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## **Borderplex Business Barometer, Volume 5, Number 12**

Thomas M. Fullerton Jr.

Steven L. Fullerton

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Comments:

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

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# BORDERPLEX BUSINESS BAROMETER

December 2021

Border Region Modeling Project  
Thomas M. Fullerton, Jr.  
Steven L. Fullerton

Department of Economics & Finance  
College of Business Administration  
University of Texas at El Paso

#### Mailing Address

Border Region Modeling Project - CBA 236  
UTEP Department of Economics & Finance  
500 West University Avenue  
El Paso, TX 79968-0543

#### Physical Address

College of Business Administration, Room  
303  
University of Texas at El Paso

#### Email

tomf@utep.edu  
sfullerton@utep.edu

#### Telephone

915-747-7747  
915-747-7775

UTEP Miner Shoppe

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#### Website

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*Border Commerce & Economics*

## Borderplex Business Barometer, Volume 5, Number 12

### Omicron Difficulties

In spite of all of the disruptions, uncertainties, and health issues, the local economy grew in a fairly robust manner throughout 2021. The Federal Reserve Bank of Dallas El Paso Metropolitan Business Cycle Index increased by more than 20 points in the 12-months to November. While national economic expansion was also strong, the yield curve for Treasury instruments is still atypical for this phase of a business cycle. In real terms, short-, mid-, and long-term bond rates all remain negative.

Federal Reserve Chairman Powell called inflation transitory for 11 months, but has now retired that phrase from his policy lexicon. While the price surges that emerged in 2021 are definitely transitory, repeated supply chain disruptions make it difficult to ascertain when inflation will subside. The Delta variant spike has now coincided with the Omicron variant spike and that combination is causing additional, well-publicized, supply chain issues. During the 12-months to November, consumer prices rose by 6.8 percent (unadjusted data). That is the highest 12-month rate of change for the CPI since June 1982.

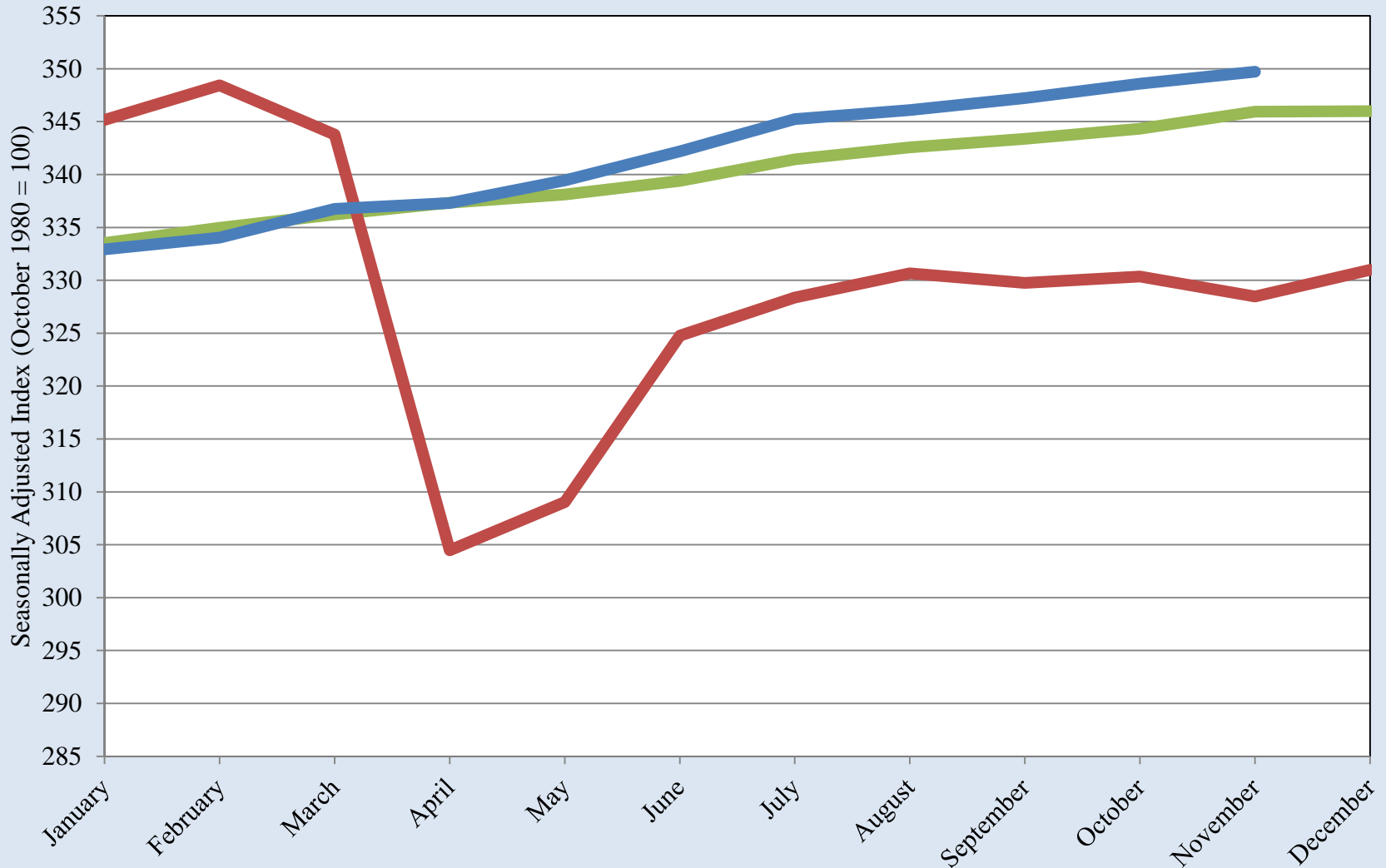
Clogged shipping ports continue to affect global distribution. Regionally, many companies have suffered the consequences of episodic plant closures and empty shelves. Not surprisingly, hemispheric business sentiment recently has weakened in response to rising COVID infection rates and accelerating prices. In the United States, the producer price index rose by 9.8 percent during the 12-month period through November.

Above average vaccination rates have allowed many lockdown restrictions to be lifted throughout the Borderplex. In response, labor market conditions improved substantially, with the November unemployment rates (unadjusted or NSA) dwindling to 5.0 percent in El Paso and 5.3 percent in Las Cruces. The health and hospitality sectors expanded noticeably in both metropolitan economies.

Borderplex commerce has benefitted from the lifting of the border travel restrictions. Border wait times did not increase by very much as careful planning efforts by Customs and Border Protection have been successful. Since October, higher inflation, higher infection rates, and higher interest rates in the United States have combined to weaken the peso. In November, the exchange rate averaged 20.78 pesos per dollar. As consumers from across Northern Mexico will attest, that causes their purchasing power to shrink. However, a weak peso also helps attract more foreign direct investment to the manufacturing sector in Ciudad Juarez and Chihuahua City. On balance, the Chihuahua state economy performed fairly well in 2021. Industrial activity remained strong, helping retail activity to surpass 2019 levels during most of the first three quarters of the year. Manufacturing orders did even better as USMCA and North American economic expansion continue to attract companies to invest in Northern Mexico.

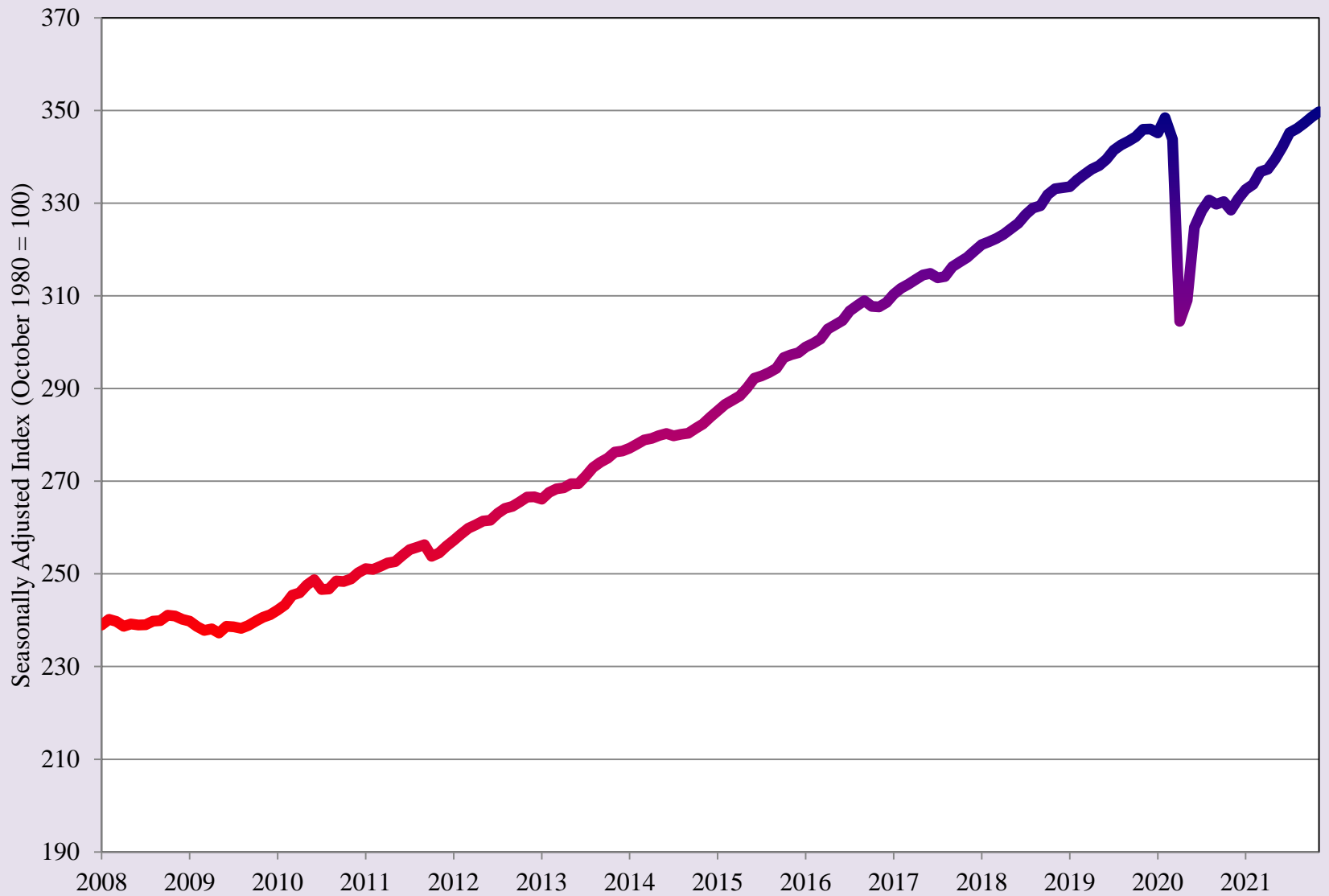
# El Paso Metropolitan Business Cycle Index

2019 2020 2021



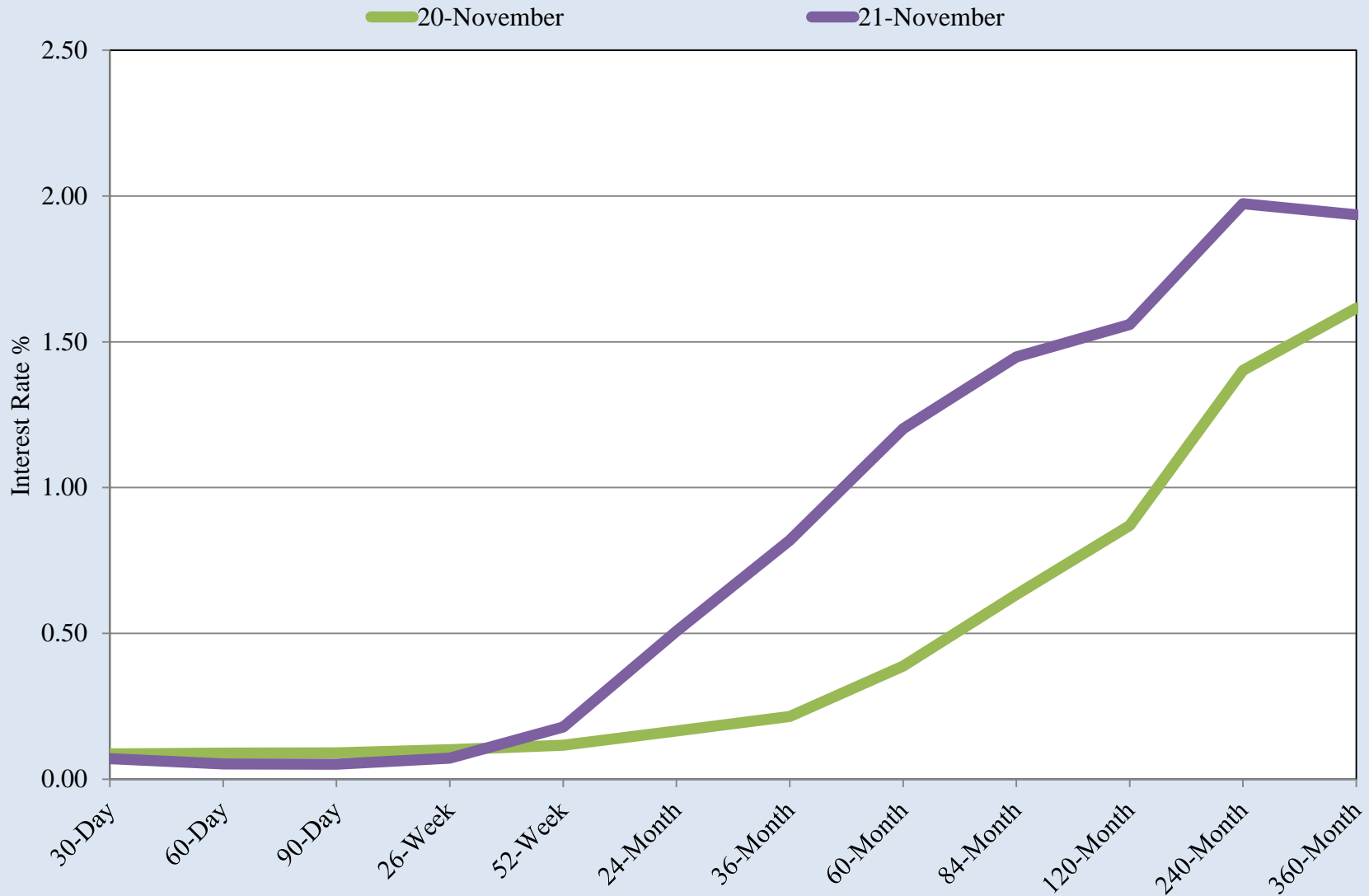
Source: Federal Reserve Bank of Dallas

## El Paso Metropolitan Business Cycle Index



Source: Federal Reserve Bank of Dallas

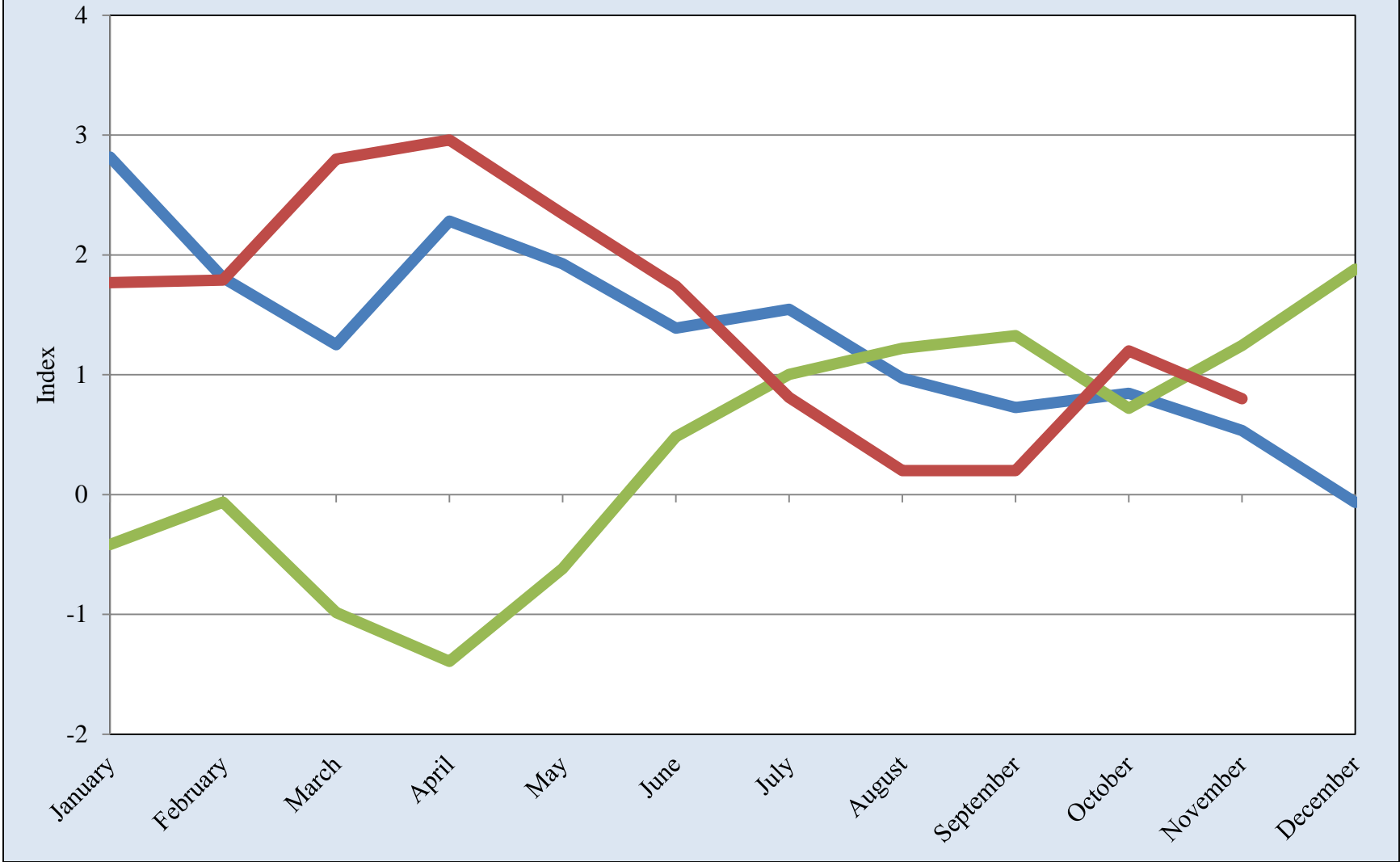
## Average Treasury Yield Curve Rates



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

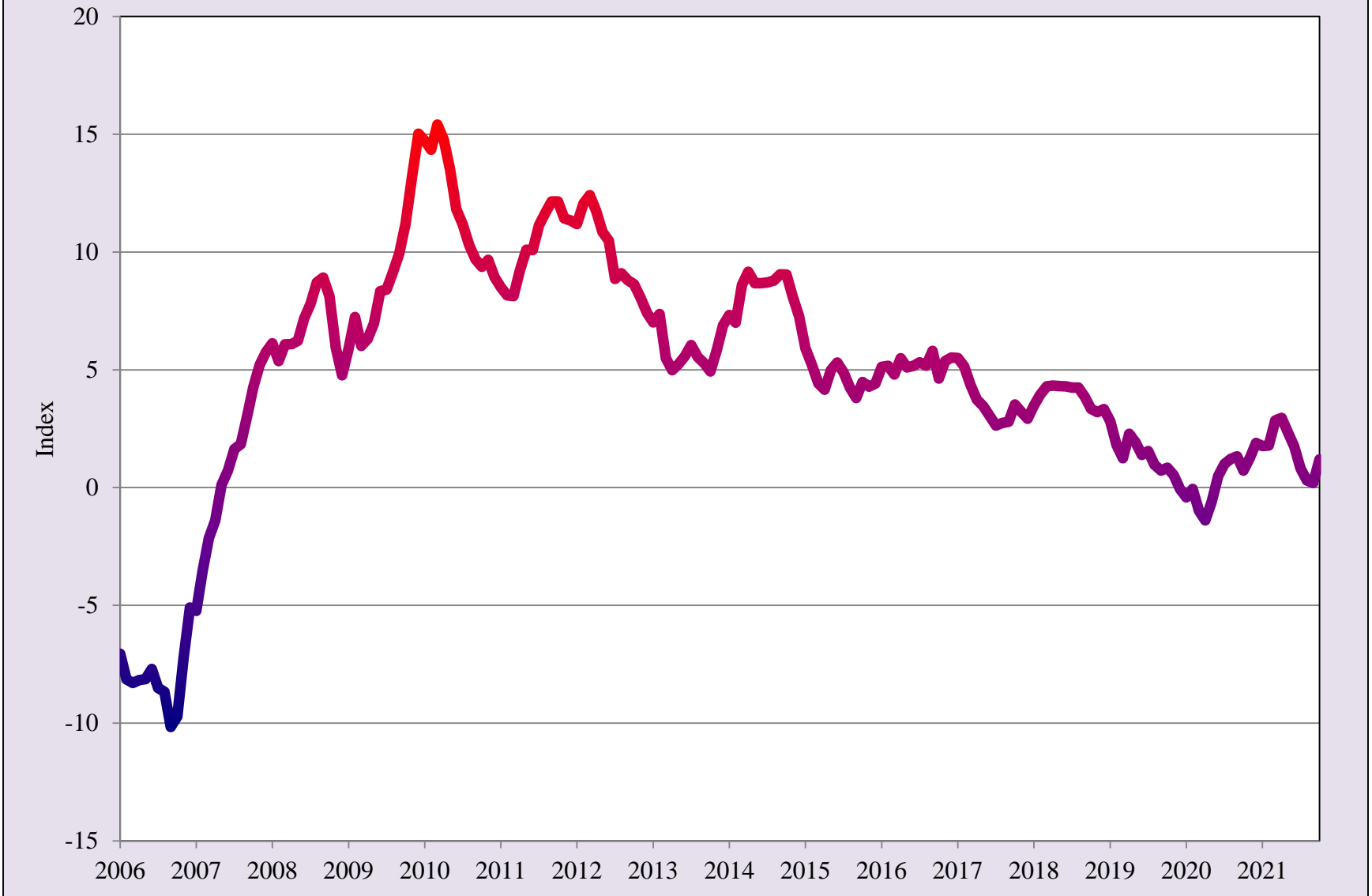
# El Paso Household Economic Stress Index

2019 2020 2021



Source: UTEP Border Region Modeling Project

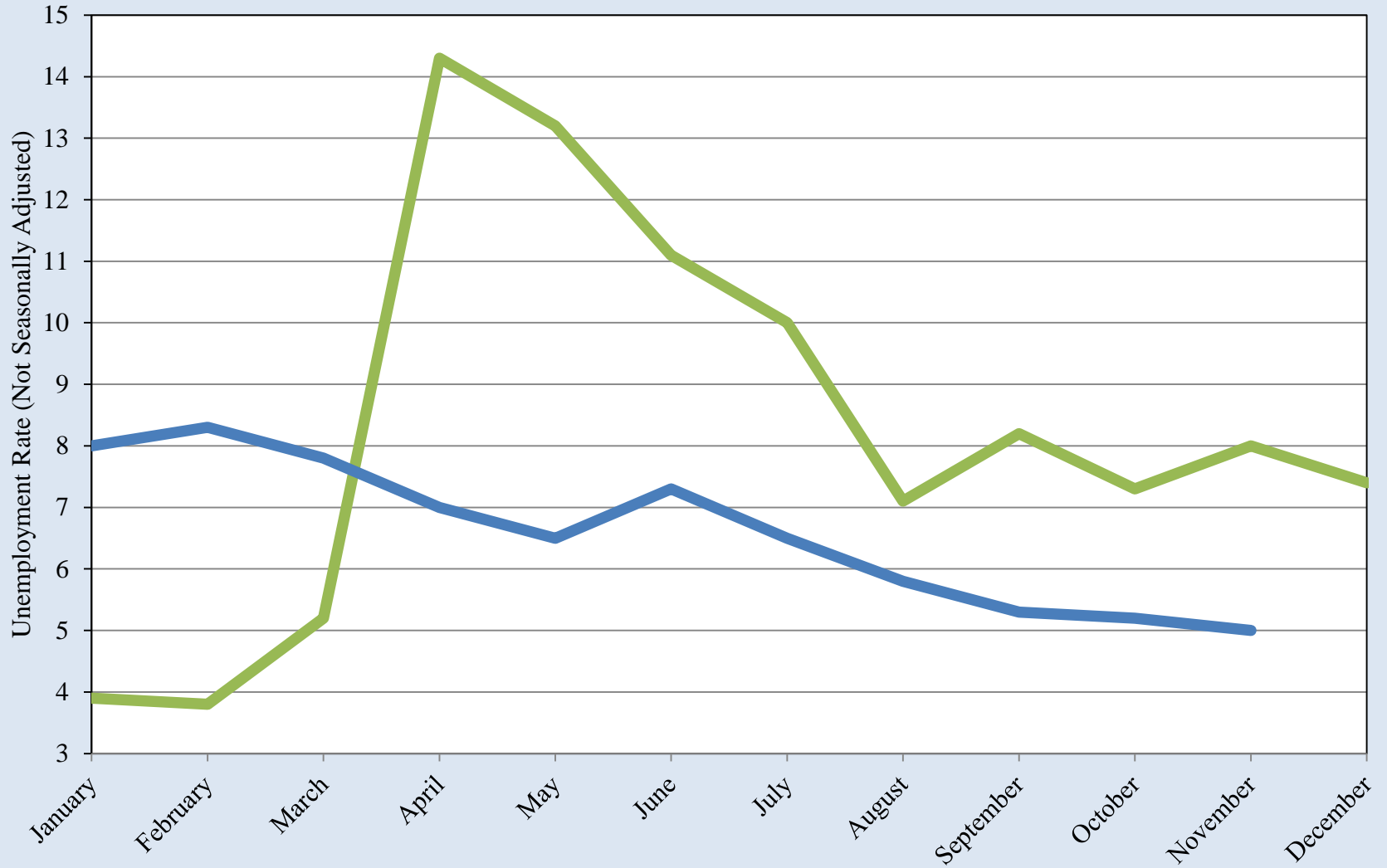
## El Paso Household Economic Stress Index



Source: UTEP Border Region Modeling Project

# El Paso County Unemployment Rate

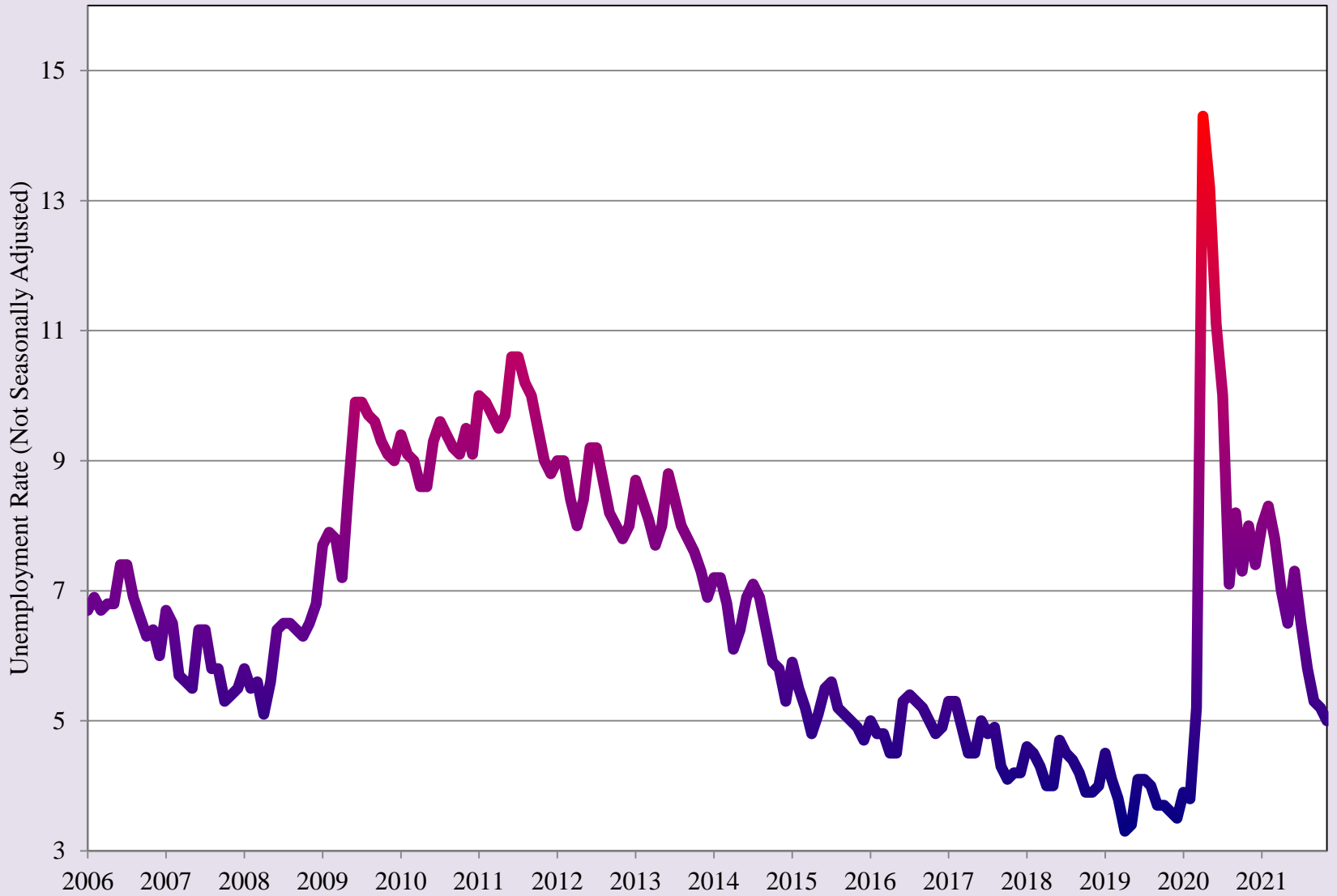
2020 2021



Source: Bureau of Labor Statistics

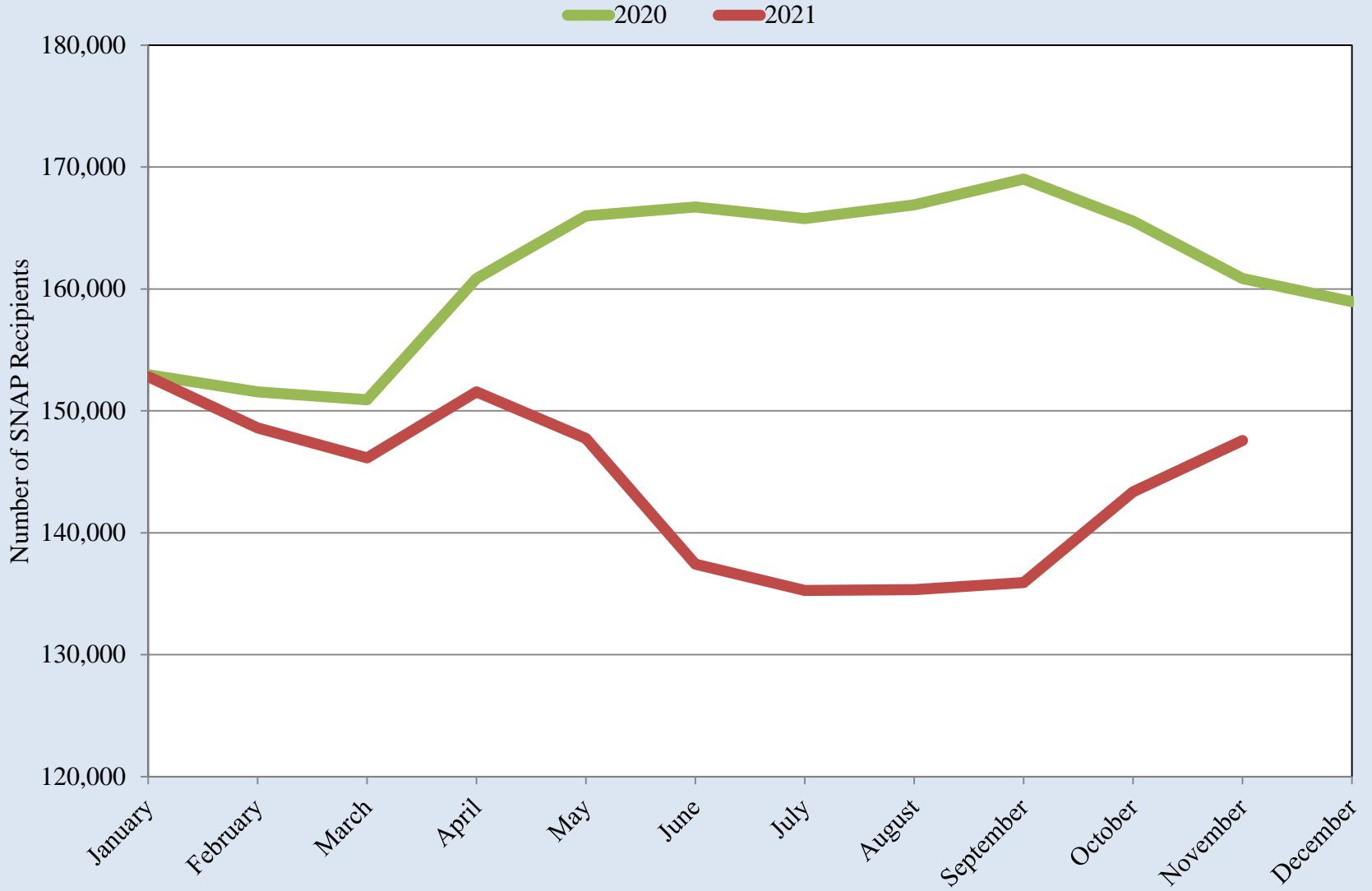


## El Paso County Unemployment Rate



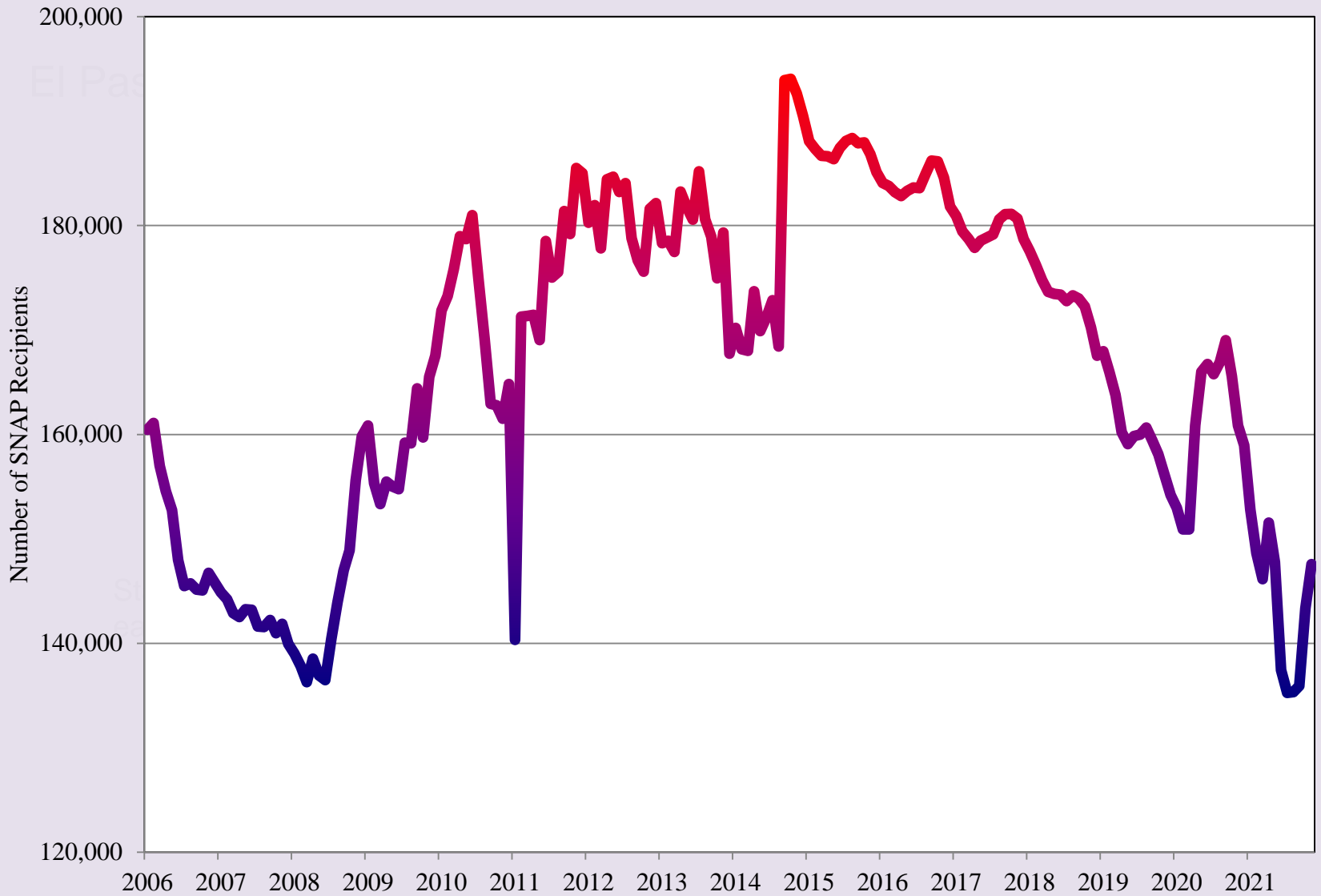
Source: Bureau of Labor Statistics

## El Paso County SNAP (Food Stamp) Enrollment



Source: Texas Health and Human Services Commission

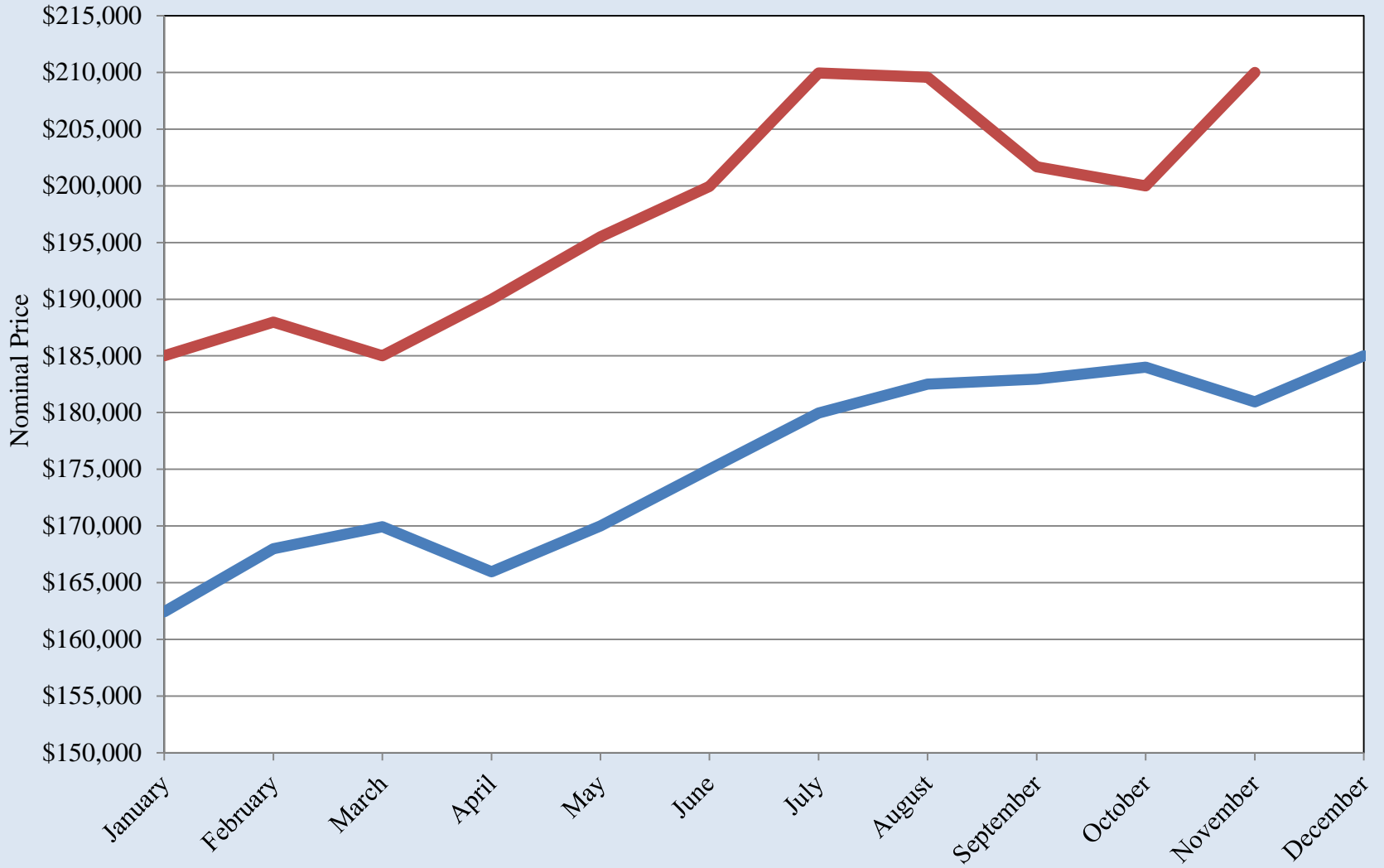
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Source: Texas Health and Human Services Commission

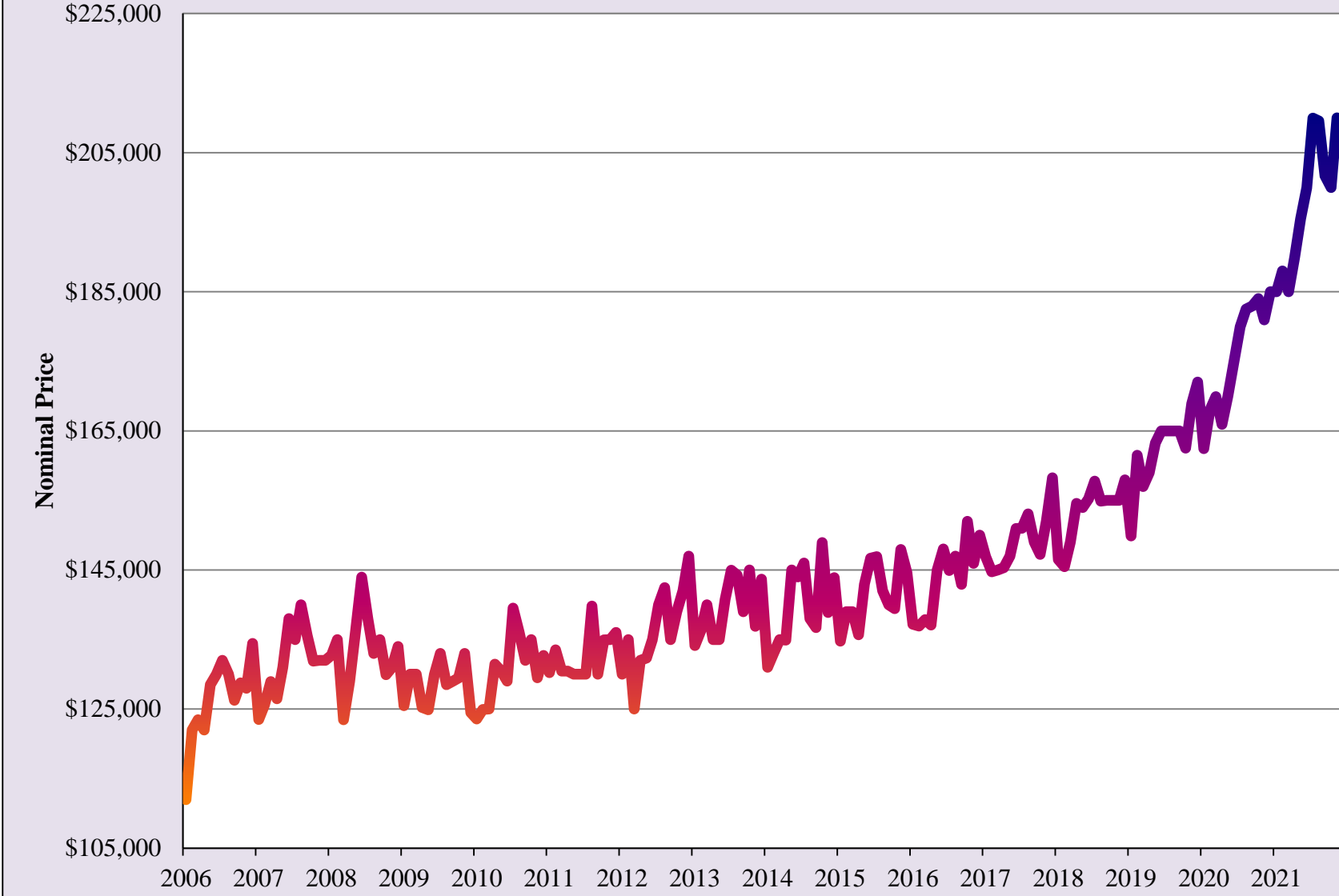
## El Paso Median Housing Prices

— 2020 — 2021



Source: Texas A&M Real Estate Center

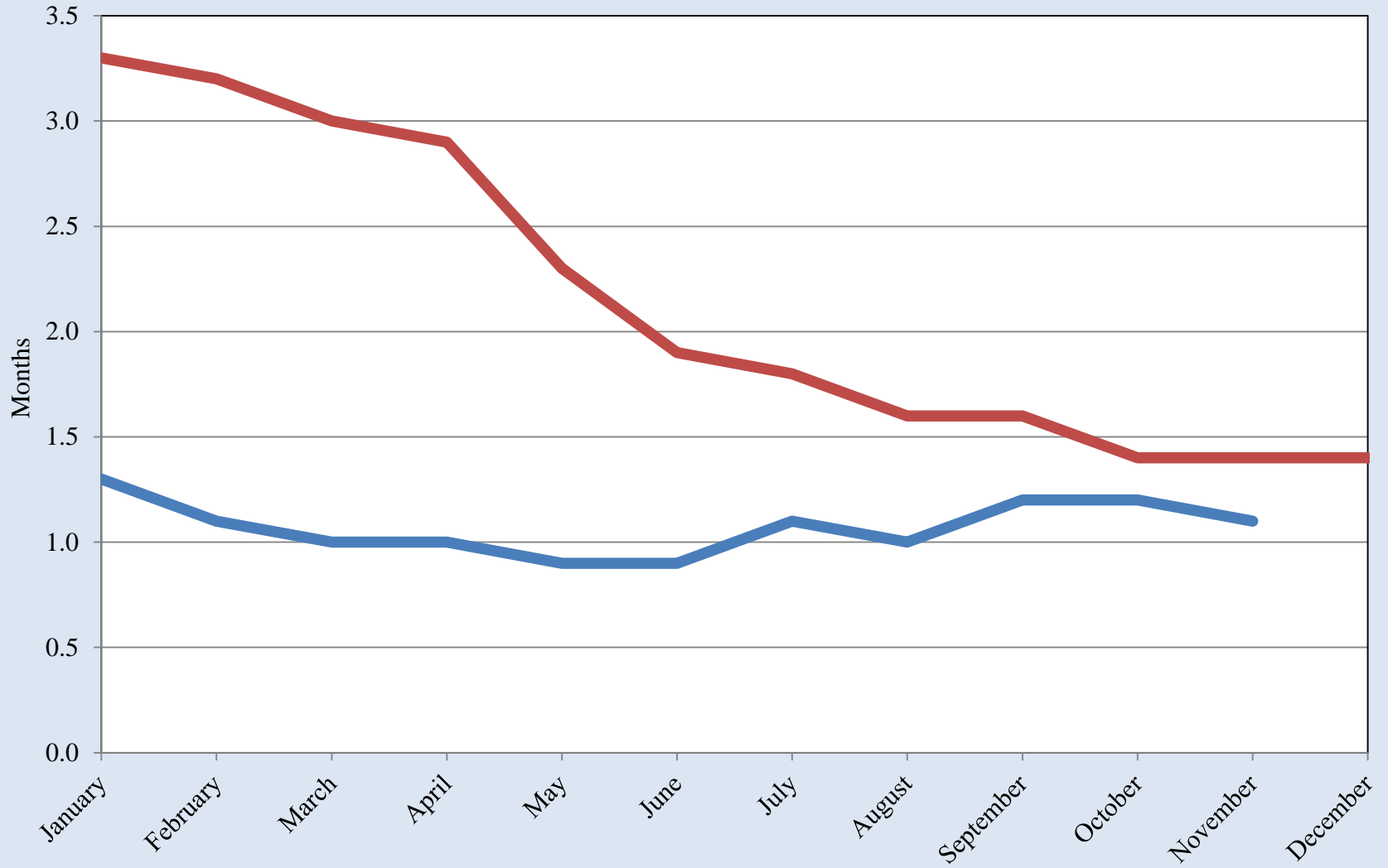
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Source: Texas A&M Real Estate Center

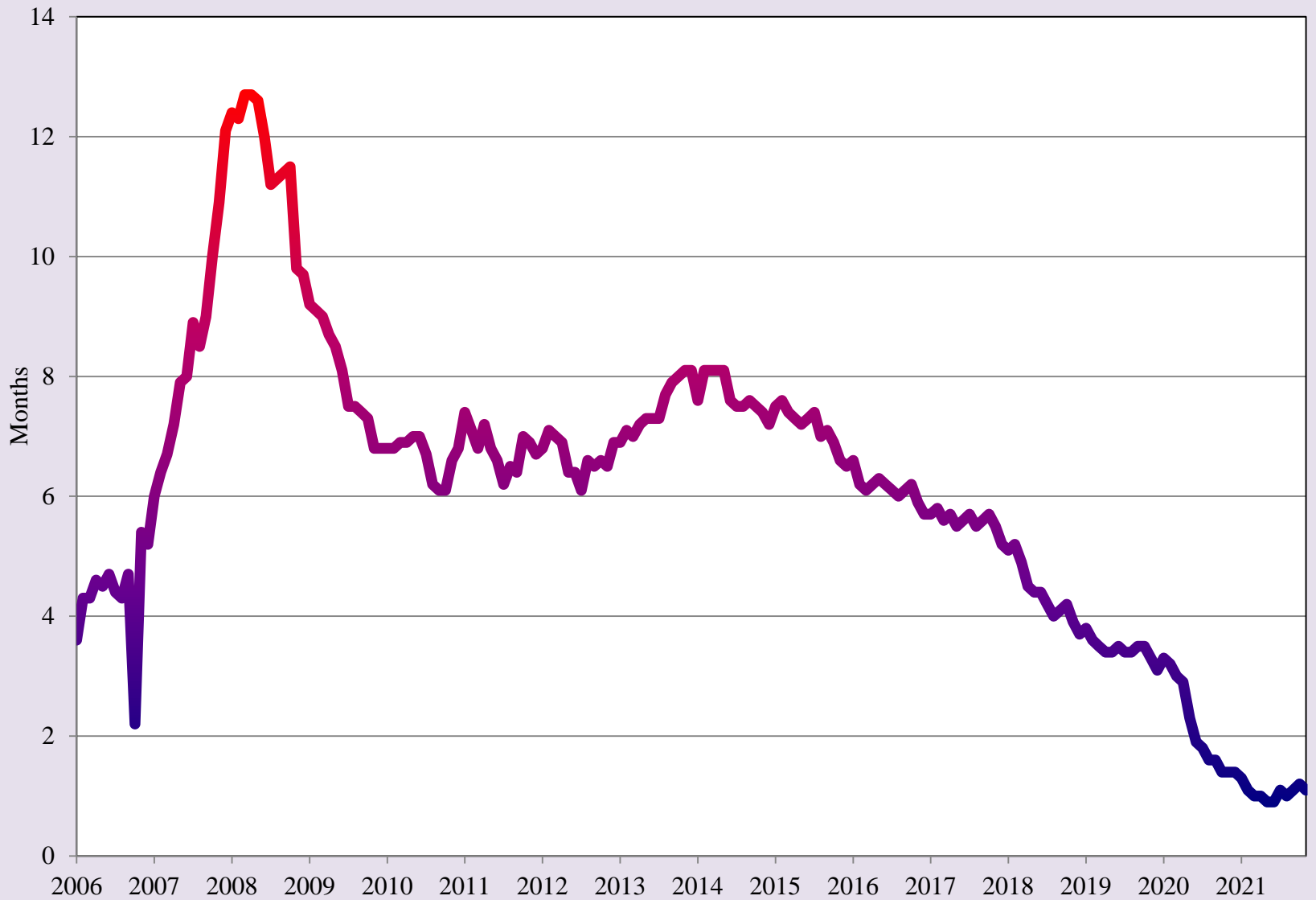
## Months of Housing Inventory for El Paso

2020 2021



Source: Texas A&M Real Estate Center

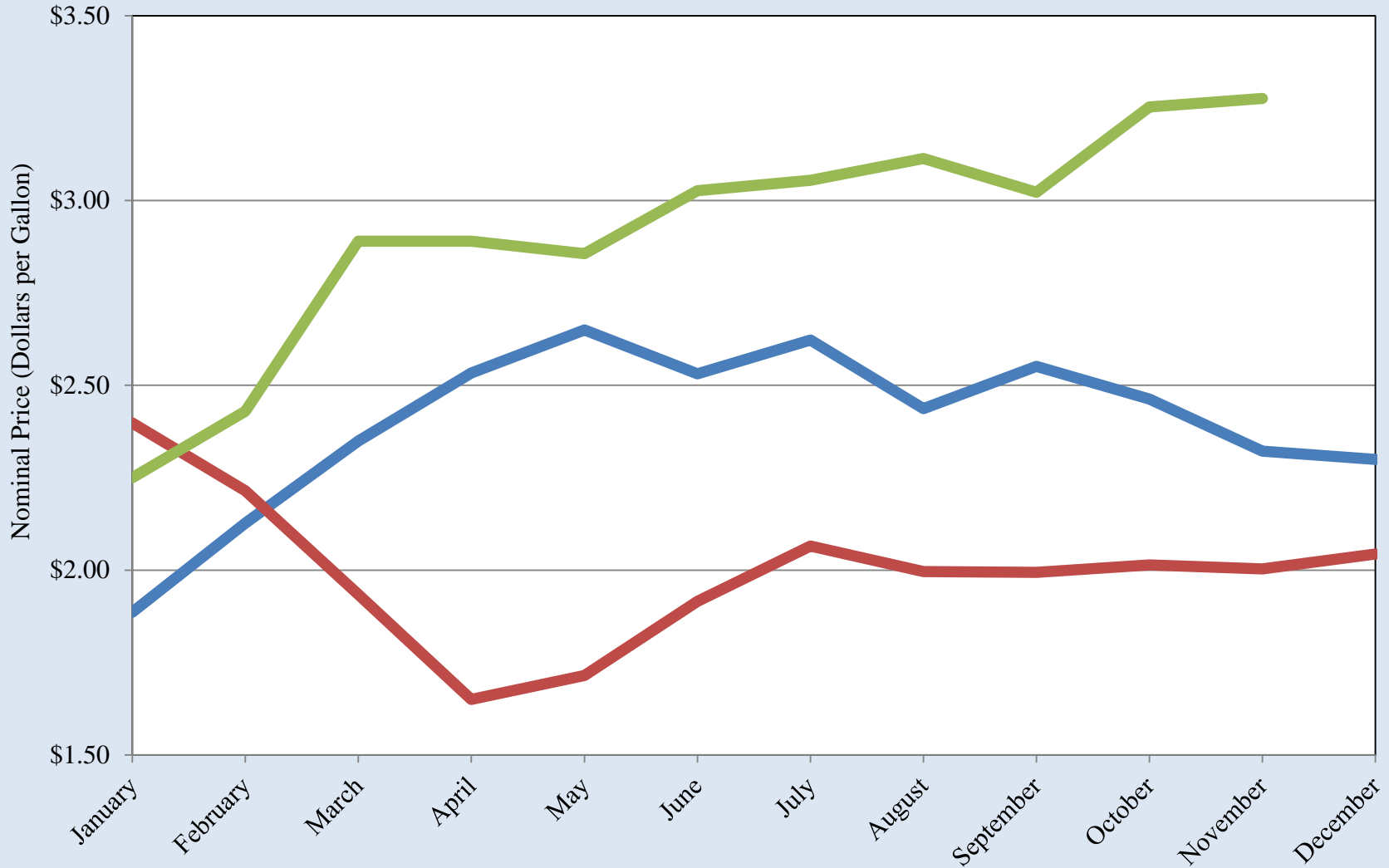
## Months of Housing Inventory for El Paso



Source: Texas A&M Real Estate Center

# El Paso Gasoline Prices

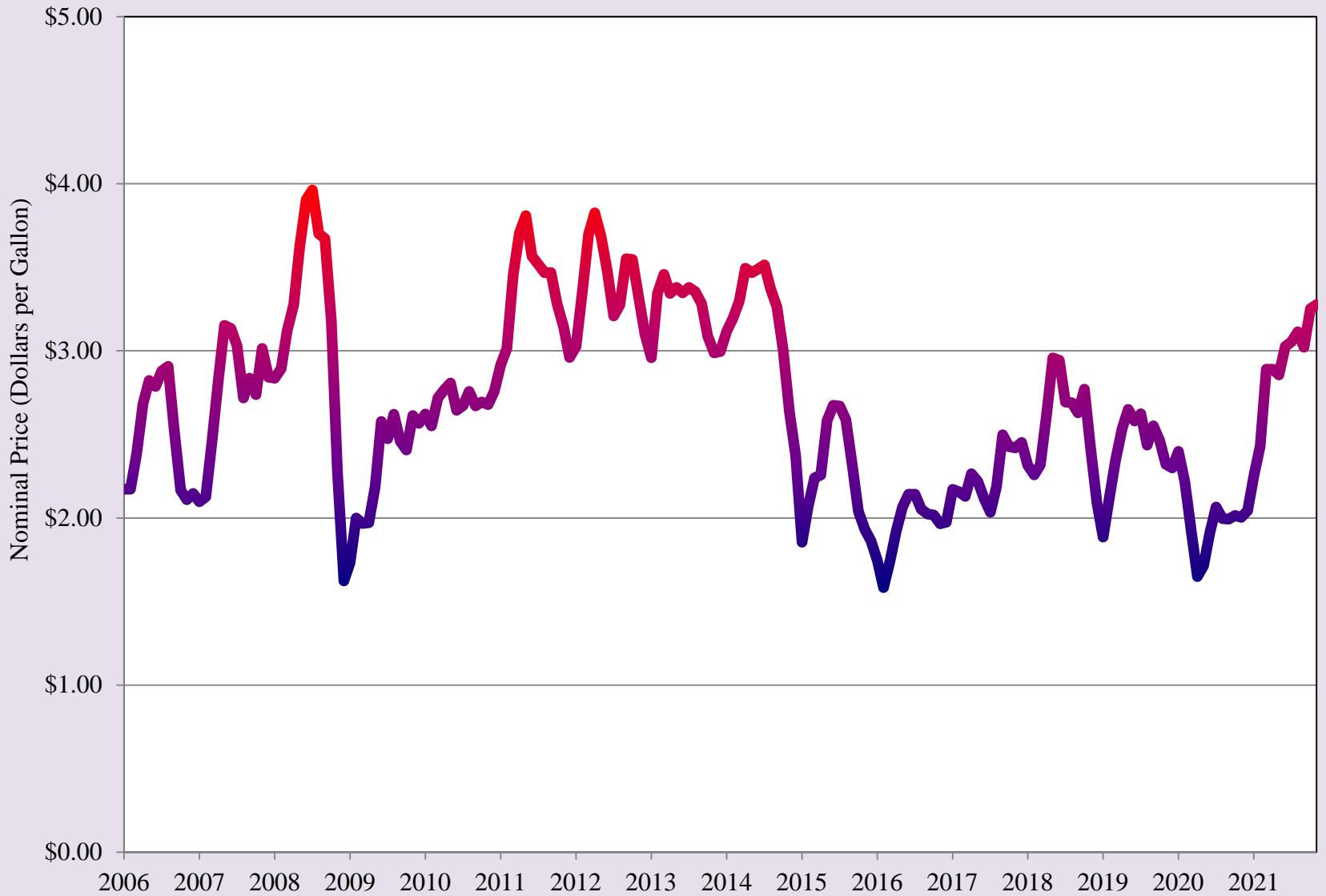
2019 2020 2021



Source: GasBuddy.com



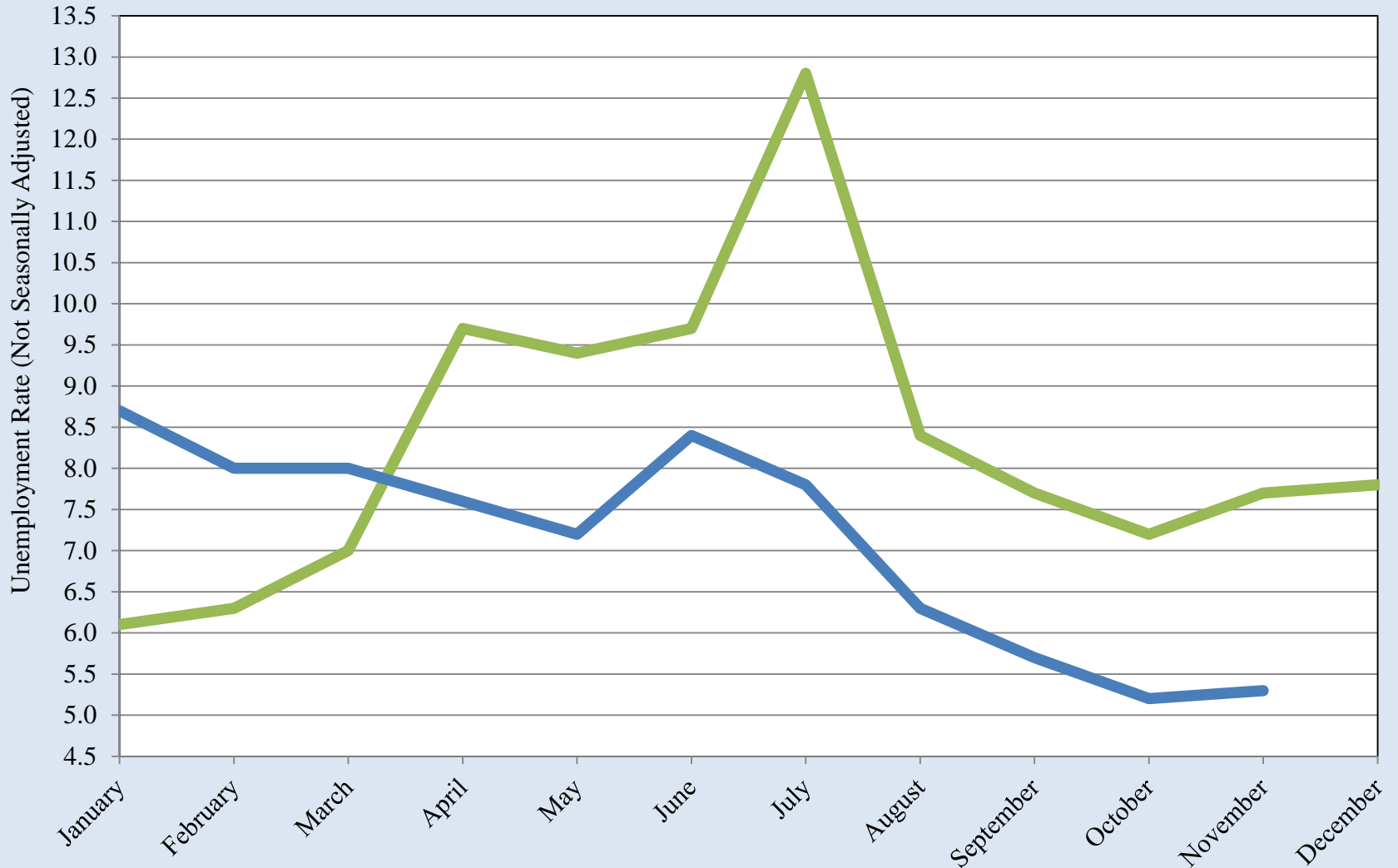
## El Paso Gasoline Prices



Source: GasBuddy.com

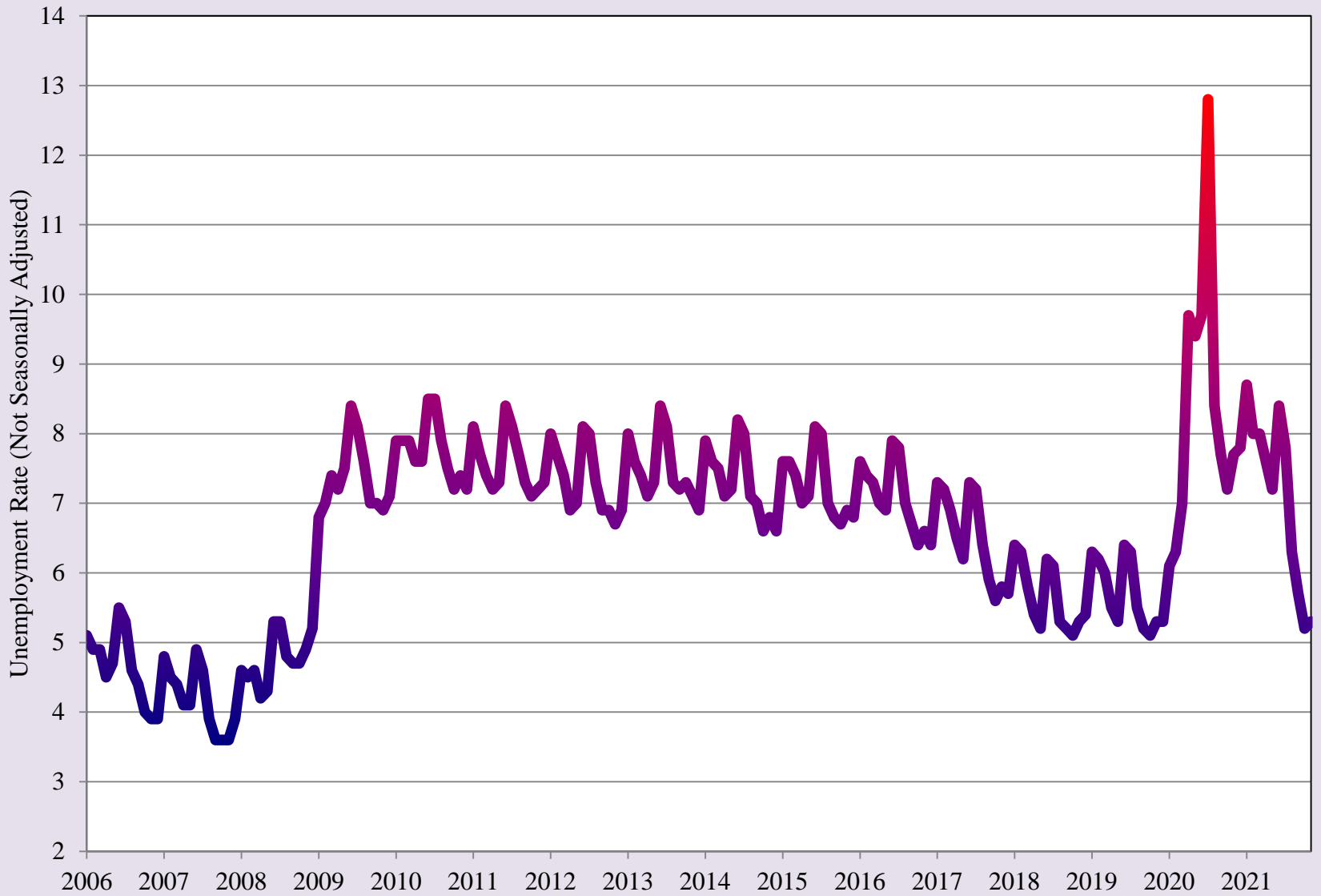
# Doña Ana County Unemployment Rate

2020 2021



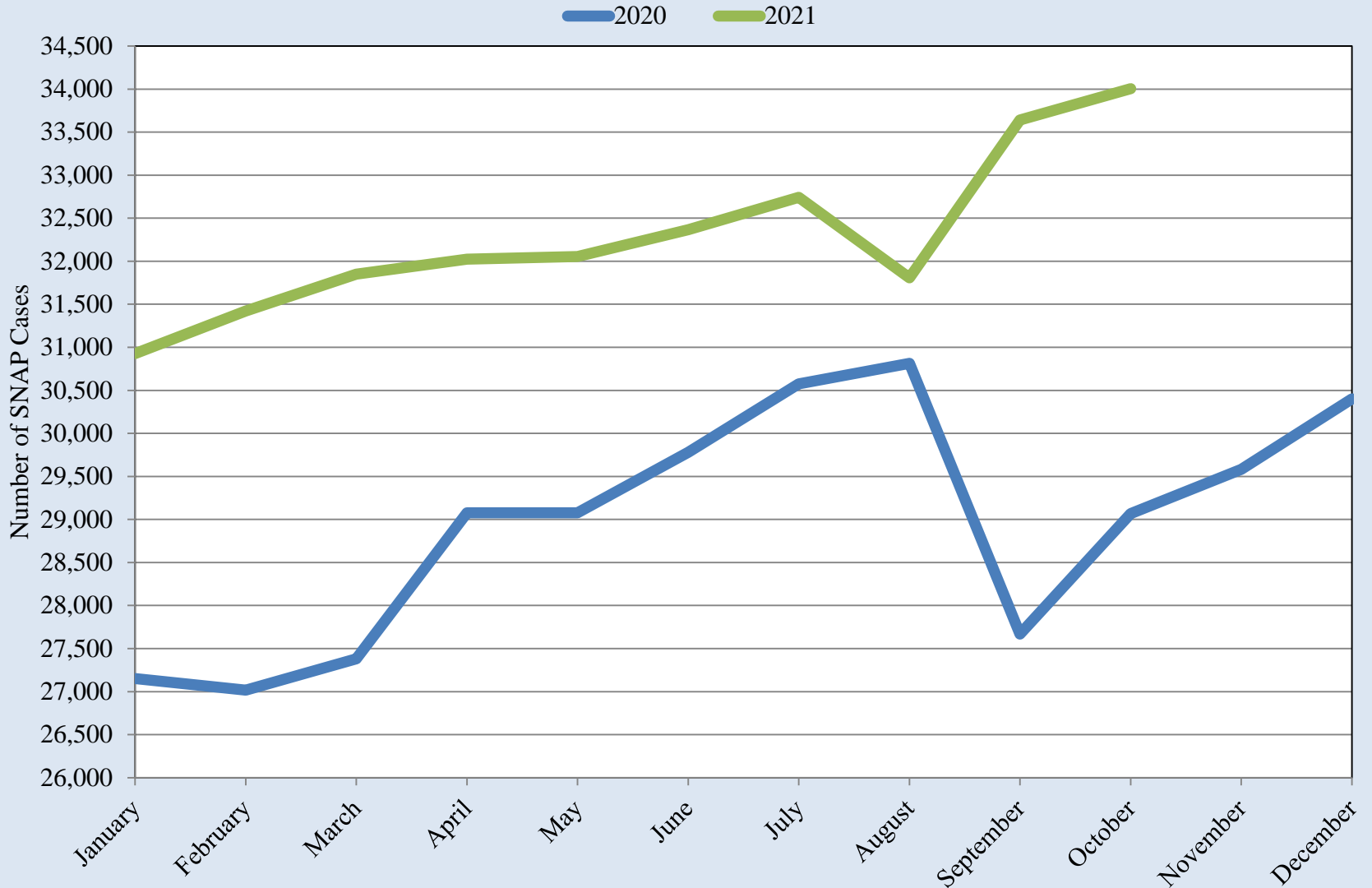
Source: Bureau of Labor Statistics

## Doña Ana County Unemployment Rate



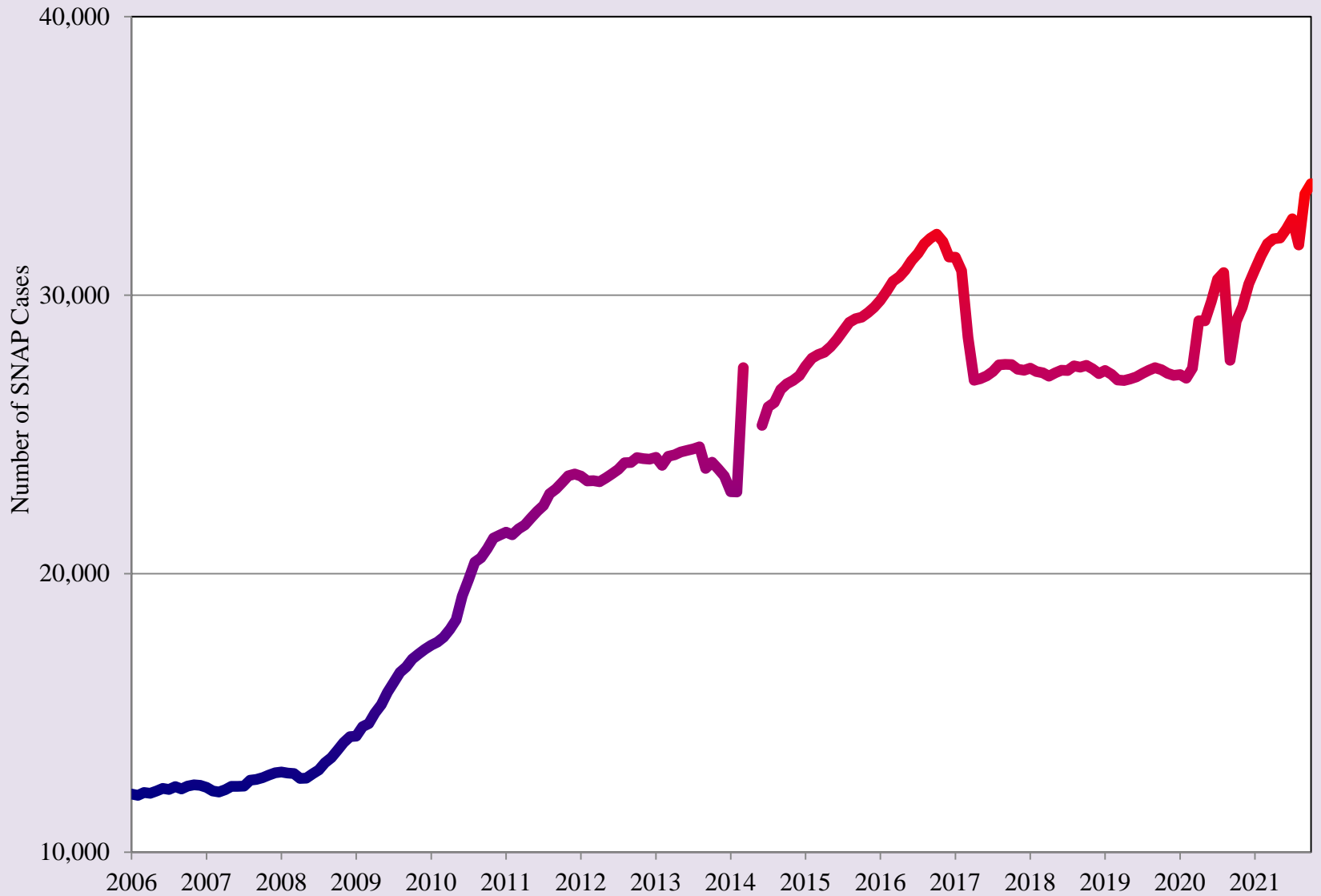
Source: Bureau of Labor Statistics

## Las Cruces Area SNAP (Food Stamp) Cases



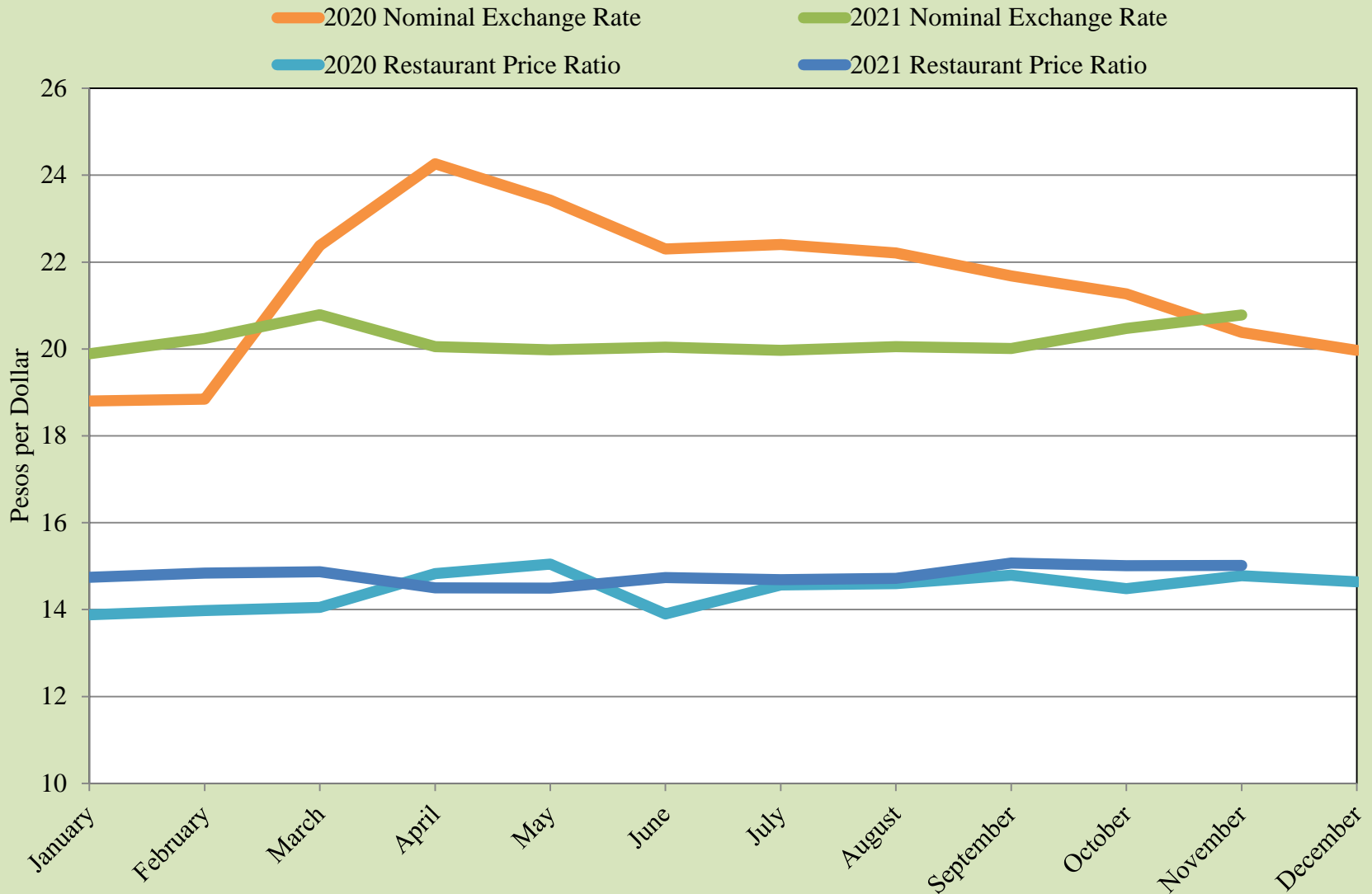
Source: New Mexico Human Services Department

## Las Cruces Area SNAP (Food Stamp) Cases



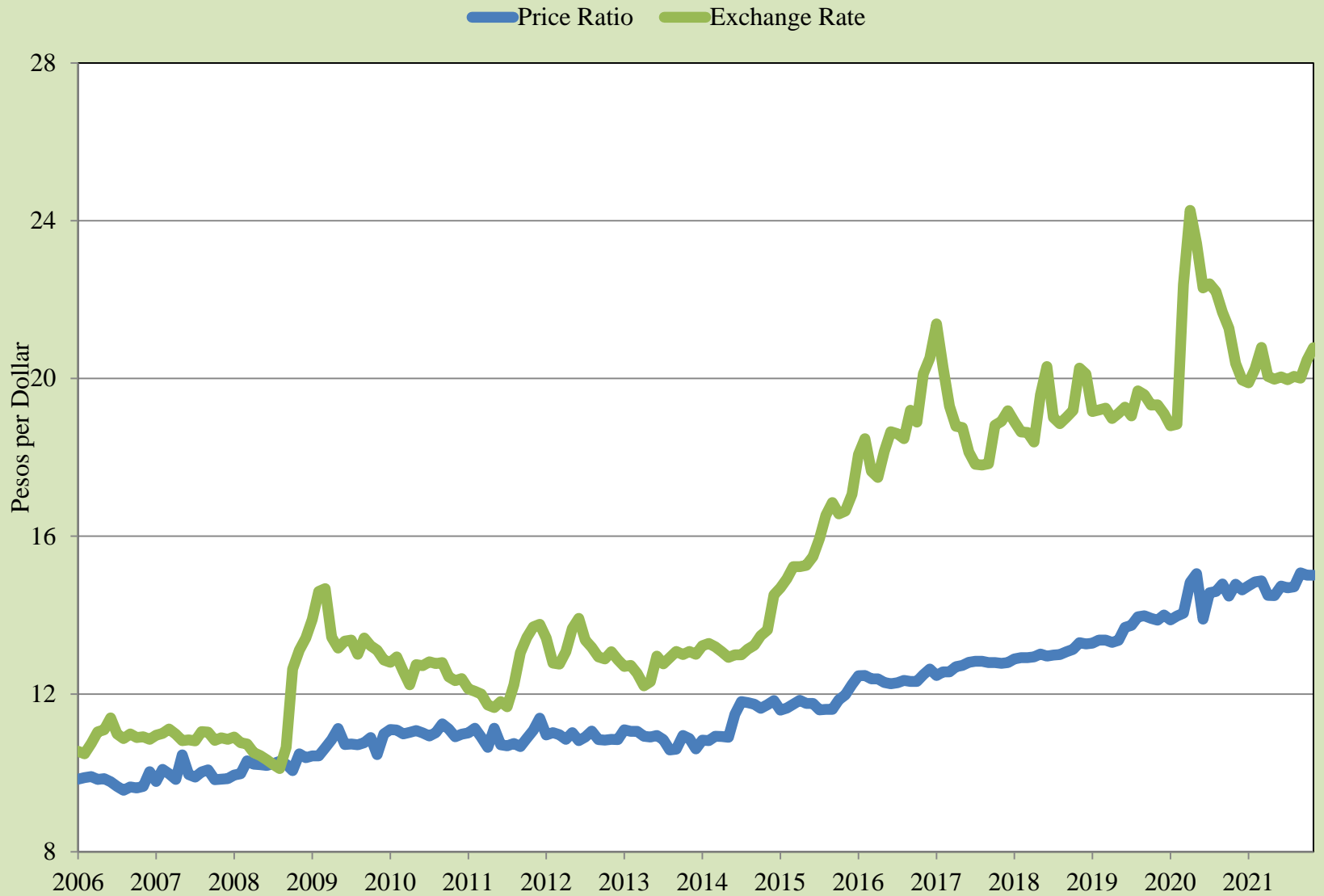
Source: New Mexico Human Services Department

## Restaurant Price Ratio and Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

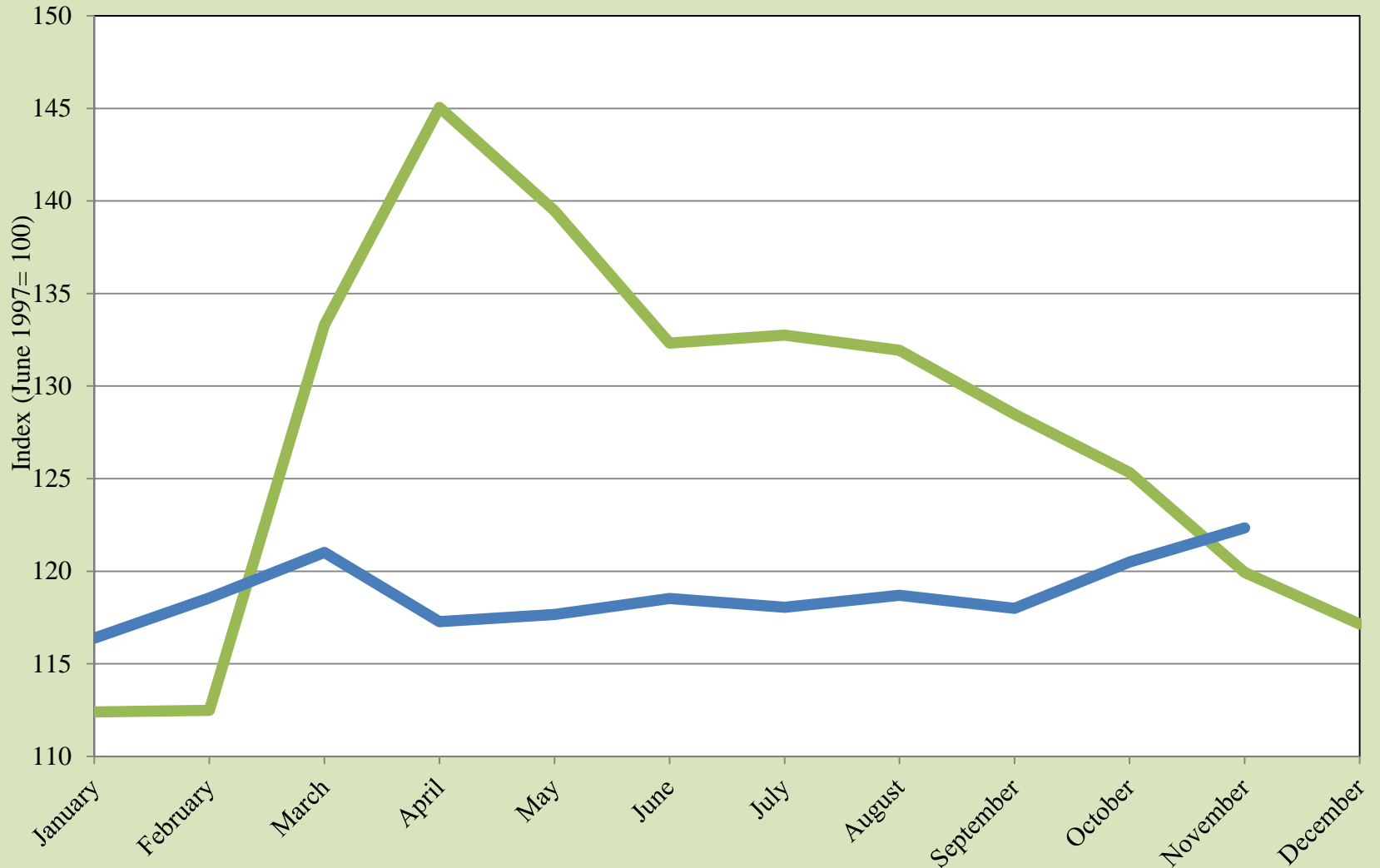
## Restaurant Price Ratio and Exchange Rate



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

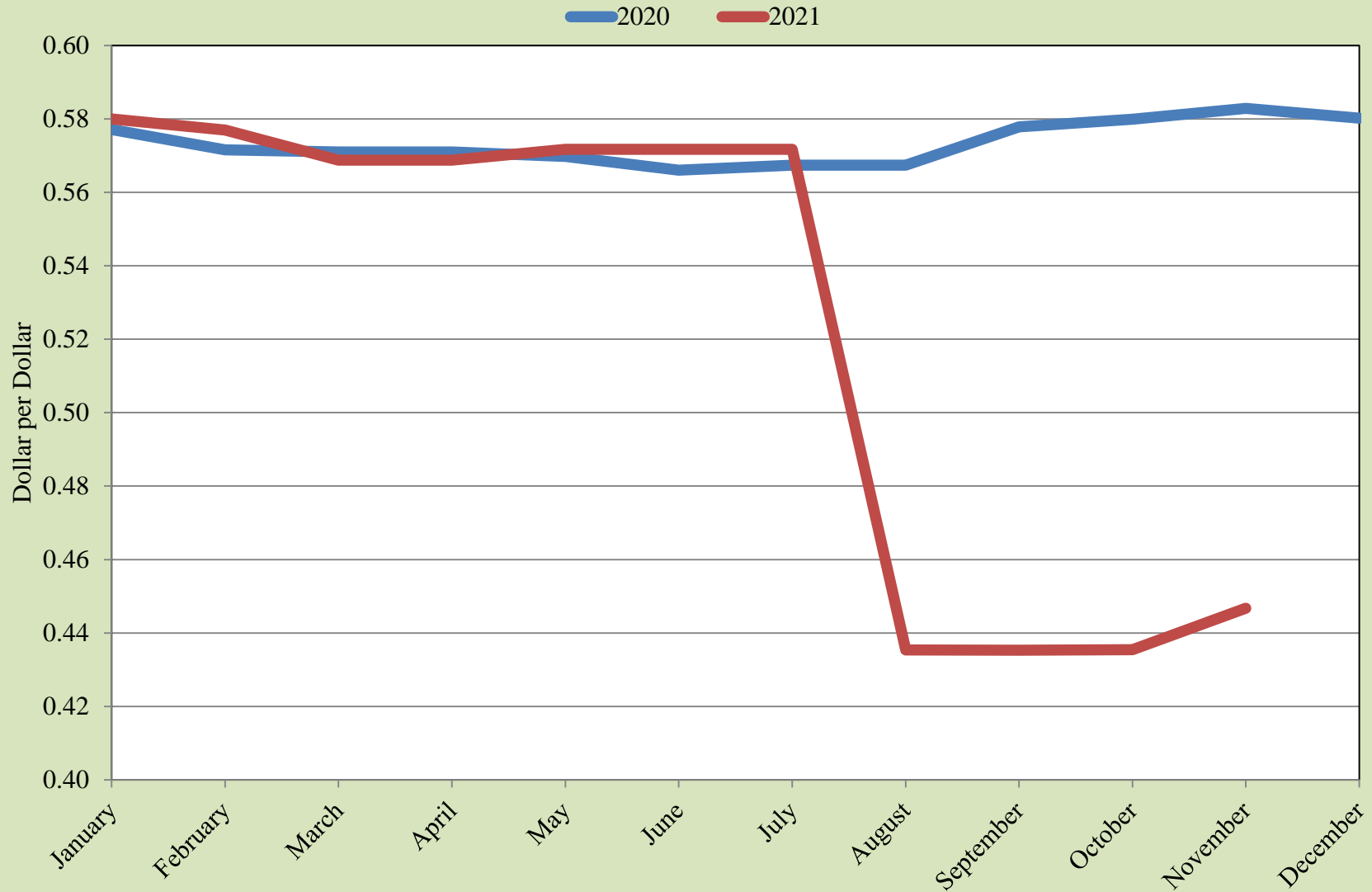


## Real Peso-per-Dollar Exchange Rate Index



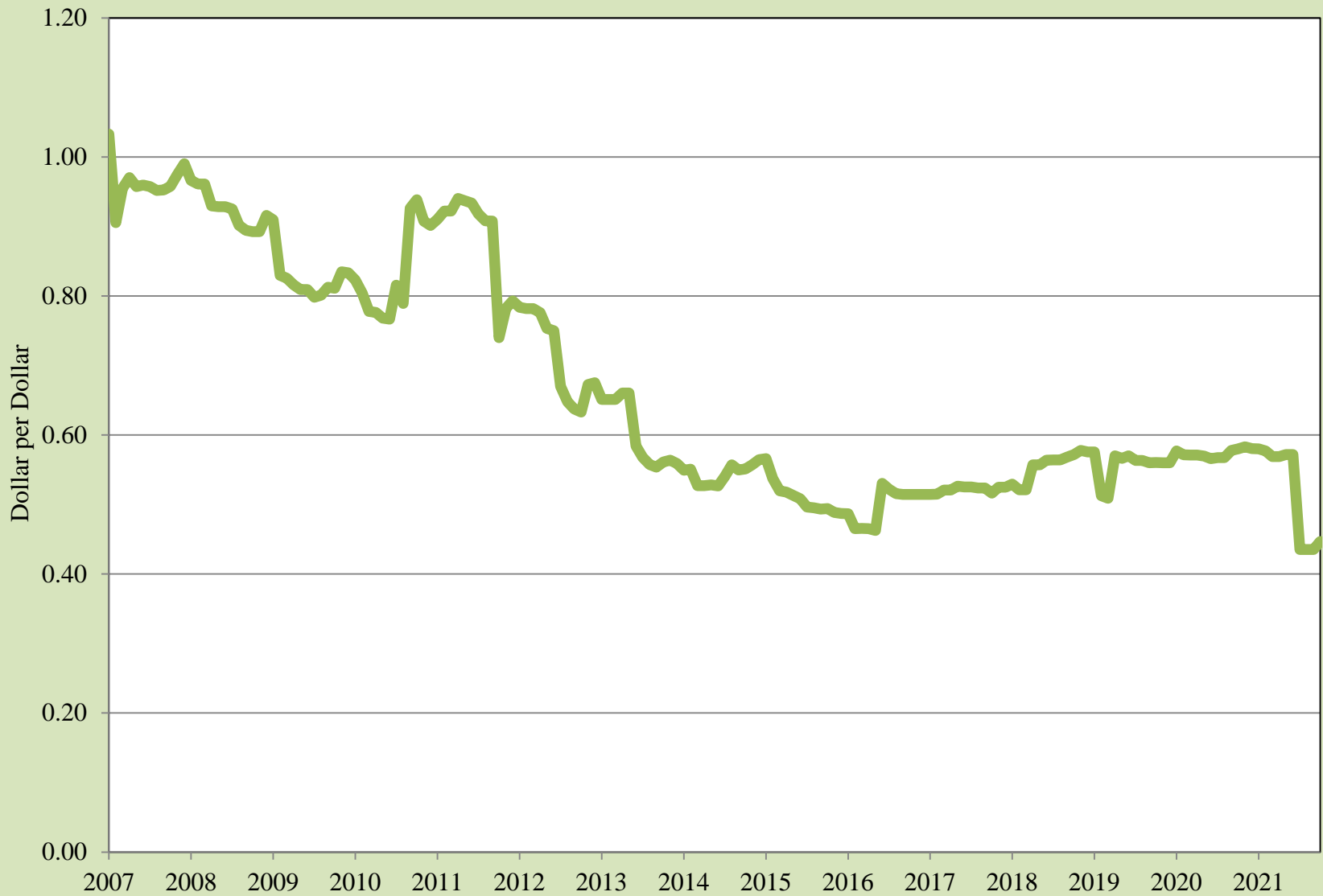
Source: UTEP Border Region Modeling Project

## 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)

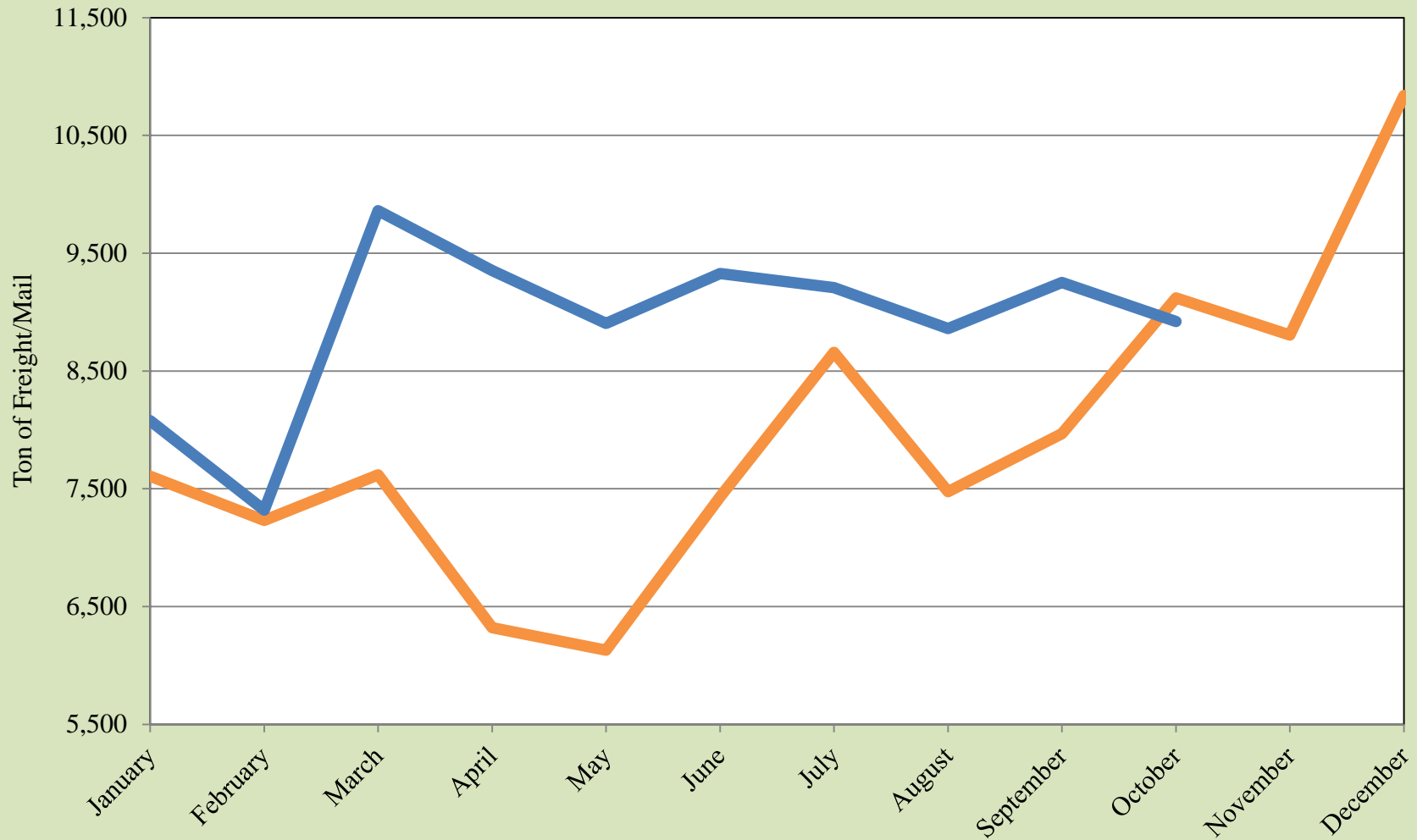
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Source: UTEP Border Region Modeling Project, [healthwarehouse.com](http://healthwarehouse.com), [goodrx.com](http://goodrx.com), [medsmex.com](http://medsmex.com)

# EPIA Freight and Mail

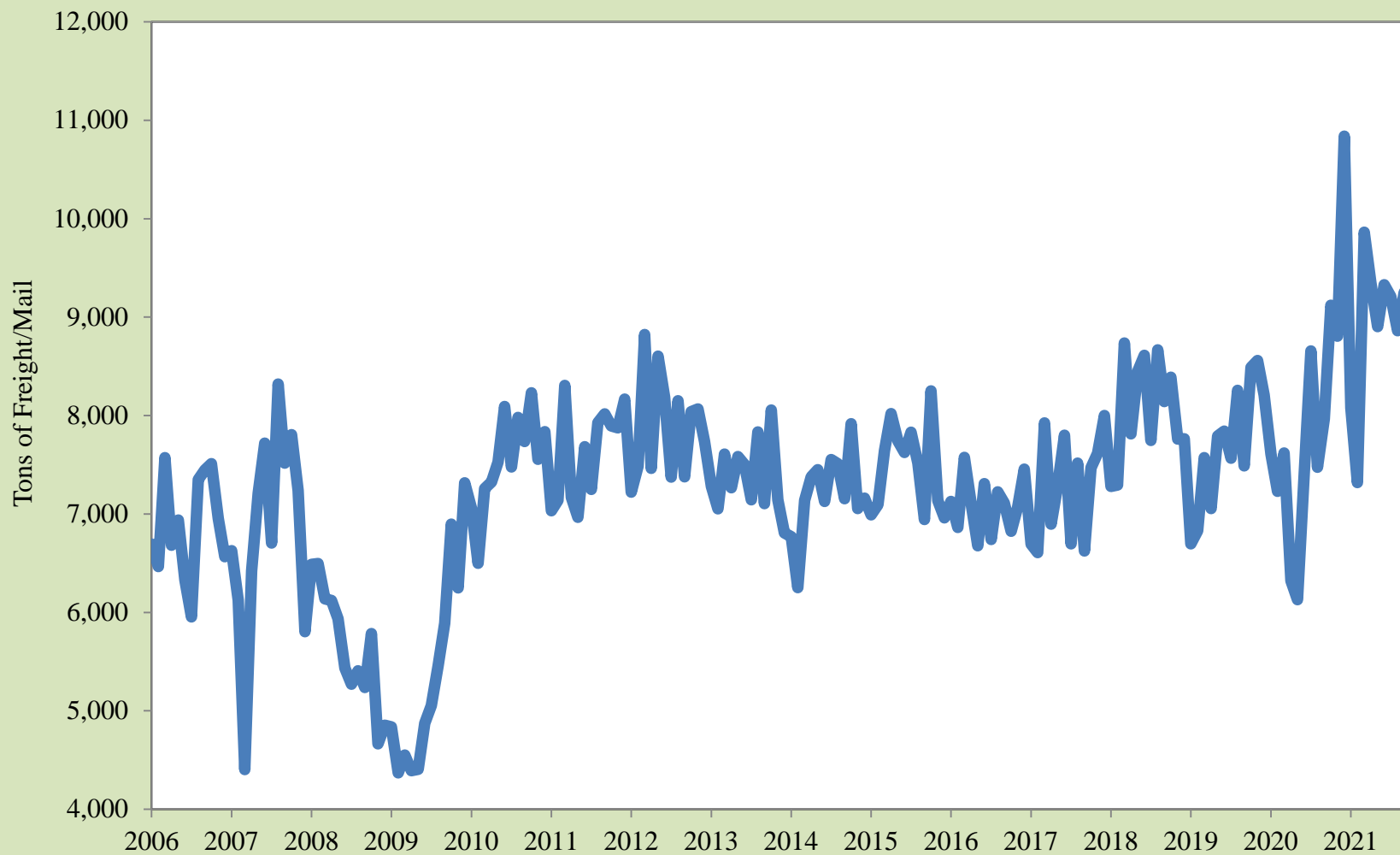
Total 2020      Total 2021



Source: EPIA Operations

# EPIA Freight and Mail

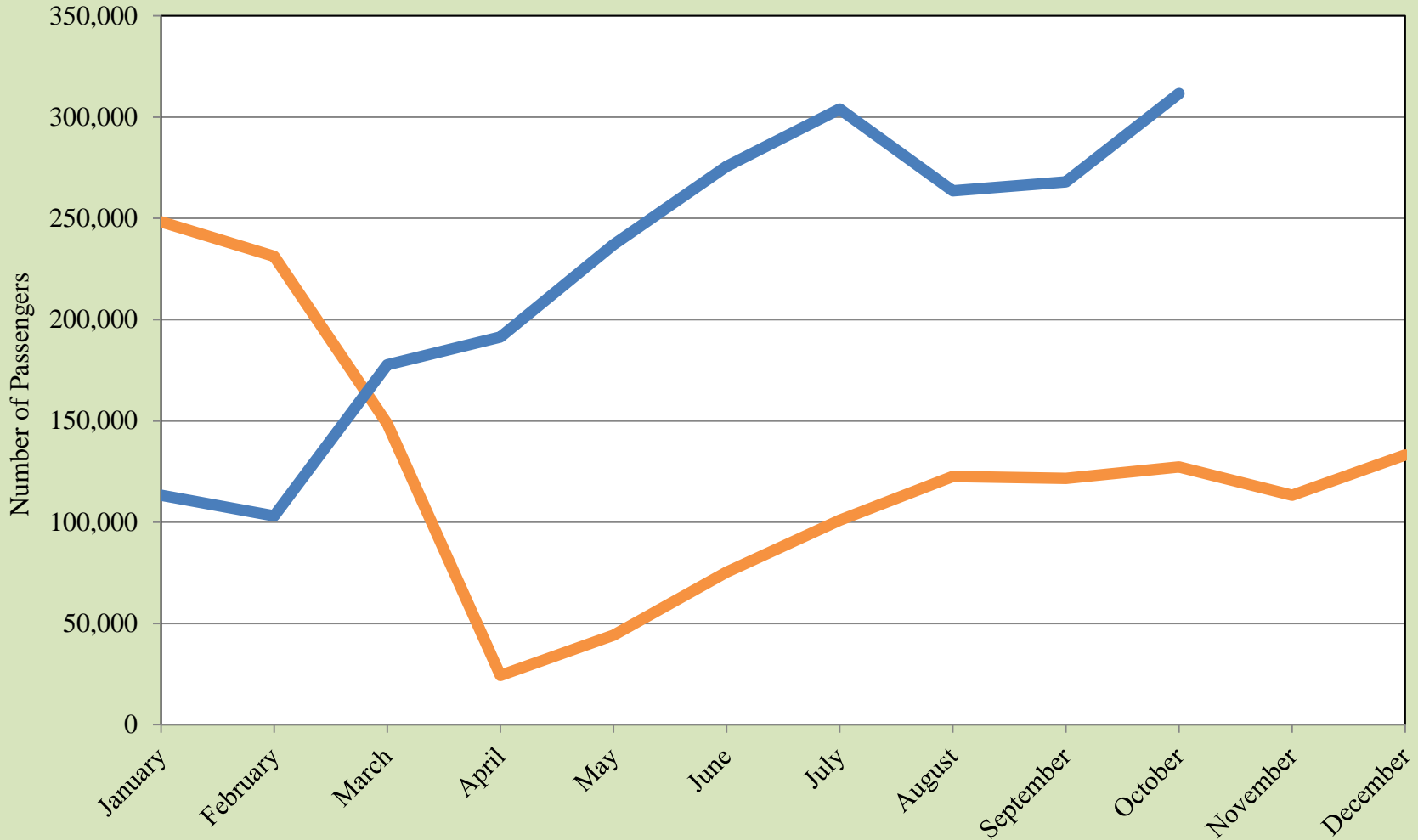
Inbound+Outbound



Source: EPIA Operations

# EPIA Passengers

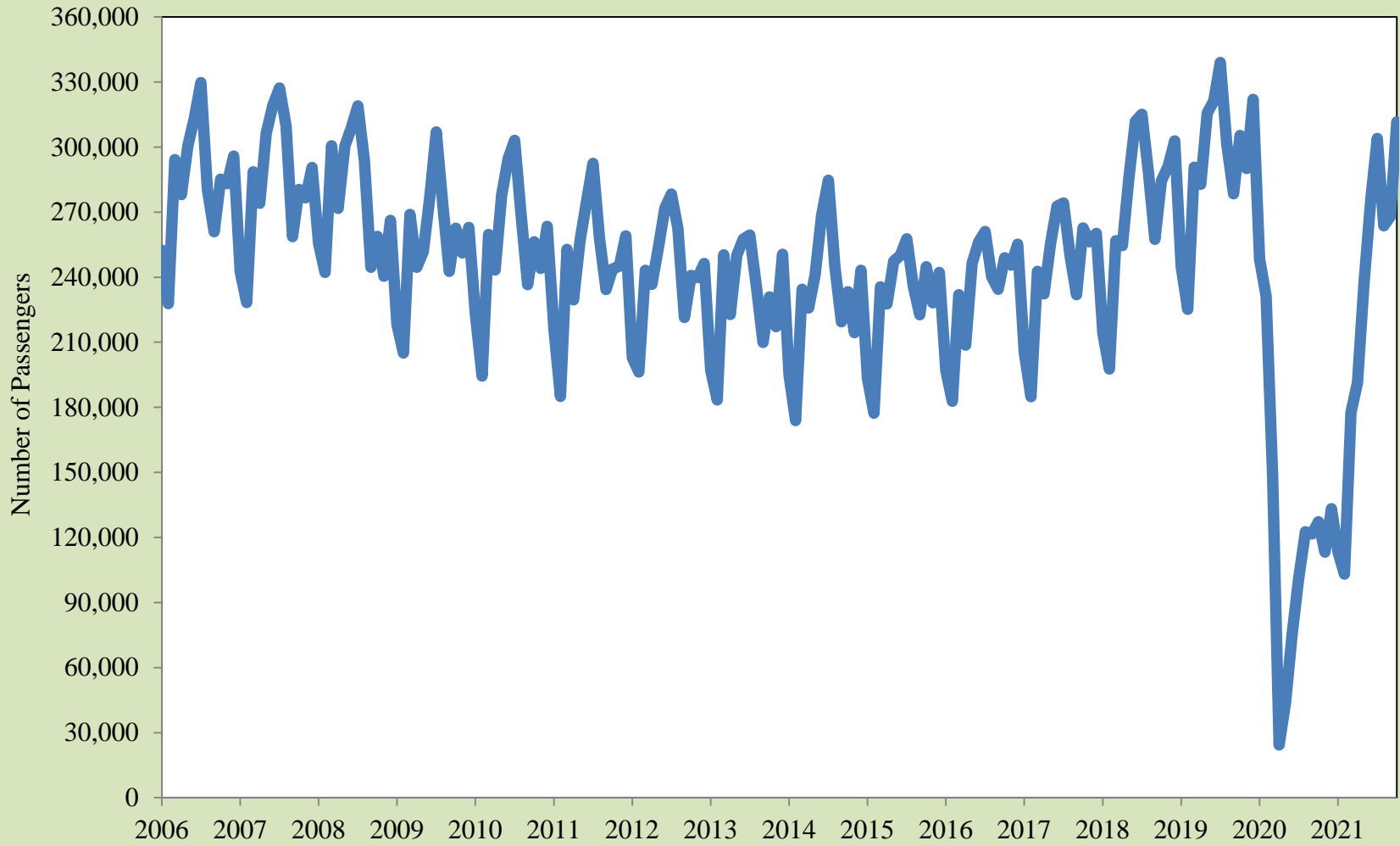
Total 2020      Total 2021



Source: EPIA Operations

# EPIA Passengers

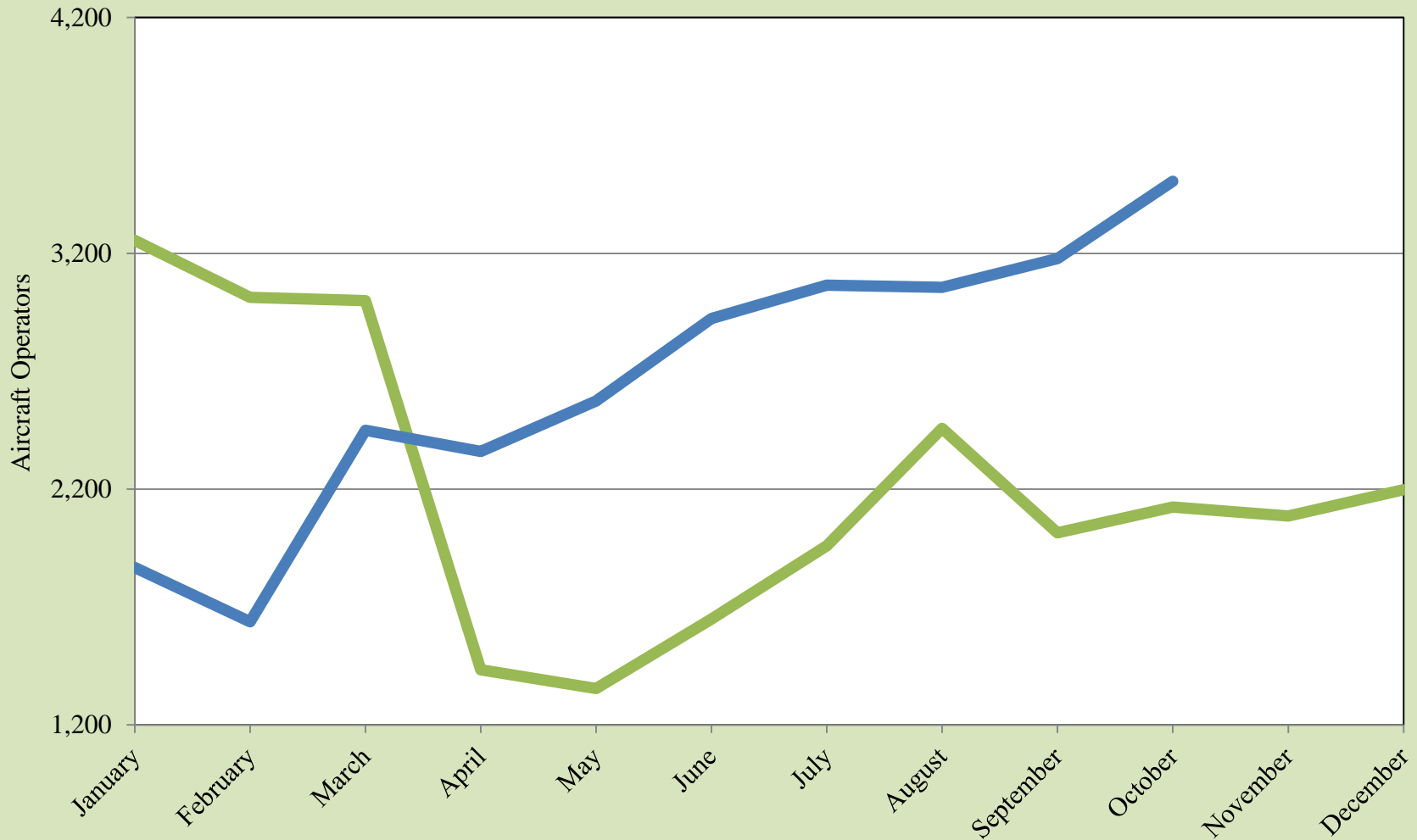
— Inbound+Outbound



Source: EPIA Operations

# EPIA Air Carrier Operations

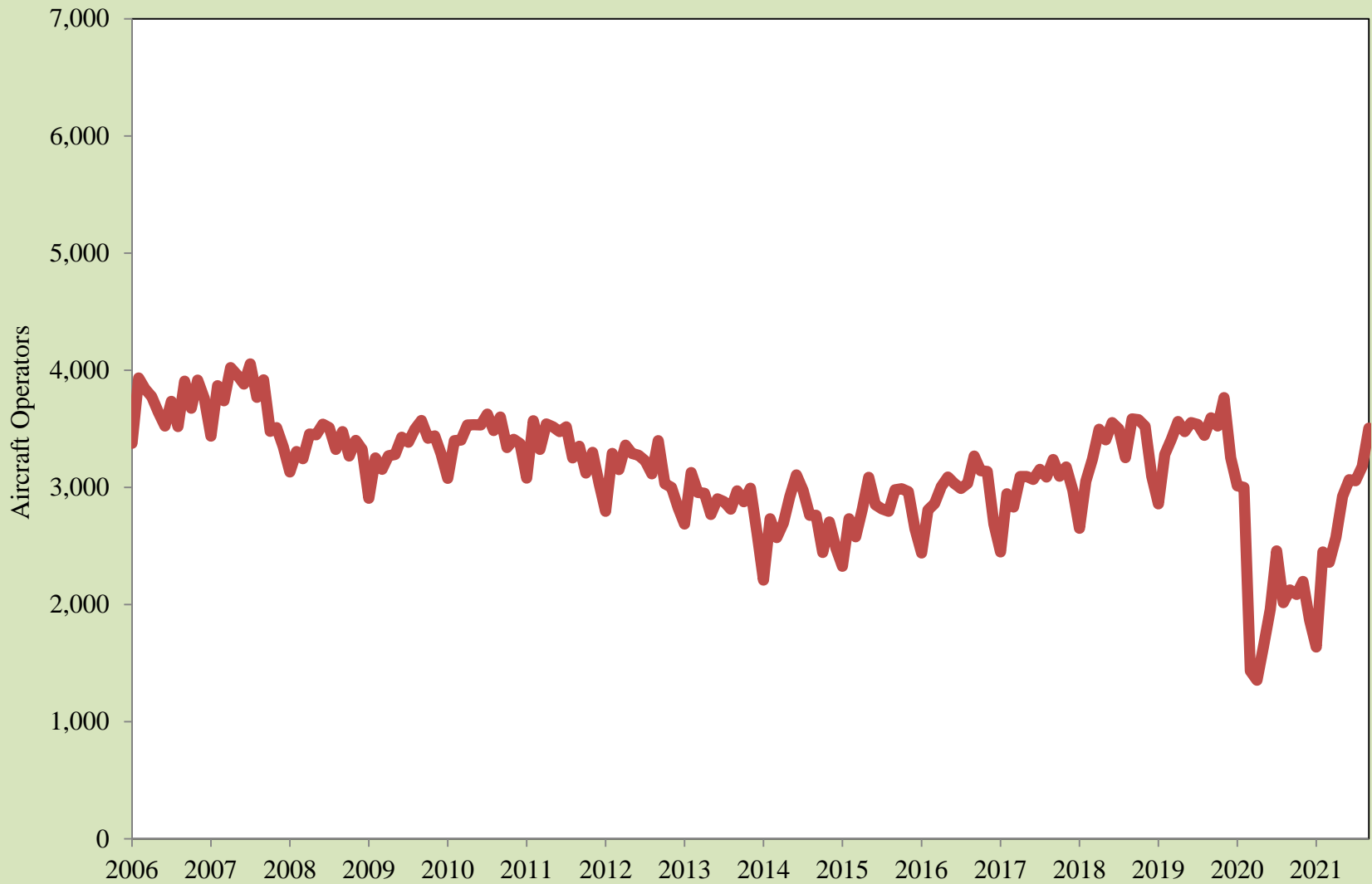
20-Air Carriers      21-Air Carriers



Source: EPIA Operations



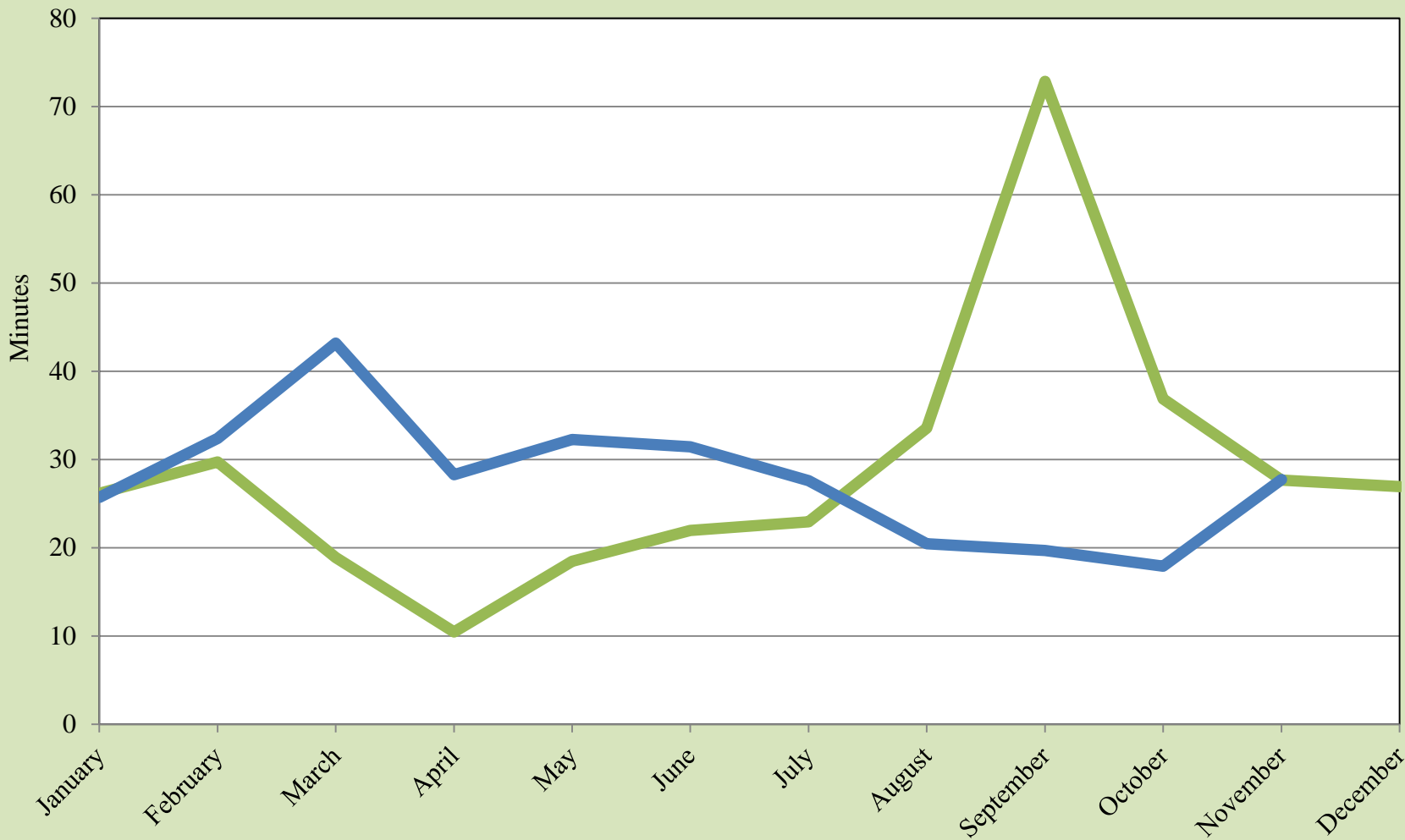
## EPIA Air Carrier Operations



Source: EPIA Operations

## Paso del Norte Monthly Wait Times

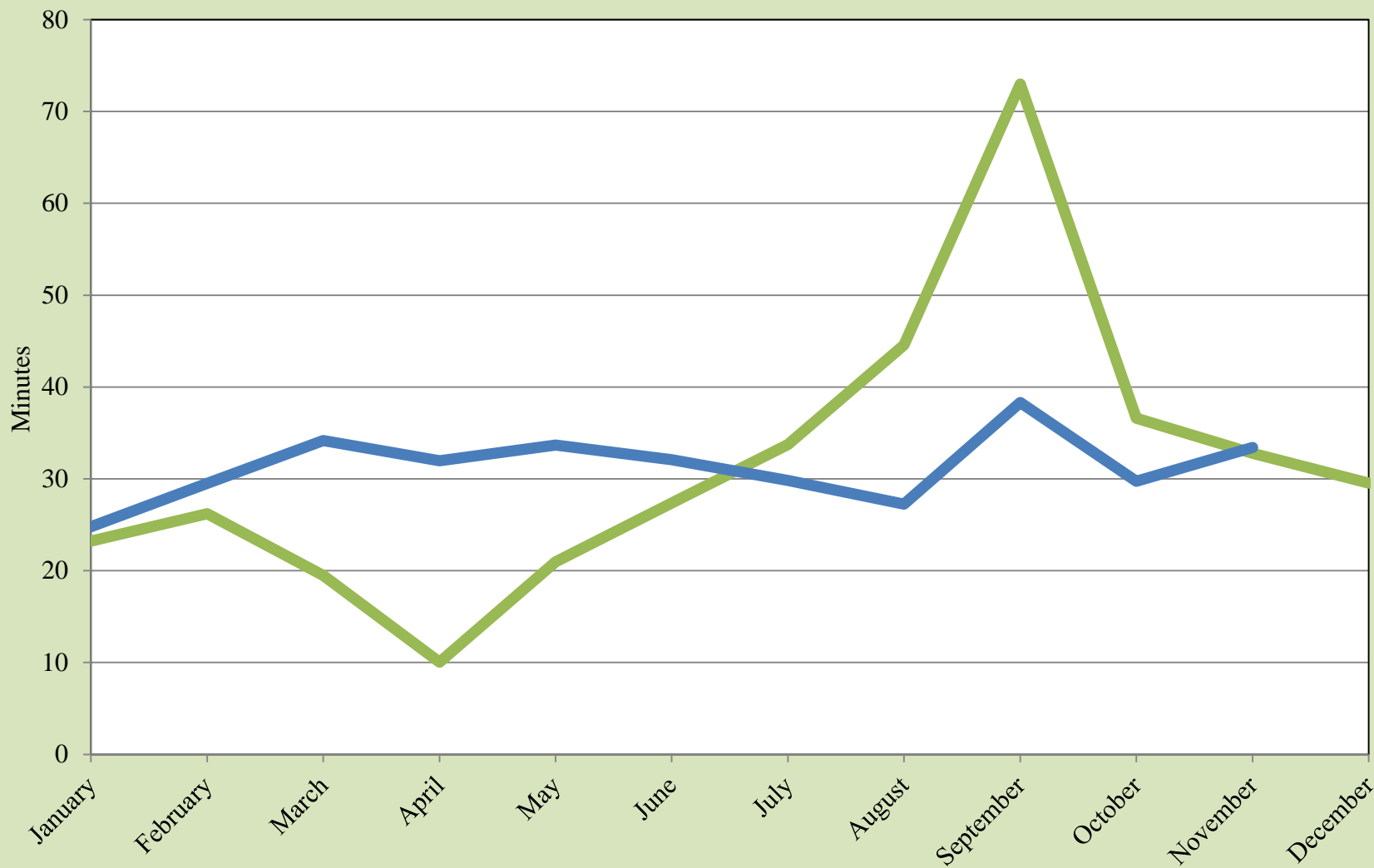
2020 2021



Source: UTEP Border Region Modeling Project

## Ysleta Monthly Wait Times

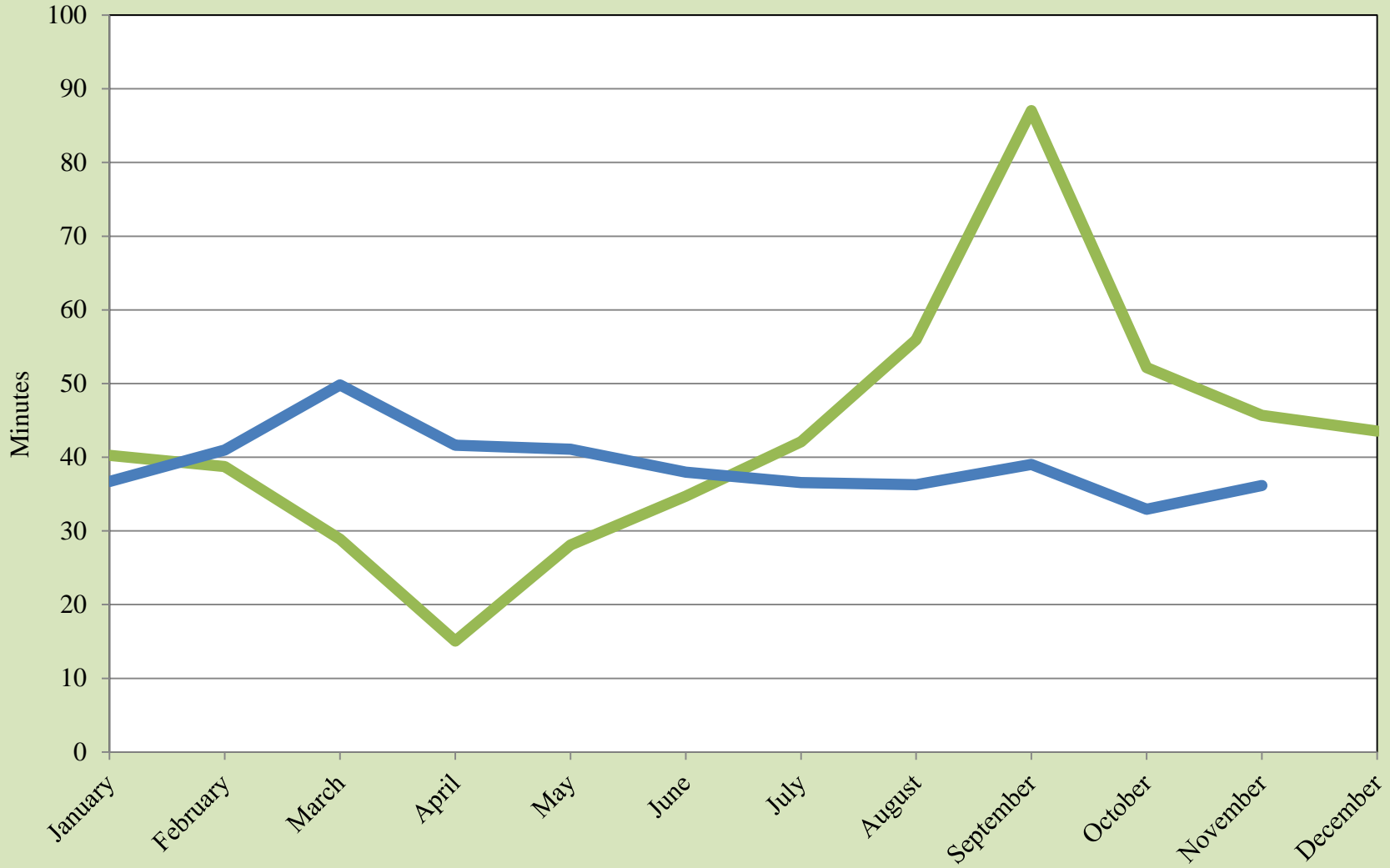
— 2020 — 2021



Source: UTEP Border Region Modeling Project

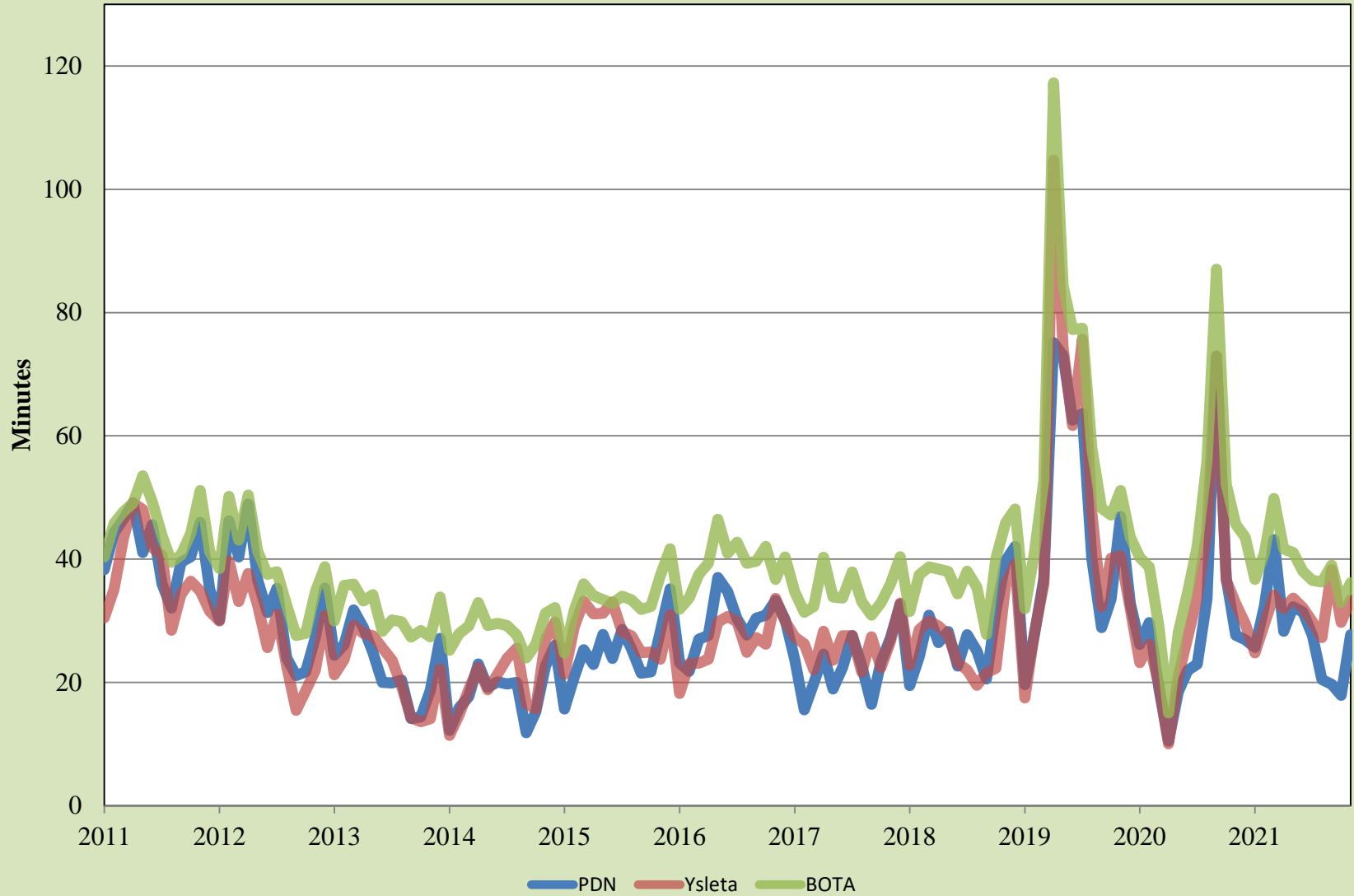
# Bridge of the Americas Monthly Wait Times

2020 2021



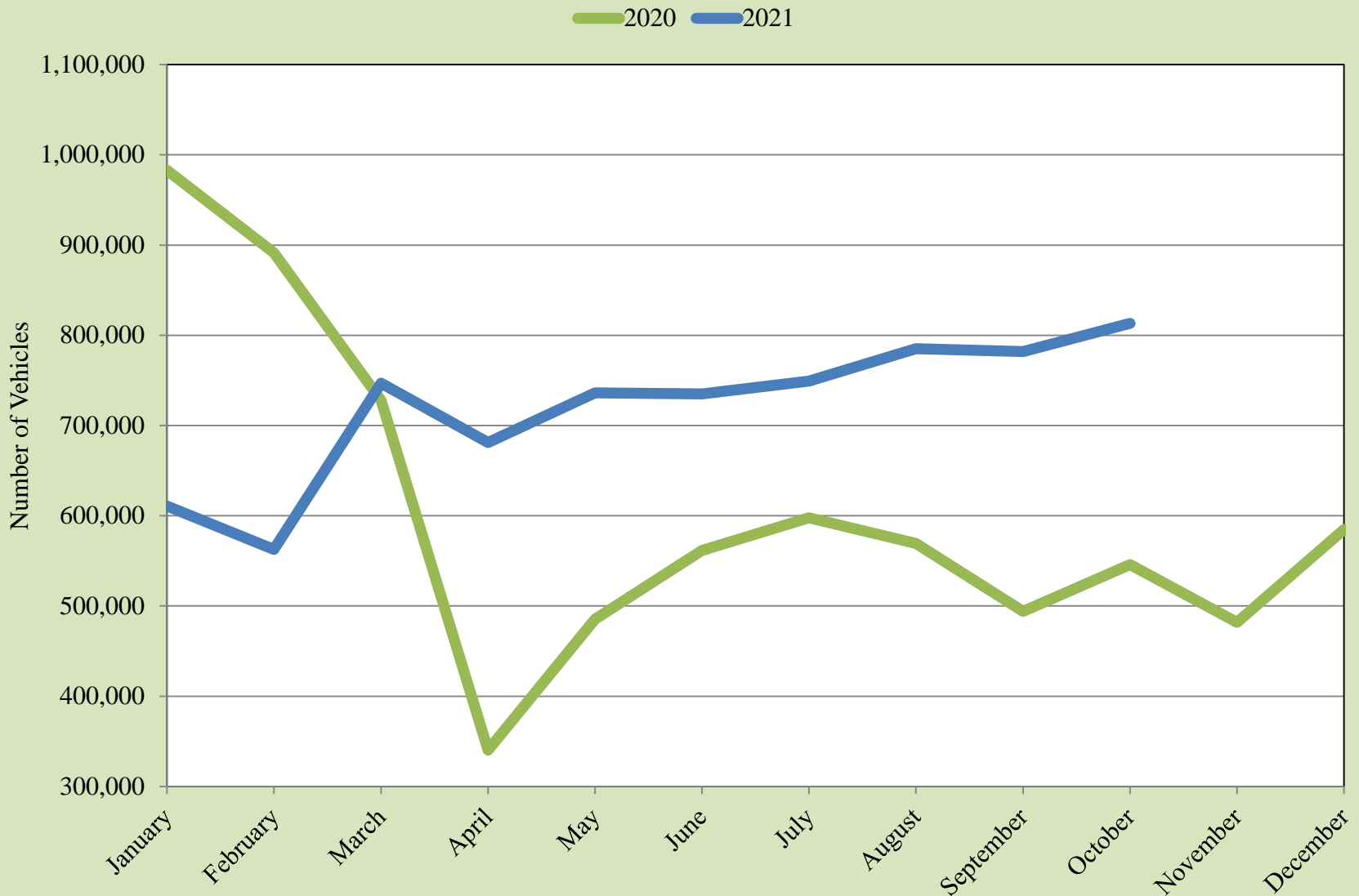
Source: UTEP Border Region Modeling Project

## Monthly Border Wait Times



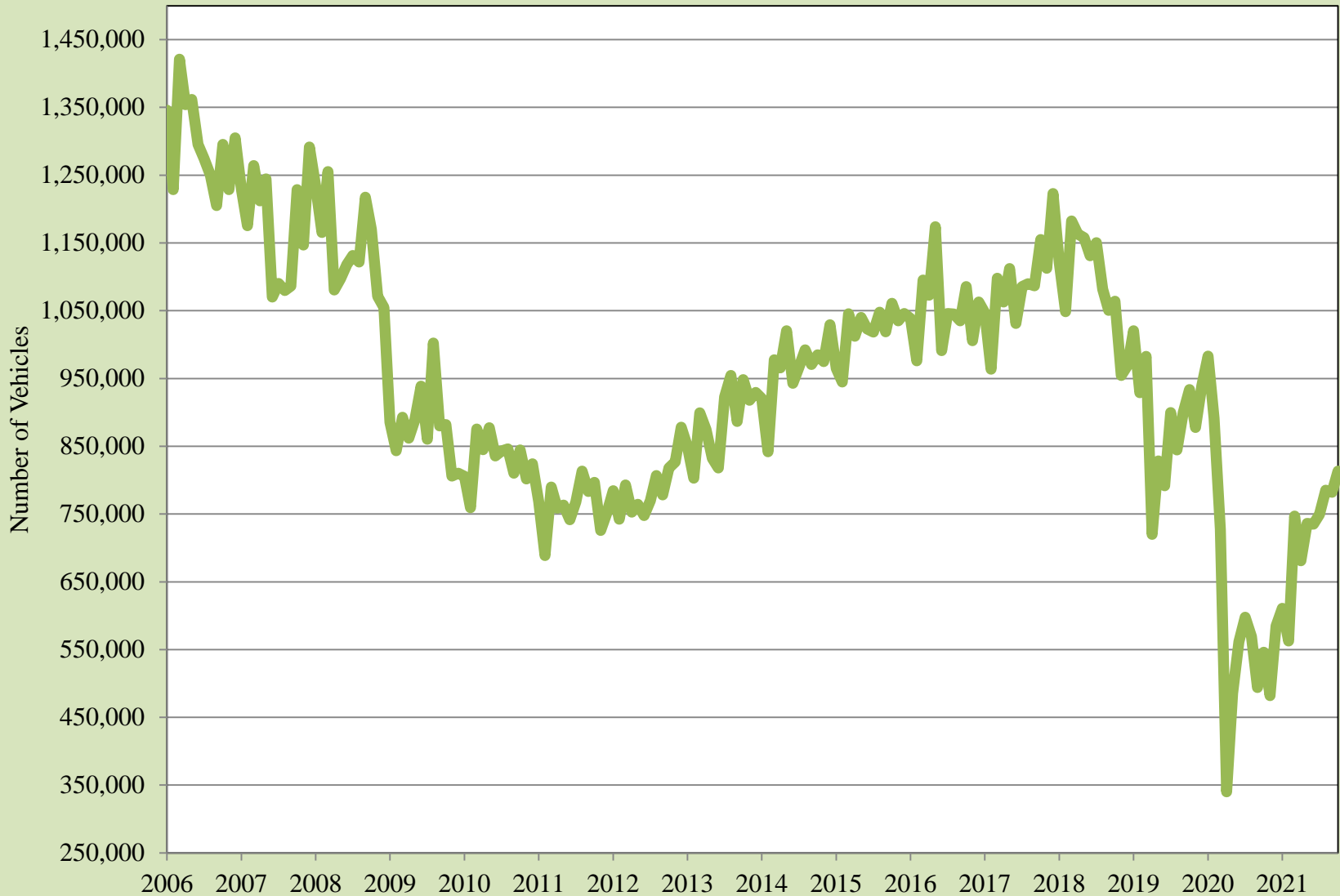
Source: UTEP Border Region Modeling Project

## Personal Vehicle International Bridge Crossings to El Paso



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

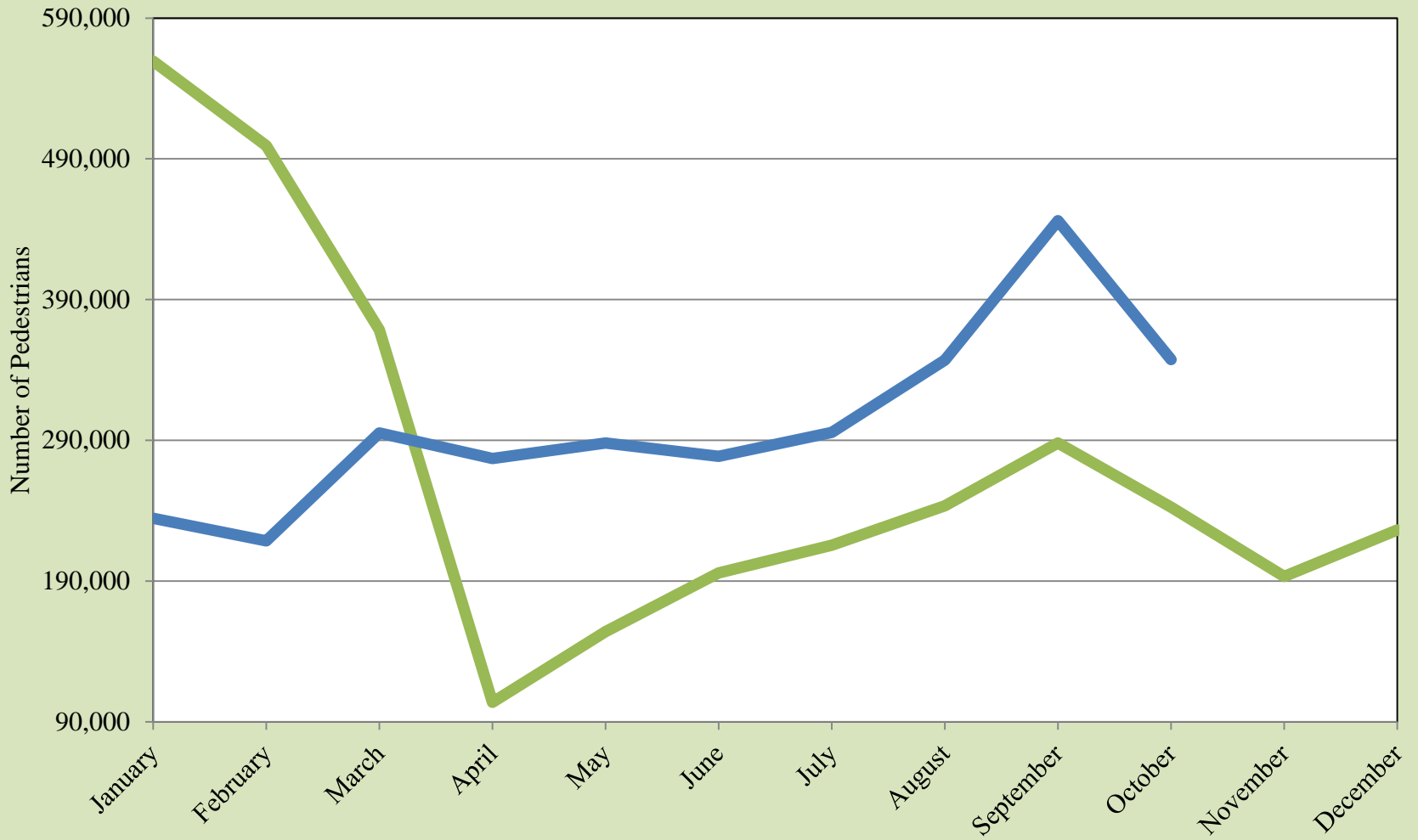
## Personal Vehicle International Bridge Crossings to El Paso



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

## Pedestrian International Bridge Crossings to El Paso

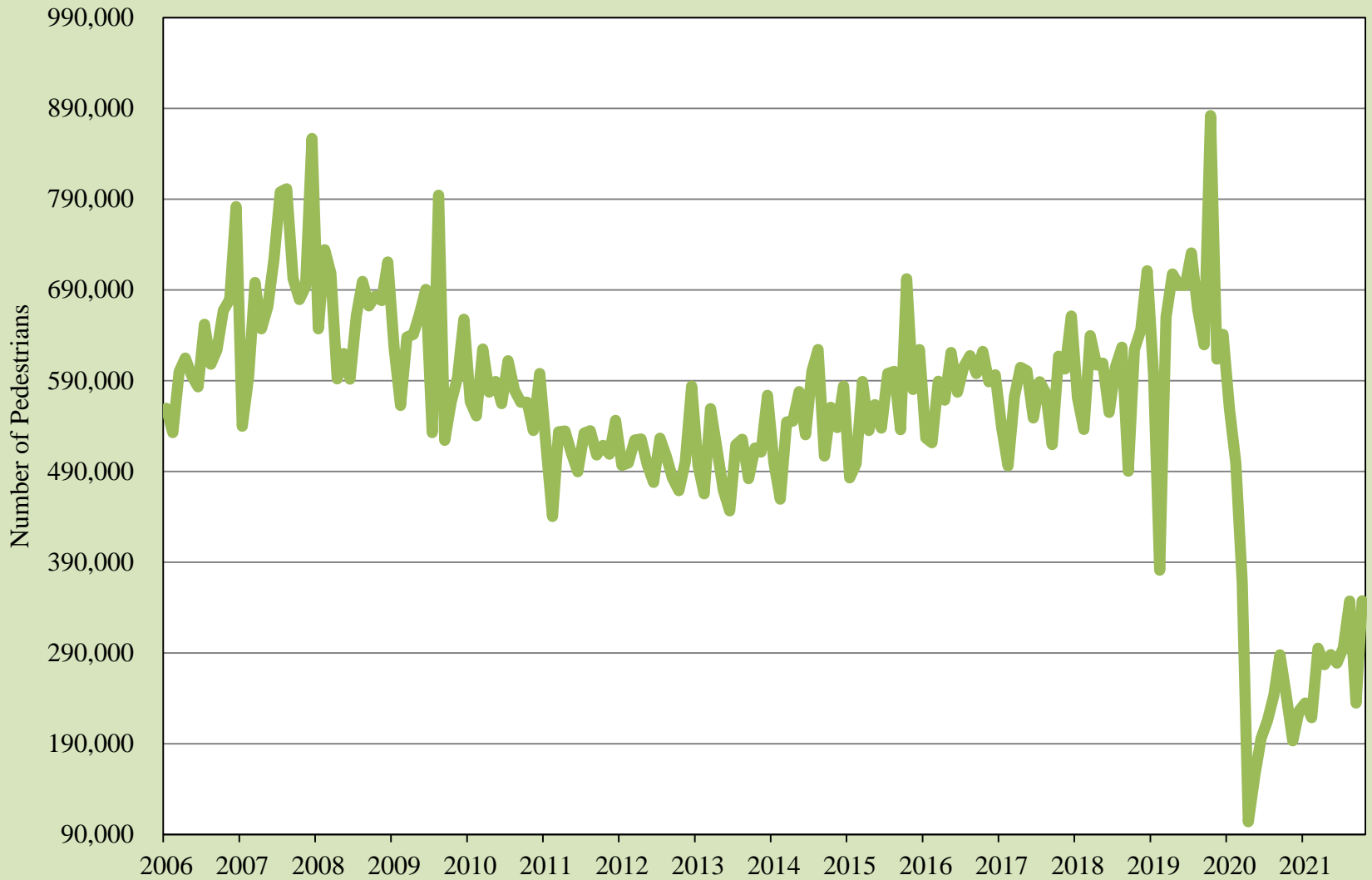
— 2020 — 2021



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



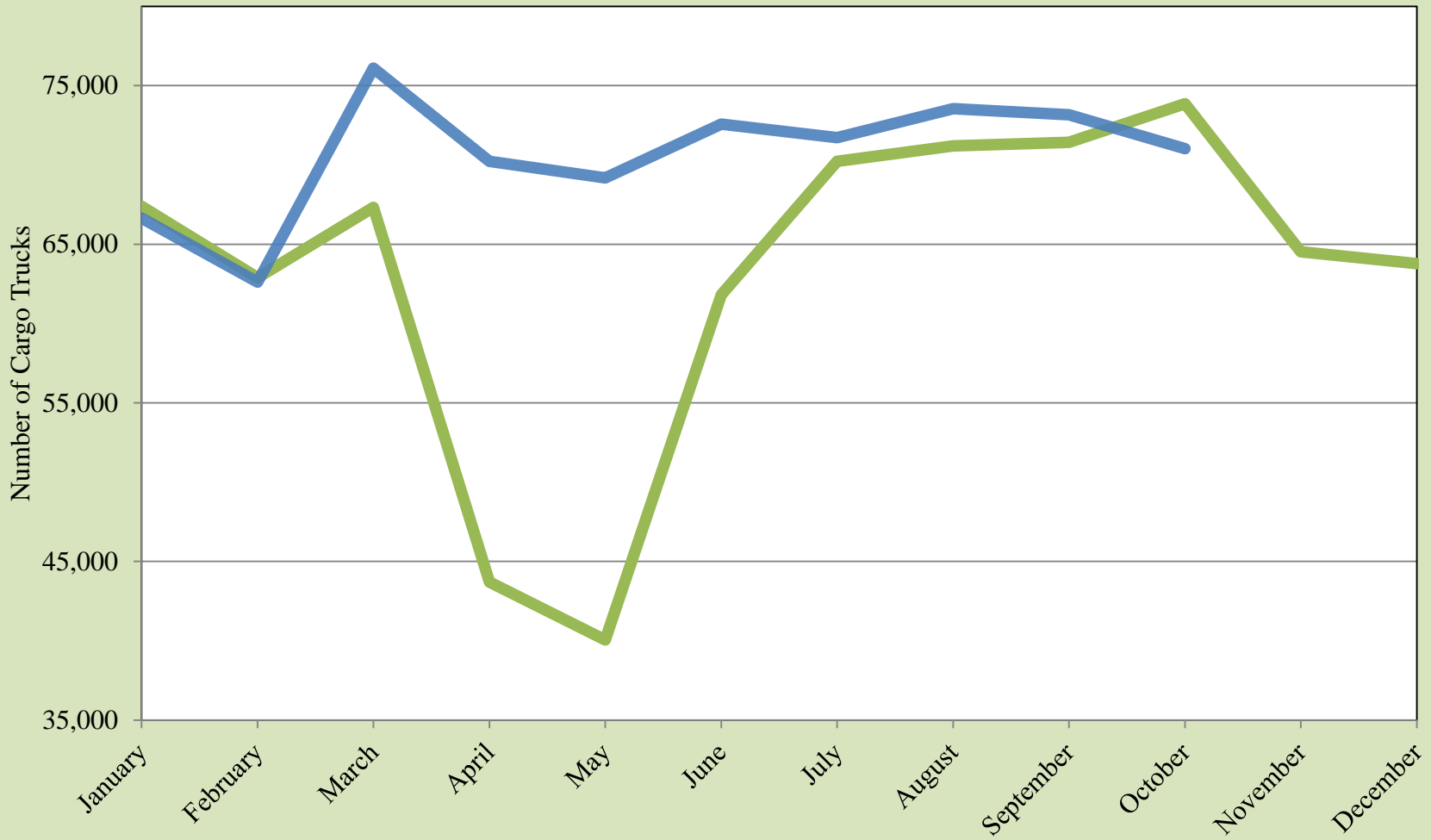
## Pedestrian International Bridge Crossings to El Paso



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

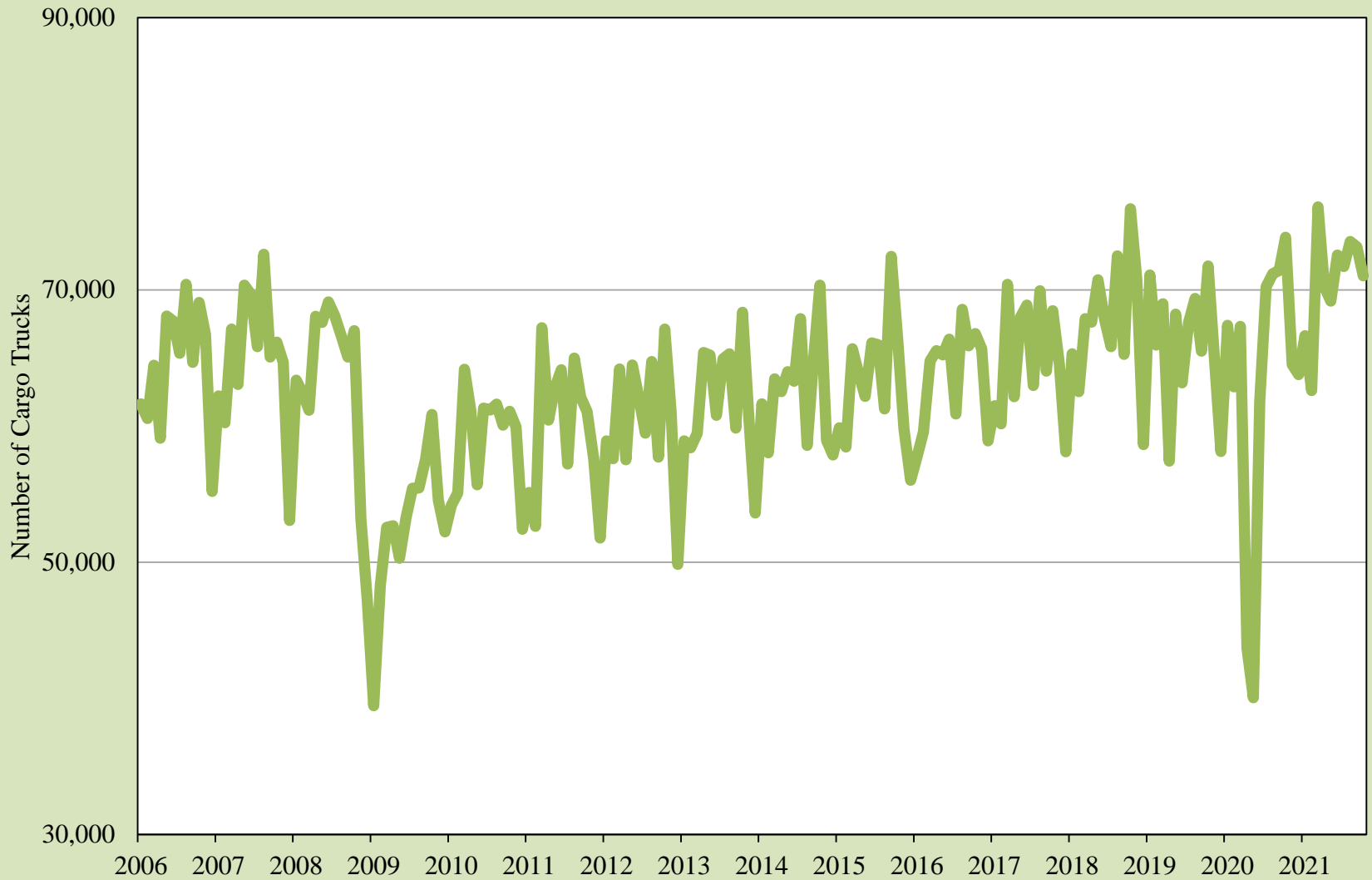
## Cargo Truck International Bridge Crossings to El Paso

2020 2021



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

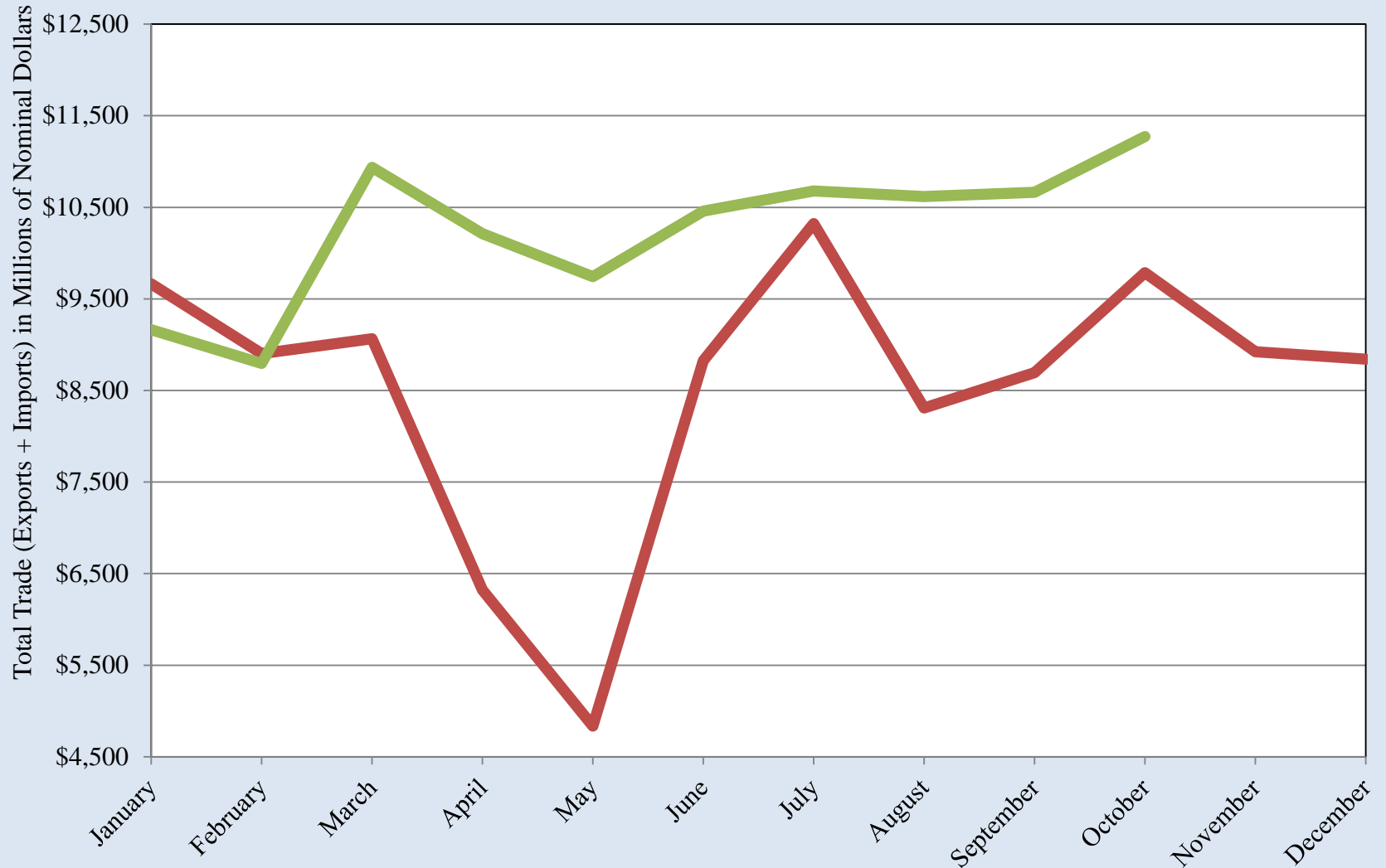
## Cargo Truck International Bridge Crossings to El Paso



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

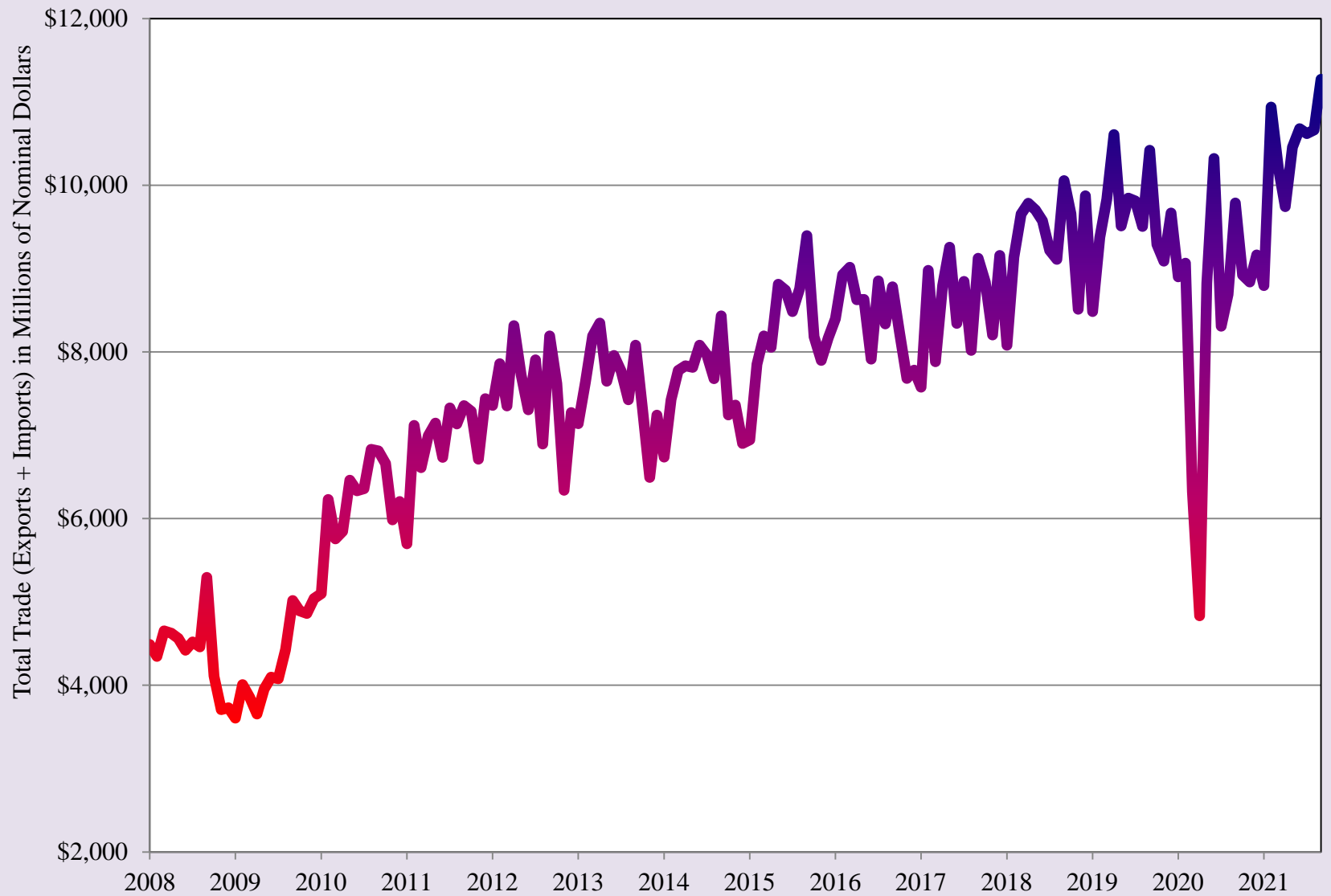
## Total Trade through the El Paso Customs District

2020 2021



Source: U.S. International Trade Commission

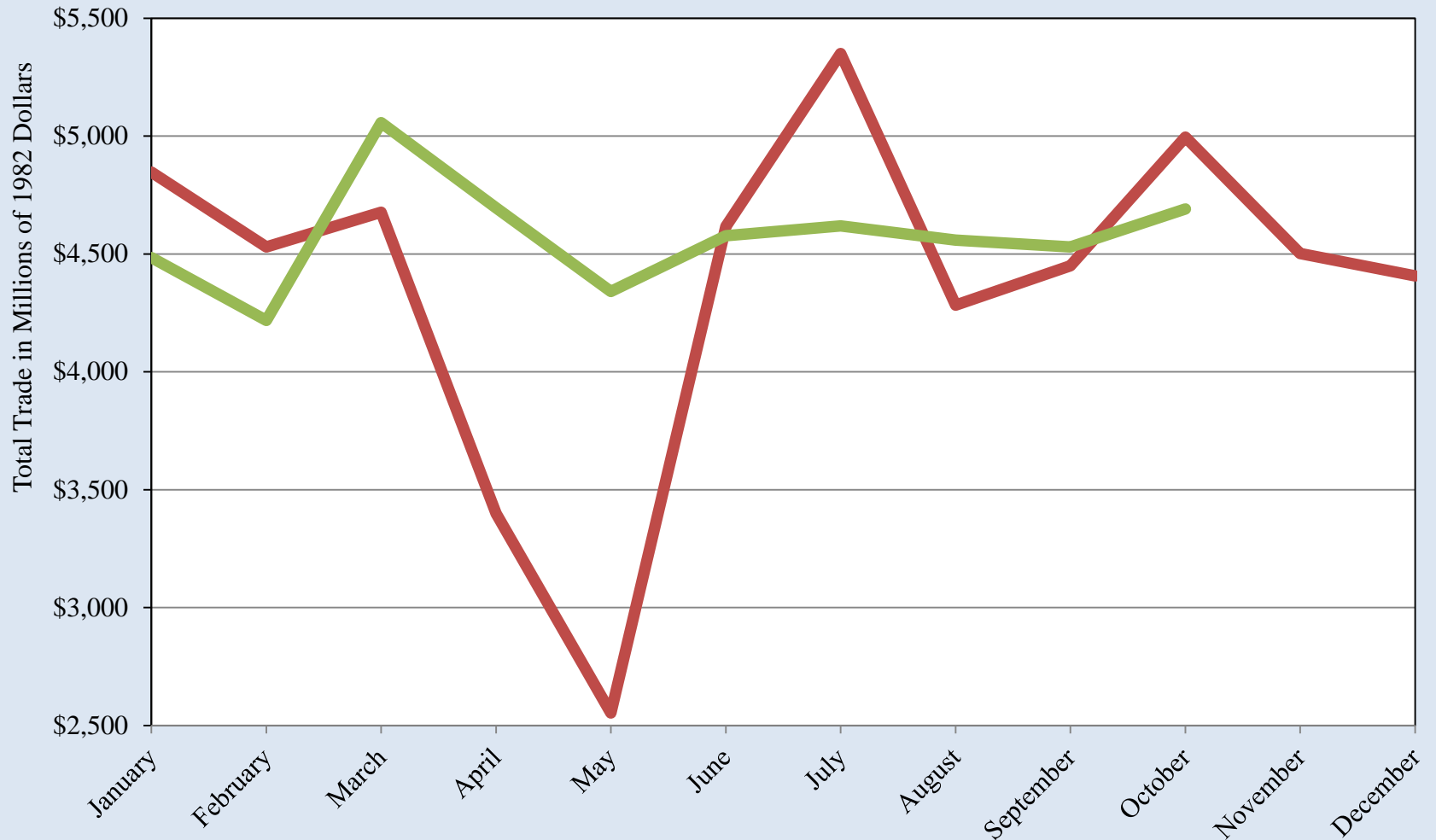
## Total Trade through the El Paso Customs District



Source: U.S. International Trade Commission

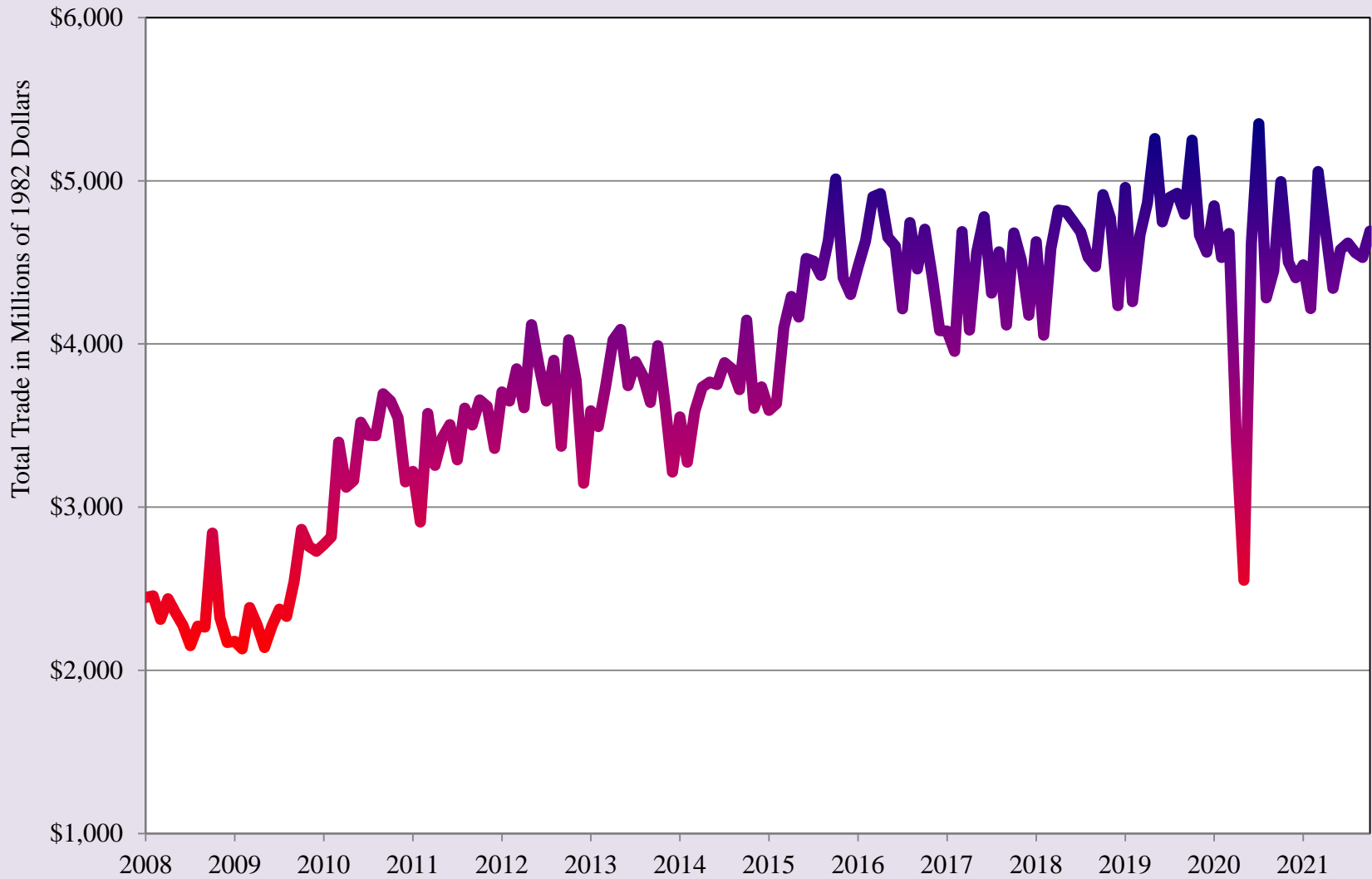
## Real Total Trade through the El Paso Customs District

2020 2021



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

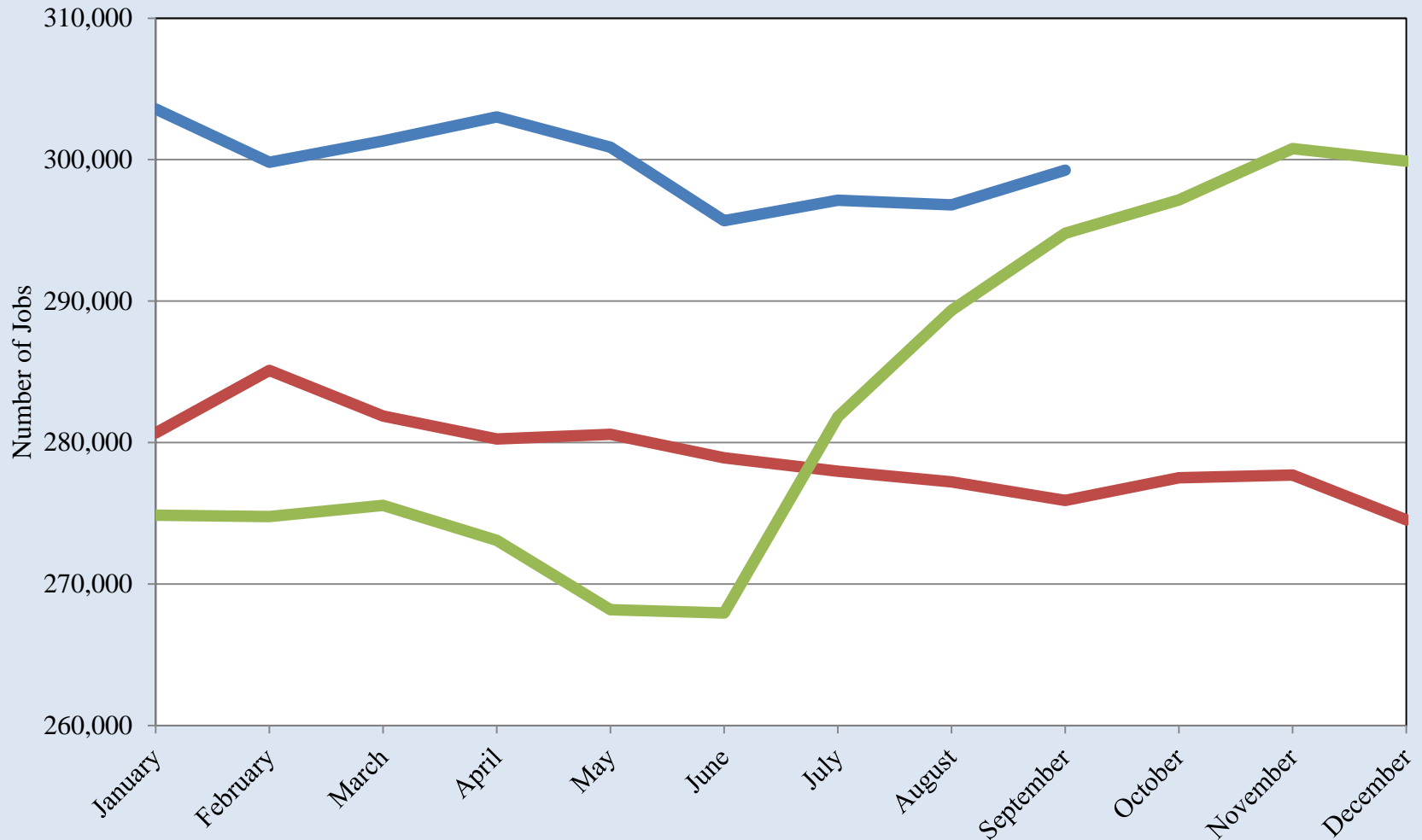
## Real Total Trade through the El Paso Customs District



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

## Export-Oriented Manufacturing Employment in Ciudad Juárez

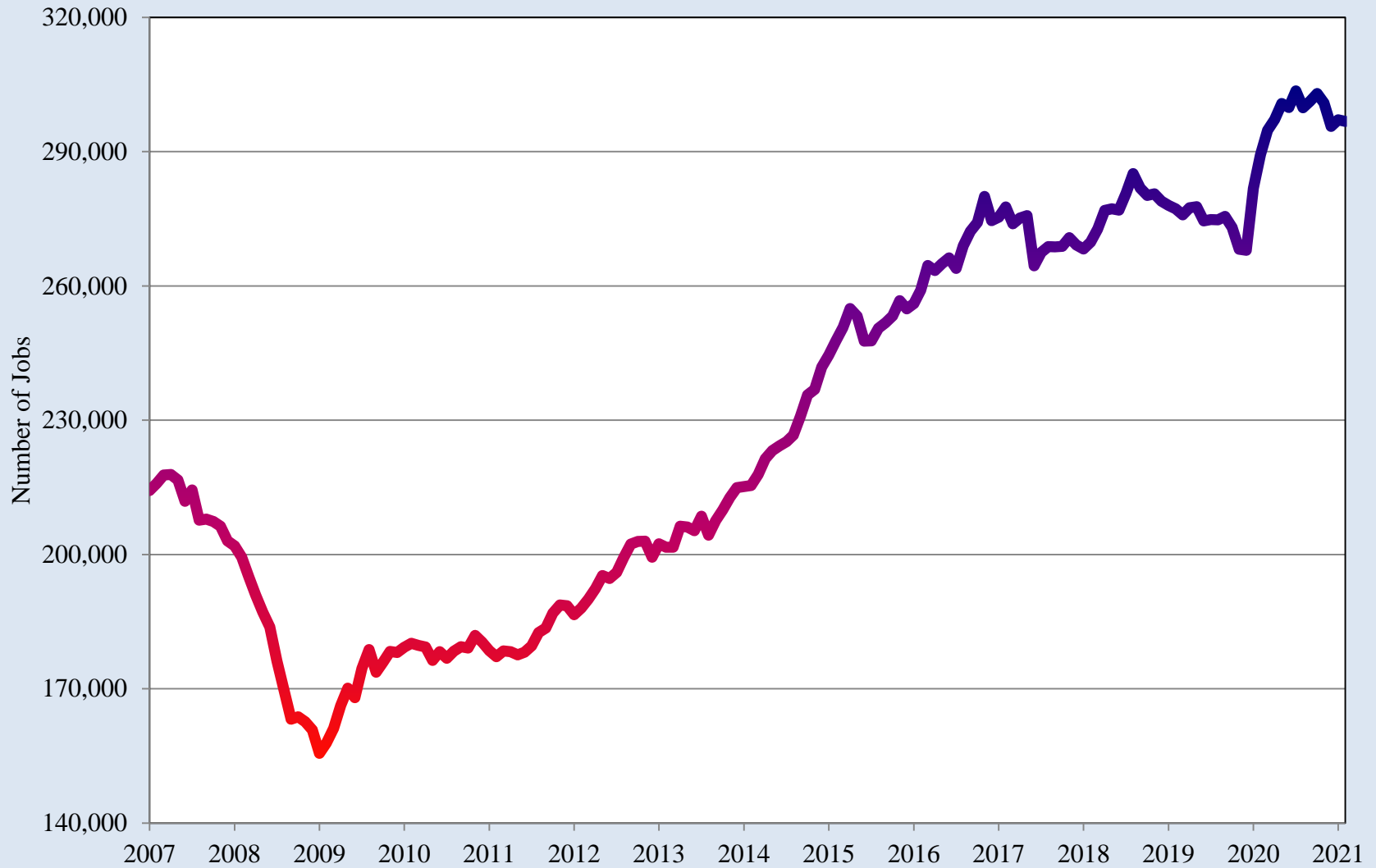
2019 2020 2021



Source: INEGI



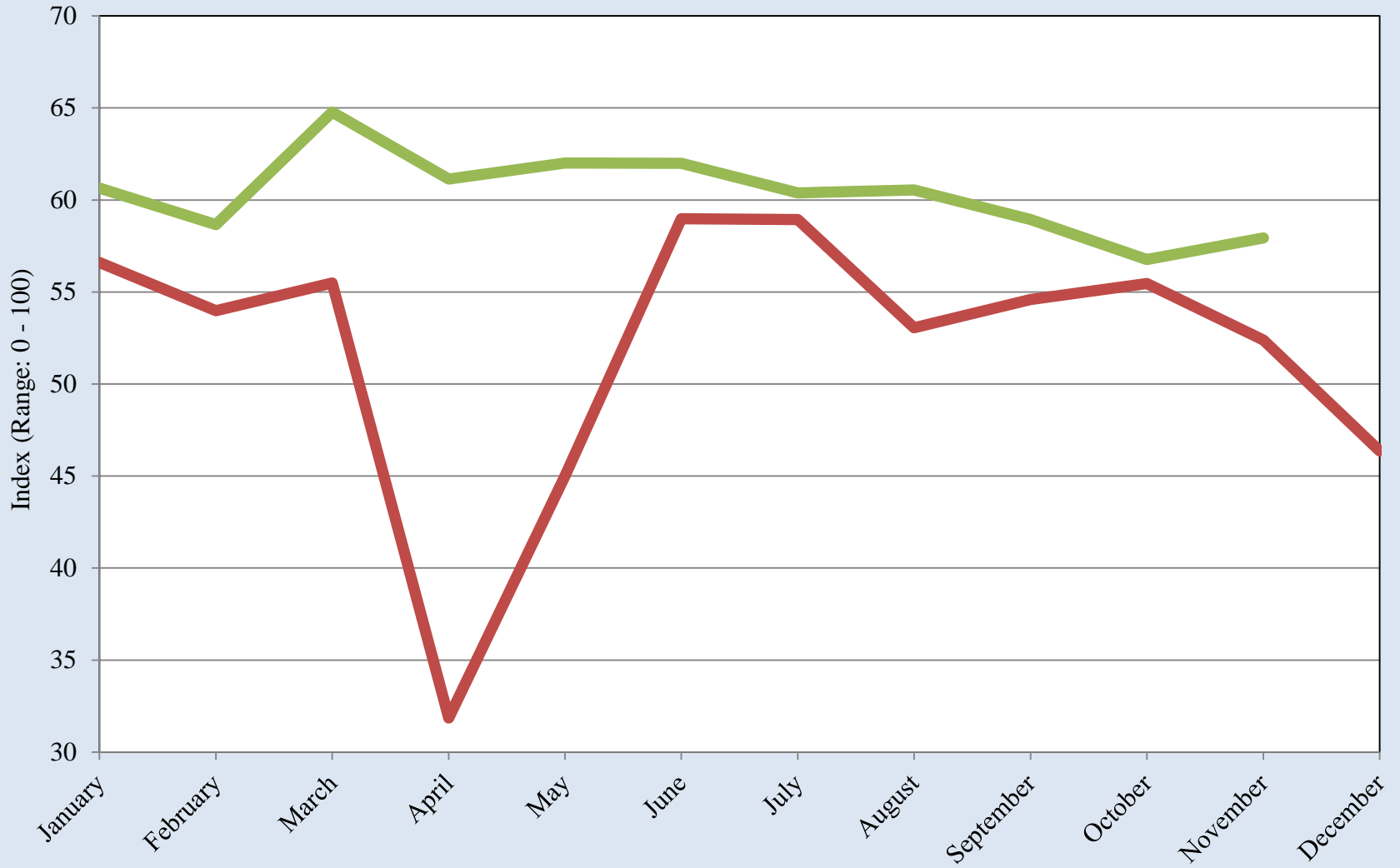
## Export-Oriented Manufacturing Employment in Ciudad Juárez



Source: INEGI

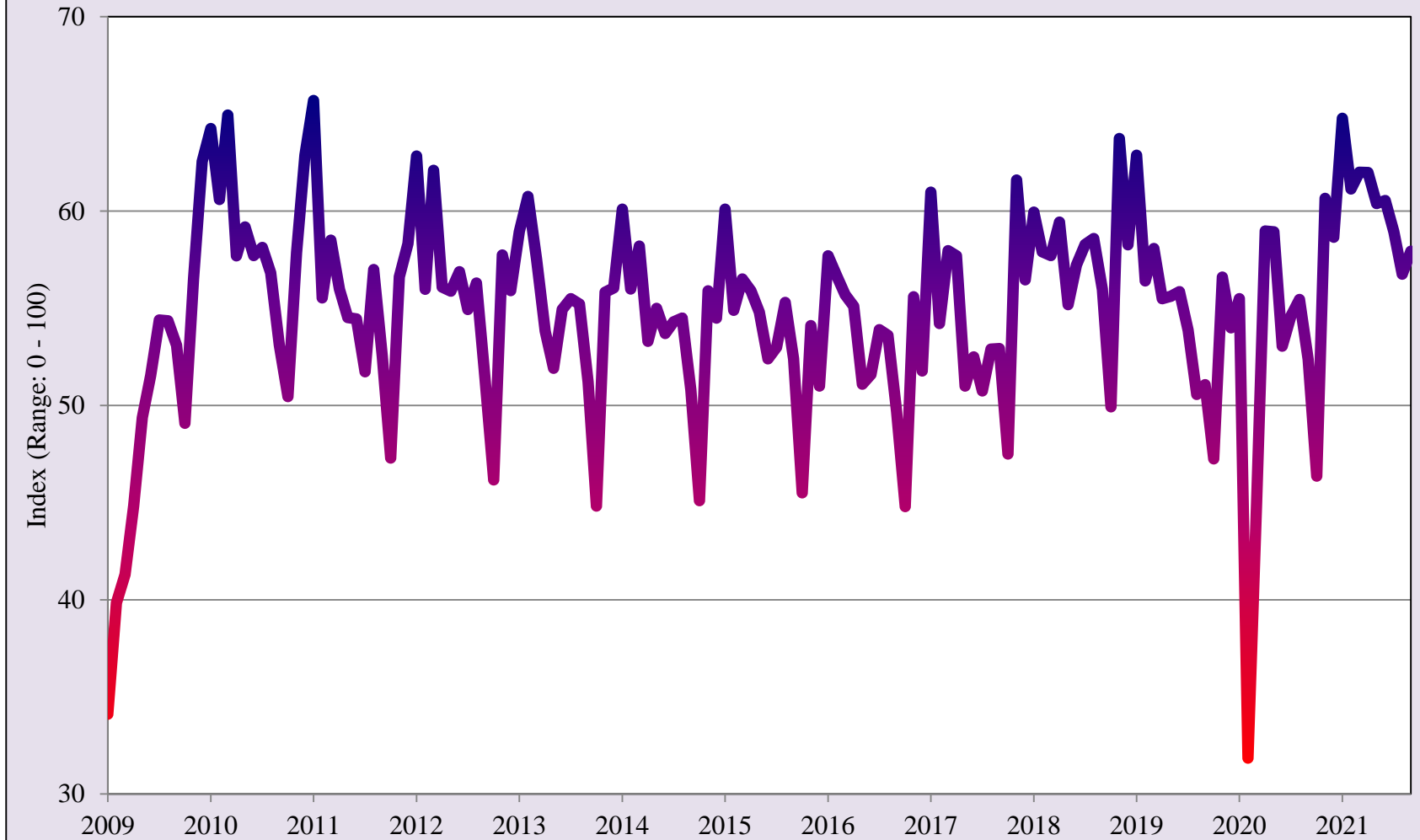
# Northern Mexico Manufacturing Orders Index

2020 2021



Source: Banco de México

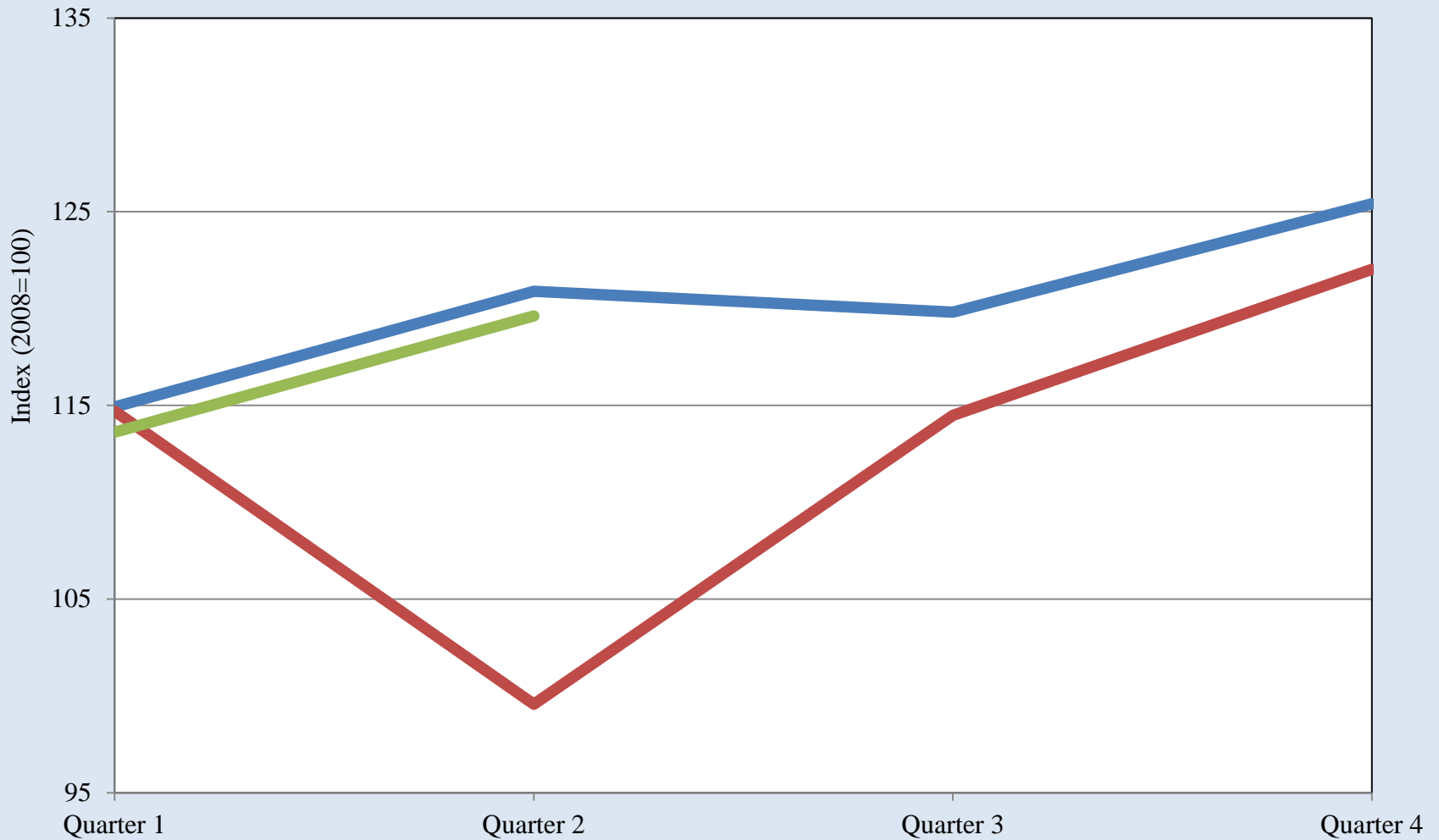
## Northern Mexico Manufacturing Orders Index



Source: Banco de México

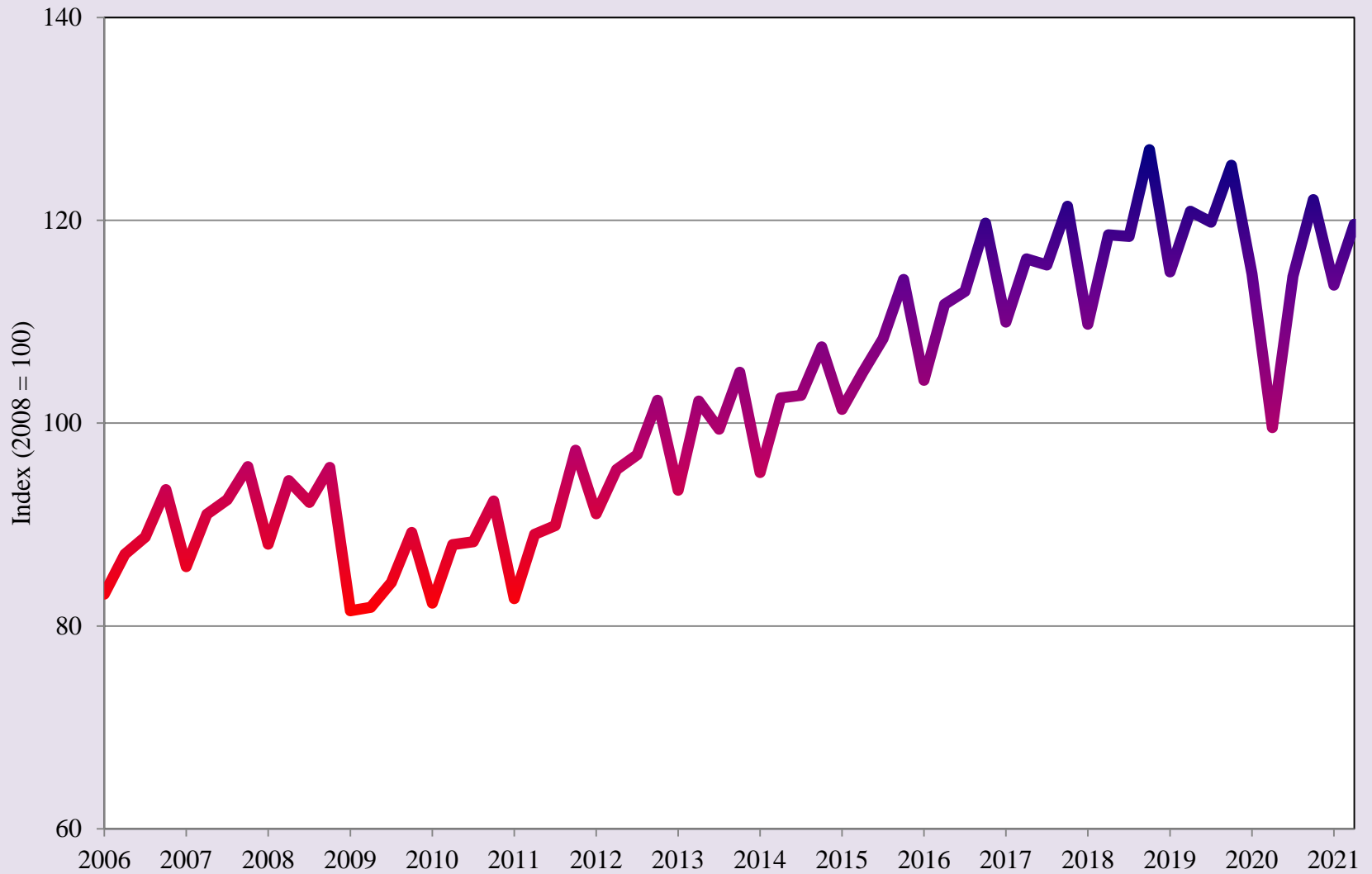
# Quarterly Indicator of Economic Activity for the State of Chihuahua

2019 2020 2021



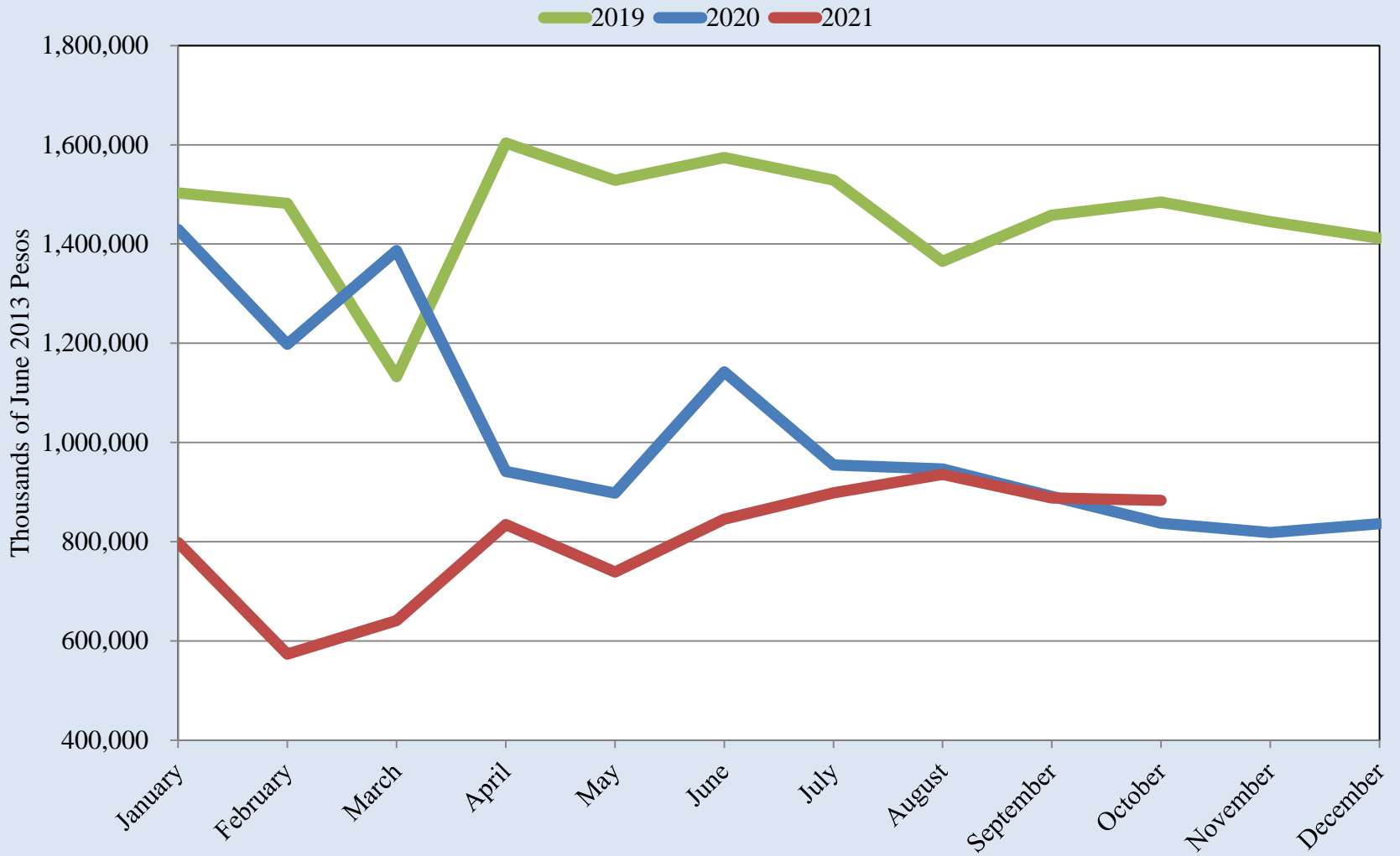
Source: INEGI

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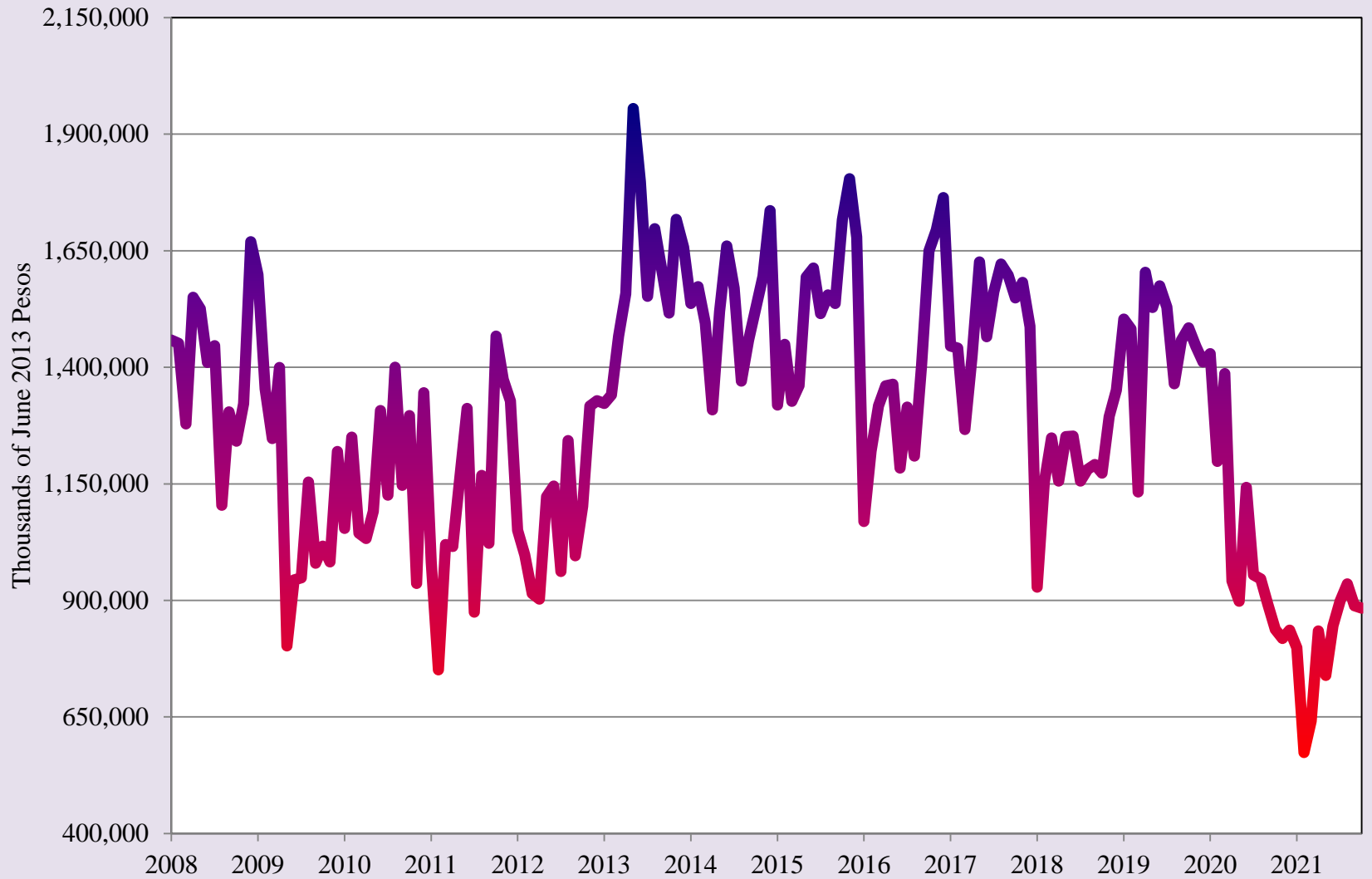
Source: INEGI

## Total Value of Construction in the State of Chihuahua



Source: INEGI

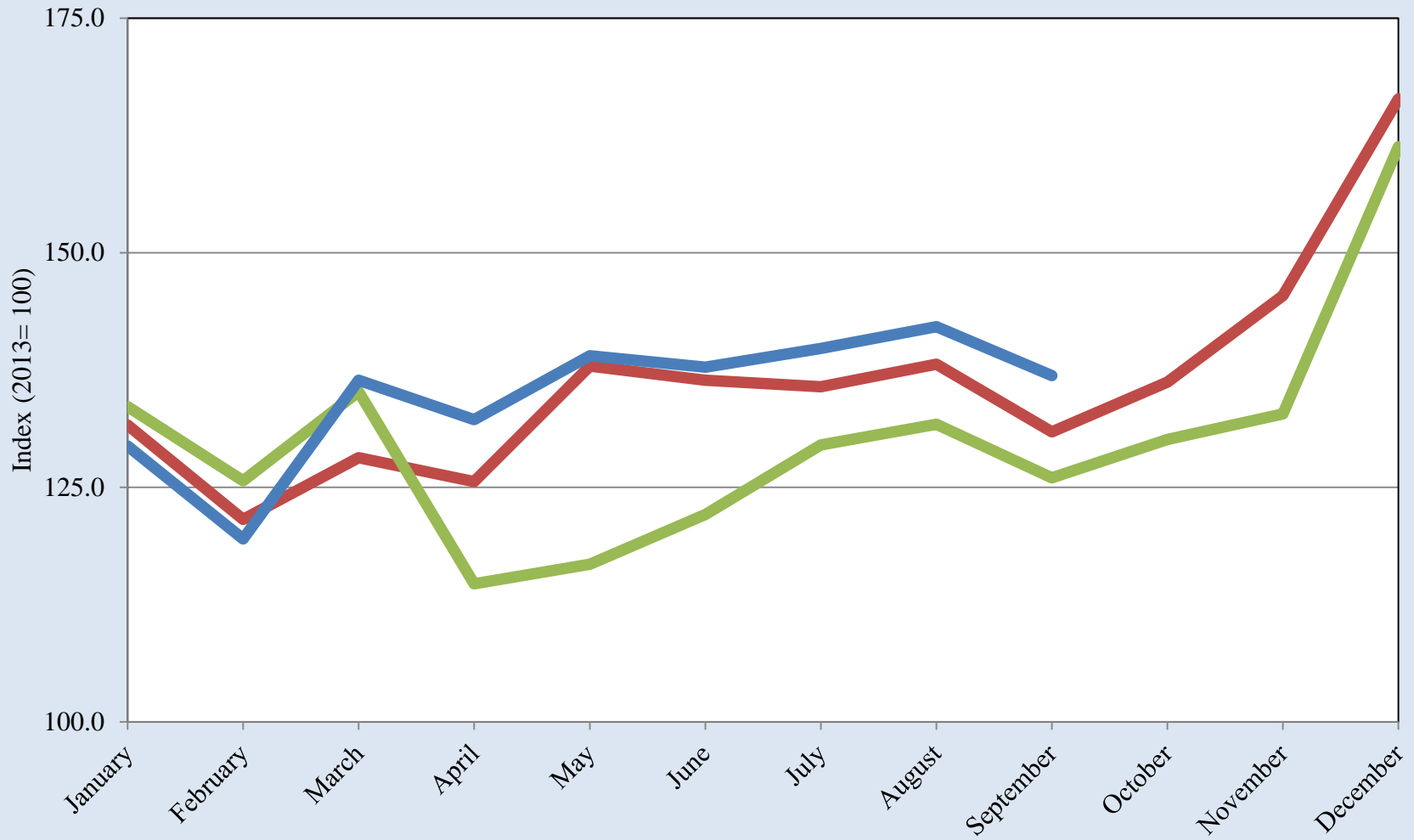
## Total Value of Construction in the State of Chihuahua



Source: INEGI

## Real Retail Activity Index for the State of Chihuahua

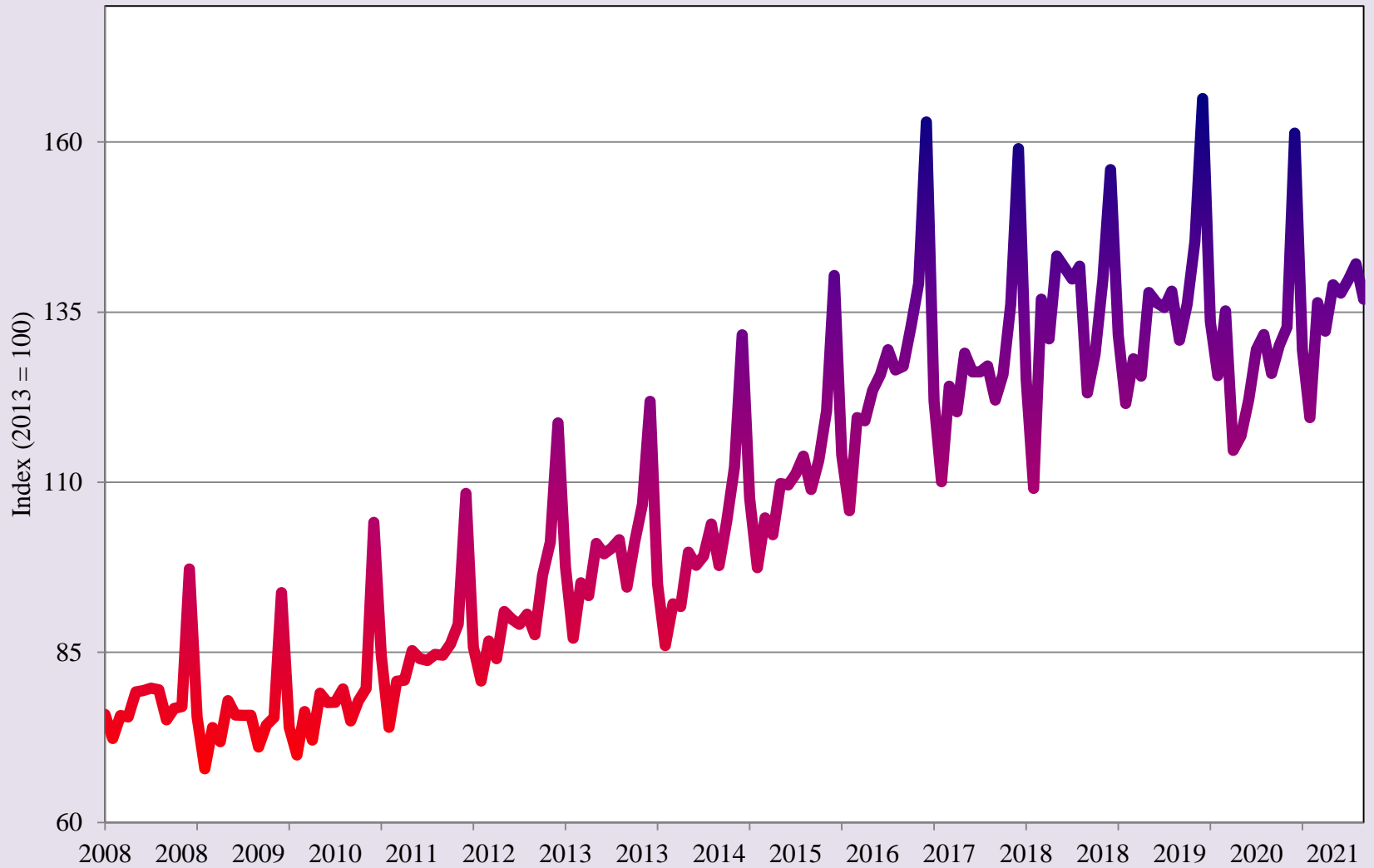
— 2019 — 2020 — 2021



Source: INEGI



## Real Retail Activity Index for the State of Chihuahua



Source: INEGI



Short-Term  
Outlook to  
2022



# BORDERPLEX BUSINESS BAROMETER

## University of Texas at El Paso

Heather Wilson, President  
John Wiebe, Provost  
Roberto Osegueda, Vice President for Research

## UTEP College of Business Administration

Jim Payne, Dean  
Erik Devos, Associate Dean  
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