Borderplex Business Barometer, Volume 8, Number 1

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**Recommended Citation**

Fullerton, Thomas M. Jr. and Fullerton, Steven L., "Borderplex Business Barometer, Volume 8, Number 1" (2024). *Border Region Modeling Project*. 182.
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Hello 2024!

The fourth quarter 2023 real gross domestic product (GDP) indicates that the national economy is in good shape. Regional data indicate that the Borderplex economy is also doing well. With 2024 still in its nascent phase, an assessment of where things stand is provided for the region.

The Federal Reserve Bank of Dallas El Paso Metropolitan Business Cycle Index has rebounded from the third quarter doldrums of 2023. It grew for a third consecutive month in December. El Paso seems to be weathering the North American manufacturing slowdown, but U.S. industrial activity weakened during the fourth quarter and remains exposed to global supply chain risks.

As illustrated in the accompanying graph, the U.S. Treasury yield curve remains inverted. Under normal business cycle conditions, longer term rates exceed shorter term rates. Historically, both for the nation and the Borderplex, yield curve inversion often precedes downturns.

Against that backdrop, it is not surprising that the UTEP El Paso Household Economic Stress Index (HESI) increased substantially during the second half of 2023. Historically, each 1-point rise in the HESI leads to a $3 million decline in El Paso retail sales. Because unemployment remains low, larger scale consumer cutbacks are not likely.

One development that is buttressing commercial activity on the north side of the border is continued ascendancy of the peso. As the graphs show, the peso appreciated by more than 10 percent against the dollar in real terms during 2023. The gap between the UTEP Restaurant Price Ratio and the nominal exchange rate reached its narrowest point since 2011. Episodic jitters during the 2024 presidential campaigns may occur.

Although a strong peso attracts customers from northern Mexico into El Paso, long waits at the bridges dissuade them. Monthly border wait times jumped to more than an hour in December 2023. At more than 75 minutes, the average wait time almost rose to the record waits experienced in early 2019 and late 2020. Not surprisingly, northbound pedestrian and personal vehicle traffic flows remained well-below pre-pandemic levels throughout 2023.

Slower economic growth is predicted for the region in 2024. To order a copy of *Borderplex Economic Outlook to 2025*: [https://secure.touchnet.net/C21711_ustores/web/product_detail.jsp?PRODUCTID=1013&SINGLESTORE=true](https://secure.touchnet.net/C21711_ustores/web/product_detail.jsp?PRODUCTID=1013&SINGLESTORE=true)
Source: UTEP Border Region Modeling Project using Federal Reserve Bank of Dallas Data
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
Source: UTEP Border Region Modeling Project using Bureau of Labor Statistics Data
Source: UTEP Border Region Modeling Project using Bureau of Labor Statistics Data
El Paso County SNAP (Food Stamp) Enrollment

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

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

Source: UTEP Border Region Modeling Project using Texas A&M Real Estate Center Data
Months of Housing Inventory for El Paso

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 December 2023

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 December 2023

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 October 2023.

Source: UTEP Border Region Modeling Project using New Mexico Human Services Department Data
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

Source: UTEP Border Region Modeling Project using Banco de Mexico Data
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)

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

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

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 December 2023.

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

Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data
Aggregate Personal vehicle bridge crossing to El Paso

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

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

Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data

Pedestrian International Bridge Crossings to El Paso

Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data
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

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
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
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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

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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
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

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
Aggregate 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

Source: UTEP Border Region Modeling Project using INEGI Data
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