

3-2022

Borderplex Business Barometer, Volume 6, Number 3

Thomas M. Fullerton Jr.

Steven L. Fullerton

Follow this and additional works at: https://scholarworks.utep.edu/border_region



Part of the [Regional Economics Commons](#)

Comments:

T.M. Fullerton, Jr., and S.L. Fullerton, 2022, Geo-Politics, Gasoline, and De-Globalization, *Borderplex Business Barometer* 6(3), 1-58.



BORDERPLEX BUSINESS BAROMETER

March 2022

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 325
University of Texas at El Paso

Email

tomf@utep.edu
sfullerton@utep.edu

Telephone

915-747-7747
915-747-7775

UTEP Miner Shoppe

[Click Here](#)

Border Region Modeling Project Website

[Click here](#)

Border Commerce & Economics

Borderplex Business Barometer, Volume 6, Number 3

Geo-Politics, Gasoline, and De-Globalization

The Russian military invasion has inflicted massive economic and non-economic losses on Ukraine plus additional economic headaches on the world economy. Ukraine is an important producer of numerous commodities whose 2022 output levels may be decimated by the war. At present, it looks fairly certain that those supply chain disruptions will unleash unavoidable inflationary shocks for numerous food and industrial products ranging from flour and cooking oil to steel and electronic computer chips.

International economic sanctions against Russia have also caused energy prices to spike. Much of Russia's oil exports are transported through the Black Sea. The war has caused insurance rates to rise so high that tankers will no longer enter the Black Sea and Russian oil exports are banned in many countries. As shown in the graphs on Pages 15 and 16, the March 2022 price of regular unleaded gasoline in El Paso rose to its highest level since 2012.

The pandemic has generated numerous supply chain disruptions, as has the Russian war in Ukraine. Also contributing to the difficulties facing producers are unexpected supply chain re-directions caused by an emerging re-orientation of trade patterns among democratic countries and autocratic regimes. The globalization rollback may cause inflation to remain uncomfortably high well beyond the end of the current pandemic.

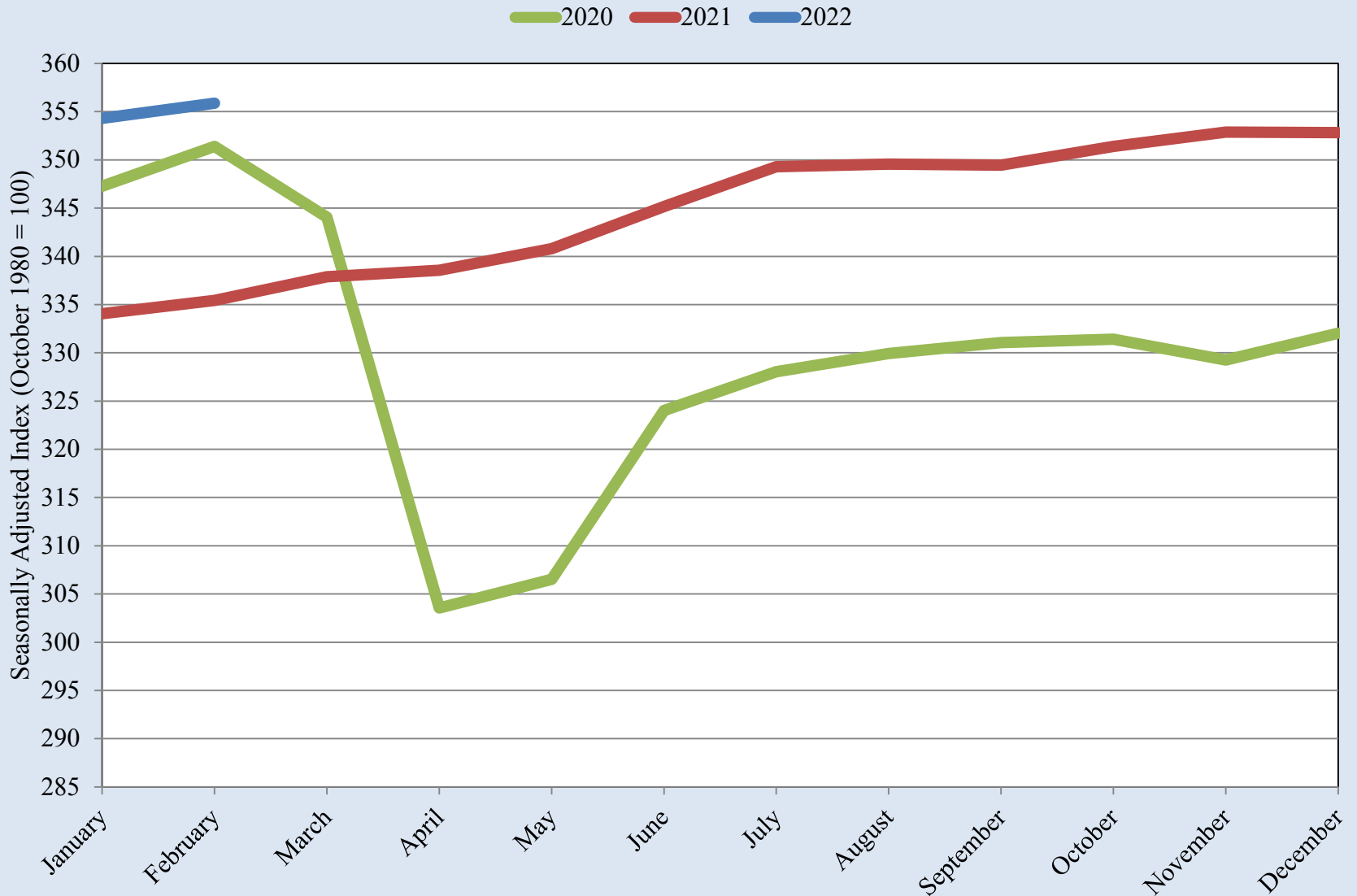
One response of the Biden Administration is the release one million barrels of oil per day from the strategic petroleum reserve in Louisiana and Texas. Energy analysts anticipate that this action should cause the price of West Texas Intermediate (WTI) crude oil to drop by \$5 per barrel during the 6-month period during which this policy is scheduled to remain in effect. Local economic history indicates that unleaded regular gasoline prices will decline by 12.5 cents per gallon while this policy is in place.

In the last 24 months, there have been 5 global supply chain ruptures, 4 due to successive pandemic waves, and 1 due to war. The effects of these disruptions, plus any related to de-globalization, will surely take more than an additional 12 months to play out. North American manufacturing investments

are surging in response to these upheavals. As the graphs on Pages 43 and 44 indicate, trade through the El Paso Customs District has exceeded the \$10 billion mark for 8 consecutive months.

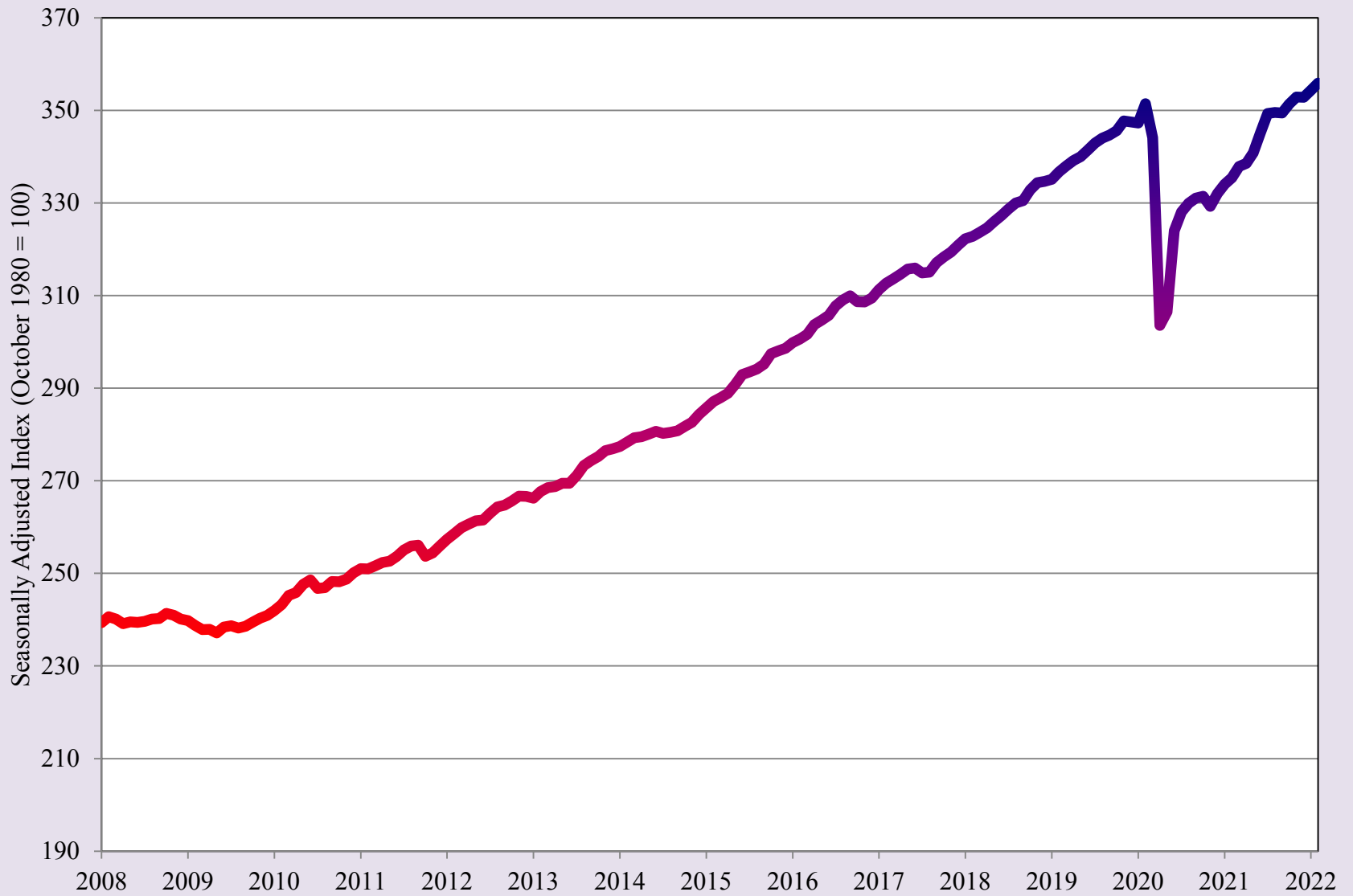
Although global business sentiment is understandably glum, the Borderplex regional economy is in the process of reversing the "China Syndrome" ravages that caused IMMEX activities to falter 20 years ago. IMMEX employment is expected to move close to 320 thousand in Ciudad Juarez by the end of 2022, while in Chihuahua City it should near 80 thousand. In response, Borderplex cargo truck traffic should increase substantially in 2022, with larger volumes being channeled through Santa Teresa – Jerónimo and, eventually, Tornillo - Guadalupe. Demand for diesel is likely to remain very strong.

El Paso Metropolitan Business Cycle Index



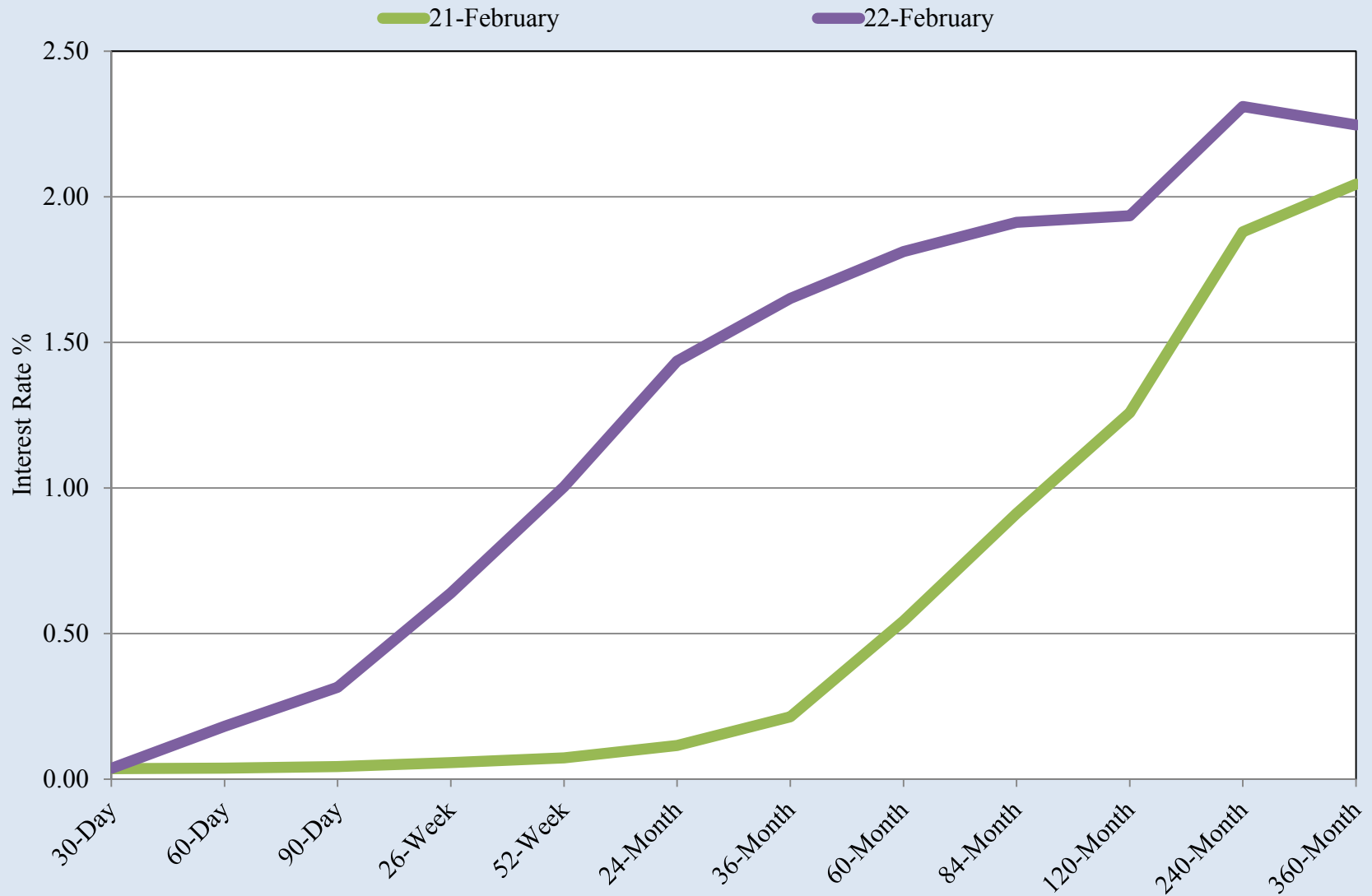
Source: Federal Reserve Bank of Dallas

El Paso Metropolitan Business Cycle Index



Source: Federal Reserve Bank of Dallas

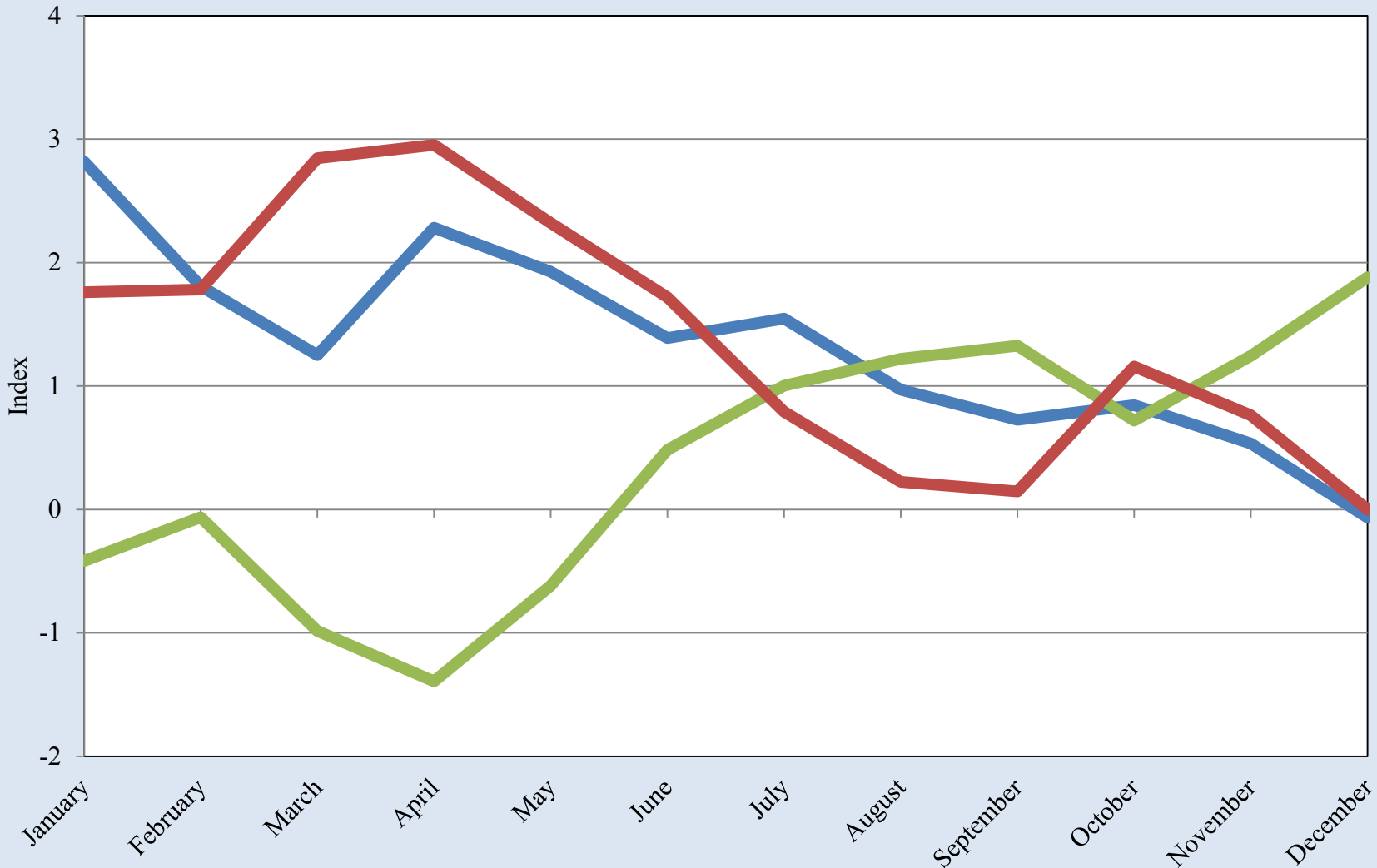
Average Treasury Yield Curve Rates



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

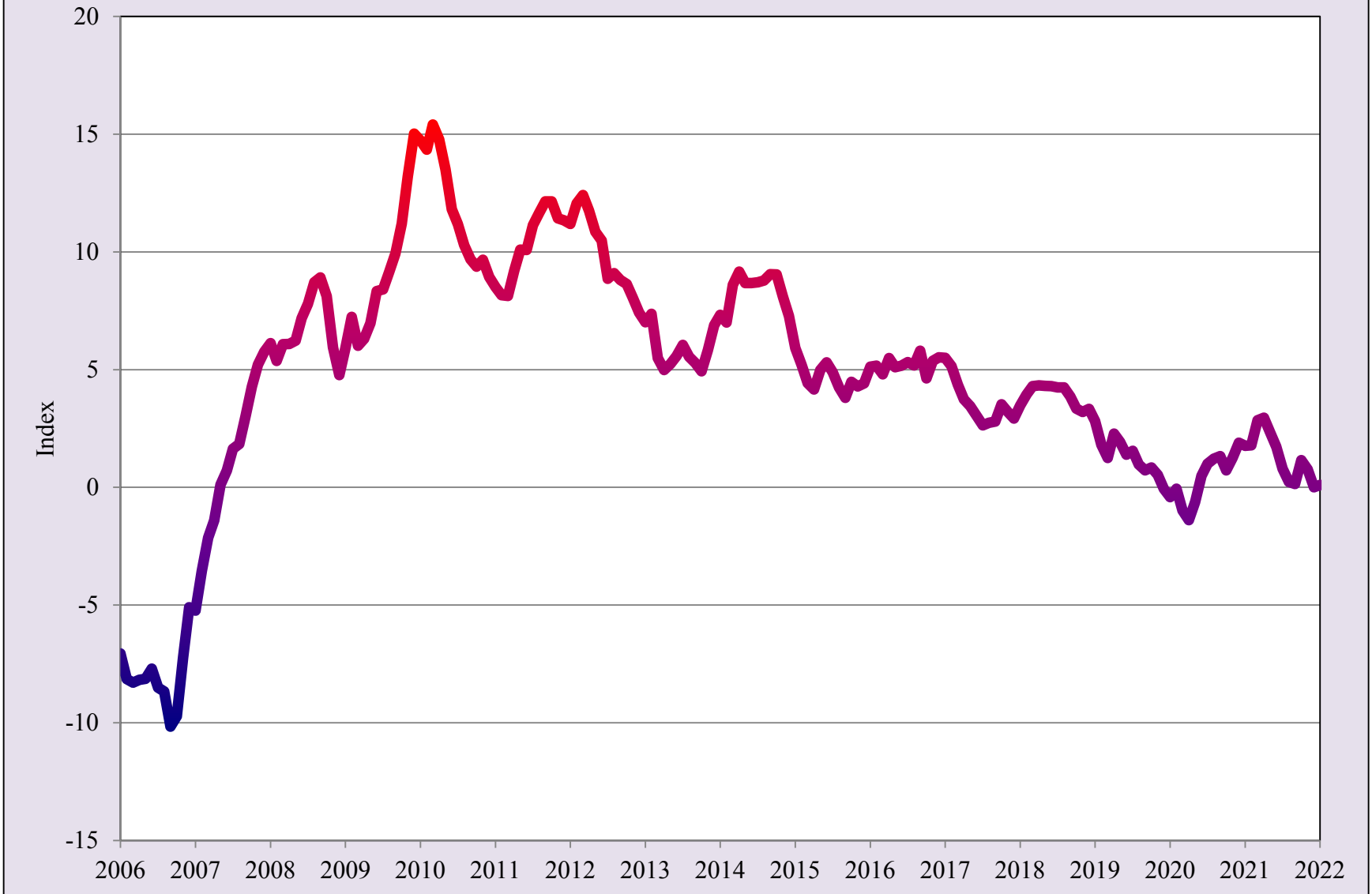
El Paso Household Economic Stress Index

2019 2020 2021



Source: UTEP Border Region Modeling Project

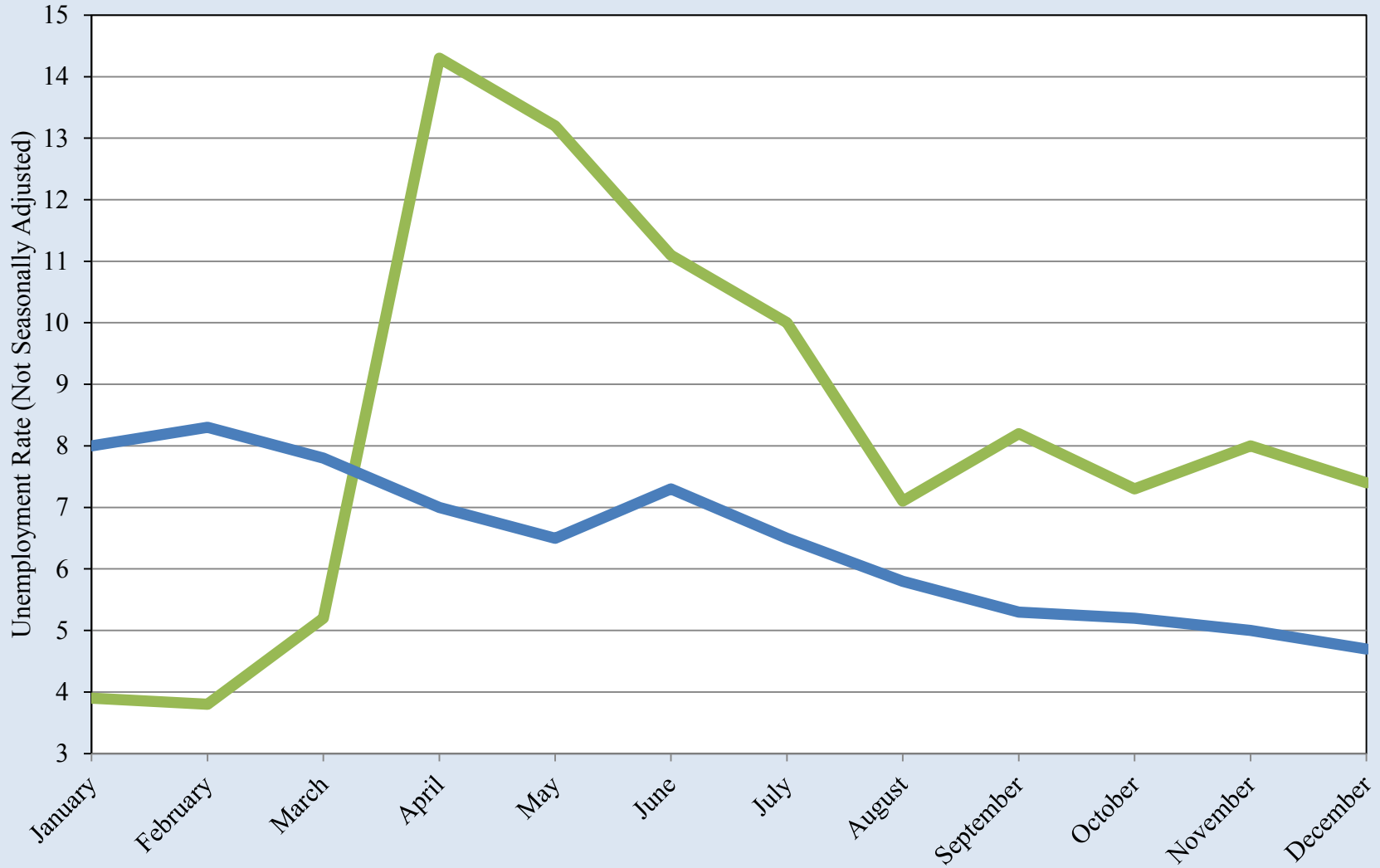
El Paso Household Economic Stress Index



Source: UTEP Border Region Modeling Project

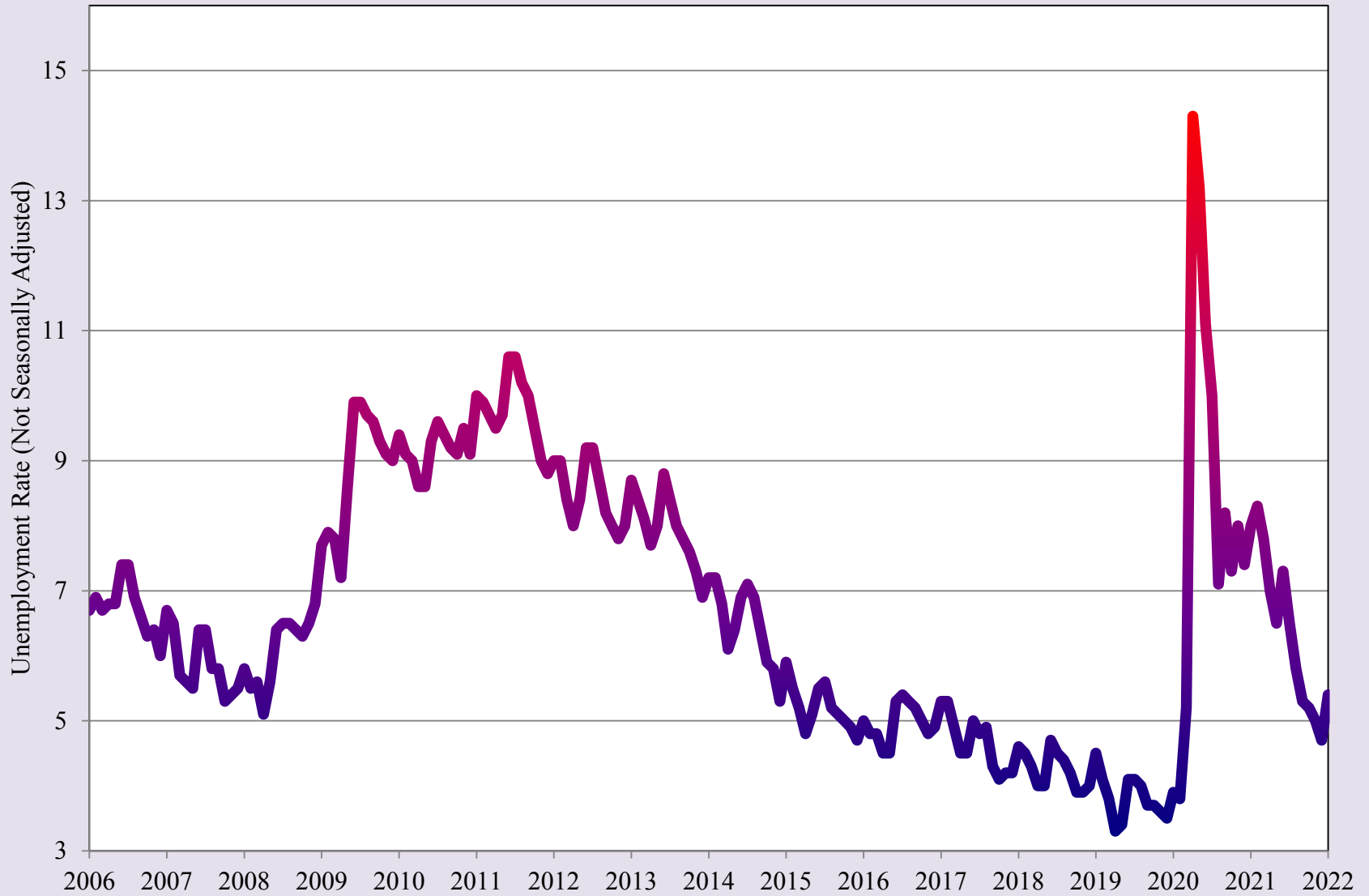
El Paso County Unemployment Rate

2020 2021



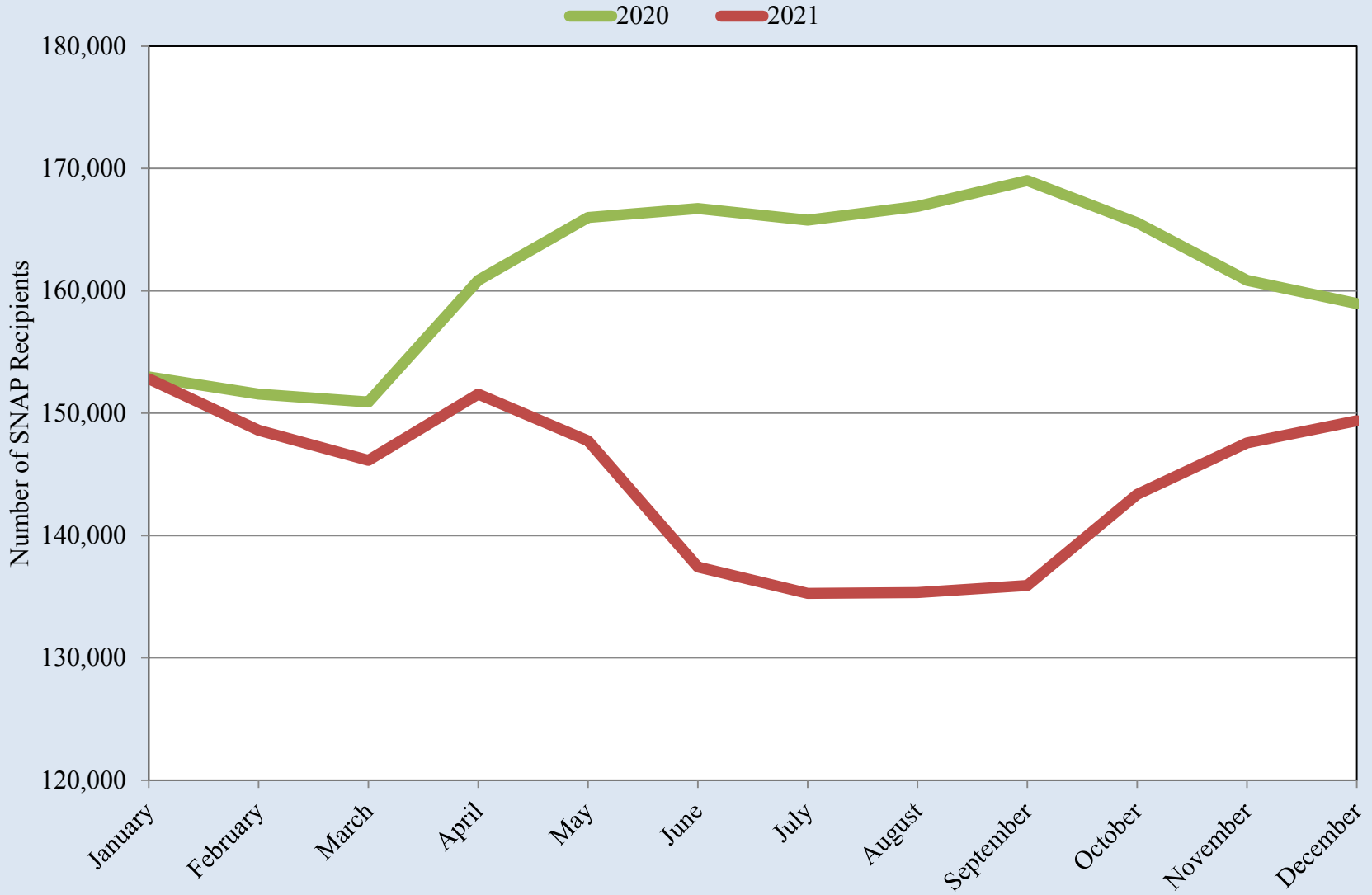
Source: Bureau of Labor Statistics

El Paso County Unemployment Rate



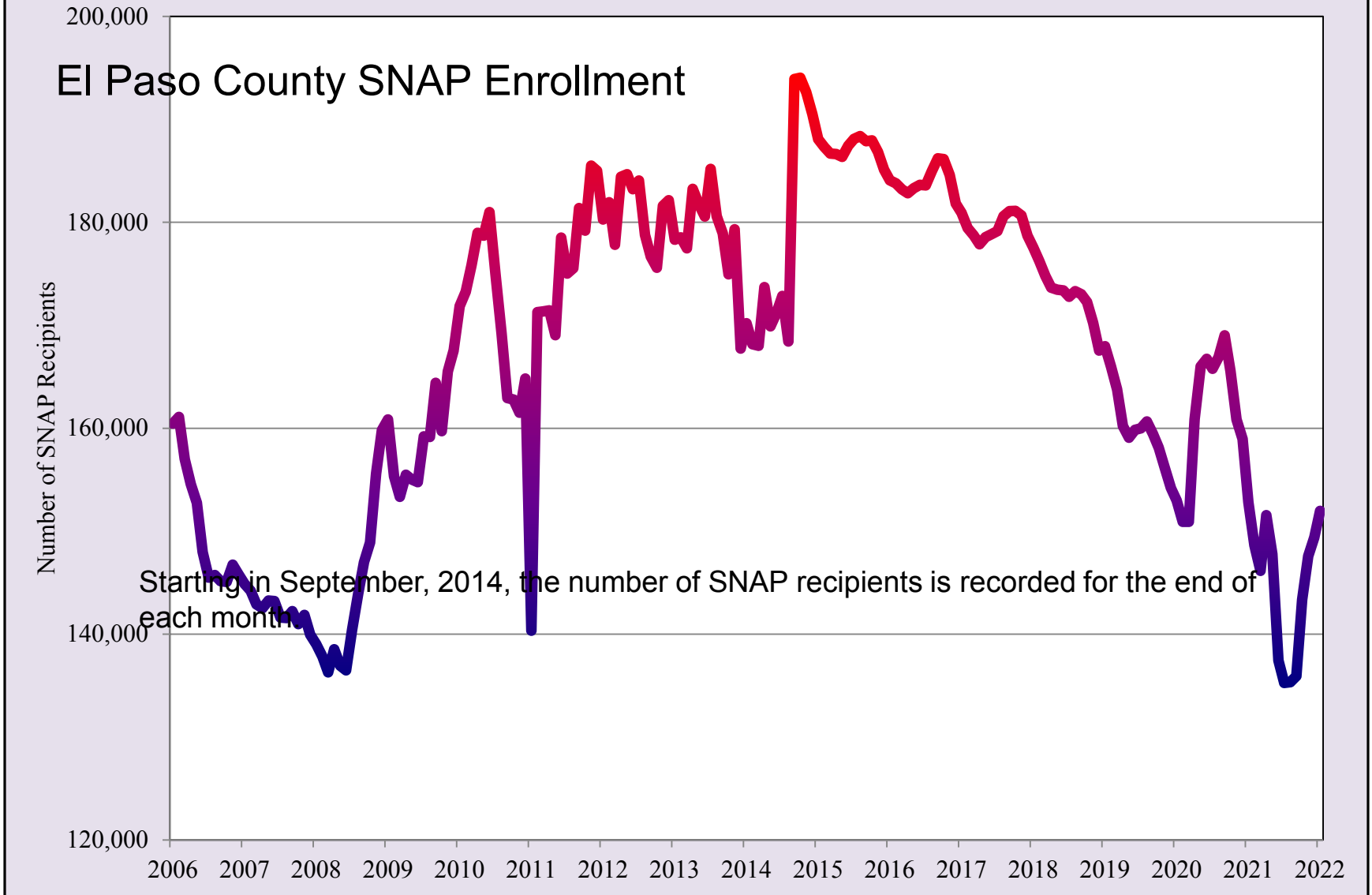
Source: Bureau of Labor Statistics

El Paso County SNAP (Food Stamp) Enrollment



Source: Texas Health and Human Services Commission

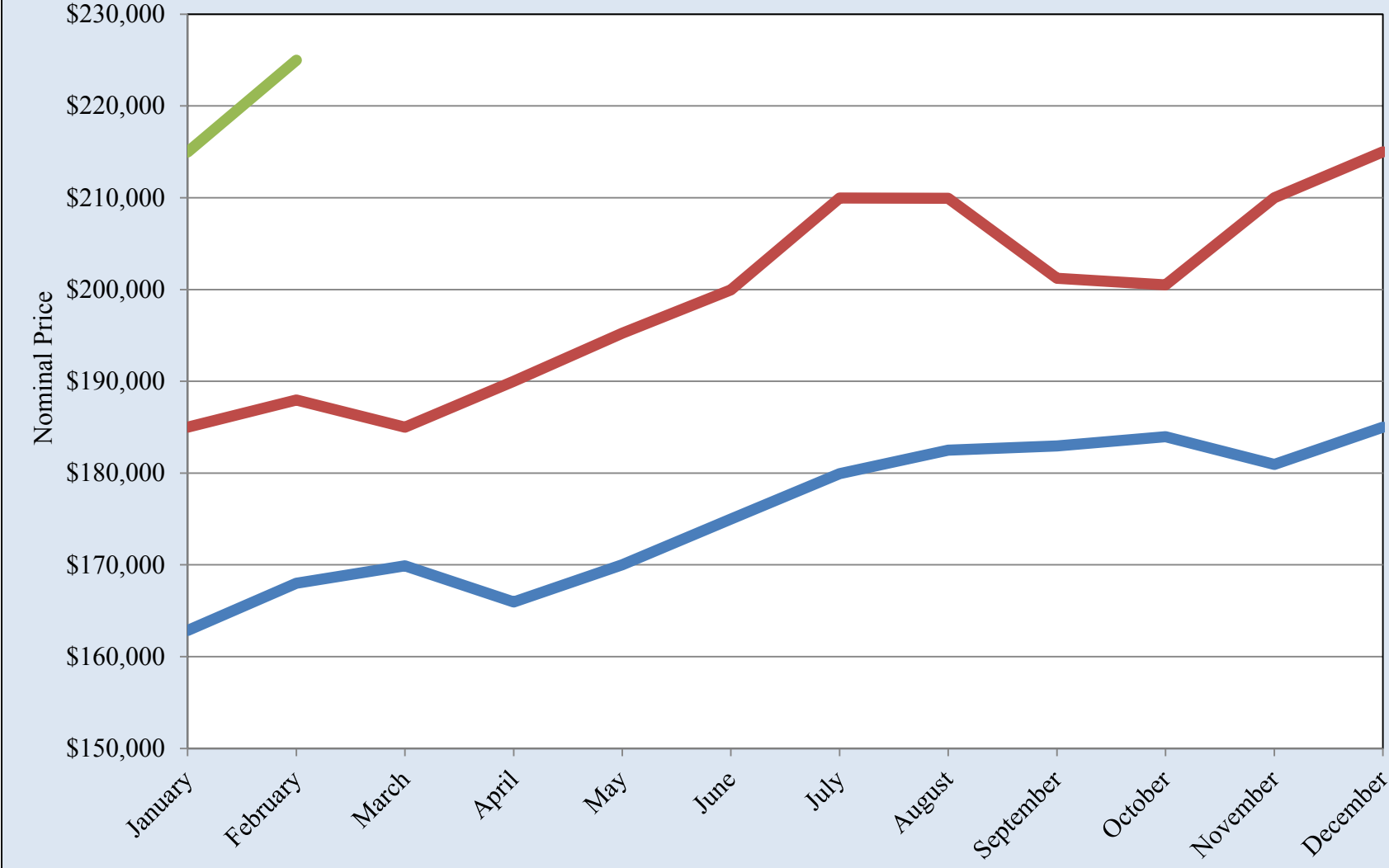
El Paso County SNAP (Food Stamp) Enrollment



Source: Texas Health and Human Services Commission

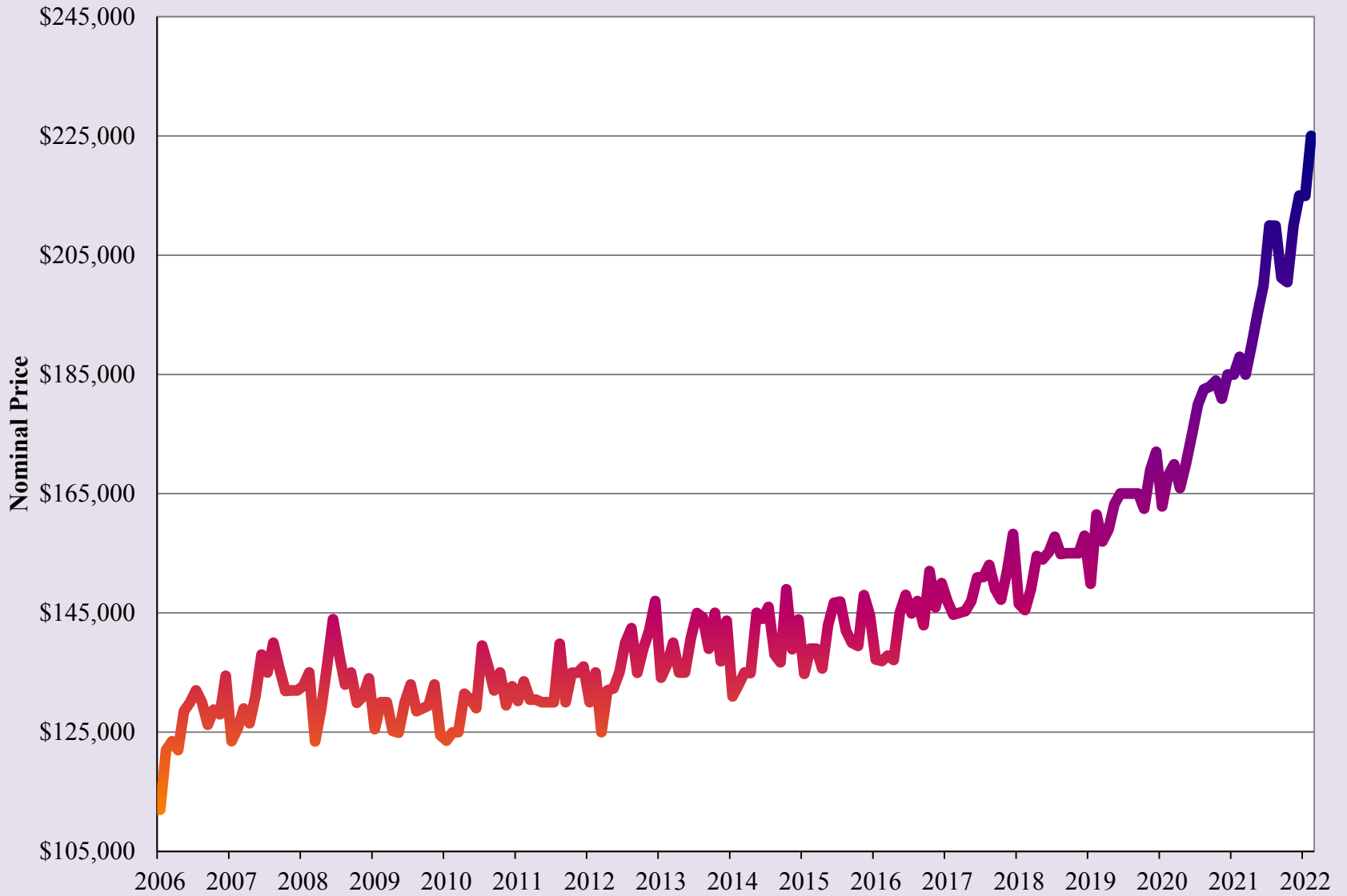
El Paso Median Housing Prices

2020 2021 2022



Source: Texas A&M Real Estate Center

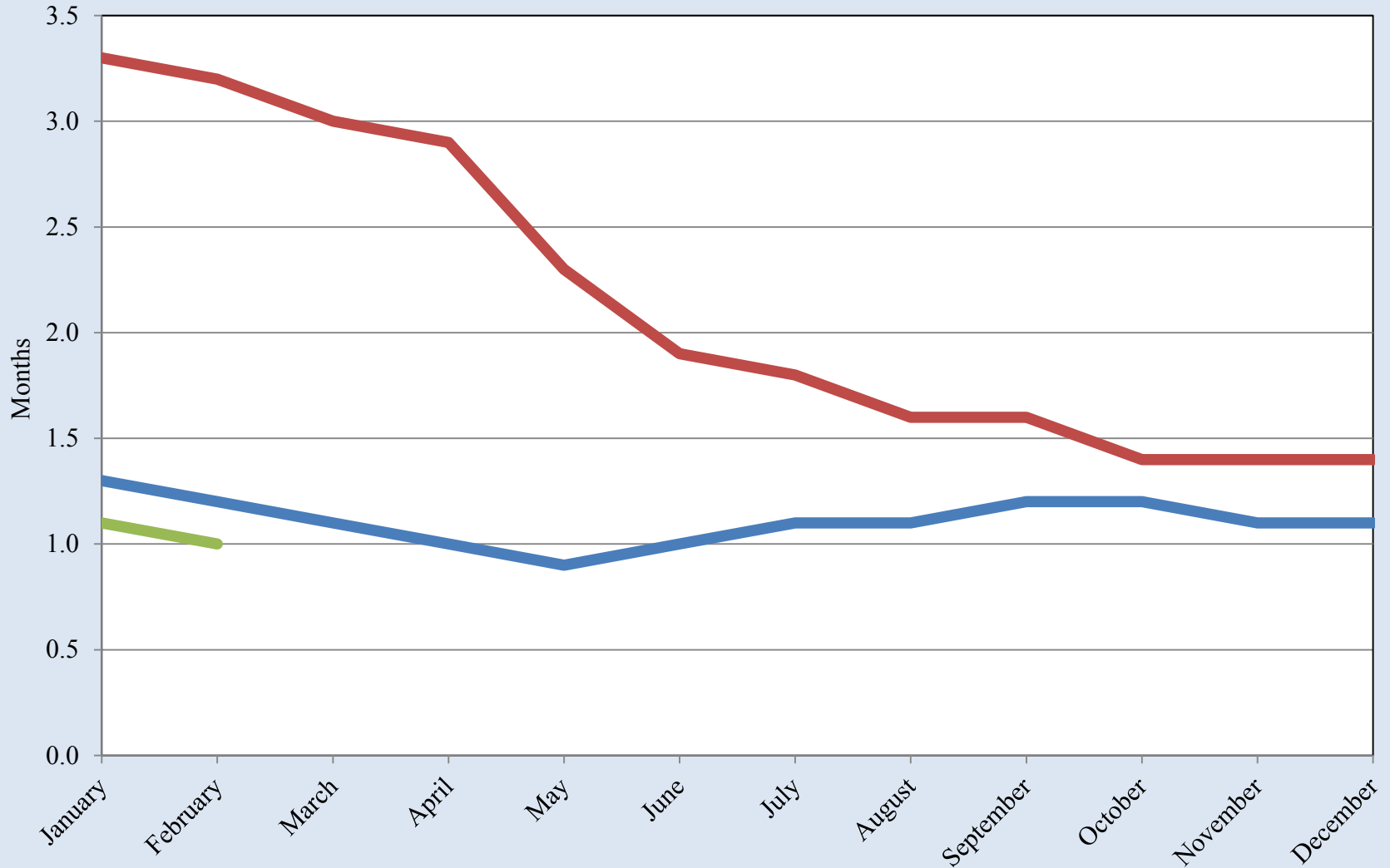
El Paso Median Housing Prices



Source: Texas A&M Real Estate Center

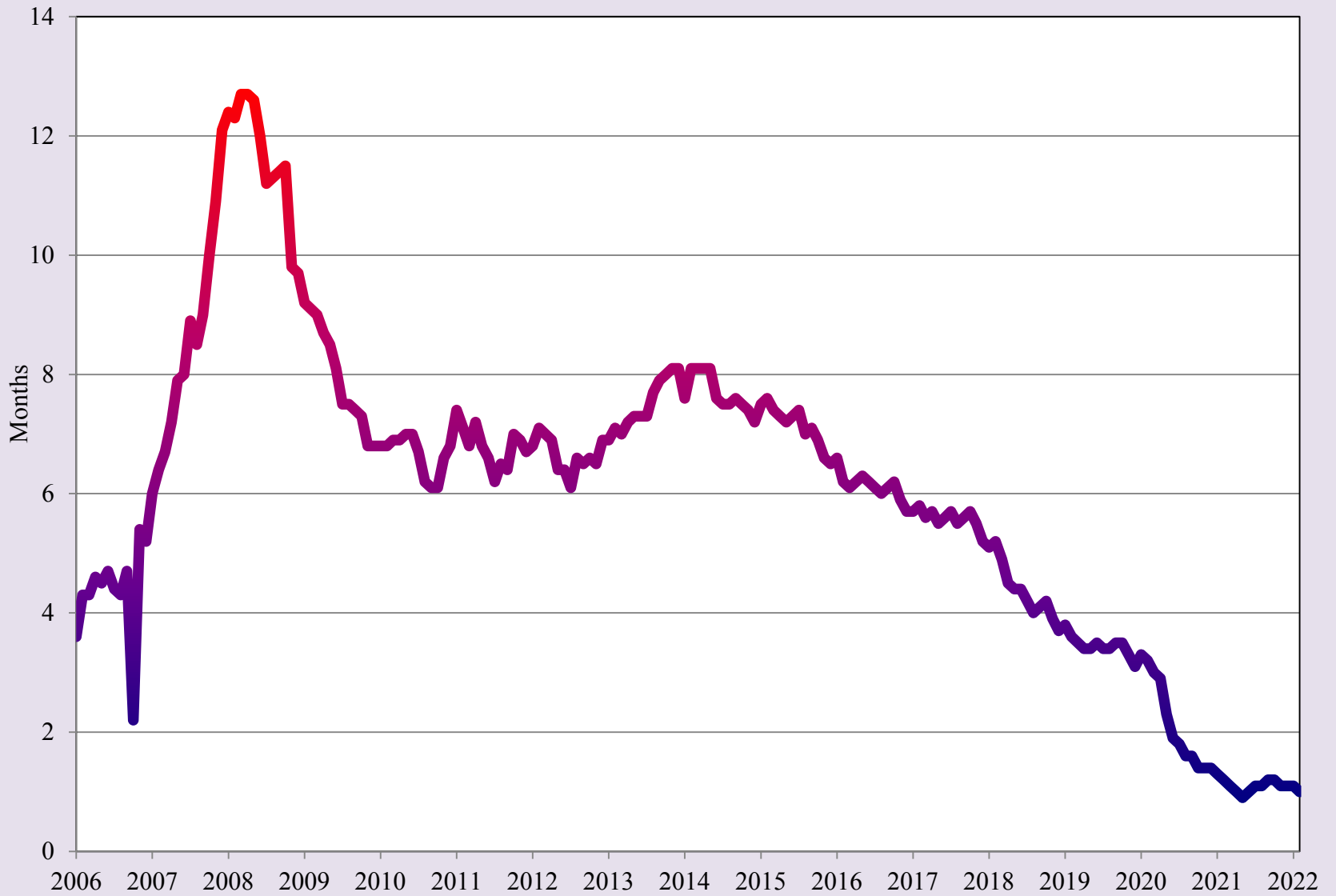
Months of Housing Inventory for El Paso

2020 2021 2022



Source: Texas A&M Real Estate Center

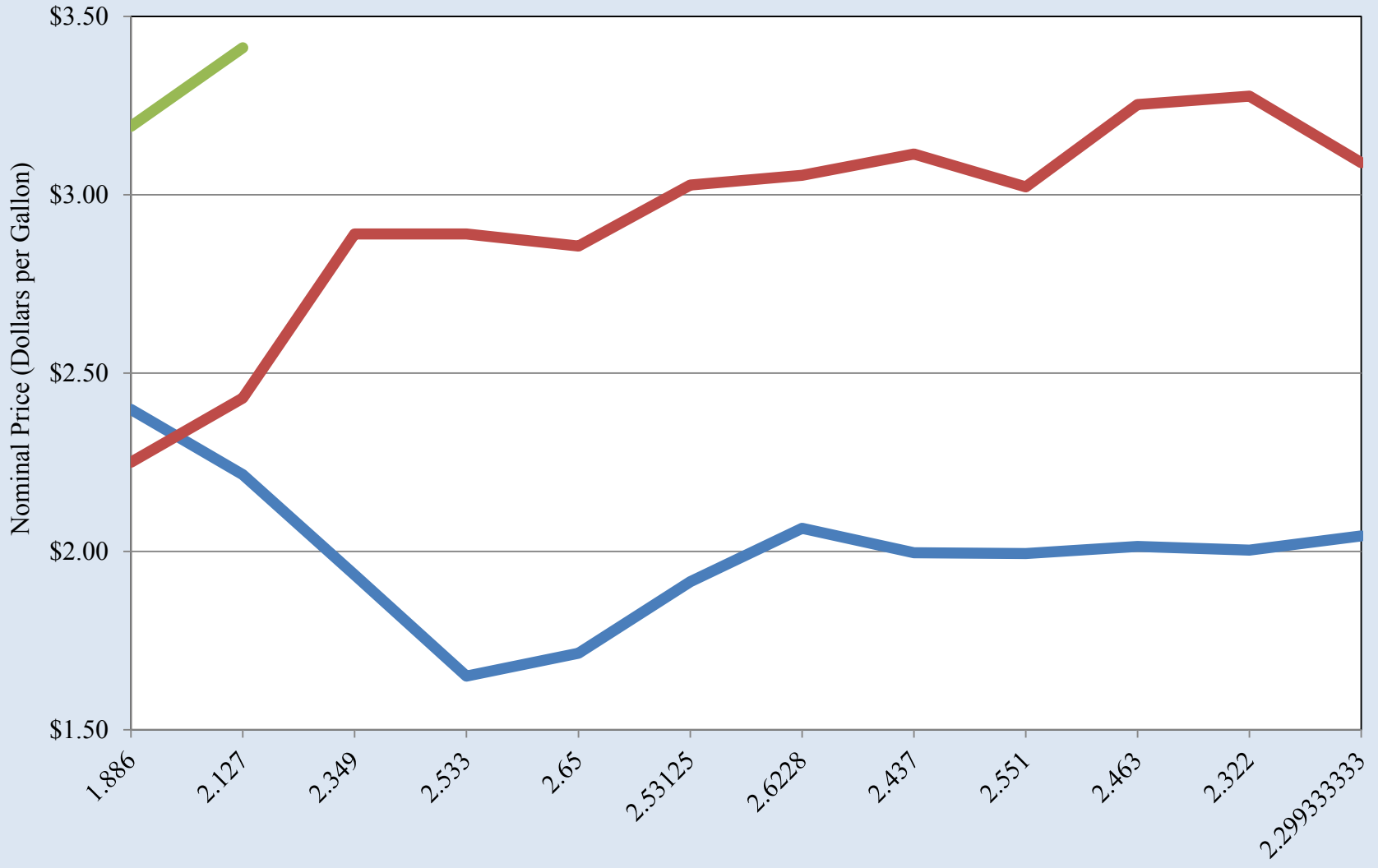
Months of Housing Inventory for El Paso



Source: Texas A&M Real Estate Center

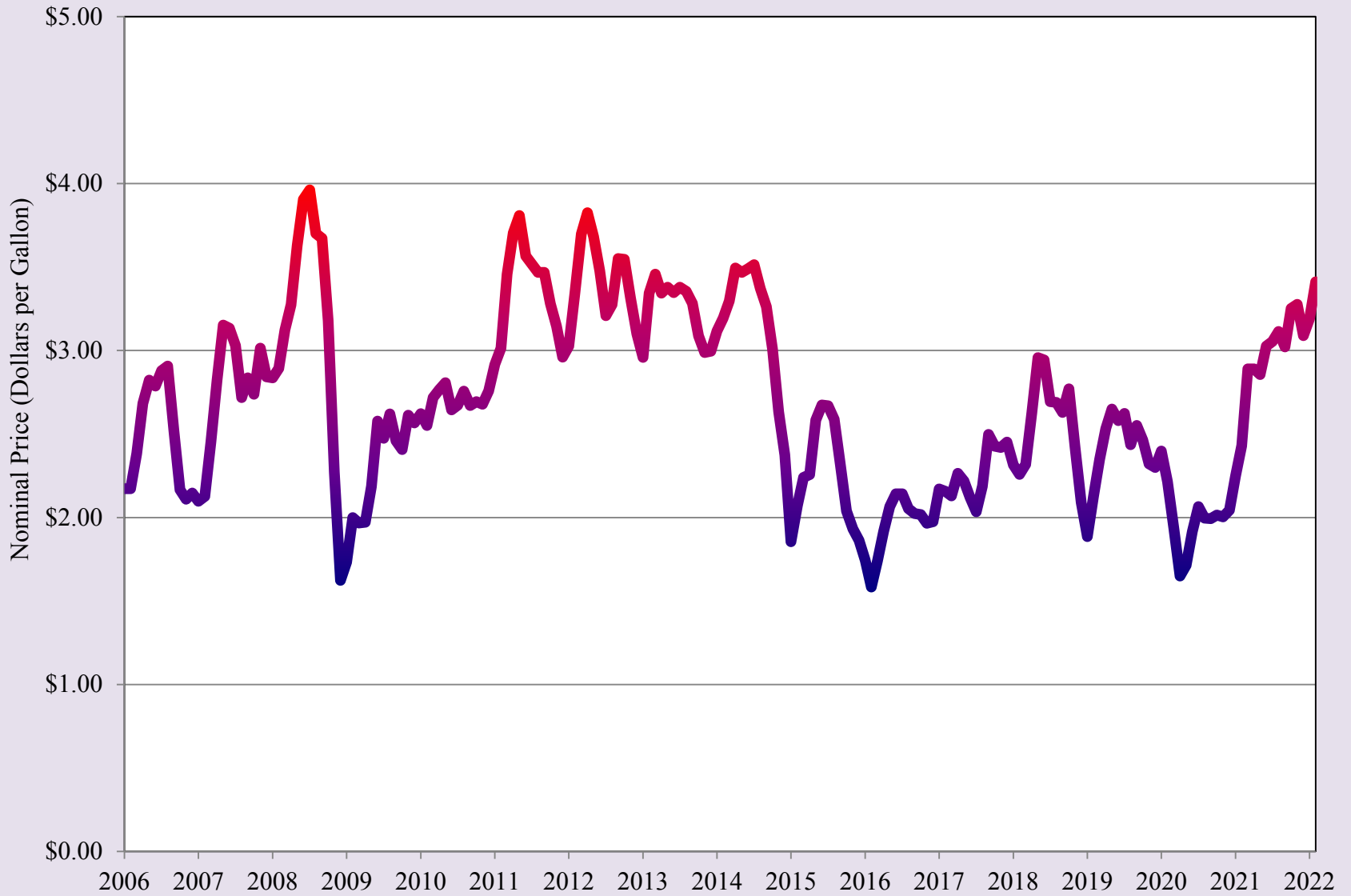
El Paso Gasoline Prices

2020 2021 2022



Source: GasBuddy.com

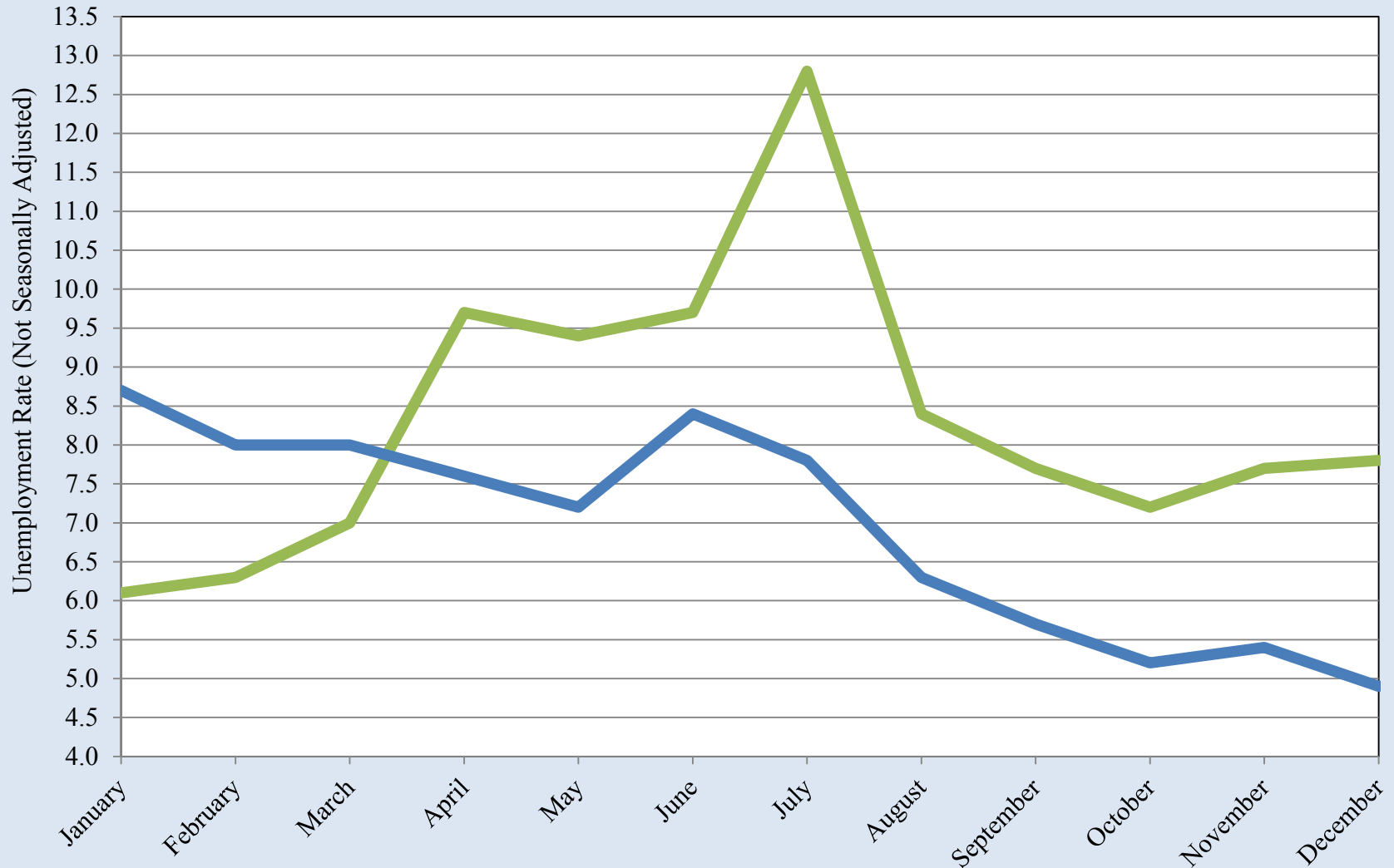
El Paso Gasoline Prices



Source: GasBuddy.com

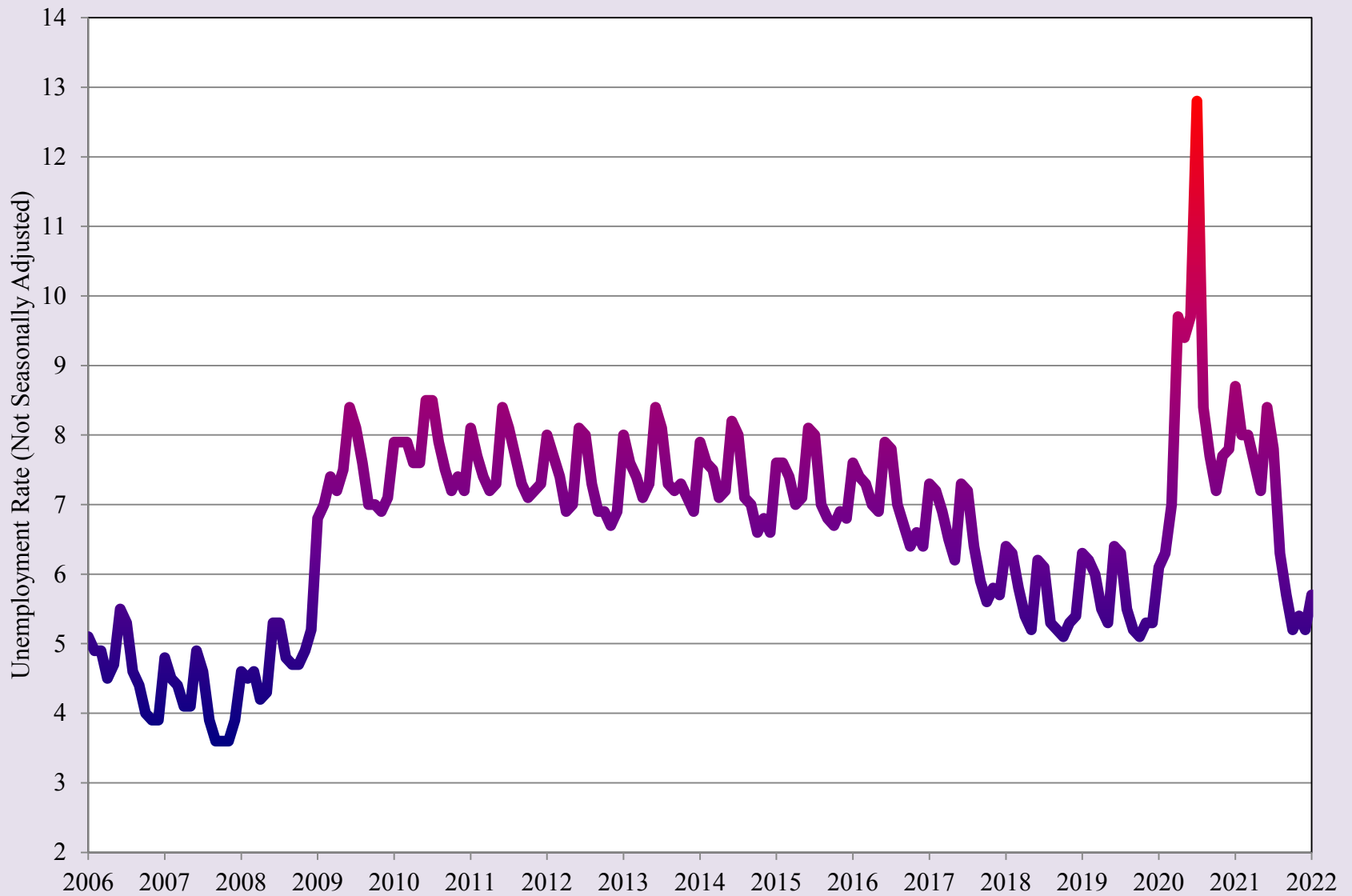
Doña Ana County Unemployment Rate

2020 2021



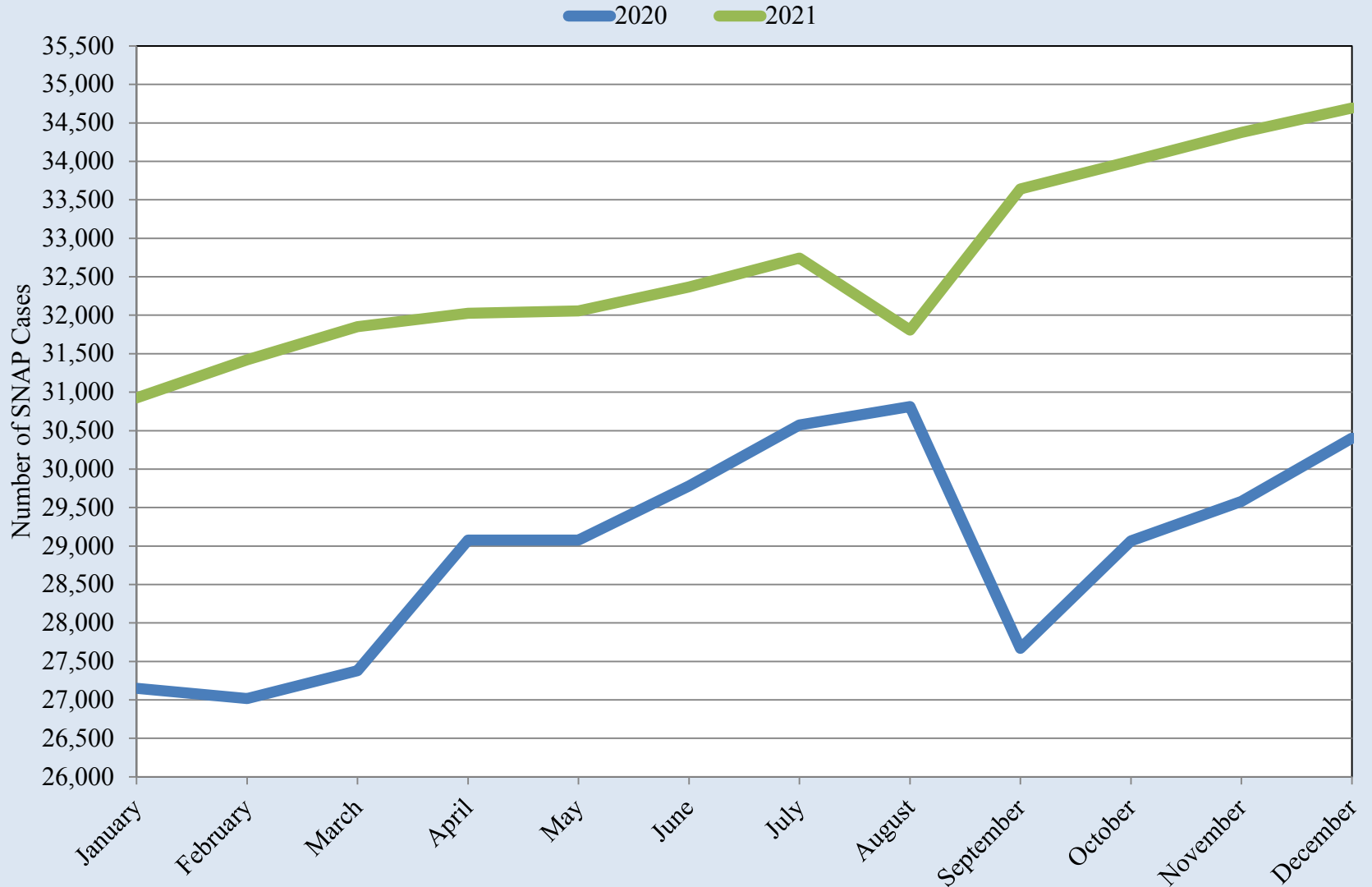
Source: Bureau of Labor Statistics

Doña Ana County Unemployment Rate



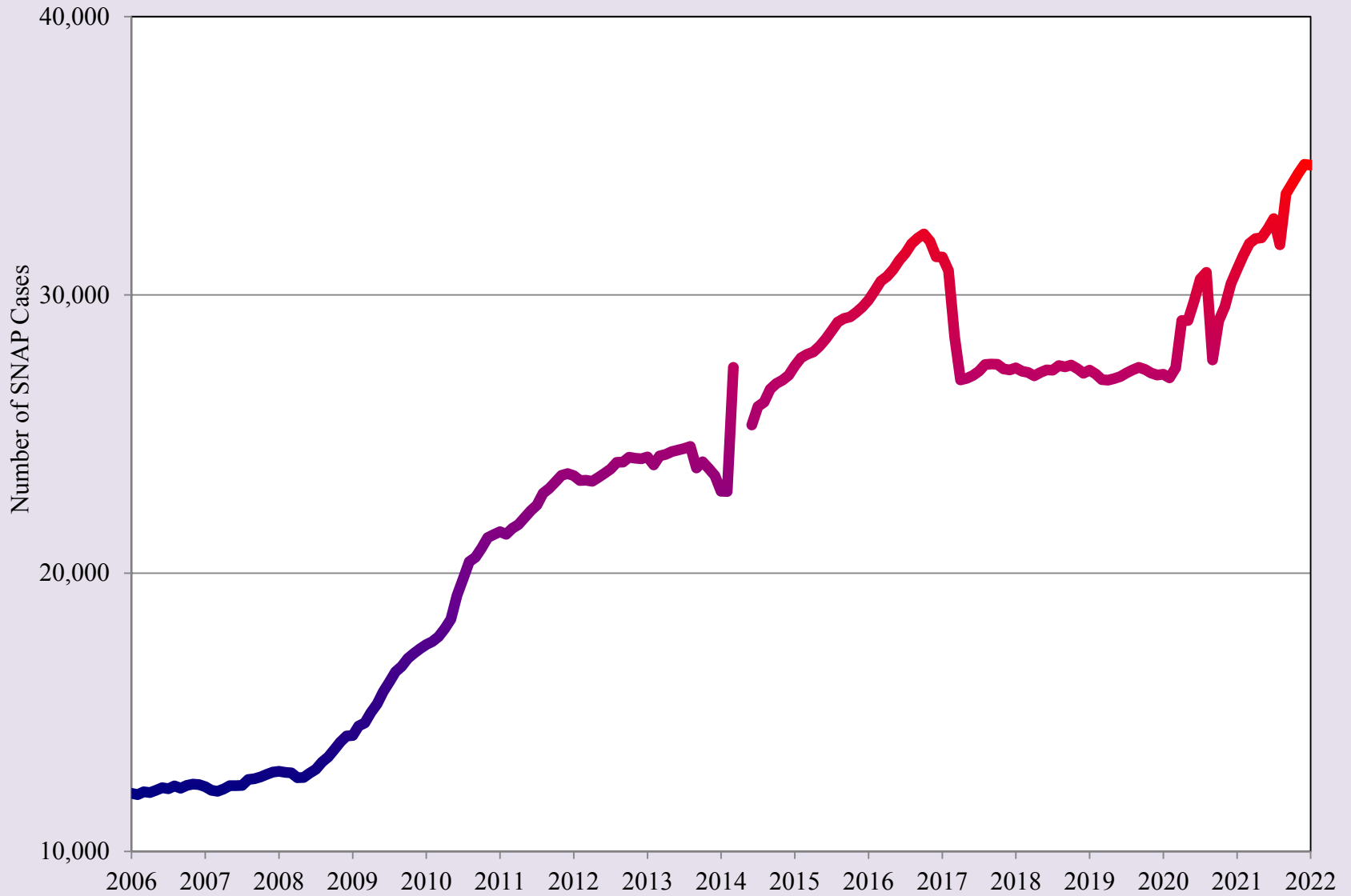
Source: Bureau of Labor Statistics

Las Cruces Area SNAP (Food Stamp) Cases



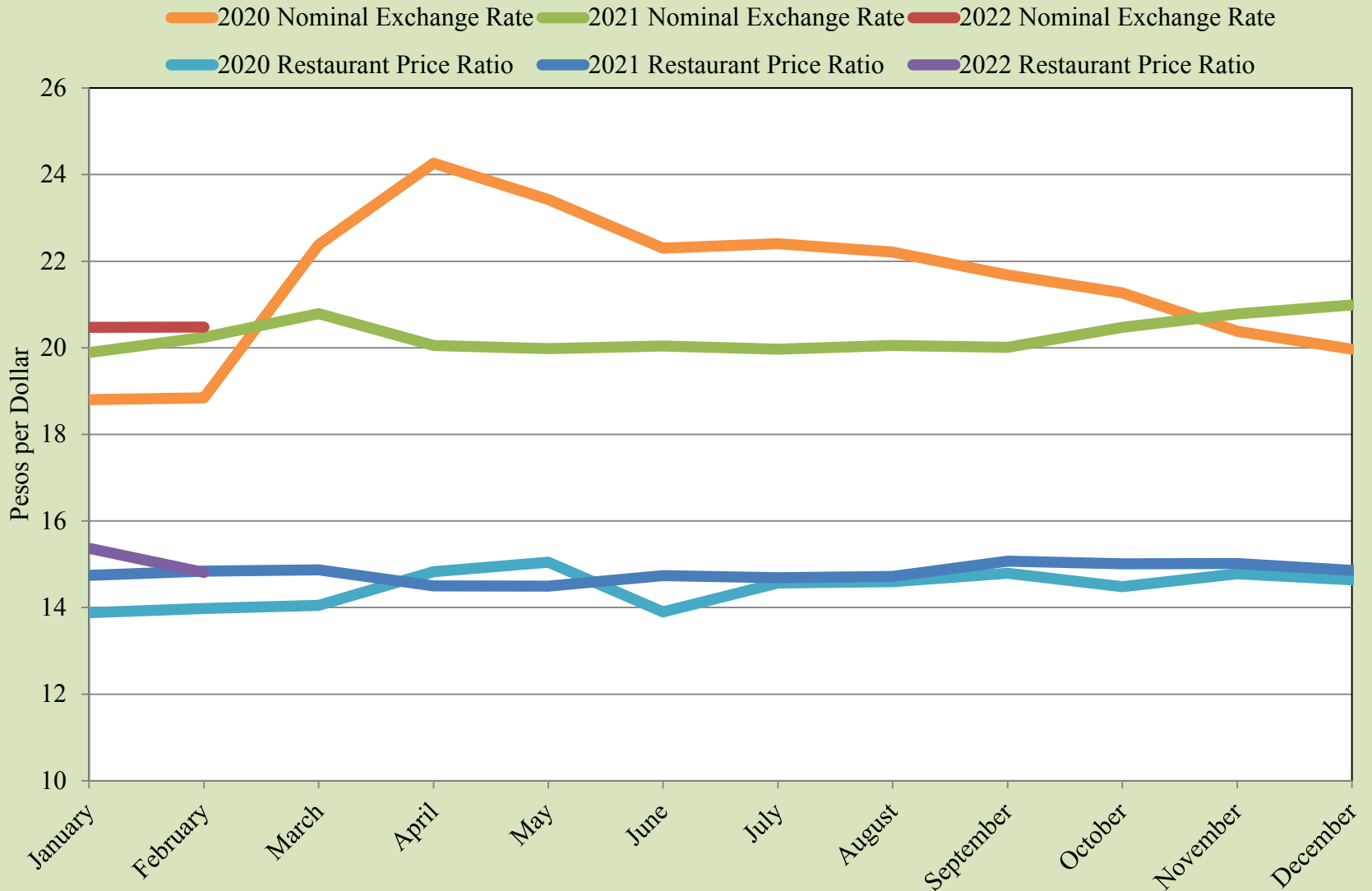
Source: New Mexico Human Services Department

Las Cruces Area SNAP (Food Stamp) Cases



Source: New Mexico Human Services Department

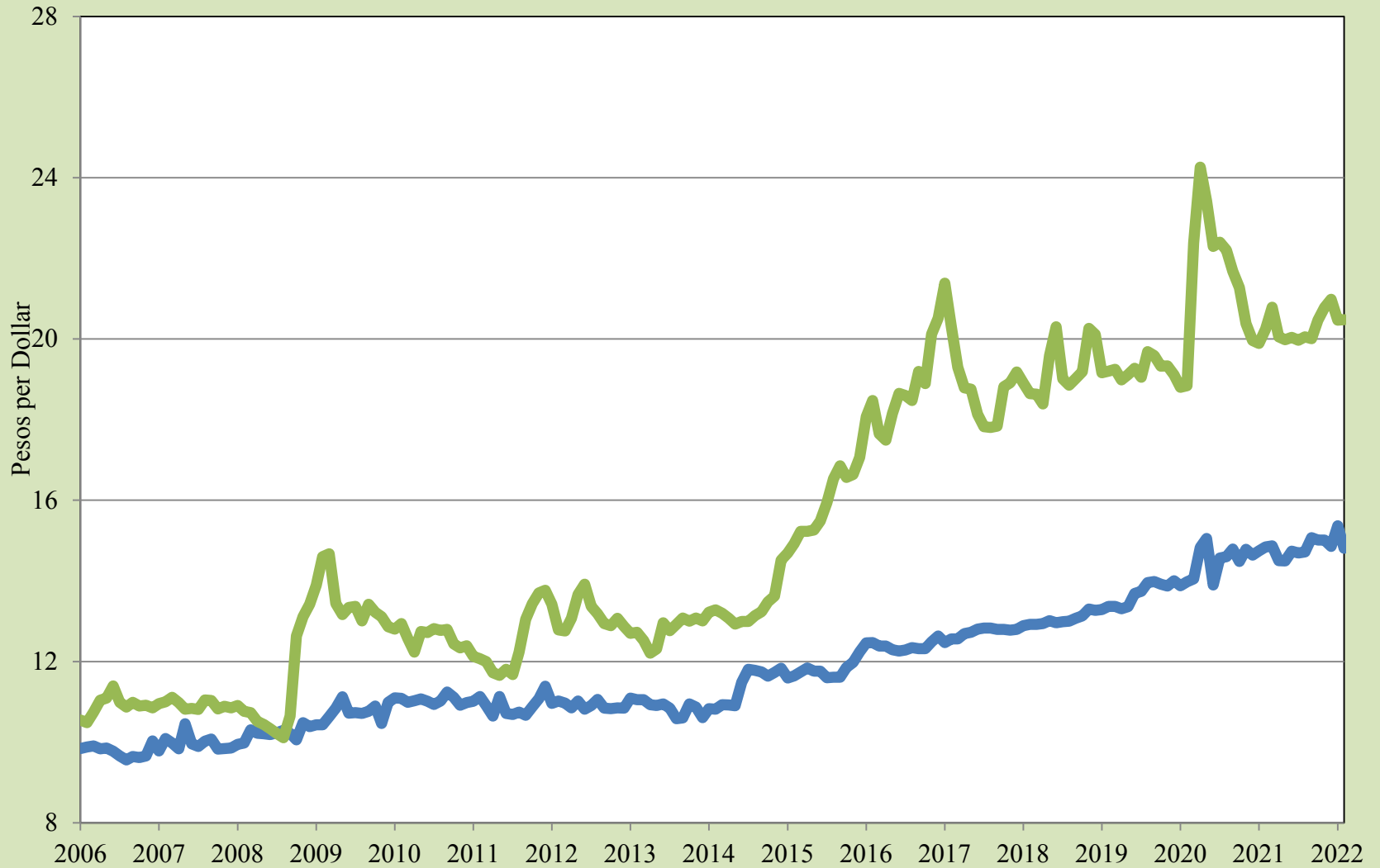
Restaurant Price Ratio and Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

Restaurant Price Ratio and Exchange Rate

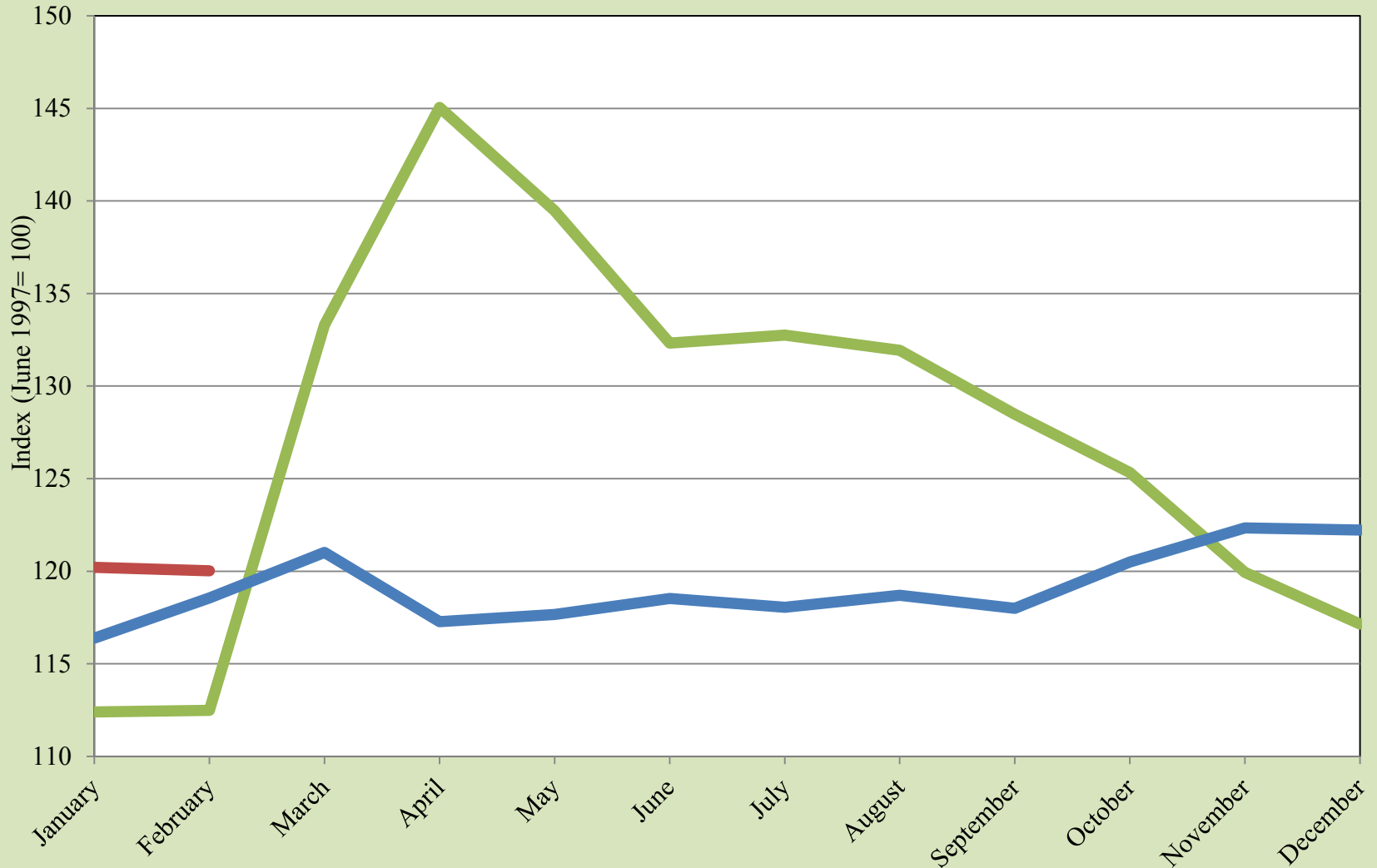
— Price Ratio — Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

Real Peso-per-Dollar Exchange Rate Index

— 2020 — 2021 — 2022



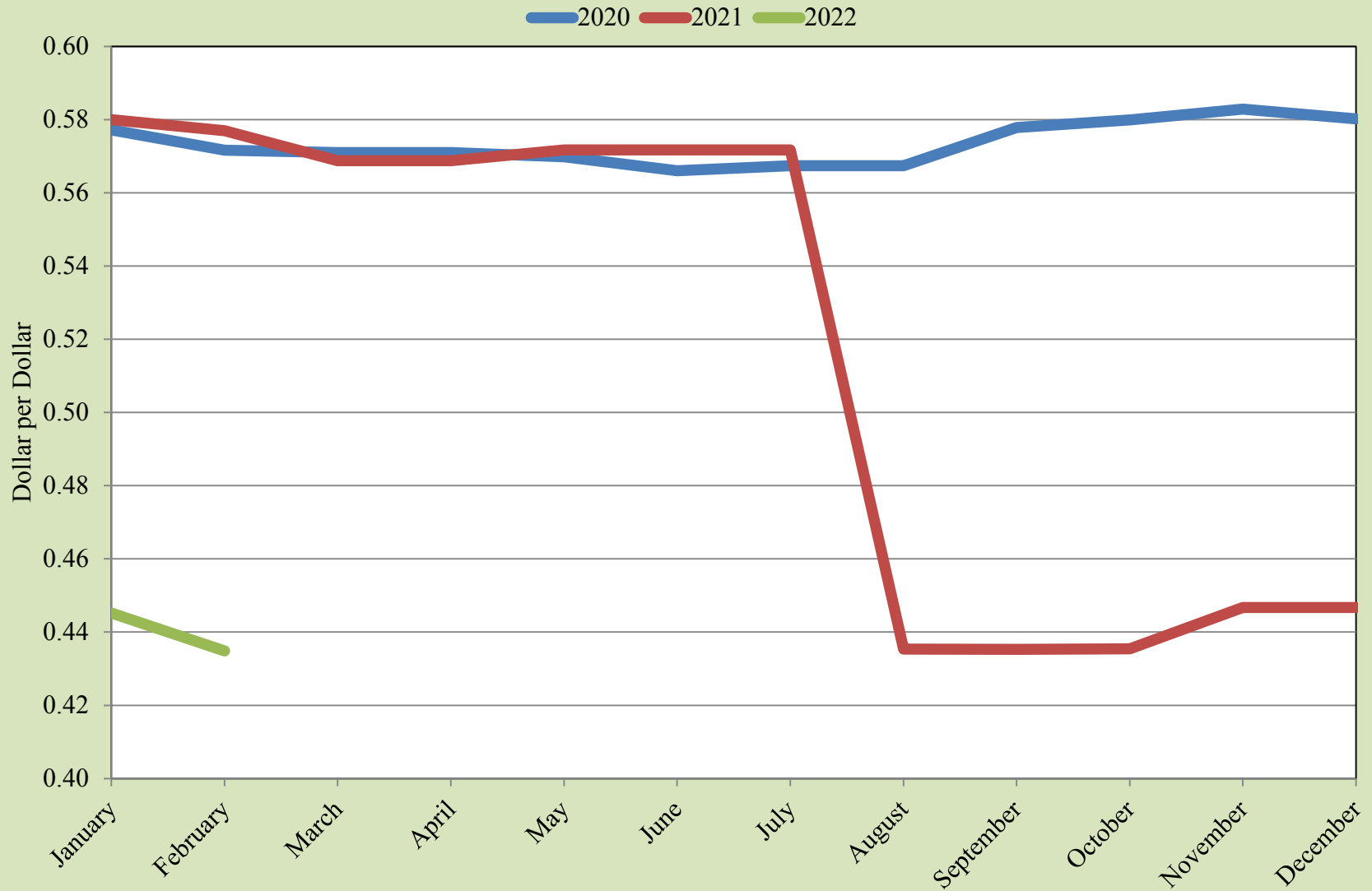
Source: UTEP Border Region Modeling Project

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

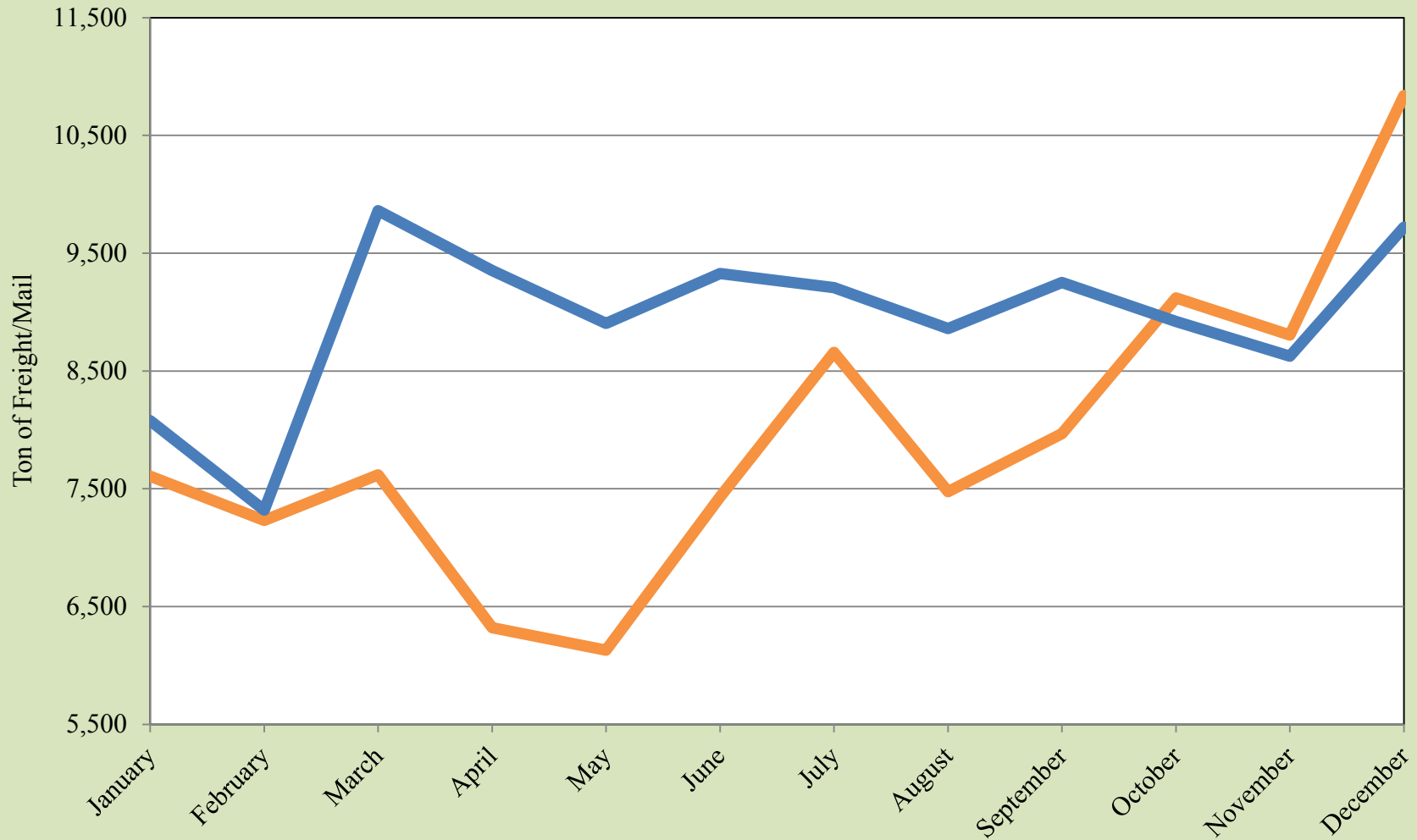
Pharmaceutical Nominal Price Ratio in the USA and Mexico



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

EPIA Freight and Mail

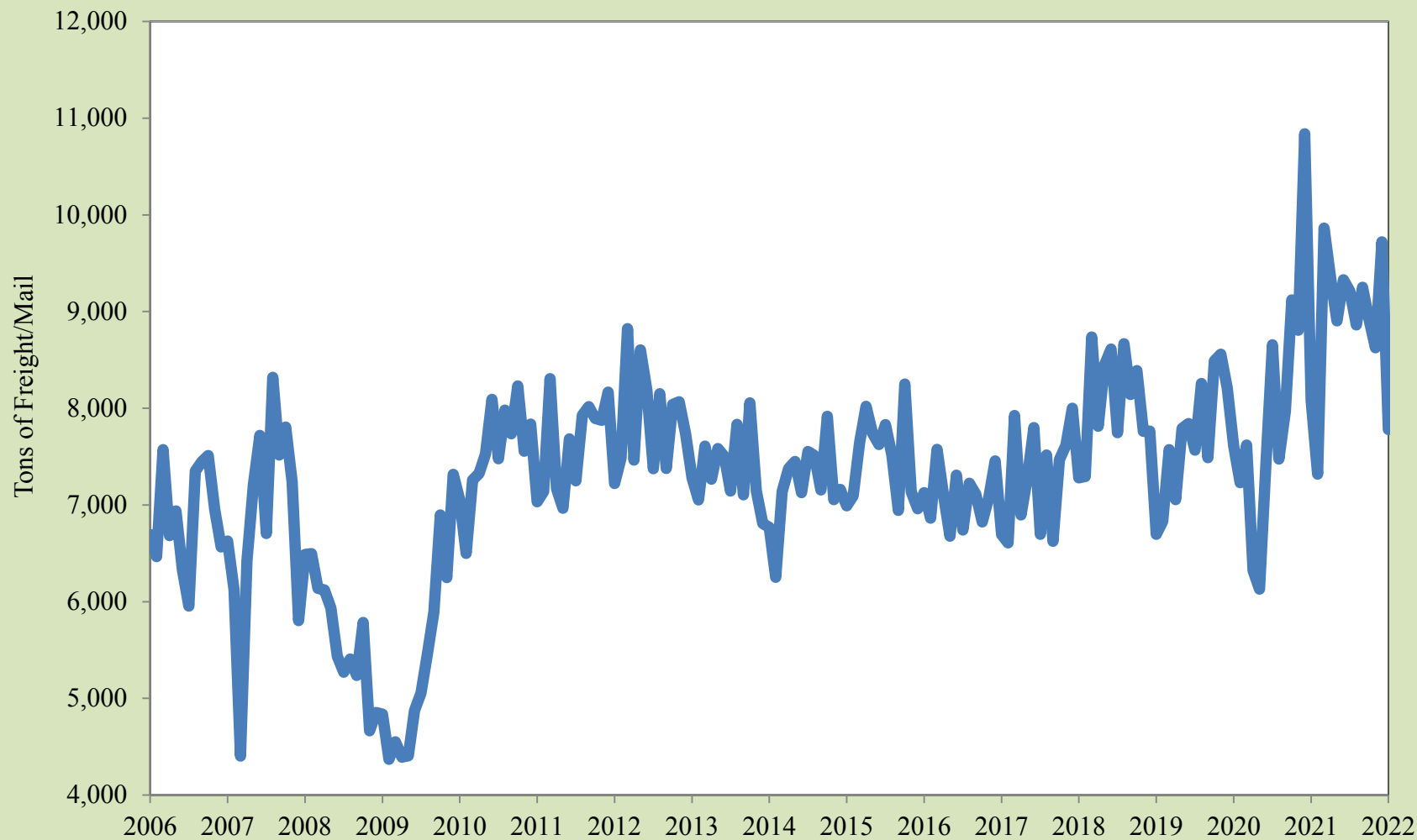
Total 2020 Total 2021



Source: EPIA Operations

EPIA Freight and Mail

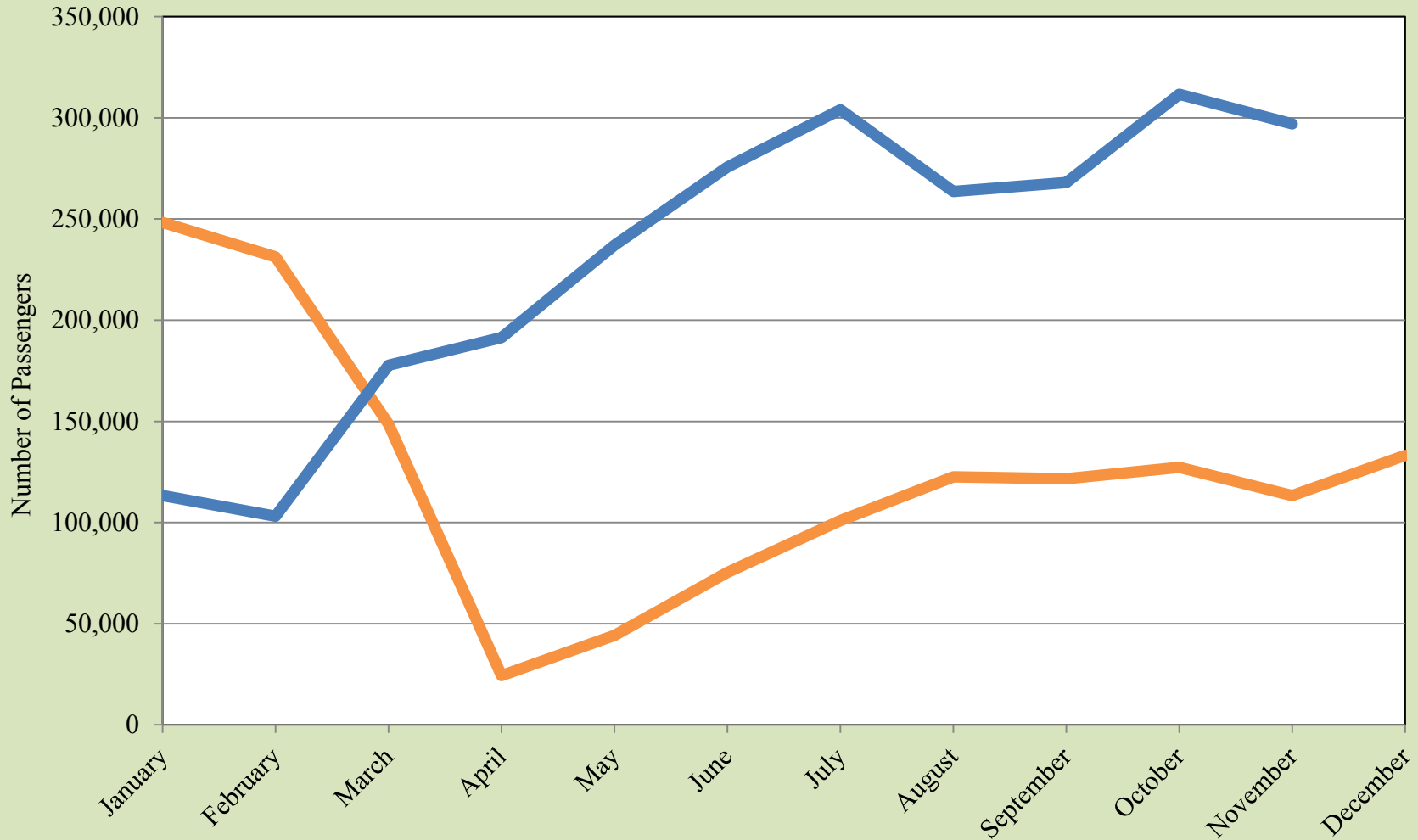
Inbound+Outbound



Source: EPIA Operations

EPIA Passengers

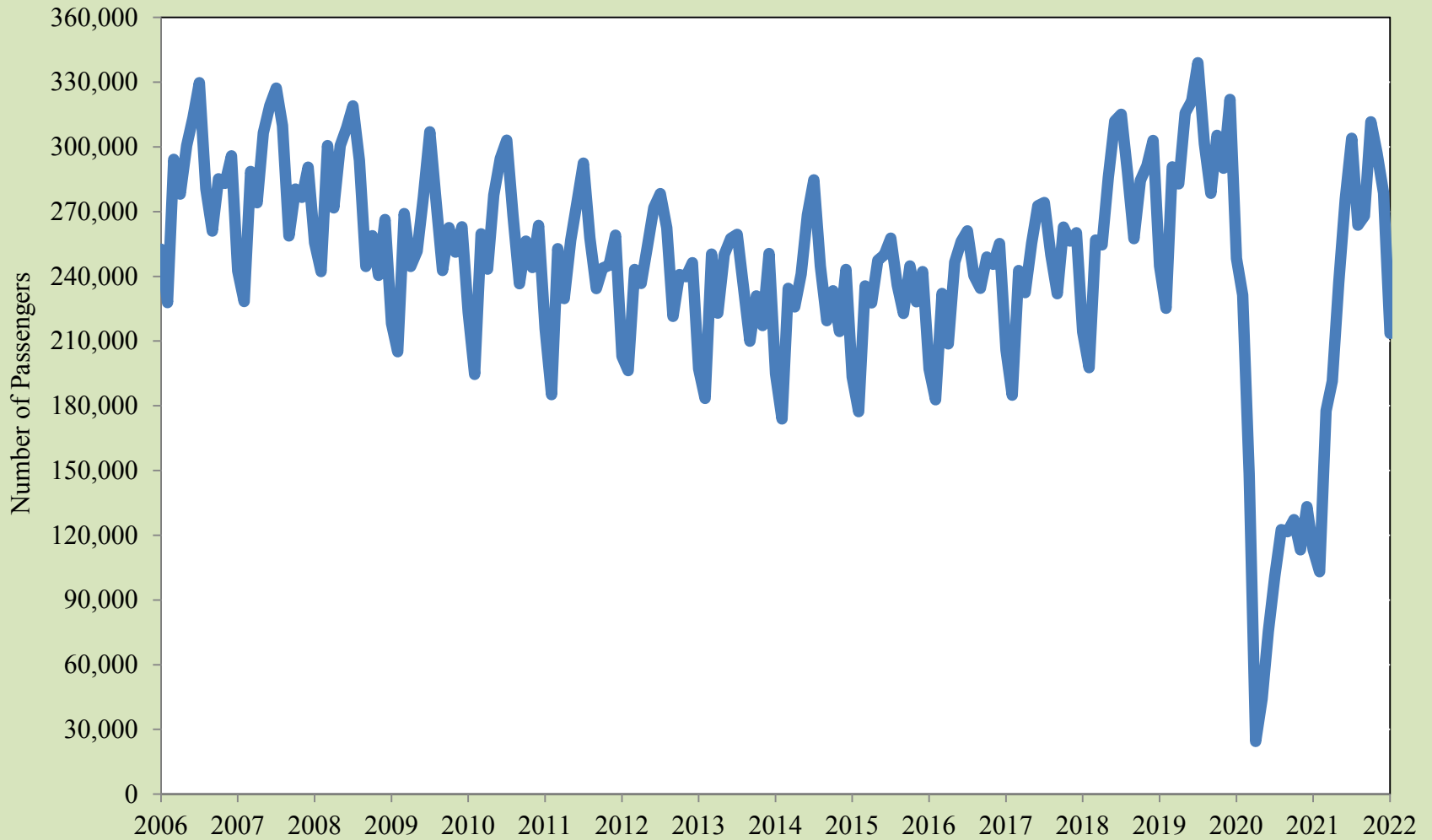
Total 2020 Total 2021



Source: EPIA Operations

EPIA Passengers

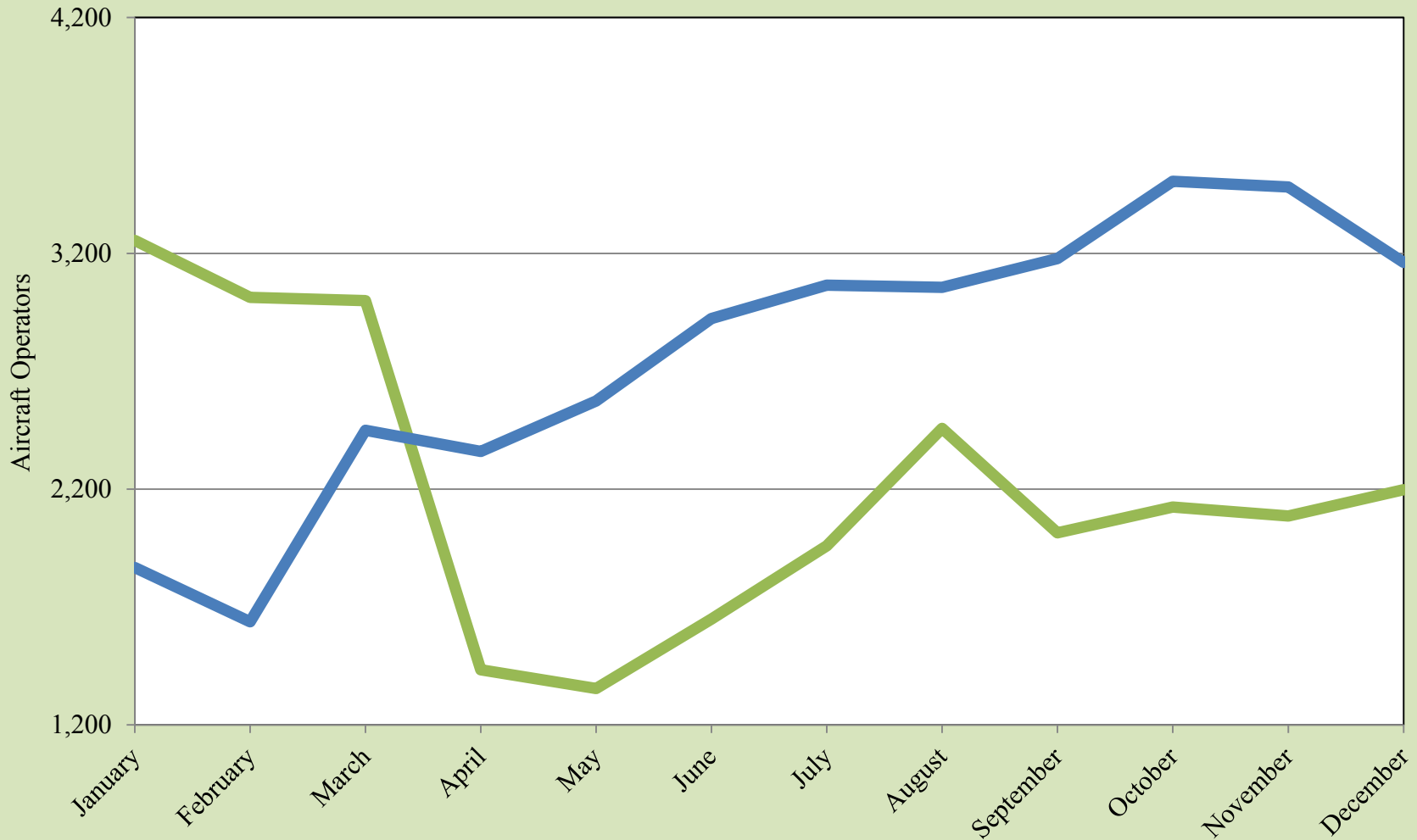
— Inbound+Outbound



Source: EPIA Operations

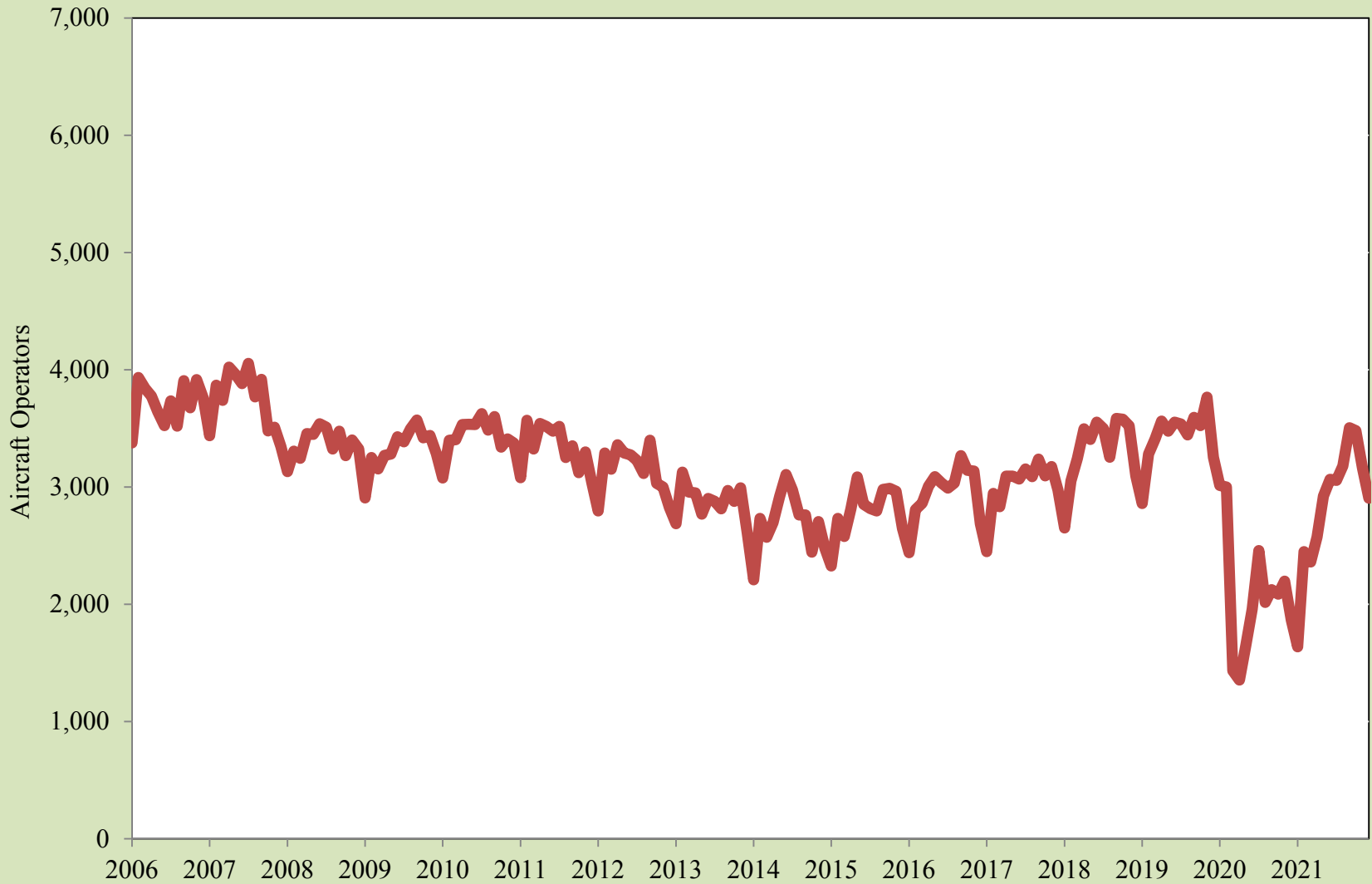
EPIA Air Carrier Operations

20-Air Carriers 21-Air Carriers



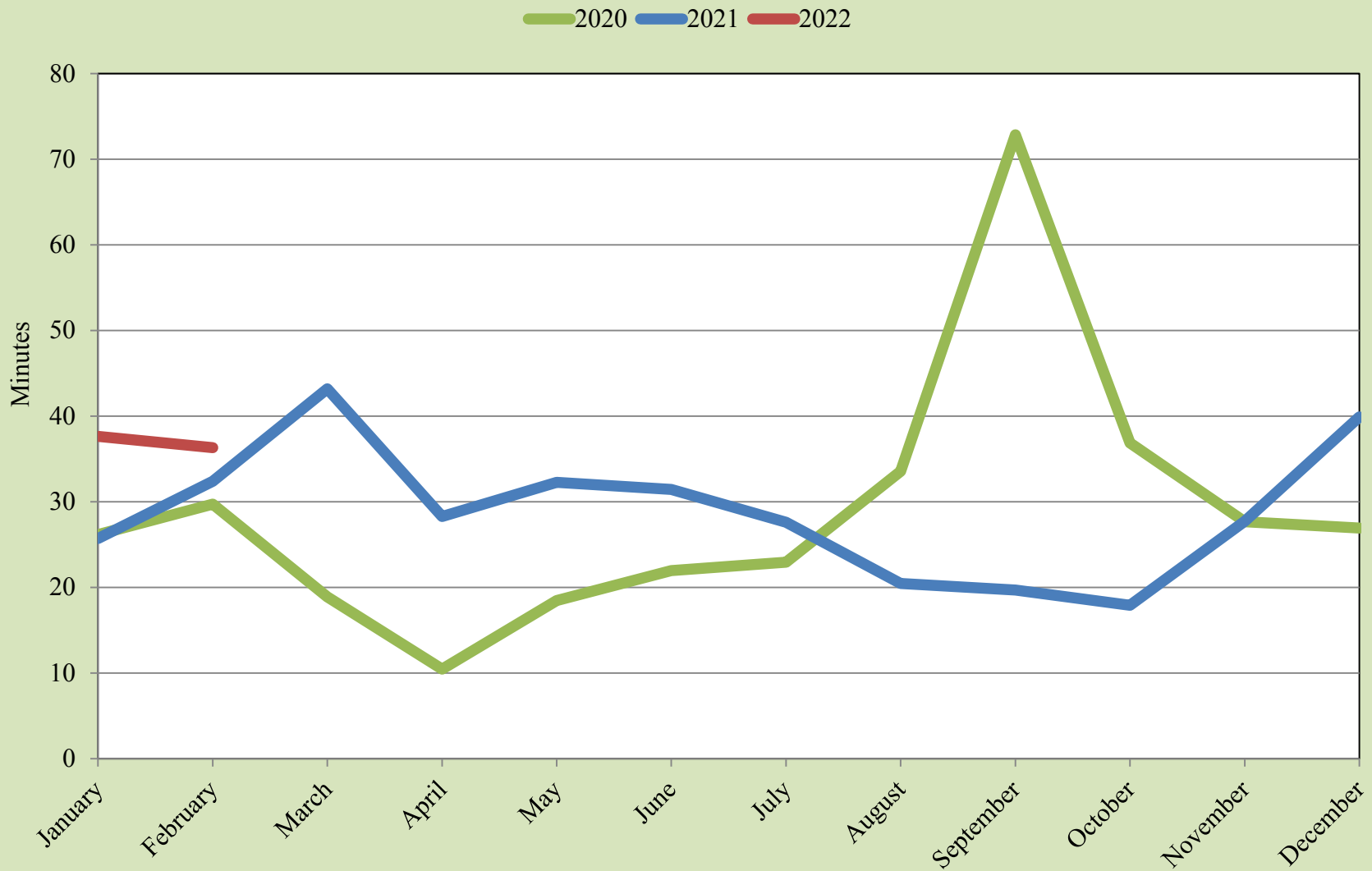
Source: EPIA Operations

EPIA Air Carrier Operations



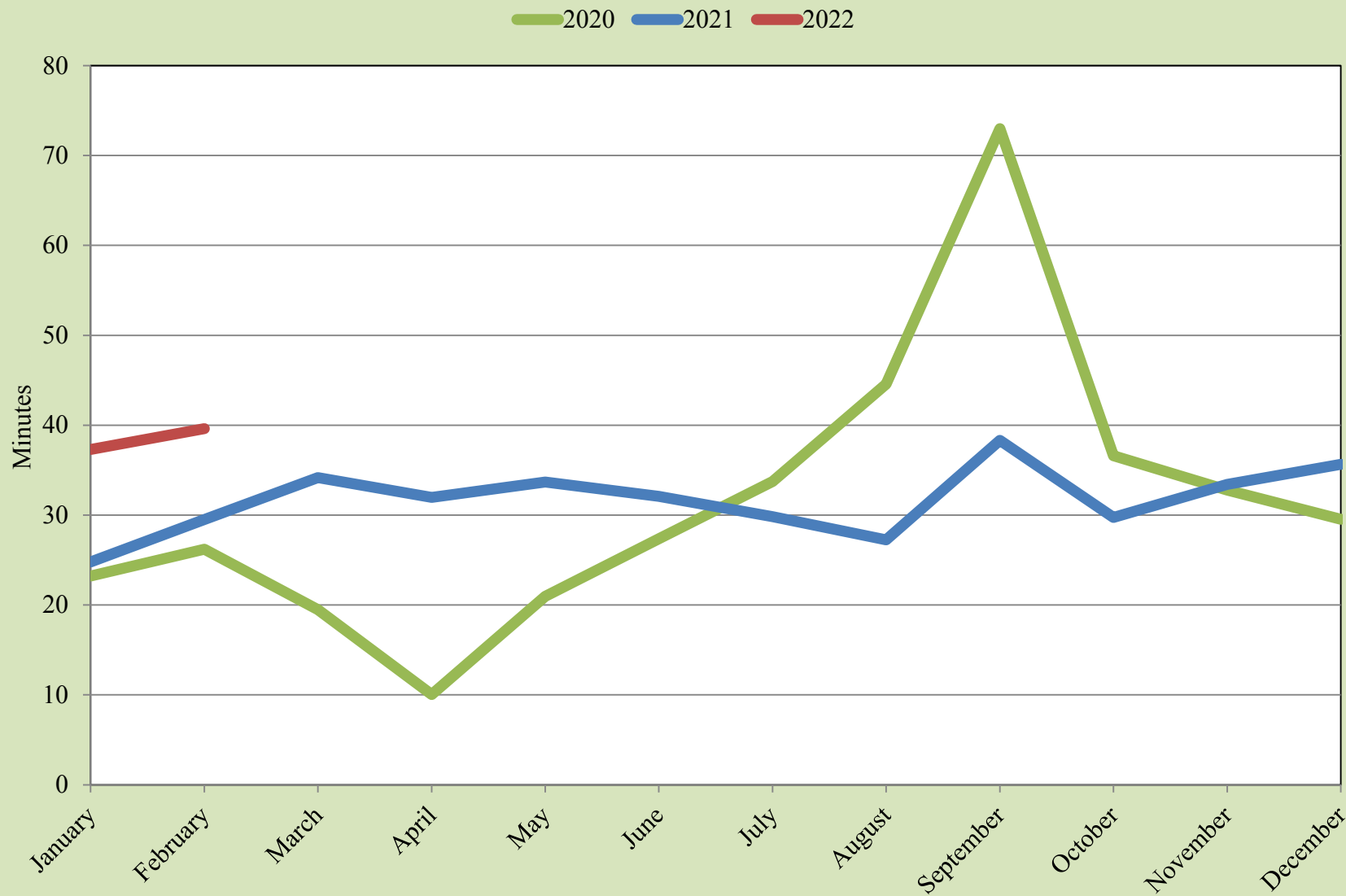
Source: EPIA Operations

Paso del Norte Monthly Wait Times



Source: UTEP Border Region Modeling Project

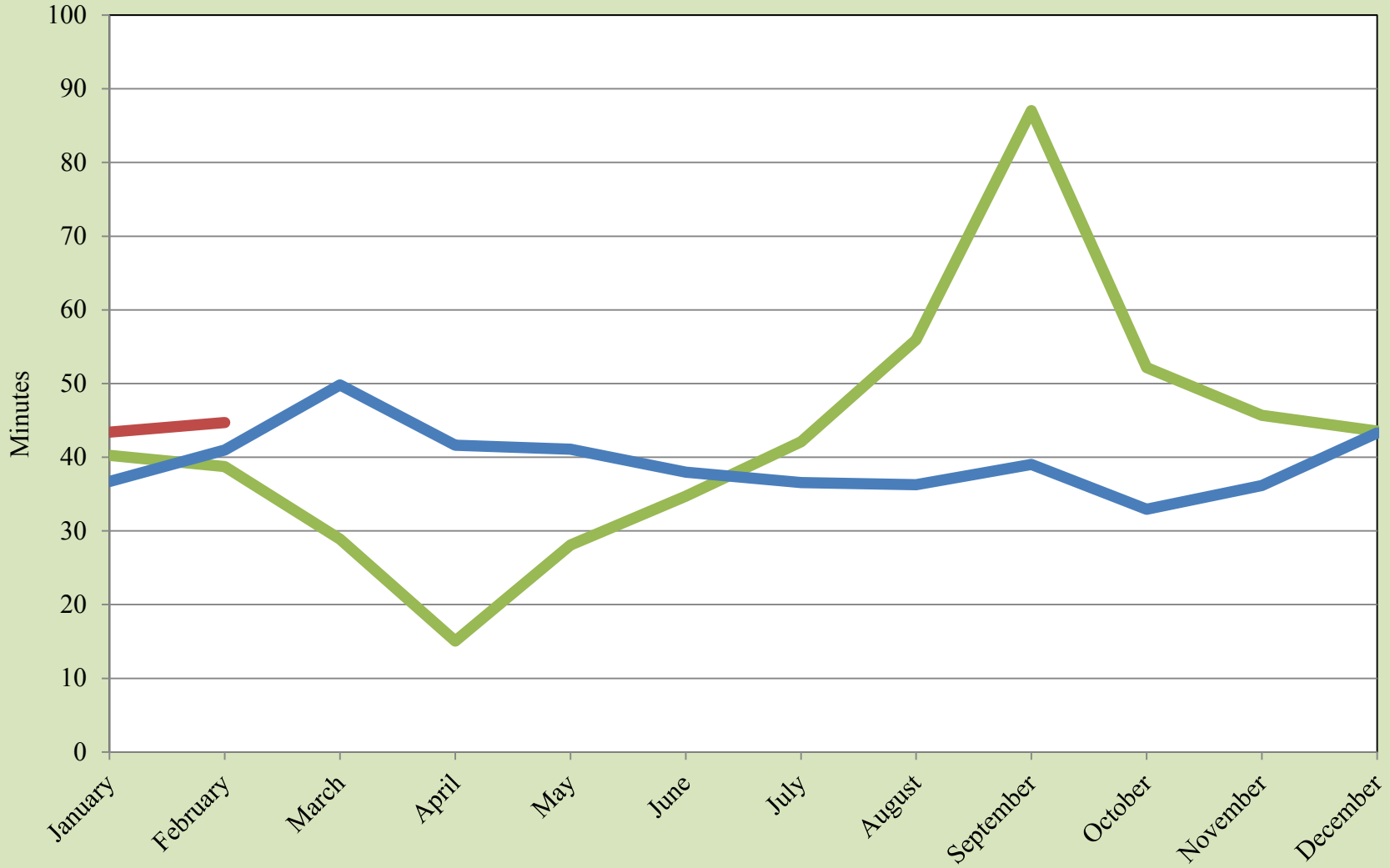
Ysleta Monthly Wait Times



Source: UTEP Border Region Modeling Project

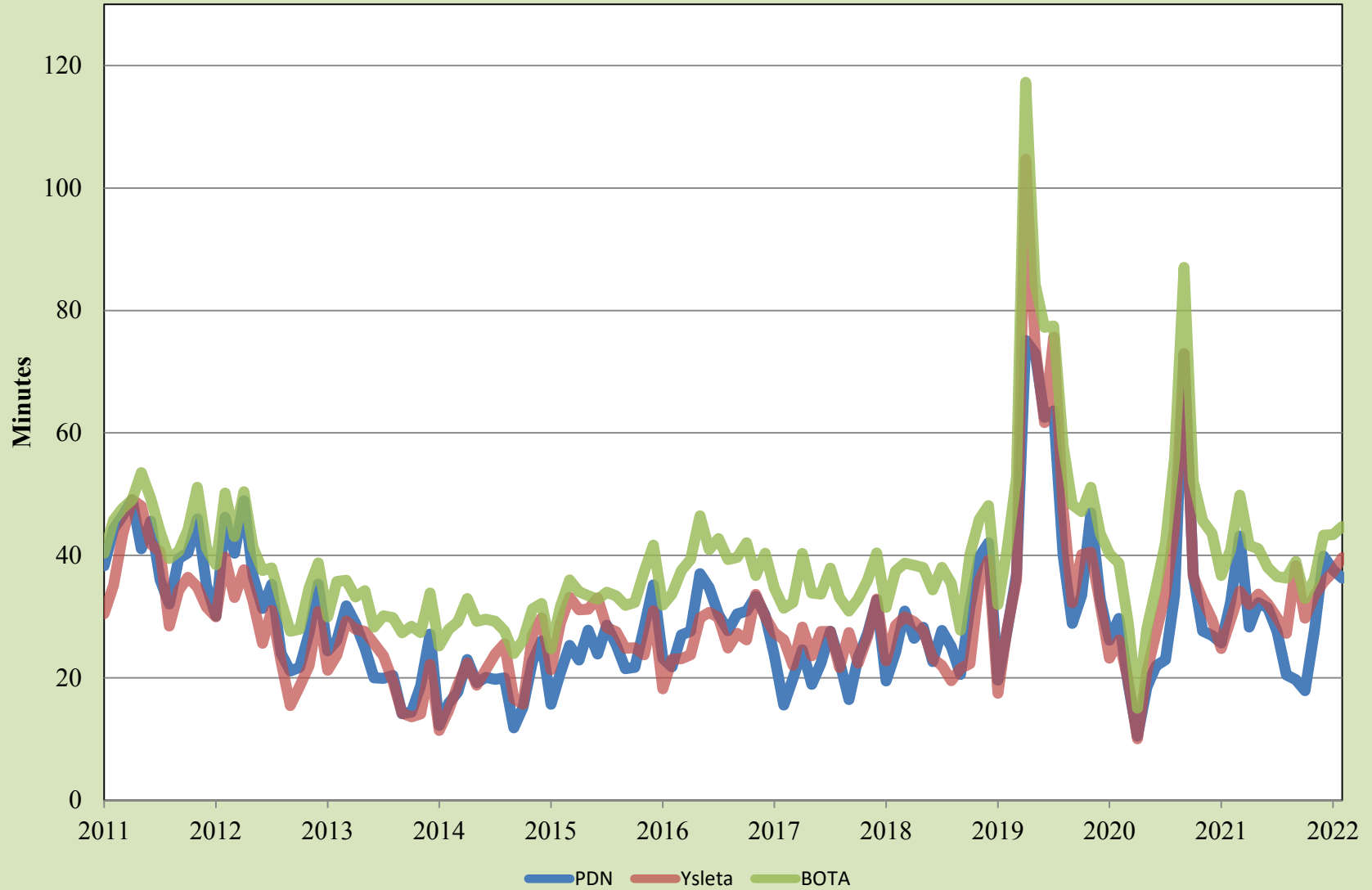
Bridge of the Americas Monthly Wait Times

2020 2021 2022



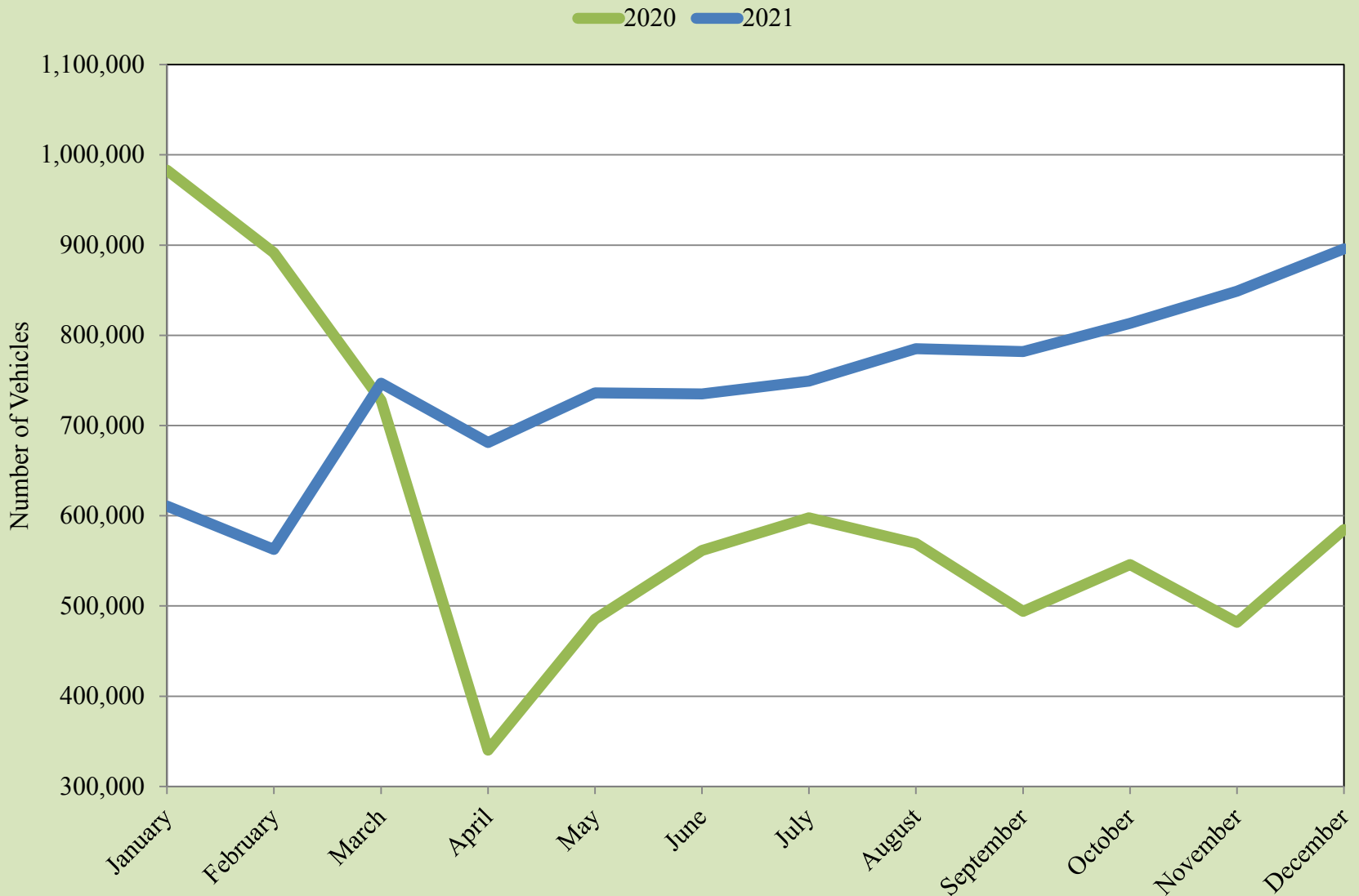
Source: UTEP Border Region Modeling Project

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

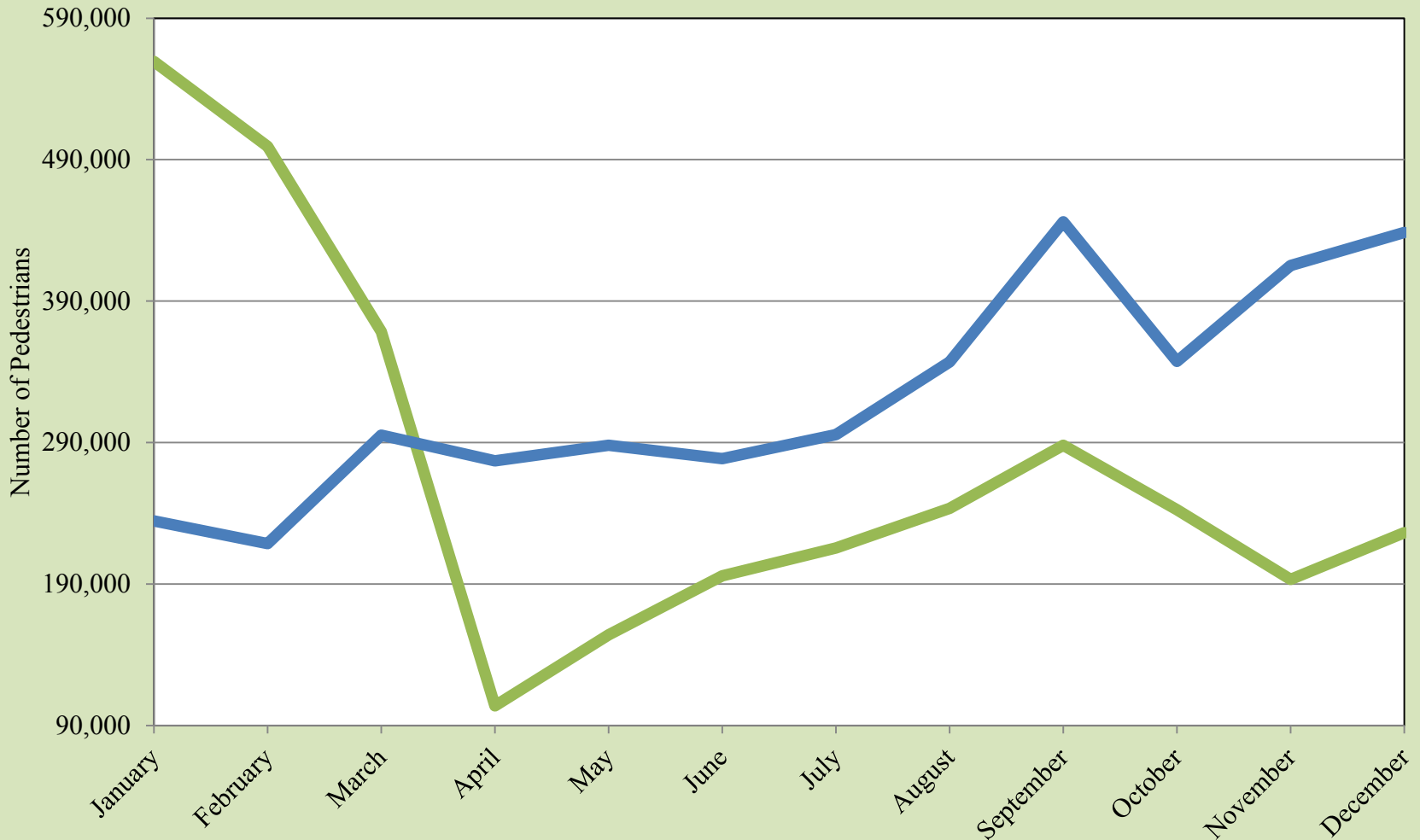
Personal Vehicle International Bridge Crossings to El Paso



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

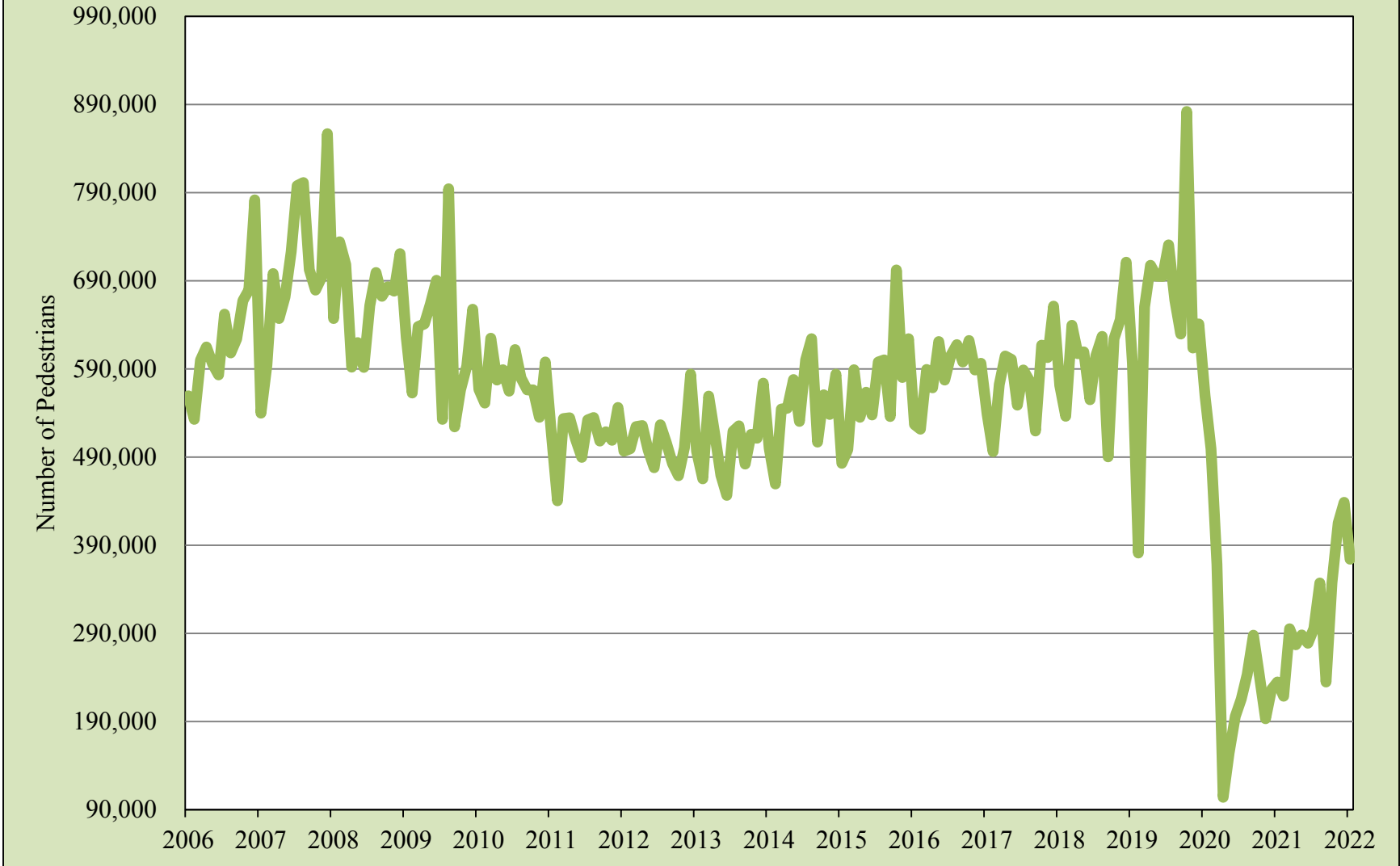
Pedestrian International Bridge Crossings to El Paso

2020 2021



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

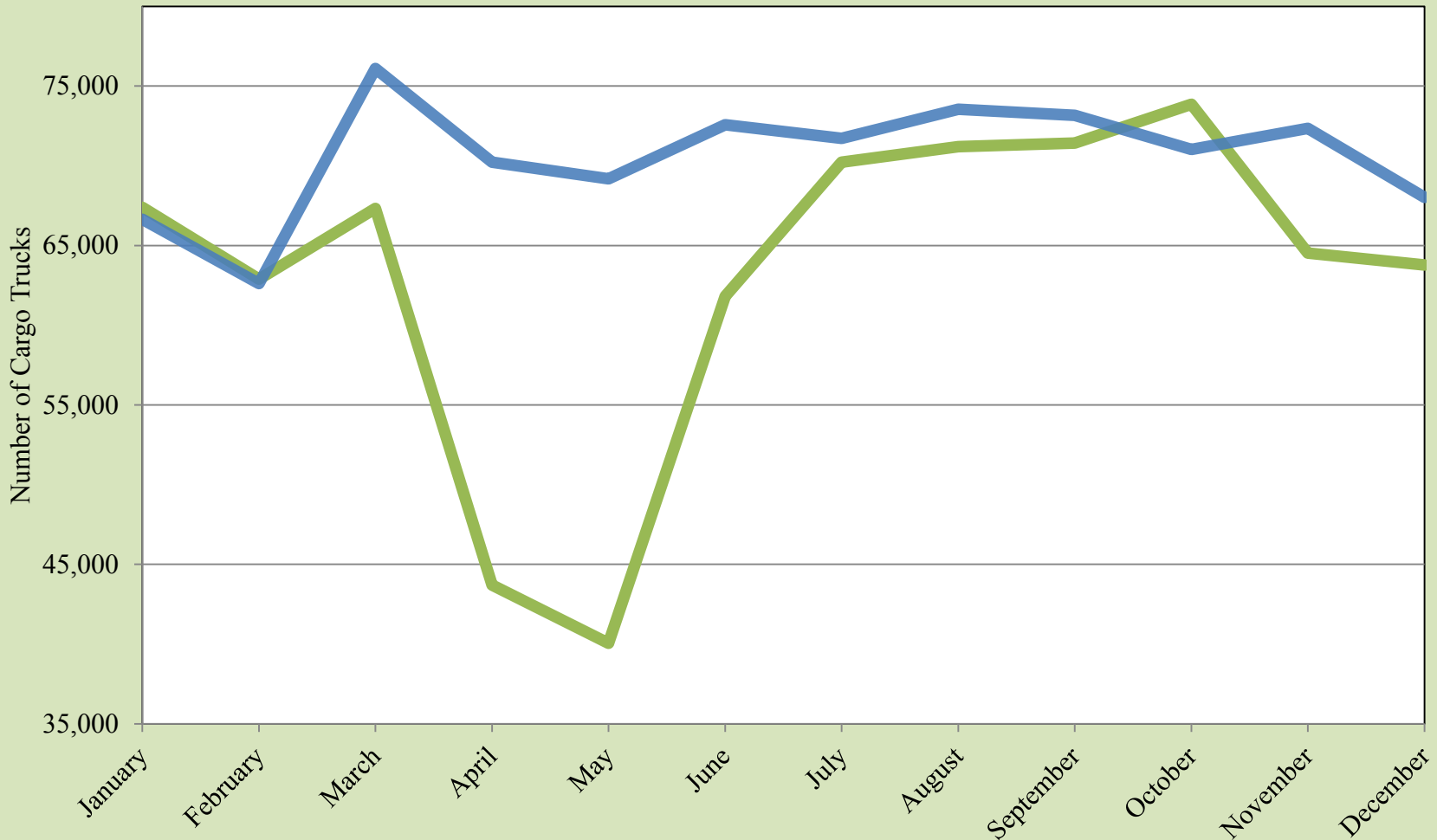
Pedestrian International Bridge Crossings to El Paso



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

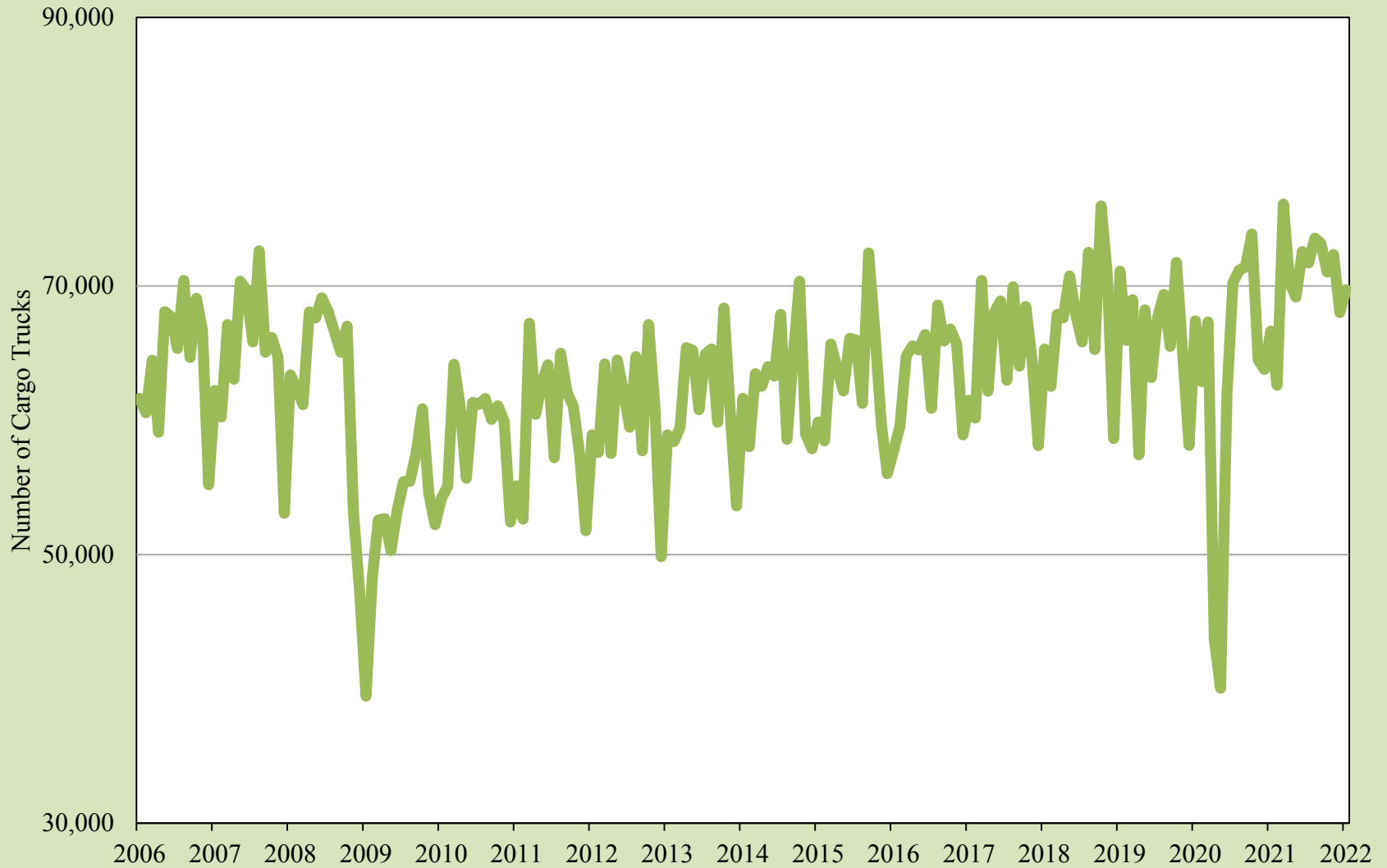
Cargo Truck International Bridge Crossings to El Paso

2020 2021



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

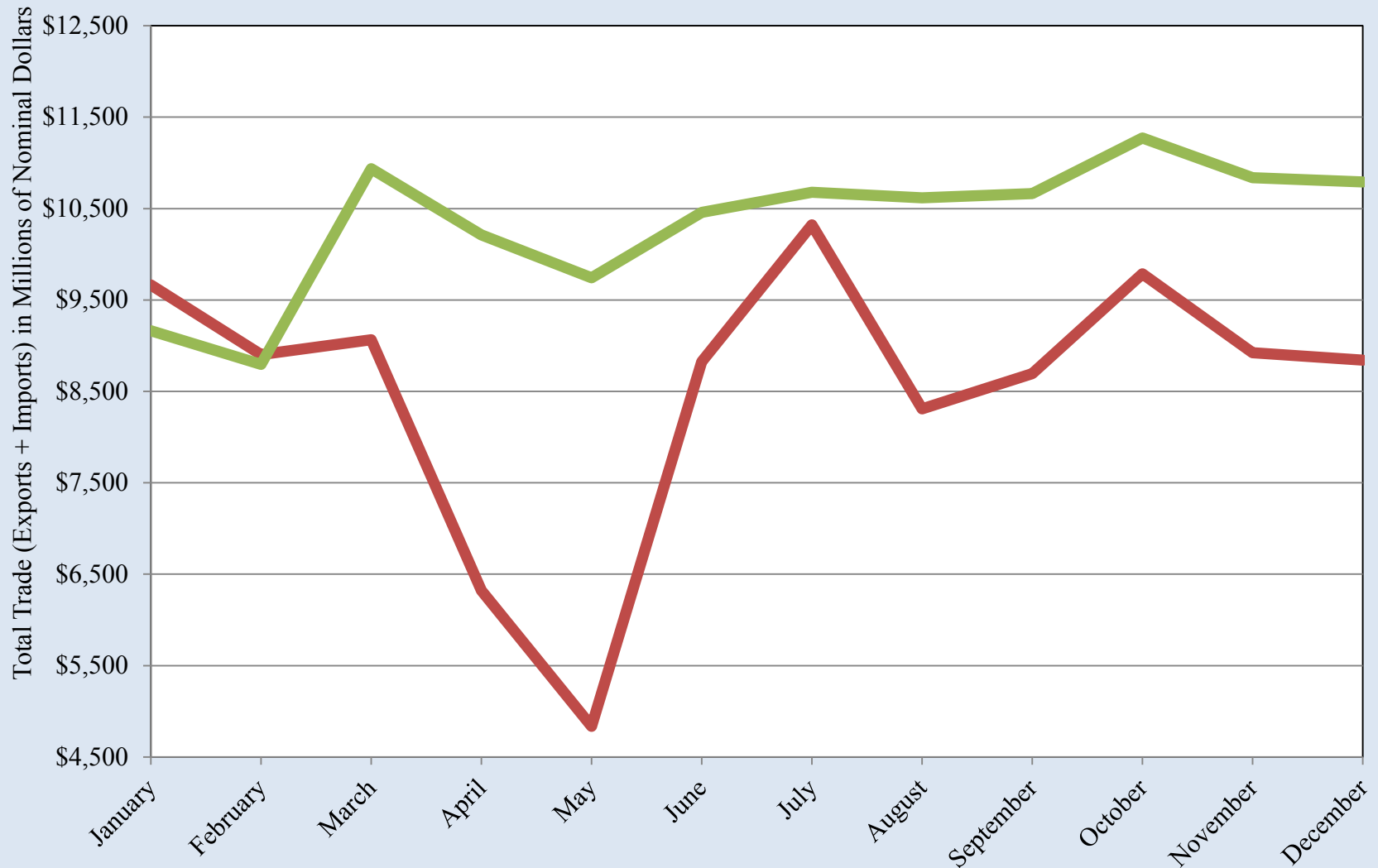
Cargo Truck International Bridge Crossings to El Paso



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

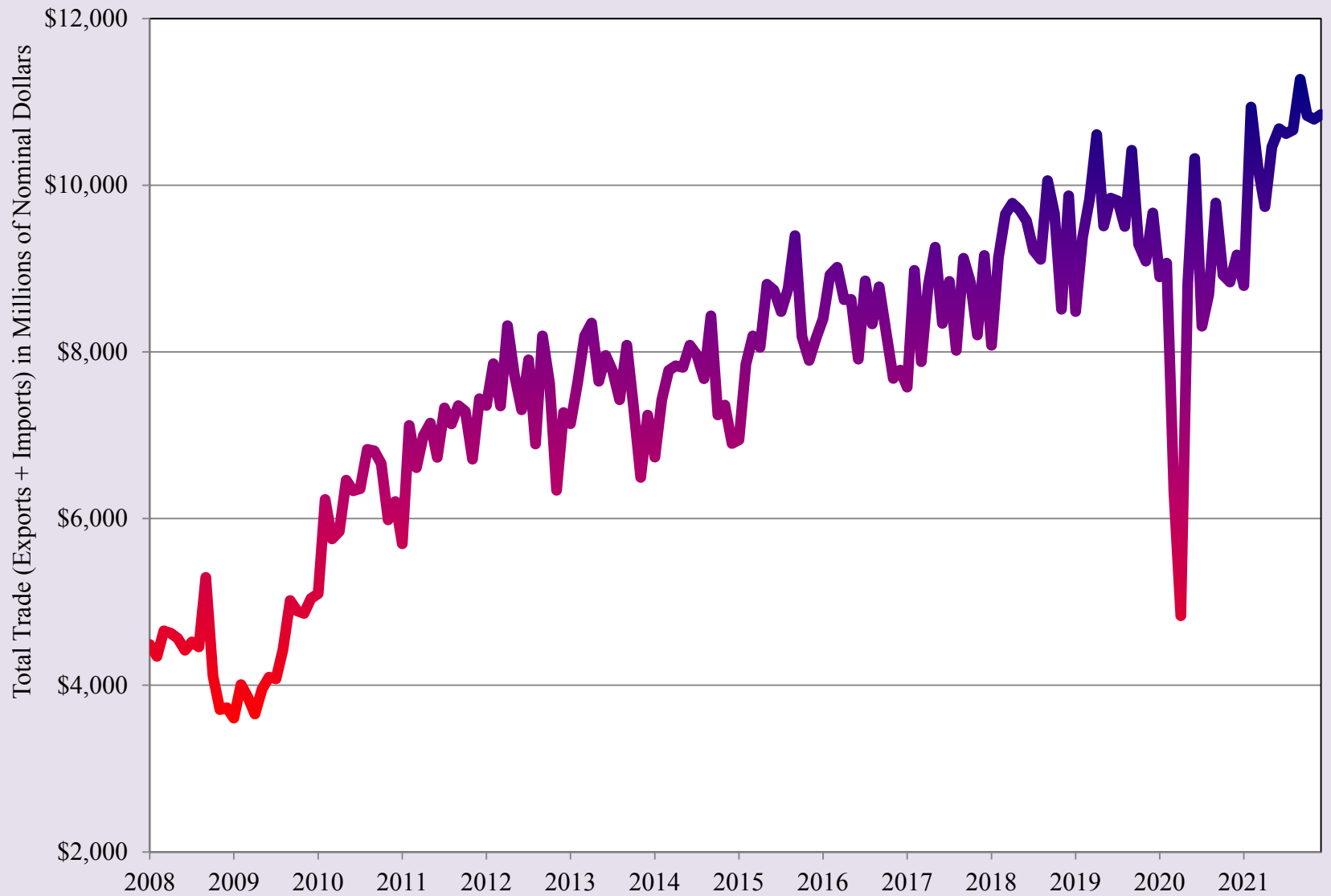
Total Trade through the El Paso Customs District

2020 2021



Source: U.S. International Trade Commission

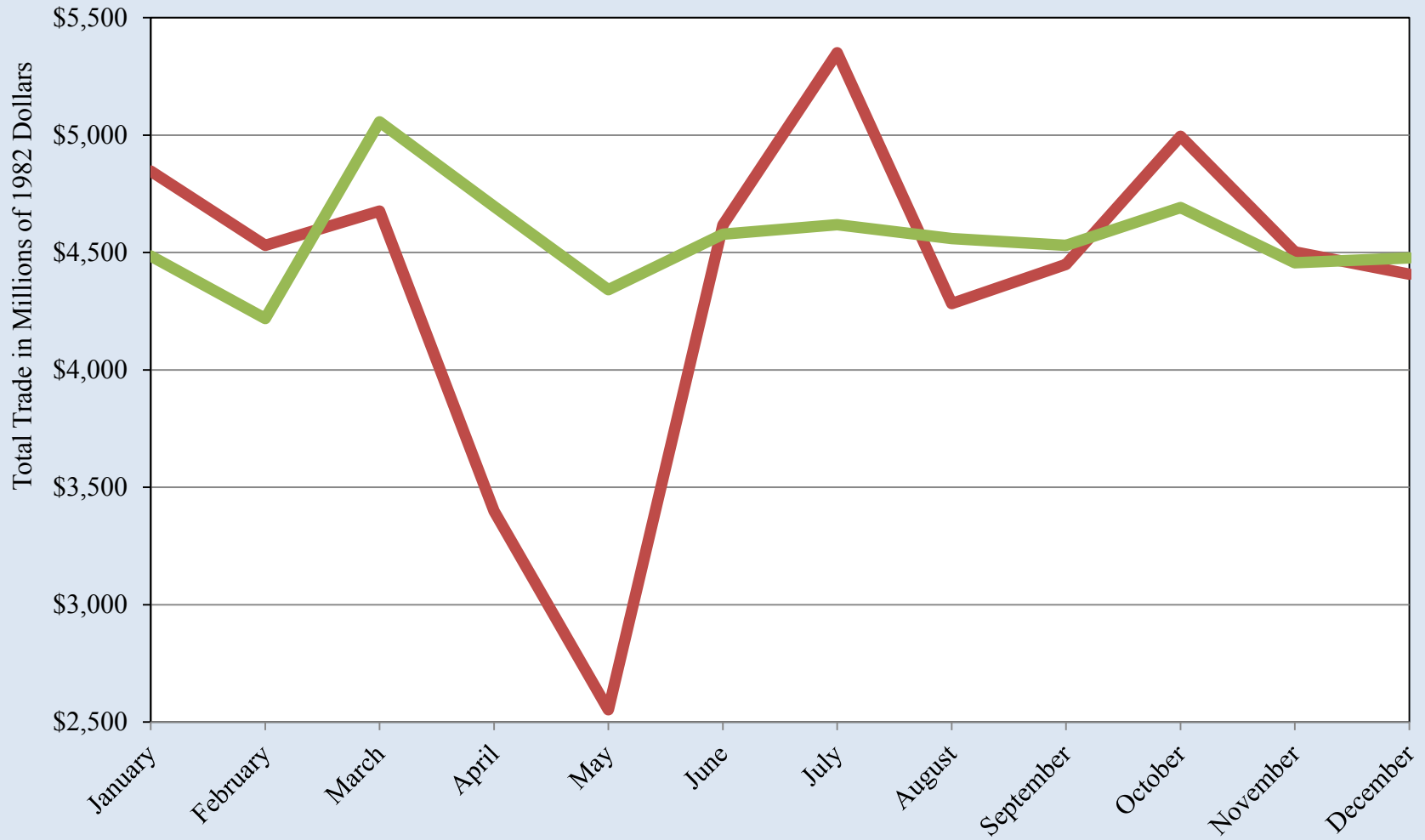
Total Trade through the El Paso Customs District



Source: U.S. International Trade Commission

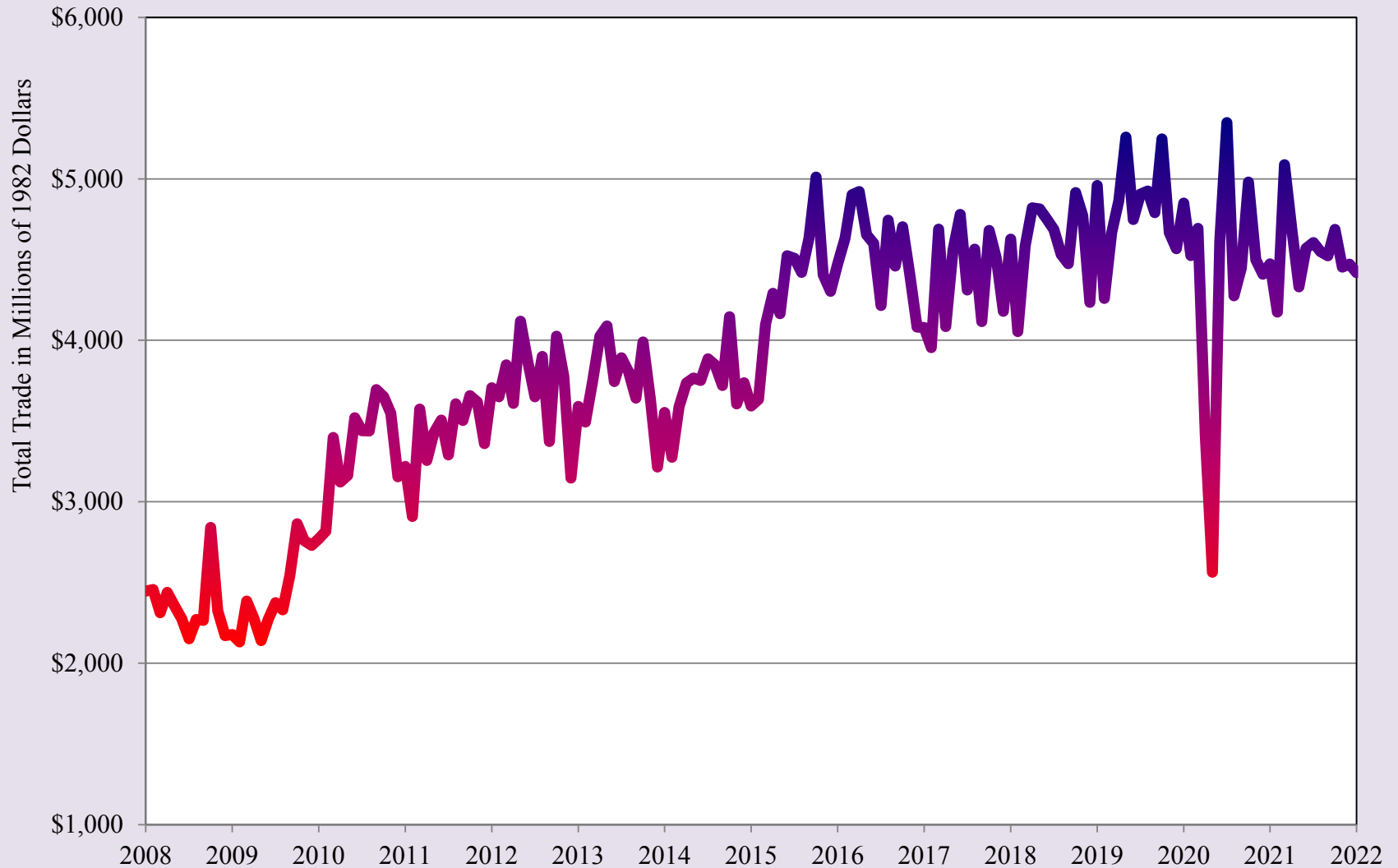
Real Total Trade through the El Paso Customs District

— 2020 — 2021



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

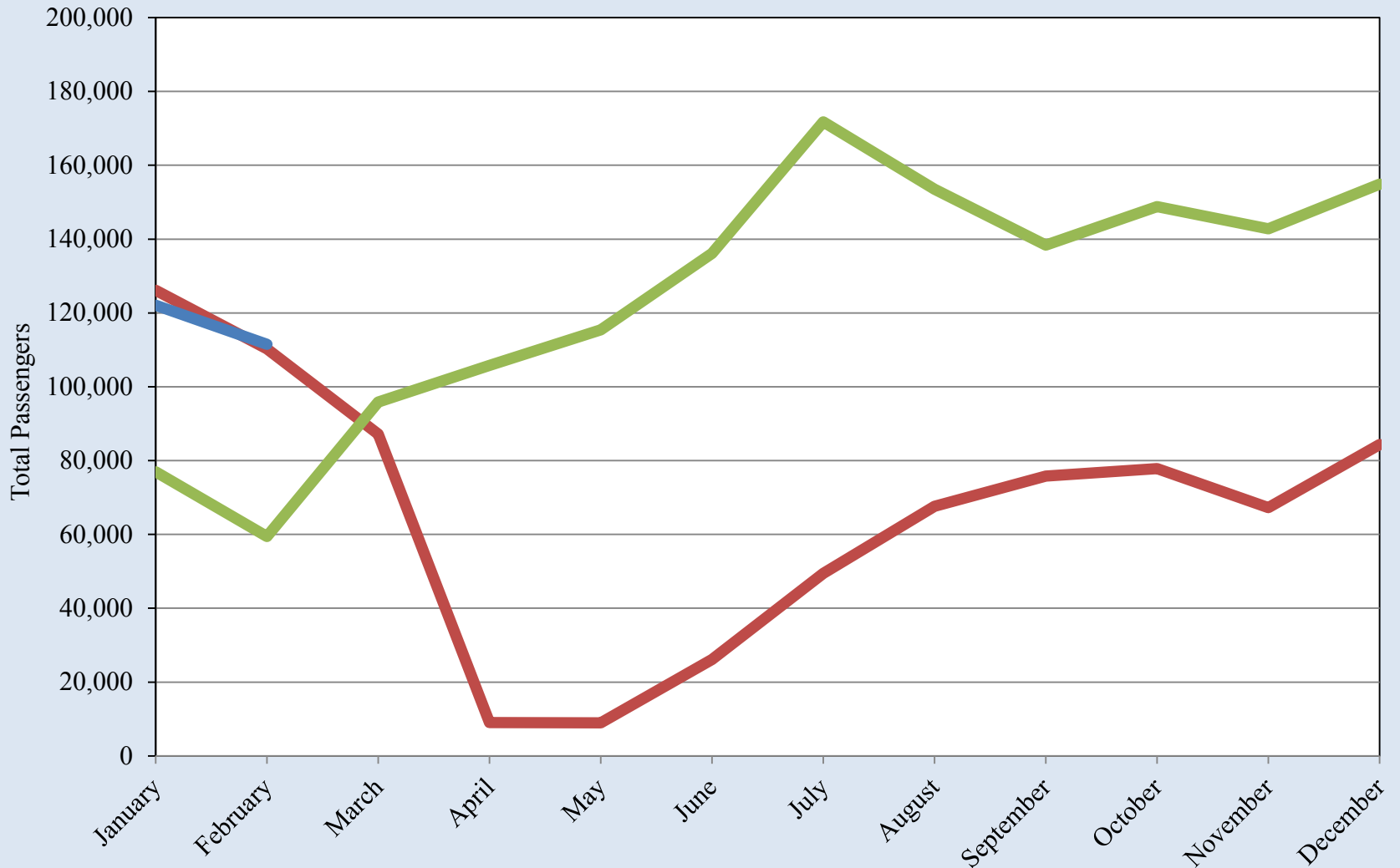
Real Total Trade through the El Paso Customs District



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

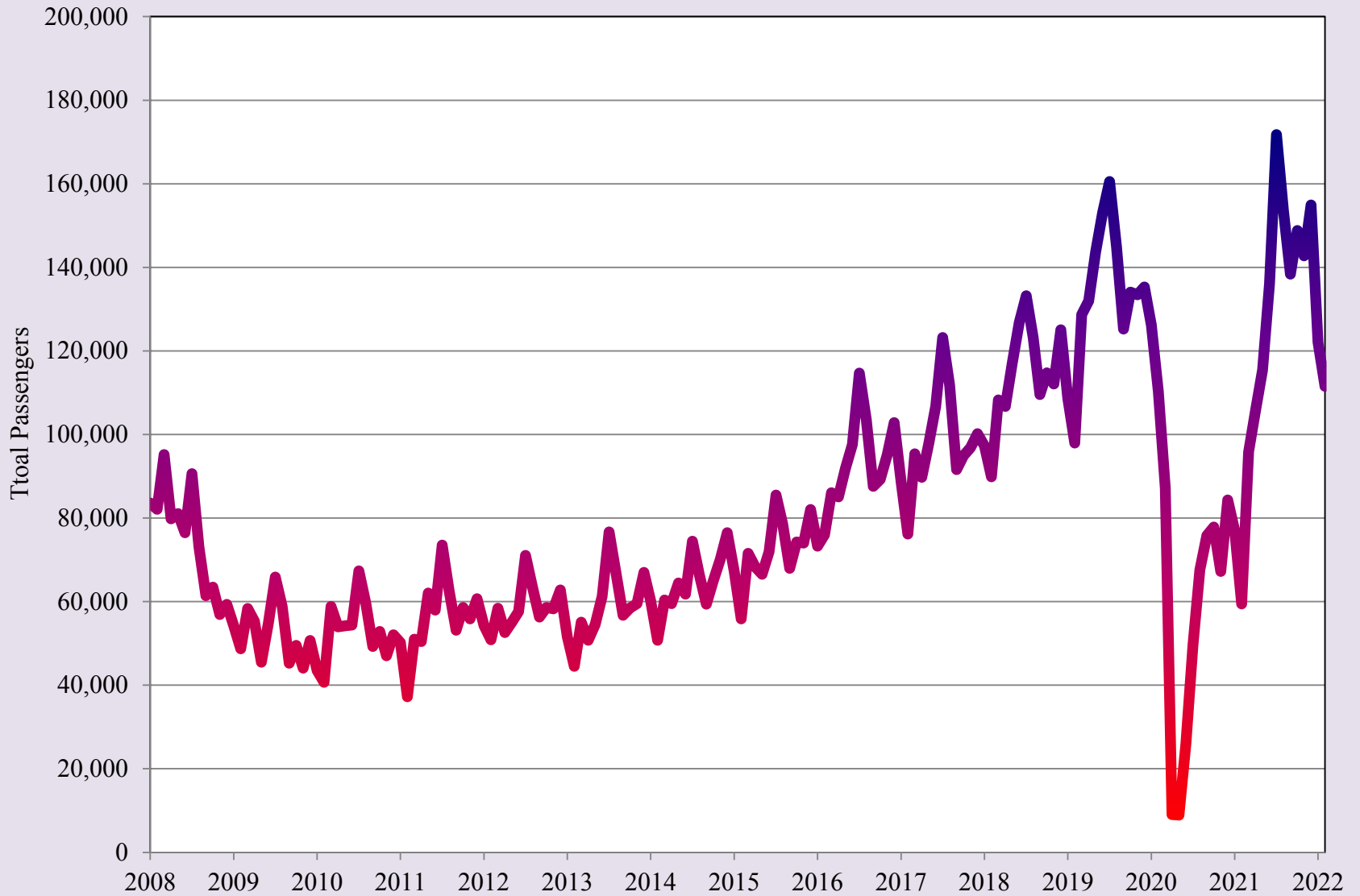
Domestic Passengers Ciudad Juarez International Airport

— 2020 — 2021 — 2022



Source: Grupo Aeroportuario Centro Norte - OMA

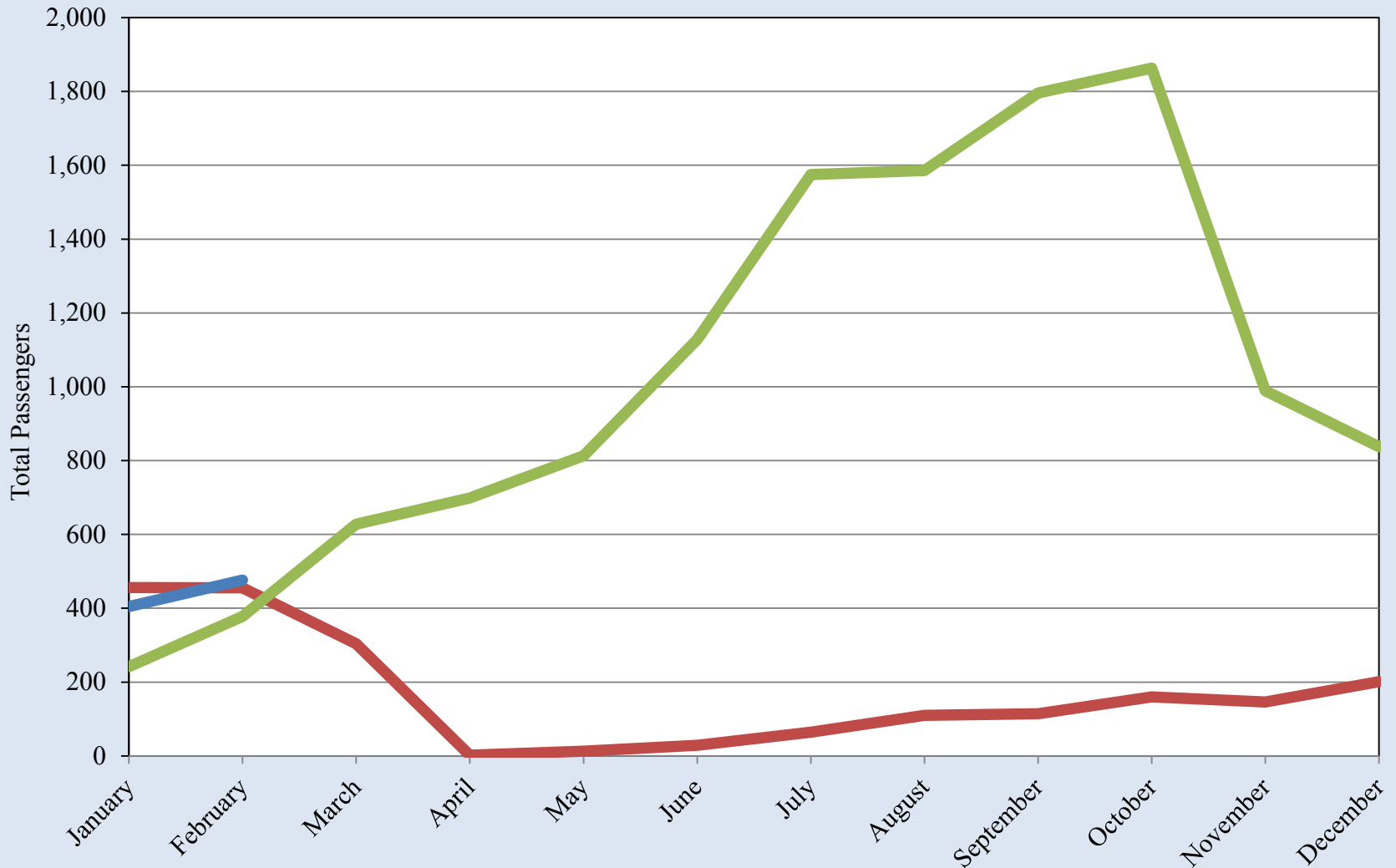
Domestic Passengers Ciudad Juarez International Airport



Source: Grupo Aeroportuario Centro Norte - OMA

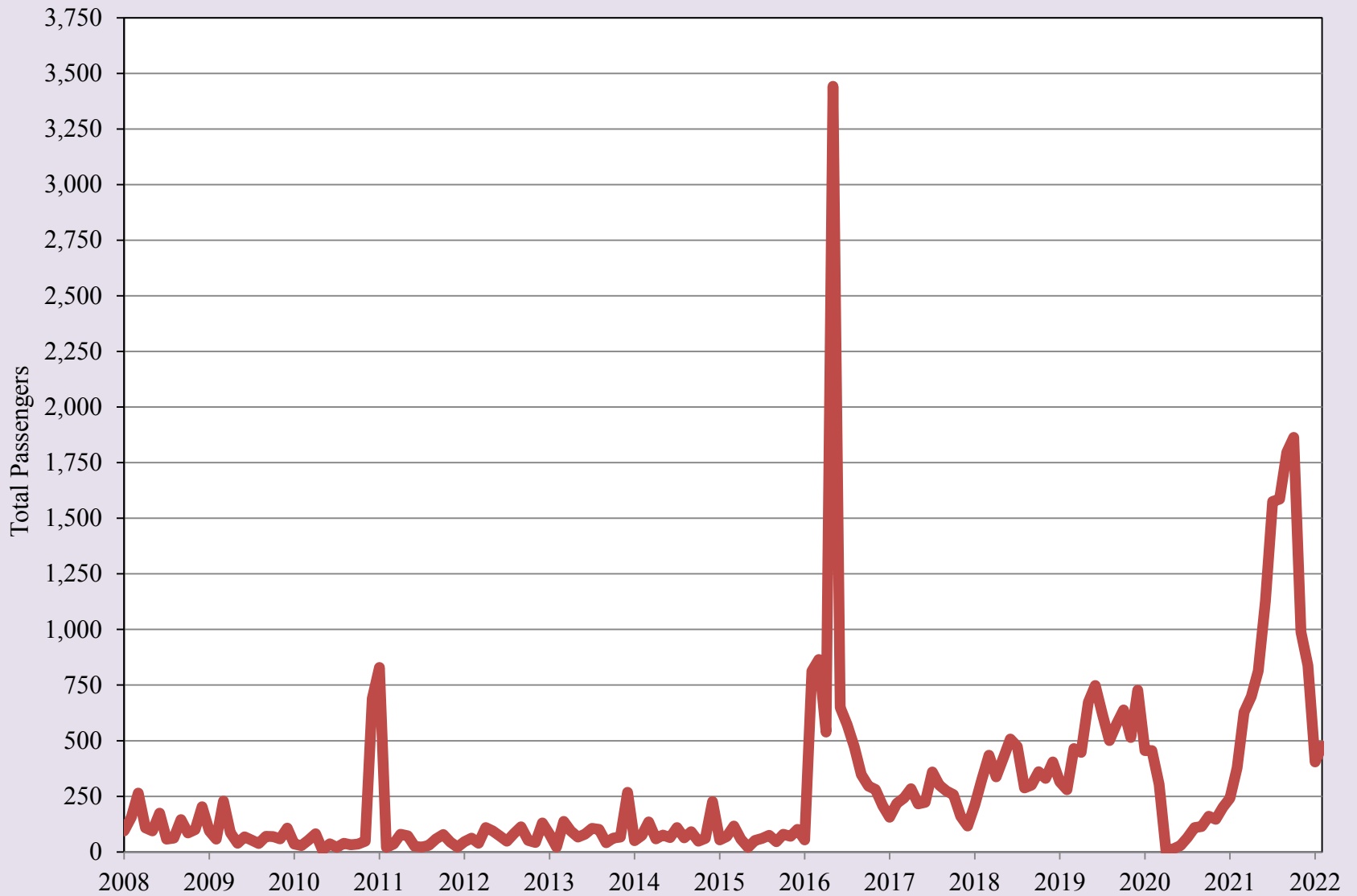
International Passengers Ciudad Juarez International Airport

— 2020 — 2021 — 2022



Source: Grupo Aeroportuario Centro Norte - OMA

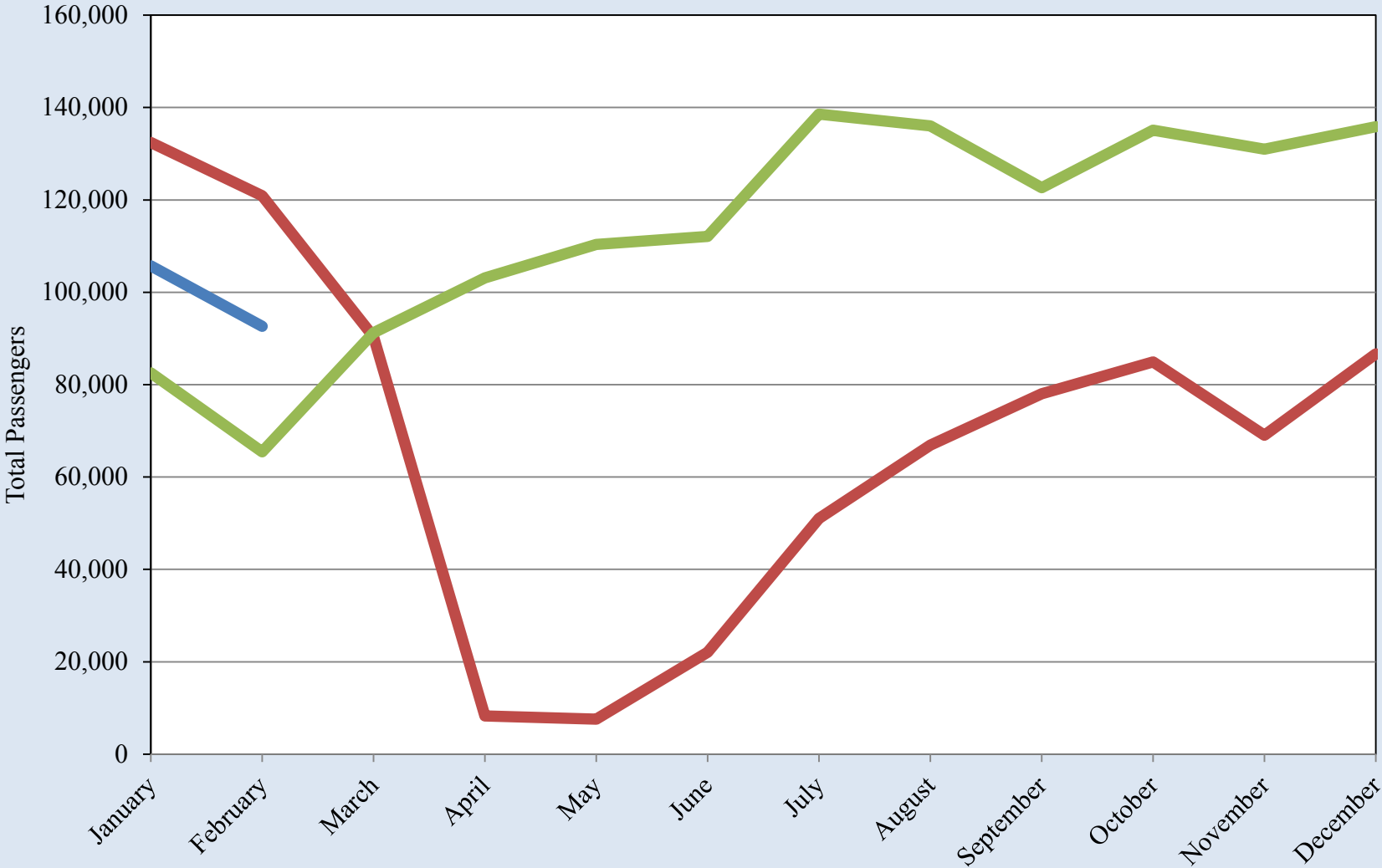
International Passengers Ciudad Juarez International Airport



Source: Grupo Aeroportuario Centro Norte - OMA

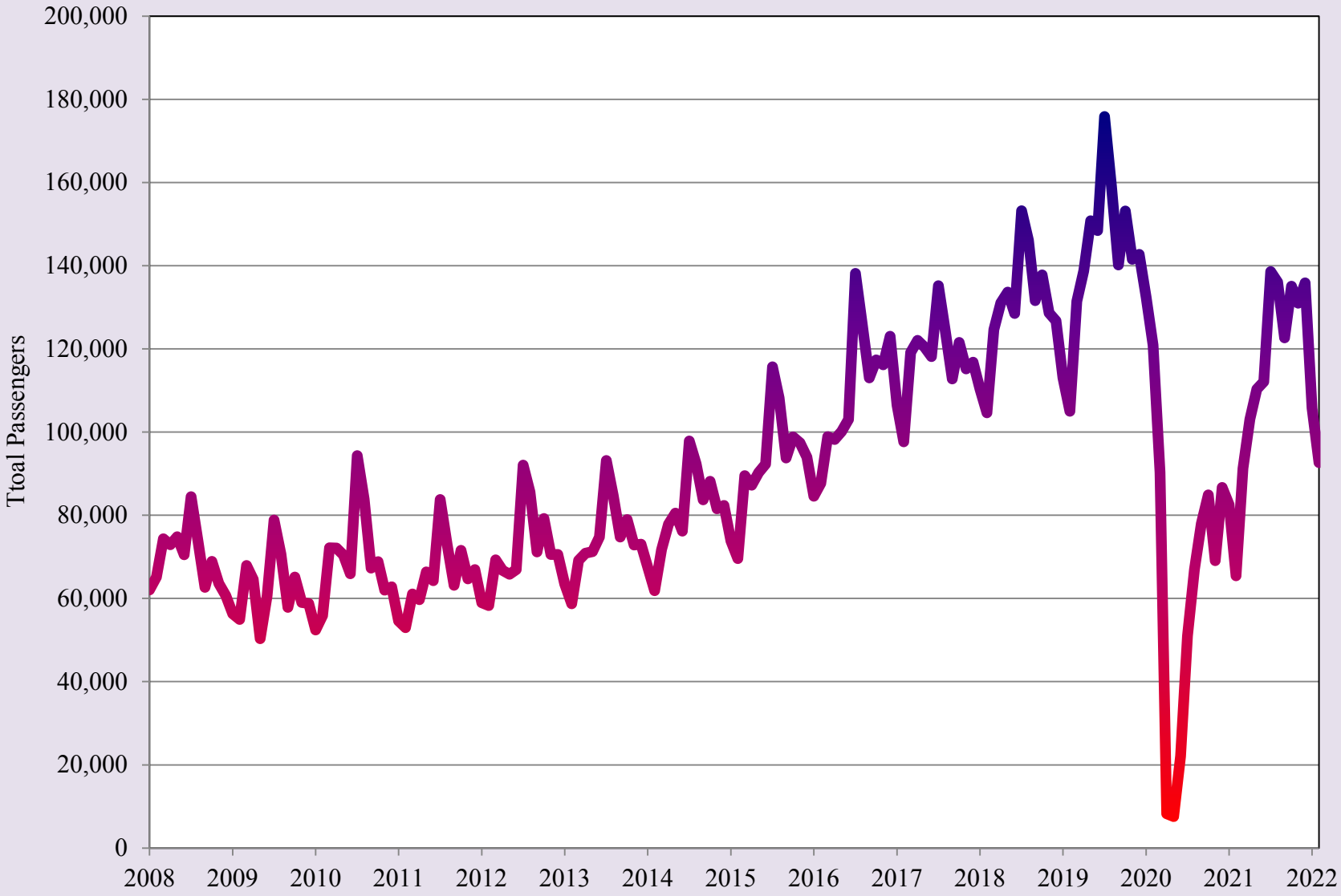
Domestic Passengers Chihuahua City International Airport

2020 2021 2022



Source: Grupo Aeroportuario Centro Norte - OMA

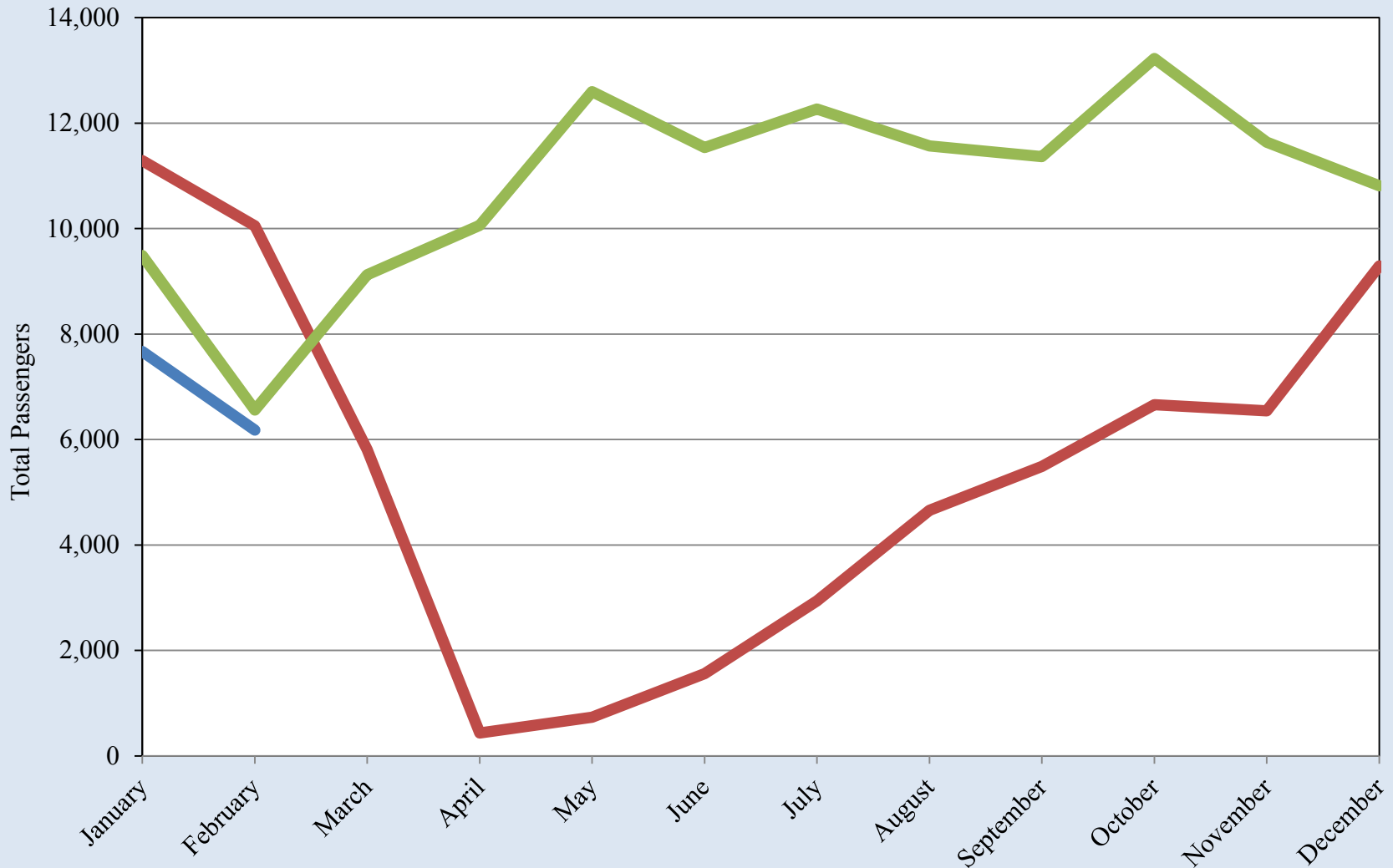
Domestic Passengers Chihuahua City International Airport



Source: Grupo Aeroportuario Centro Norte - OMA

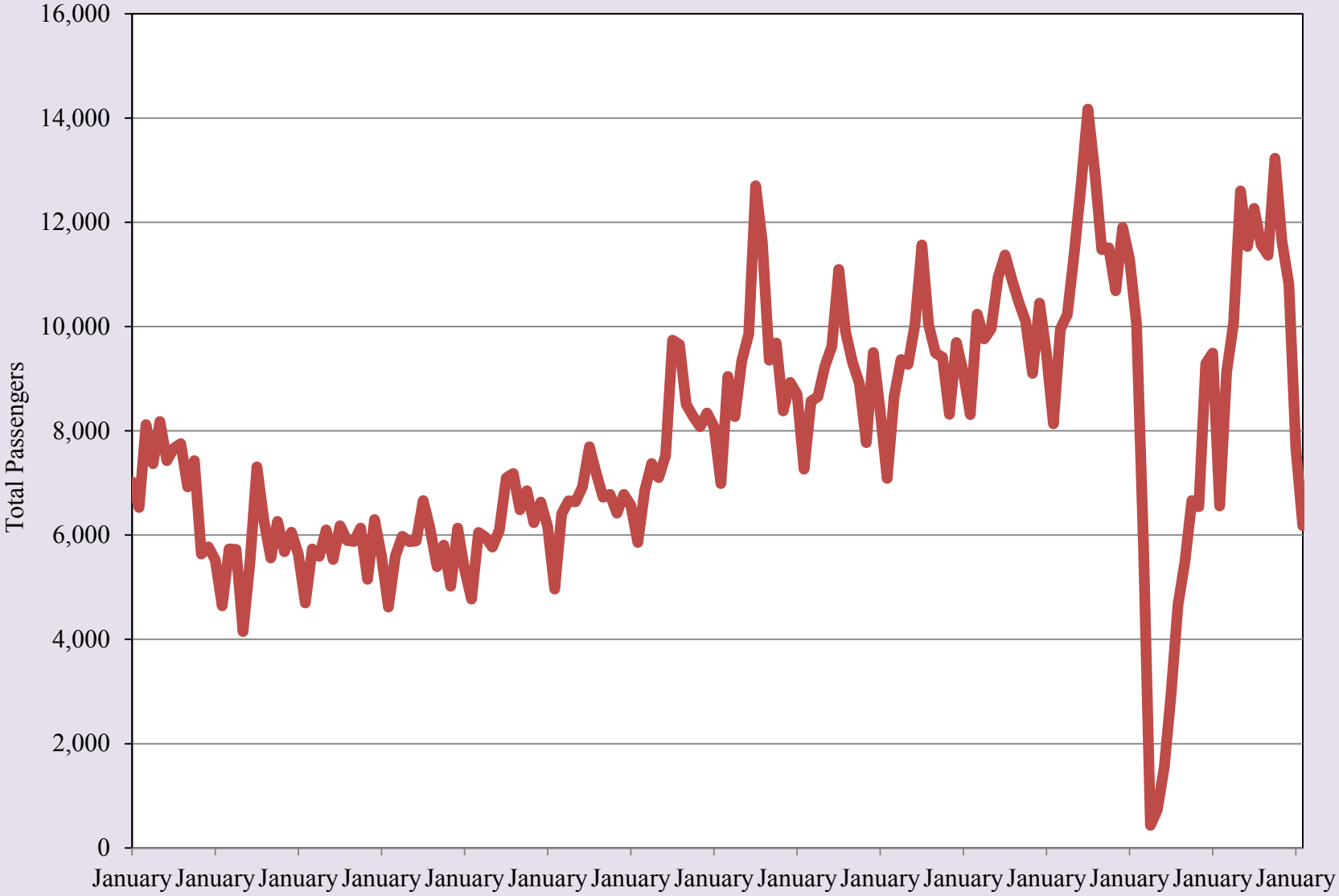
International Passengers Chihuahua City International Airport

— 2020 — 2021 — 2022



Source: Grupo Aeroportuario Centro Norte - OMA

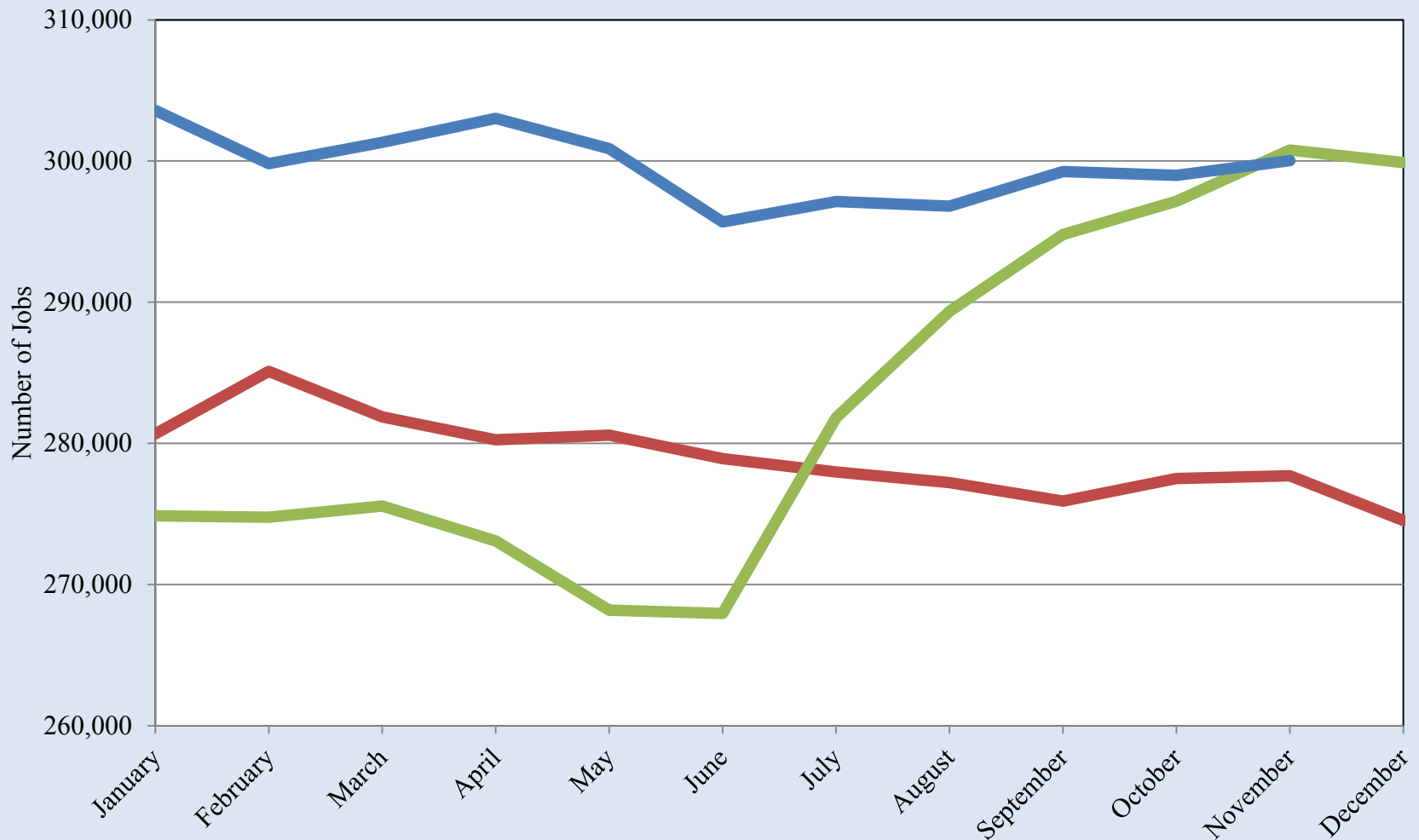
International Passengers Chihuahua City International Airport



Source: Grupo Aeroportuario Centro Norte - OMA

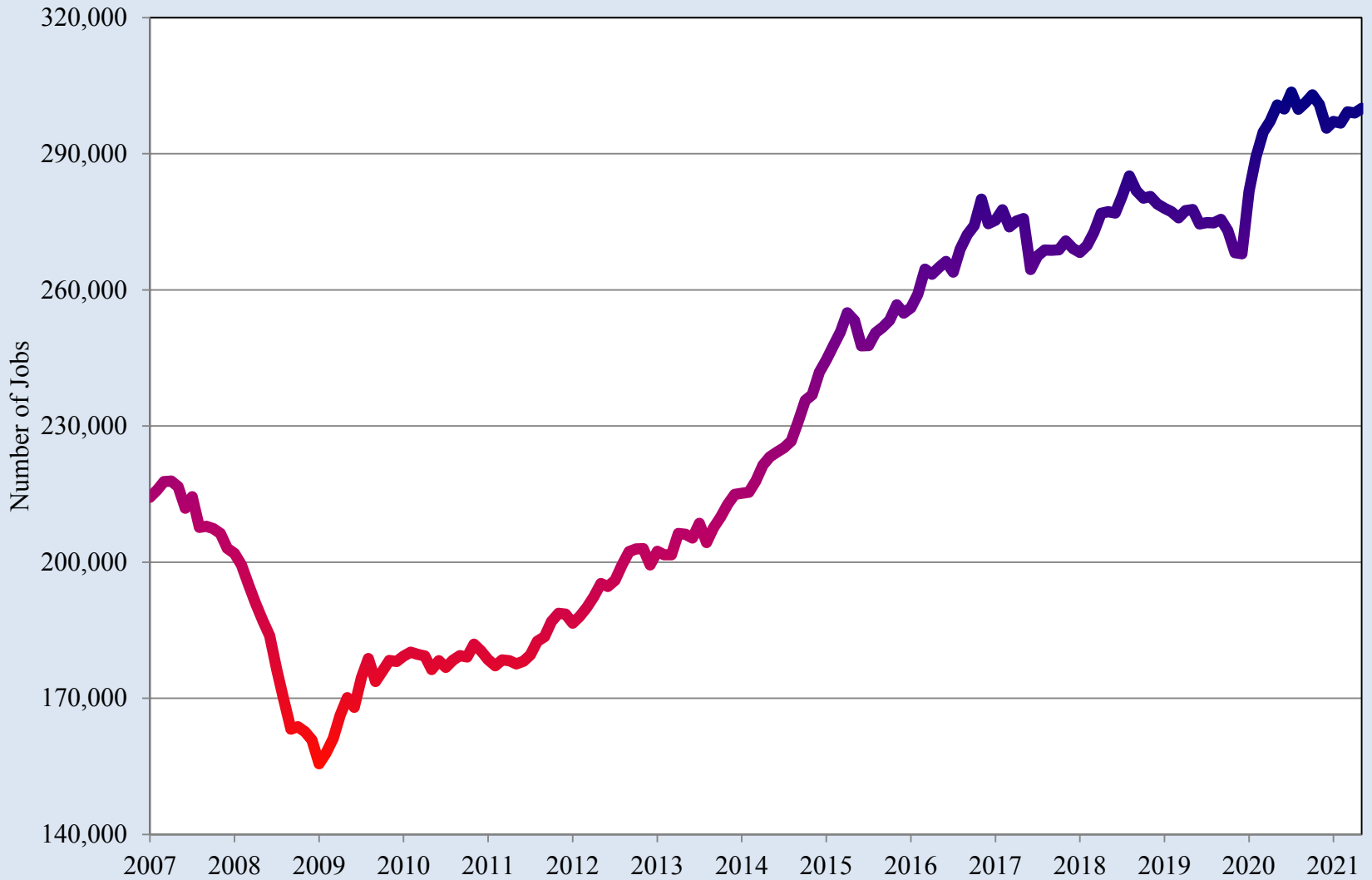
Export-Oriented Manufacturing Employment in Ciudad Juárez

2019 2020 2021



Source: INEGI

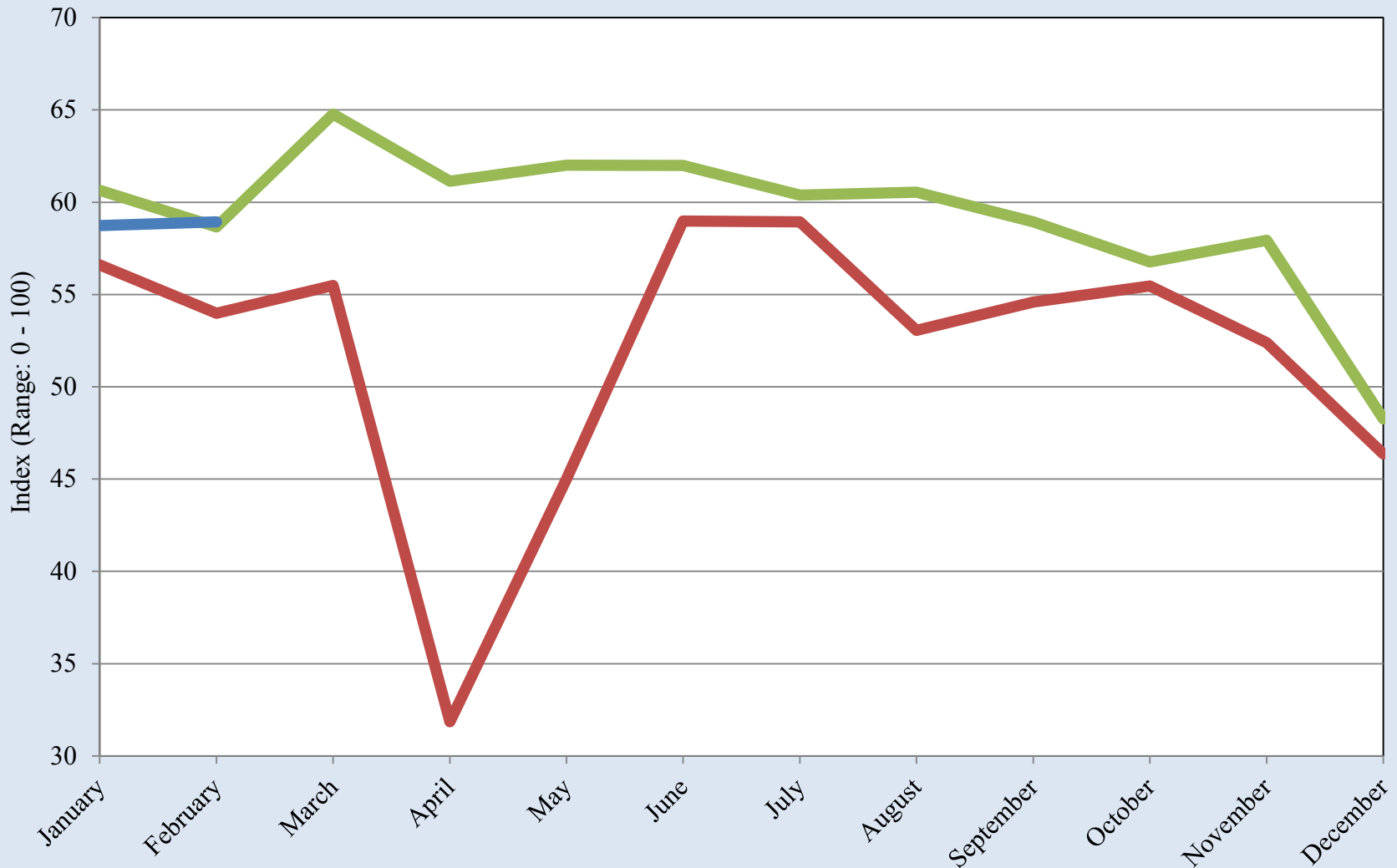
Export-Oriented Manufacturing Employment in Ciudad Juárez



Source: INEGI

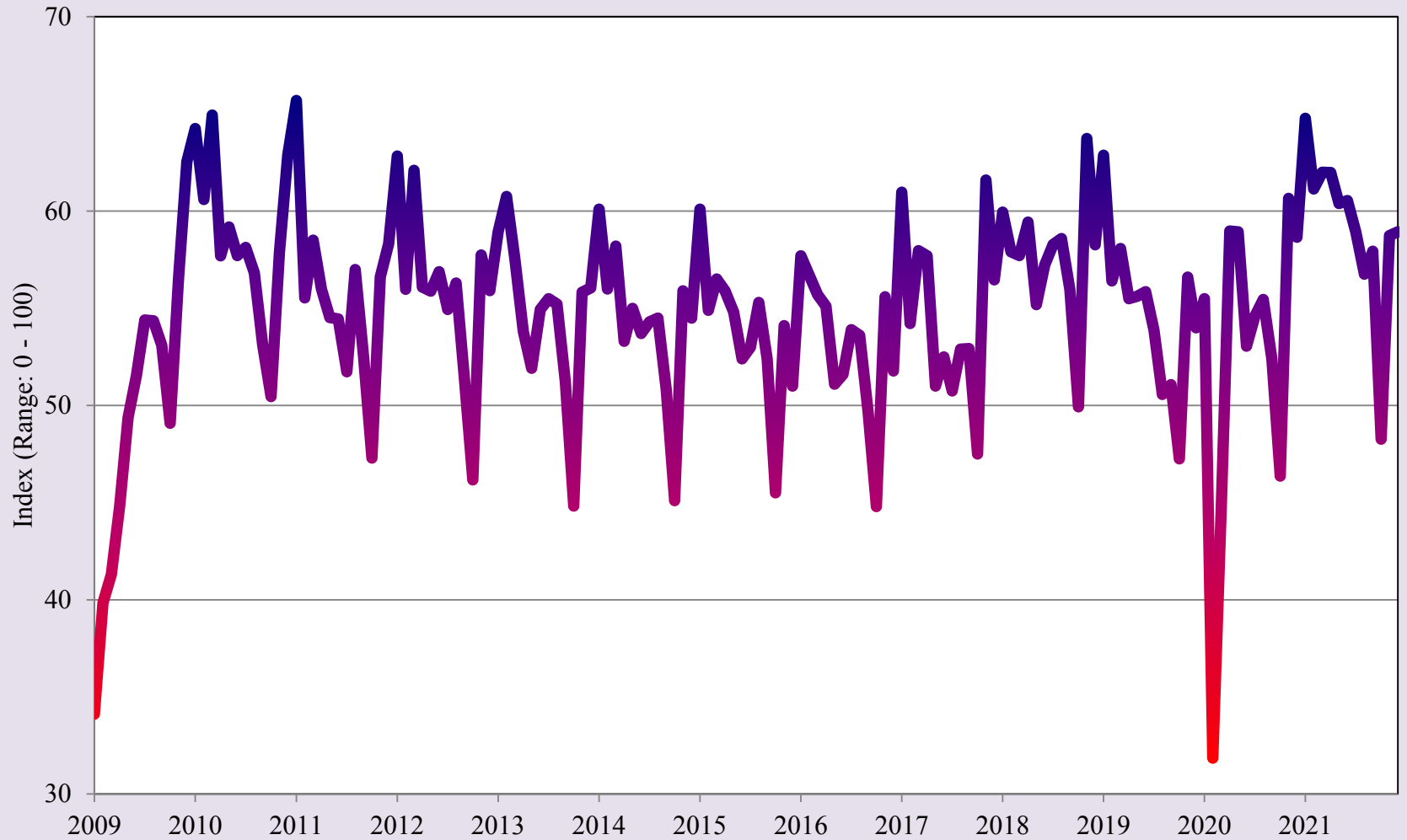
Northern Mexico Manufacturing Orders Index

— 2020 — 2021 — 2022



Source: Banco de México

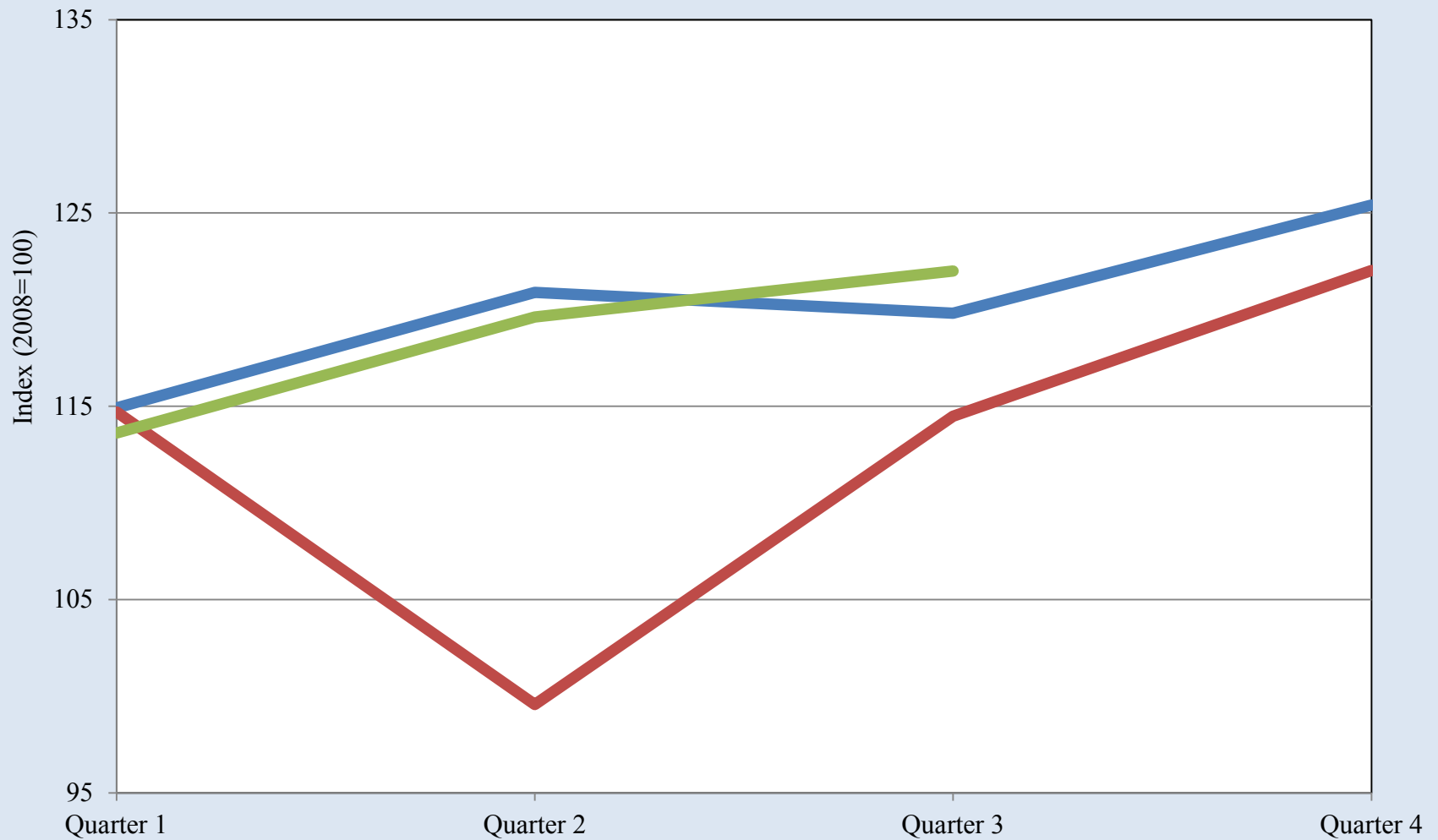
Northern Mexico Manufacturing Orders Index



Source: Banco de México

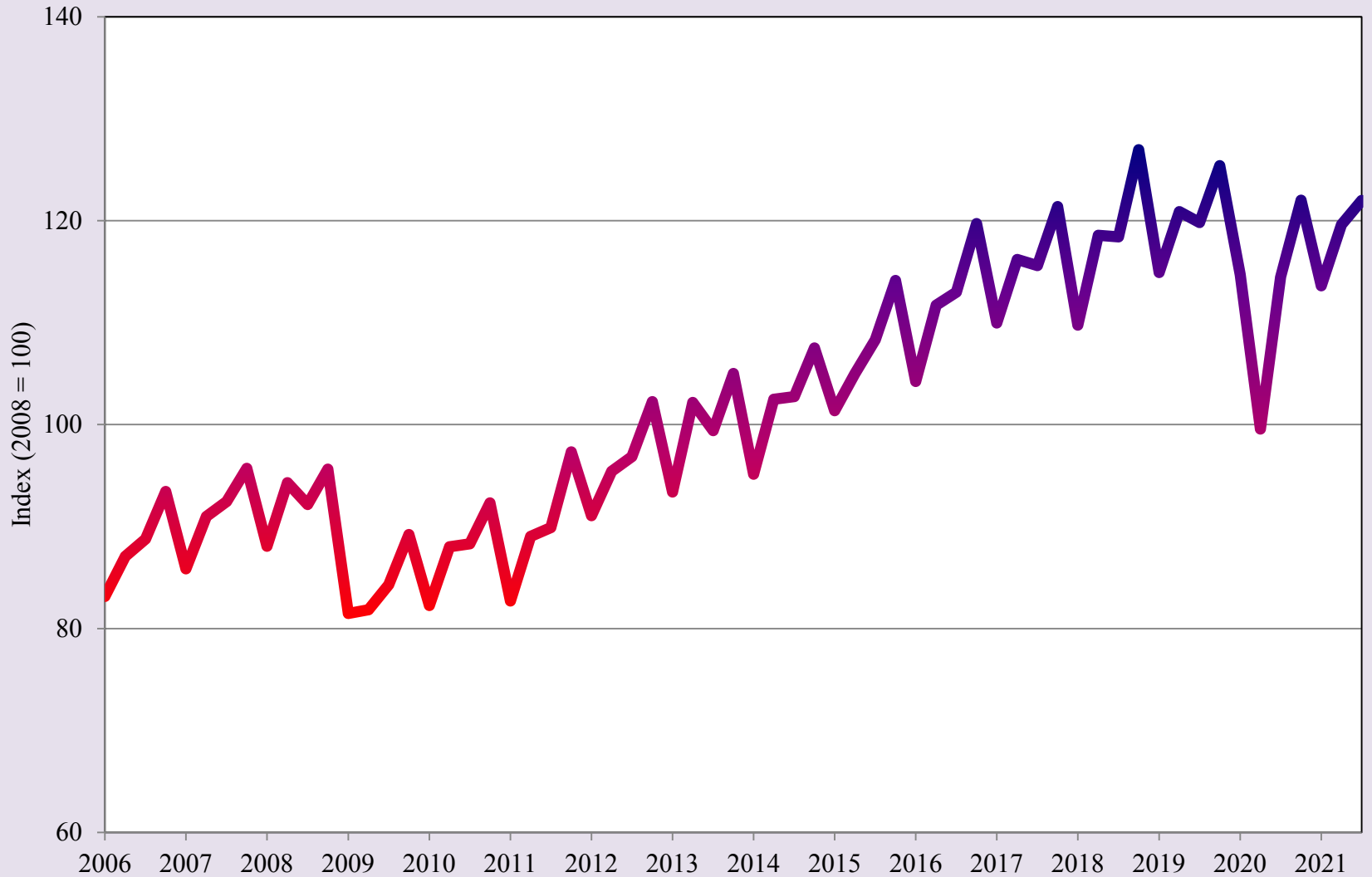
Quarterly Indicator of Economic Activity for the State of Chihuahua

2019 2020 2021



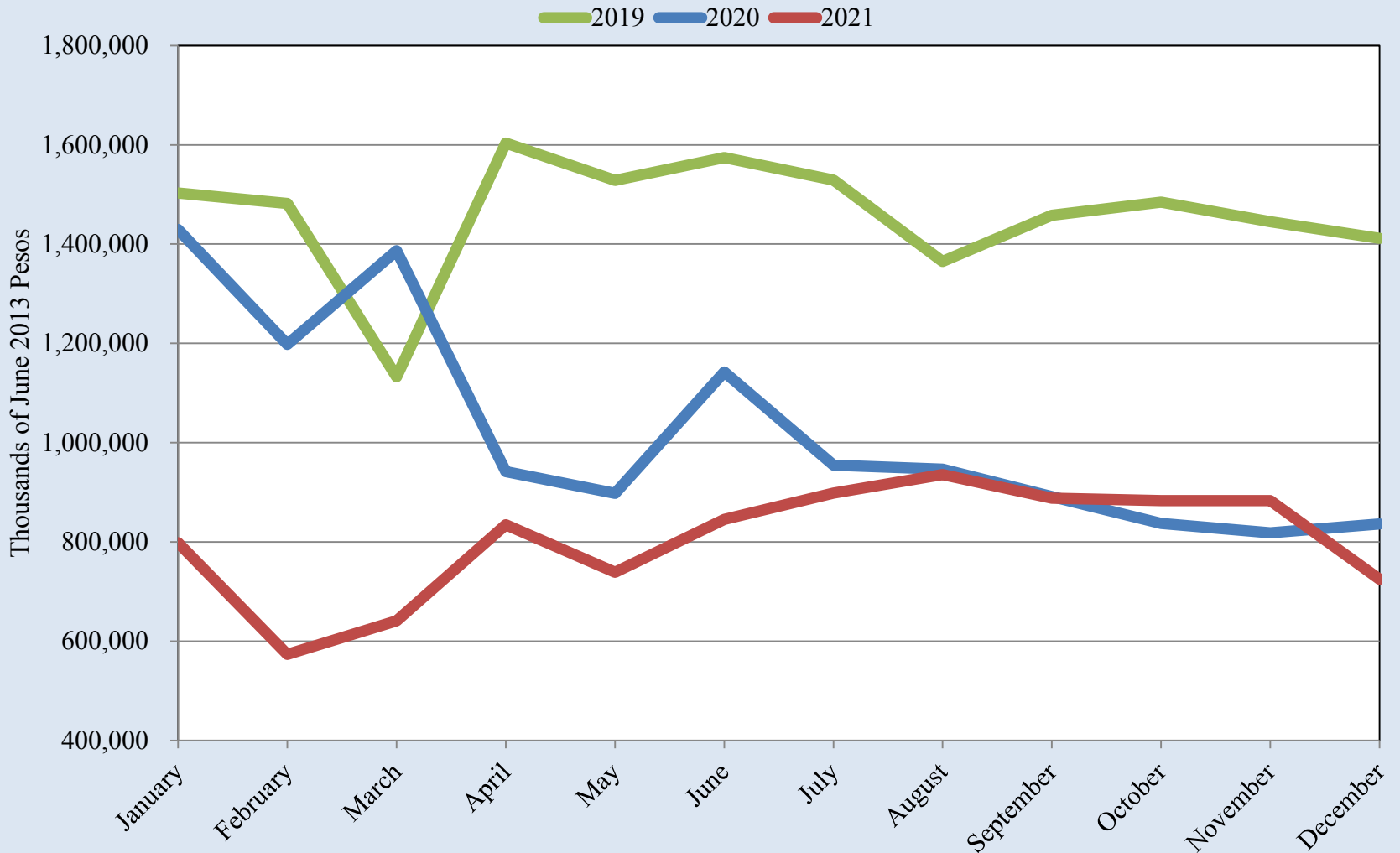
Source: INEGI

Quarterly Indicator of Economic Activity for the State of Chihuahua



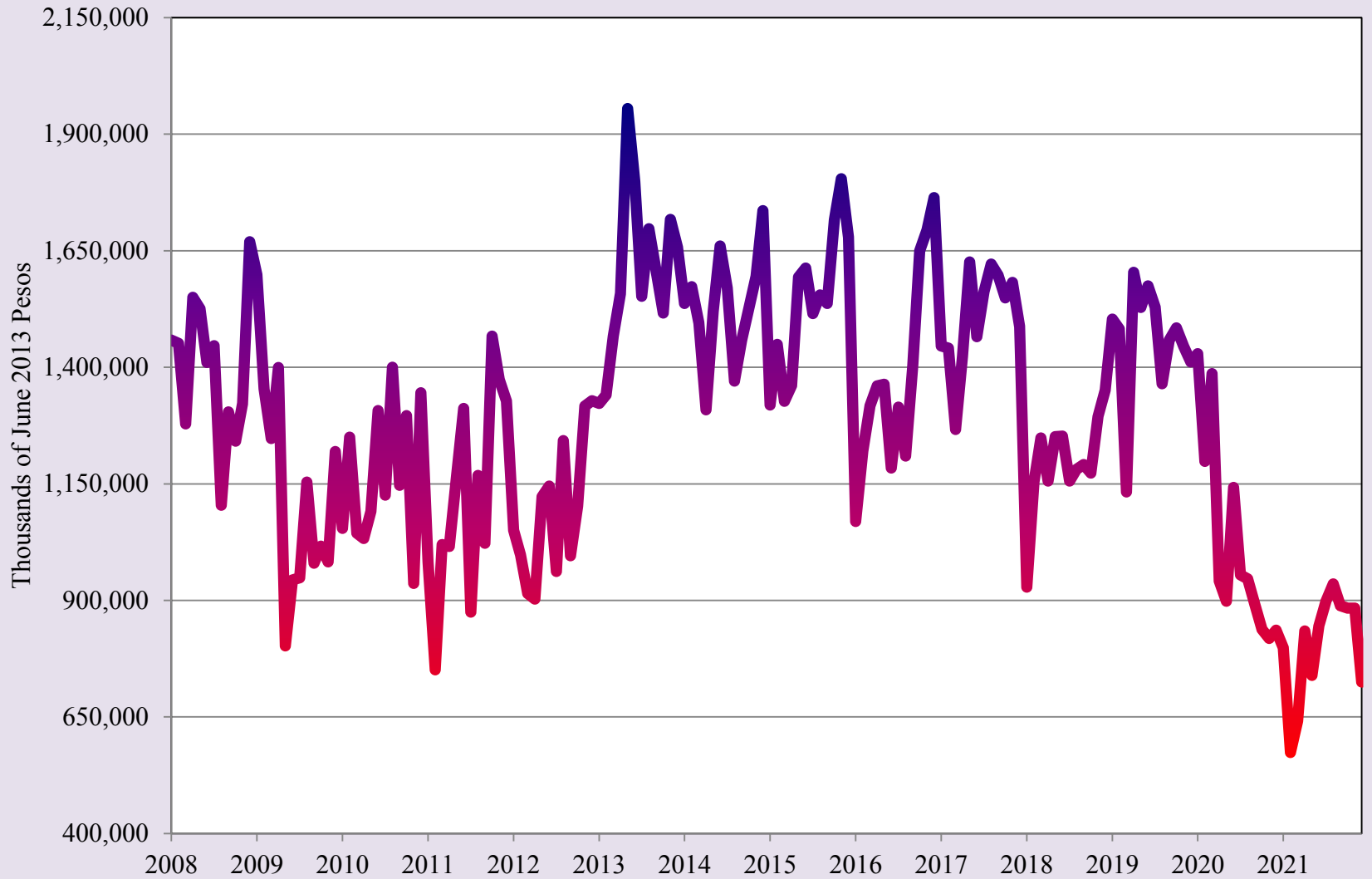
Source: INEGI

Total Value of Construction in the State of Chihuahua



Source: INEGI

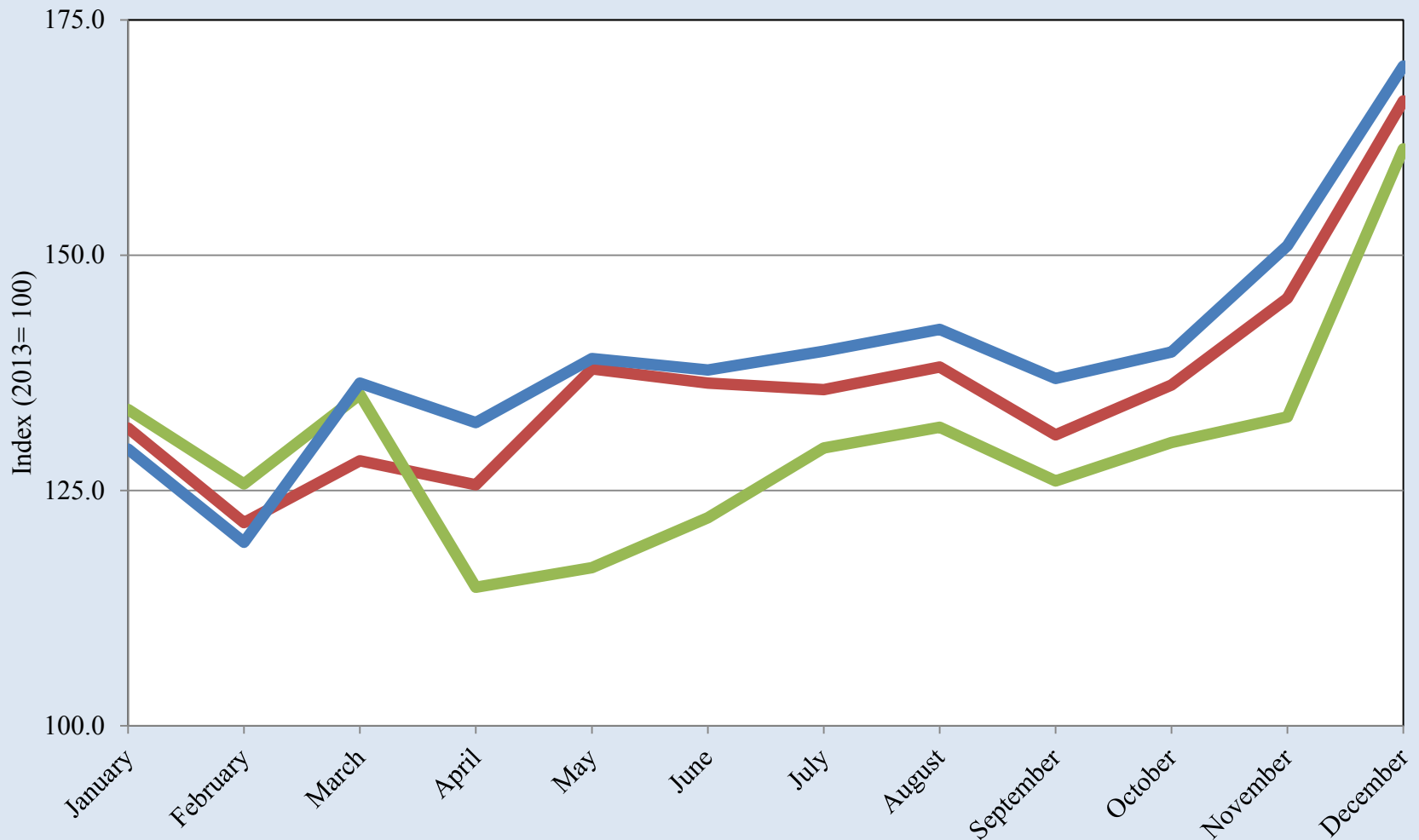
Total Value of Construction in the State of Chihuahua



Source: INEGI

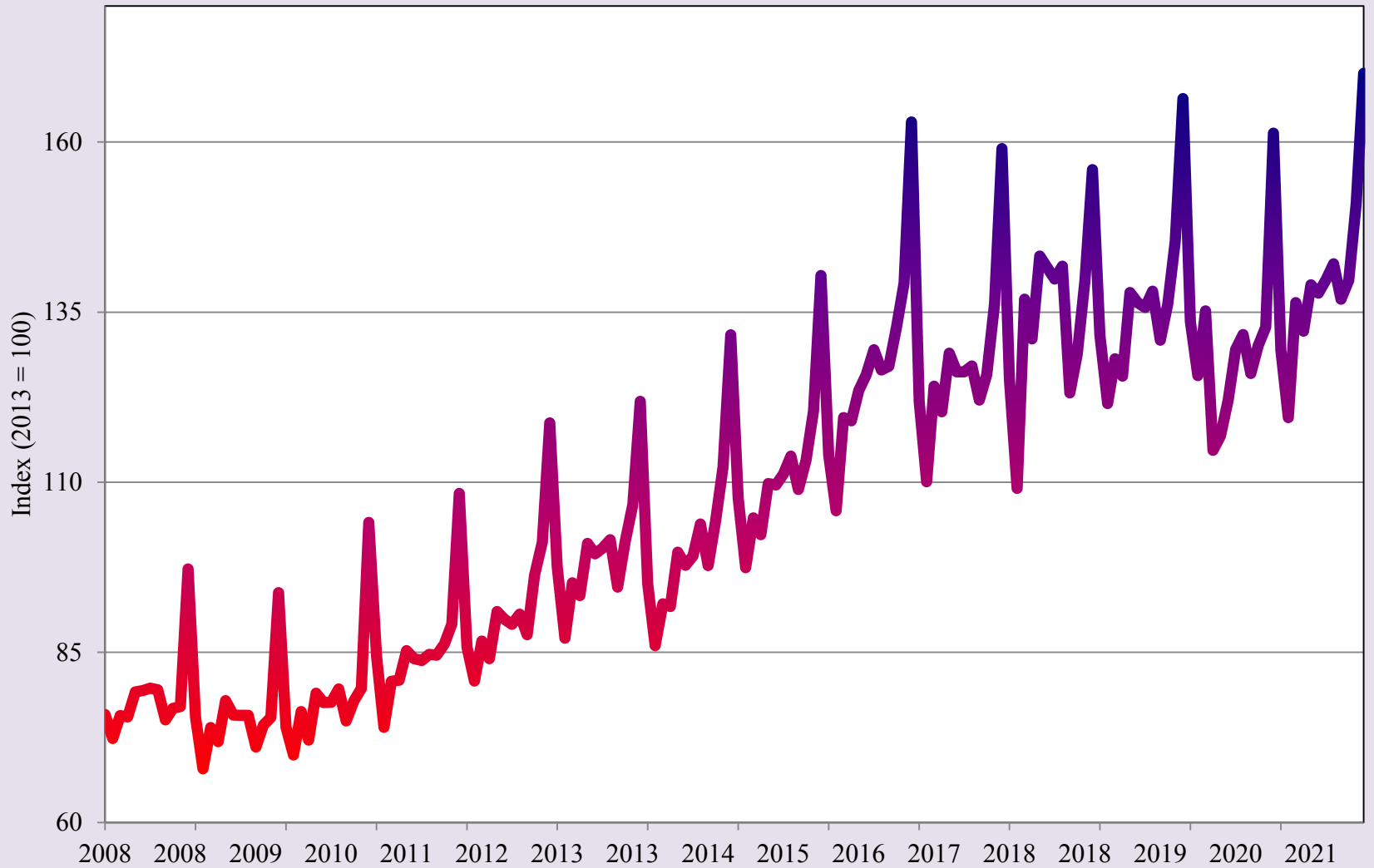
Real Retail Activity Index for the State of Chihuahua

— 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
Faith Xie, Associate Dean
Tim Roth, Templeton Professor of Banking & Economics

UTEP Border Region Modeling Project Corporate and Institutional Sponsors:

El Paso Water
TFCU
UTEP College of Business Administration
UTEP Department of Economics & Finance
UTEP Center for the Study of Western Hemispheric Trade

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.