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Borderplex Business Barometer, Volume 6, Number 8

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T.M. Fullerton, Jr., and S.L. Fullerton, 2022, "Global Fragility, Regional Robustness?" *Borderplex Business Barometer* 6(8), 1-66.



BORDERPLEX BUSINESS BAROMETER

August 2022

Border Region Modeling Project

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Border Commerce & Economics

Borderplex Business Barometer, Volume 6, Number 8

Global Fragility, Regional Robustness

Recession fears abound throughout the world, and with good reason. Interest rates are rising, a supply chain disrupting war is raging in Europe, and international health care threats seem omnipresent. As shown below, the yield curve for the United States has four partial inversion segments.

While all of that is undeniably concerning, recent data for the Borderplex regional economy point to overall economic salubrity. Indicative of the latter, the Federal Reserve Bank of Dallas El Paso Business Cycle Index rose again in July. That was accompanied by another decline in the UTEP Household Economic Stress Index. Contributing to that development, the El Paso unemployment rate was below 5 percent for a fifth consecutive month. Joblessness has also been noticeably below prior-year levels during every month of 2022 in Las Cruces.

There are, however, some areas of concern. In El Paso and Las Cruces, housing price gains have far exceeded income gains. That, combined with sharply higher mortgage rates, has caused housing affordability to erode. Gasoline prices remain well above year-ago levels throughout the region. In El Paso, higher food price inflation has increased Supplemental Nutrition Assistance Program (SNAP or food stamp) enrollments relative to year-ago levels in both June and July. Further north, and across the county line, that was not the case in Las Cruces, where strong Mesilla Valley job gains allowed SNAP enrollments to continue declining in June.

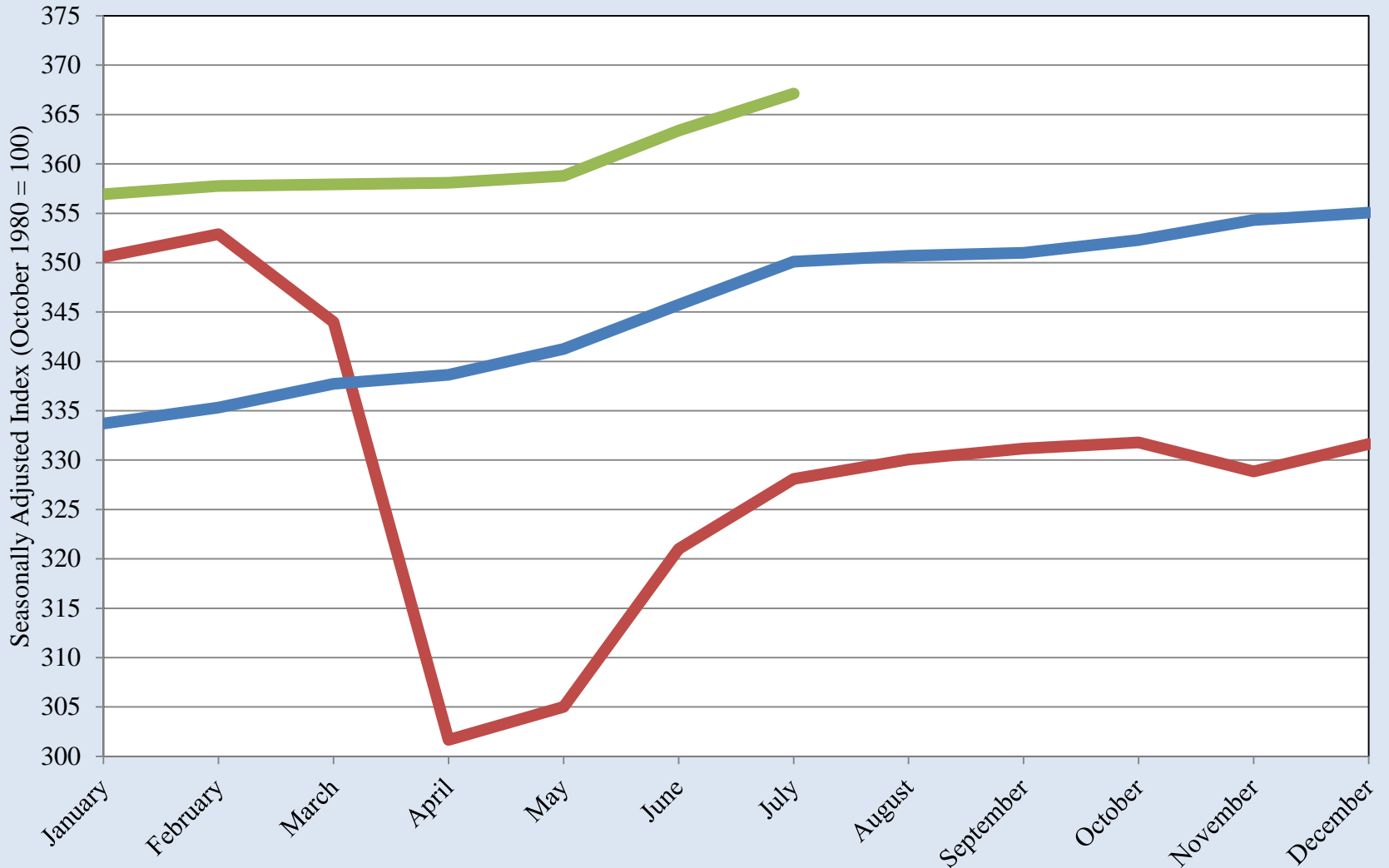
Border region consumption patterns have changed in 2022 in manners that reflect what is occurring more broadly across the hemisphere. A shift away from merchandise purchases in favor of services began once Covid-19 infection rates started dropping. Airport data in the region confirm that change. Air freight volumes at El Paso International Airport (EPIA) have declined relative to prior-year volumes during the last four consecutive months for which data are available. EPIA air passenger

traffic has exceeded prior-year levels for 16 straight months. As the graphs below indicate, similar air passenger traffic flow patterns are also occurring in both Ciudad Juarez and Chihuahua City.

Recent data further indicate that the Chihuahua state economy is making good progress. Export oriented employment continues to expand in Ciudad Juarez. Statewide real retail activity has grown relative to year-ago levels for 16 consecutive months. In spite of continued global uncertainty, the Borderplex region is doing well.

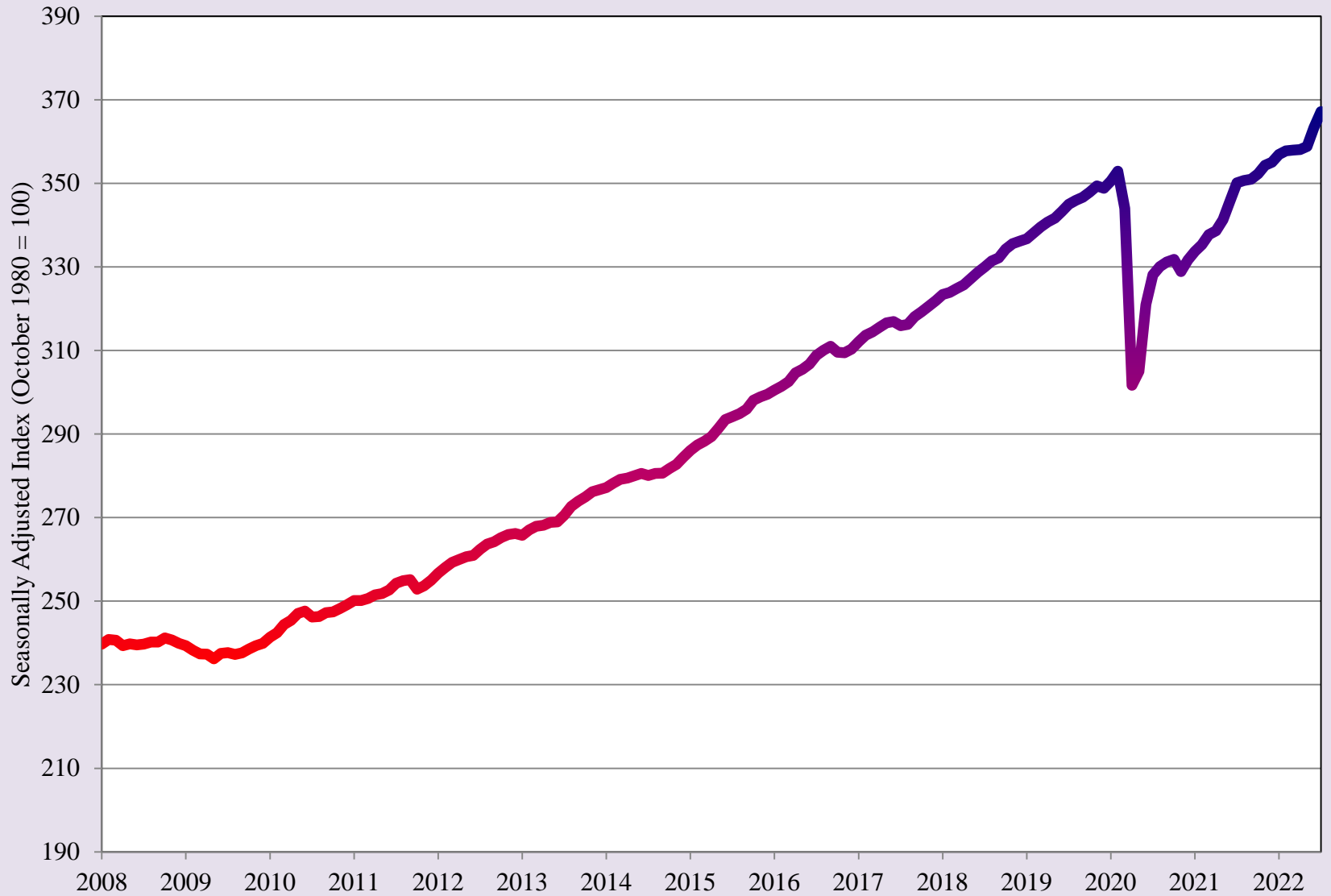
El Paso Metropolitan Business Cycle Index

2020 2021 2022



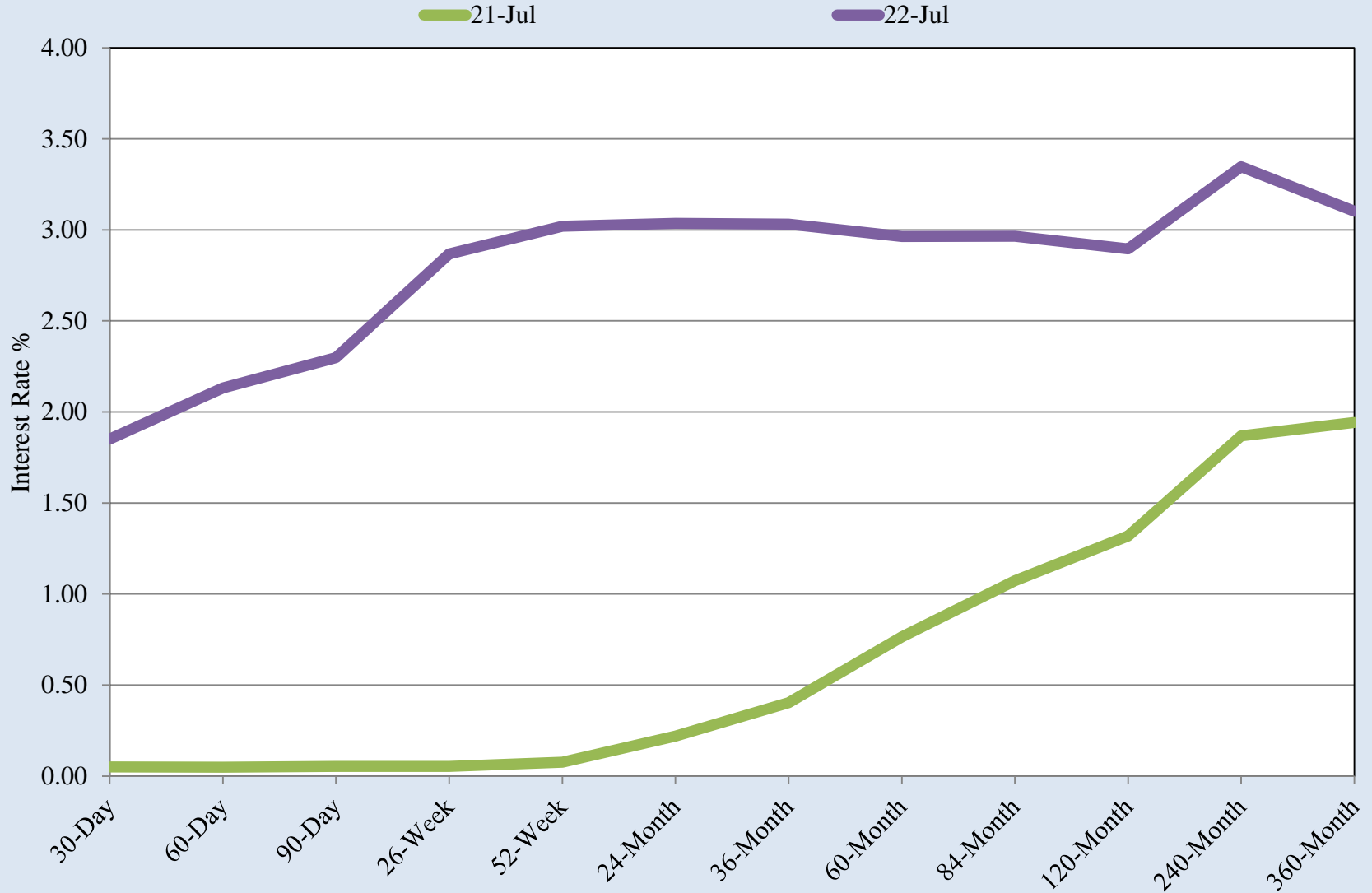
Source: Federal Reserve Bank of Dallas

El Paso Metropolitan Business Cycle Index



Source: Federal Reserve Bank of Dallas

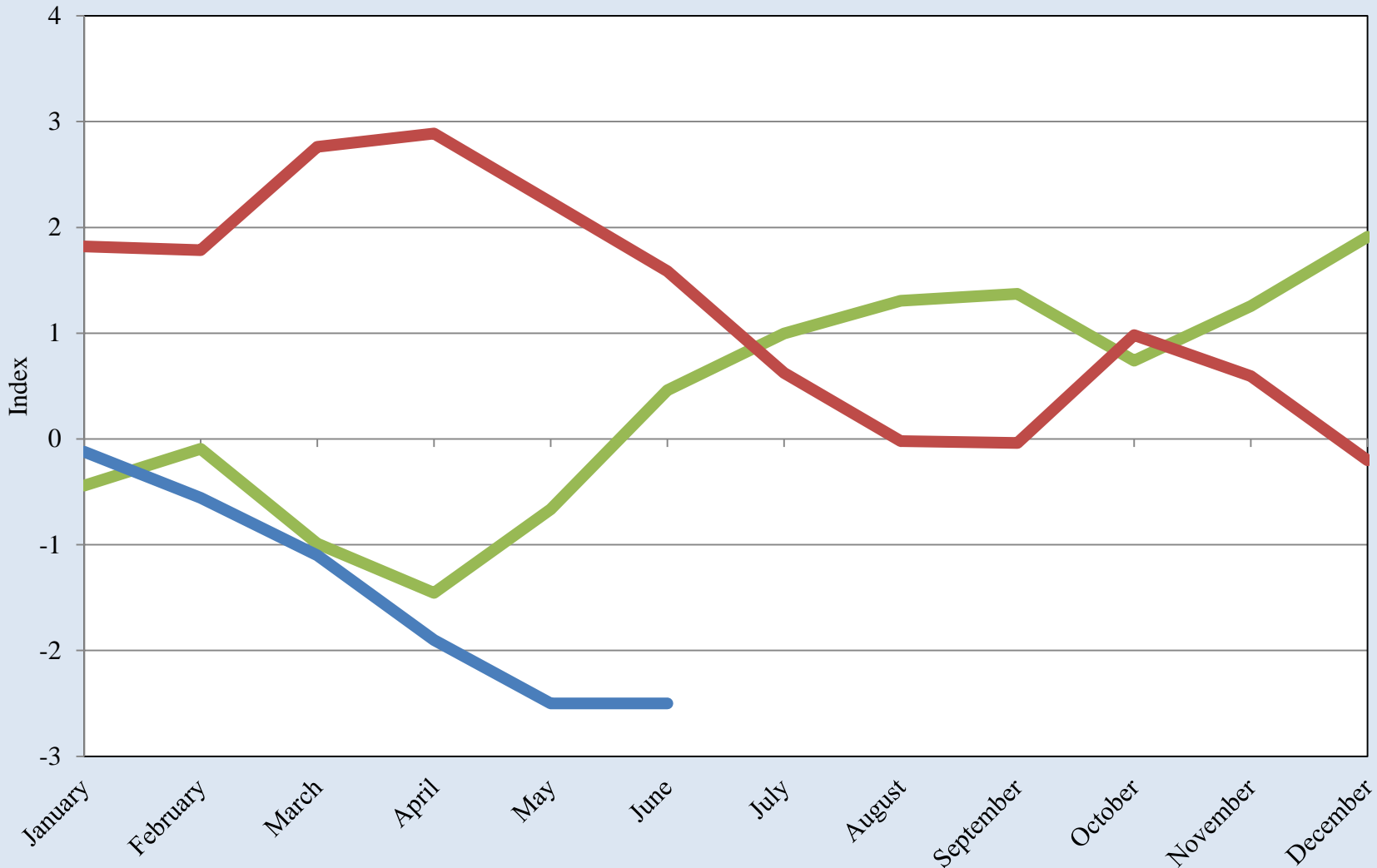
Average Treasury Yield Curve Rates



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

El Paso Household Economic Stress Index

2020 2021 2022



Source: UTEP Border Region Modeling Project

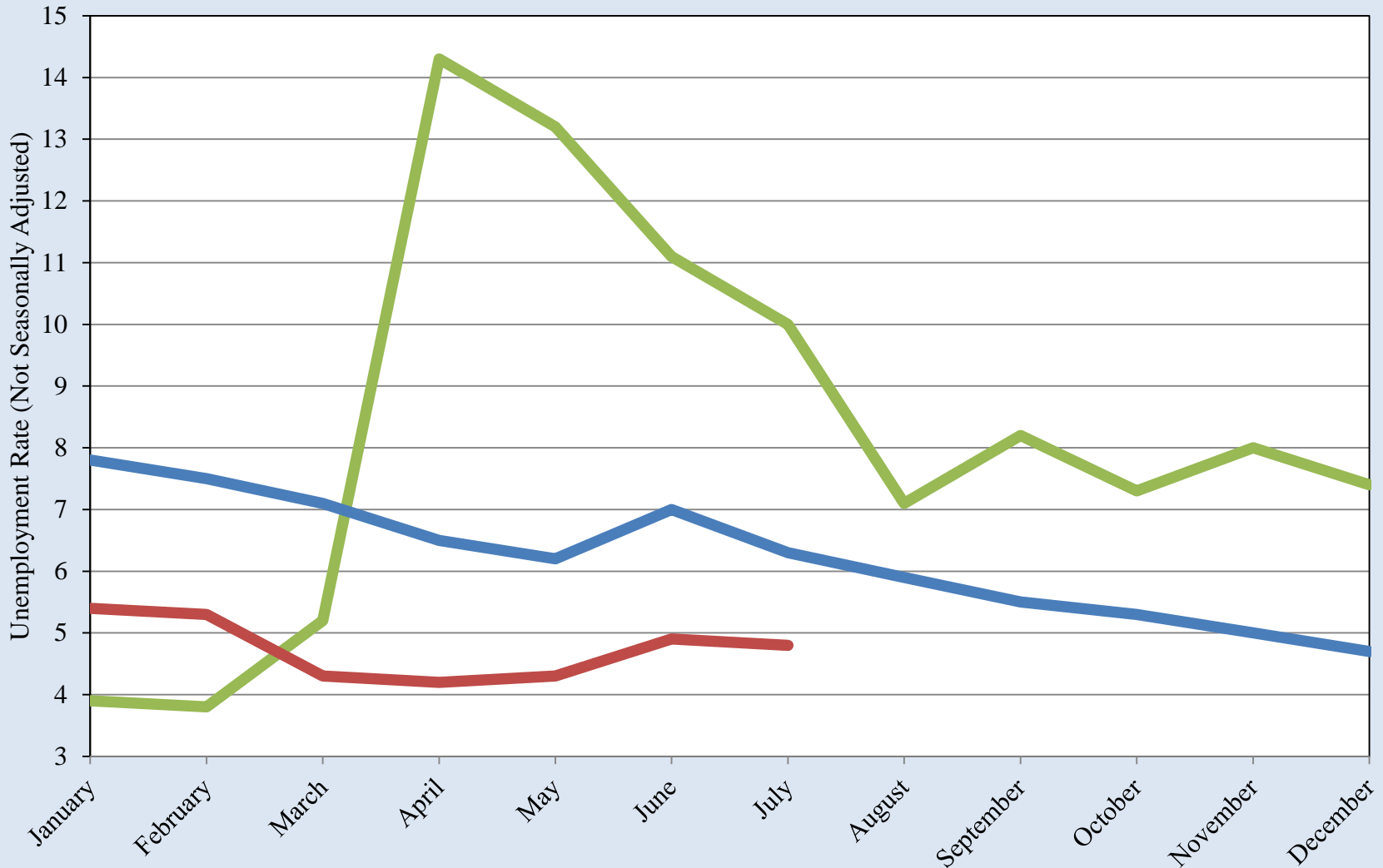
El Paso Household Economic Stress Index



Source: UTEP Border Region Modeling Project

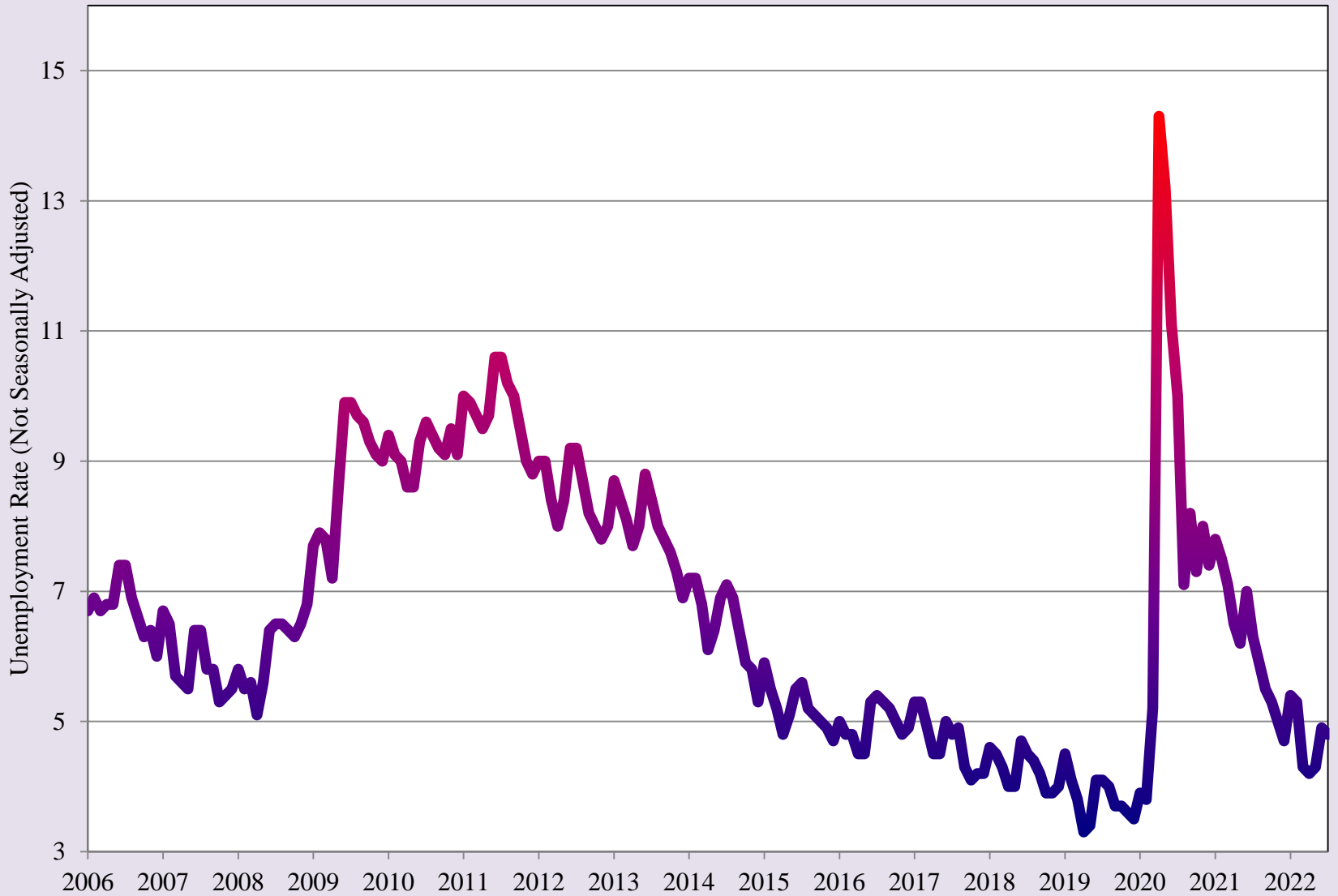
El Paso County Unemployment Rate

2020 2021 2022



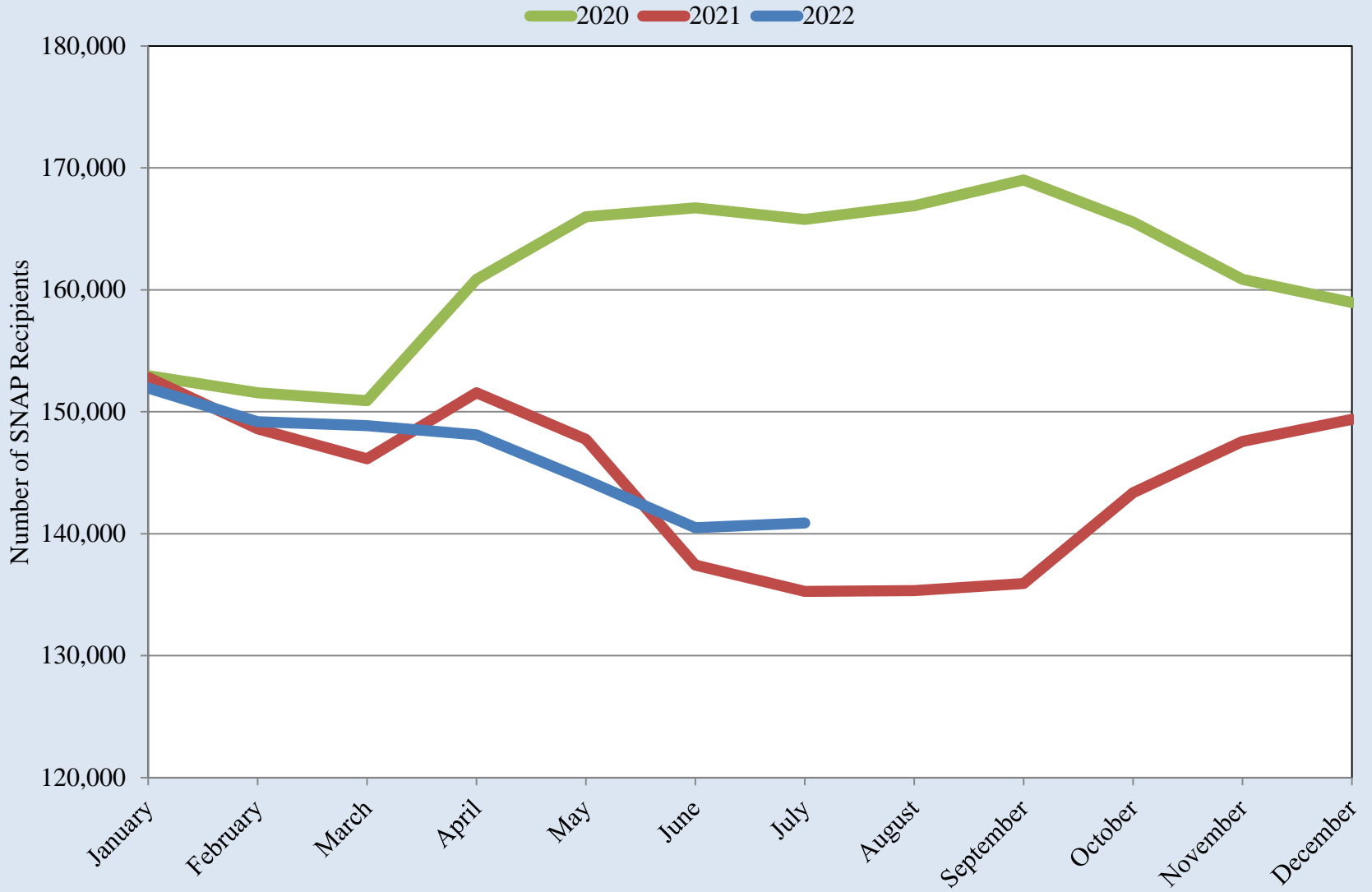
Source: Bureau of Labor Statistics

El Paso County Unemployment Rate



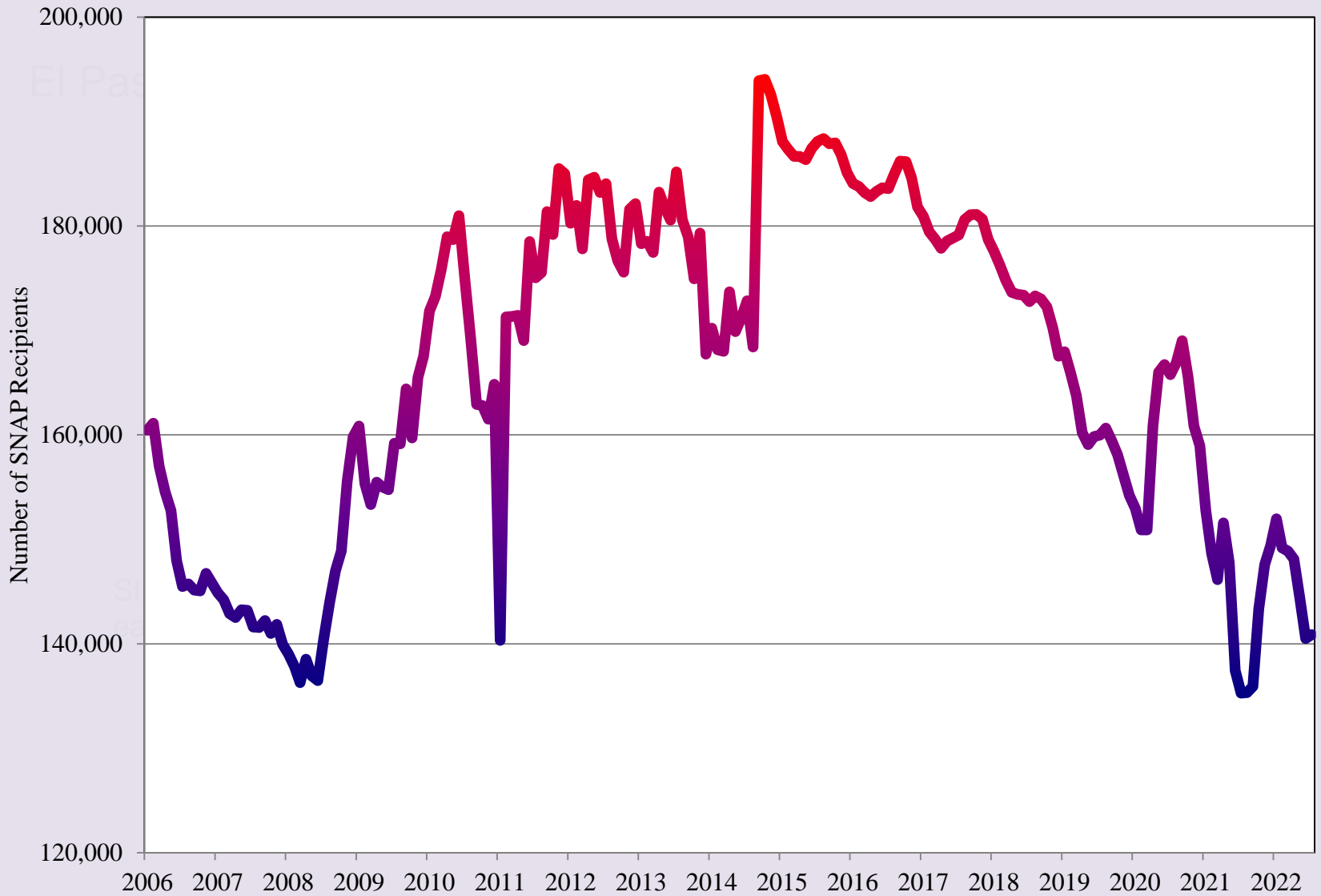
Source: Bureau of Labor Statistics

El Paso County SNAP (Food Stamp) Enrollment



Source: Texas Health and Human Services Commission

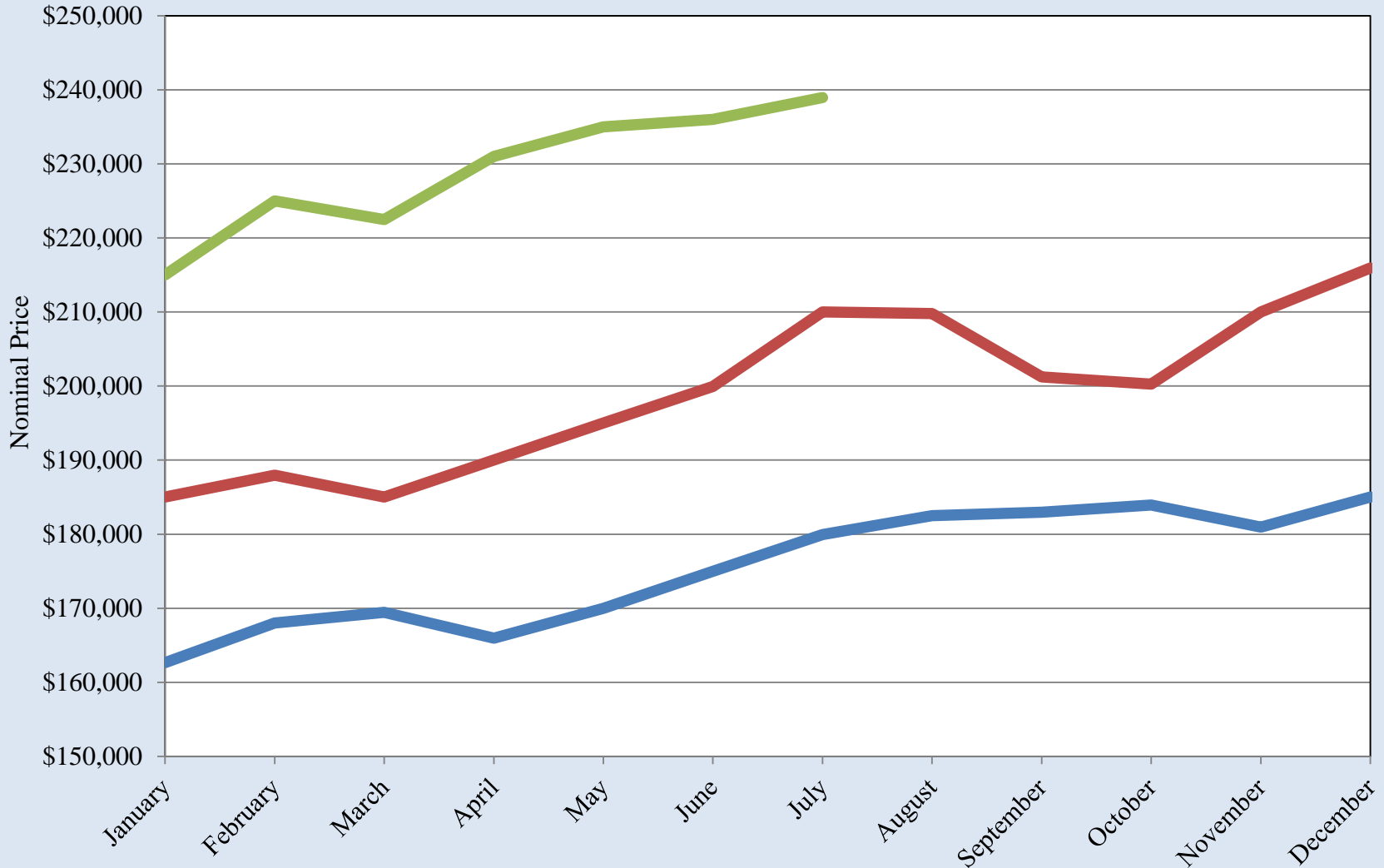
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Source: Texas Health and Human Services Commission

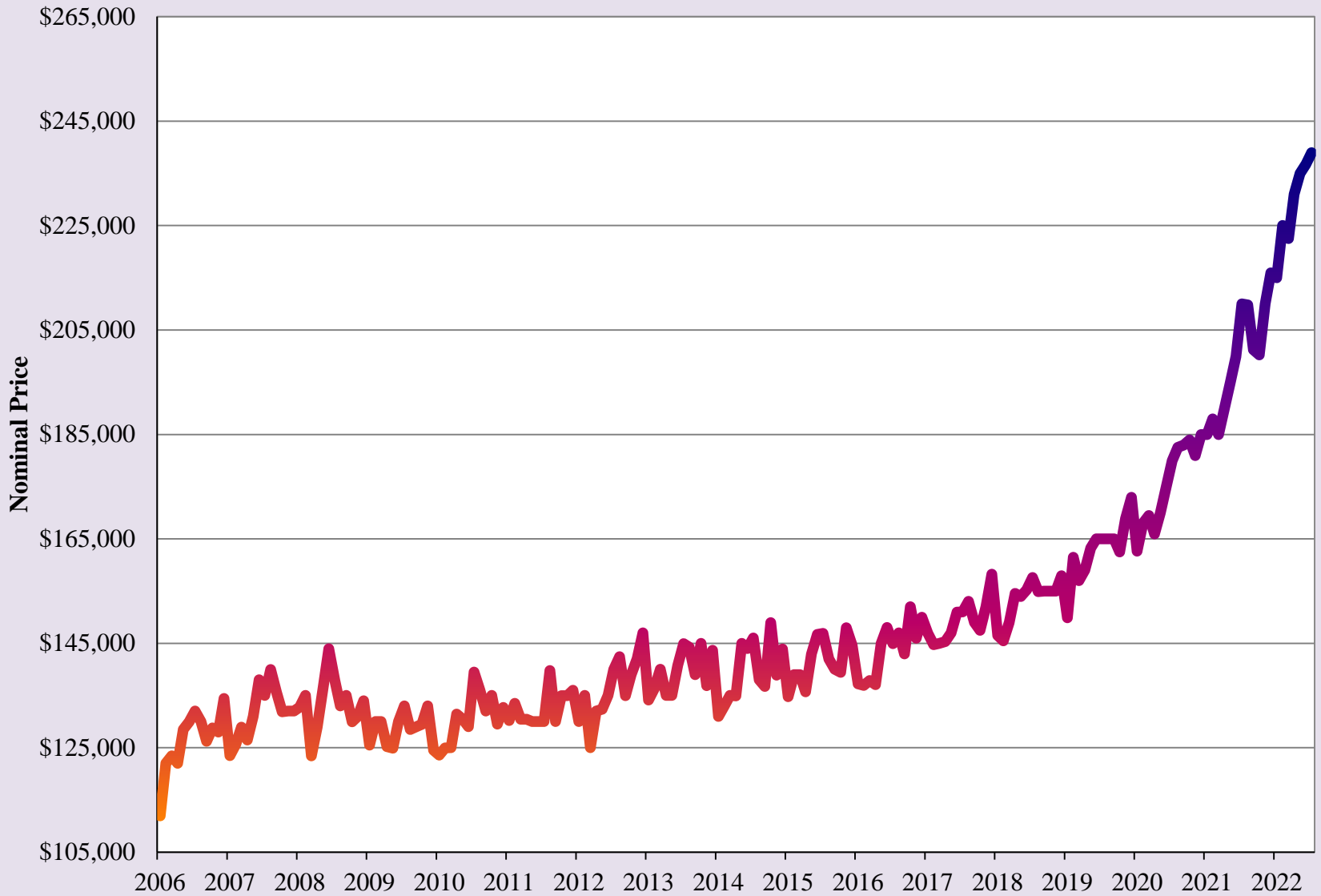
El Paso Median Housing Prices

2020 2021 2022



Source: Texas A&M Real Estate Center

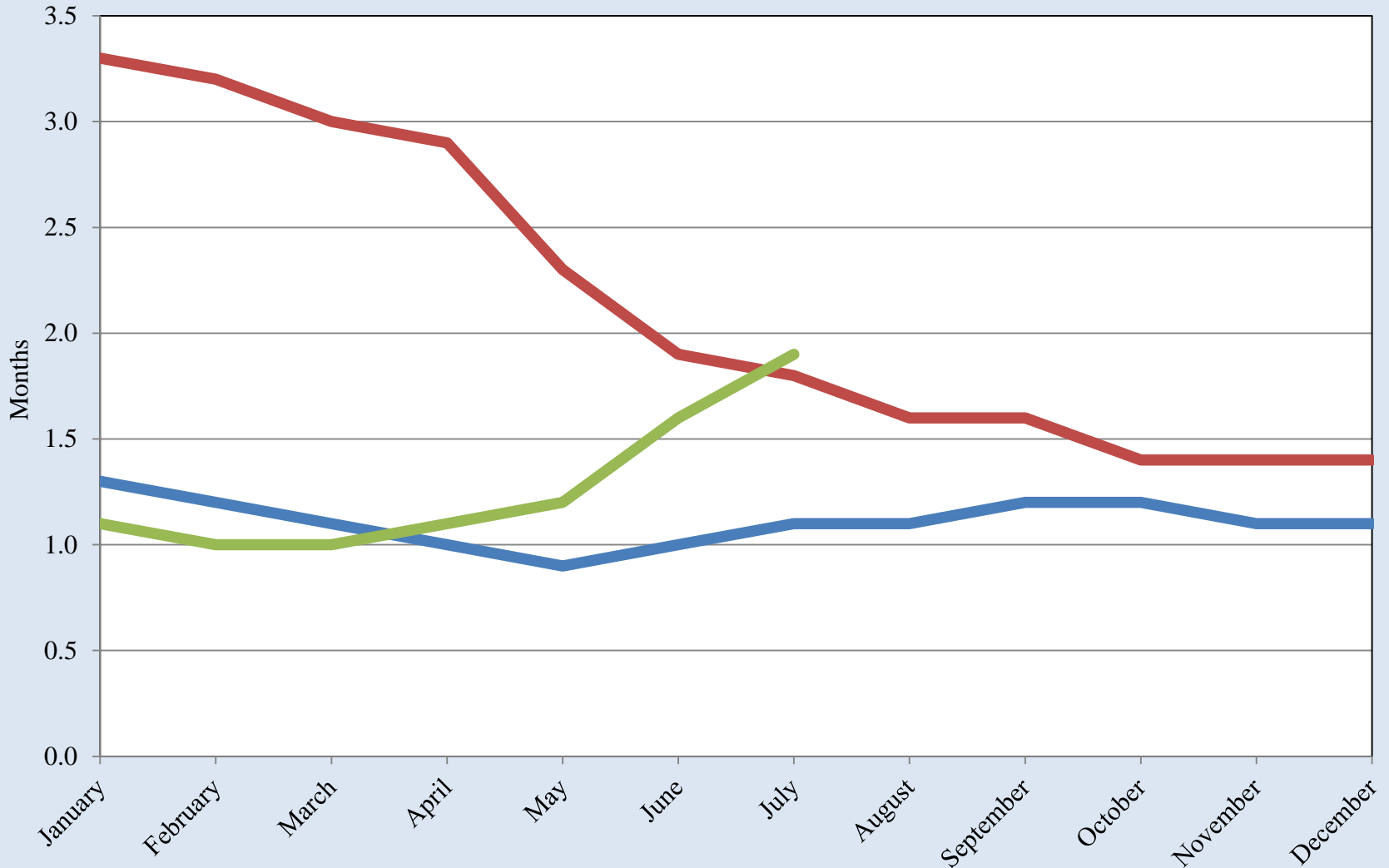
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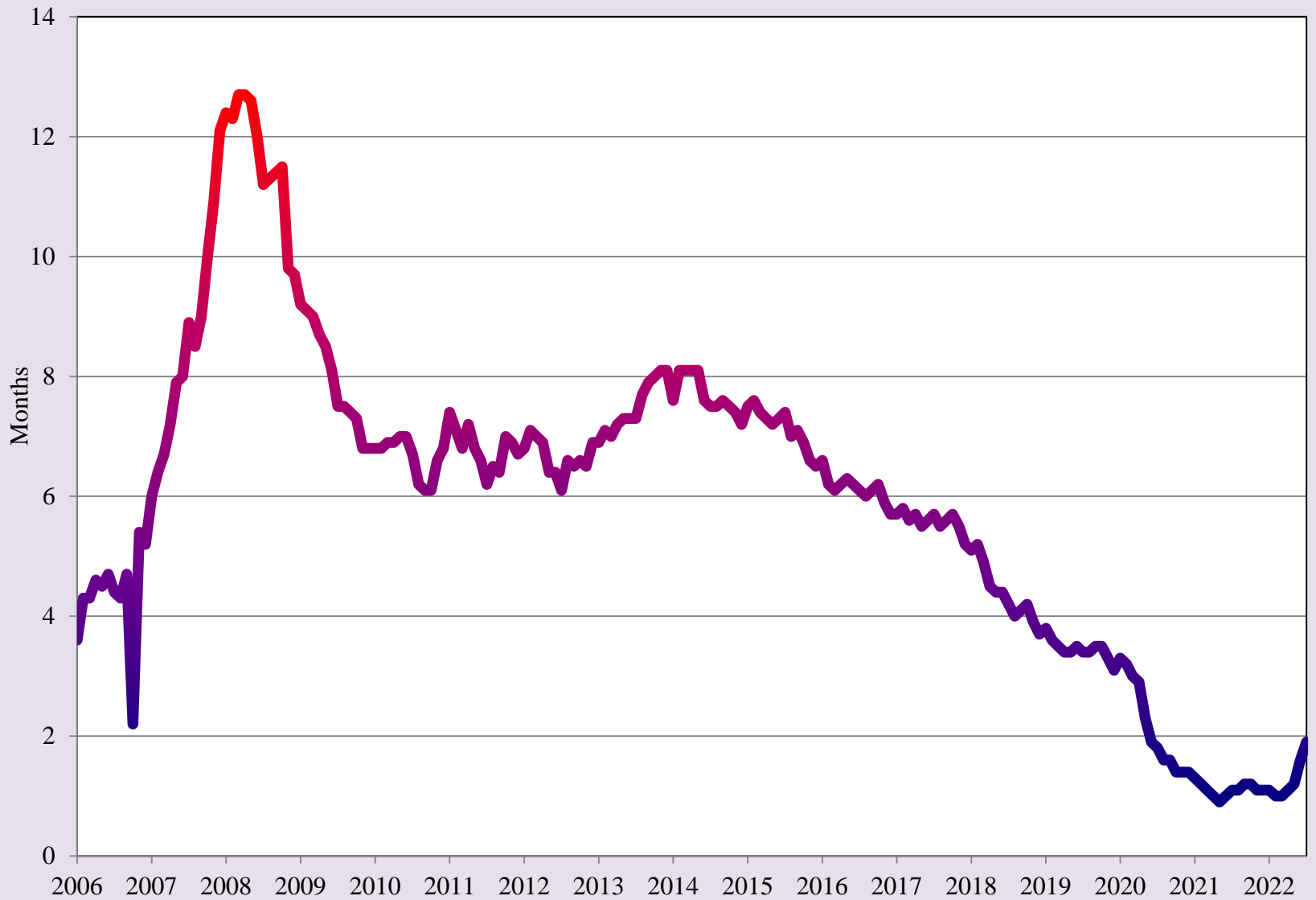
Months of Housing Inventory for El Paso

2020 2021 2022



Source: Texas A&M Real Estate Center

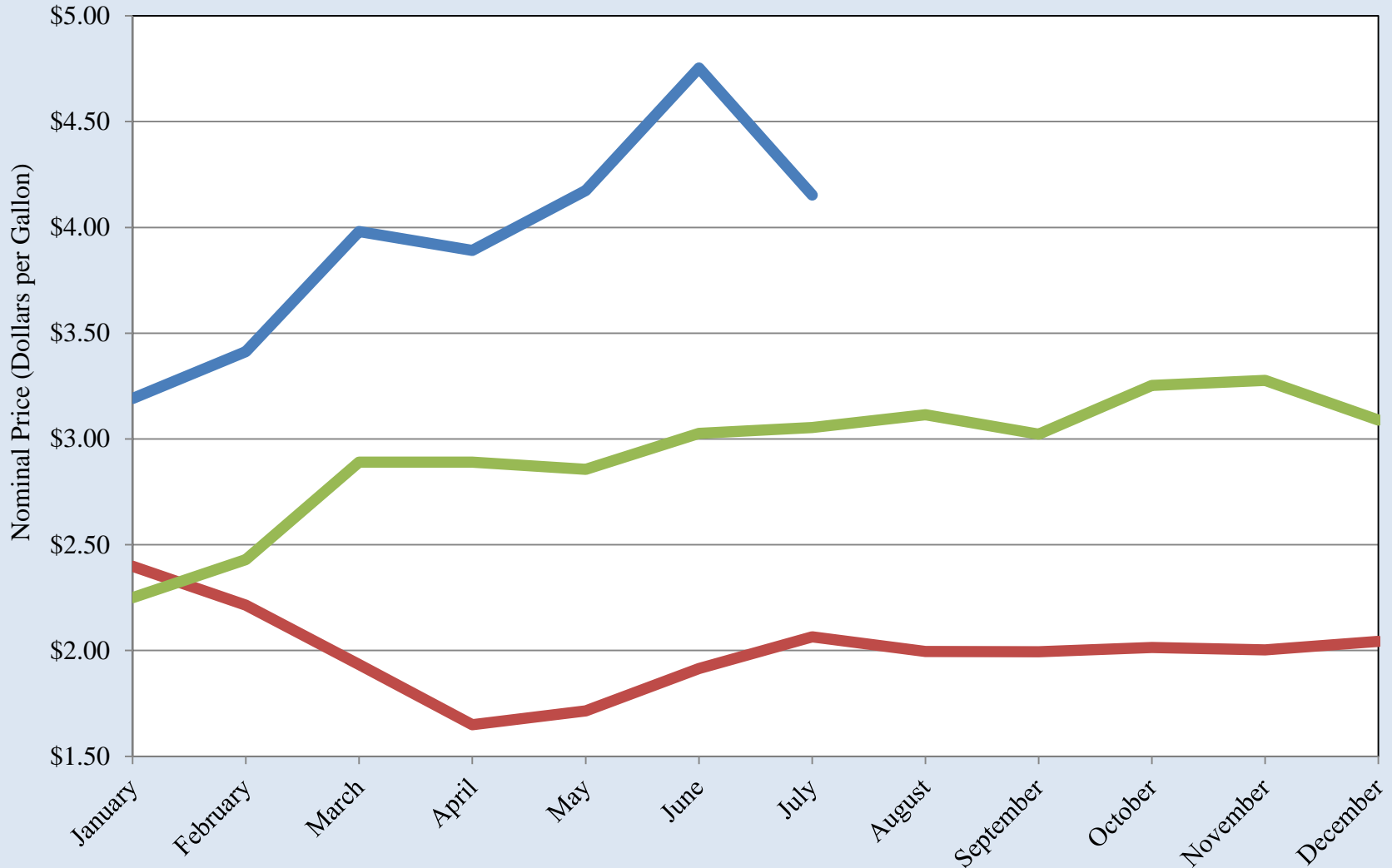
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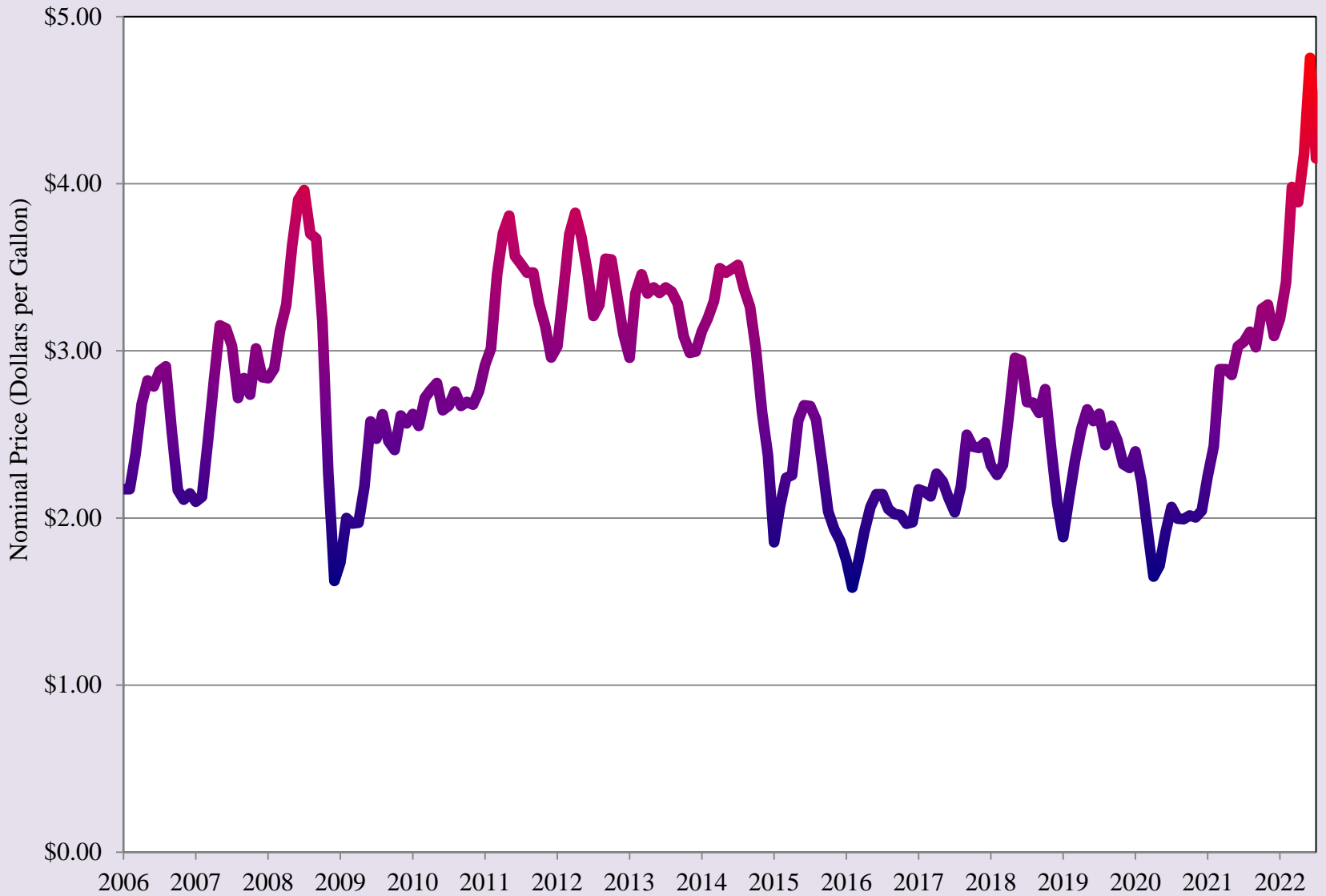
El Paso Gasoline Prices

2020 2021 2022



Source: GasBuddy.com

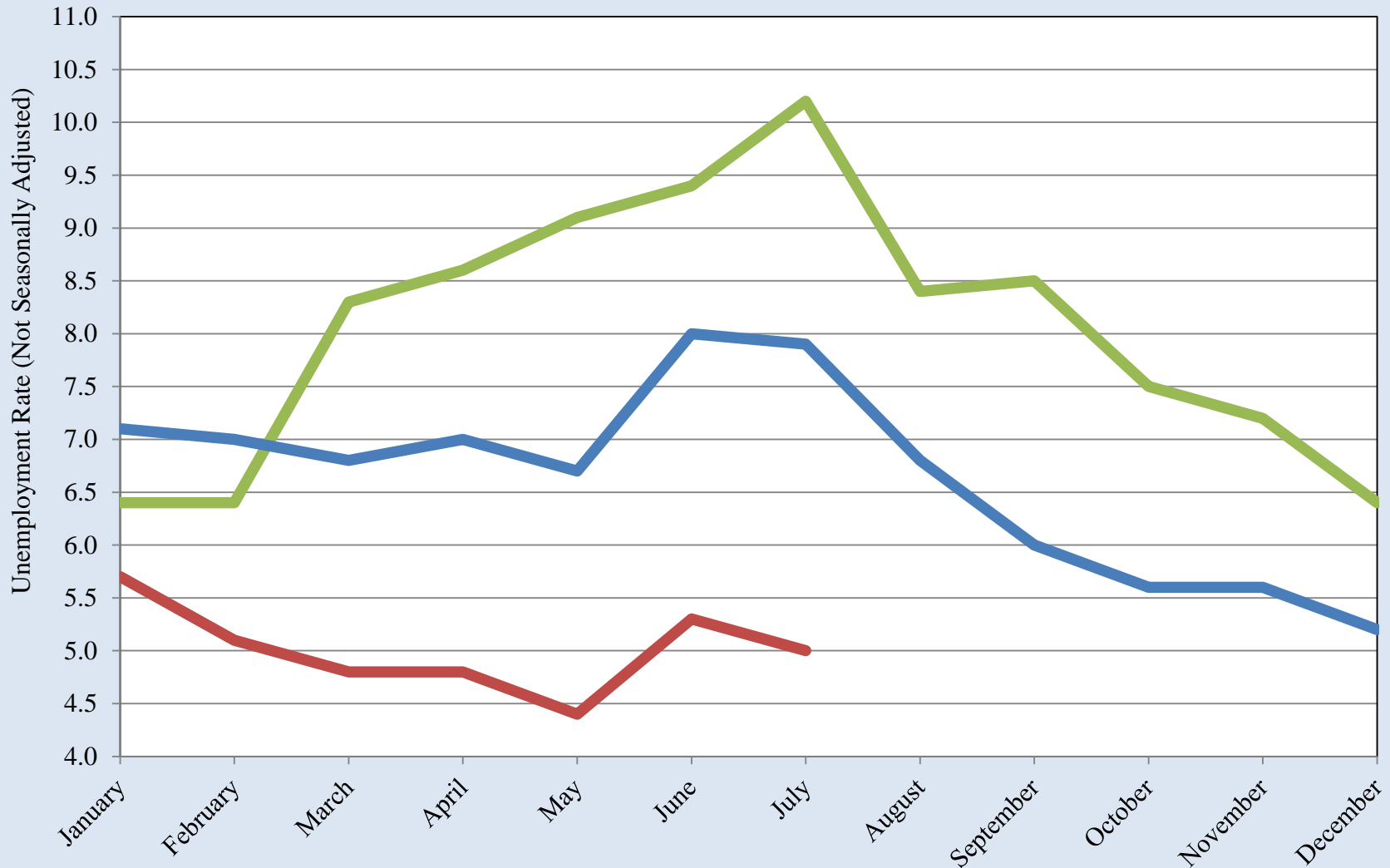
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Source: GasBuddy.com

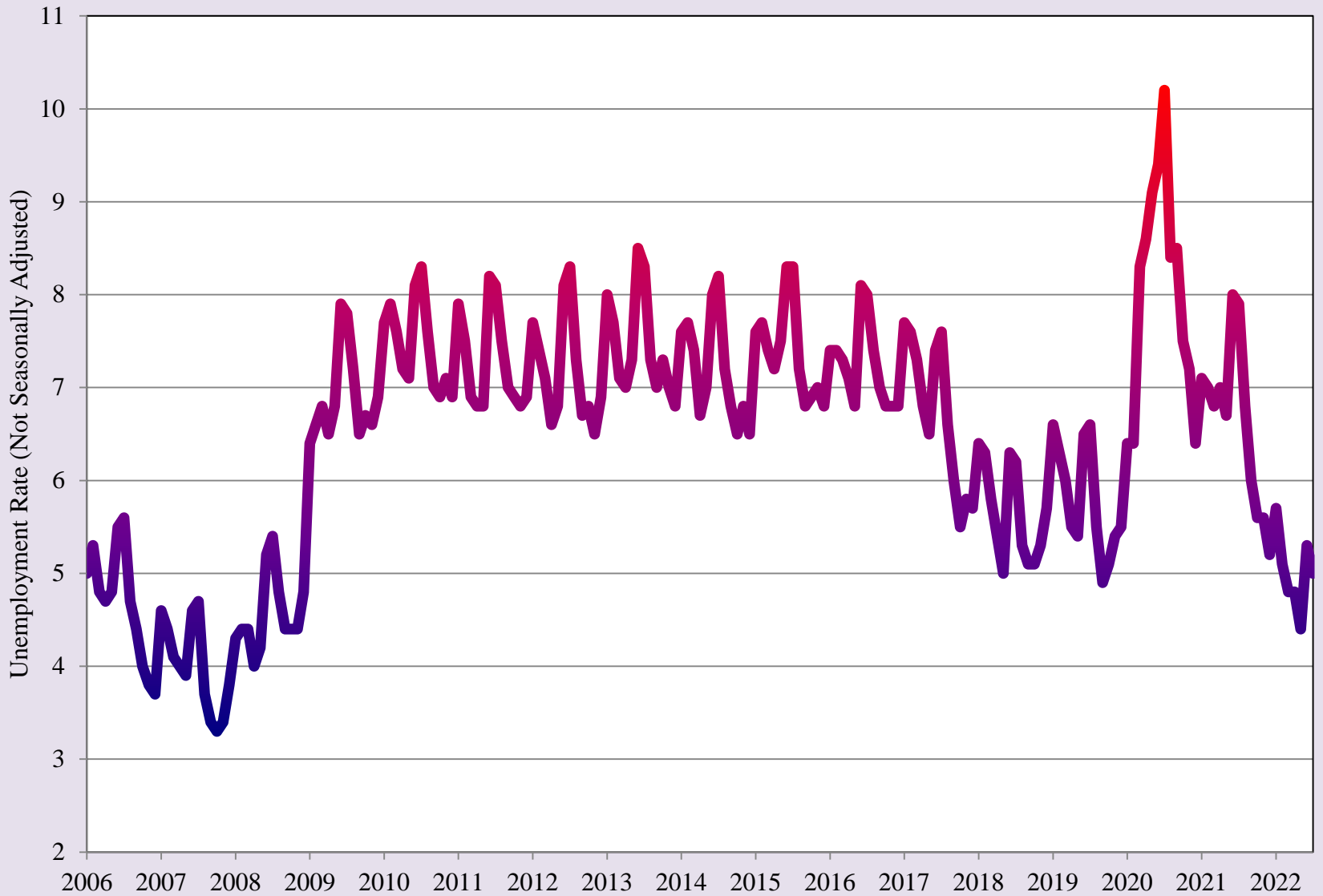
Doña Ana County Unemployment Rate

2020 2021 2022



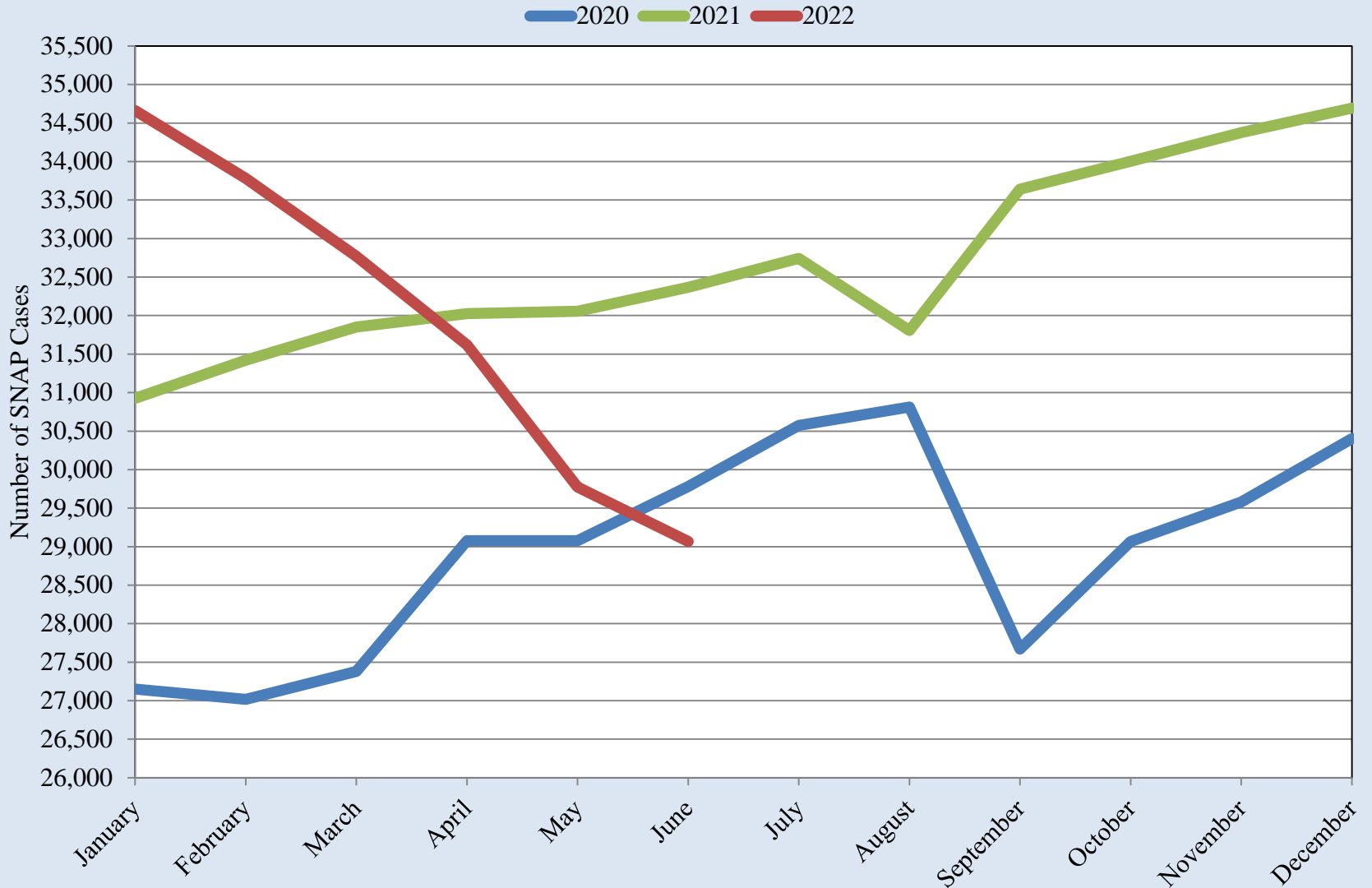
Source: Bureau of Labor Statistics

Doña Ana County Unemployment Rate



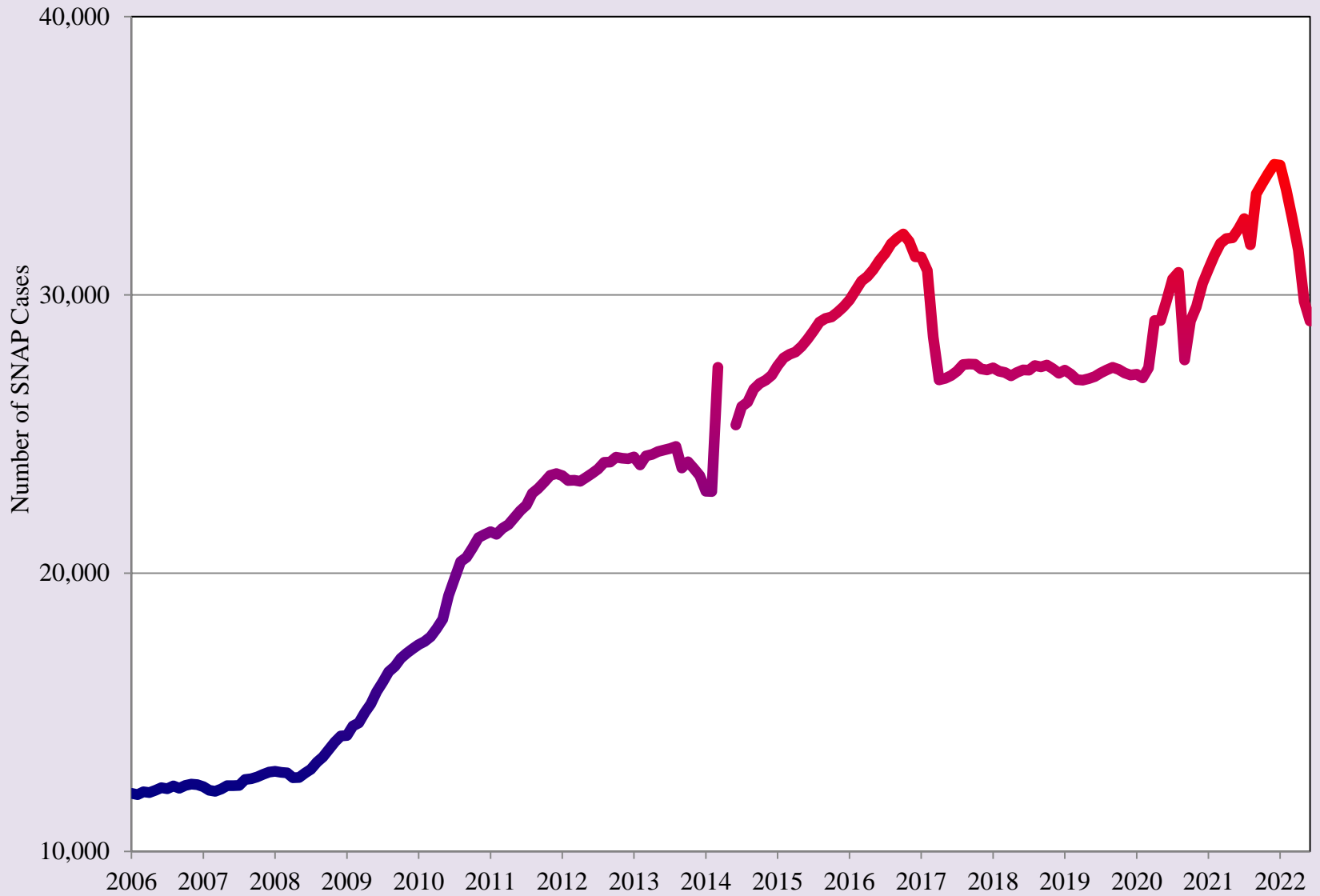
Source: Bureau of Labor Statistics

Las Cruces Area SNAP (Food Stamp) Cases



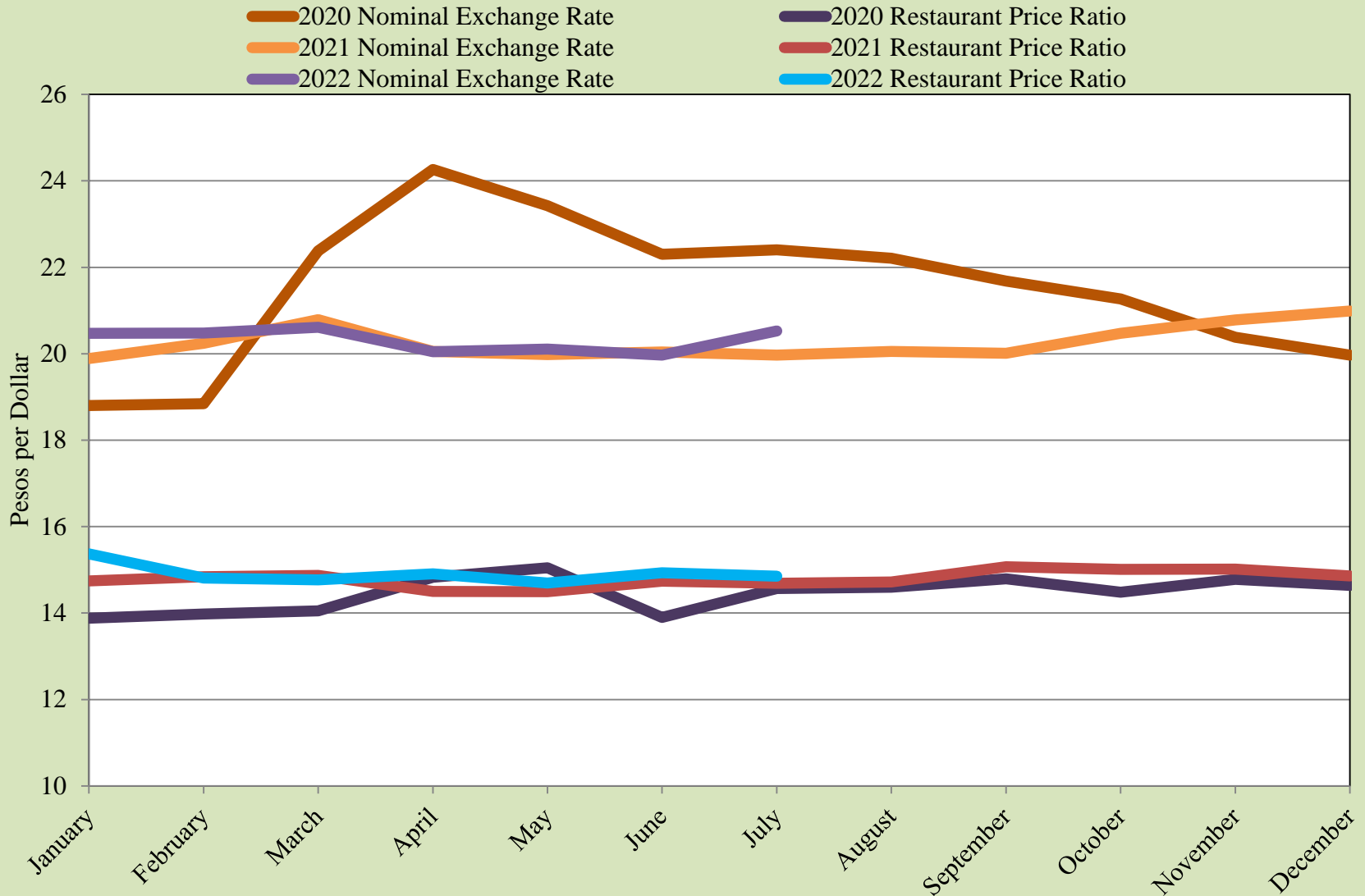
Source: New Mexico Human Services Department

Las Cruces Area SNAP (Food Stamp) Cases



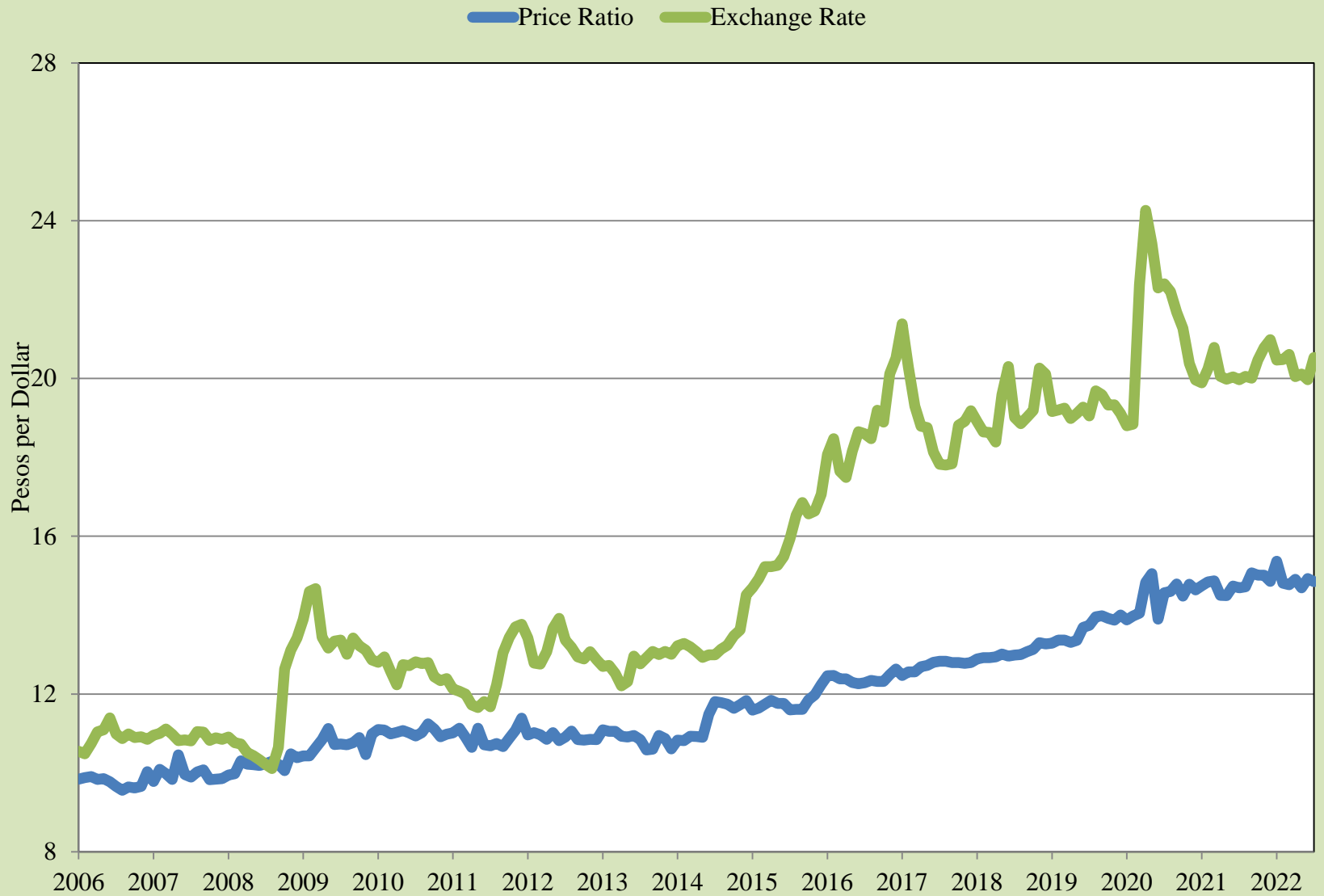
Source: New Mexico Human Services Department

Restaurant Price Ratio and Exchange Rate



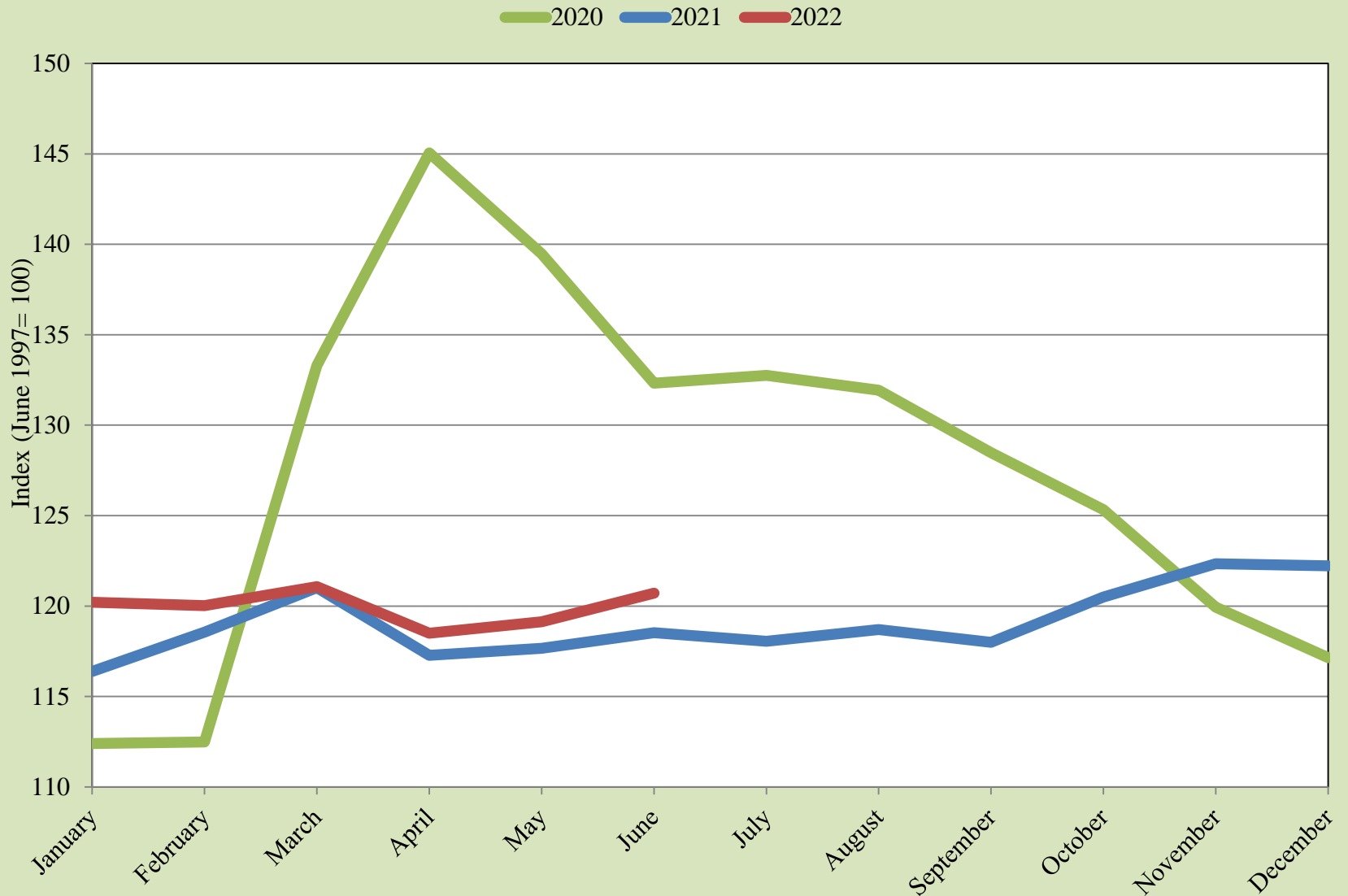
Source: UTEP Border Region Modeling Project and Banco de Mexico

Restaurant Price Ratio and Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

Real Peso-per-Dollar Exchange Rate Index



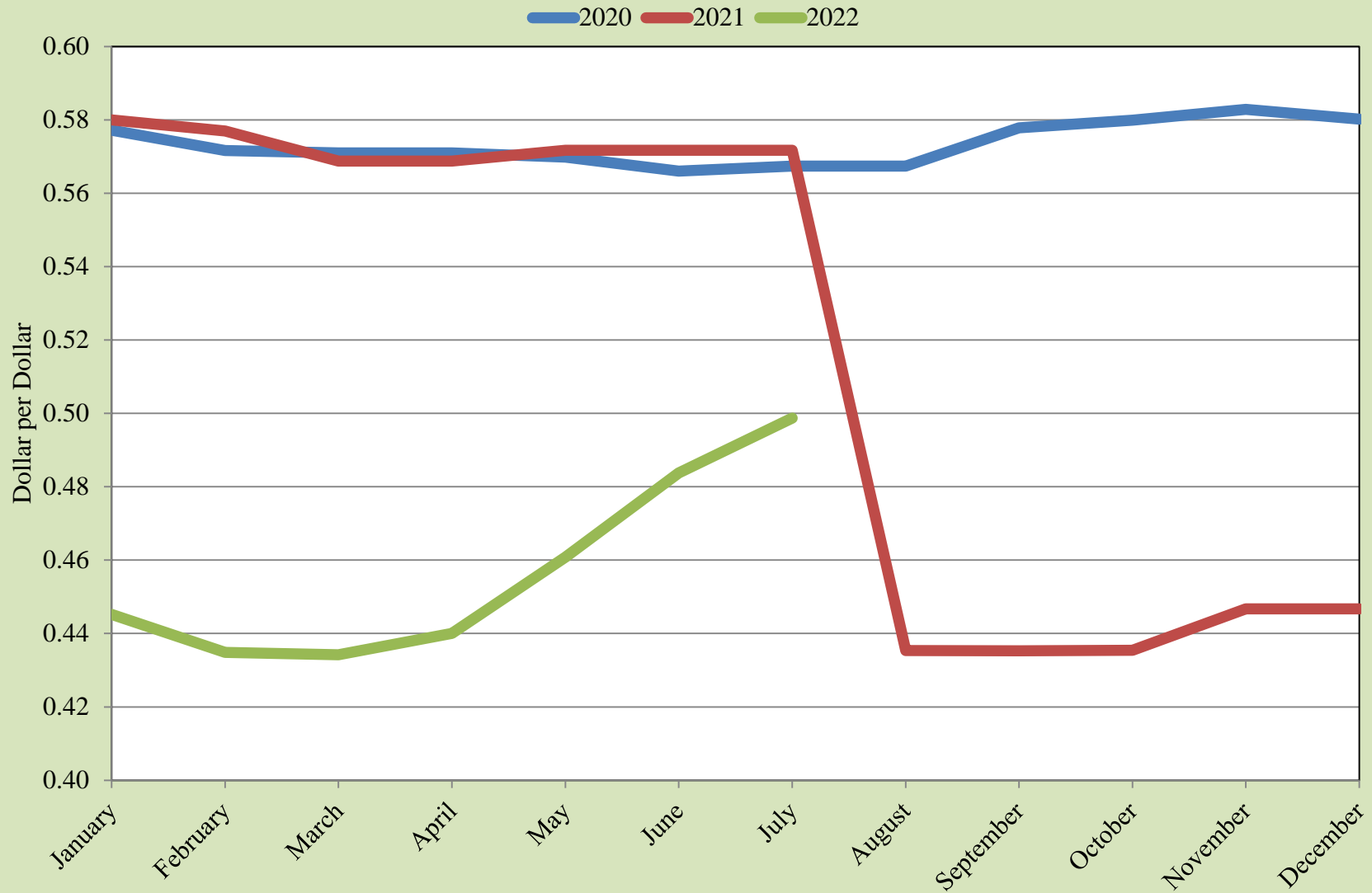
Source: UTEP Border Region Modeling Project

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

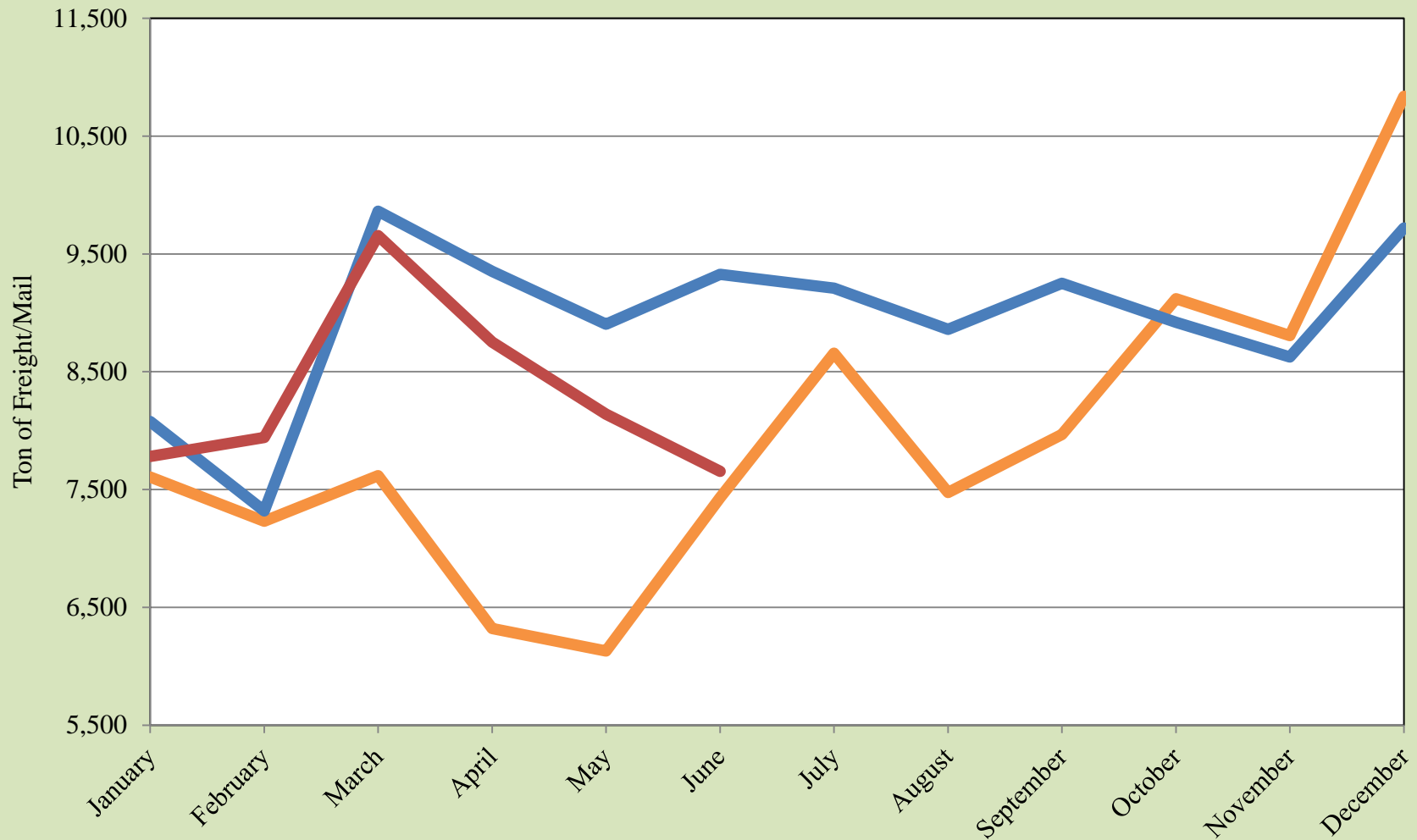
Pharmaceutical Nominal Price Ratio in the USA and Mexico



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EPIA Freight and Mail

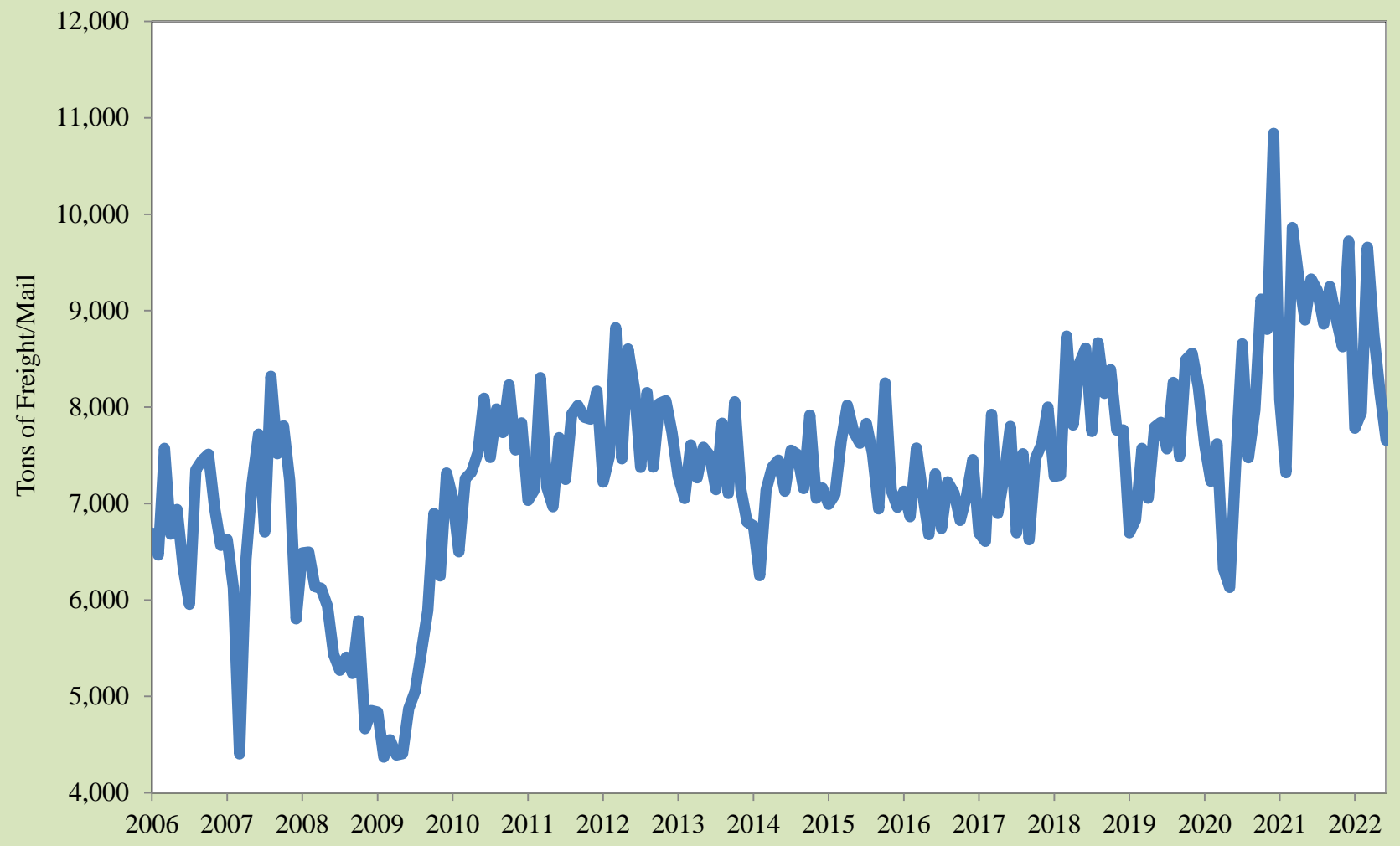
Total 2020 Total 2021 Total 2022



Source: EPIA Operations

EPIA Freight and Mail

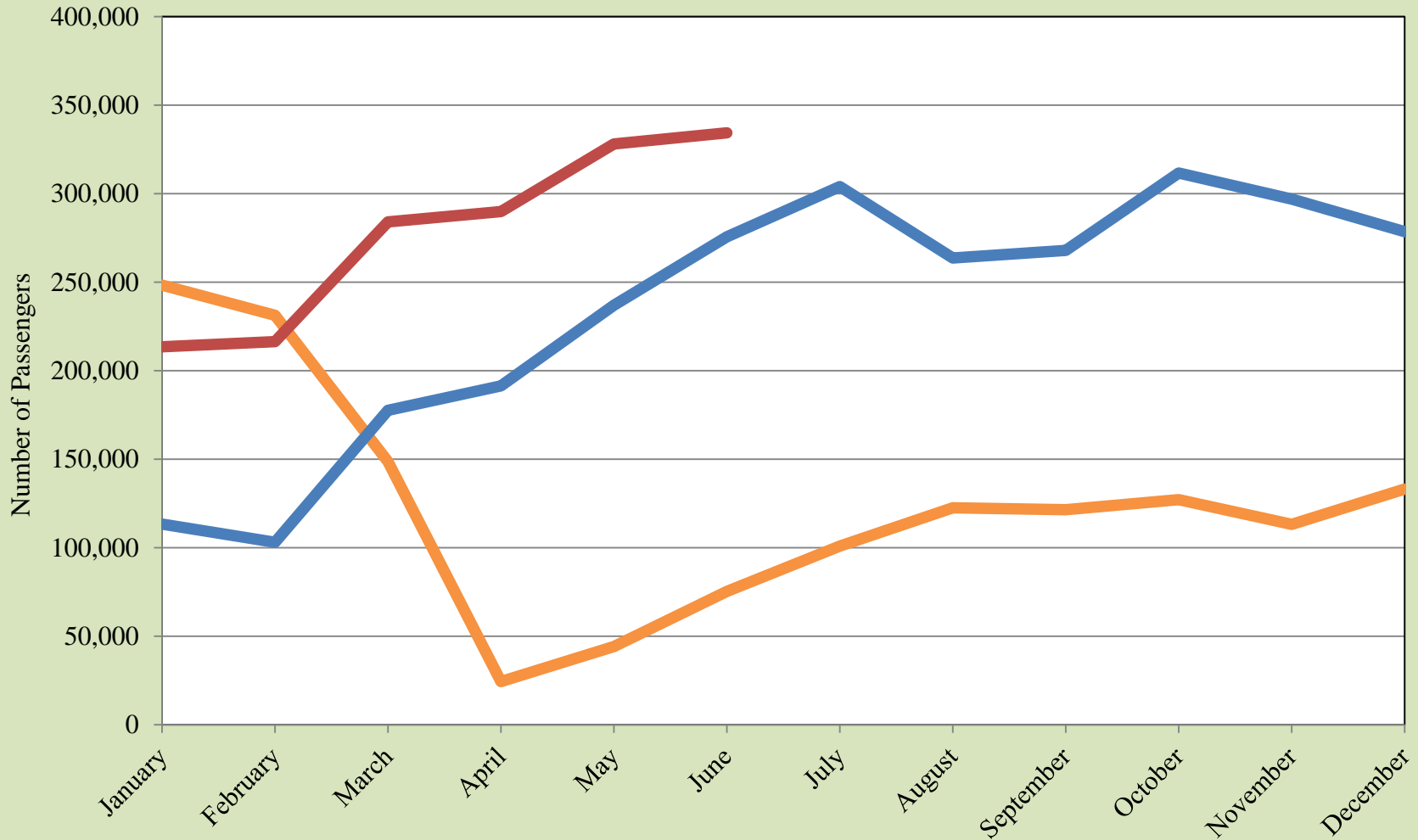
Inbound+Outbound



Source: EPIA Operations

EPIA Passengers

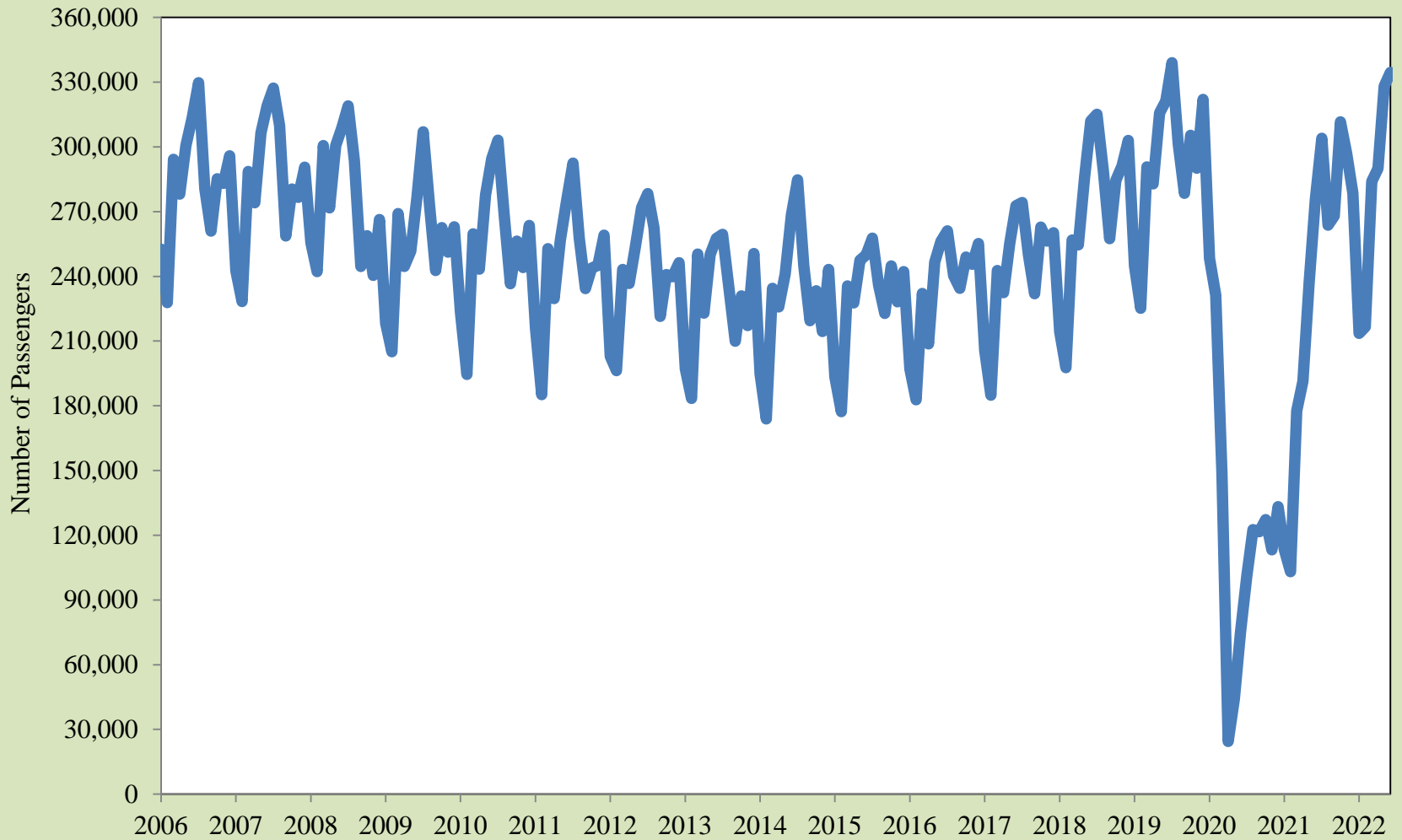
Total 2020 Total 2021 Total 2022



Source: EPIA Operations

EPIA Passengers

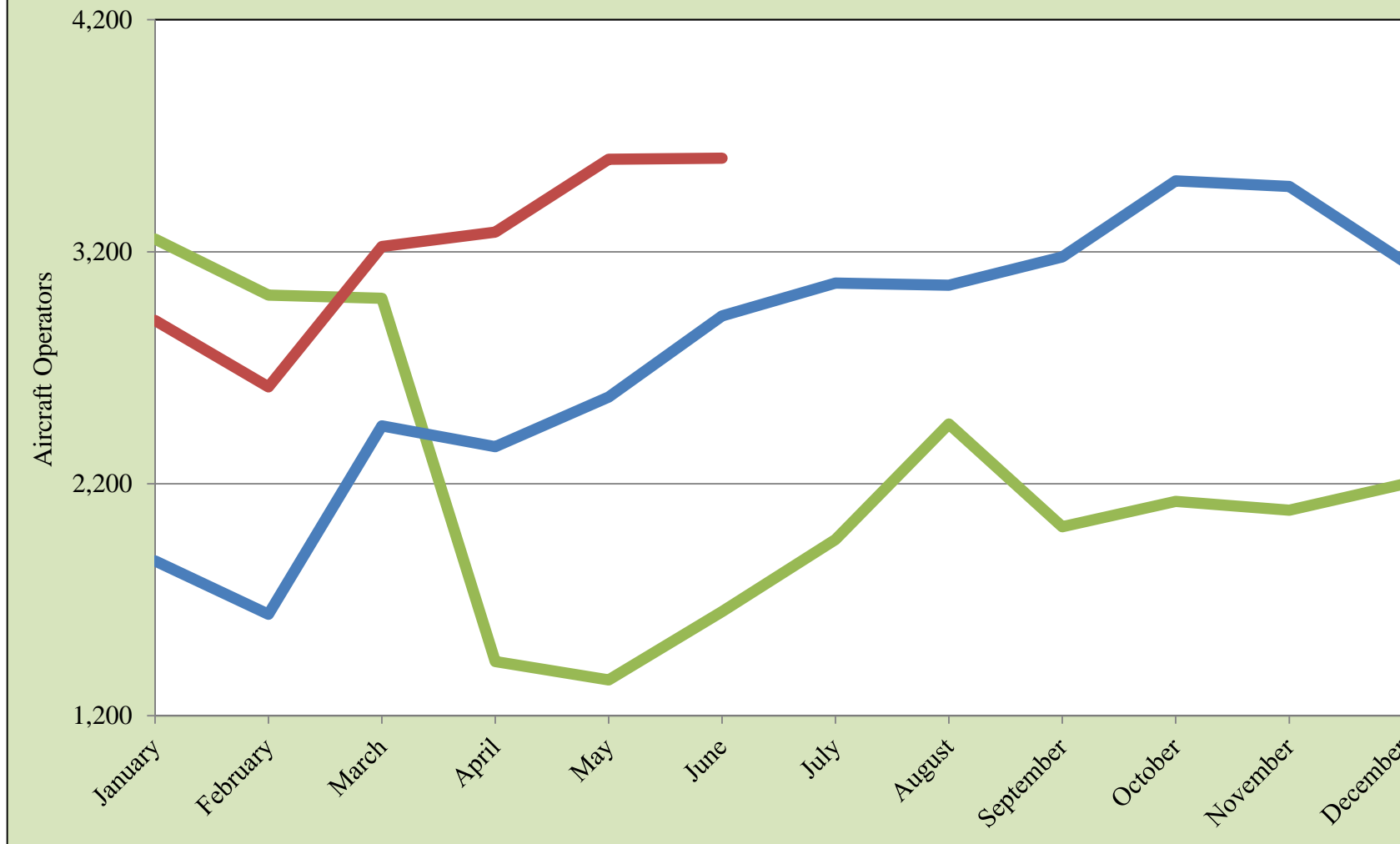
— Inbound+Outbound



Source: EPIA Operations

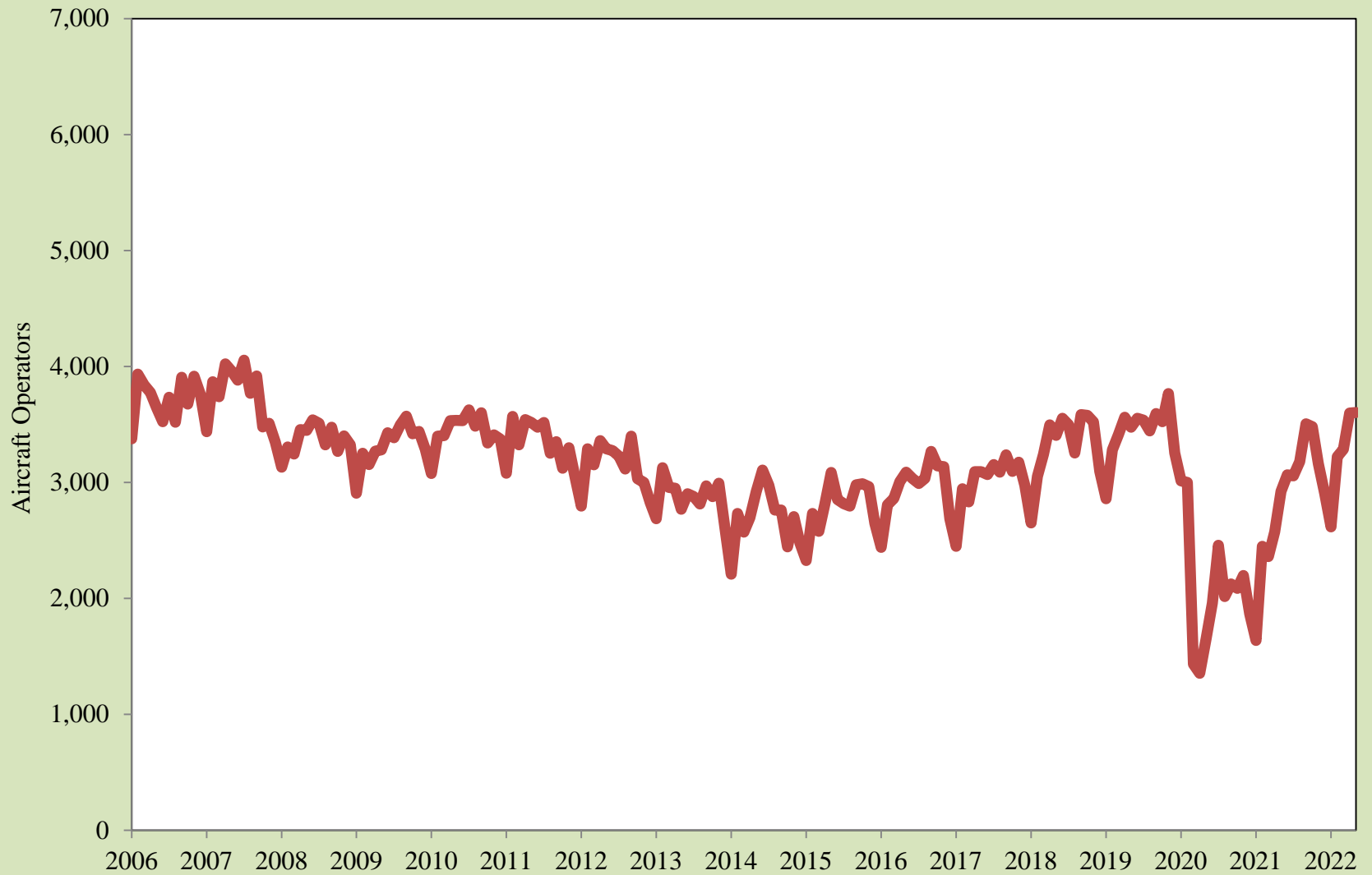
EPIA Air Carrier Operations

20-Air Carriers 21-Air Carriers 22-Air Carriers



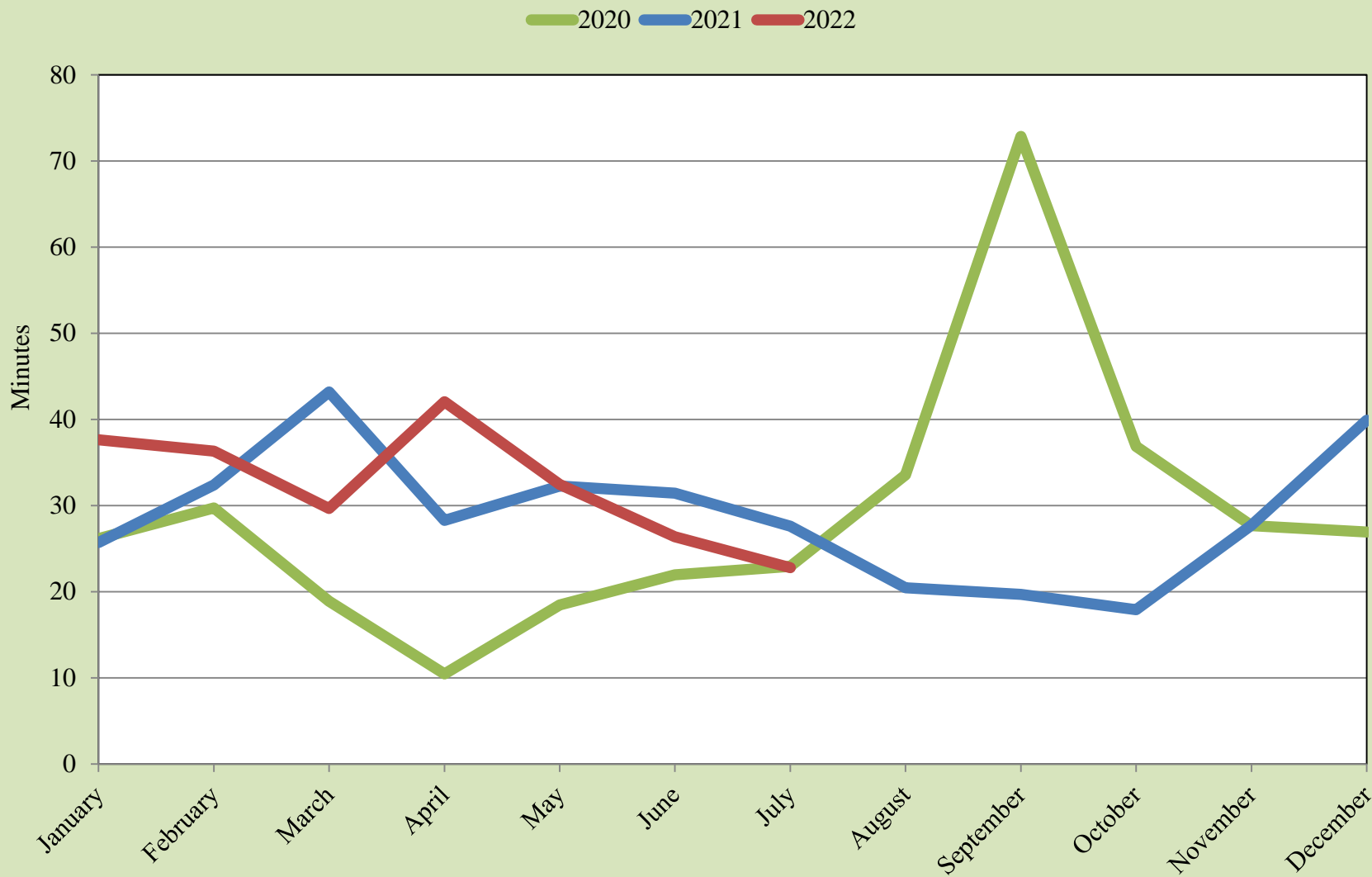
Source: EPIA Operations

EPIA Air Carrier Operations



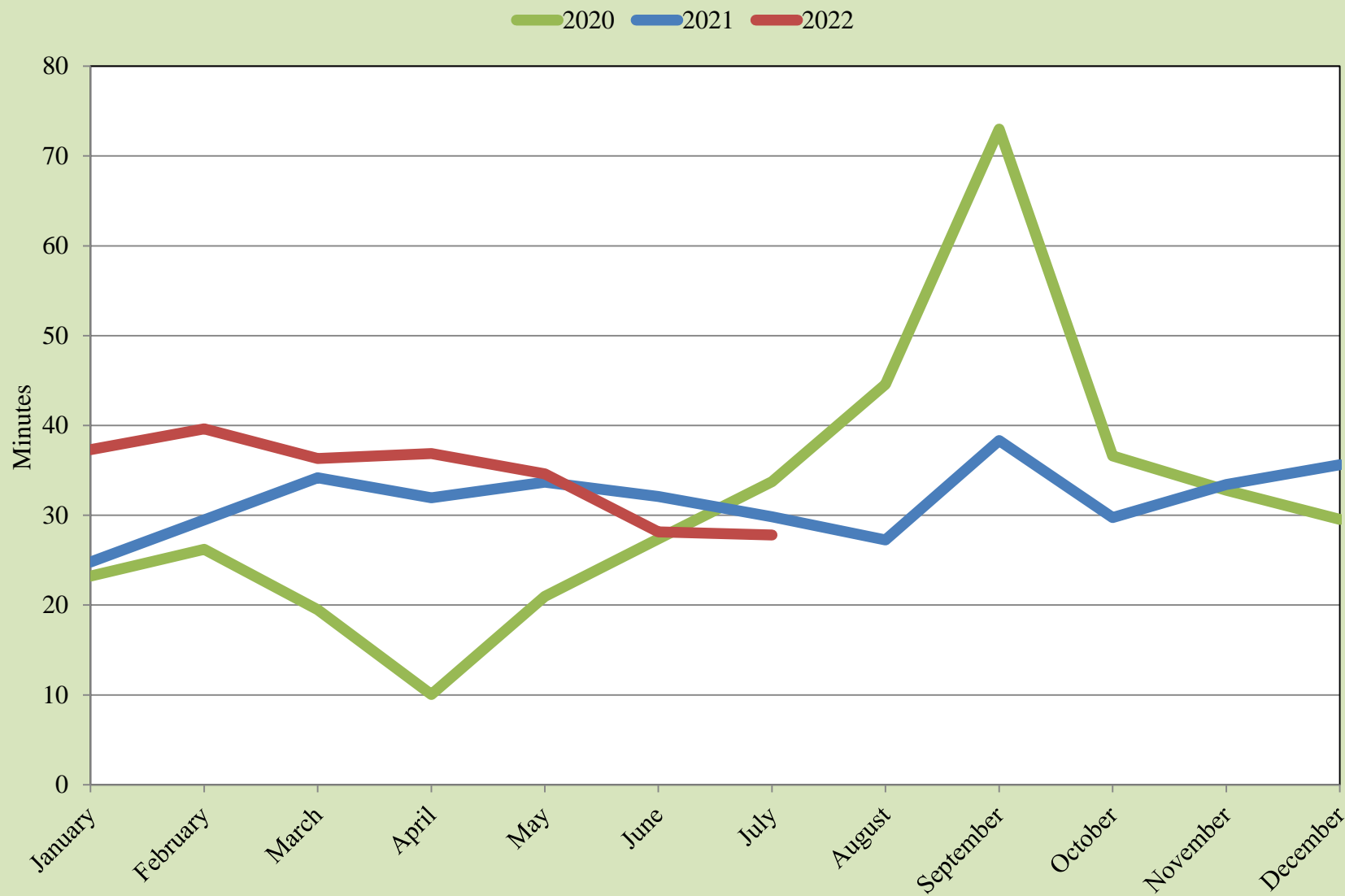
Source: EPIA Operations

Paso del Norte Monthly Wait Times



Source: UTEP Border Region Modeling Project

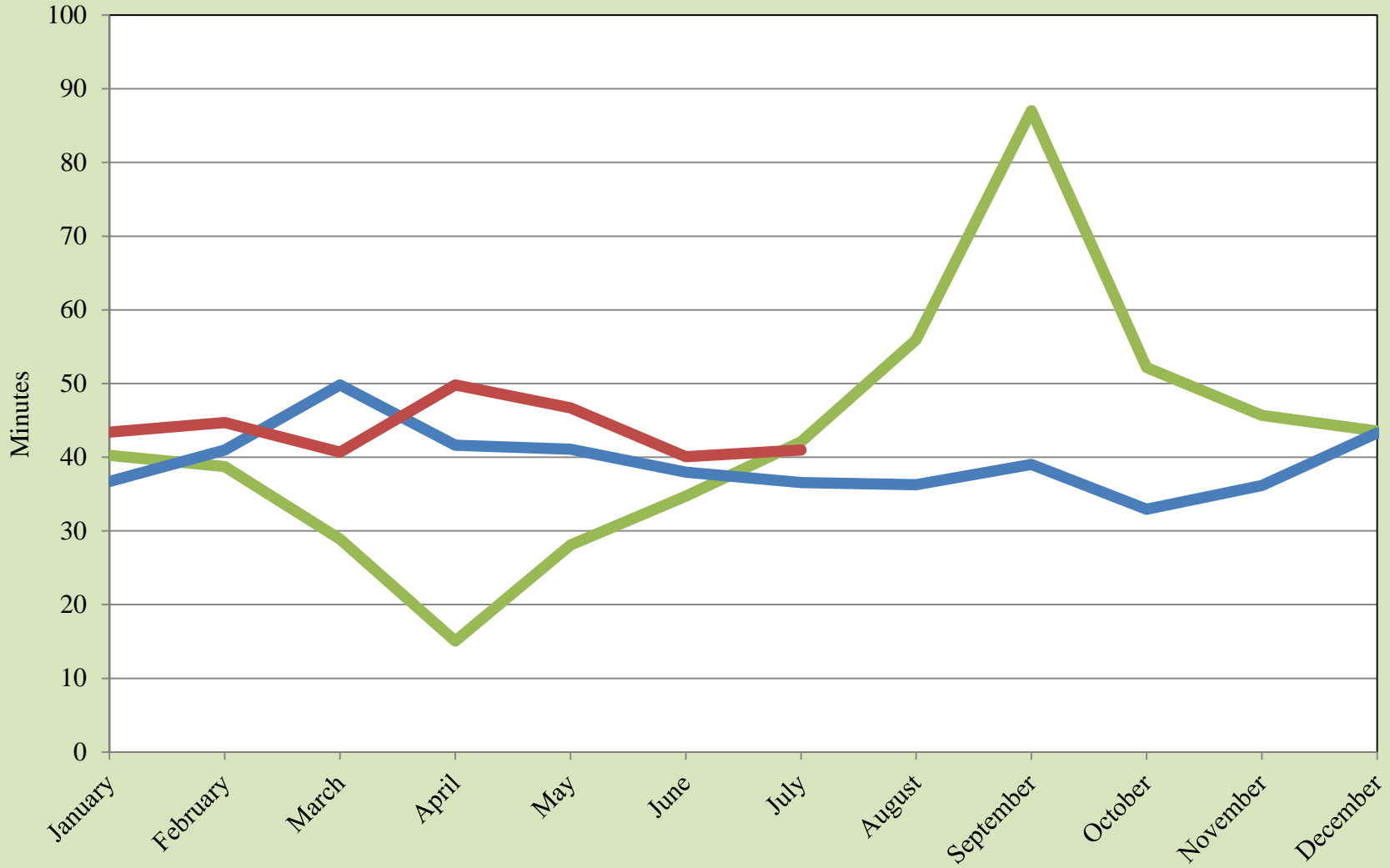
Ysleta Monthly Wait Times



Source: UTEP Border Region Modeling Project

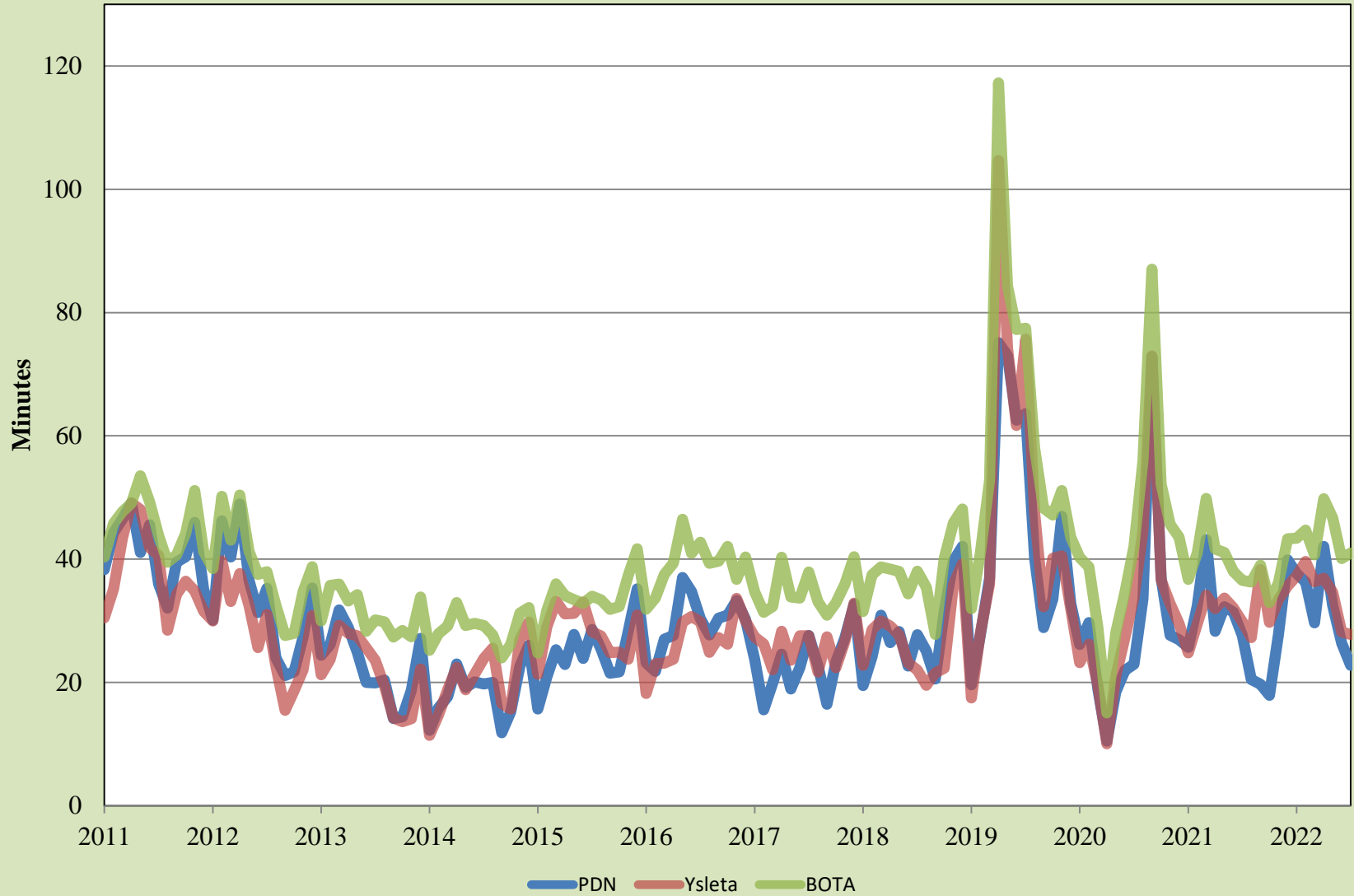
Bridge of the Americas Monthly Wait Times

2020 2021 2022



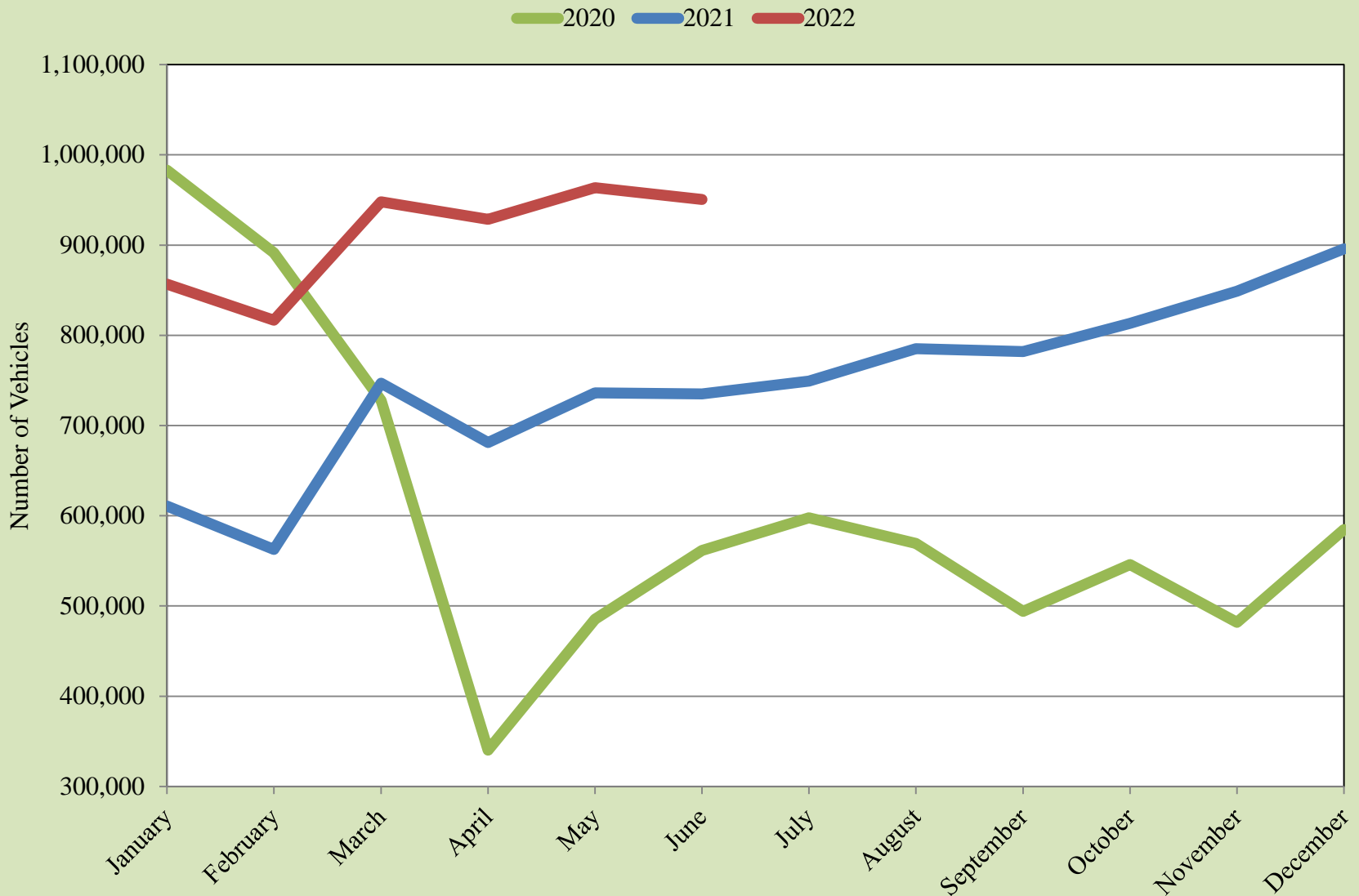
Source: UTEP Border Region Modeling Project

Monthly Border Wait Times



Source: UTEP Border Region Modeling Project

Personal Vehicle International Bridge Crossings to El Paso



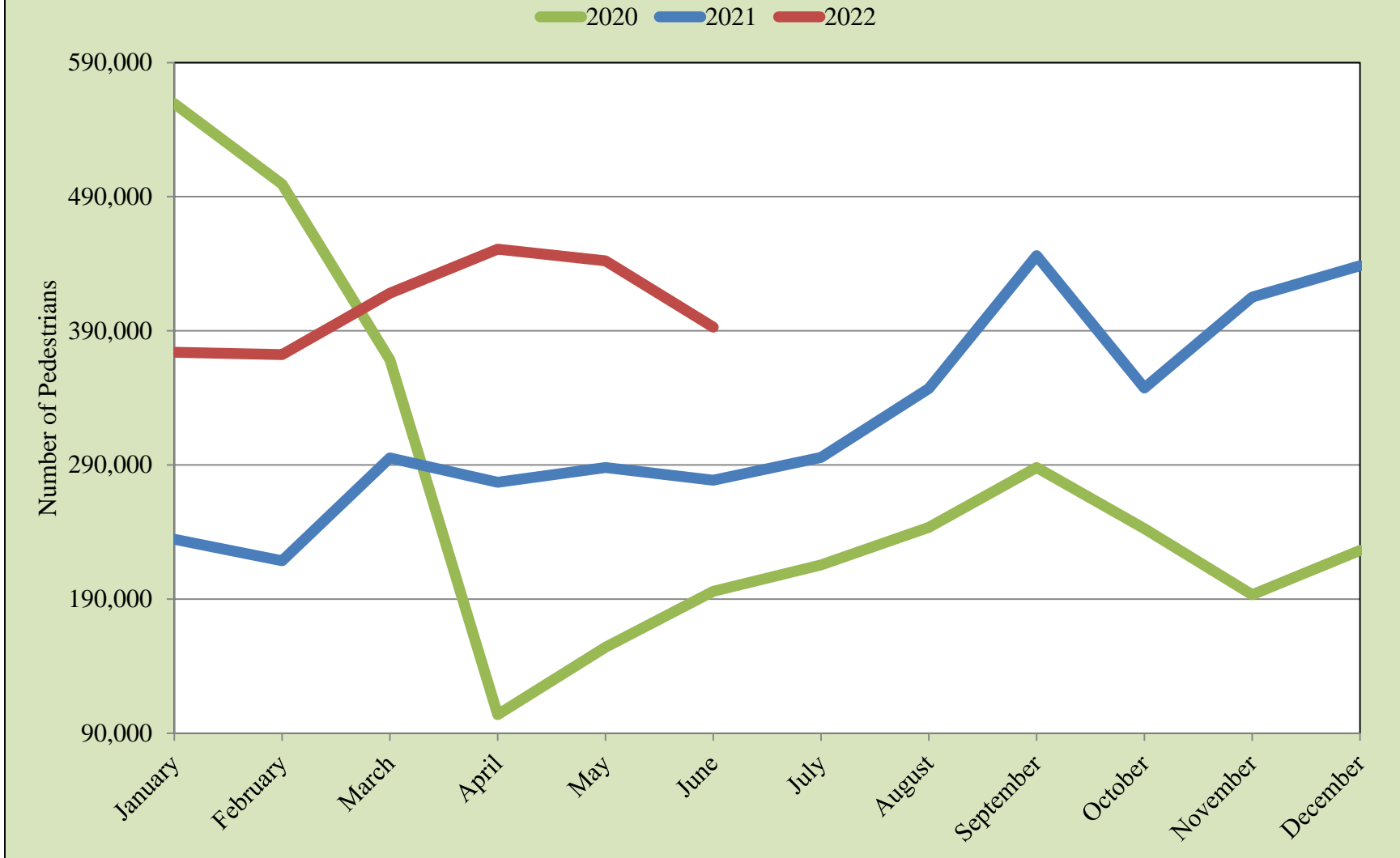
Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

Personal Vehicle International Bridge Crossings to El Paso



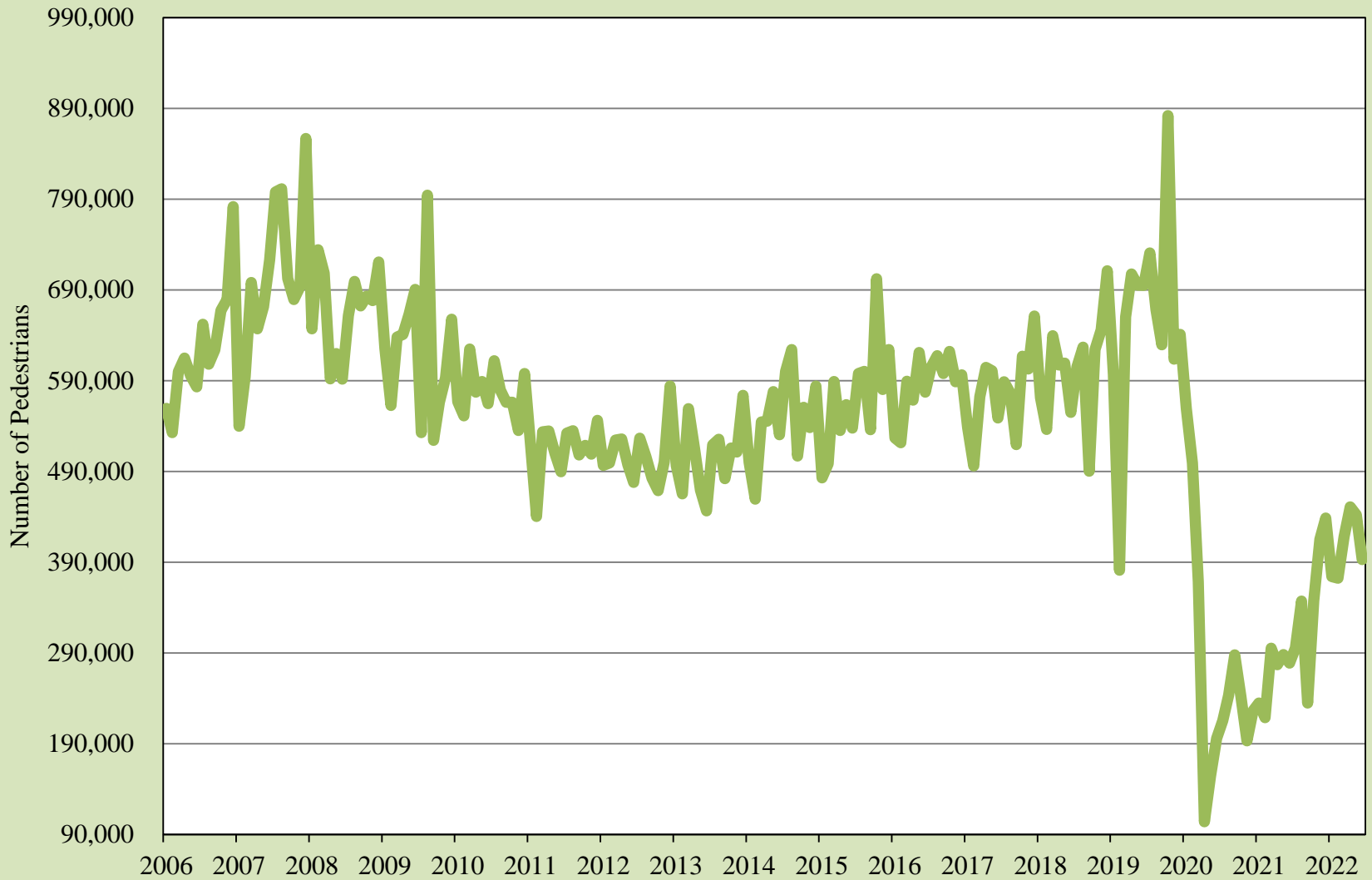
Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

Pedestrian International Bridge Crossings to El Paso



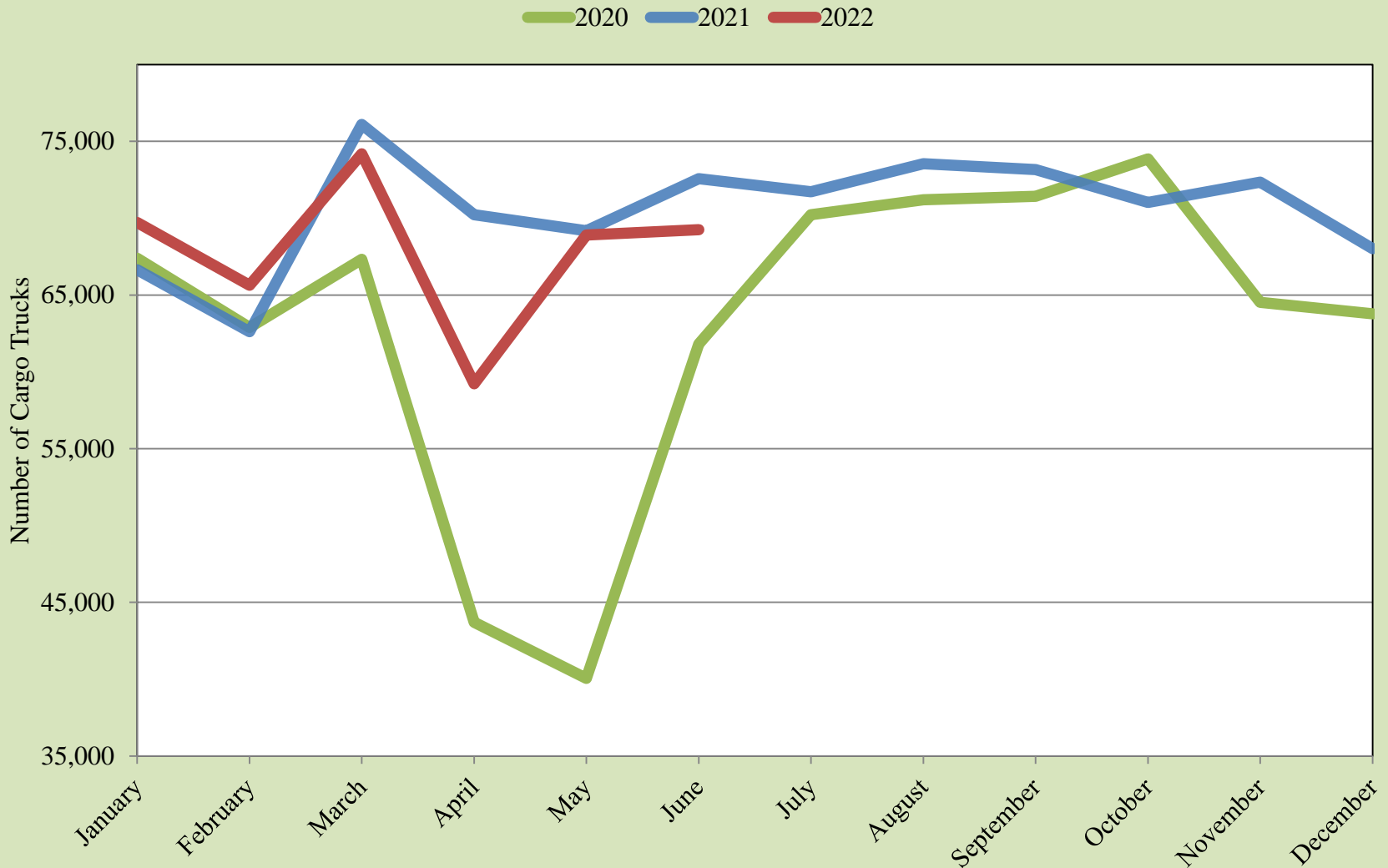
Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

Pedestrian International Bridge Crossings to El Paso



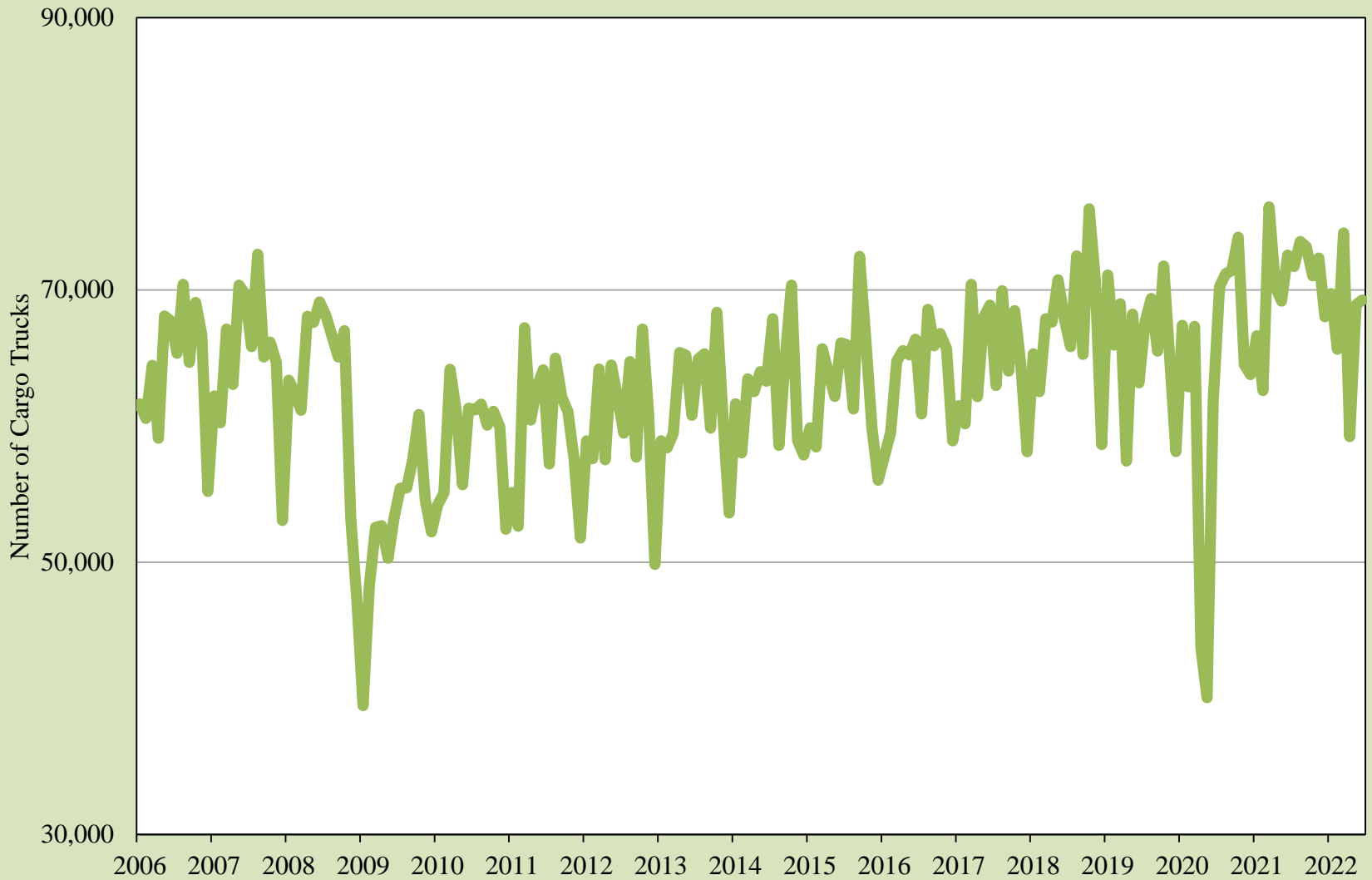
Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

Cargo Truck International Bridge Crossings to El Paso



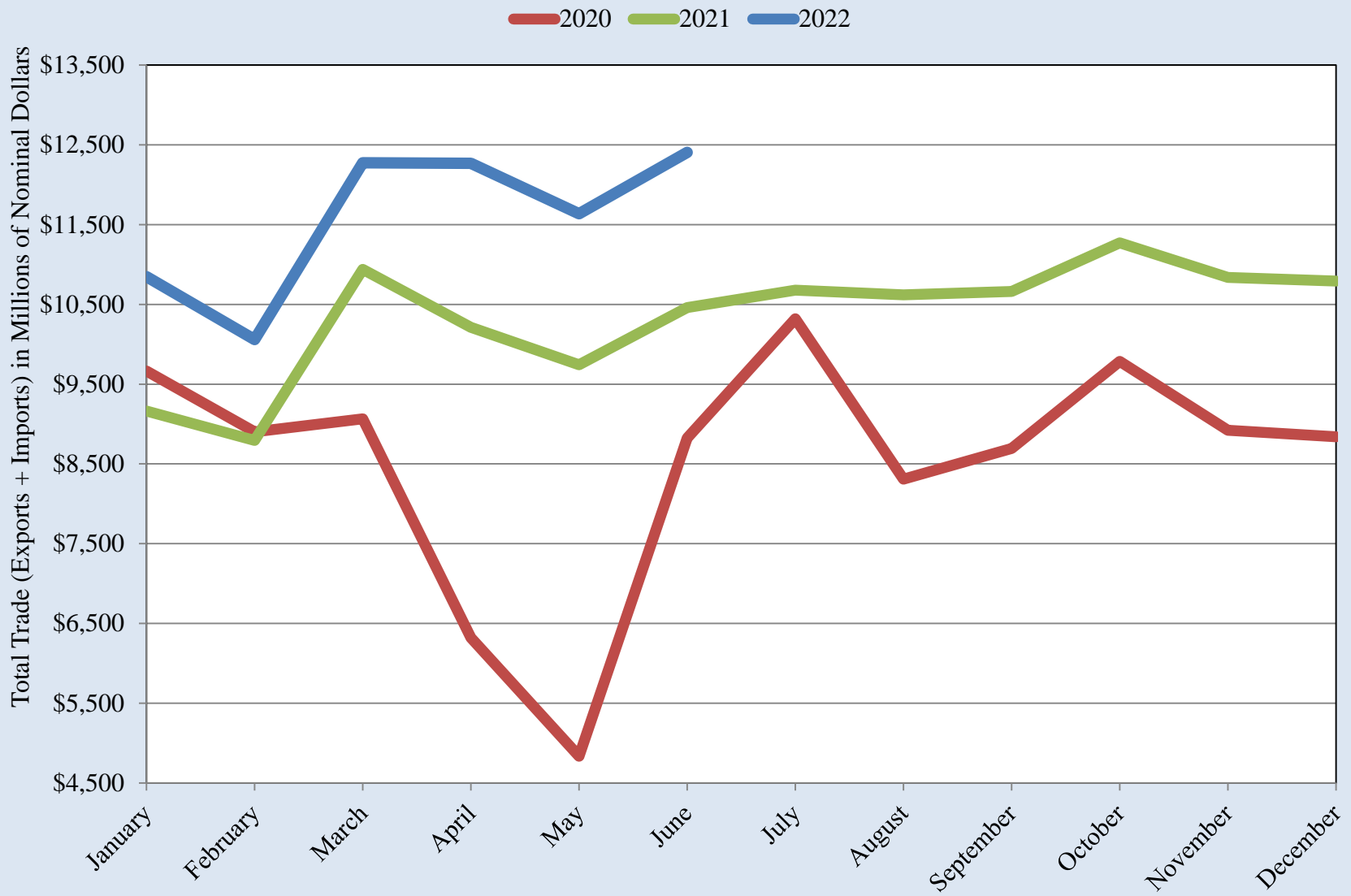
Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

Cargo Truck International Bridge Crossings to El Paso



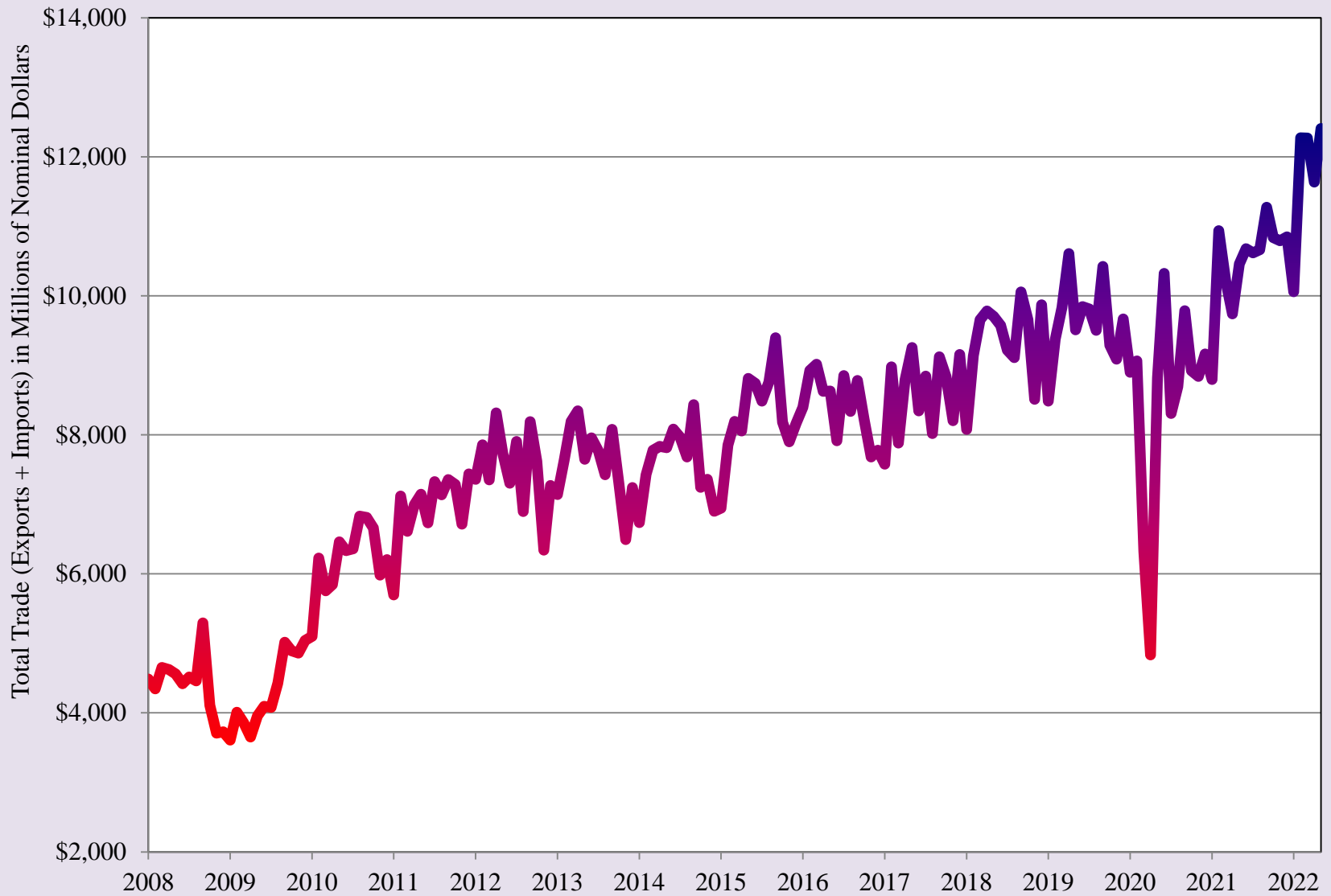
Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

Total Trade through the El Paso Customs District



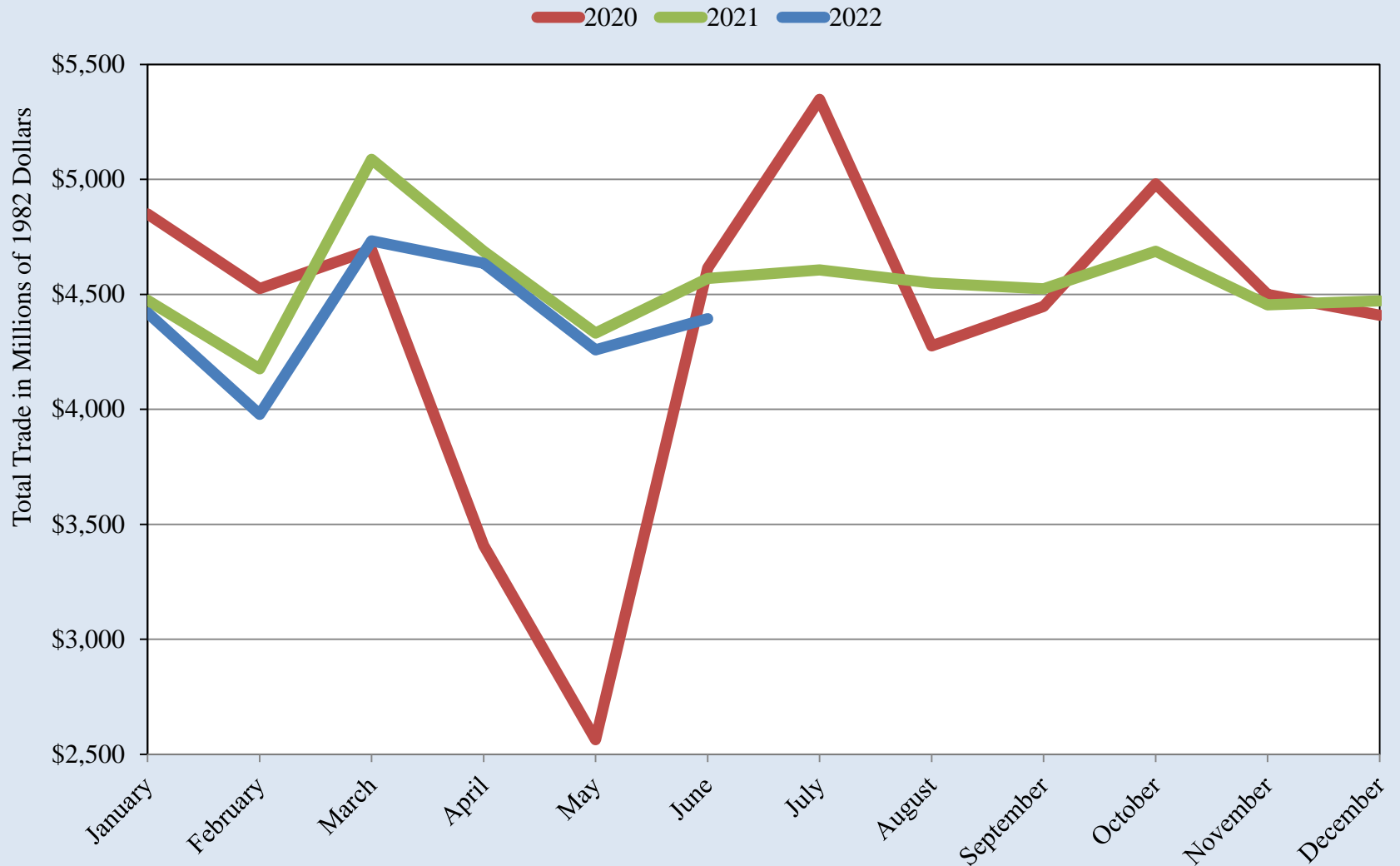
Source: U.S. International Trade Commission

Total Trade through the El Paso Customs District



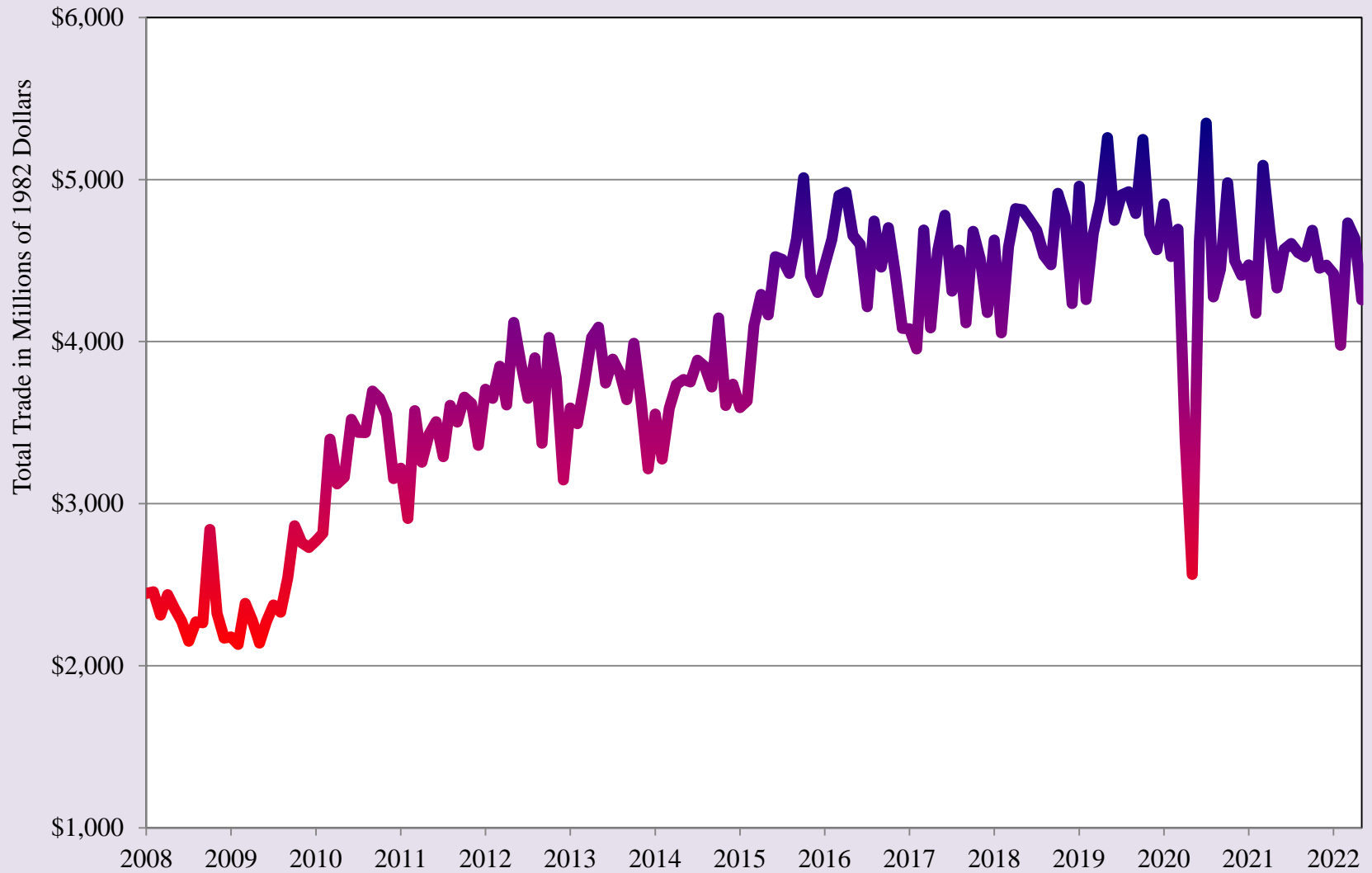
Source: U.S. International Trade Commission

Real Total Trade through the El Paso Customs District



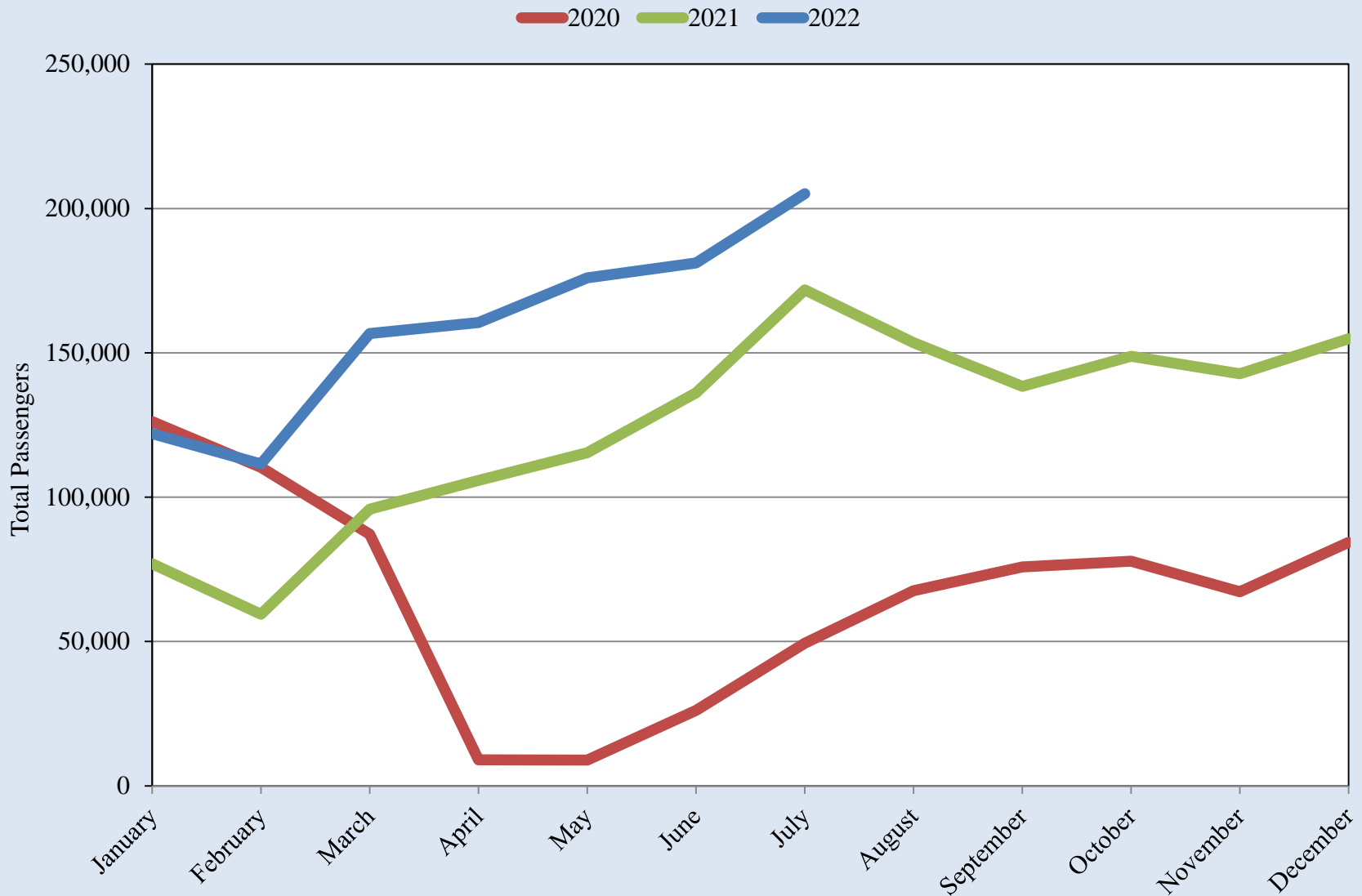
Source: U.S. International Trade Commission and Bureau of Labor Statistics

Real Total Trade through the El Paso Customs District



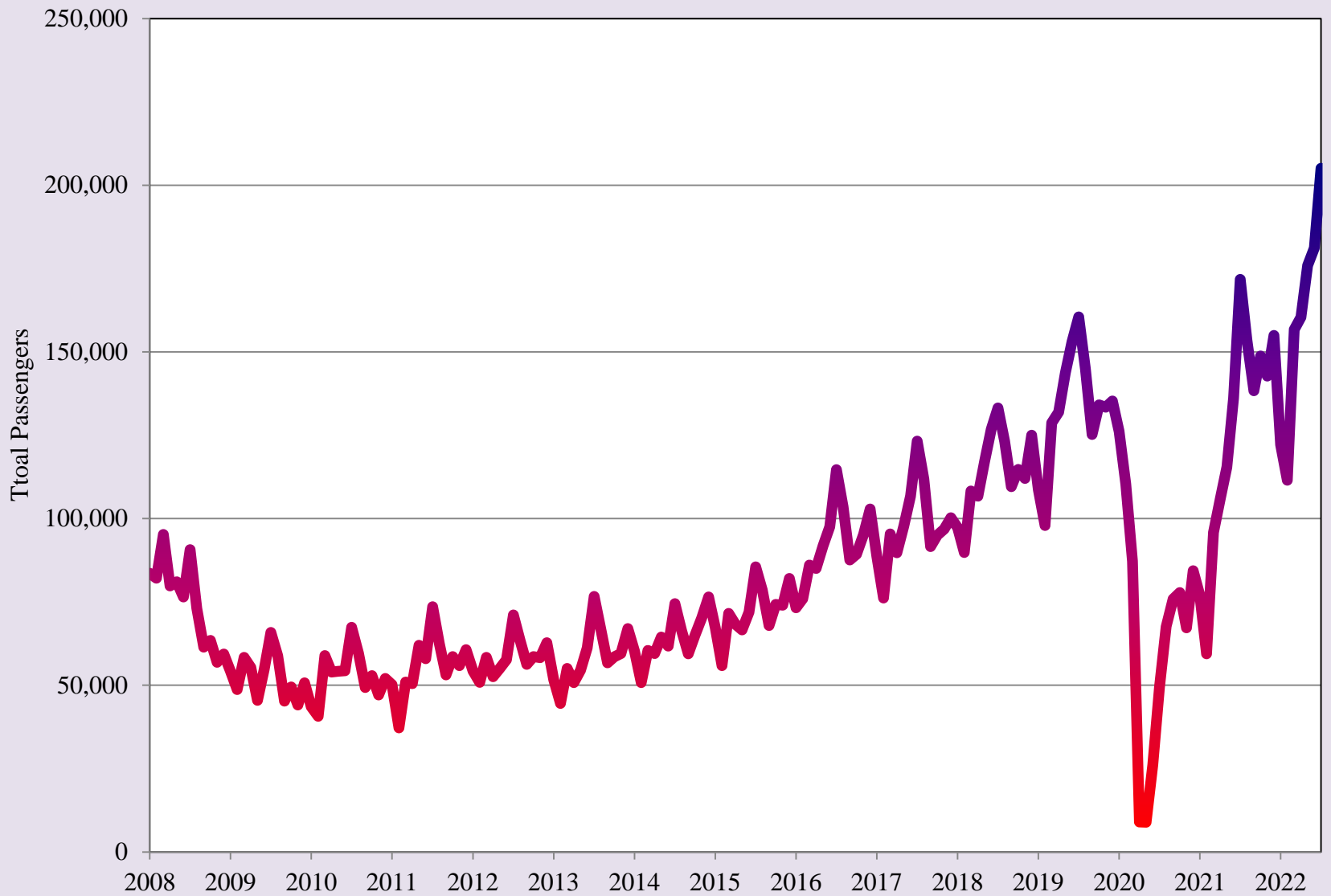
Source: U.S. International Trade Commission and Bureau of Labor Statistics

Domestic Passengers Ciudad Juarez International Airport



Source: Grupo Aeroportuario Centro Norte - OMA

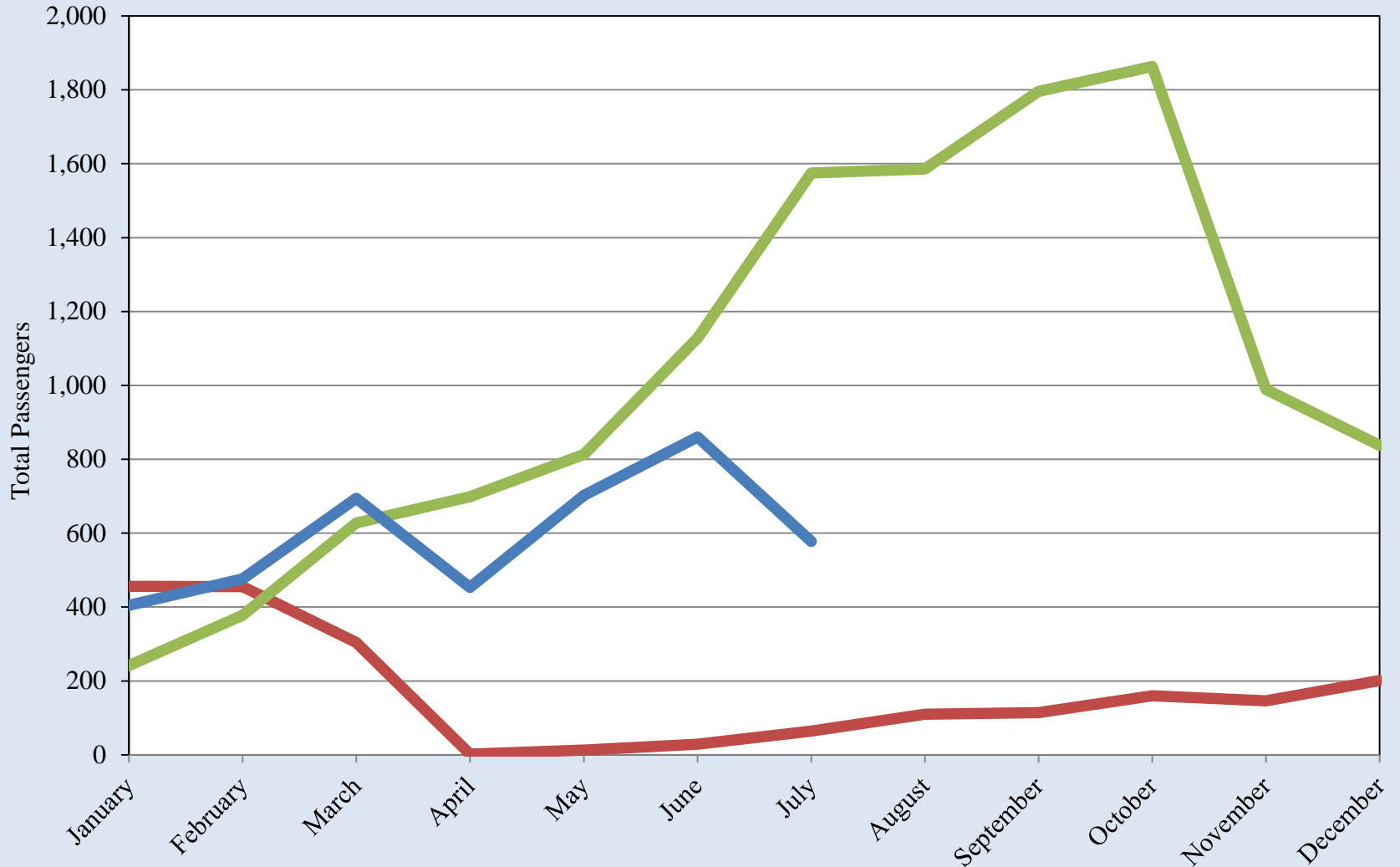
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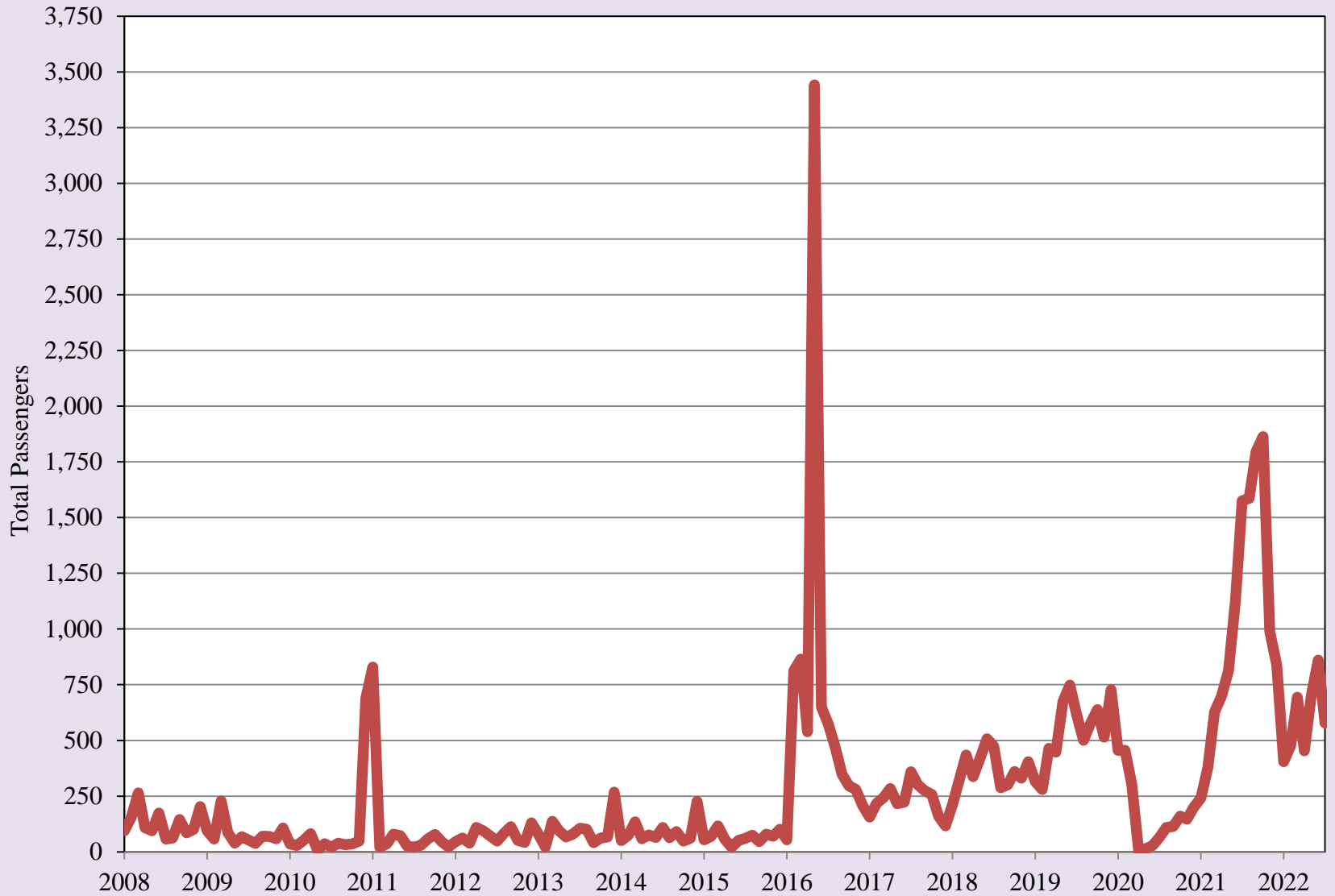
International Passengers Ciudad Juarez International Airport

— 2020 — 2021 — 2022



Source: Grupo Aeroportuario Centro Norte - OMA

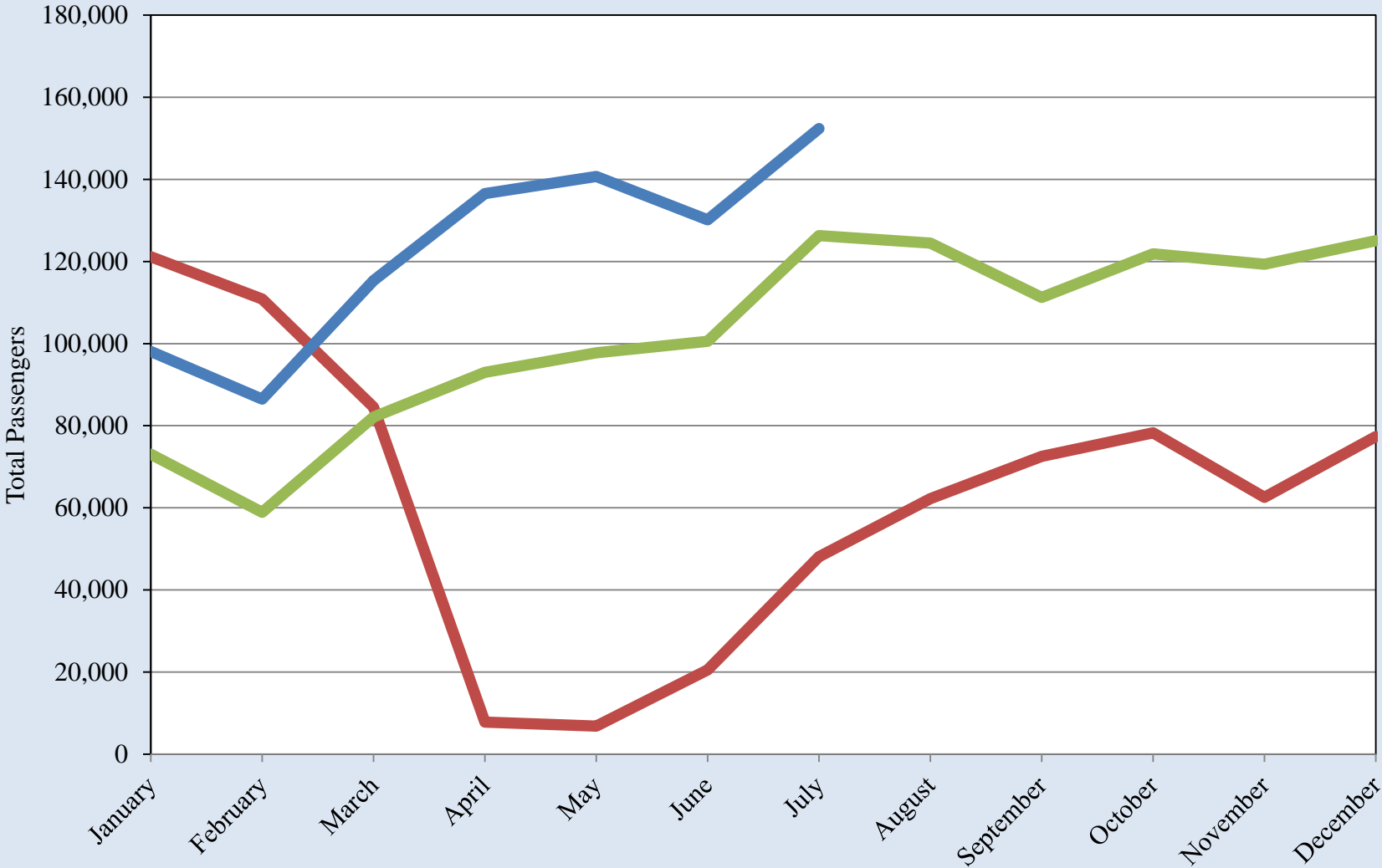
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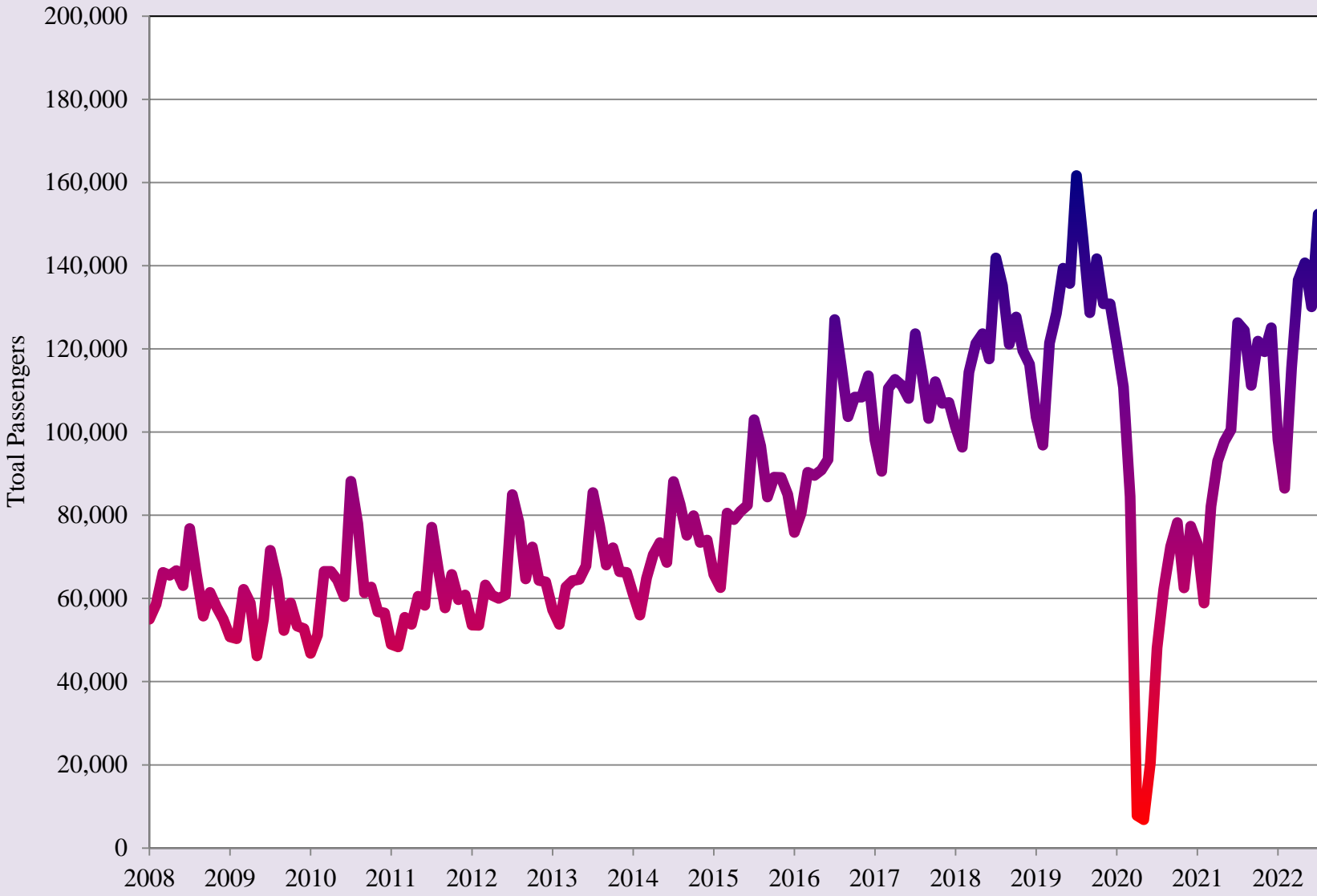
Domestic Passengers Chihuahua City International Airport

2020 2021 2022



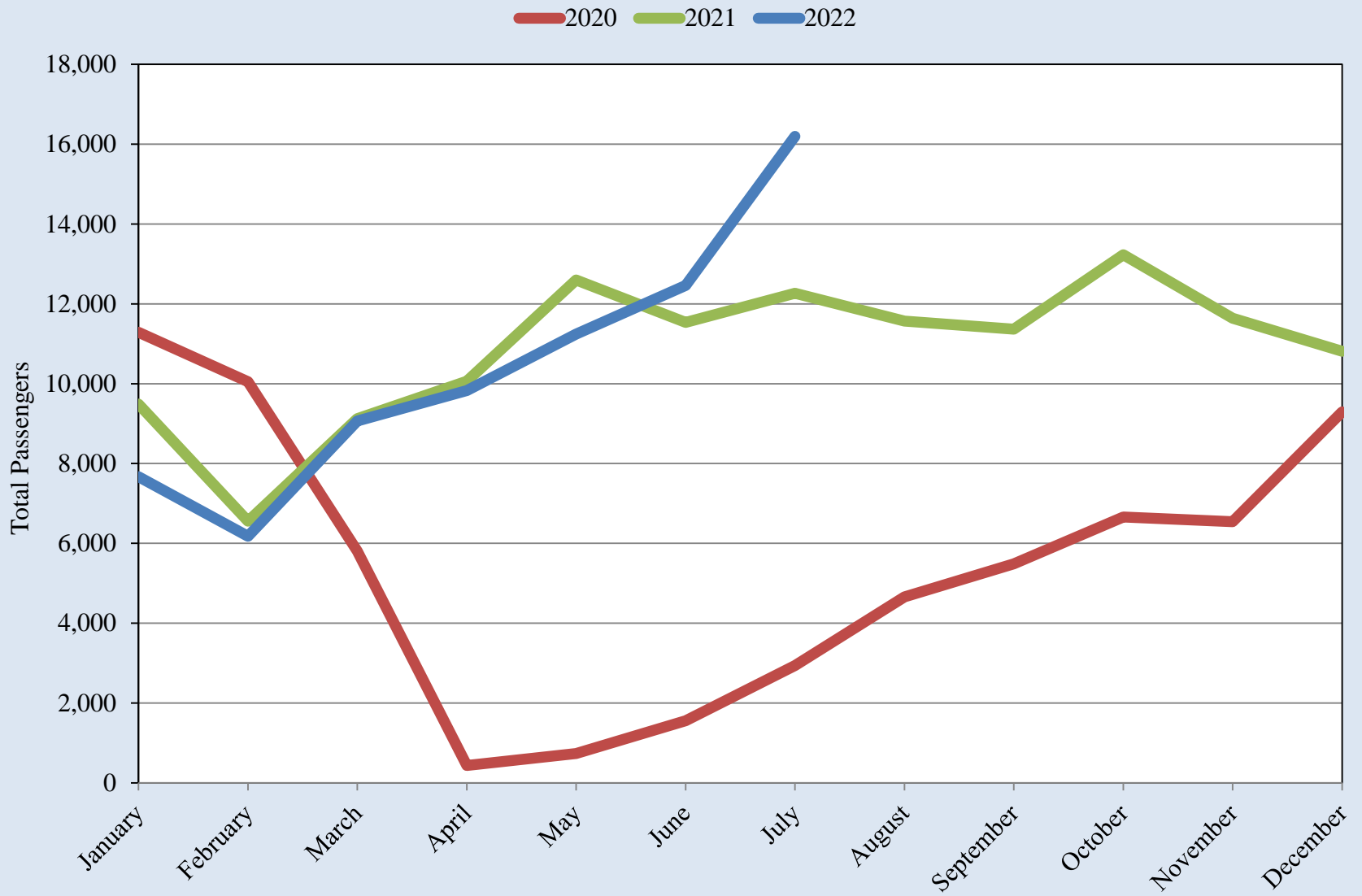
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Domestic Passengers Chihuahua City International Airport



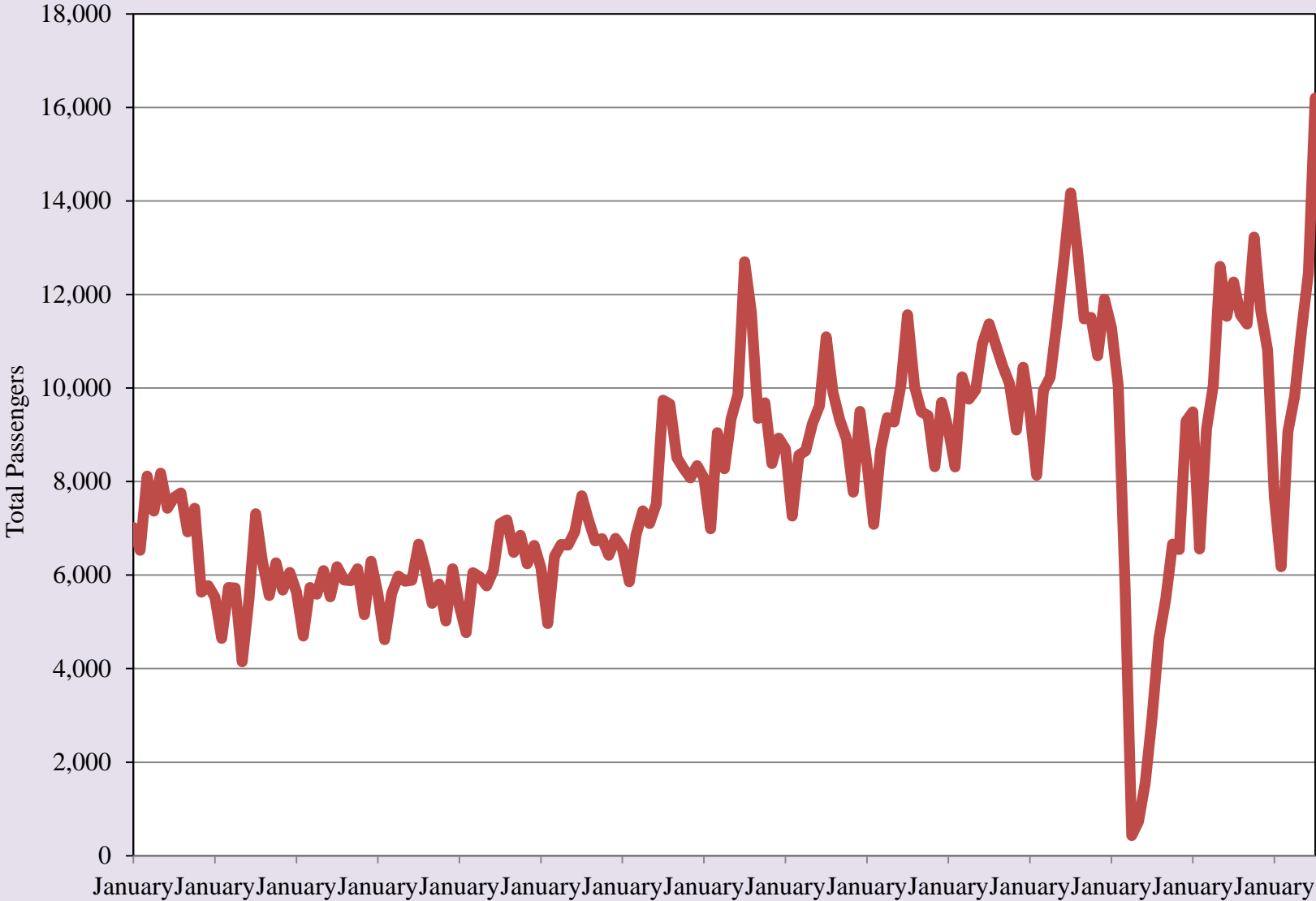
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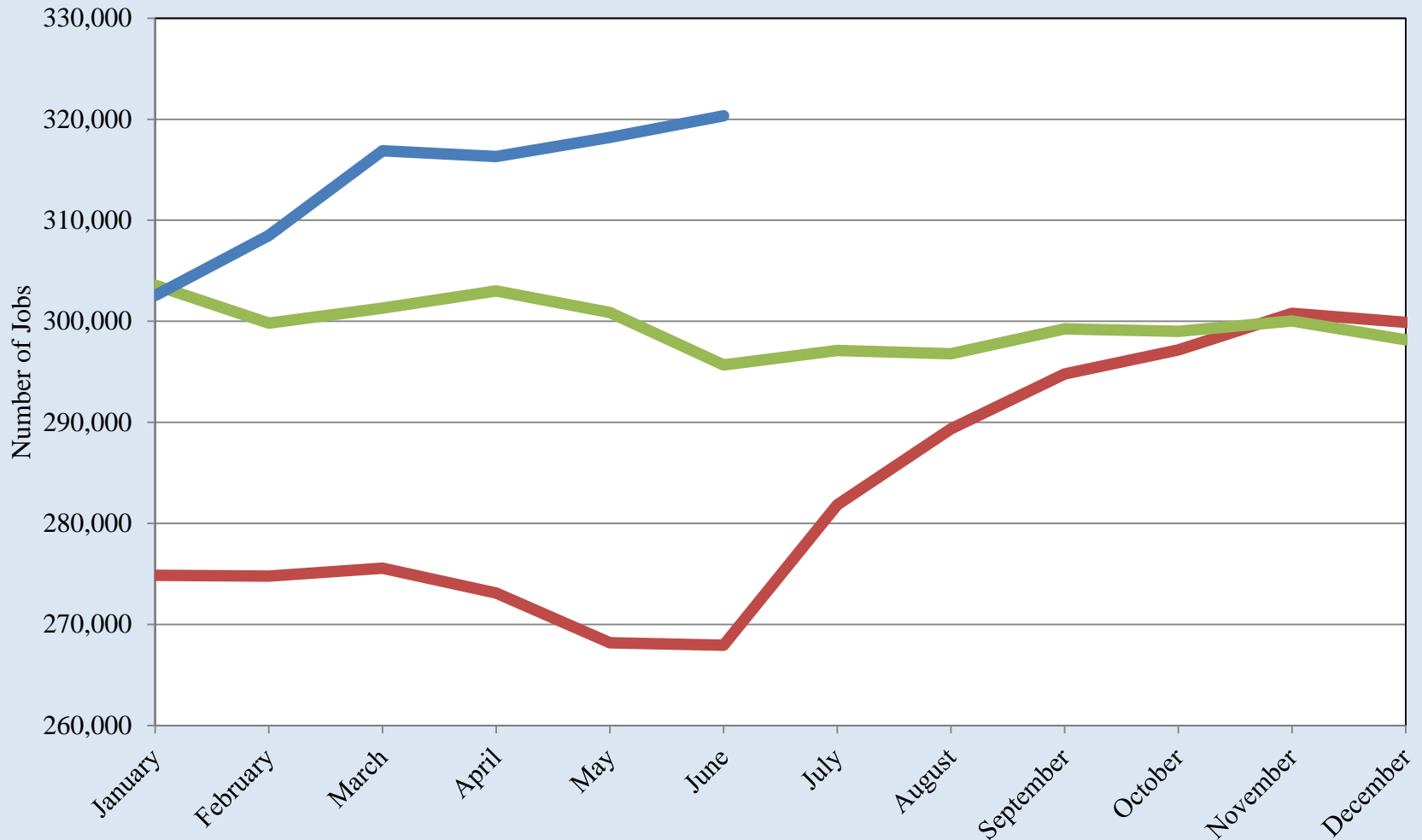
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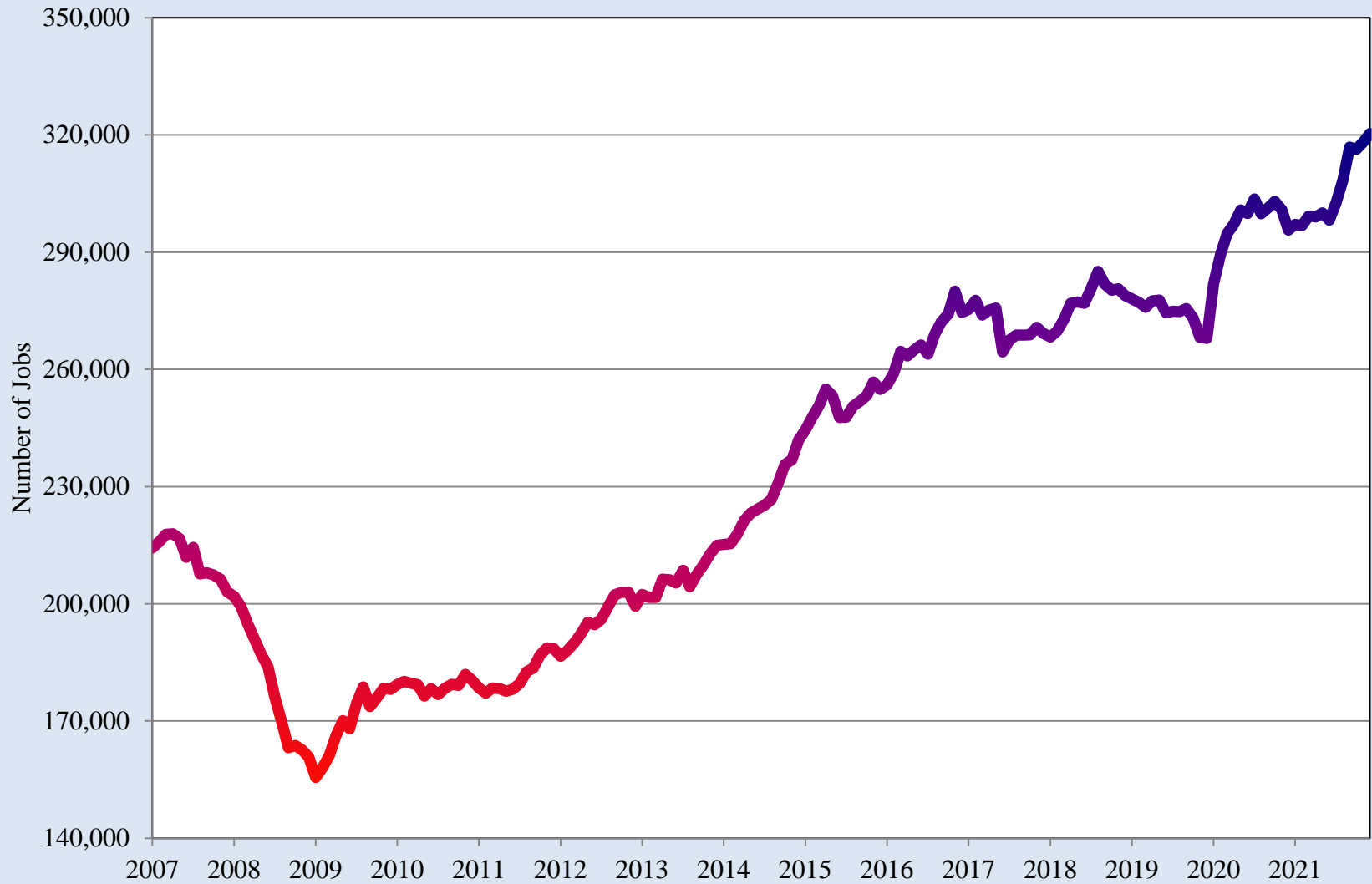
Export-Oriented Manufacturing Employment in Ciudad Juárez

2020 2021 2022



Source: INEGI

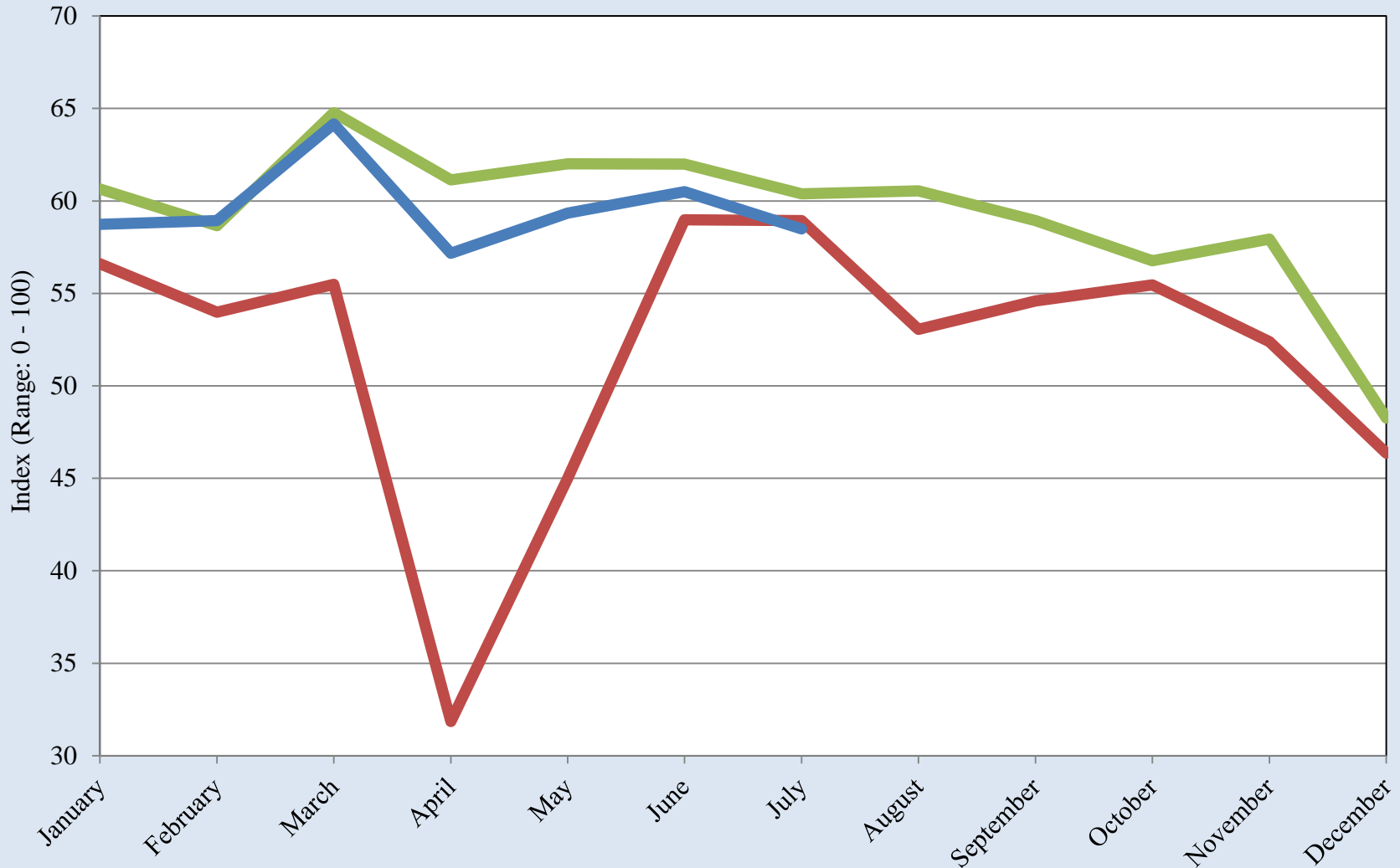
Export-Oriented Manufacturing Employment in Ciudad Juárez



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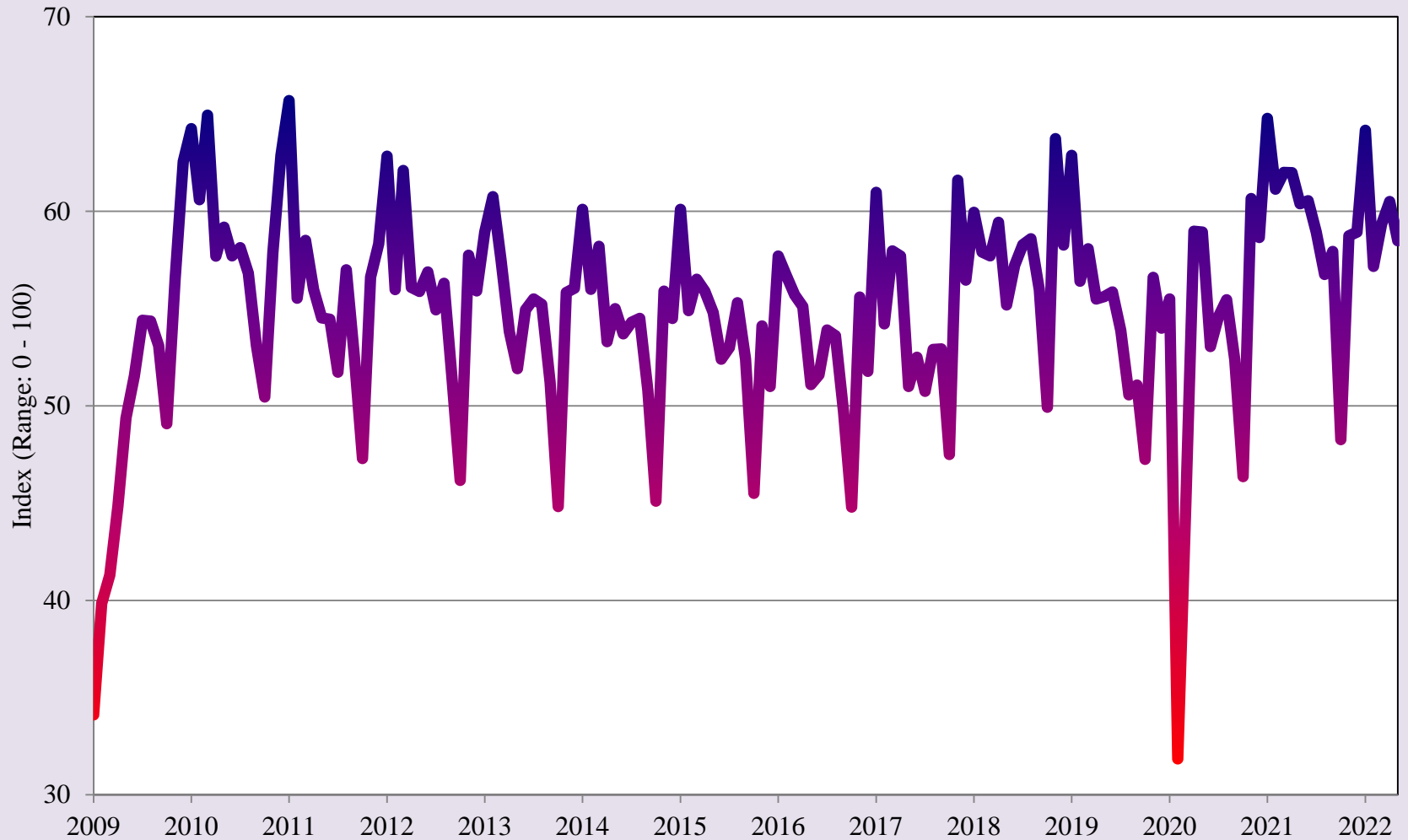
Northern Mexico Manufacturing Orders Index

— 2020 — 2021 — 2022



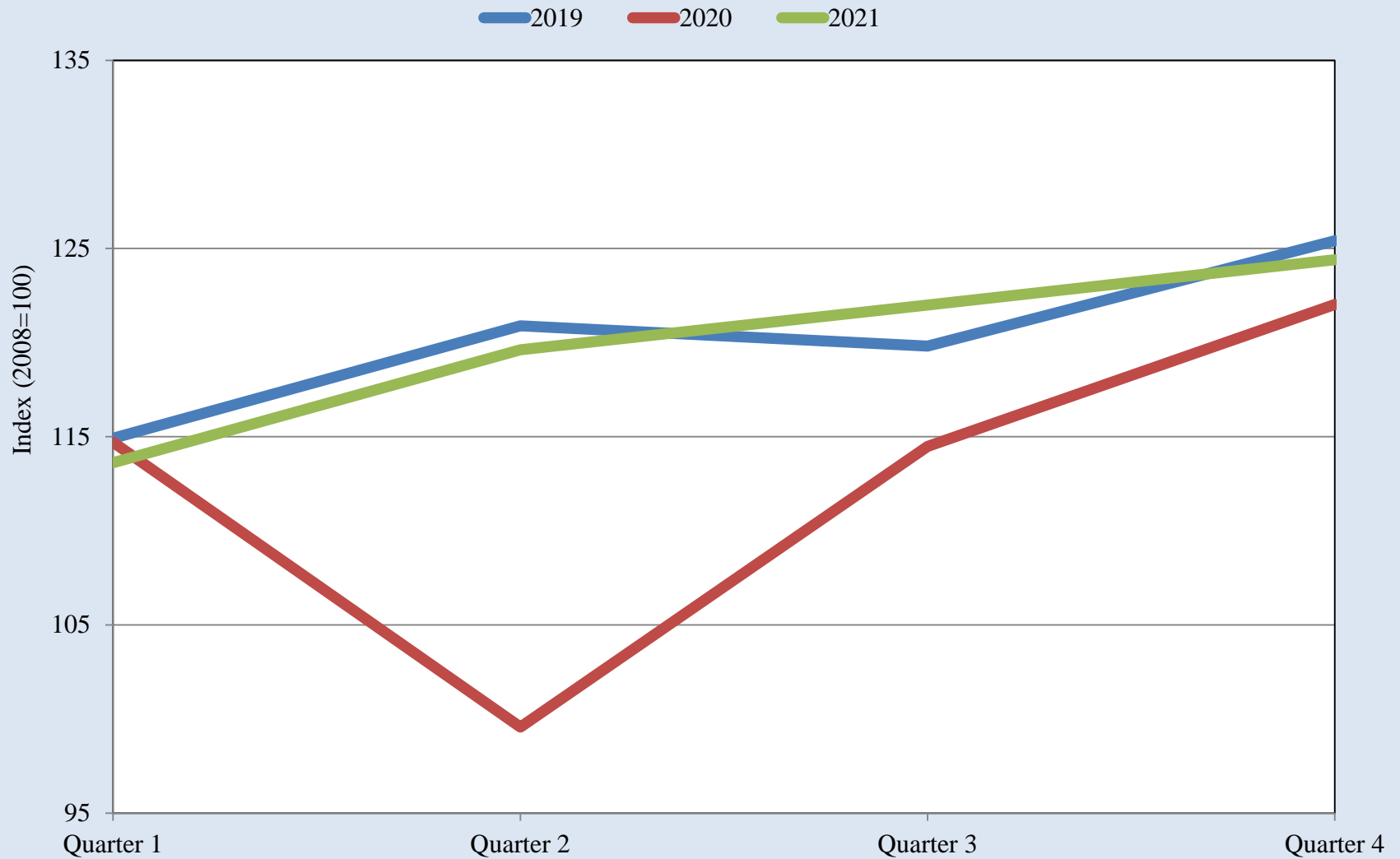
Source: Banco de México

Northern Mexico Manufacturing Orders Index



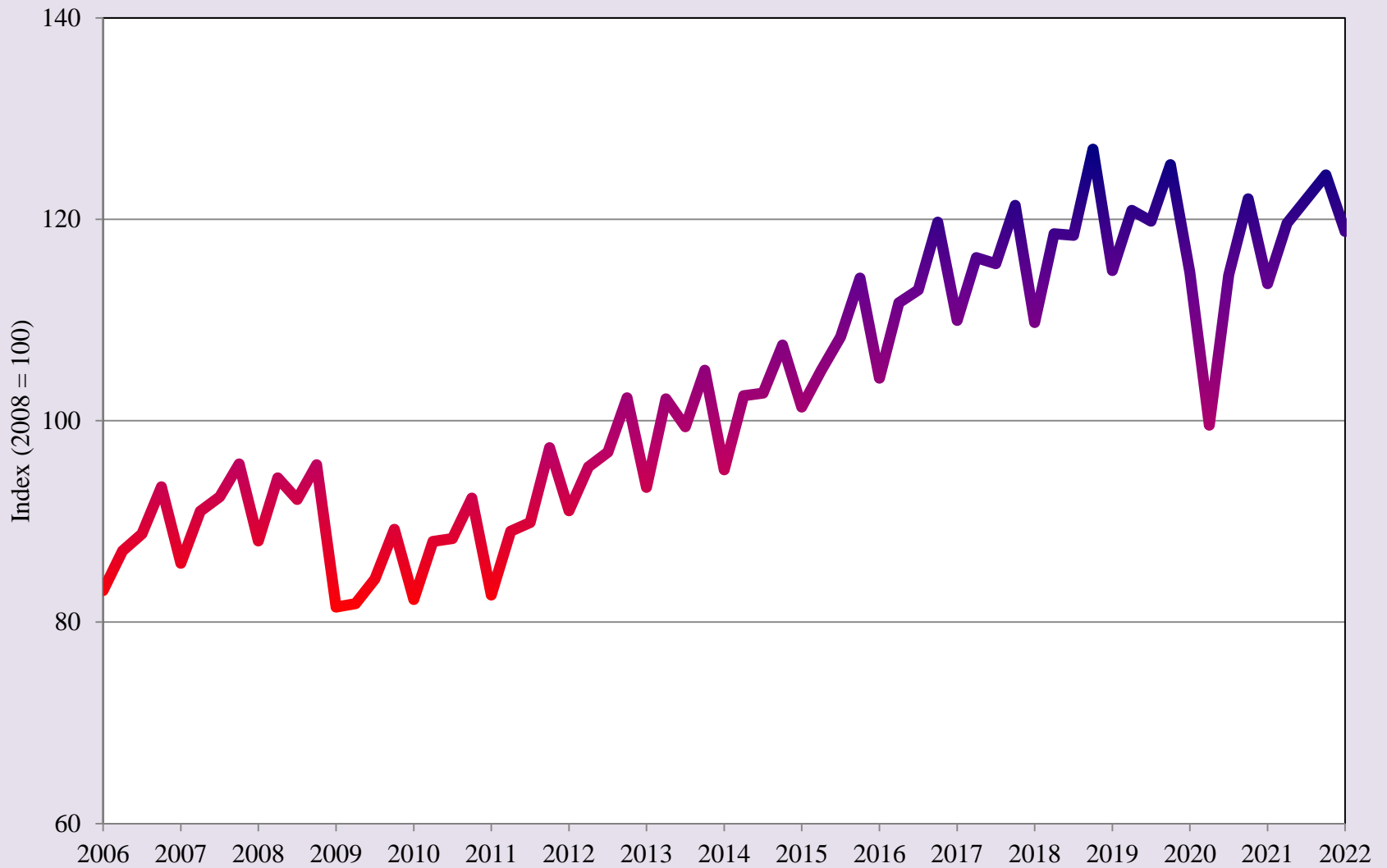
Source: Banco de México

Quarterly Indicator of Economic Activity for the State of Chihuahua



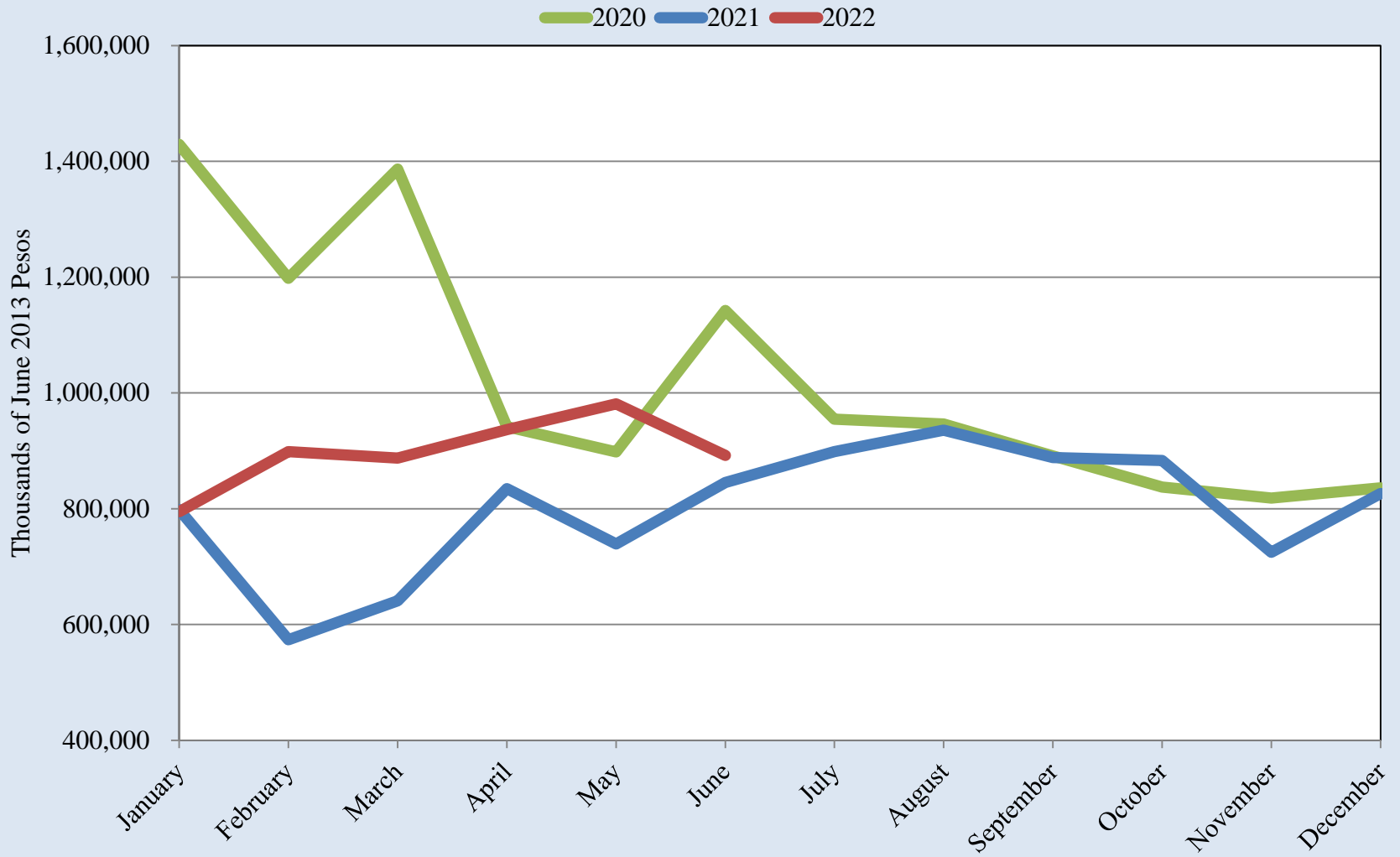
Source: INEGI

Quarterly Indicator of Economic Activity for the State of Chihuahua



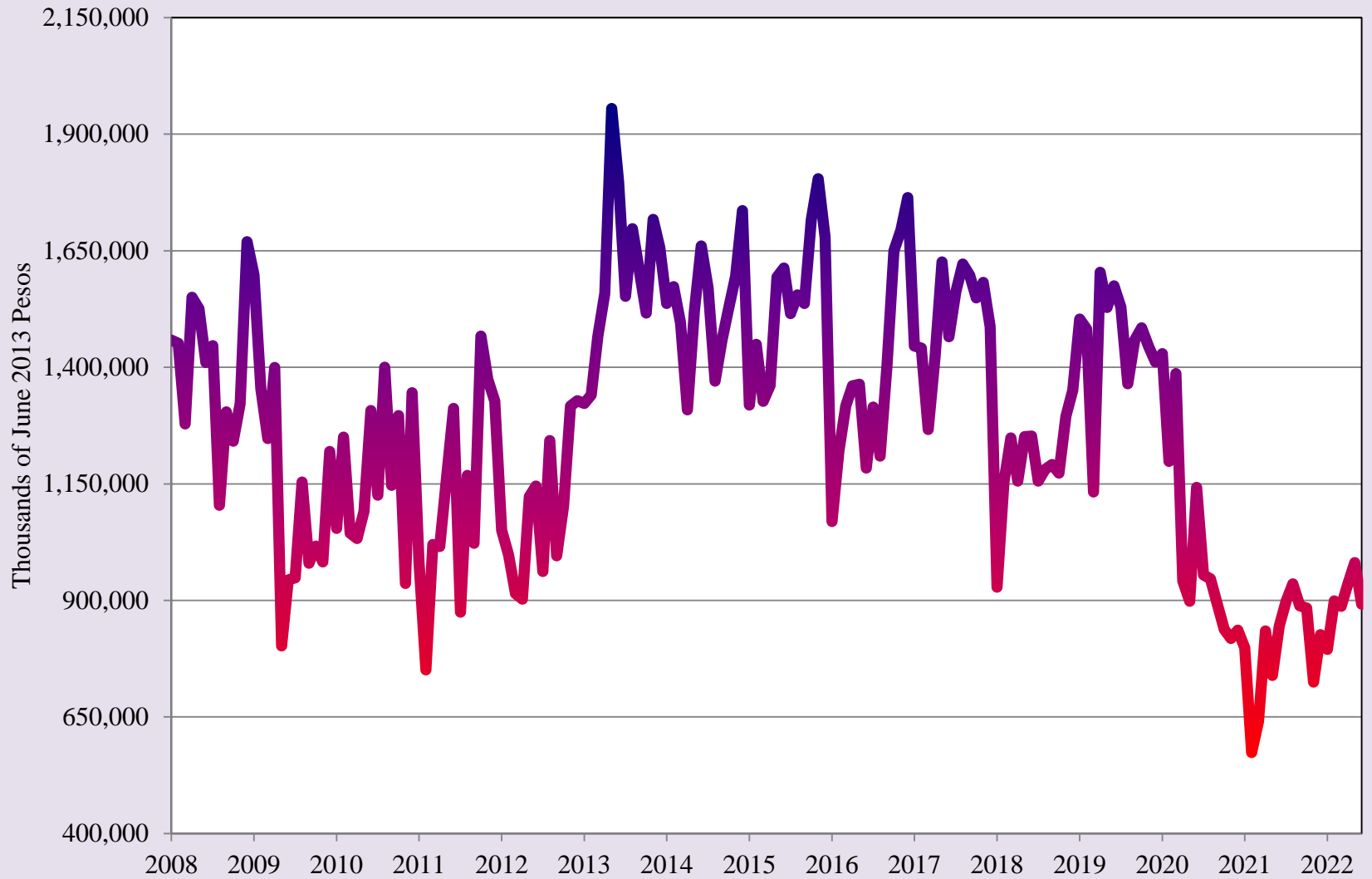
Source: INEGI

Total Value of Construction in the State of Chihuahua



Source: INEGI

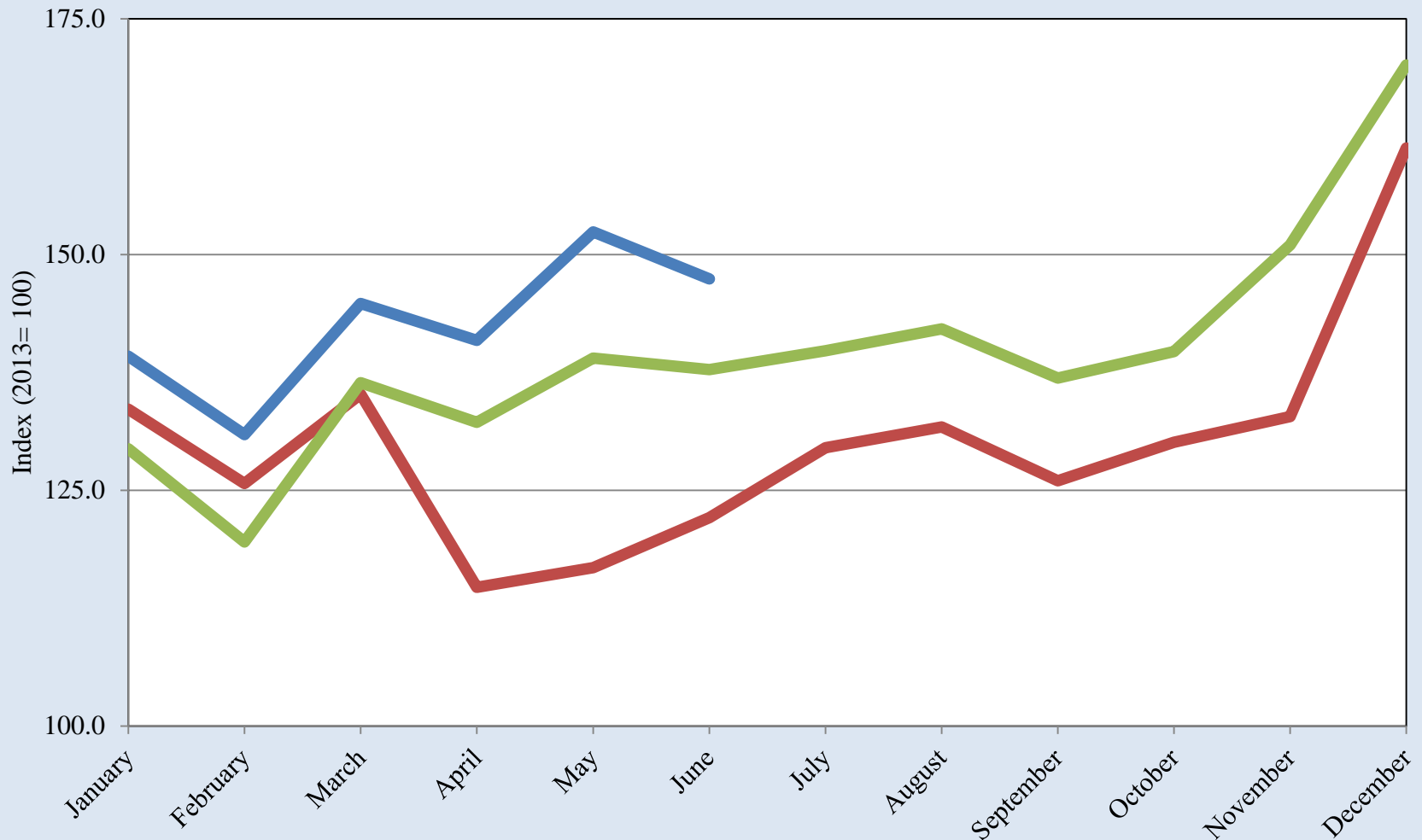
Total Value of Construction in the State of Chihuahua



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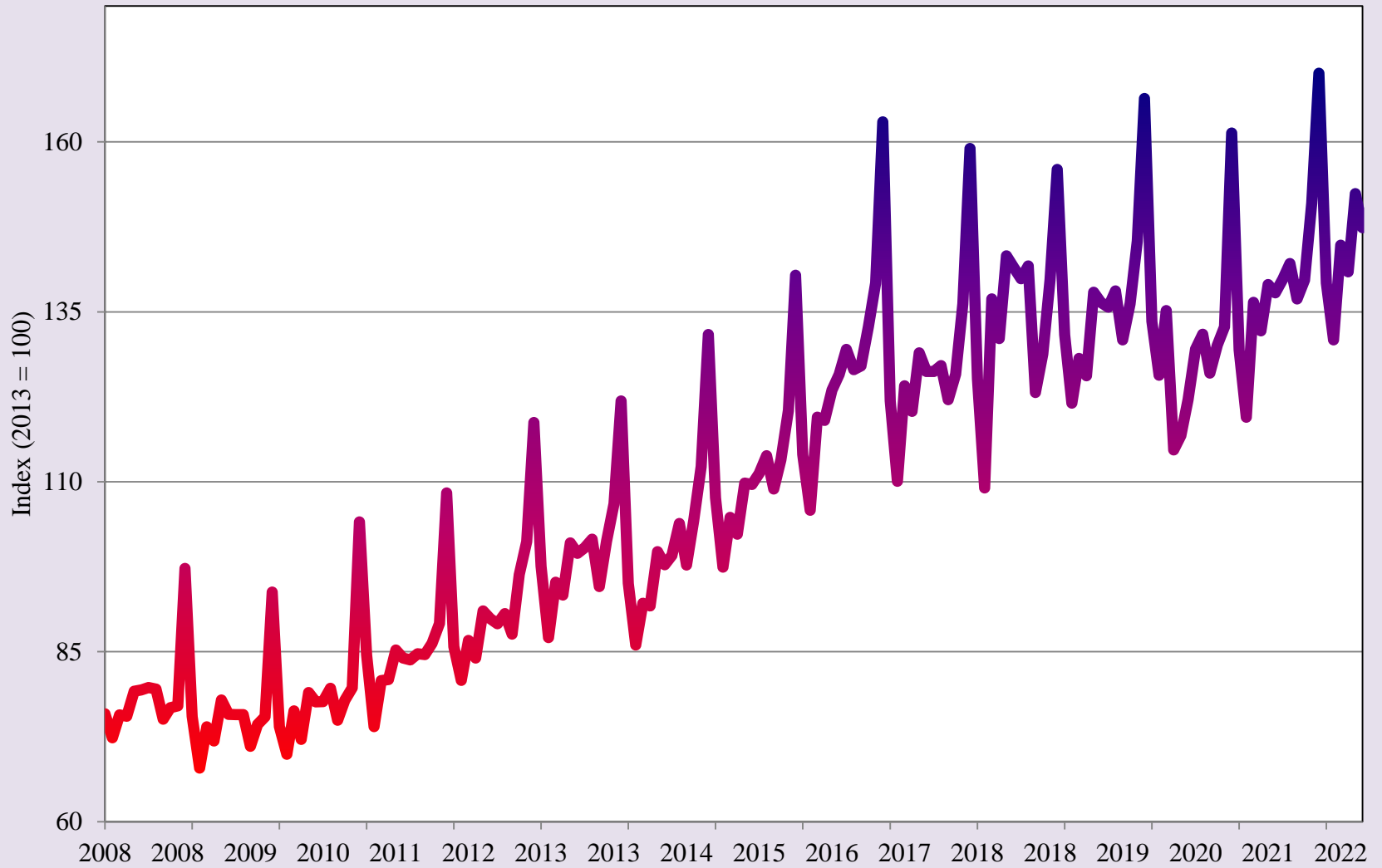
Real Retail Activity Index for the State of Chihuahua

— 2020 — 2021 — 2022



Source: INEGI

Real Retail Activity Index for the State of Chihuahua



Source: INEGI



Short-Term Outlook to 2022





Short-Term Outlook to 2022





BORDERPLEX BUSINESS BAROMETER

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