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Borderplex Business Barometer, Volume 7, Number 9

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Comments:
Global surveys indicate that international business sentiment is improving. Most recent polls indicate that firms believe that business conditions will either hold steady or improve, with one-third or fewer of the respondents anticipating that the economy will worsen in the near-term. Lending credibility to those assessments are solid investment patterns and energetic recruitment efforts.

While businesses around the world are making decisions that bolster economic prospects, the same cannot be said for governmental actions. Geopolitical tensions are very high in many regions and the Russo-Ukrainian War has lasted for more than 18 months. Closer to home, congressional dysfunction threatens to result in another partial federal government shutdown.

Against that dis-spiriting backdrop, what do currently available data say for the Borderplex? Though still above year-ago levels, the Federal Reserve Bank of Dallas El Paso Metropolitan Business Cycle Index moved sideways during June, July, and August. While that does not guarantee that a recession has been unleashed, the yield curve is mostly inverted and caution is warranted.

The UTEP Border Region Modeling Project (BRMP) El Paso Household Economic Stress Index has drifted upward during 2023 but still remains below year-ago levels. Less auspiciously, the July and August El Paso unemployment rates were 90 basis points above their 2022 levels. Similarly, the corresponding jobless rates for Las Cruces were 70 basis points above those tallied in 2022.

Ongoing global oil production cuts are causing dismay in many quarters. In El Paso, those complaints continue, but gasoline prices did drop back below the national averages in mid-September. Higher jet fuel prices have contributed to more expensive air fares on both sides of the border, but air passenger traffic exceeds 2022 levels in El Paso, Ciudad Juarez, and Chihuahua City.

Shutdowns hurt. A protracted federal government closure will likely cause credit rating downgrades. Non-partisan Congressional Budget Office estimates of the aggregate dollar impacts inflicted by the 34-day, 2018-2019 federal shutdown are national economic losses of approximately $100 million a day.

In the case of El Paso, that translates to a potential loss of $260,000 per day. For Las Cruces, the corresponding figure is $68,000 per day. For these two metropolitan economies, those losses may seem manageable. If a closure does materialize and it lasts for multiple days or weeks, it will undoubtedly lead to higher numbers of both business and personal bankruptcies than would be the case if federal agencies simply remained open.
El Paso Metropolitan Business Cycle Index

Source: UTEP Border Region Modeling Project using Federal Reserve Bank of Dallas Data
El Paso Metropolitan Business Cycle Index

Source: UTEP Border Region Modeling Project using Federal Reserve Bank of Dallas Data
Average Treasury Yield Curve Rates

- Reflects 1 month, 2 month, 3 month, 6 month, 12 month, 2 yr, 3 yr, 5 yr, 7 yr, 10 yr, 20 yr, 30 yr.

Source: UTEP Border Region Modeling Project using US Treasury, Daily Treasury Yield Curve Rates Data
El Paso Household Economic Stress Index

Source: UTEP Border Region Modeling Project
El Paso Household Economic Stress Index

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

Source: UTEP Border Region Modeling Project using Bureau of Labor Statistics Data
El Paso County Unemployment Rate

Source: UTEP Border Region Modeling Project using Bureau of Labor Statistics Data
El Paso County SNAP Enrollment. Three year period 2021 – 2023

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of SNAP Recipients</th>
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<tbody>
<tr>
<td>2021</td>
<td>130,000</td>
</tr>
<tr>
<td>2022</td>
<td>135,000</td>
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<tr>
<td>2023</td>
<td>140,000</td>
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Source: UTEP Border Region Modeling Project using 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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<td>2007</td>
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<tr>
<td>2022</td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td></td>
</tr>
</tbody>
</table>

Source: UTEP Border Region Modeling Project using Texas Health and Human Services Commission
El Paso Median Housing Prices

Source: UTEP Border Region Modeling Project using Texas A&M Real Estate Center Data
El Paso Median Housing Prices from 2006 to 2023

El Paso Median Housing Prices

Nominal Price

Source: UTEP Border Region Modeling Project using Texas A&M Real Estate Center Data
Source: UTEP Border Region Modeling Project using Texas A&M Real Estate Center Data
Months of housing inventory in El Paso for single family homes 2006-2023

Source: UTEP Border Region Modeling Project using Texas A&M Real Estate Center Data
Three year trend El Paso gasoline prices from 2021-2023

Source: UTEP Border Region Modeling Project using GasBuddy.com Data
El Paso unleaded gasoline prices from January 2006 to August 2023

Nominal Price (Dollars per Gallon)

Source: UTEP Border Region Modeling Project using GasBuddy.com Data
Doña Ana County Unemployment Rate

Source: UTEP Border Region Modeling Project using NM Workforce Data
Unemployment rate for Doña Ana county ranging from January 2006 to August 2023

Doña Ana County Unemployment Rate

Source: UTEP Border Region Modeling Project using NM Workforce Data
Las Cruces Area SNAP (Food Stamp) Cases

Source: UTEP Border Region Modeling Project using New Mexico Human Services Department Data
Las Cruces Area SNAP (Food Stamp) cases from January 2006 with a gap in April and May of 2014 continuing June 2014 to July 2023.

Source: UTEP Border Region Modeling Project using New Mexico Human Services Department Data
Restaurant Price Ratio and Exchange Rate

Source: UTEP Border Region Modeling Project using 85 identical franchise restaurant products sold on both sides of the border.
Restaurant Price Ratio and Exchange Rate

Pesos per Dollar

Source: UTEP Border Region Modeling Project using Banco de Mexico Data
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
EPIA Freight and Mail (Inbound and Outbound), 2021, 2022 and 2023 (3 year comparison)

<table>
<thead>
<tr>
<th>Ton of Freight/Mail</th>
<th>Total 2021</th>
<th>Total 2022</th>
<th>Total 2023</th>
</tr>
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<tr>
<td>10,500</td>
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</tbody>
</table>

Source: UTEP Border Region Modeling Project using EPIA Operations Data
Tons of Freight/Mail

Source: UTEP Border Region Modeling Project using EPIA Operations Data
EPIA Passengers

Source: UTEP Border Region Modeling Project using EPIA Operations Data
Source: UTEP Border Region Modeling Project using EPIA Operations Data
EPIA Air Carrier Operations 2021, 2022 and 2023 (3 year comparison)

Aircraft Operators

Source: UTEP Border Region Modeling Project using EPIA Operations Data
EPIA Air Carrier Operations

Aircraft Operators

Source: UTEP Border Region Modeling Project using EPIA Operations Data
Paso del Norte Monthly Wait Times

Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data
Ysleta Monthly Wait Times

Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data
Bridge of the Americas Monthly Wait Times

Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data
Monthly border wait times at Paseo Del Norte, Ysleta and Bridge of the Americas. Data set ranging from January 2011 to August 2023.

Personal Vehicle International Bridge Crossings to El Paso

Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data
Personal Vehicle International Bridge Crossings to El Paso

Number of Vehicles

Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data
Pedestrian International Bridge Crossings to El Paso

<table>
<thead>
<tr>
<th>Year</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan</td>
<td>190,000</td>
<td>200,000</td>
<td>210,000</td>
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<td>Feb</td>
<td>290,000</td>
<td>280,000</td>
<td>270,000</td>
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<tr>
<td>Mar</td>
<td>390,000</td>
<td>380,000</td>
<td>370,000</td>
</tr>
<tr>
<td>Apr</td>
<td>490,000</td>
<td>480,000</td>
<td>470,000</td>
</tr>
<tr>
<td>May</td>
<td>590,000</td>
<td>580,000</td>
<td>570,000</td>
</tr>
</tbody>
</table>

Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data
Aggregate Pedestrian International Bridge Crossing to El Paso

Number of Pedestrians

Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data
Cargo Truck International Bridge Crossings to El Paso

Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data
Cargo Truck International Bridge Crossings to El Paso

Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data
Total Trade through the El Paso Customs District

Source: UTEP Border Region Modeling Project using US International Trade Commission Data
Total Trade through the El Paso Customs District

Source: UTEP Border Region Modeling Project using US International Trade Commission Data
Real Total Trade through the El Paso Customs District

Source: UTEP Border Region Modeling Project using US International Trade Commission Data
Aggregate Real Total Trade through the El Paso Customs District

Real Total Trade through the El Paso Customs District

Total Trade in Millions of 1982 Dollars

Source: UTEP Border Region Modeling Project using US International Trade Commission Data
Domestic Passengers Ciudad Juarez International Airport

Source: UTEP Border Region Modeling Project using Grupo Aeroportuario Centro Norte - OMA Data
Total Passengers Ciudad Juarez International Airport

Source: UTEP Border Region Modeling Project using Grupo Aeroportuario Centro Norte - OMA Data
International Passengers Ciudad Juarez International Airport

Source: UTEP Border Region Modeling Project using Grupo Aeroportuario Centro Norte - OMA Data
International Passengers Ciudad Juarez International Airport

Source: UTEP Border Region Modeling Project using Grupo Aeroportuario Centro Norte - OMA Data
Domestic Passengers Chihuahua City International Airport

Source: UTEP Border Region Modeling Project using Grupo Aeroportuario Centro Norte - OMA Data
Domestic Passengers Chihuahua City International Airport

Source: UTEP Border Region Modeling Project using Grupo Aeroportuario Centro Norte - OMA Data
Source: UTEP Border Region Modeling Project using Grupo Aeroportuario Centro Norte - OMA Data
International Passengers Chihuahua City International Airport

Source: UTEP Border Region Modeling Project using Grupo Aeroportuario Centro Norte - OMA Data
Export-Oriented manufacturing employment in Ciudad Juárez

Source: UTEP Border Region Modeling Project using INEGI Data
 Aggregate Export-Oriented Manufacturing Employment in Ciudad Juárez

Source: UTEP Border Region Modeling Project using INEGI Data
Export-Oriented Manufacturing Employment in Chihuahua City

Source: UTEP Border Region Modeling Project using INEGI Data
Export-Oriented Manufacturing Employment in Chihuahua City

Source: UTEP Border Region Modeling Project using INEGI Data
Northern Mexico Manufacturing Orders Index

Index (Range: 0 - 100)

Source: UTEP Border Region Modeling Project using Banco de México Data
Northern Mexico Manufacturing Orders Index

Source: UTEP Border Region Modeling Project using Banco de México Data
Quarterly Indicator of Economic Activity for the State of Chihuahua

Source: UTEP Border Region Modeling Project using INEGI Data
Quarterly Indicator of Economic Activity for the State of Chihuahua

Source: UTEP Border Region Modeling Project using INEGI Data
Total Value of Construction in the State of Chihuahua

Source: UTEP Border Region Modeling Project using INEGI Data
Total Value of Construction in the State of Chihuahua

Source: UTEP Border Region Modeling Project using INEGI Data
Real Retail Activity Index for the State of Chihuahua

Source: UTEP Border Region Modeling Project using INEGI Data
Real Retail Activity Index for the State of Chihuahua

Index (2013 = 100)

Source: UTEP Border Region Modeling Project using INEGI Data
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 Woody L. Hunt College of Business 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.