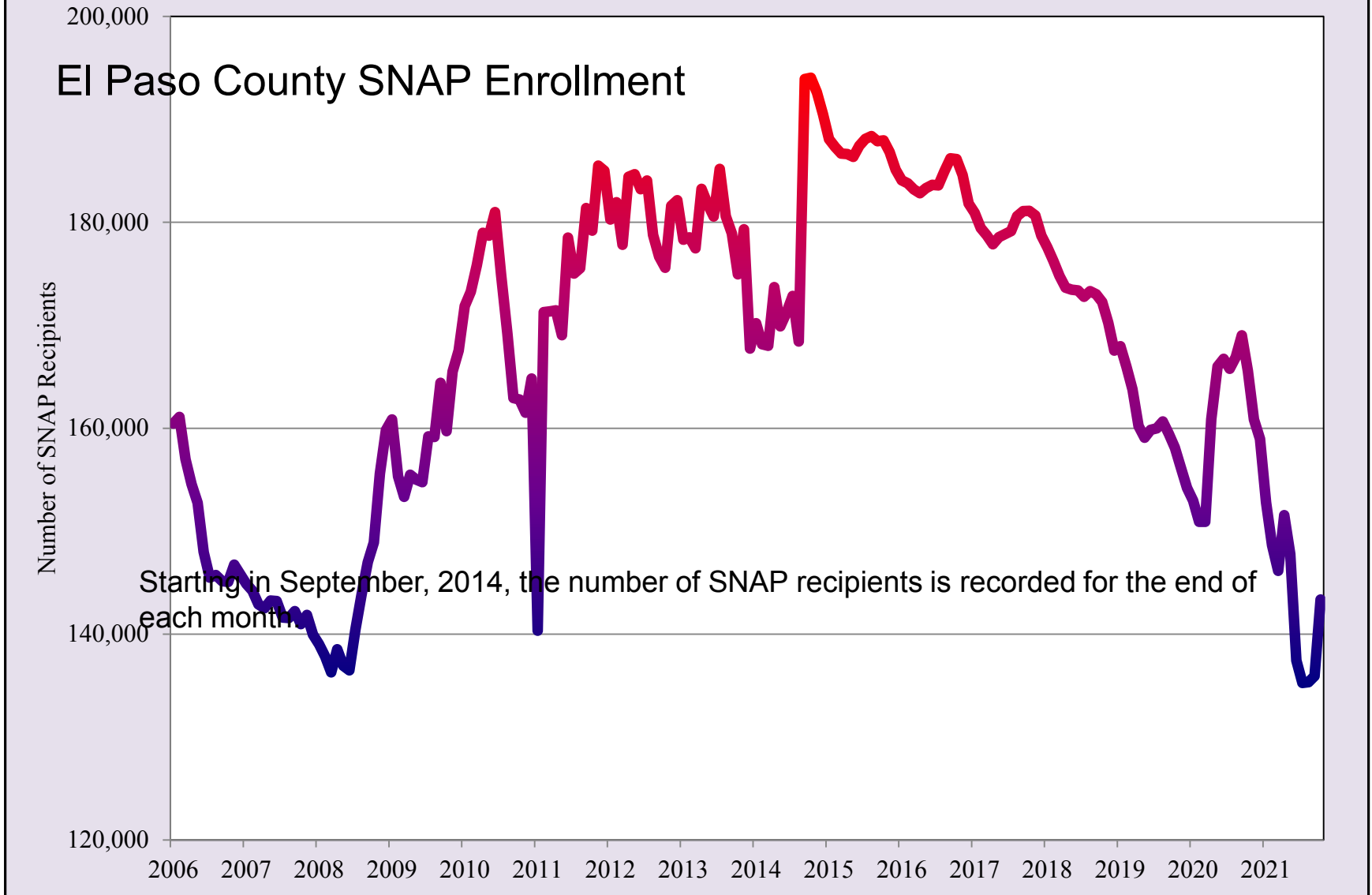
Source: Bureau of Labor Statistics

# El Paso County SNAP (Food Stamp) Enrollment



Source: Texas Health and Human Services Commission

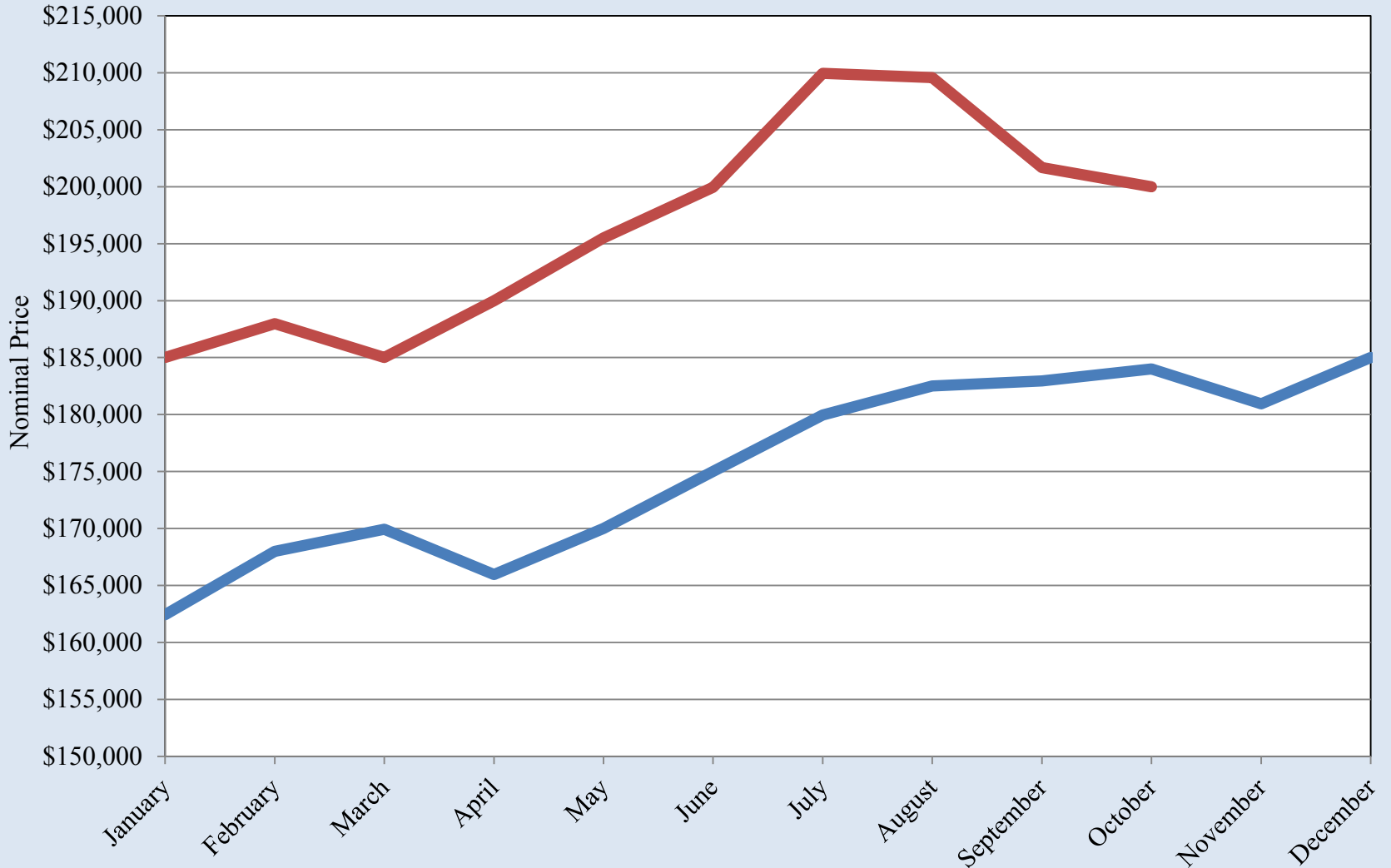
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Source: Texas Health and Human Services Commission

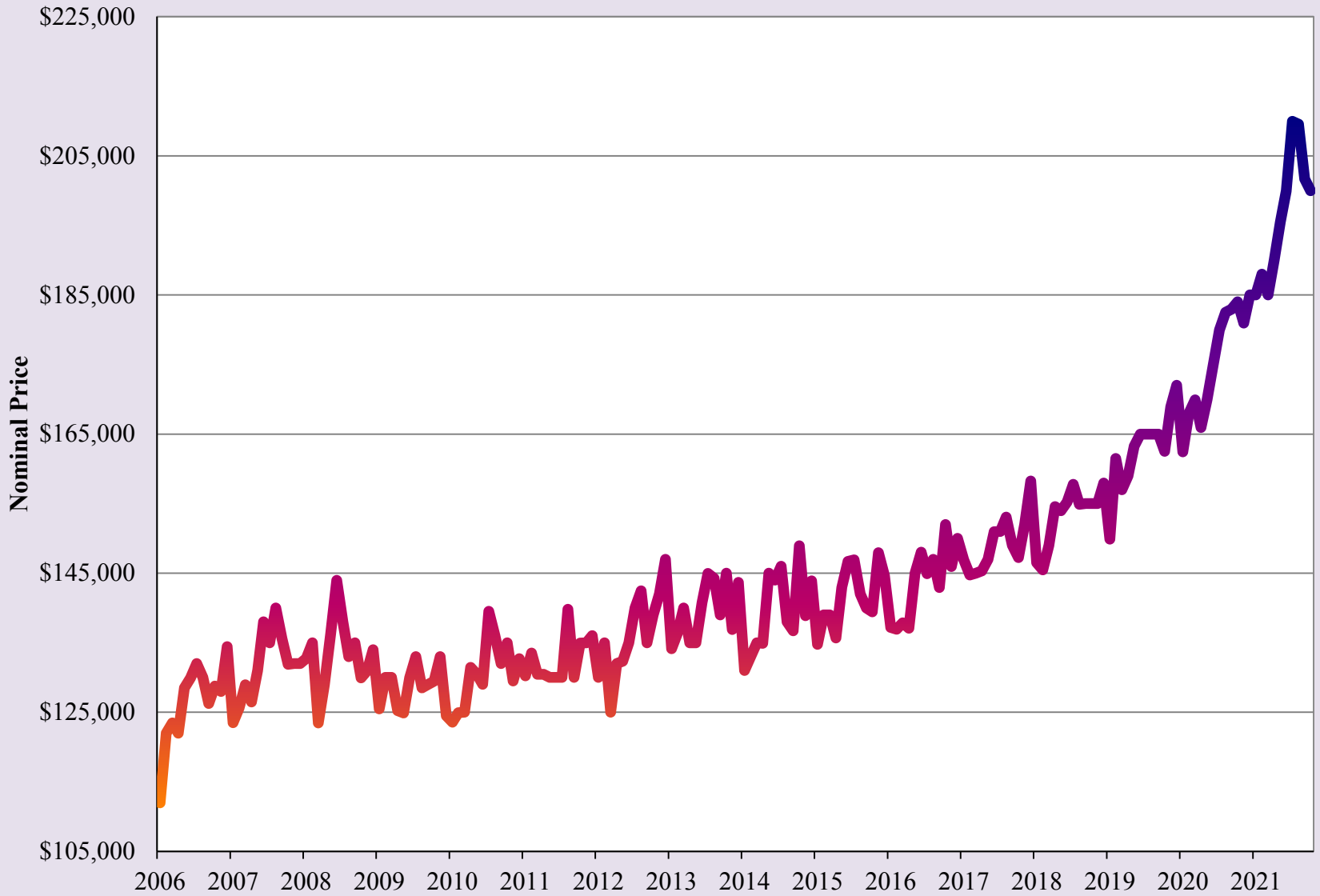
## El Paso Median Housing Prices

— 2020 — 2021



Source: Texas A&M Real Estate Center

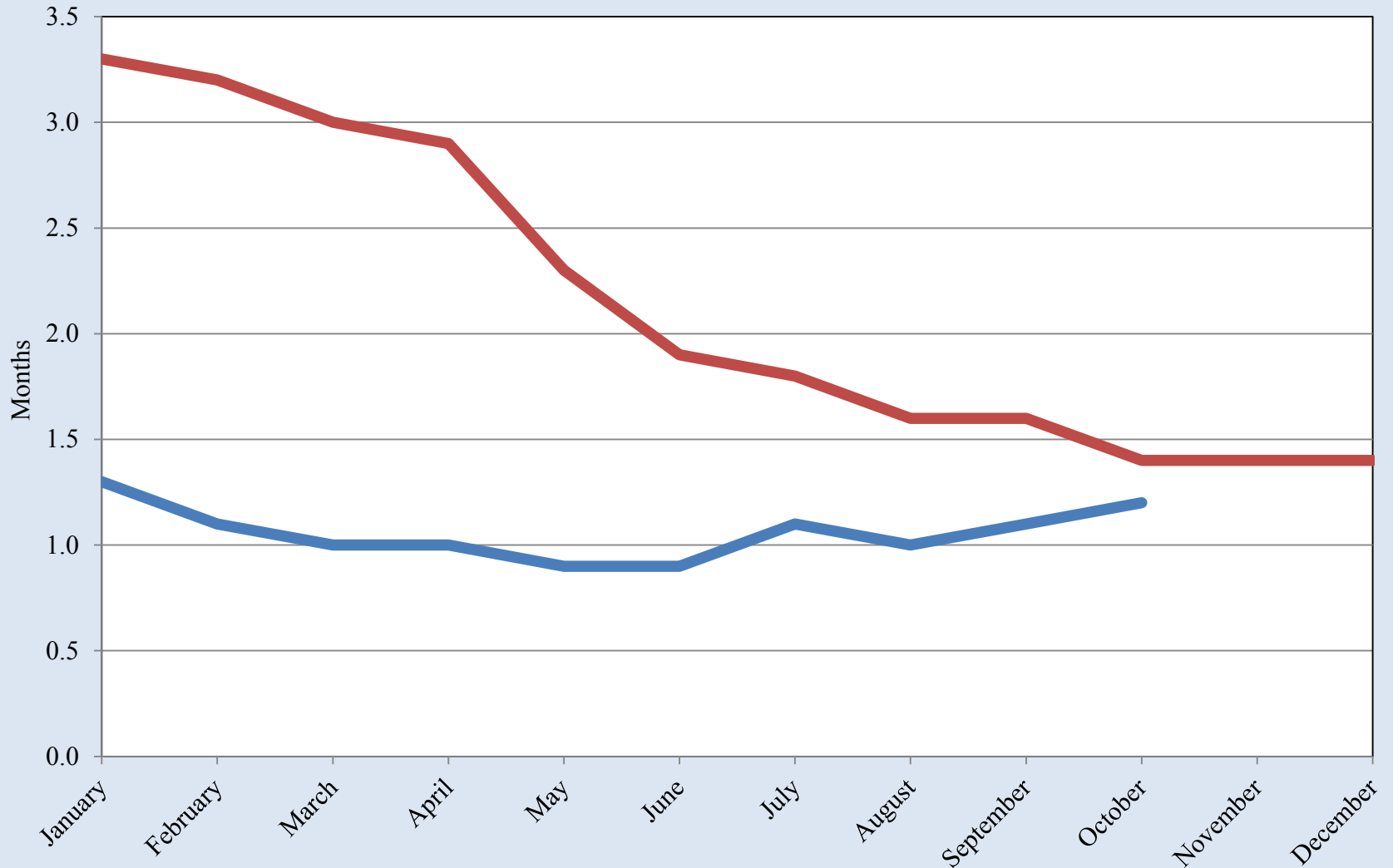
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Source: Texas A&M Real Estate Center

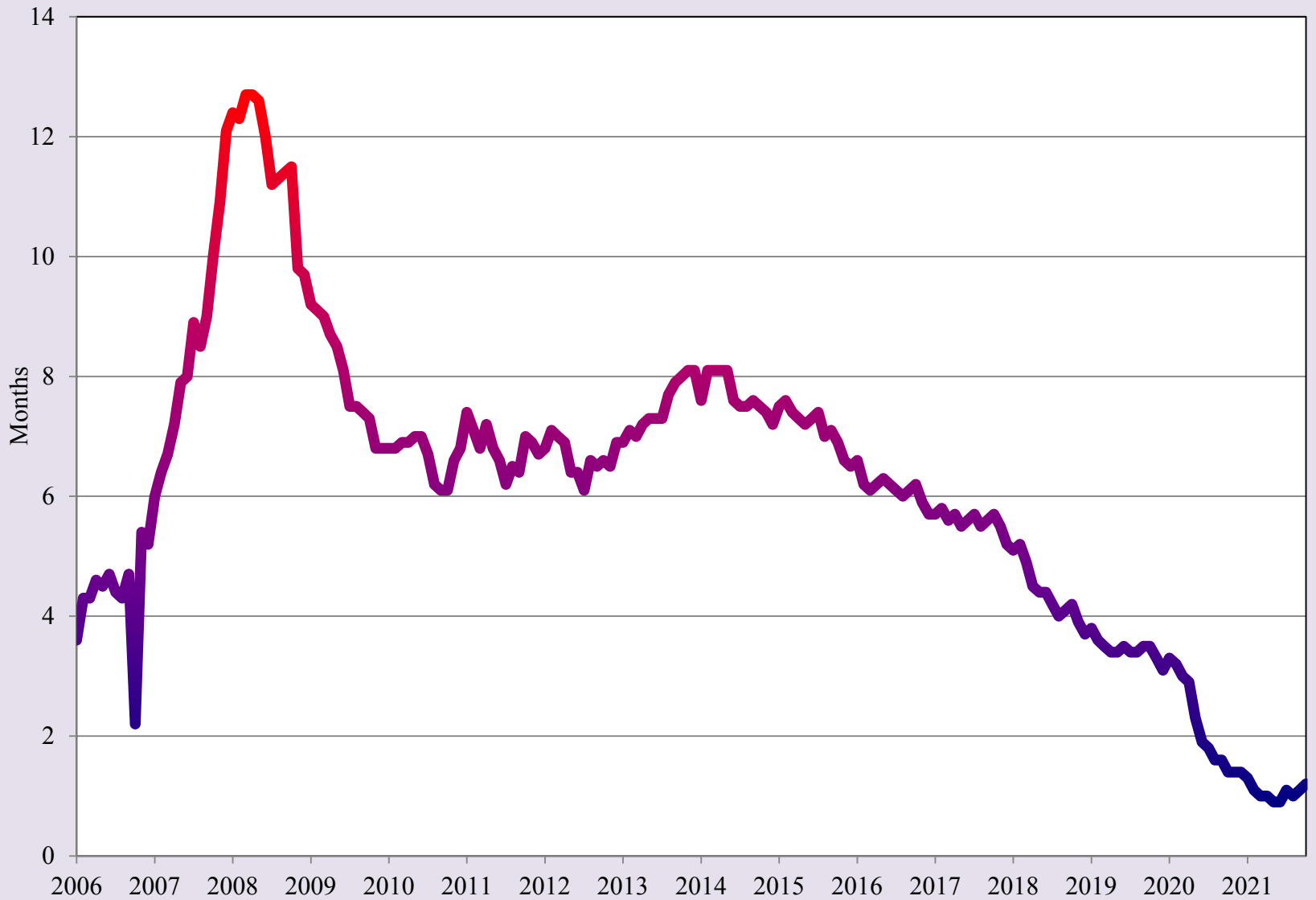
## Months of Housing Inventory for El Paso

2020 2021



Source: Texas A&M Real Estate Center

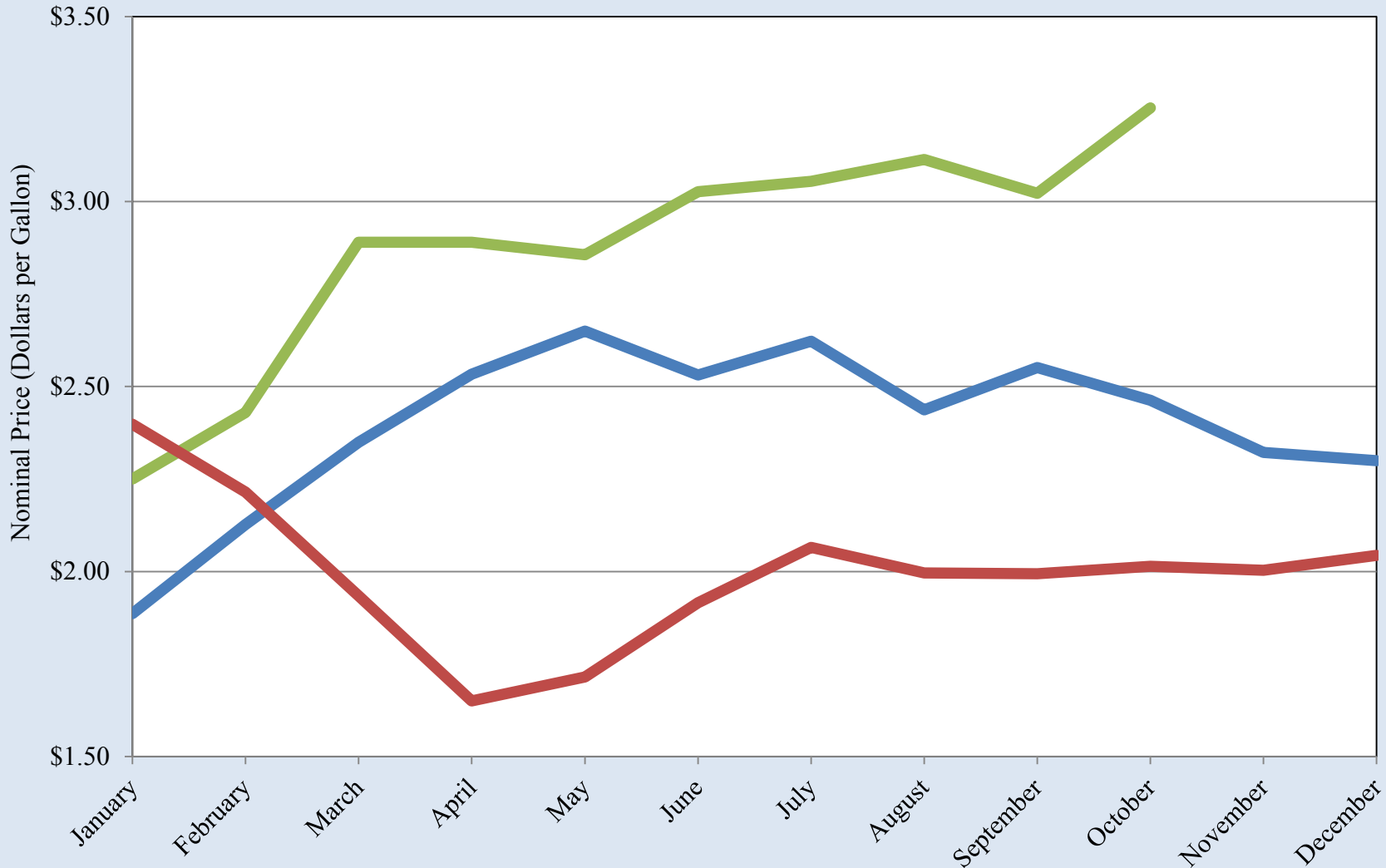
## Months of Housing Inventory for El Paso



Source: Texas A&M Real Estate Center

# El Paso Gasoline Prices

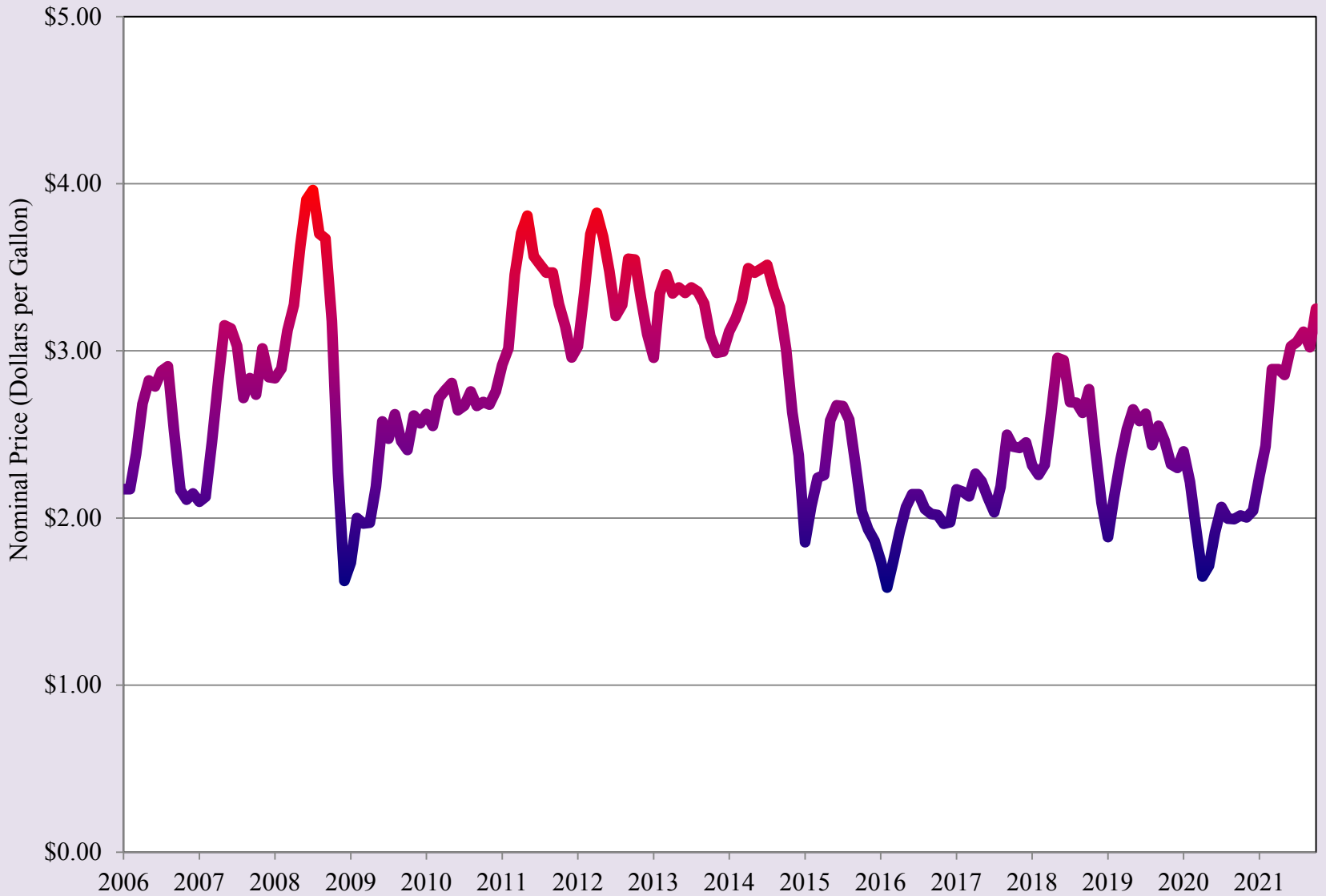
2019 2020 2021



Source: GasBuddy.com



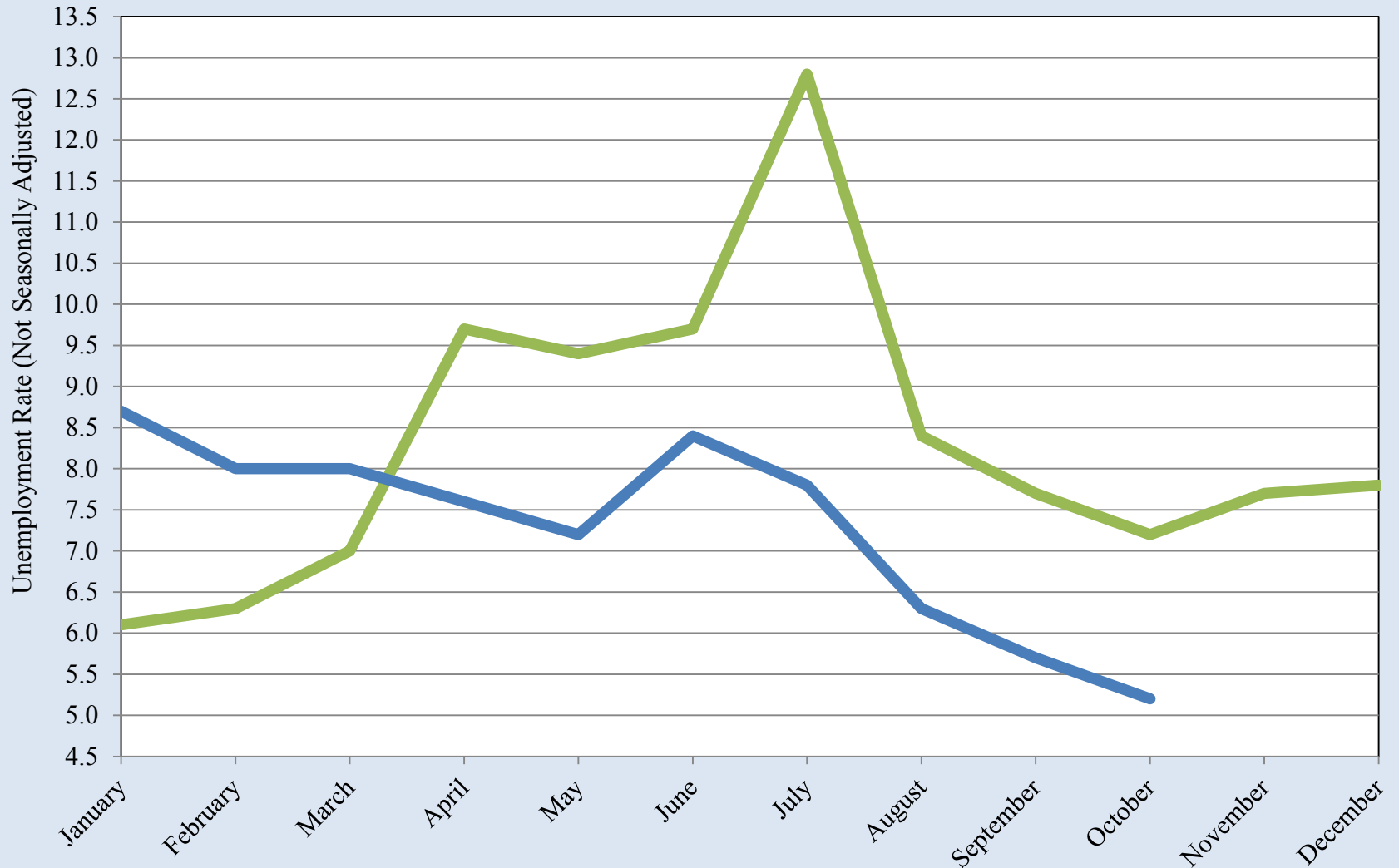
## El Paso Gasoline Prices



Source: GasBuddy.com

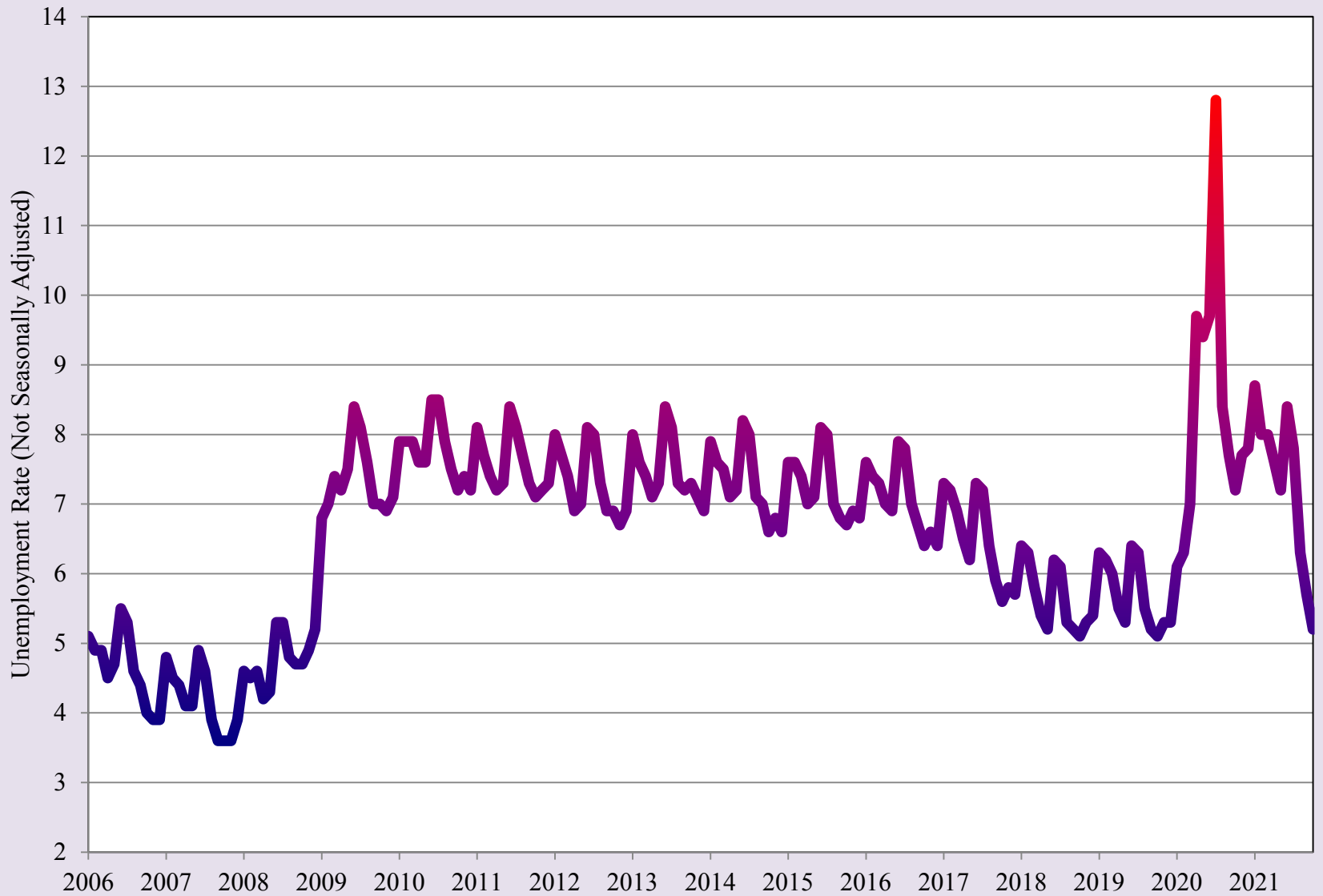
## Doña Ana County Unemployment Rate

2020 2021



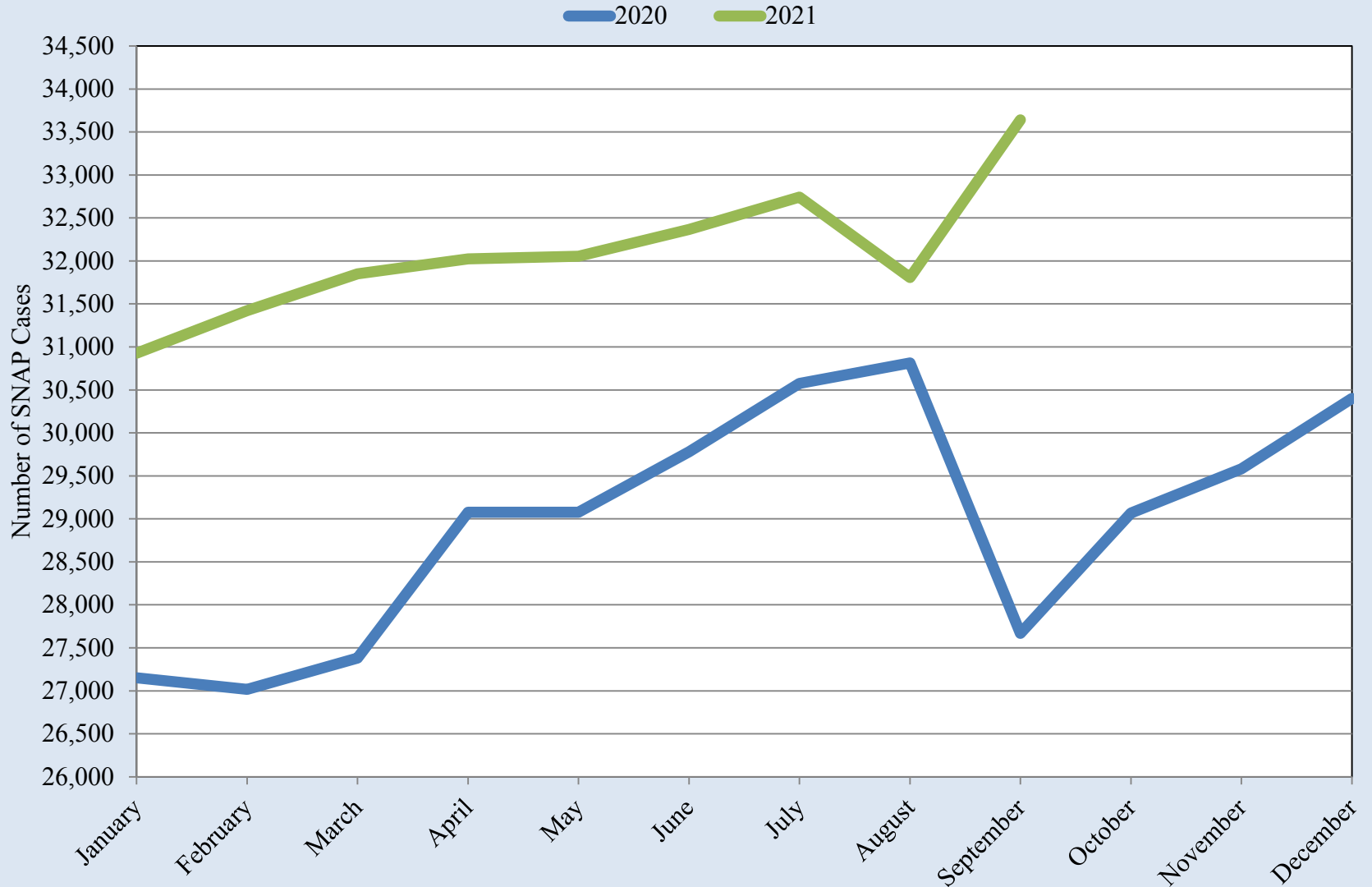
Source: Bureau of Labor Statistics

## Doña Ana County Unemployment Rate



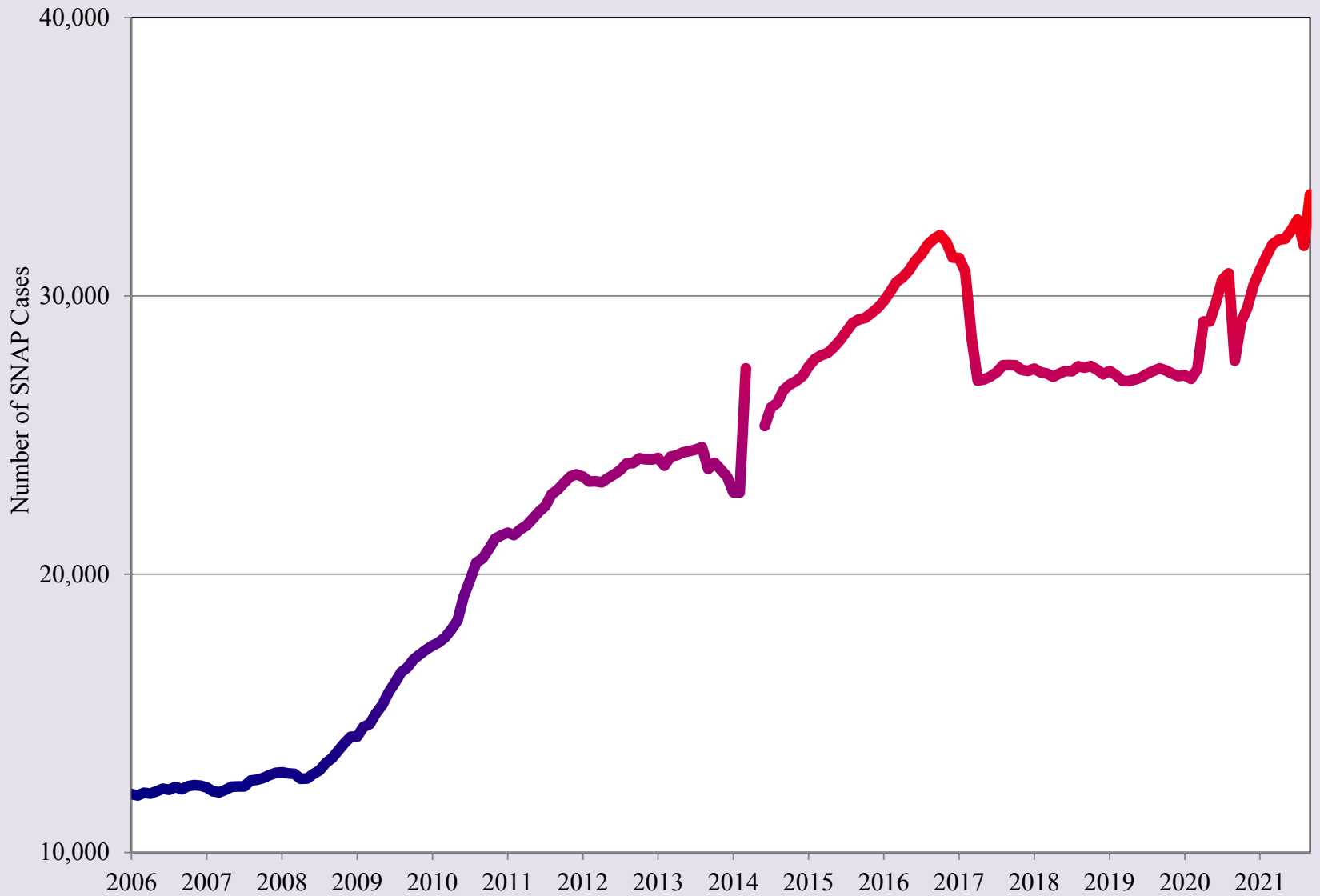
Source: Bureau of Labor Statistics

## Las Cruces Area SNAP (Food Stamp) Cases



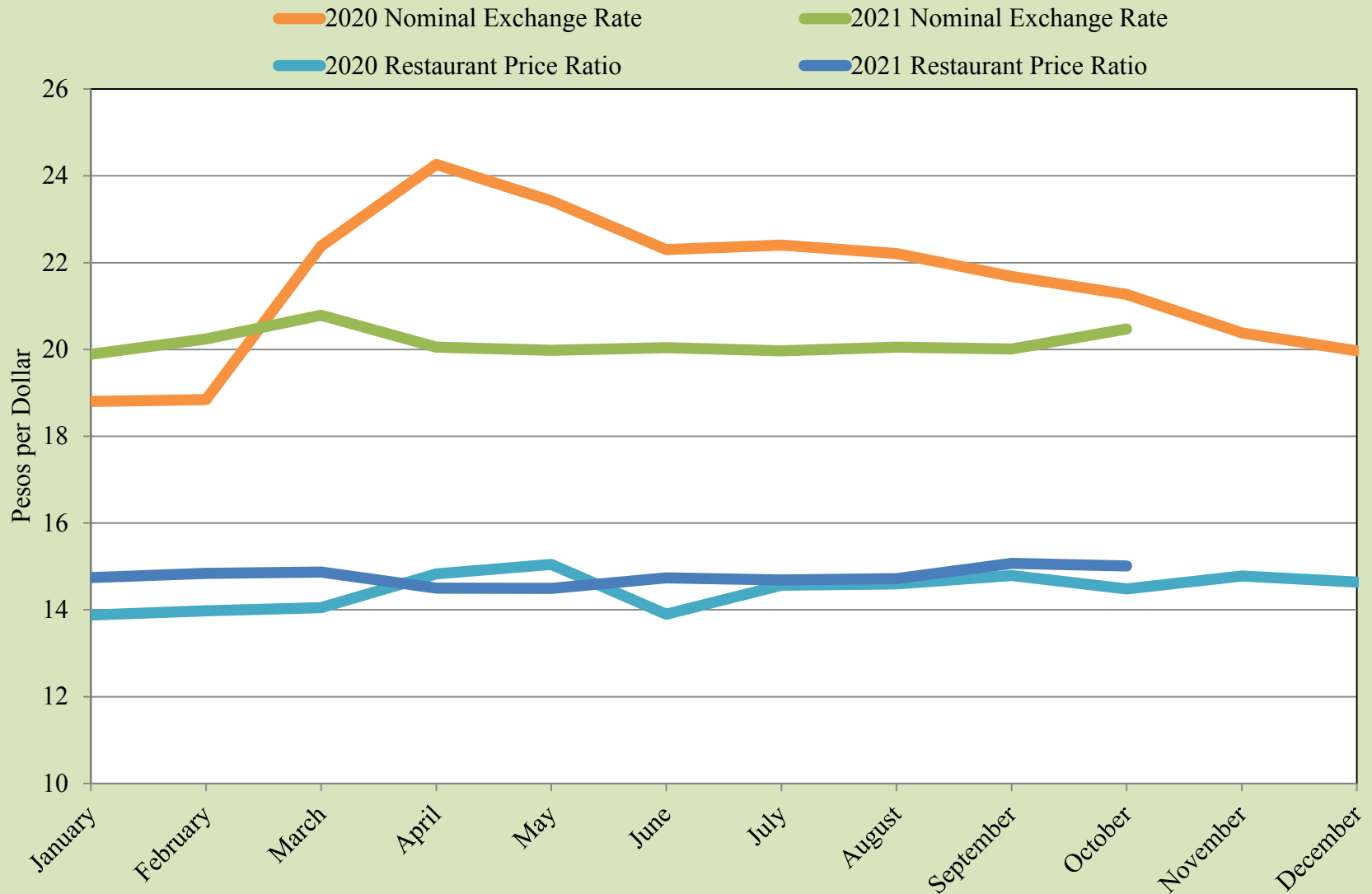
Source: New Mexico Human Services Department

## Las Cruces Area SNAP (Food Stamp) Cases



Source: New Mexico Human Services Department

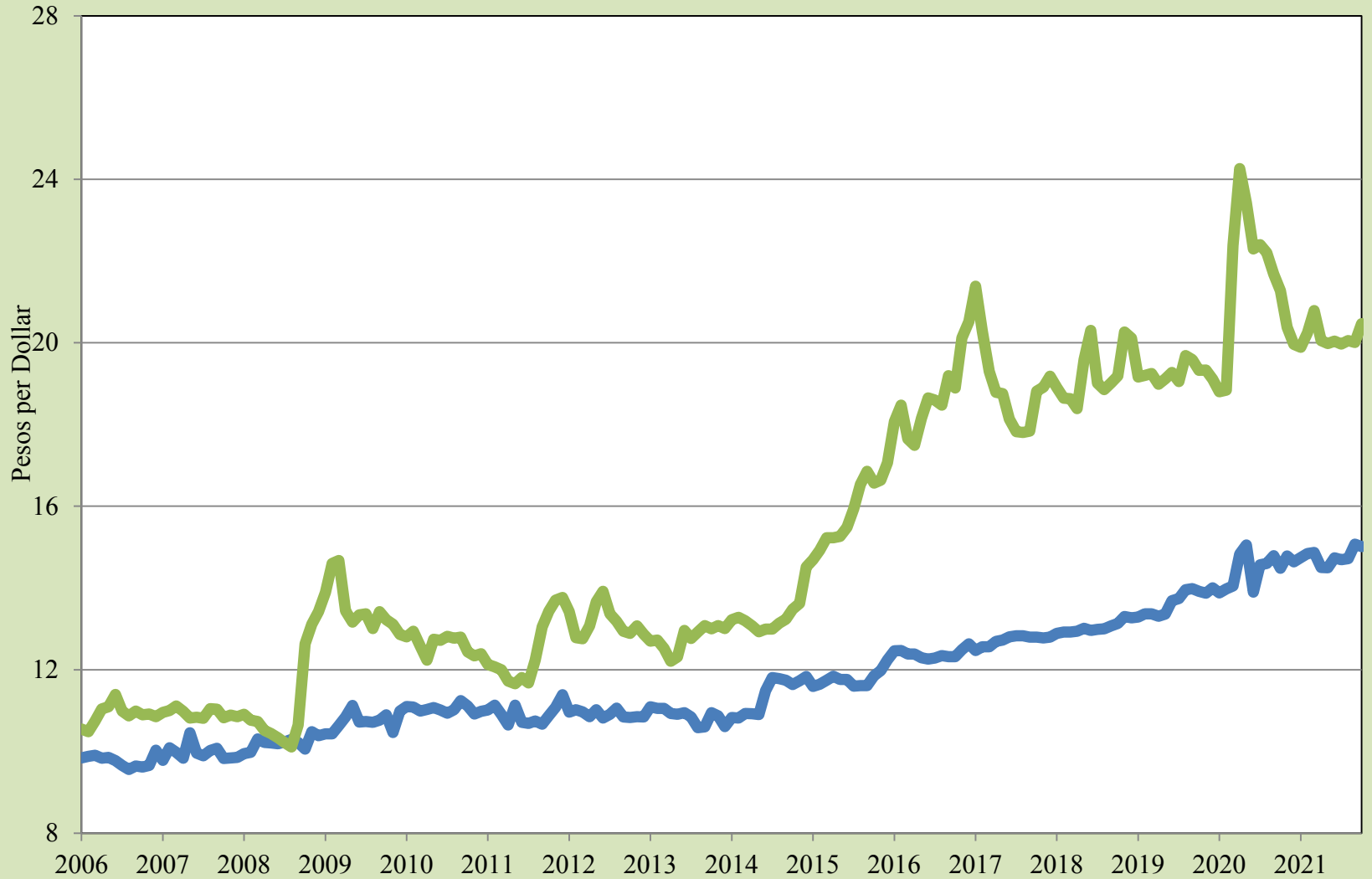
## Restaurant Price Ratio and Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

## Restaurant Price Ratio and Exchange Rate

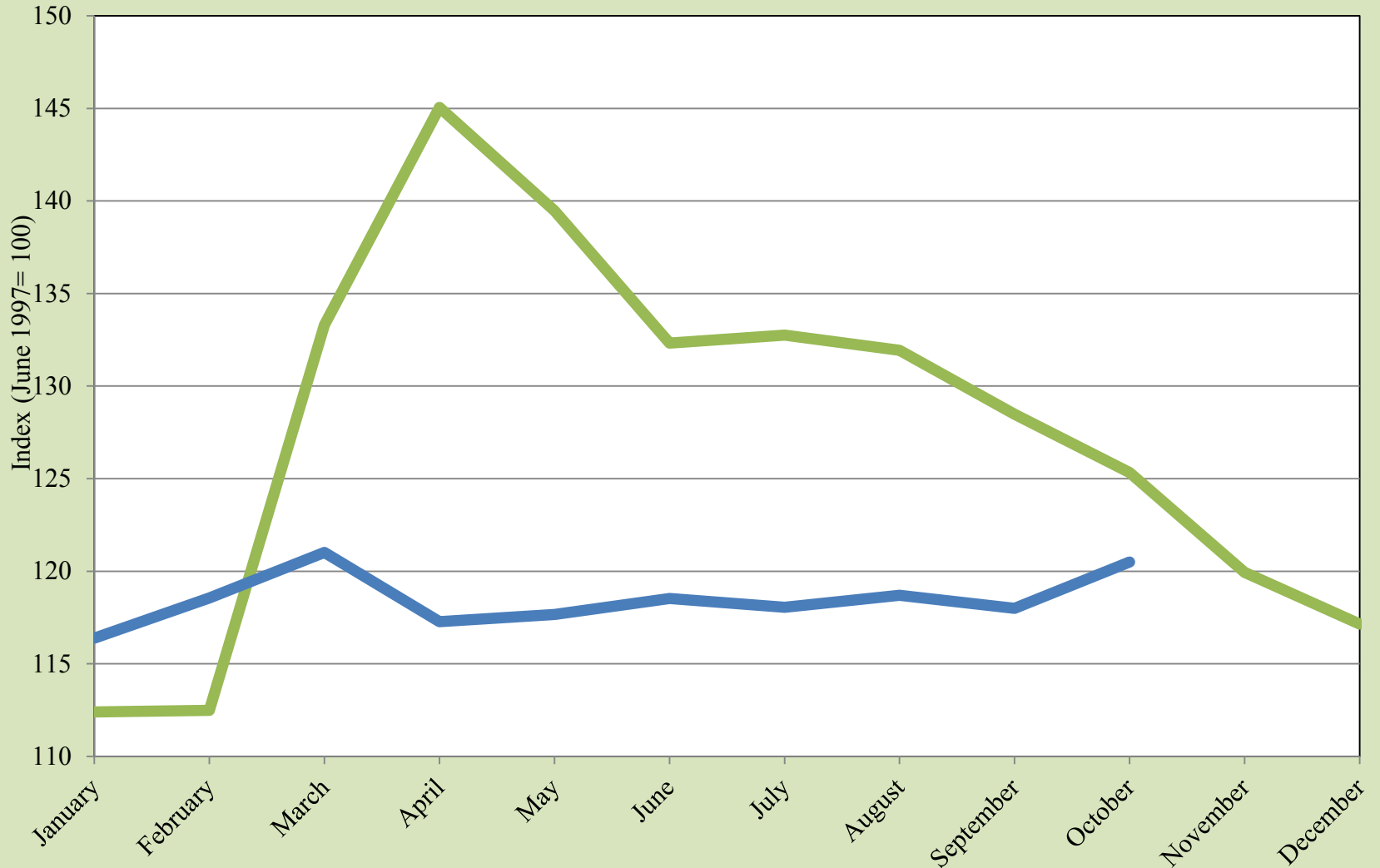
Price Ratio Exchange Rate



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

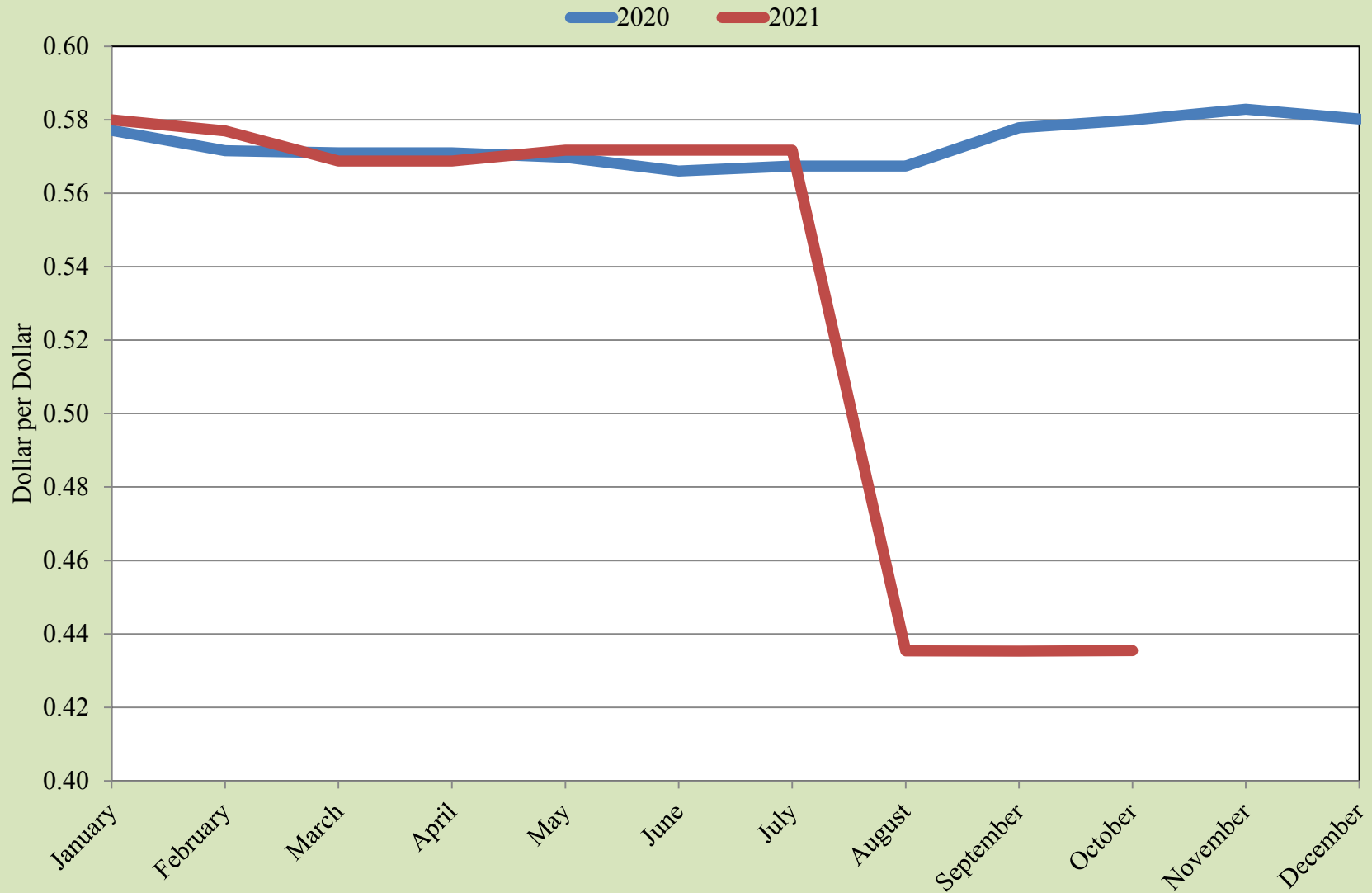


## Real Peso-per-Dollar Exchange Rate Index



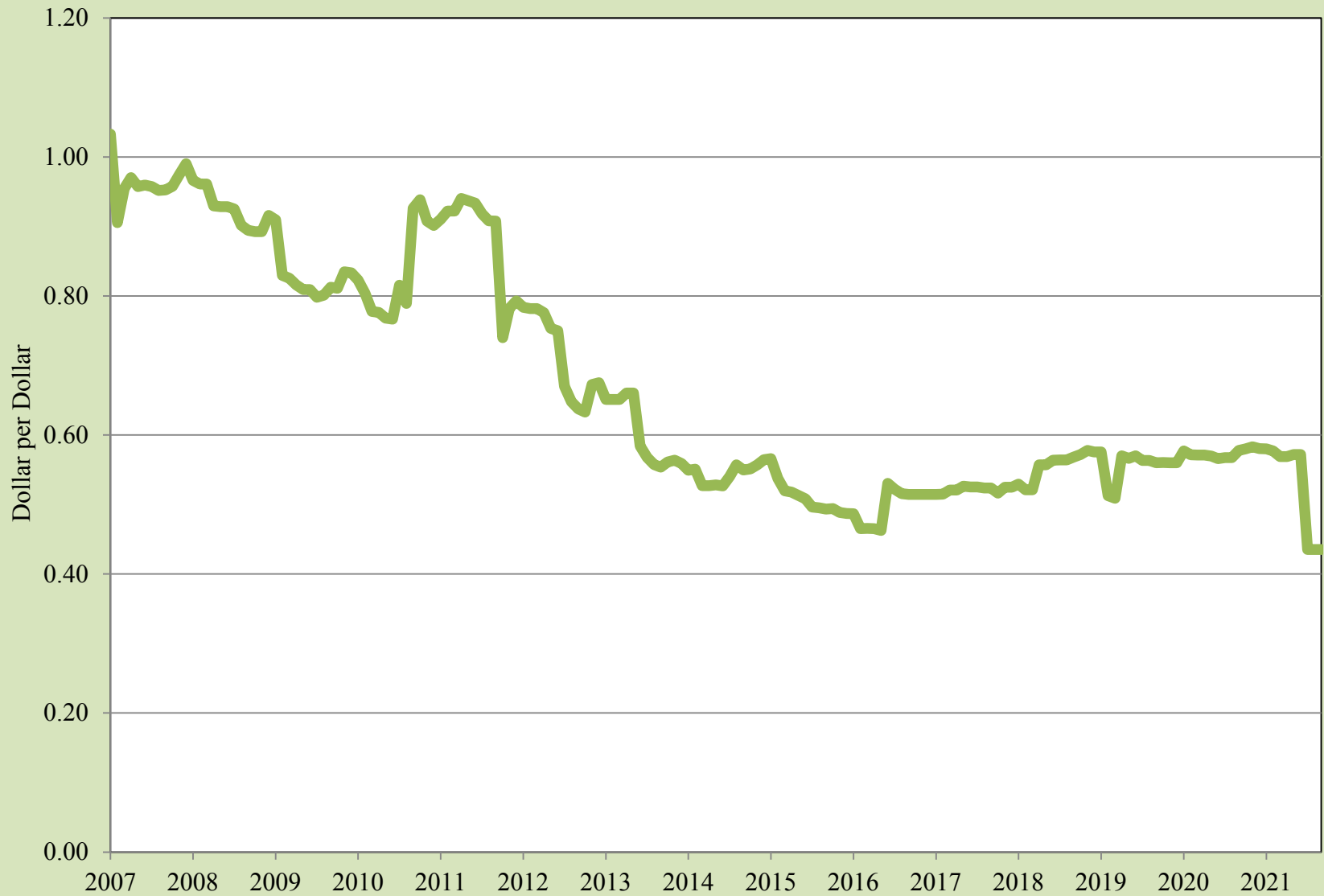
Source: UTEP Border Region Modeling Project

## Pharmaceutical Nominal Price Ratio in the USA and Mexico



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

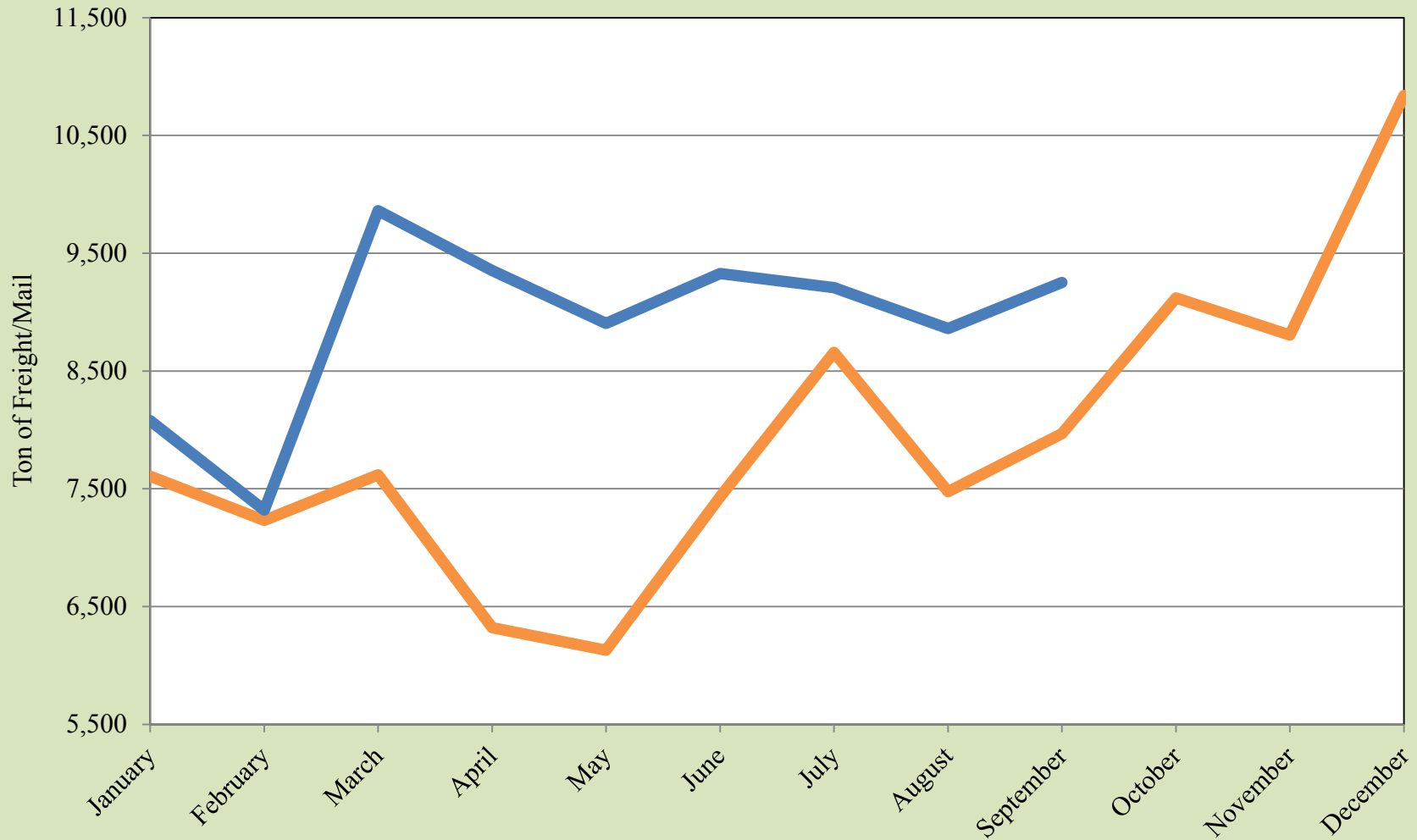
## Pharmaceutical Nominal Price Ratio in the USA and Mexico



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

## EPIA Freight and Mail

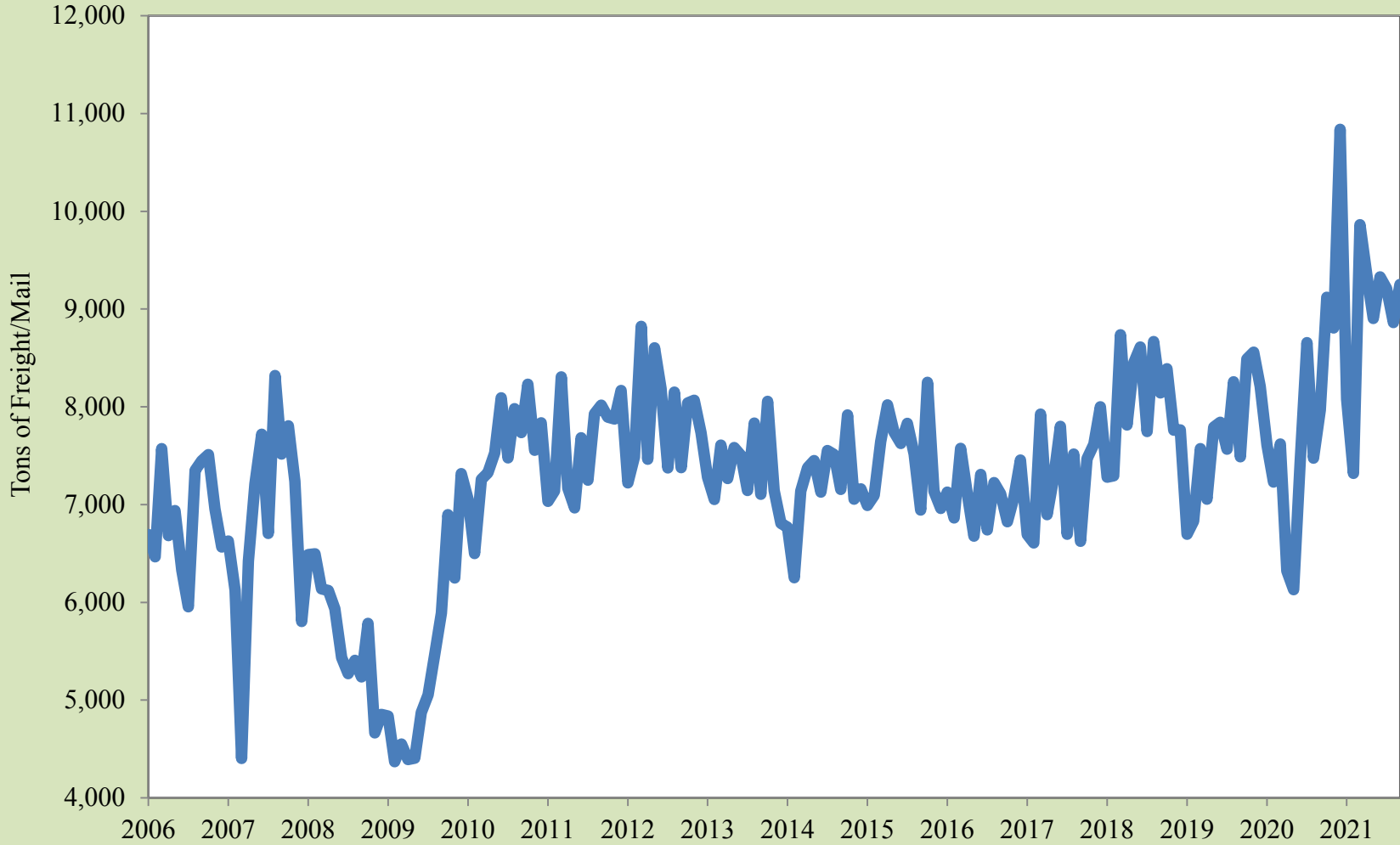
Total 2020      Total 2021



Source: EPIA Operations

# EPIA Freight and Mail

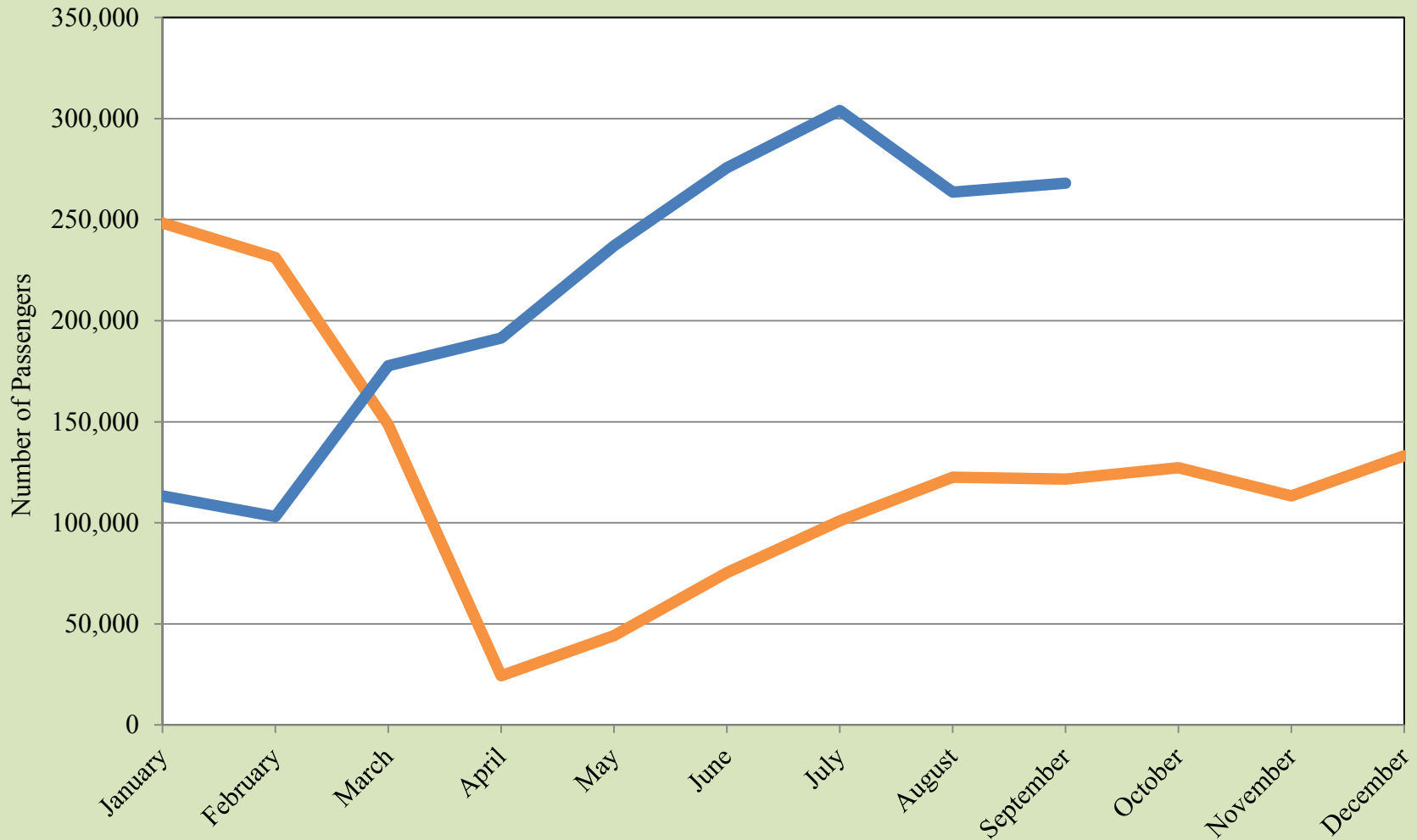
Inbound+Outbound



Source: EPIA Operations

# EPIA Passengers

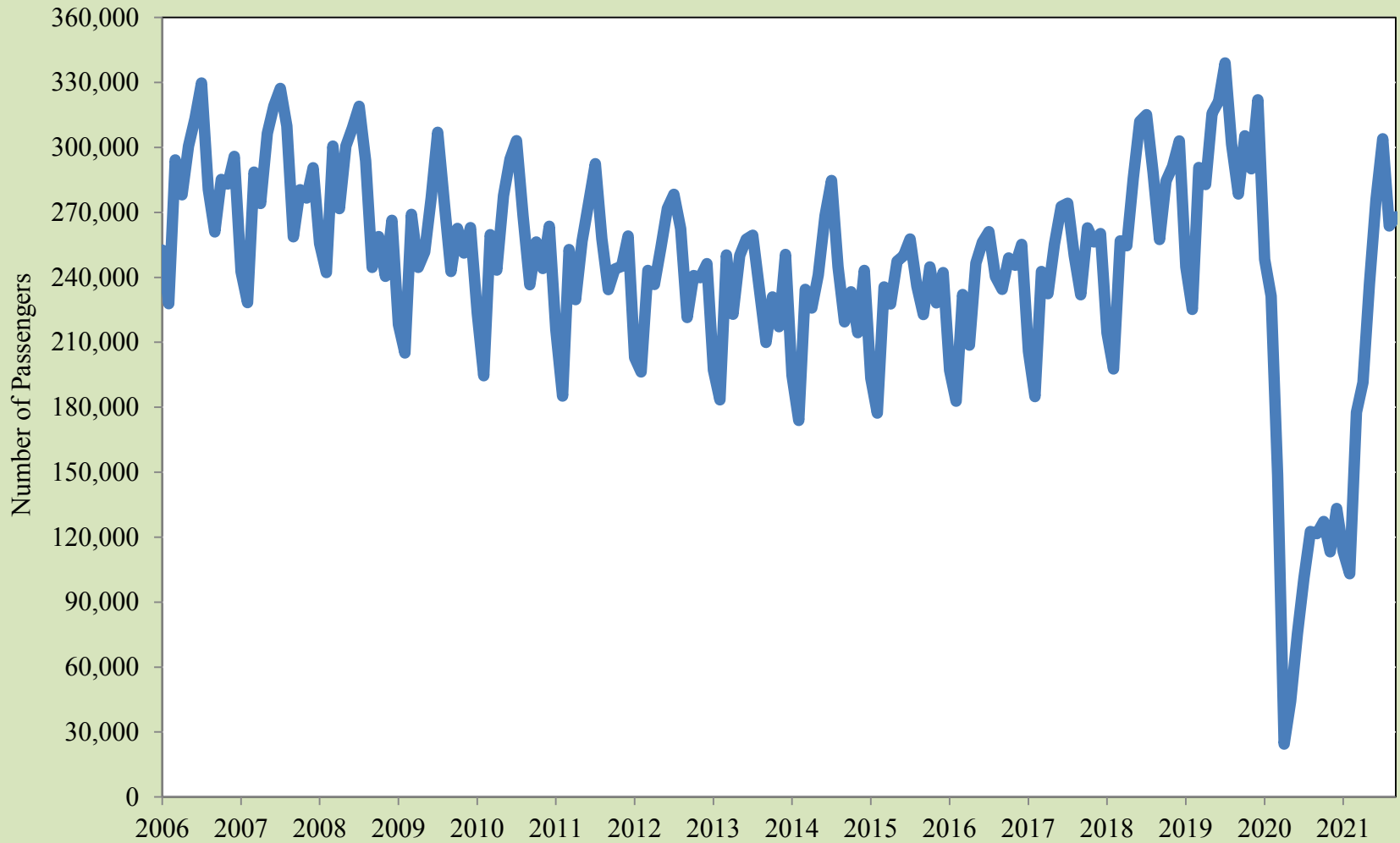
Total 2020      Total 2021



Source: EPIA Operations

# EPIA Passengers

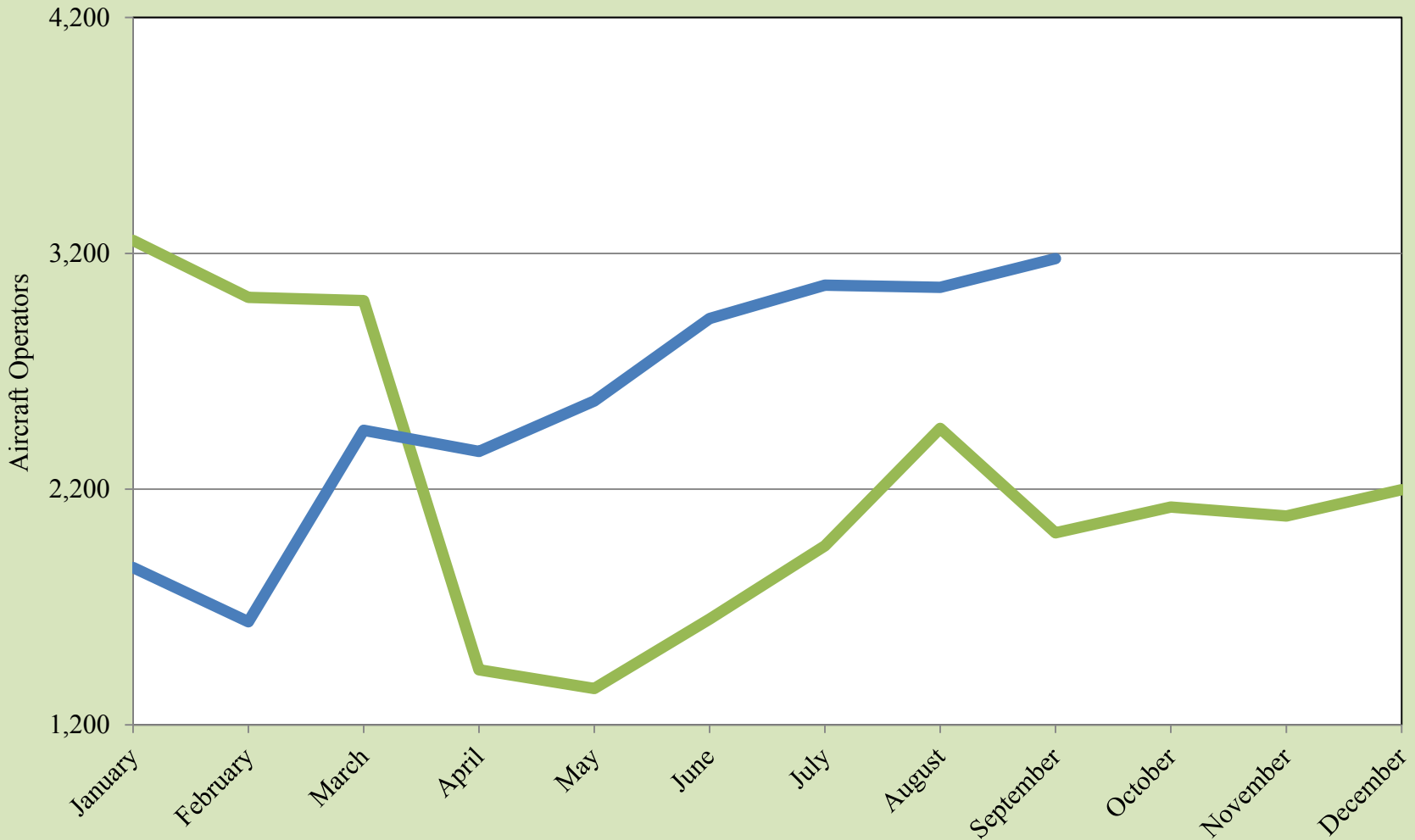
— Inbound+Outbound



Source: EPIA Operations

# EPIA Air Carrier Operations

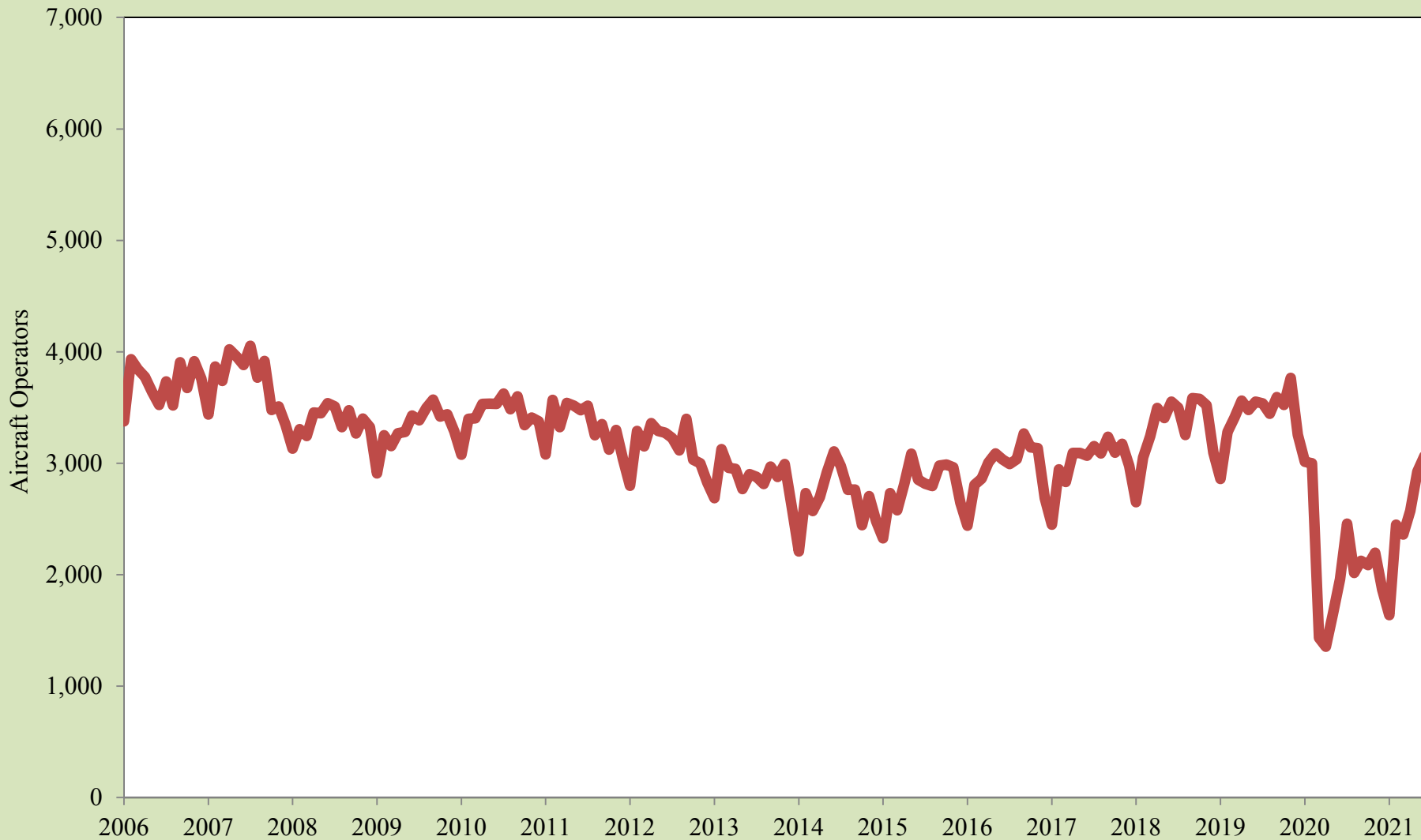
20-Air Carriers      21-Air Carriers



Source: EPIA Operations



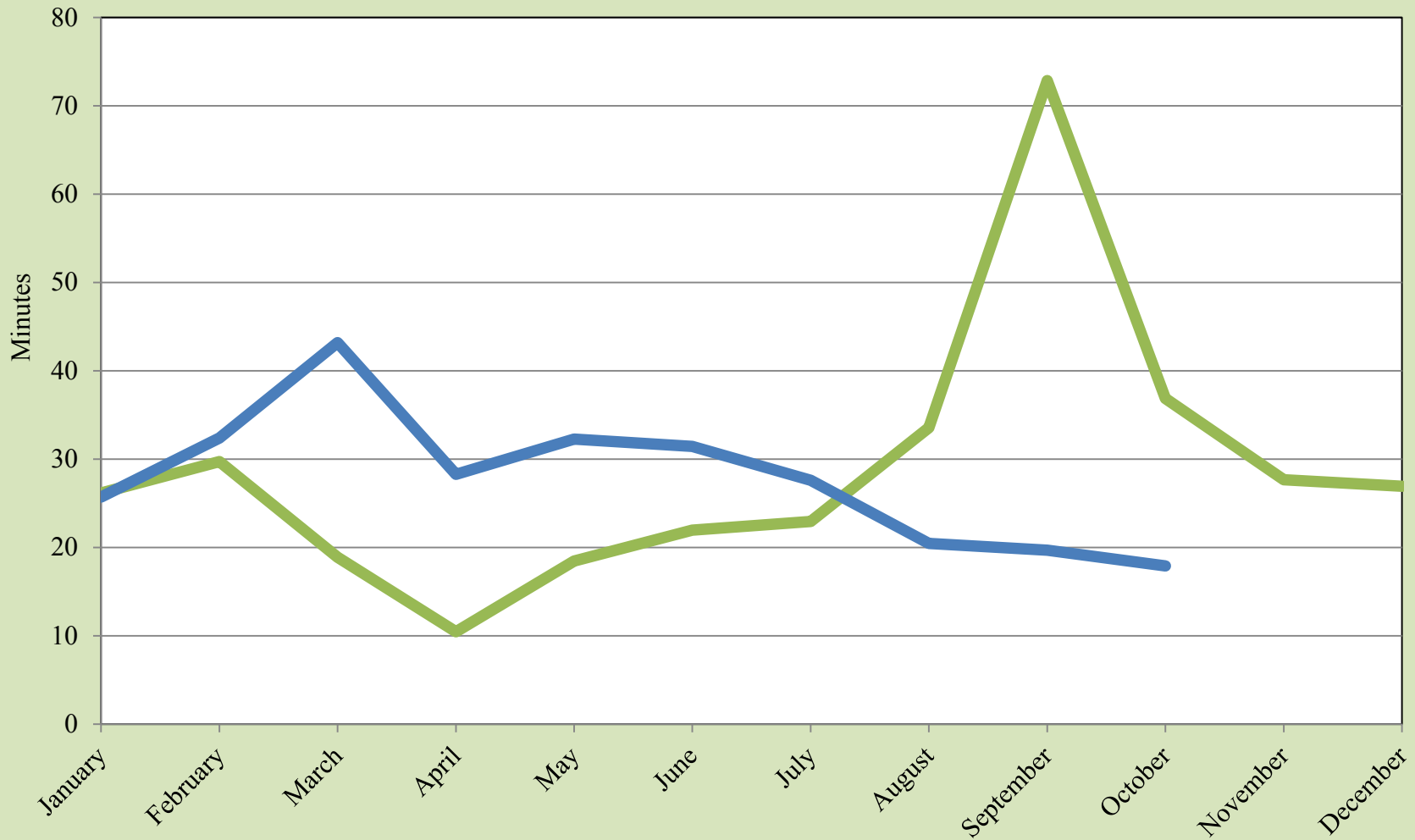
## EPIA Air Carrier Operations



Source: EPIA Operations

# Paso del Norte Monthly Wait Times

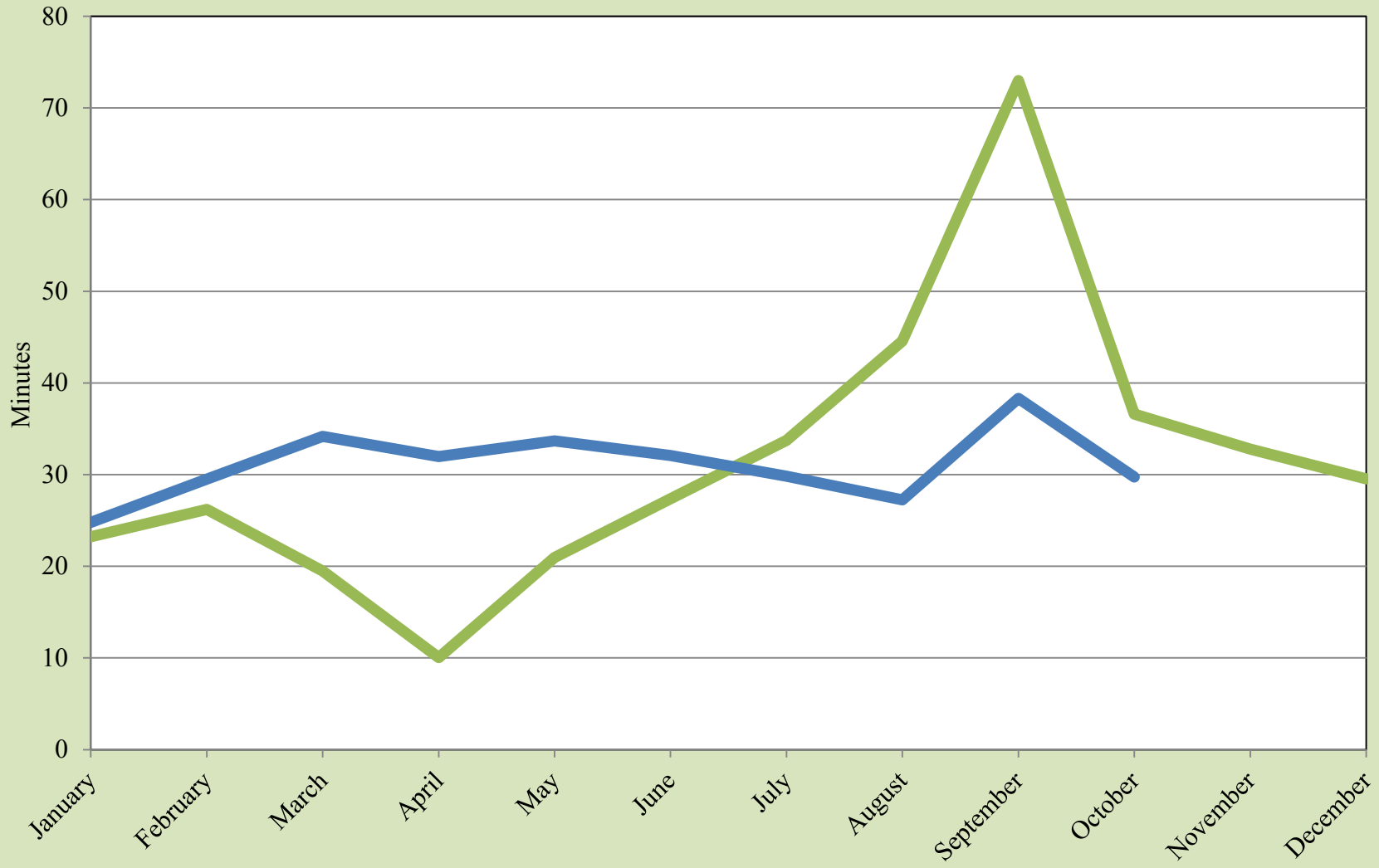
2020 2021



Source: UTEP Border Region Modeling Project

# Ysleta Monthly Wait Times

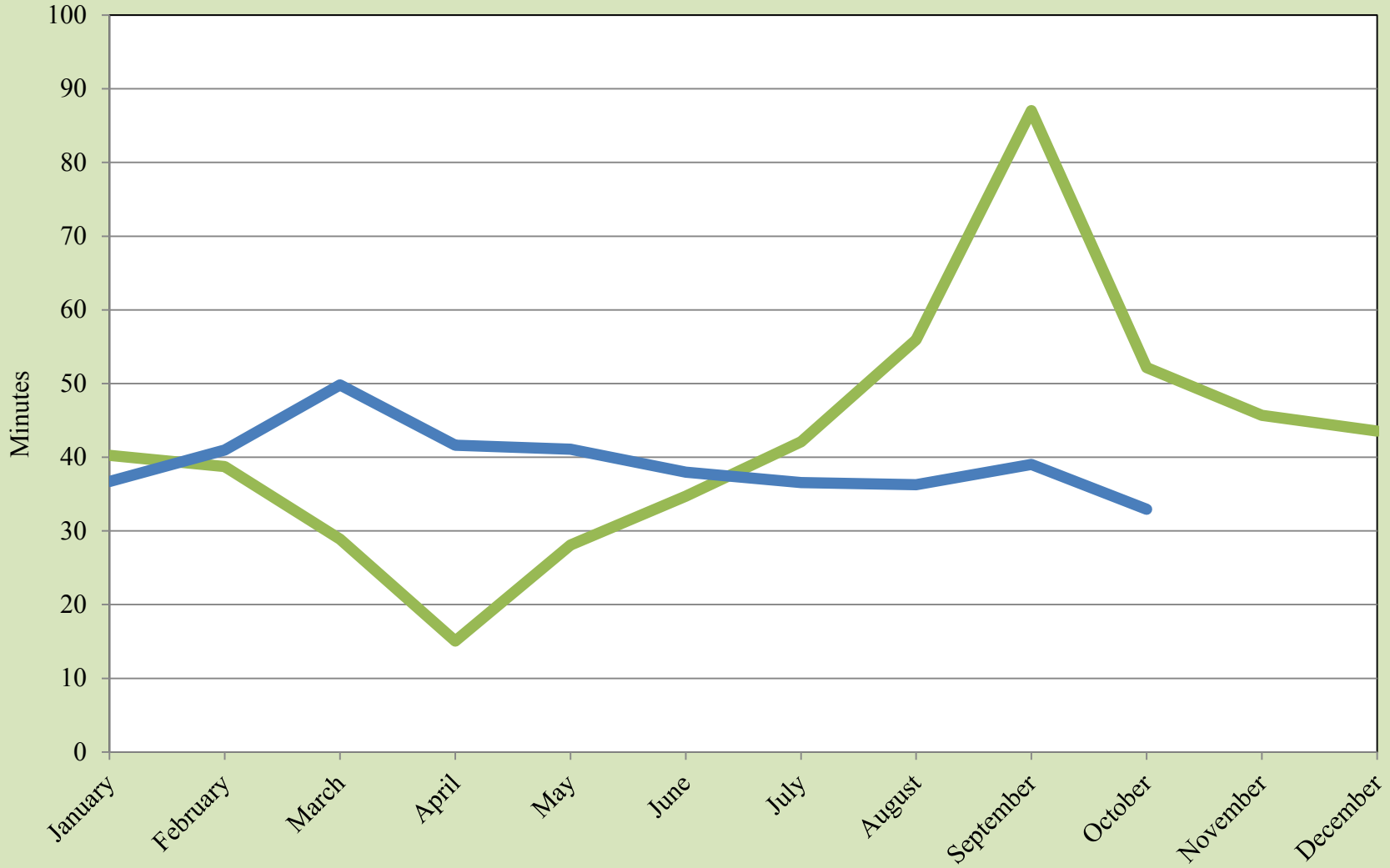
2020 2021



Source: UTEP Border Region Modeling Project

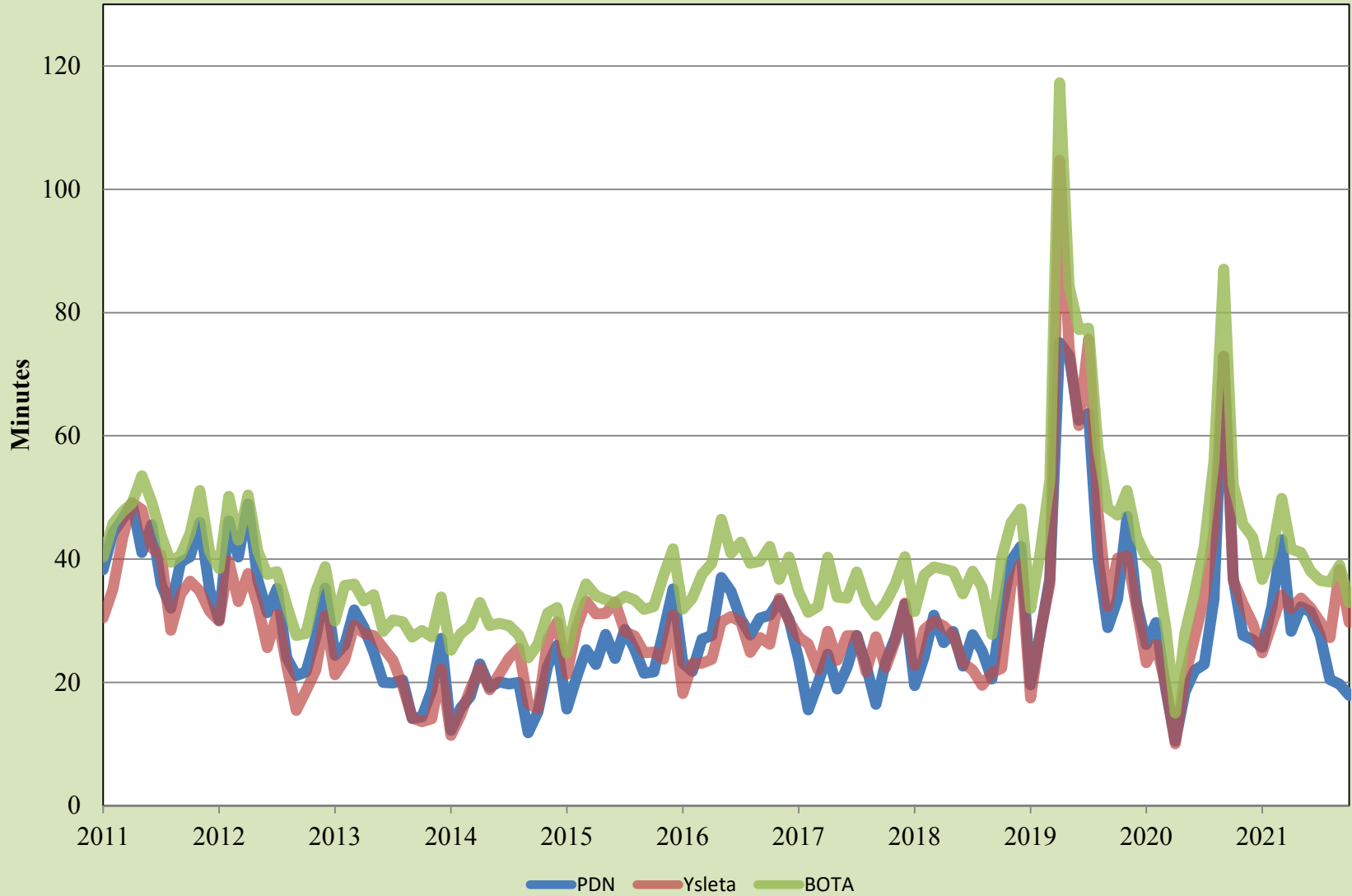
# Bridge of the Americas Monthly Wait Times

— 2020 — 2021



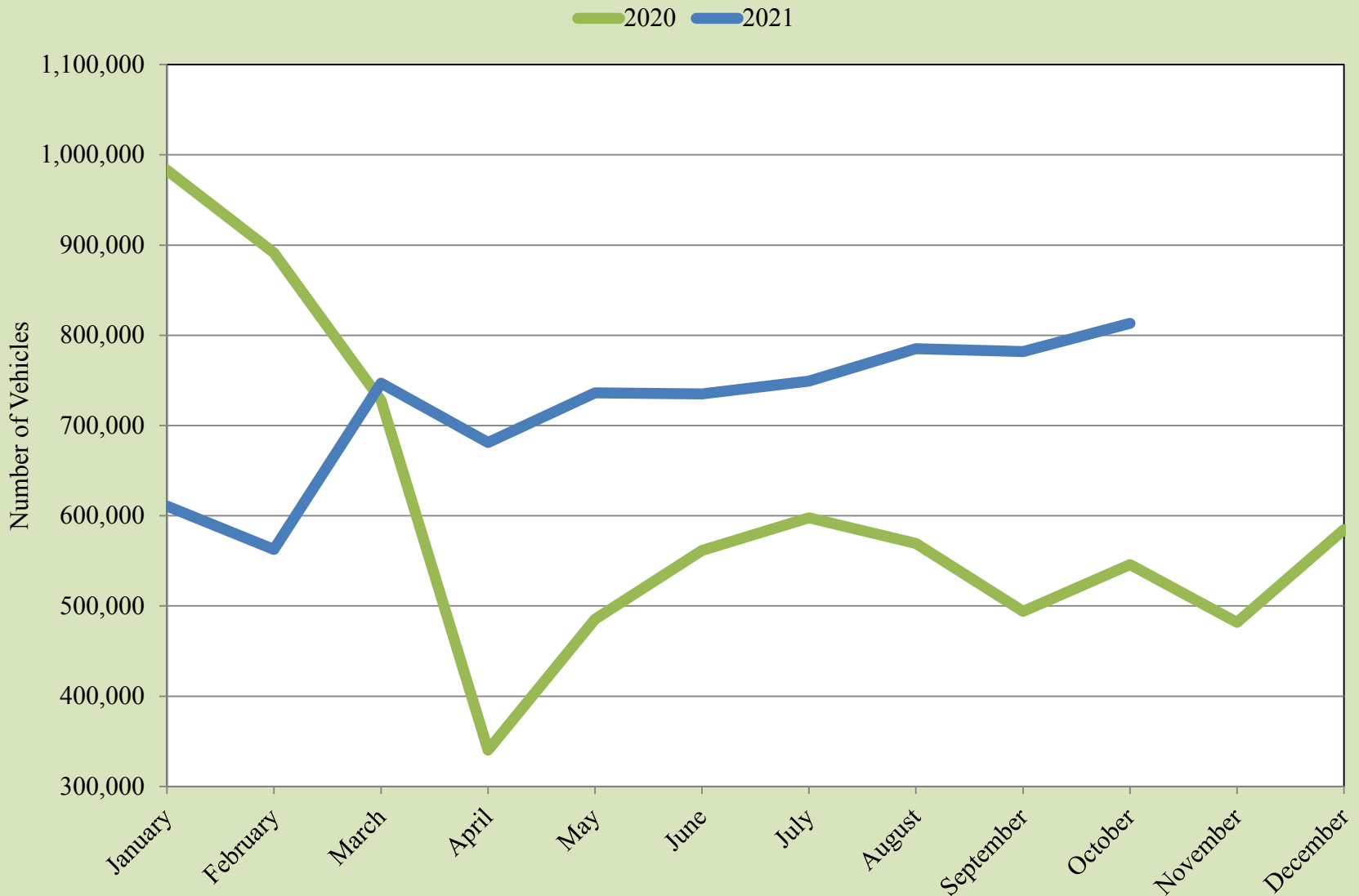
Source: UTEP Border Region Modeling Project

## 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

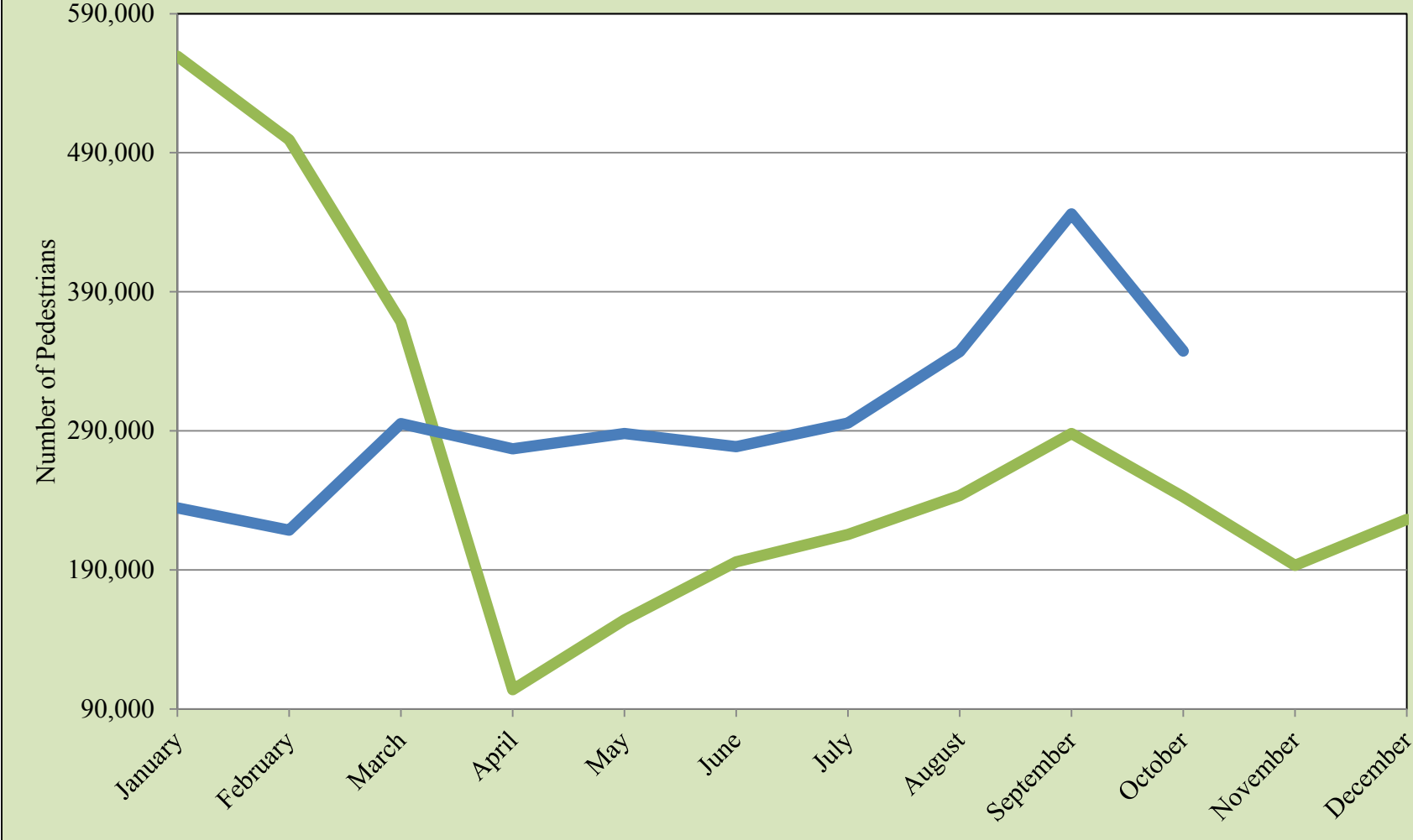
## Personal Vehicle International Bridge Crossings to El Paso



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

# Pedestrian International Bridge Crossings to El Paso

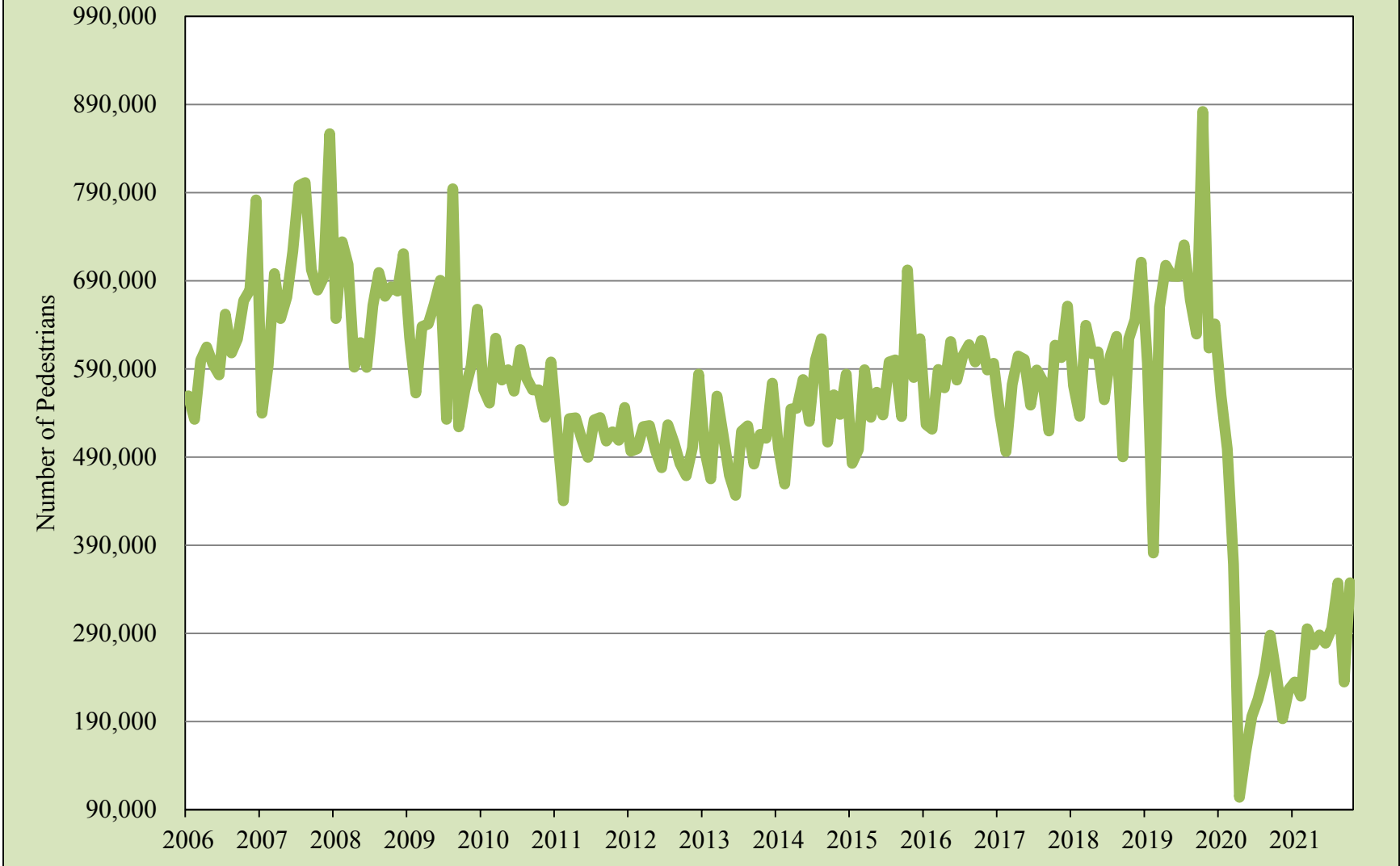
2020 2021



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



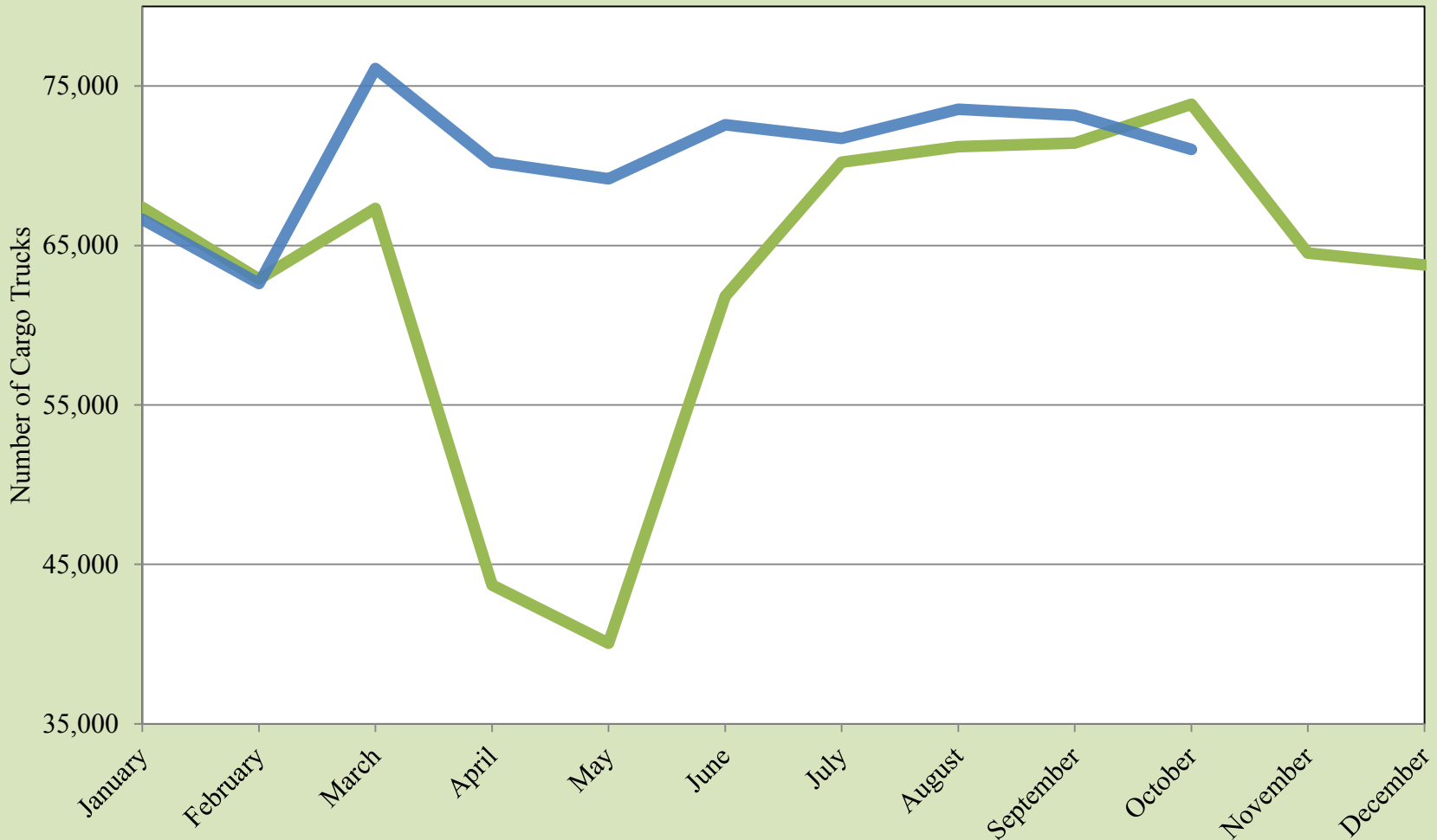
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Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

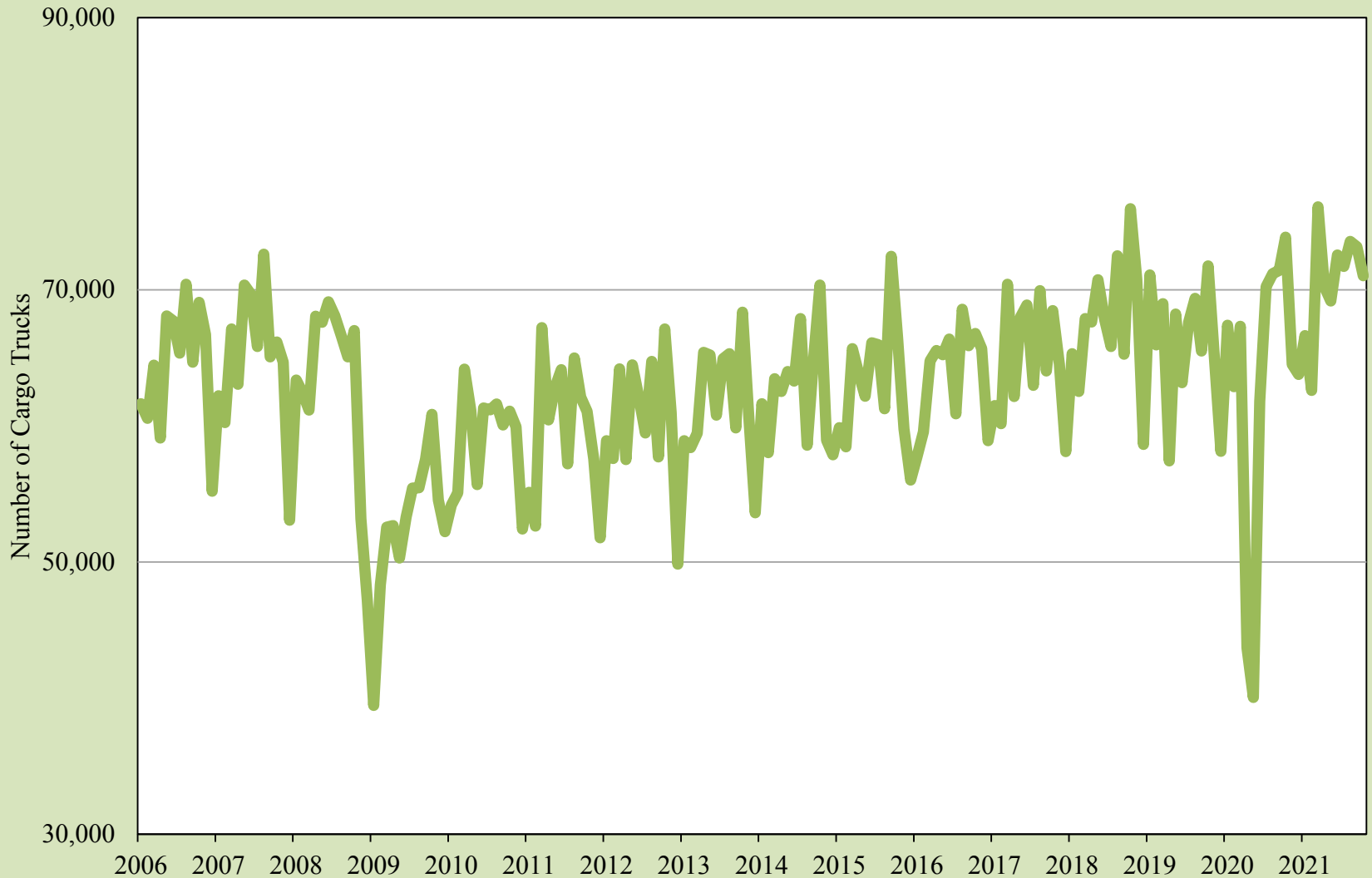
## Cargo Truck International Bridge Crossings to El Paso

2020 2021



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

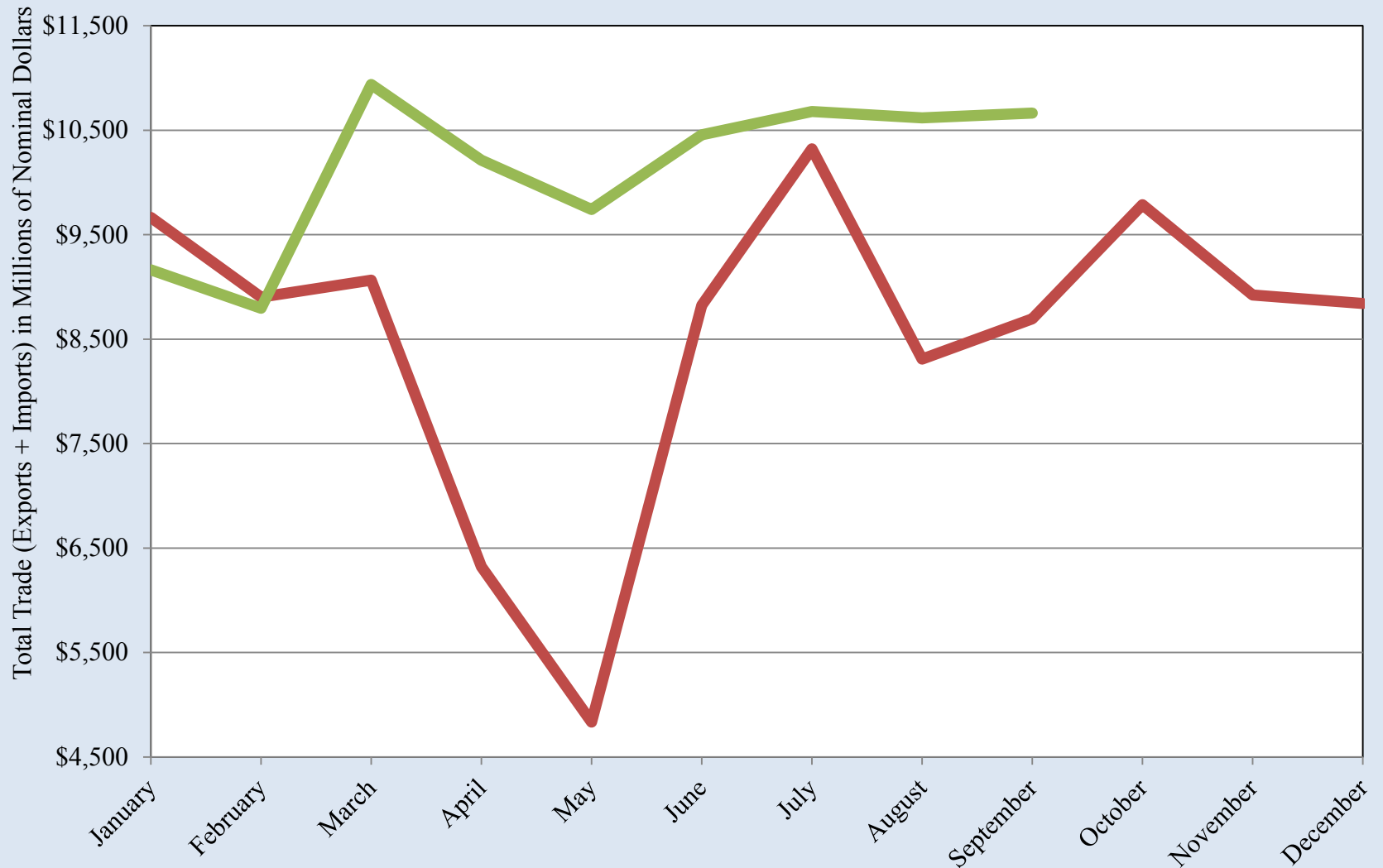
## Cargo Truck International Bridge Crossings to El Paso



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

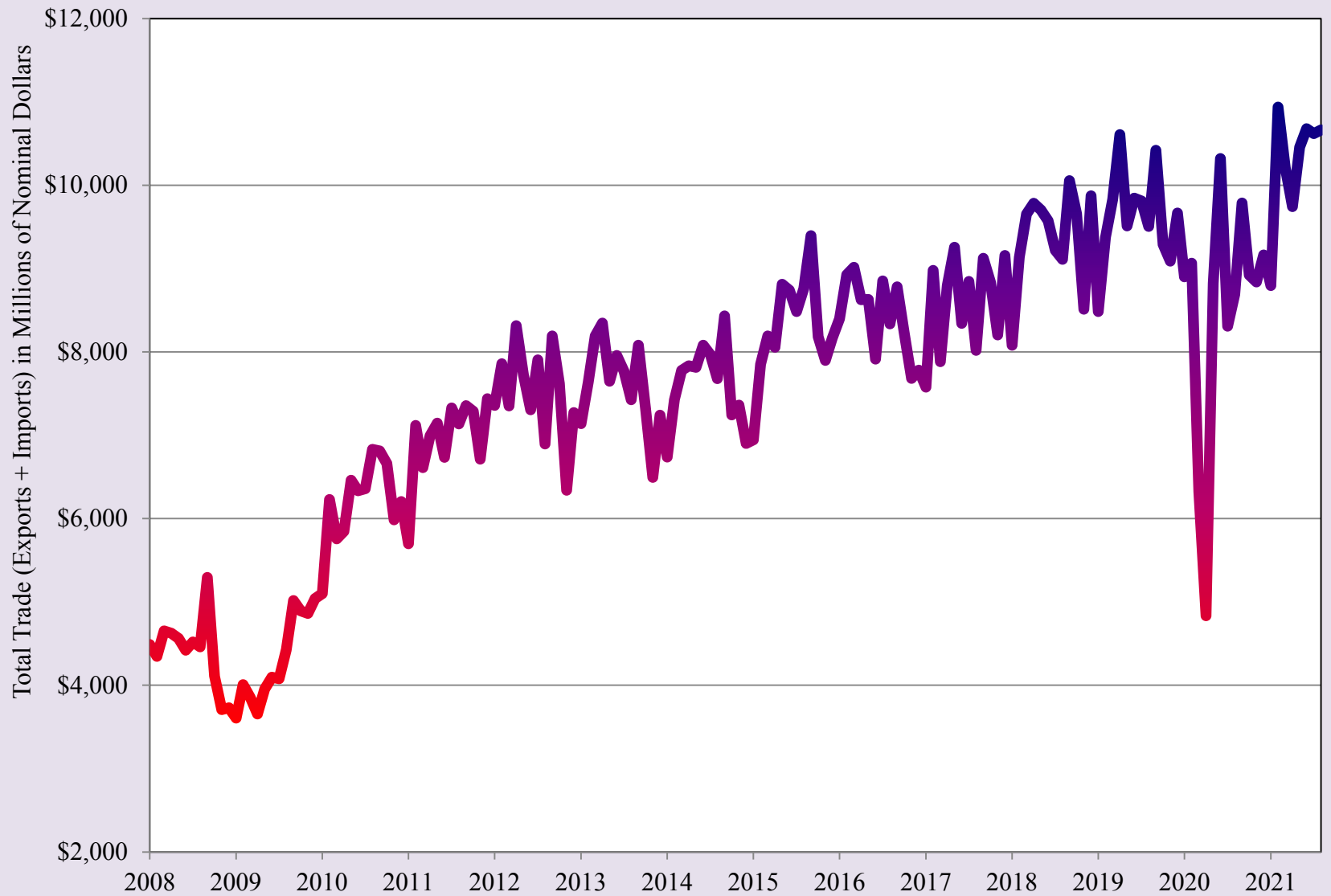
## Total Trade through the El Paso Customs District

2020 2021



Source: U.S. International Trade Commission

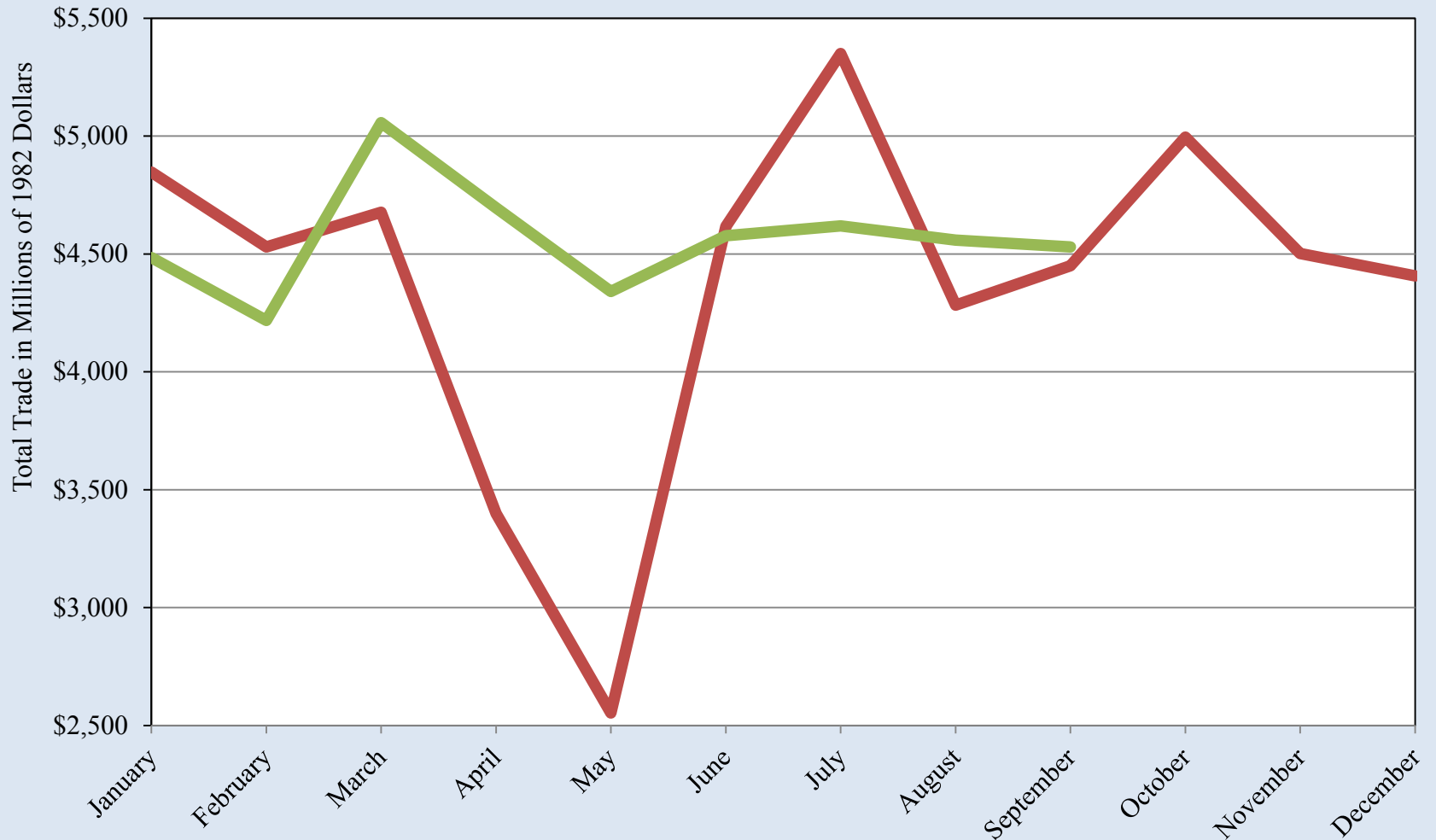
## Total Trade through the El Paso Customs District



Source: U.S. International Trade Commission

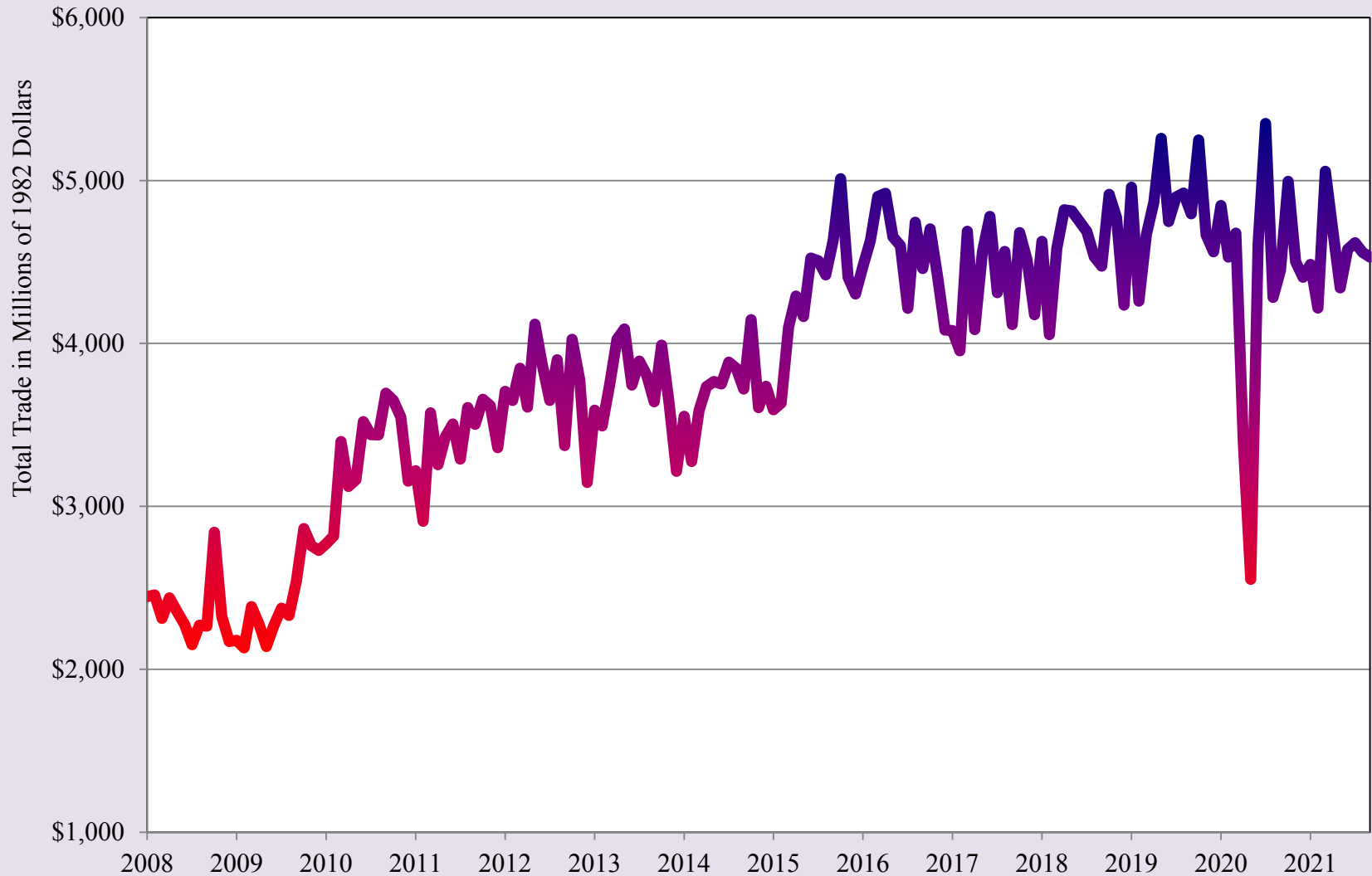
## Real Total Trade through the El Paso Customs District

— 2020 — 2021



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

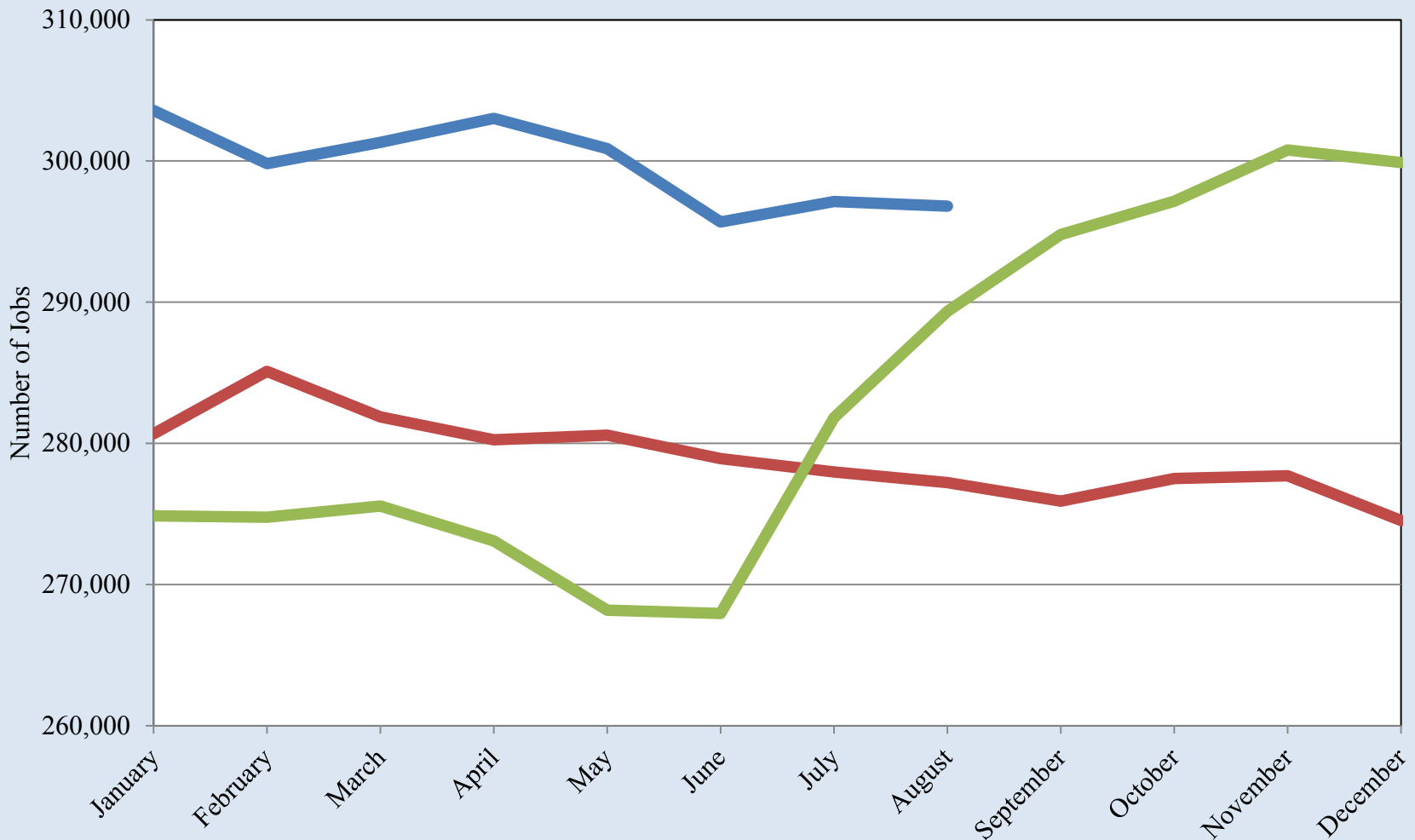
## Real Total Trade through the El Paso Customs District



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

## Export-Oriented Manufacturing Employment in Ciudad Juárez

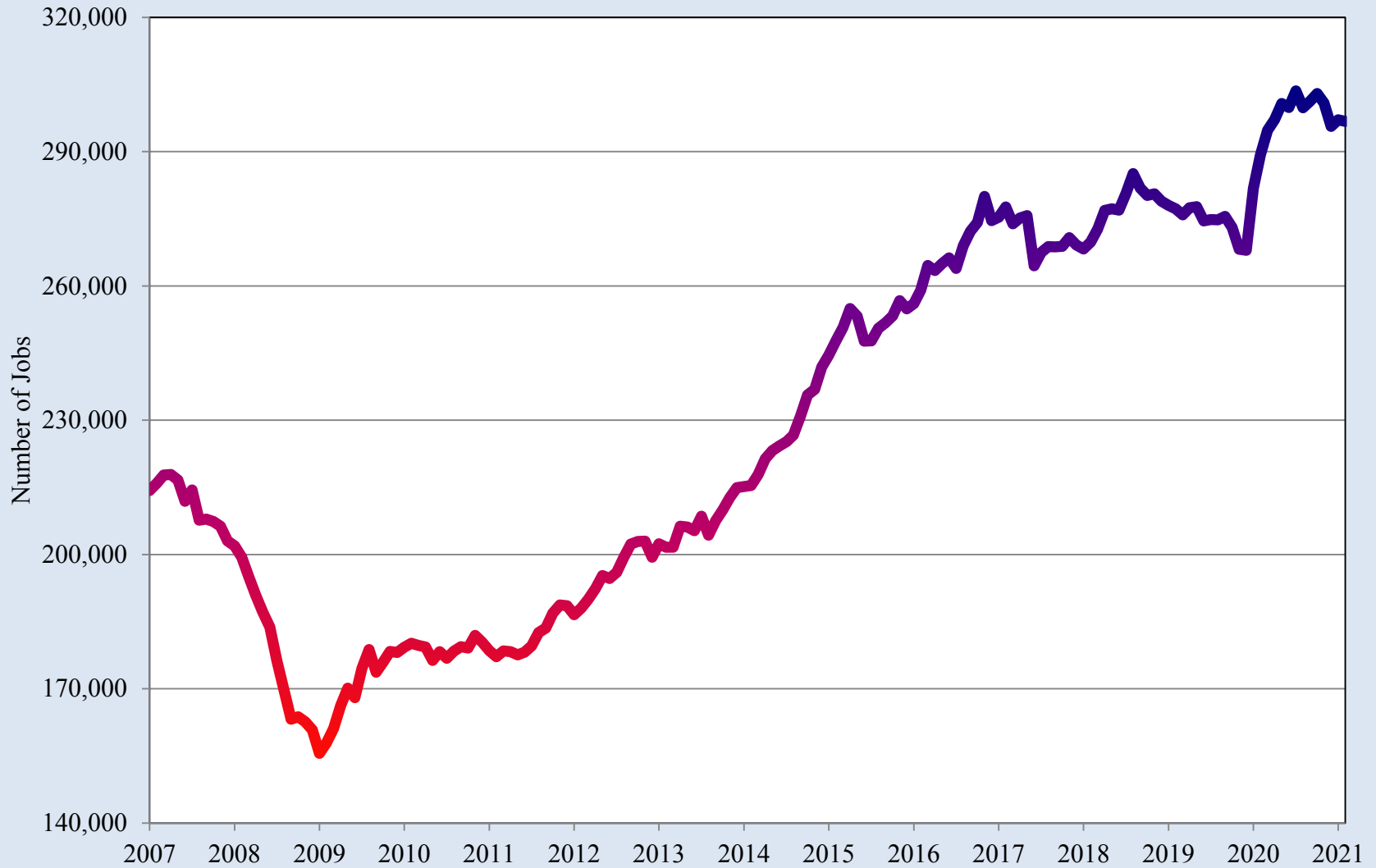
2019 2020 2021



Source: INEGI



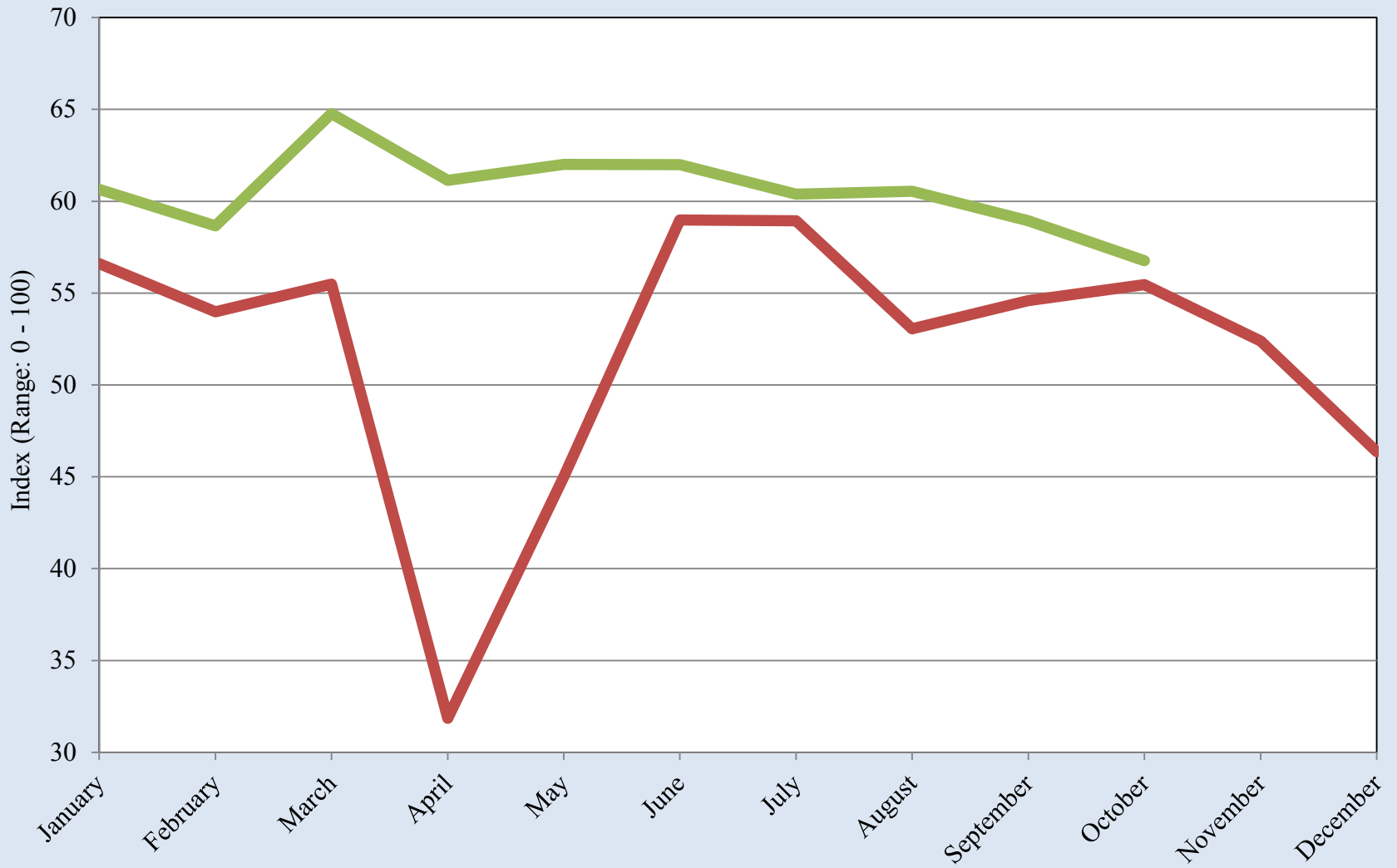
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Source: INEGI

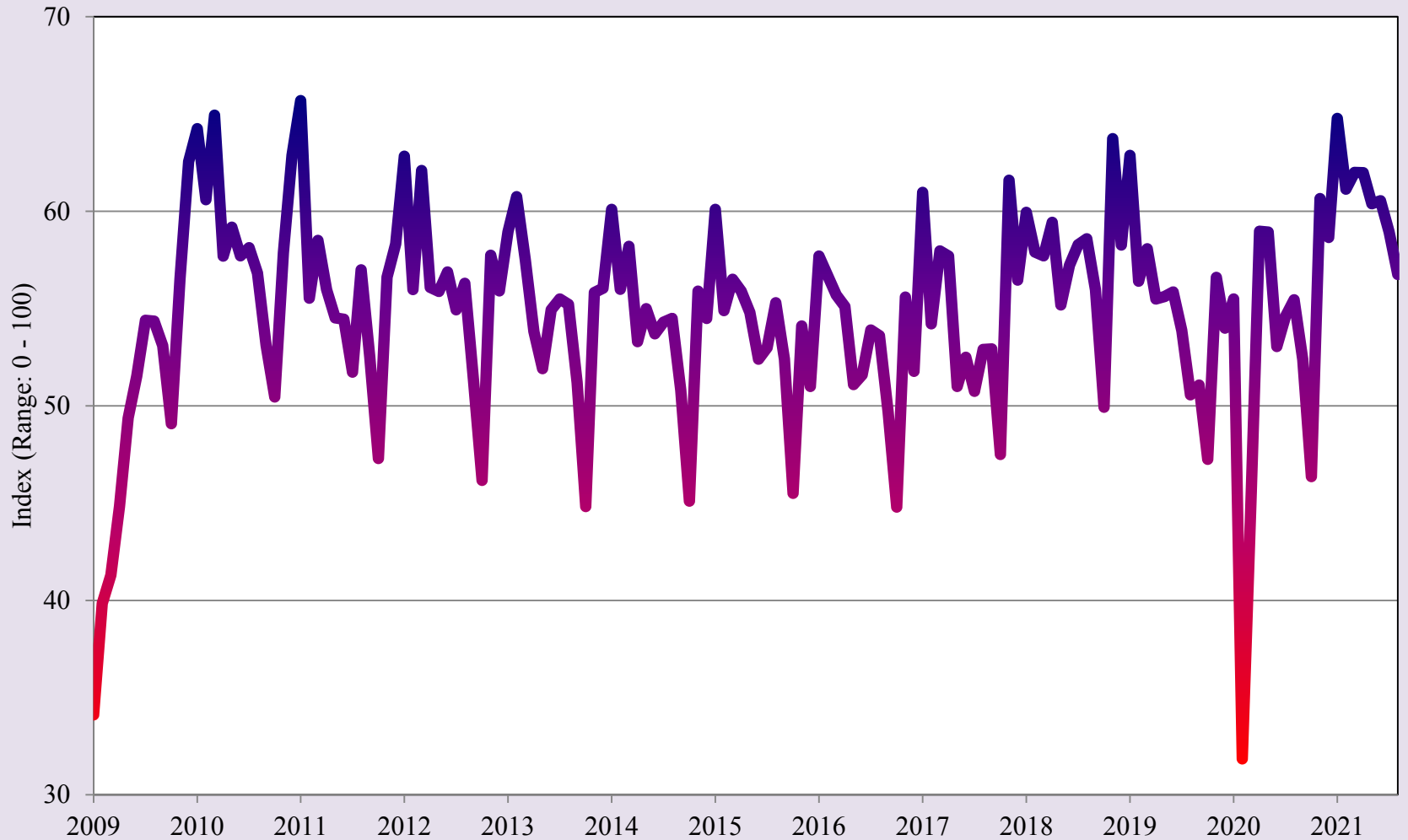
# Northern Mexico Manufacturing Orders Index

2020 2021



Source: Banco de México

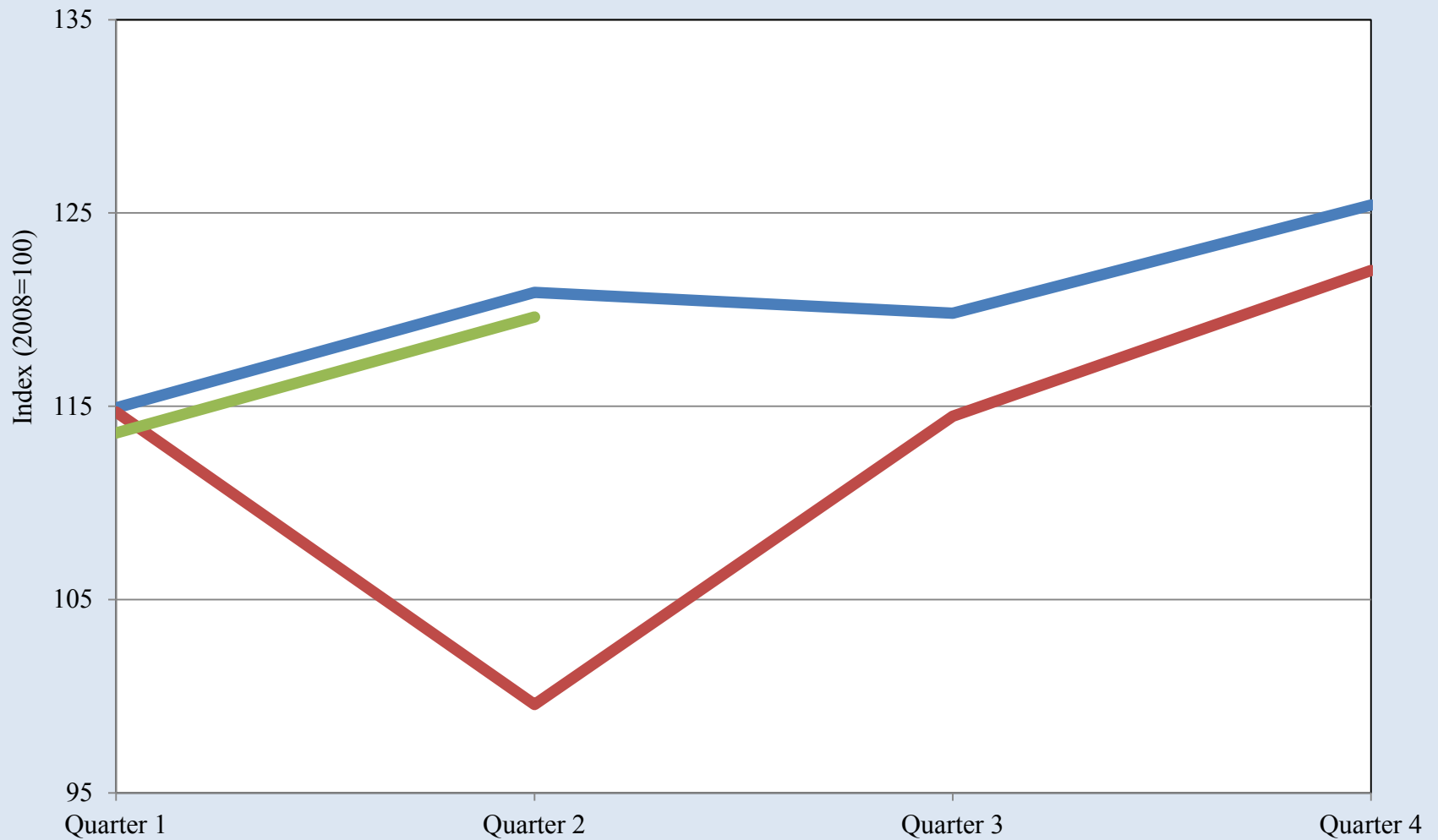
## Northern Mexico Manufacturing Orders Index



Source: Banco de México

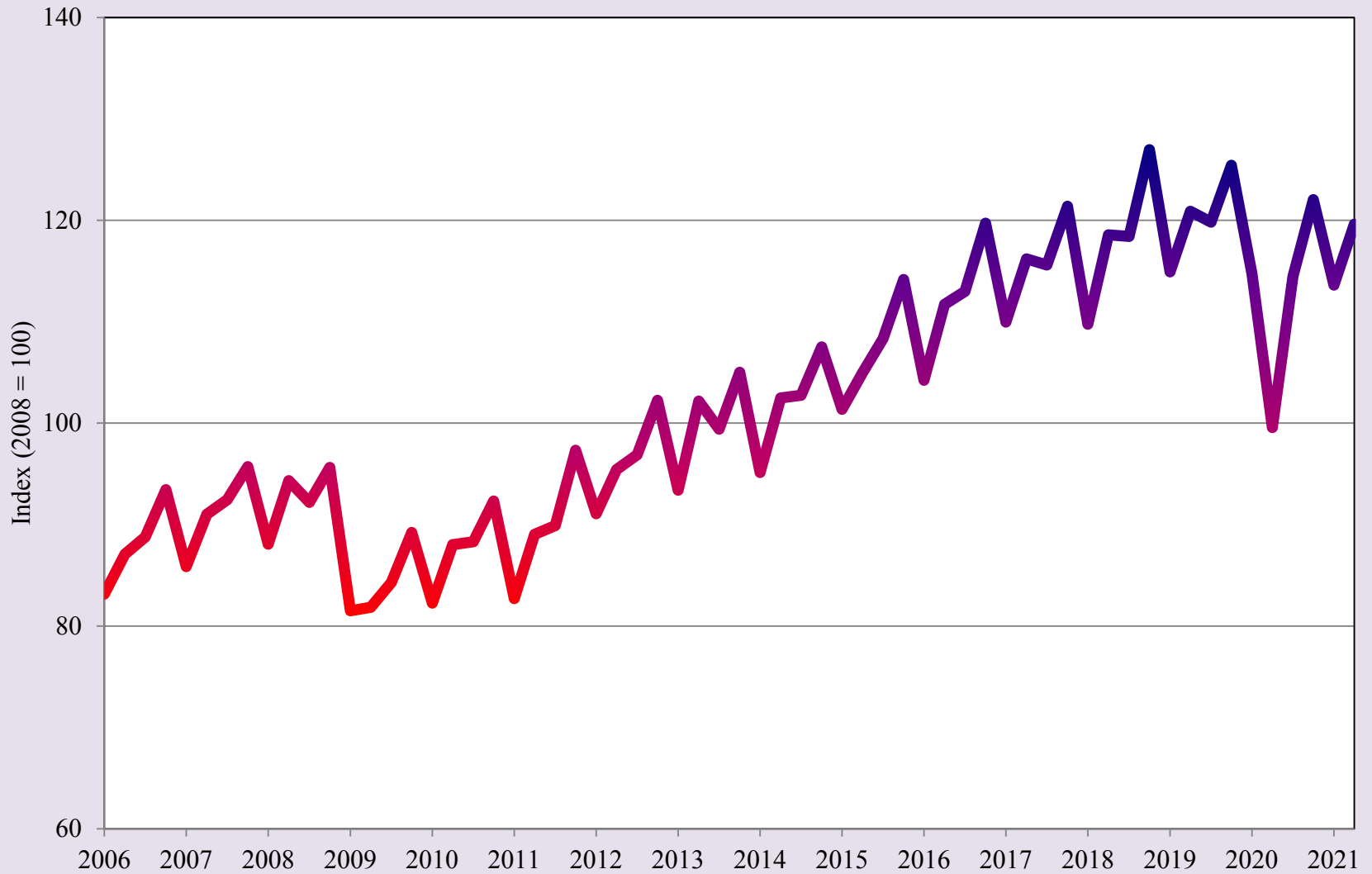
# Quarterly Indicator of Economic Activity for the State of Chihuahua

— 2019 — 2020 — 2021



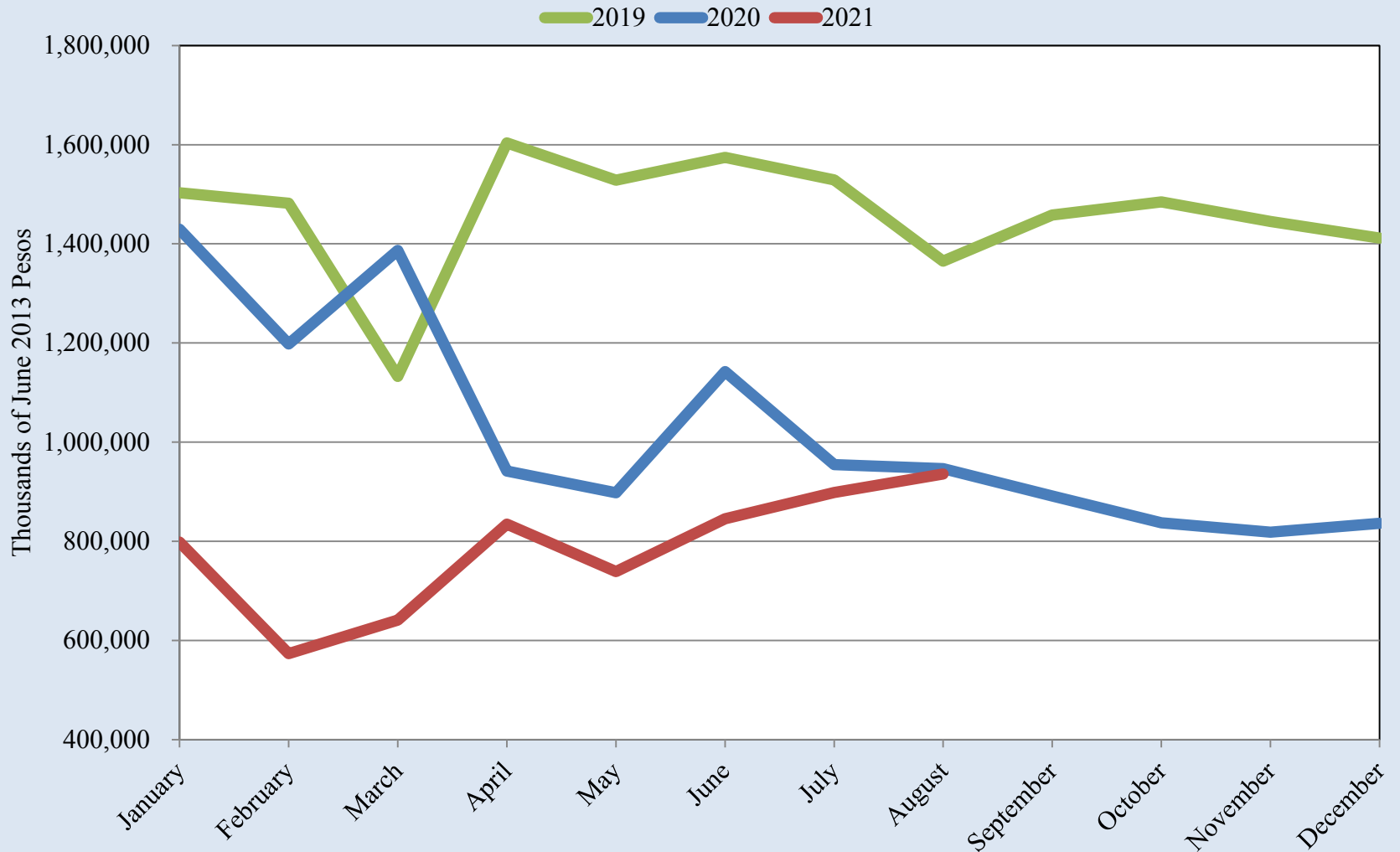
Source: INEGI

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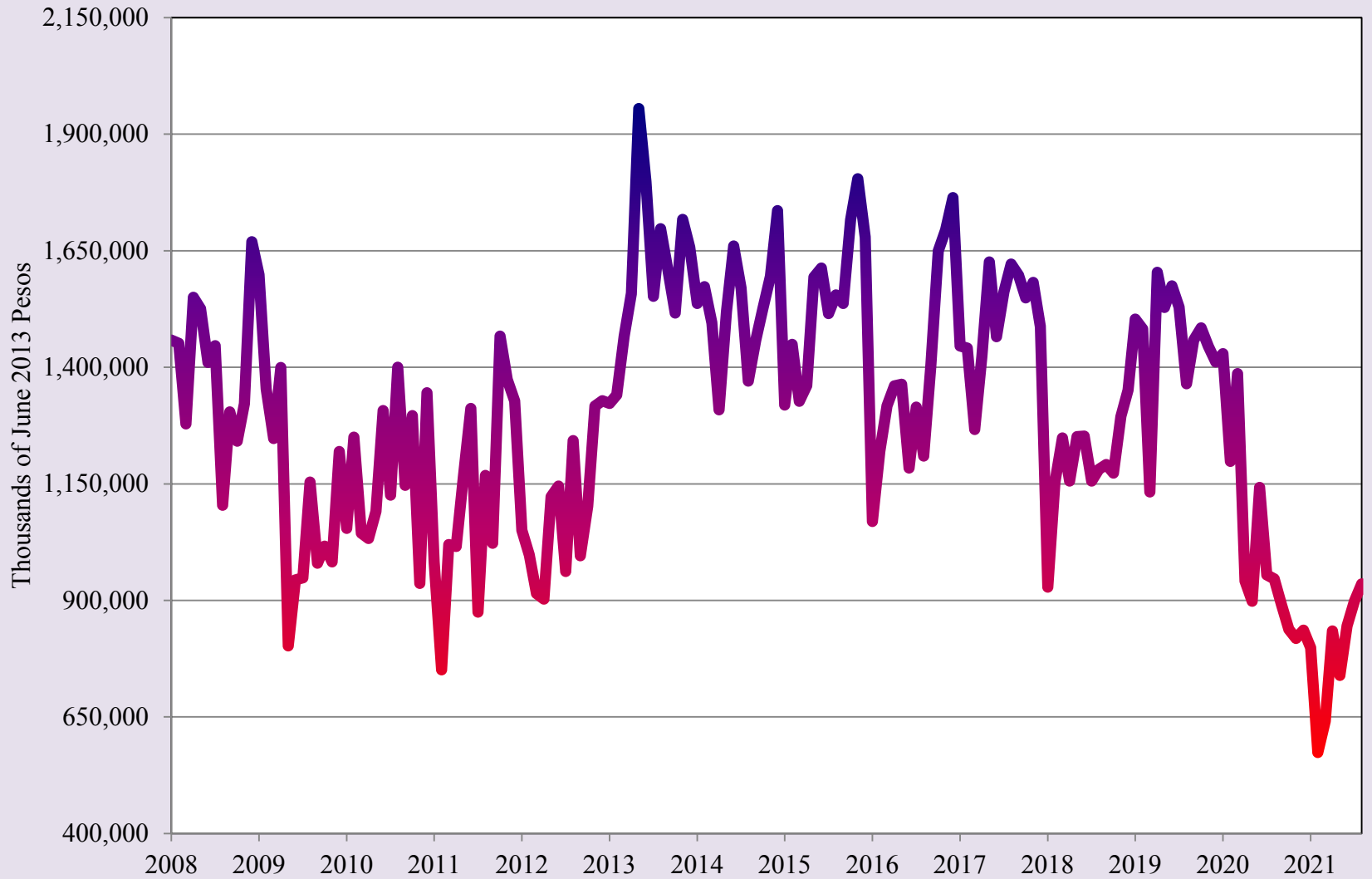
Source: INEGI

## Total Value of Construction in the State of Chihuahua



Source: INEGI

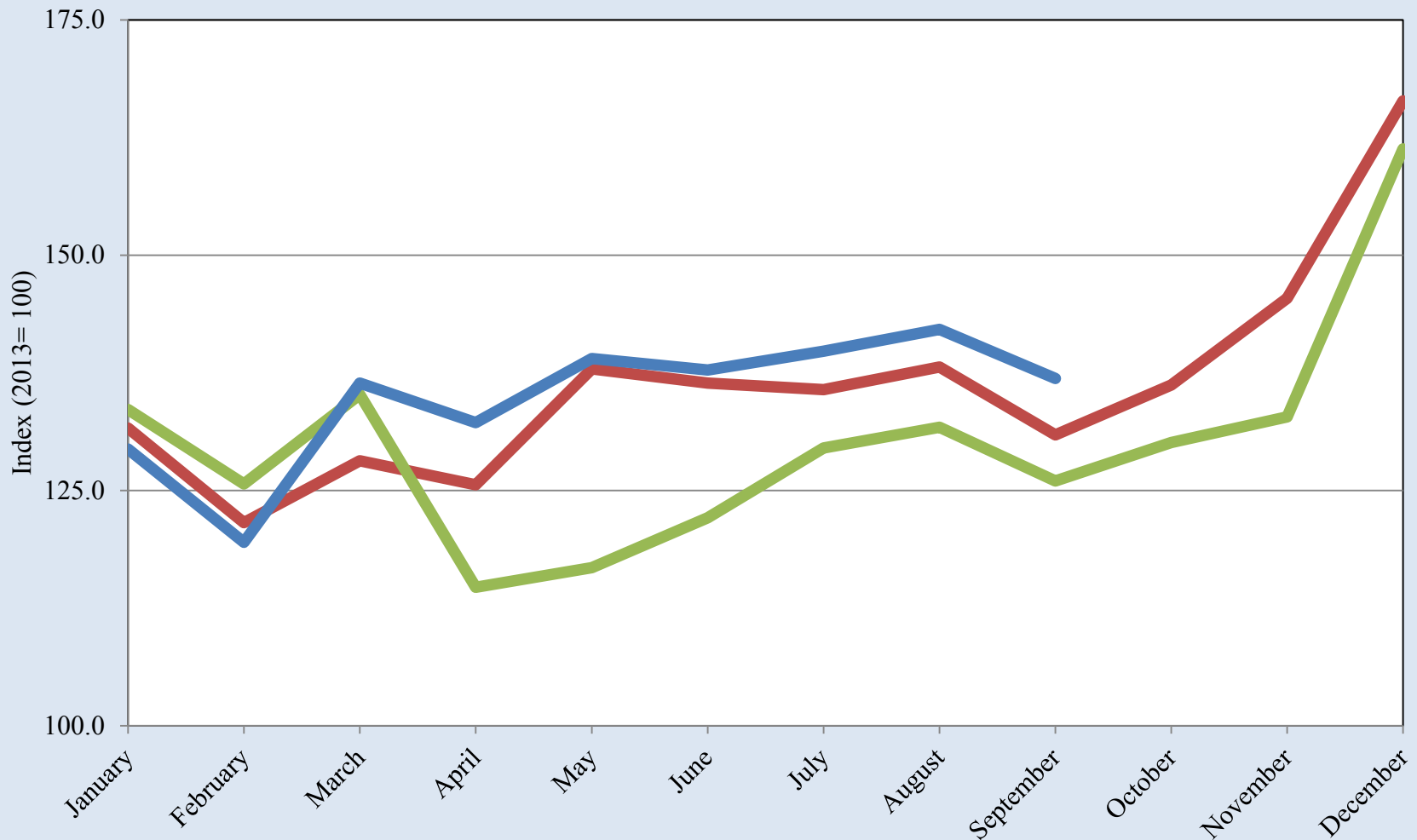
## Total Value of Construction in the State of Chihuahua



Source: INEGI

## Real Retail Activity Index for the State of Chihuahua

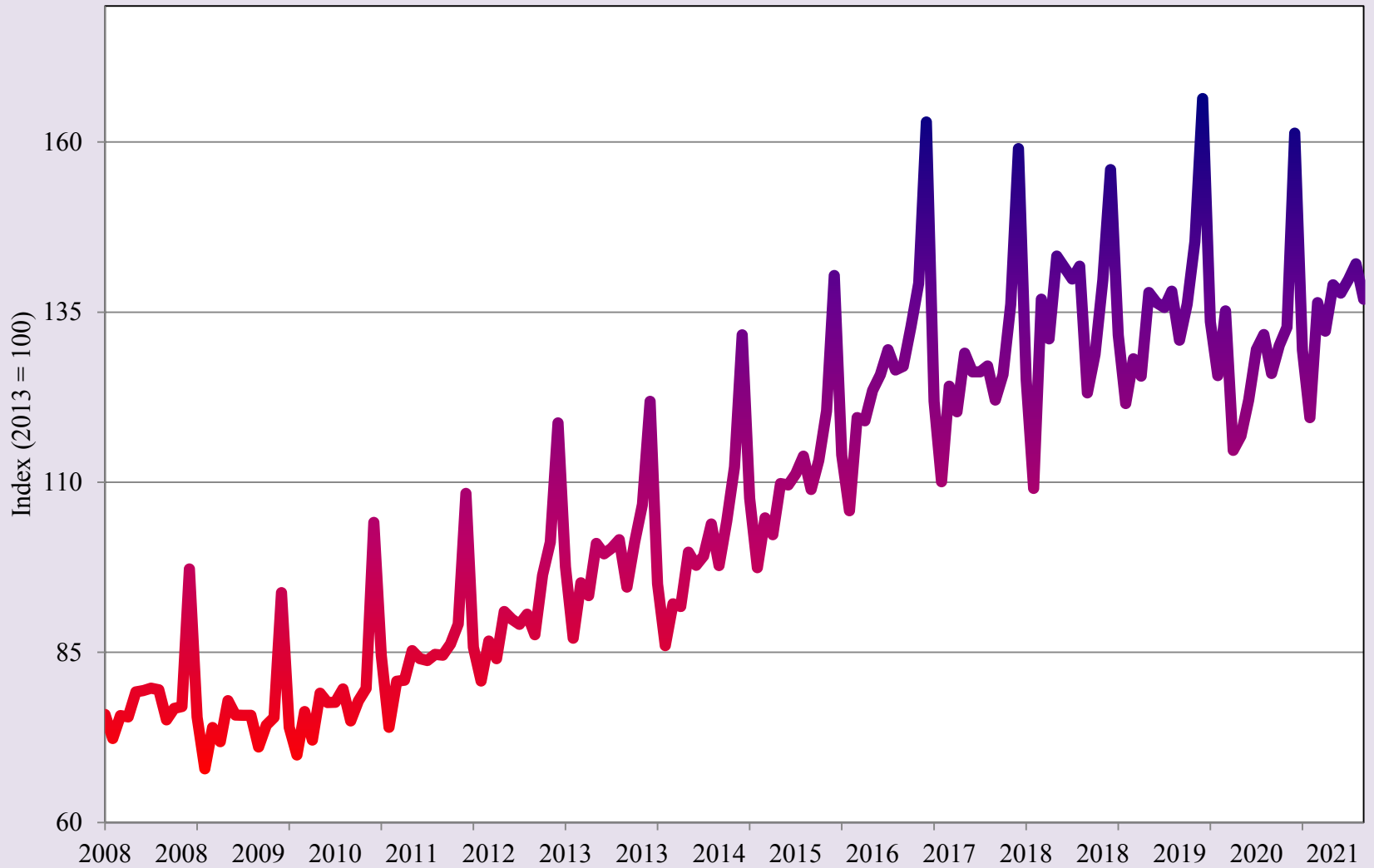
— 2019 — 2020 — 2021



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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