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Borderplex Business Barometer, Volume 8, Number 1

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BORDERPLEX BUSINESS BAROMETER

January 2024

Border Region Modeling Project

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Border Commerce & Economics

Borderplex Business Barometer, Volume 8, Number 1

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.

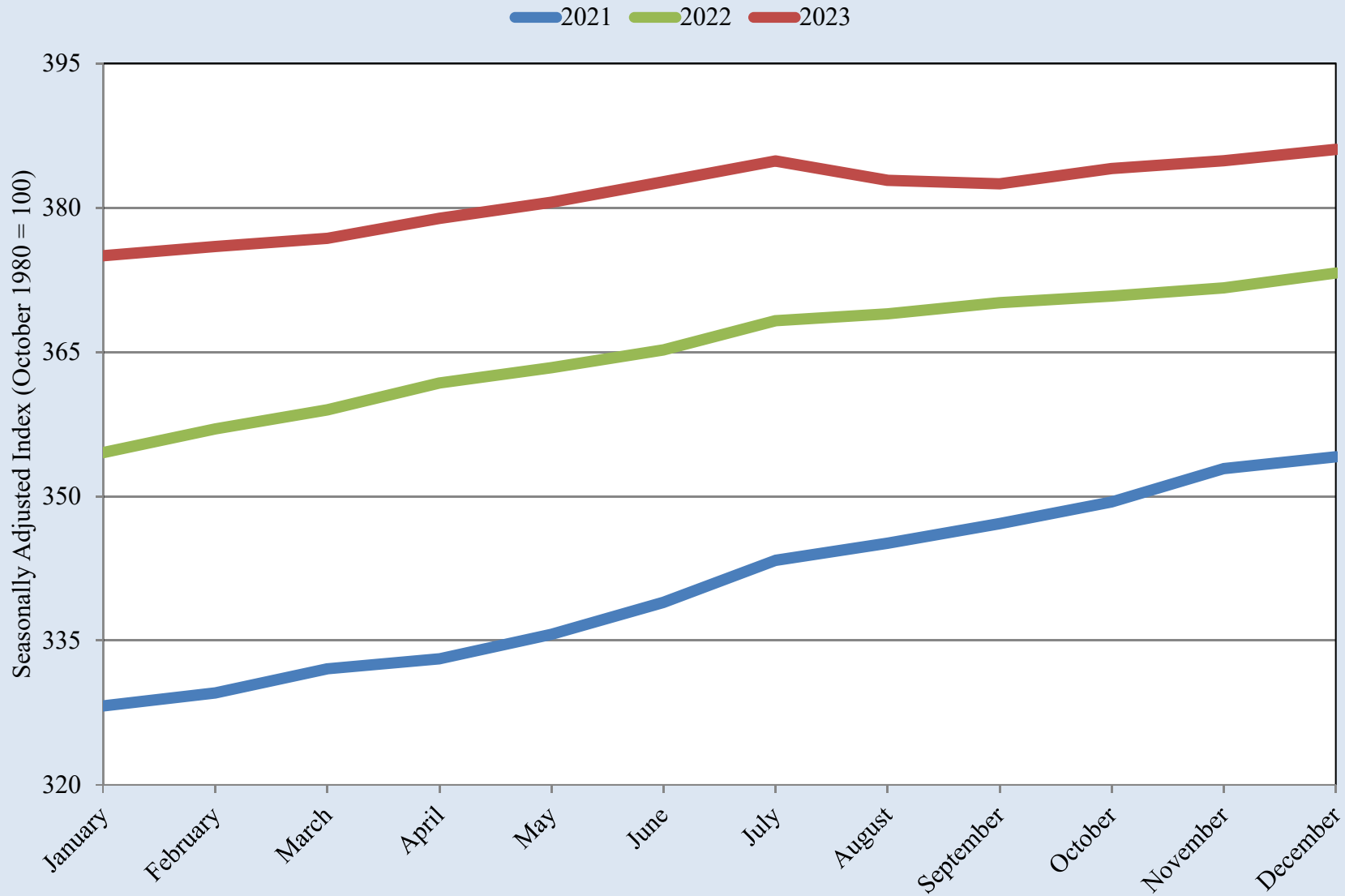
Although a strong peso attracts customers from northern Mexico into El Paso, long waits at the bridges dissuade them. Monthly border wait times jumped to more than an hour in December 2023. At more than 75 minutes, the average wait time almost rose to the record waits

experienced in early 2019 and late 2020. Not surprisingly, northbound pedestrian and personal vehicle traffic flows remained well-below pre-pandemic levels throughout 2023.

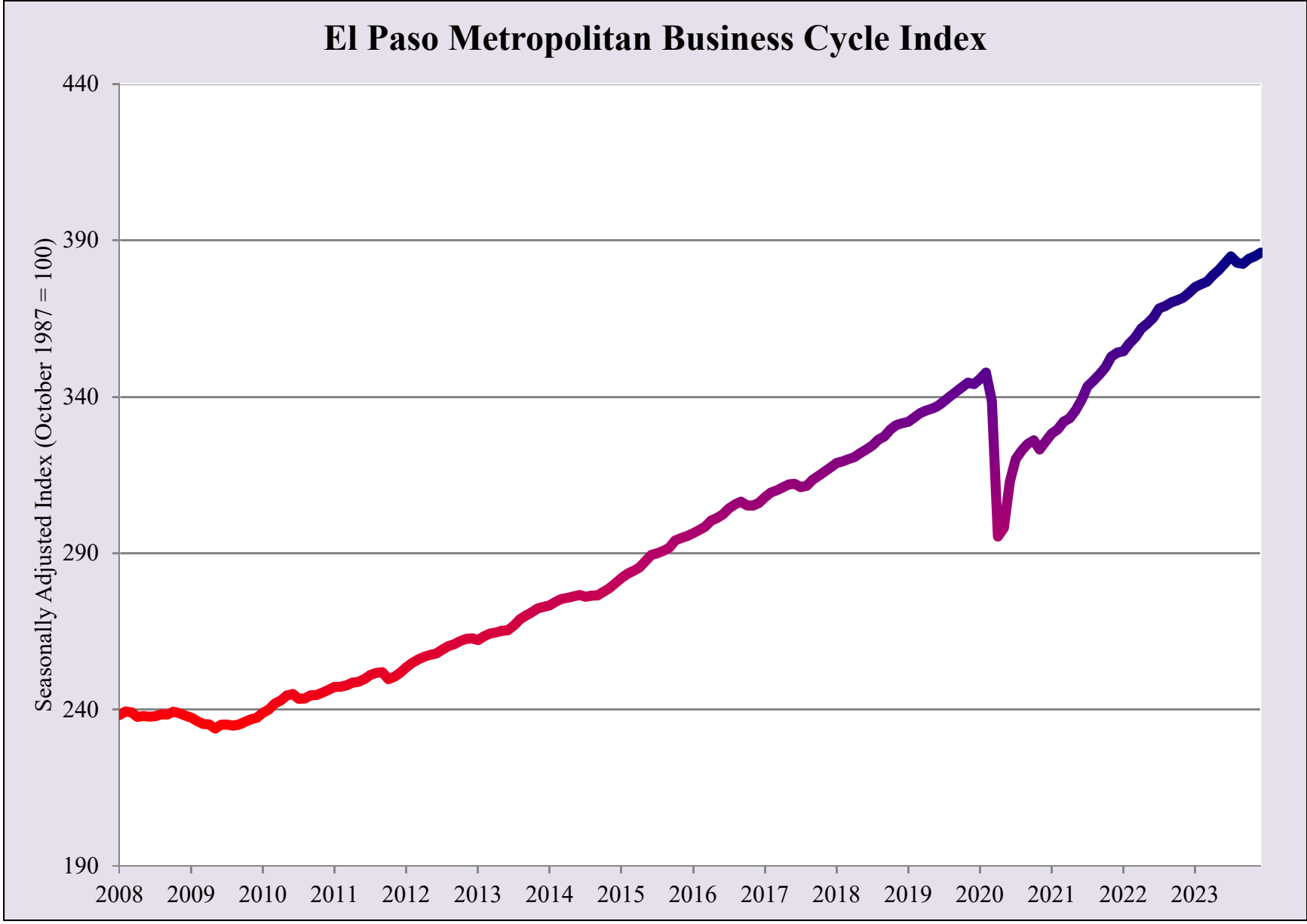
Slower economic growth is predicted for the region in 2024. To order a copy of *Borderplex Economic Outlook to 2025*: https://secure.touchnet.net/C21711_ustores/web/product_detail.jsp?PRODUCTID=1013&SINGLESTORE=true



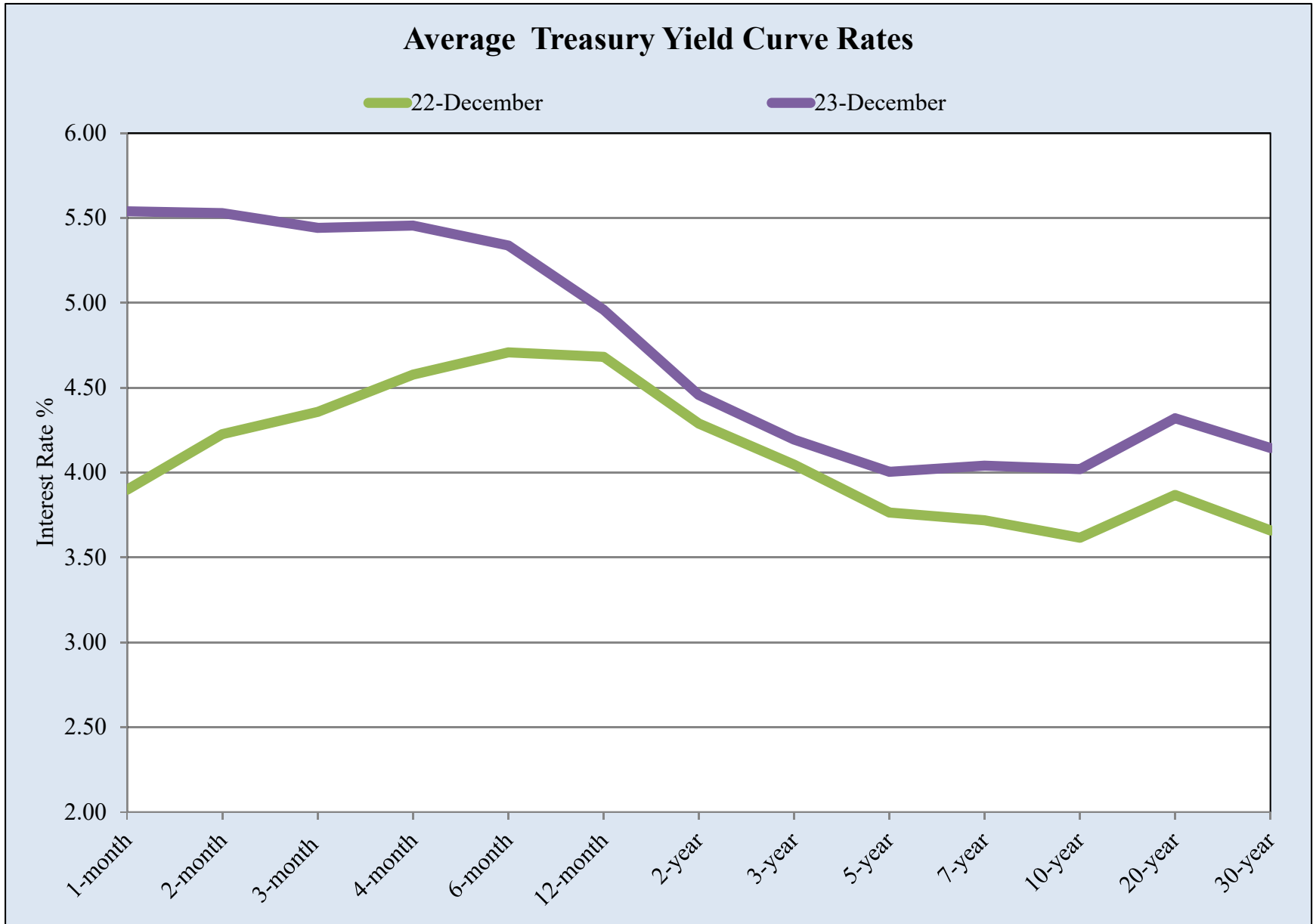
El Paso Metropolitan Business Cycle Index



Source: UTEP Border Region Modeling Project using Federal Reserve Bank of Dallas Data



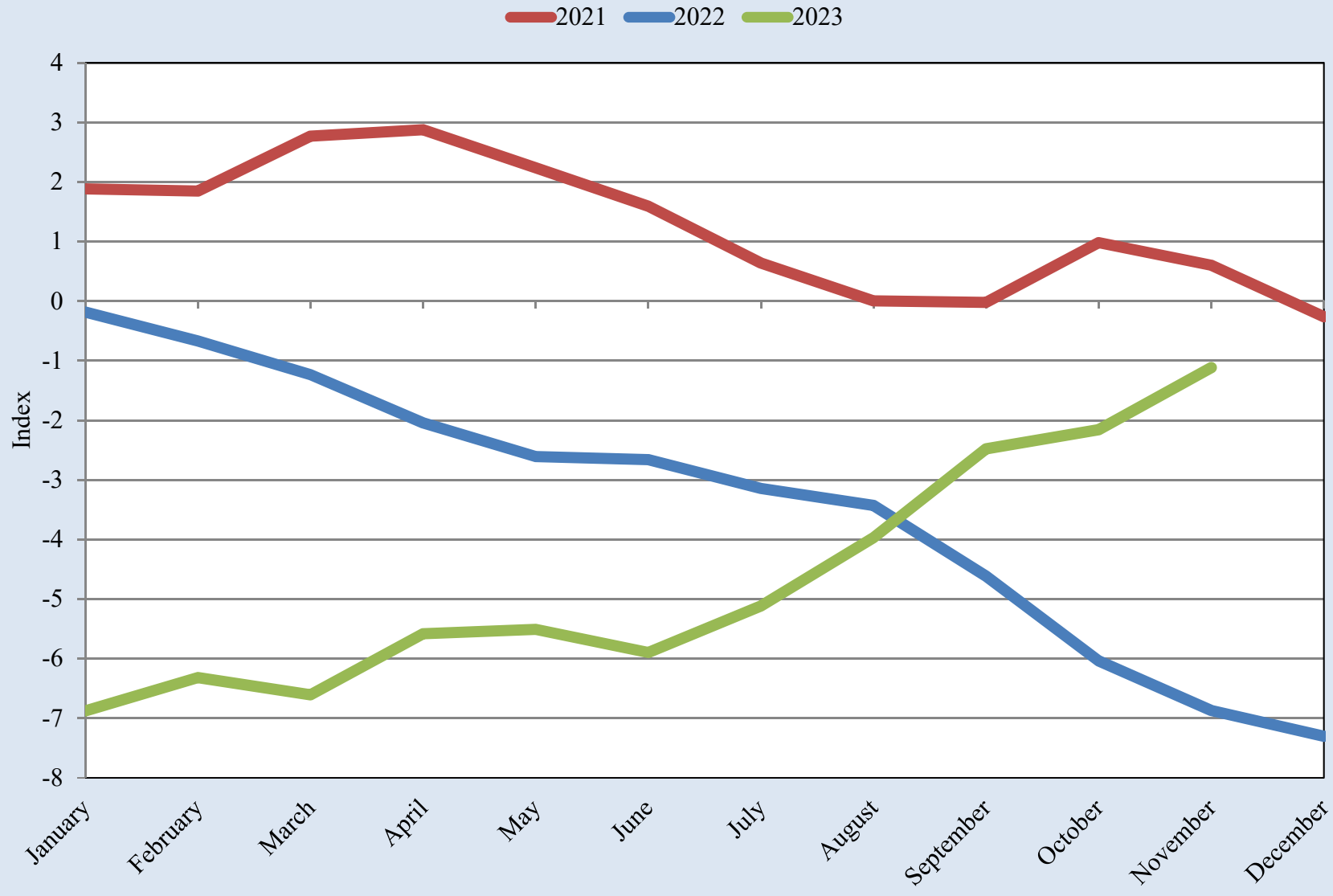
Source: UTEP Border Region Modeling Project using Federal Reserve Bank of Dallas Data



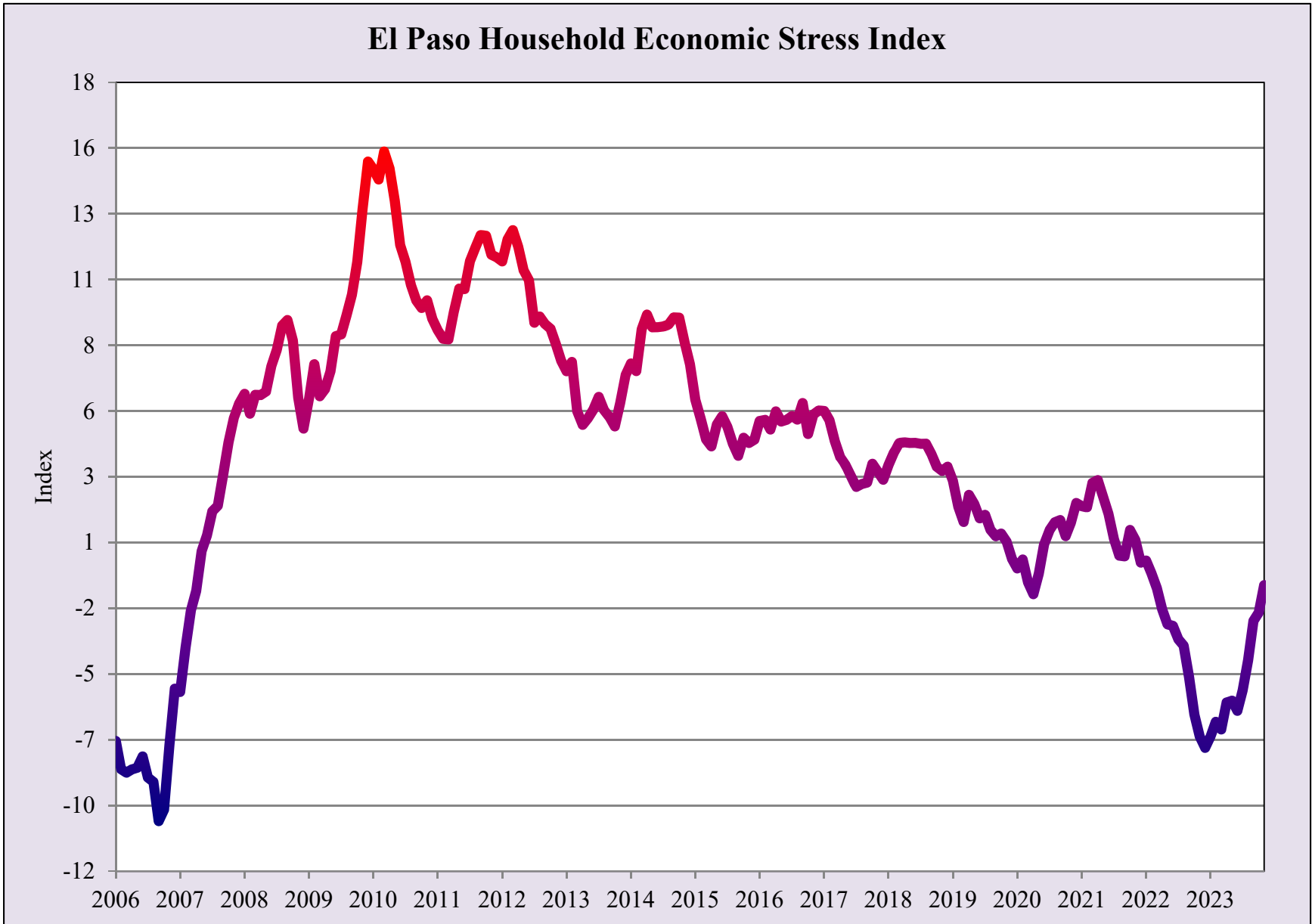
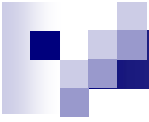
Source: UTEP Border Region Modeling Project using US Treasury, Daily Treasury Yield Curve Rates Data



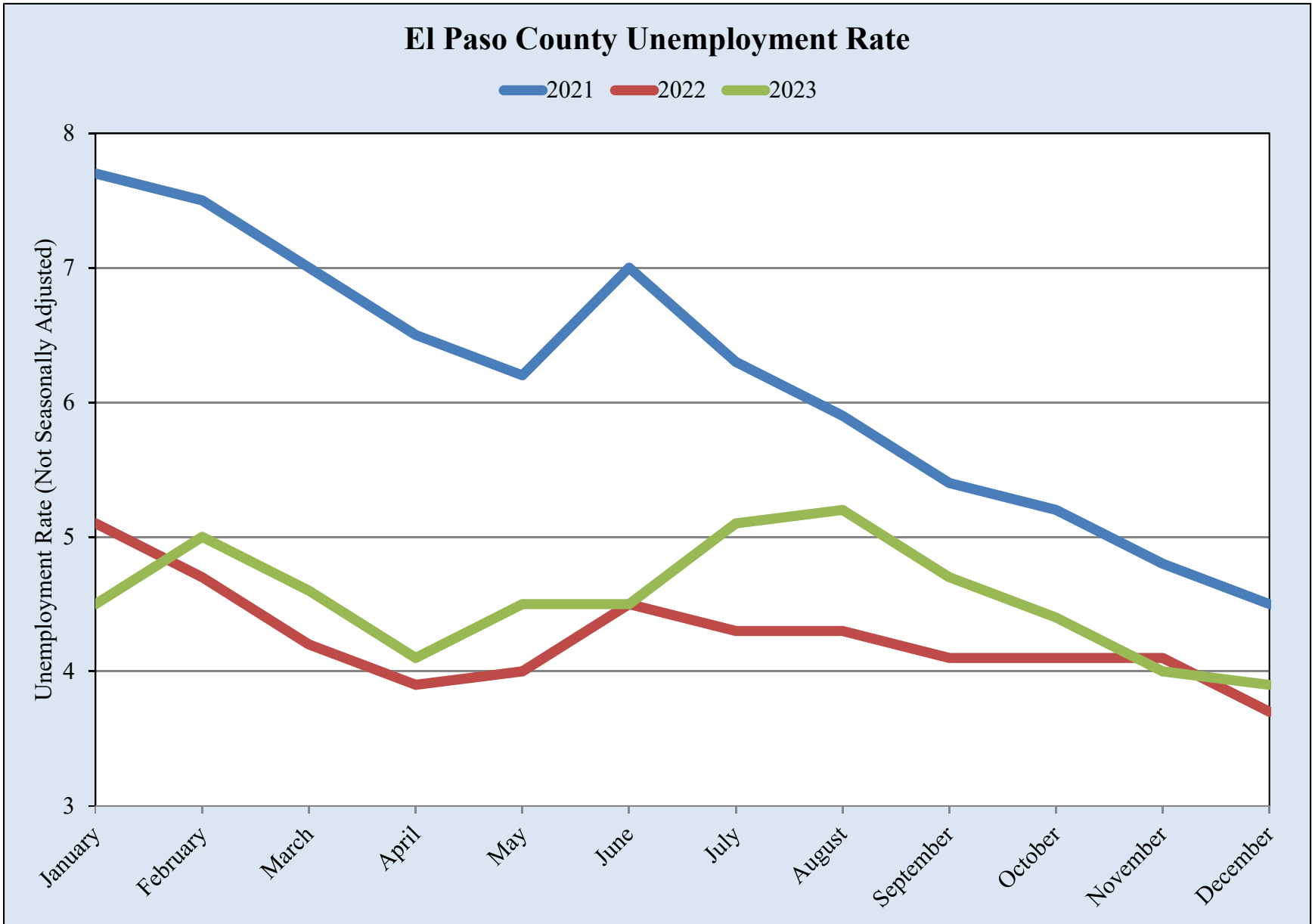
El Paso Household Economic Stress Index



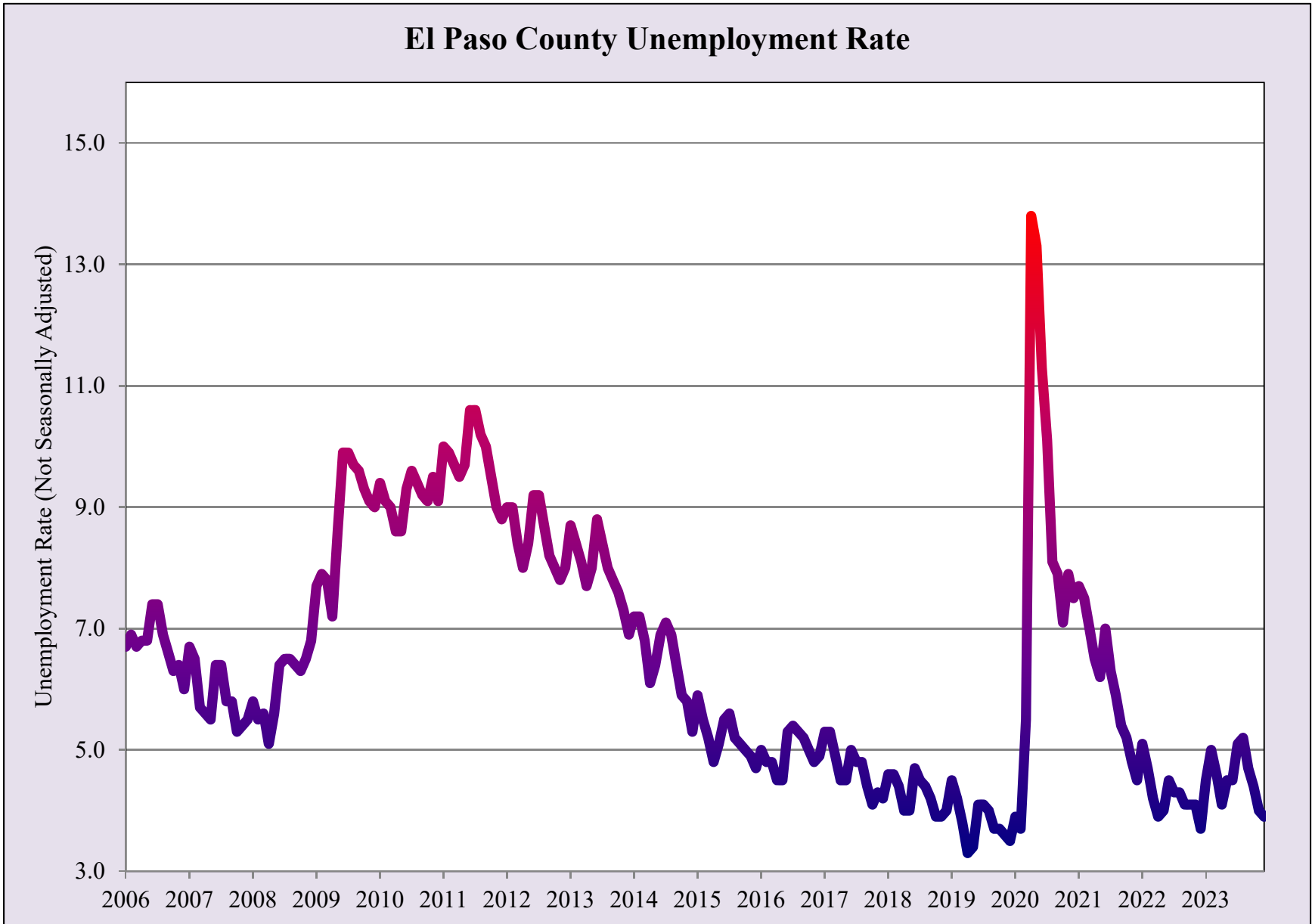
Source: UTEP Border Region Modeling Project



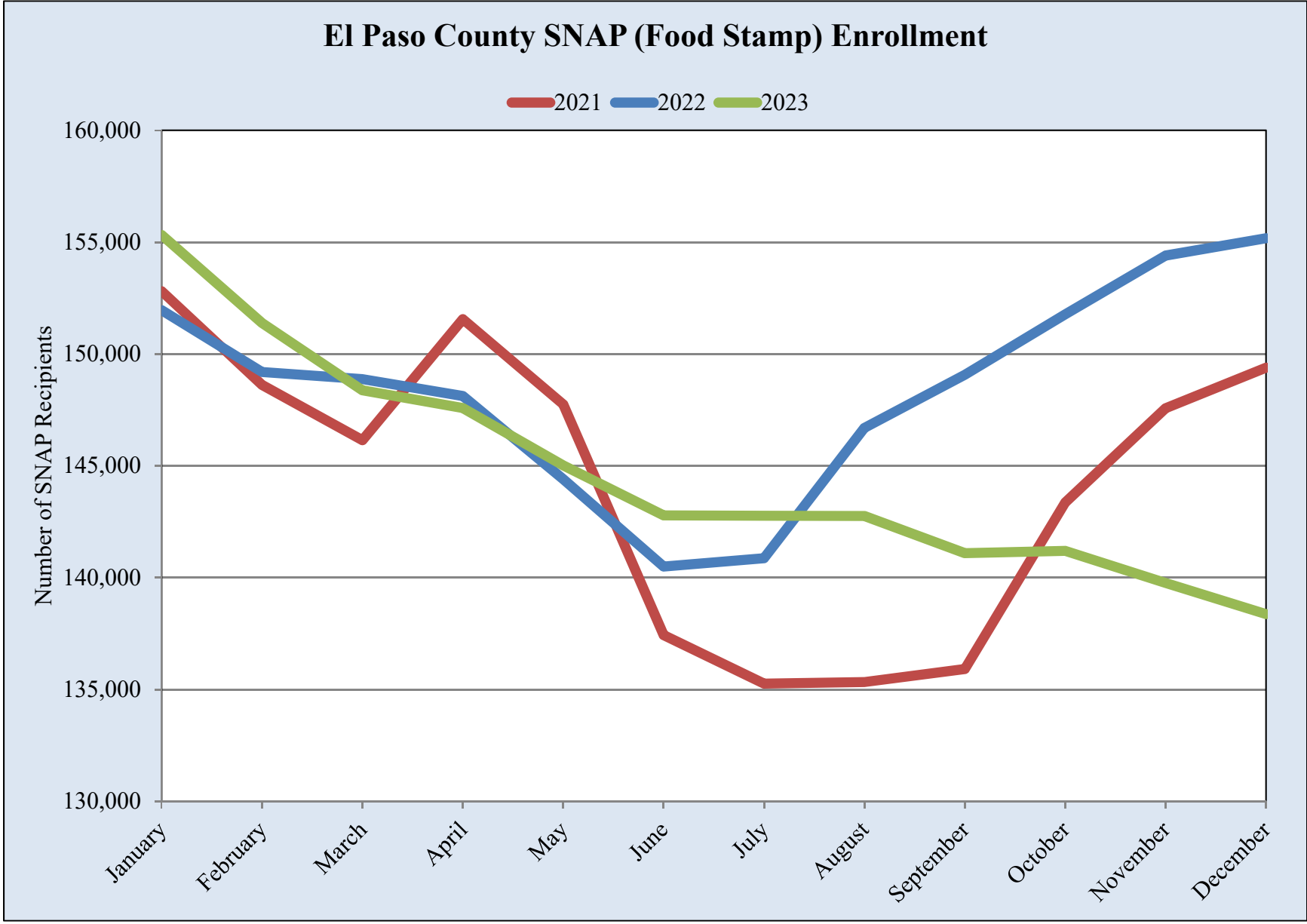
Source: UTEP Border Region Modeling Project



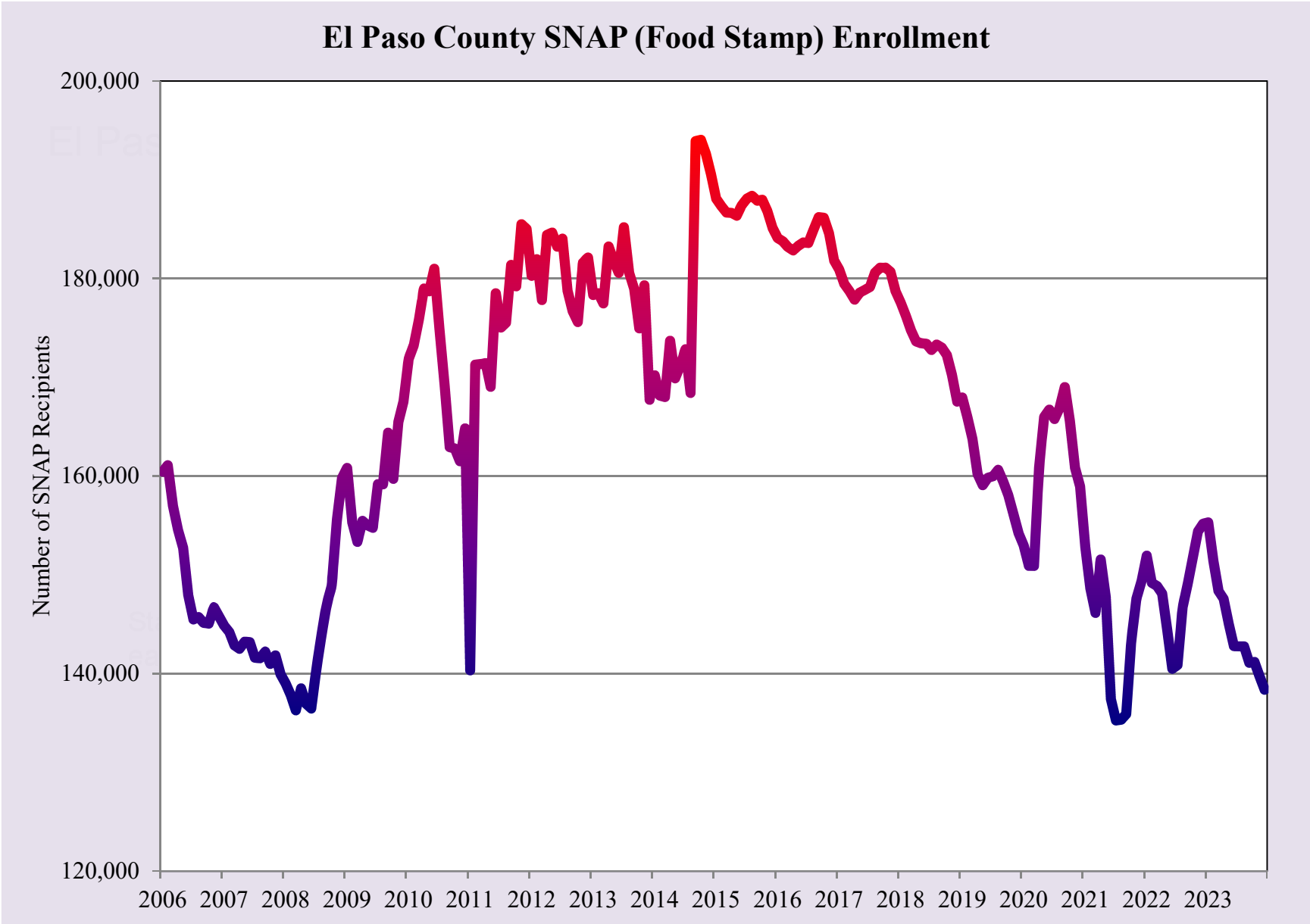
Source: UTEP Border Region Modeling Project using Bureau of Labor Statistics Data



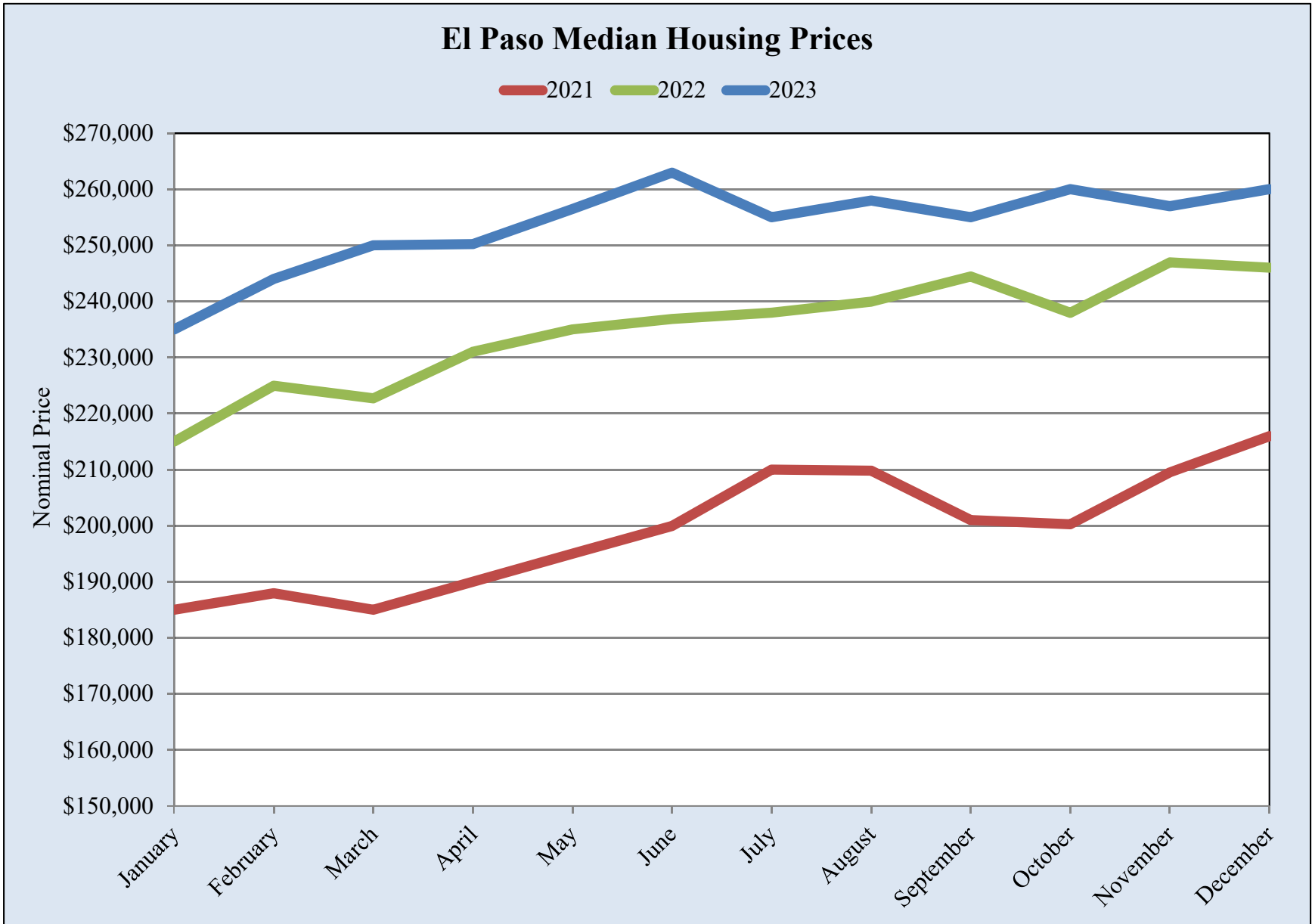
Source: UTEP Border Region Modeling Project using Bureau of Labor Statistics Data



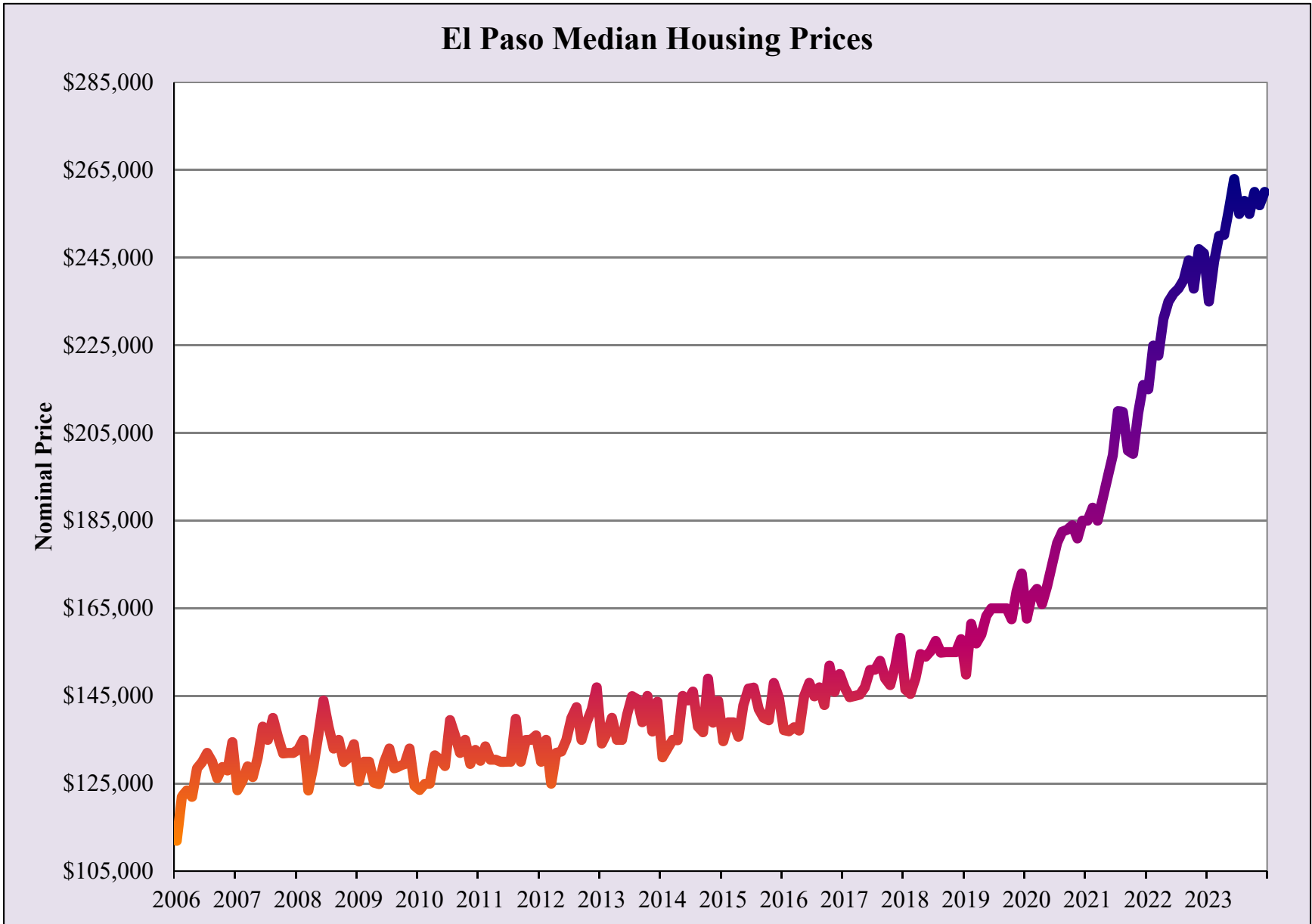
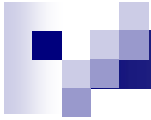
Source: UTEP Border Region Modeling Project using Texas Health and Human Services Commission



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Source: UTEP Border Region Modeling Project using Texas A&M Real Estate Center Data

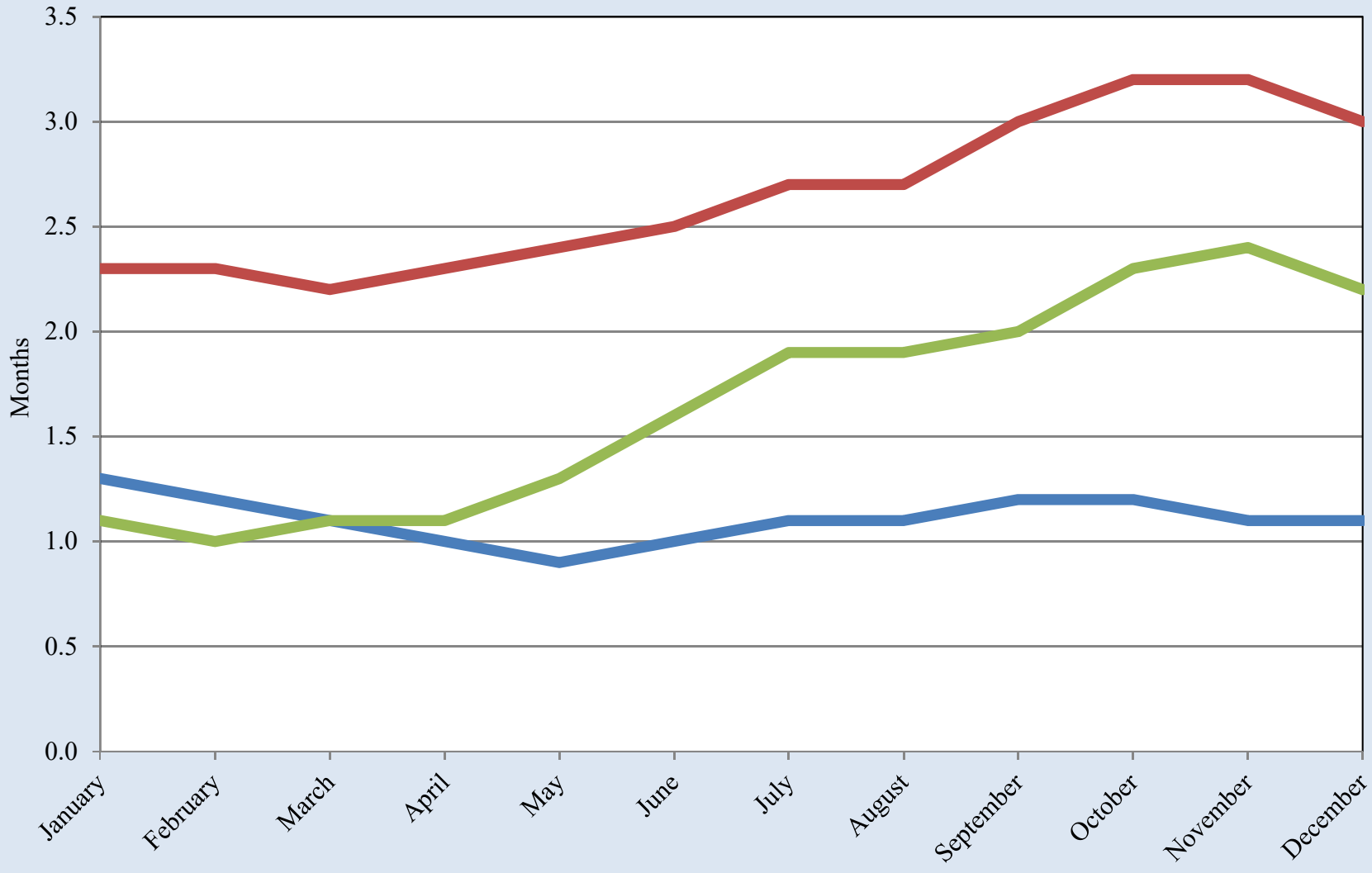


Source: UTEP Border Region Modeling Project using Texas A&M Real Estate Center Data

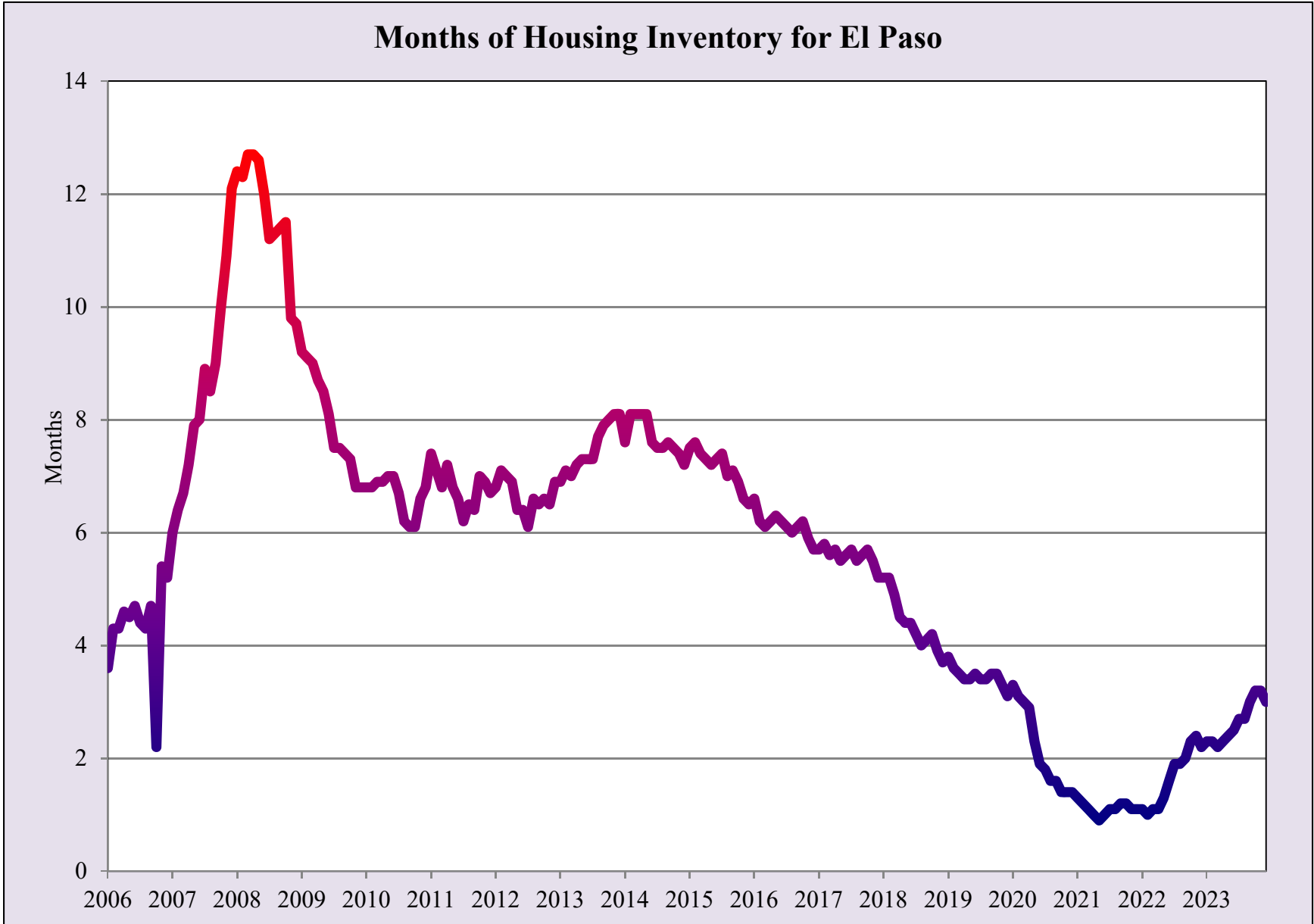
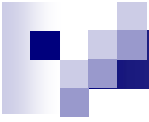


Months of Housing Inventory for El Paso

— 2021 — 2022 — 2023



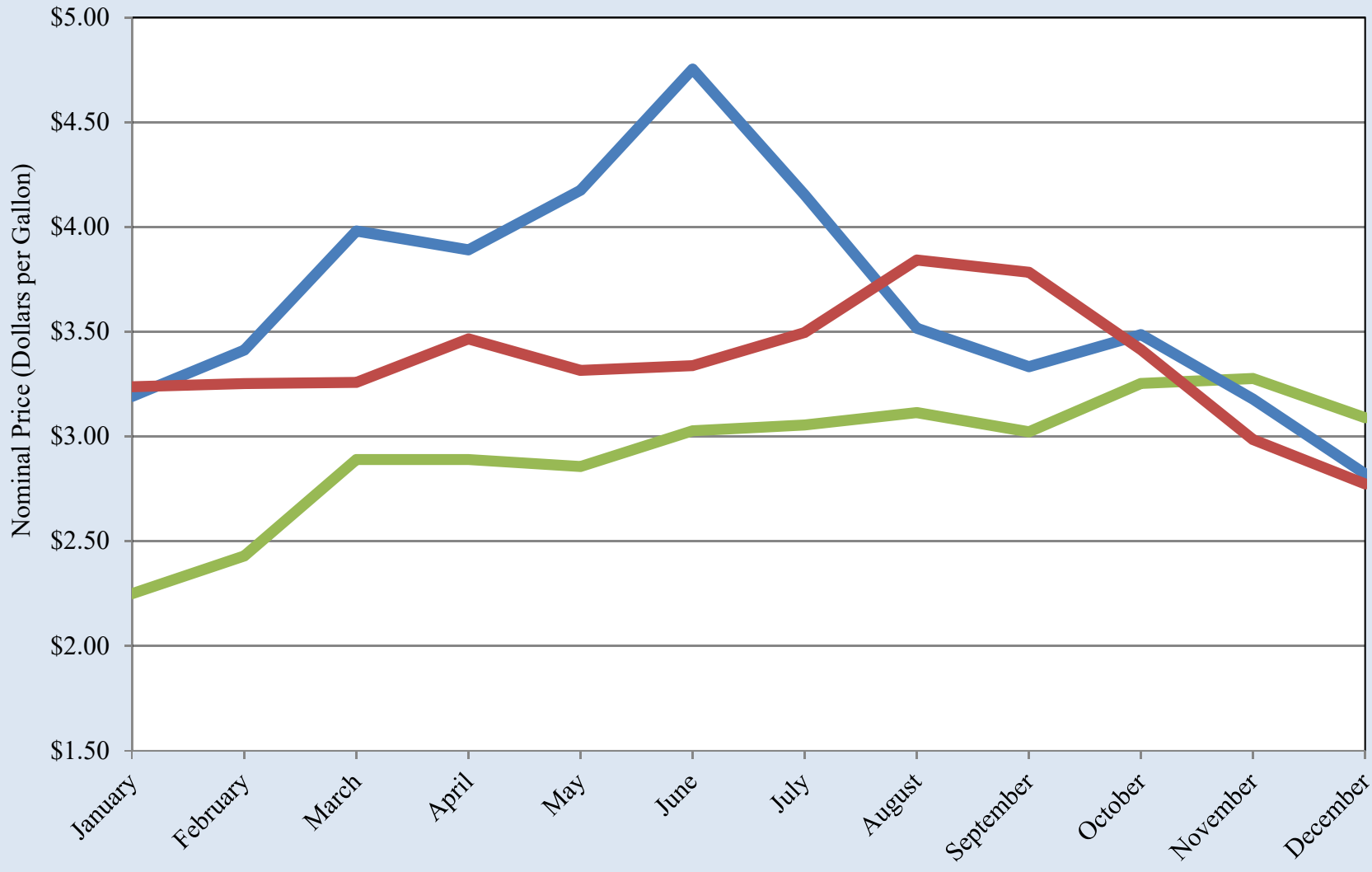
Source: UTEP Border Region Modeling Project using Texas A&M Real Estate Center Data



Source: UTEP Border Region Modeling Project using Texas A&M Real Estate Center Data

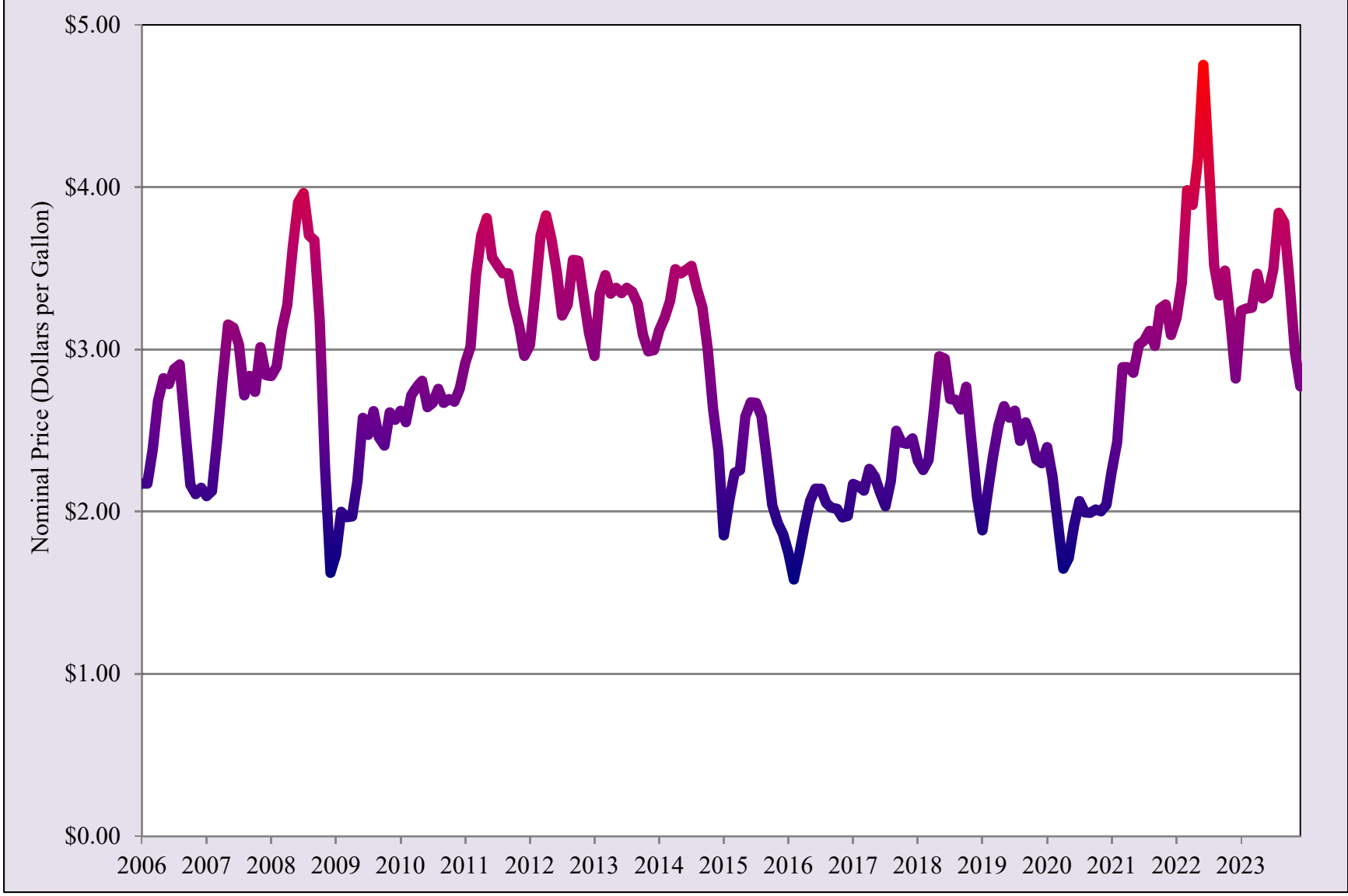
El Paso Gasoline Prices

2021 2022 2023



Source: UTEP Border Region Modeling Project using GasBuddy.com Data

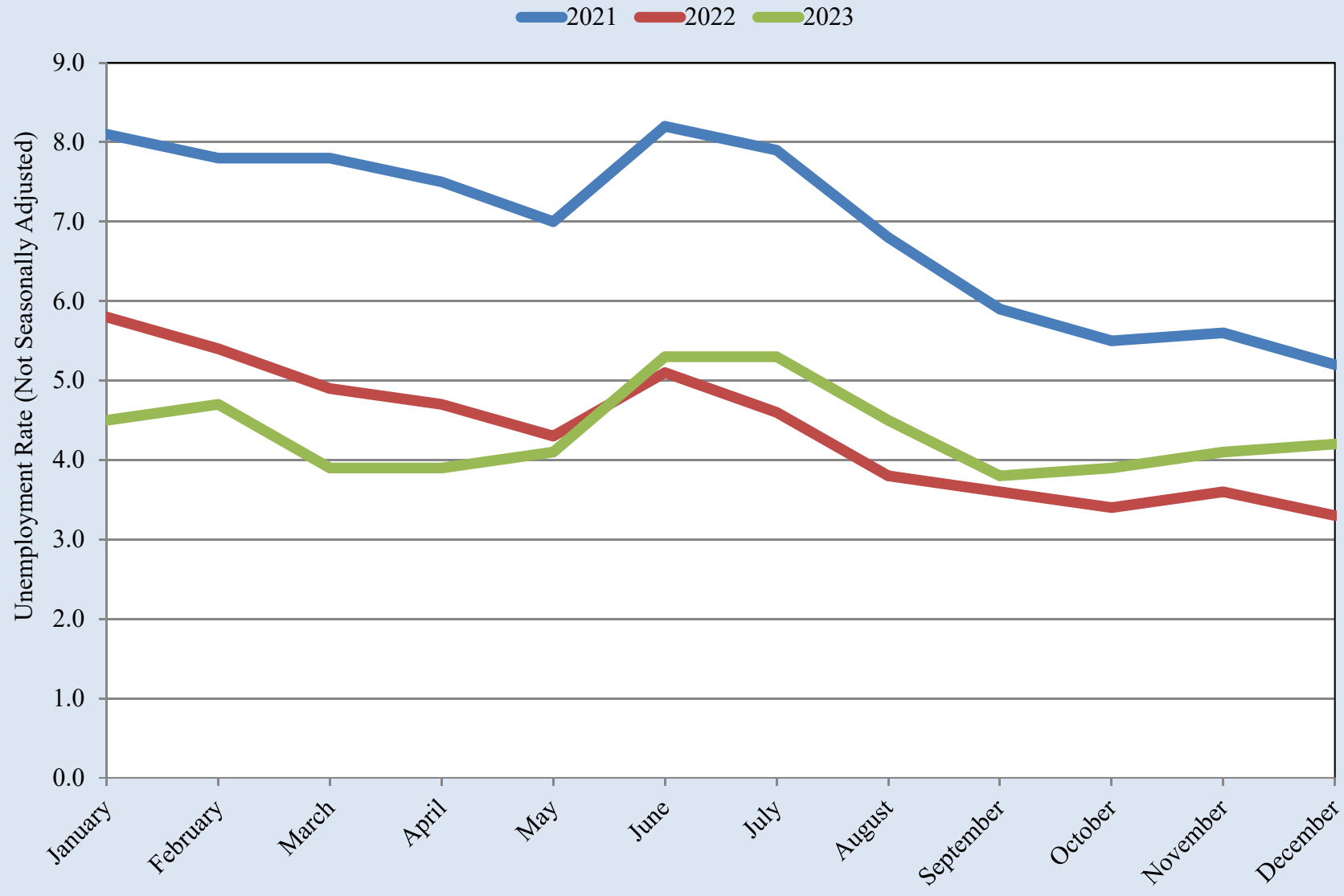
El Paso Gasoline Prices



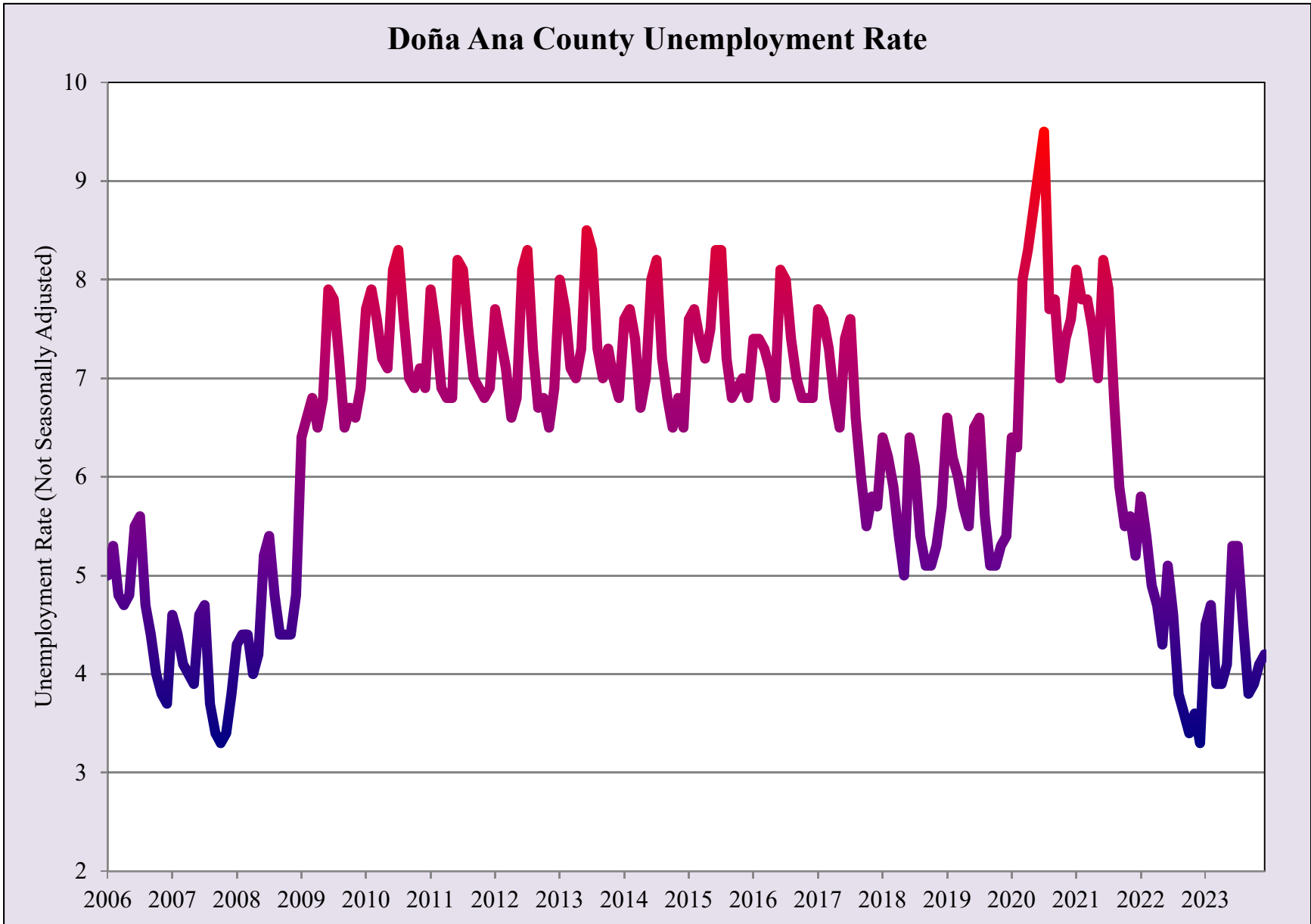
Source: UTEP Border Region Modeling Project using GasBuddy.com Data



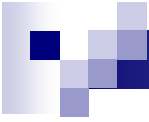
Doña Ana County Unemployment Rate



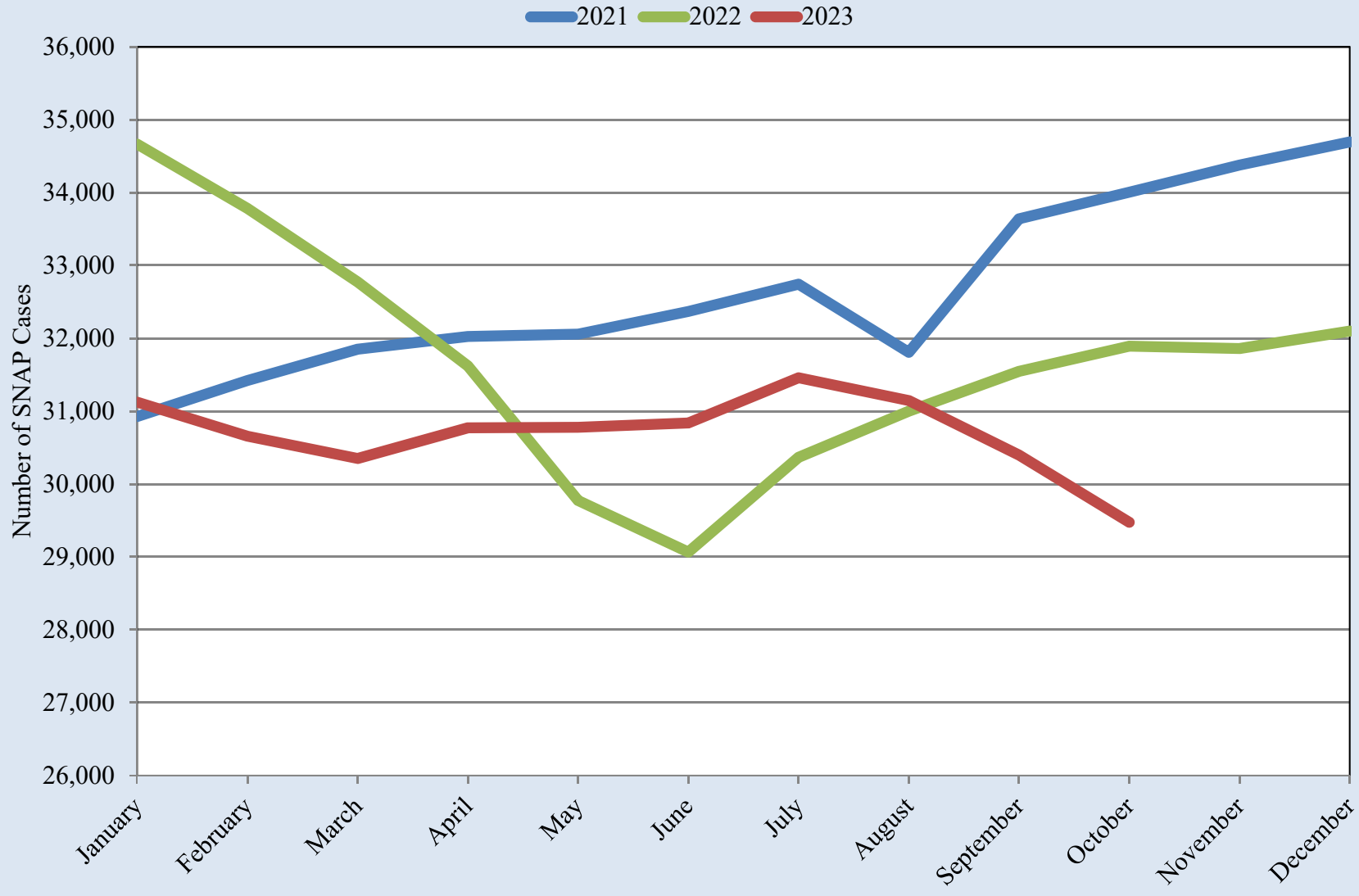
Source: UTEP Border Region Modeling Project using NM Workforce Data



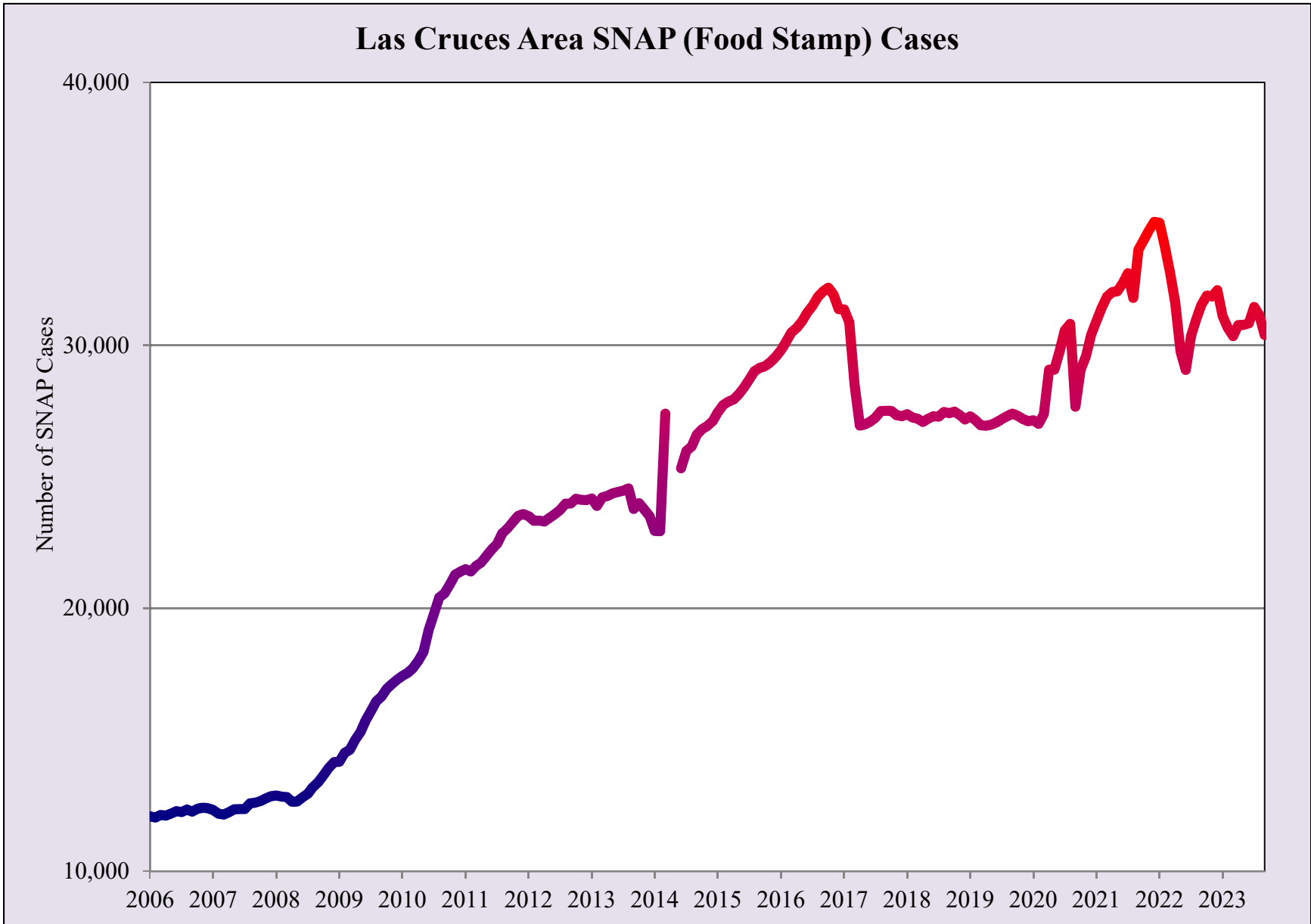
Source: UTEP Border Region Modeling Project using NM Workforce Data



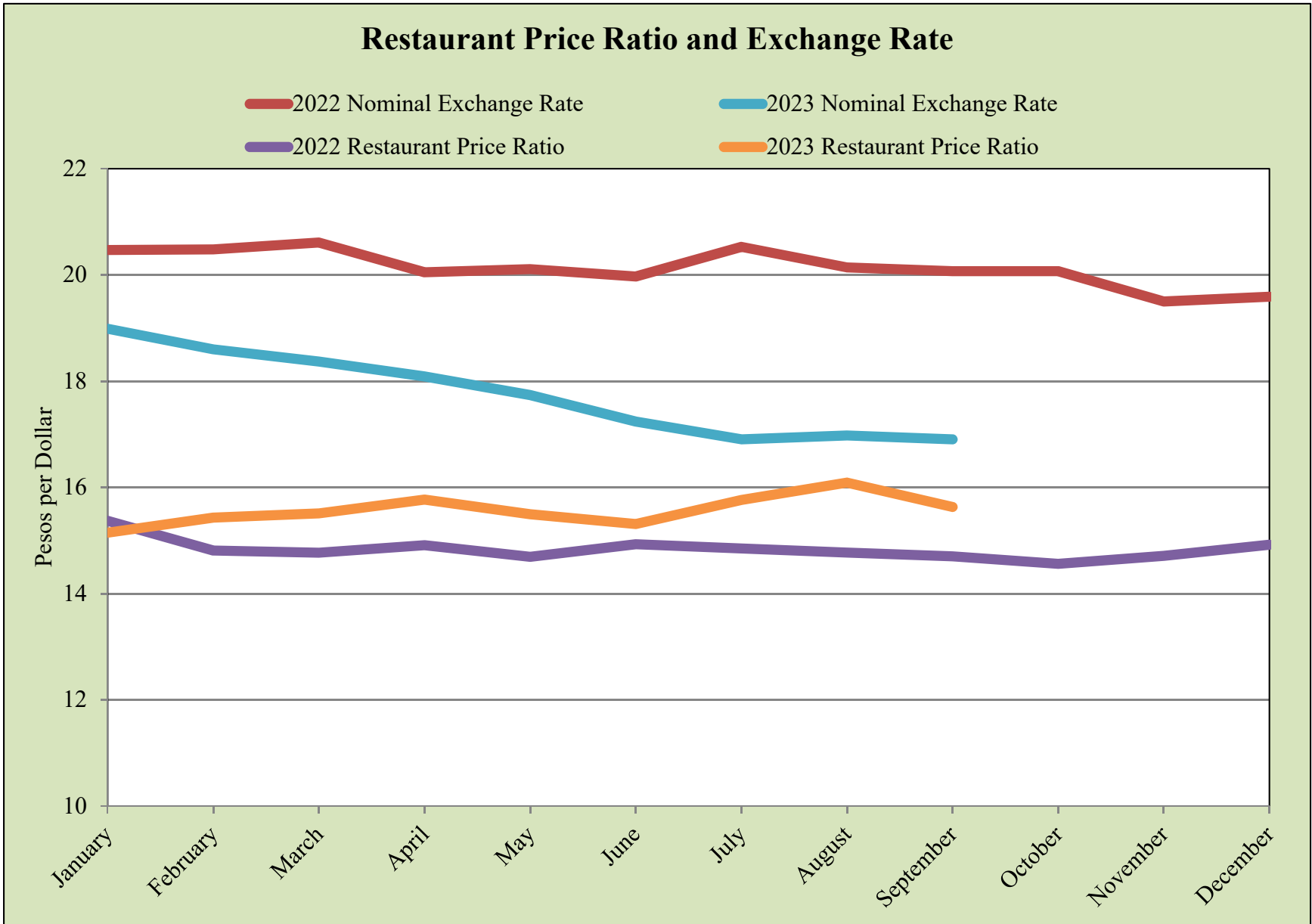
Las Cruces Area SNAP (Food Stamp) Cases



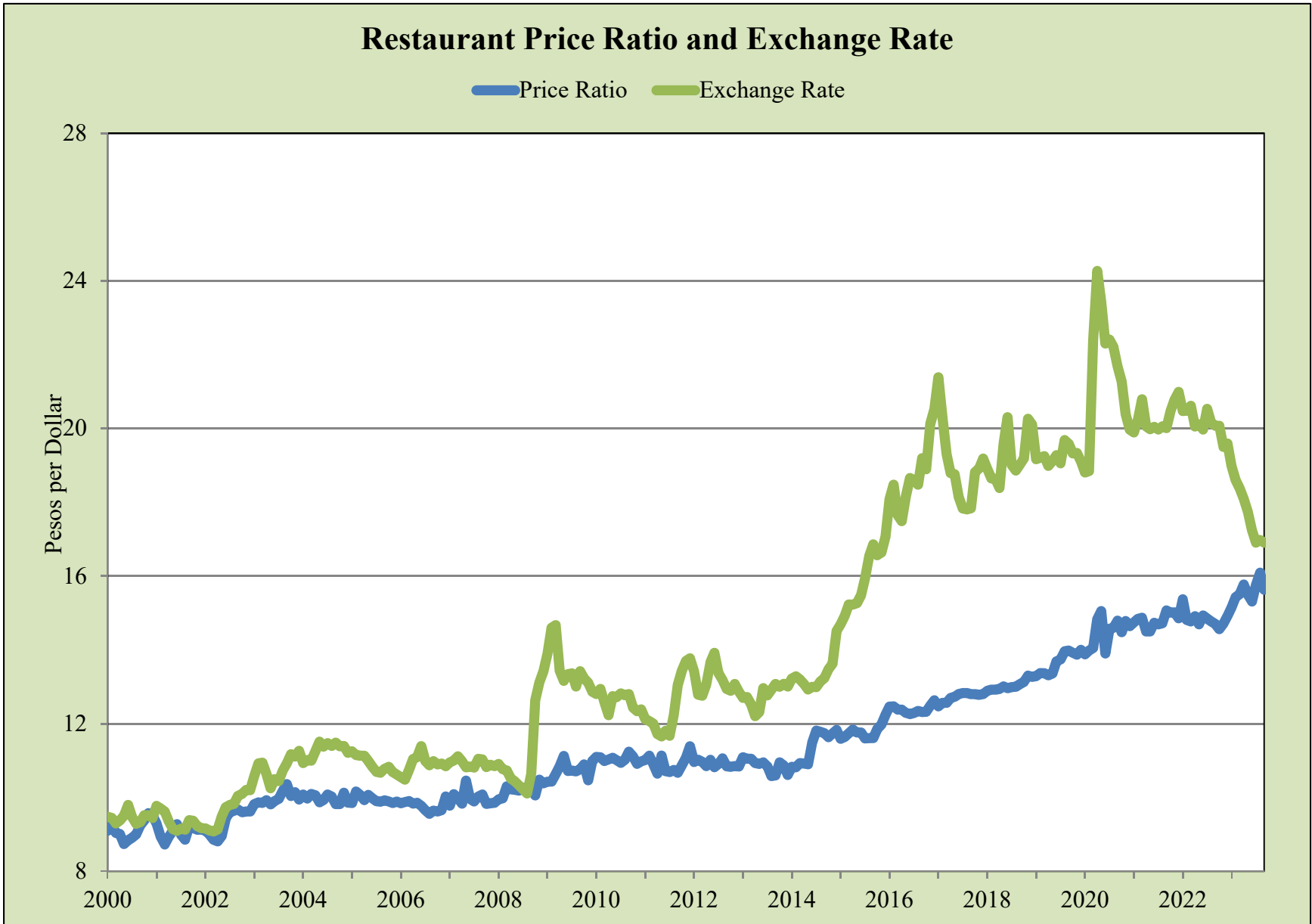
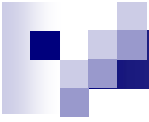
Source: UTEP Border Region Modeling Project using New Mexico Human Services Department Data



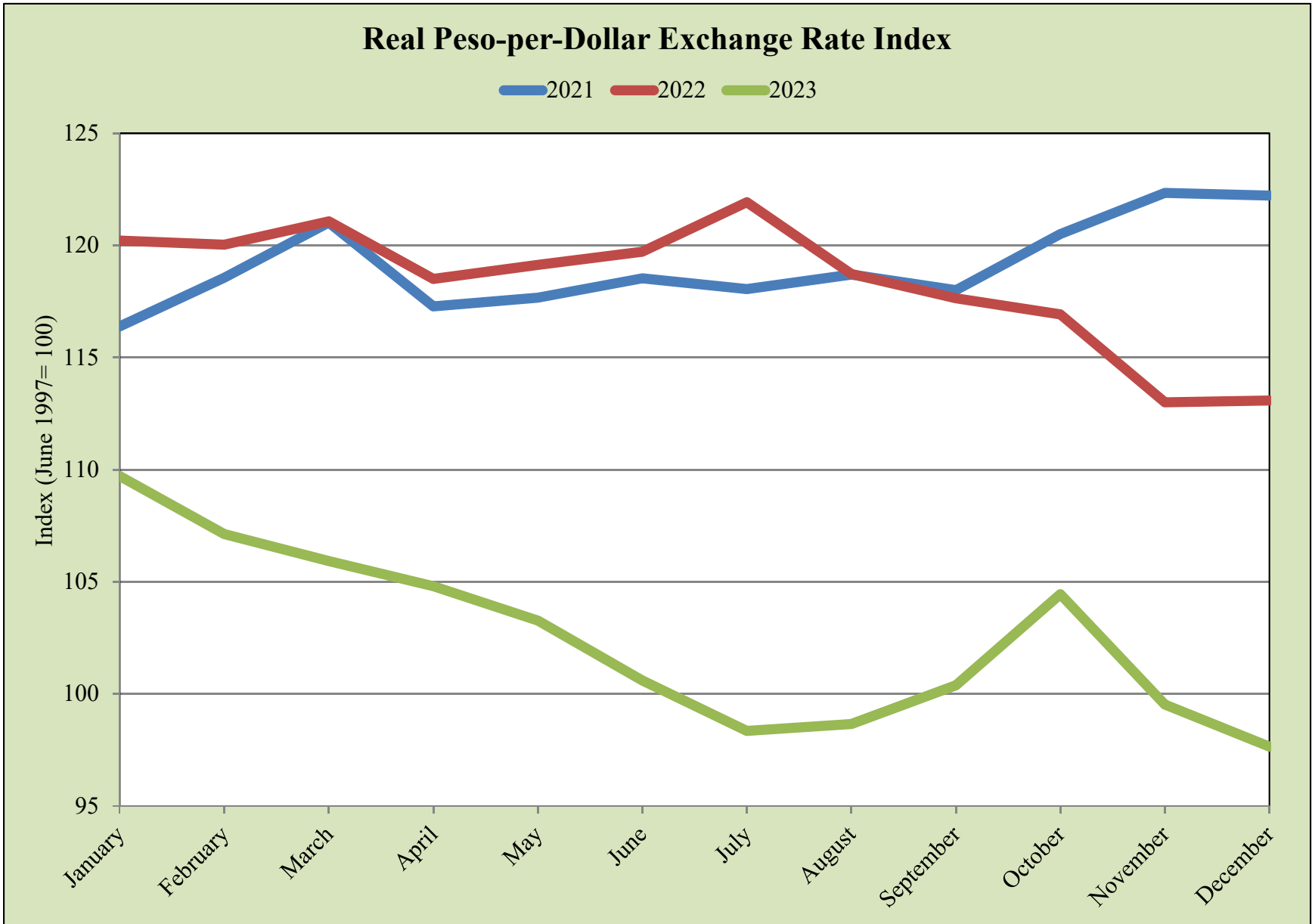
Source: UTEP Border Region Modeling Project using New Mexico Human Services Department Data



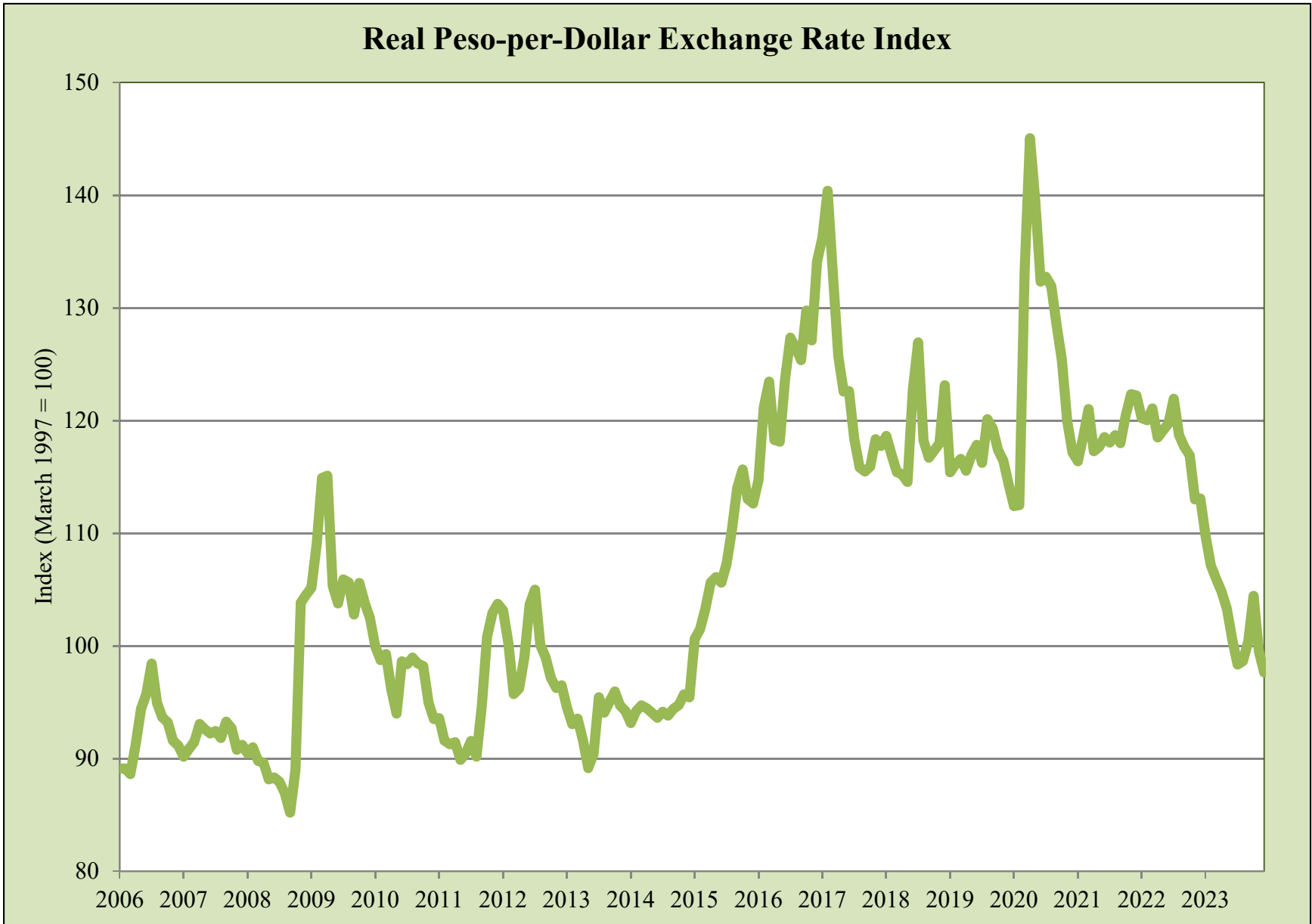
Source: UTEP Border Region Modeling Project using 85 identical franchise restaurant products sold on both sides of the border.



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



Source: UTEP Border Region Modeling Project



Source: UTEP Border Region Modeling Project

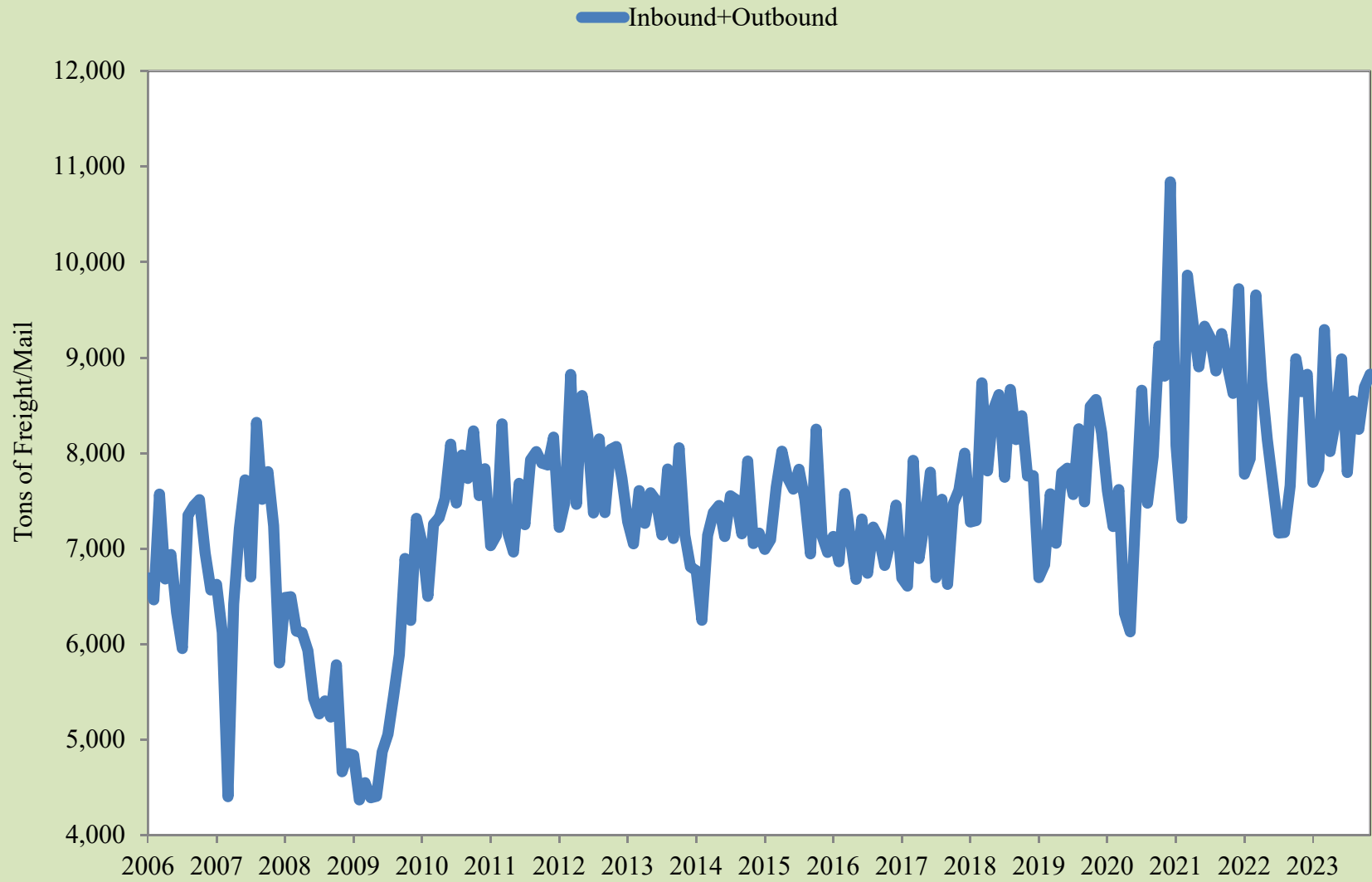
EPIA Freight and Mail



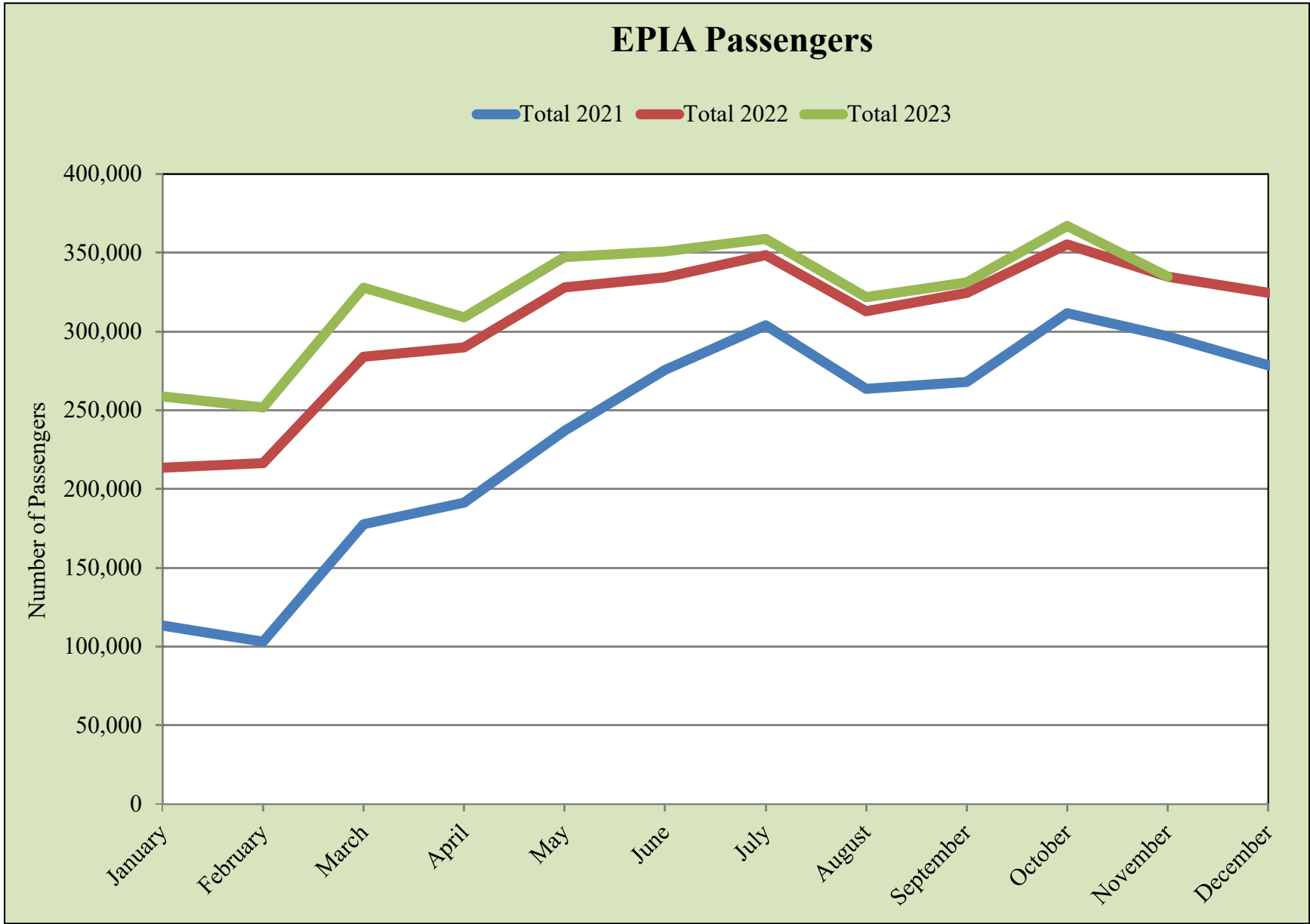
Source: UTEP Border Region Modeling Project using EPIA Operations Data



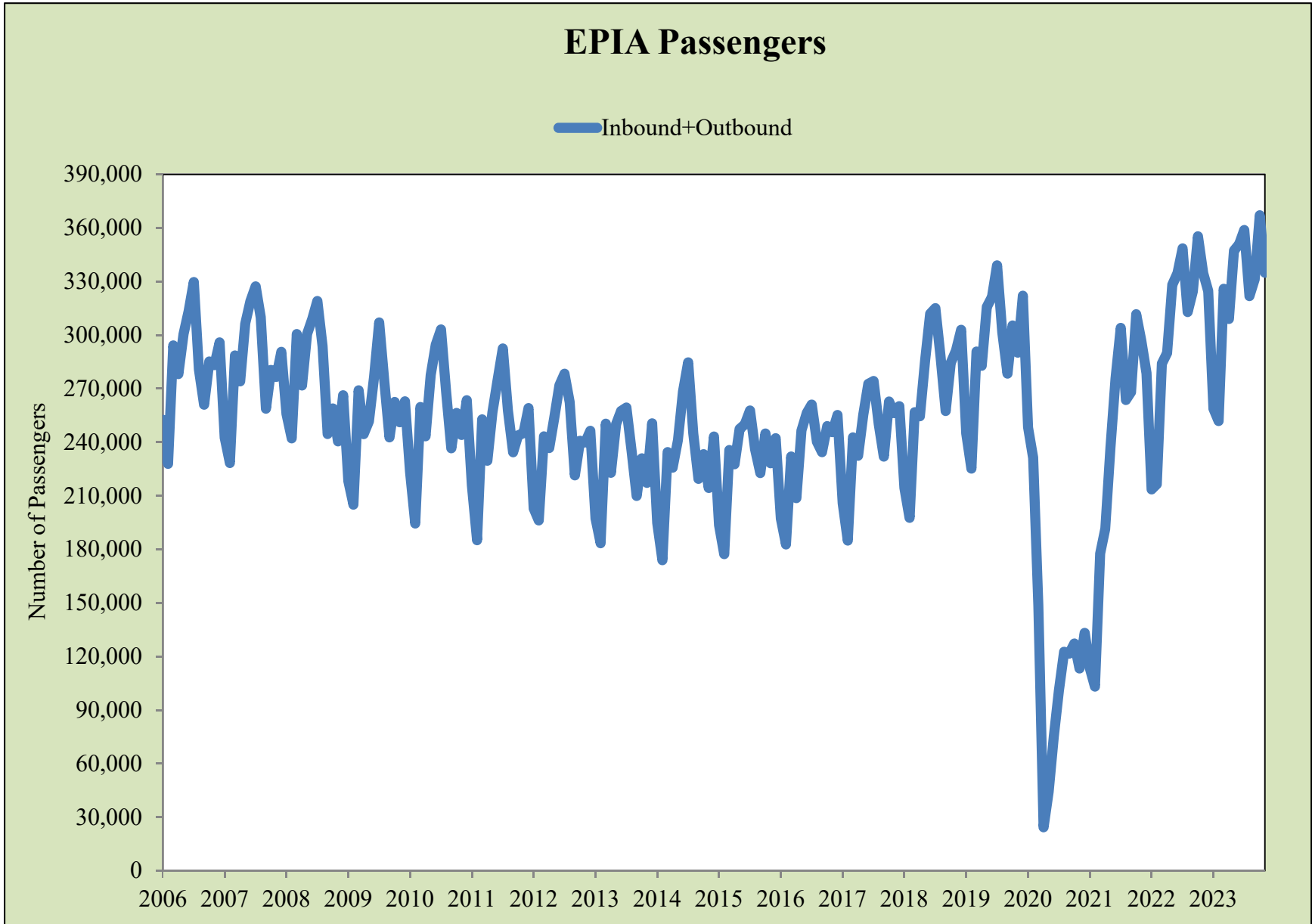
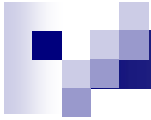
EPIA Freight and Mail



Source: UTEP Border Region Modeling Project using EPIA Operations Data



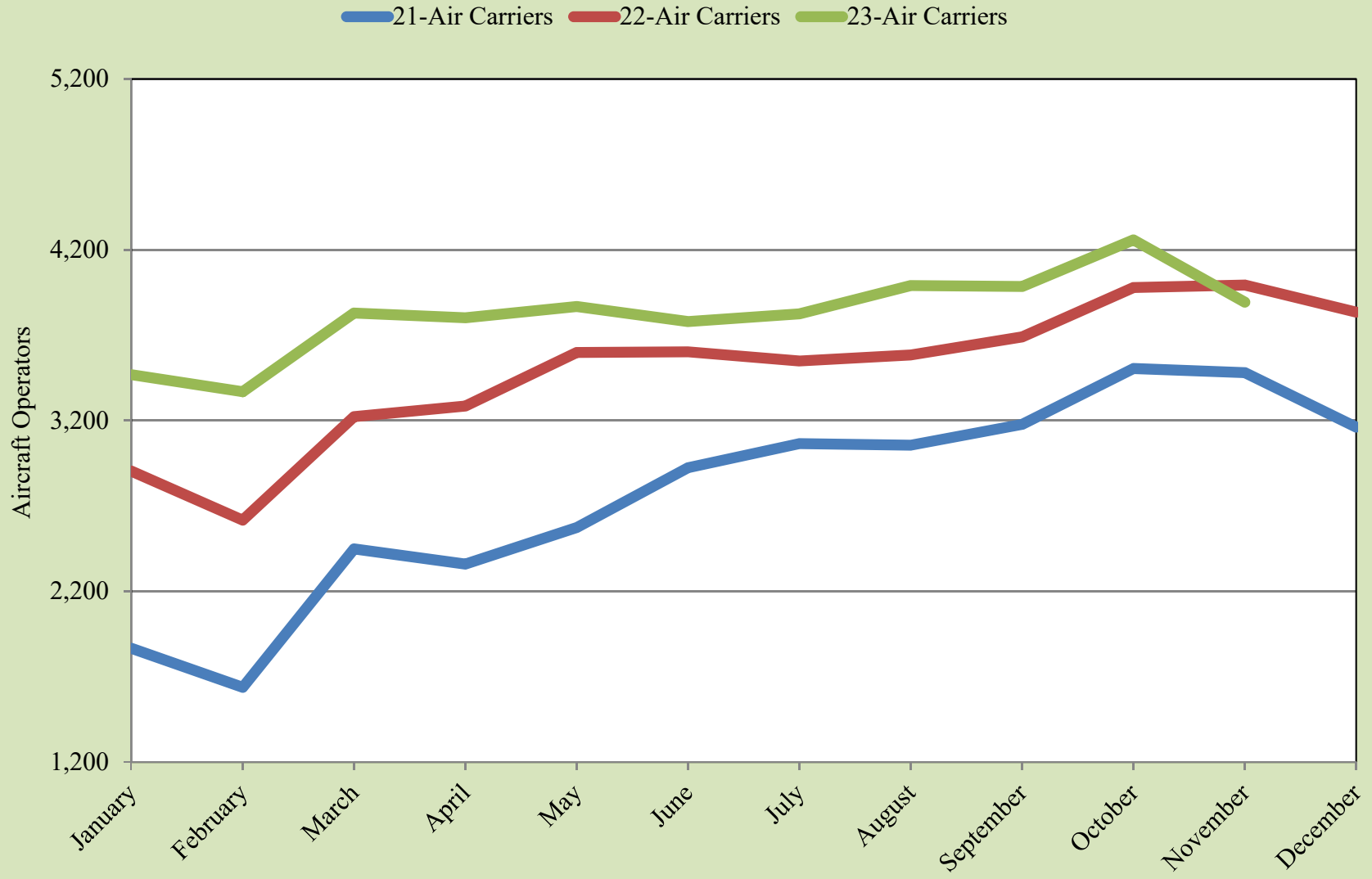
Source: UTEP Border Region Modeling Project using EPIA Operations Data



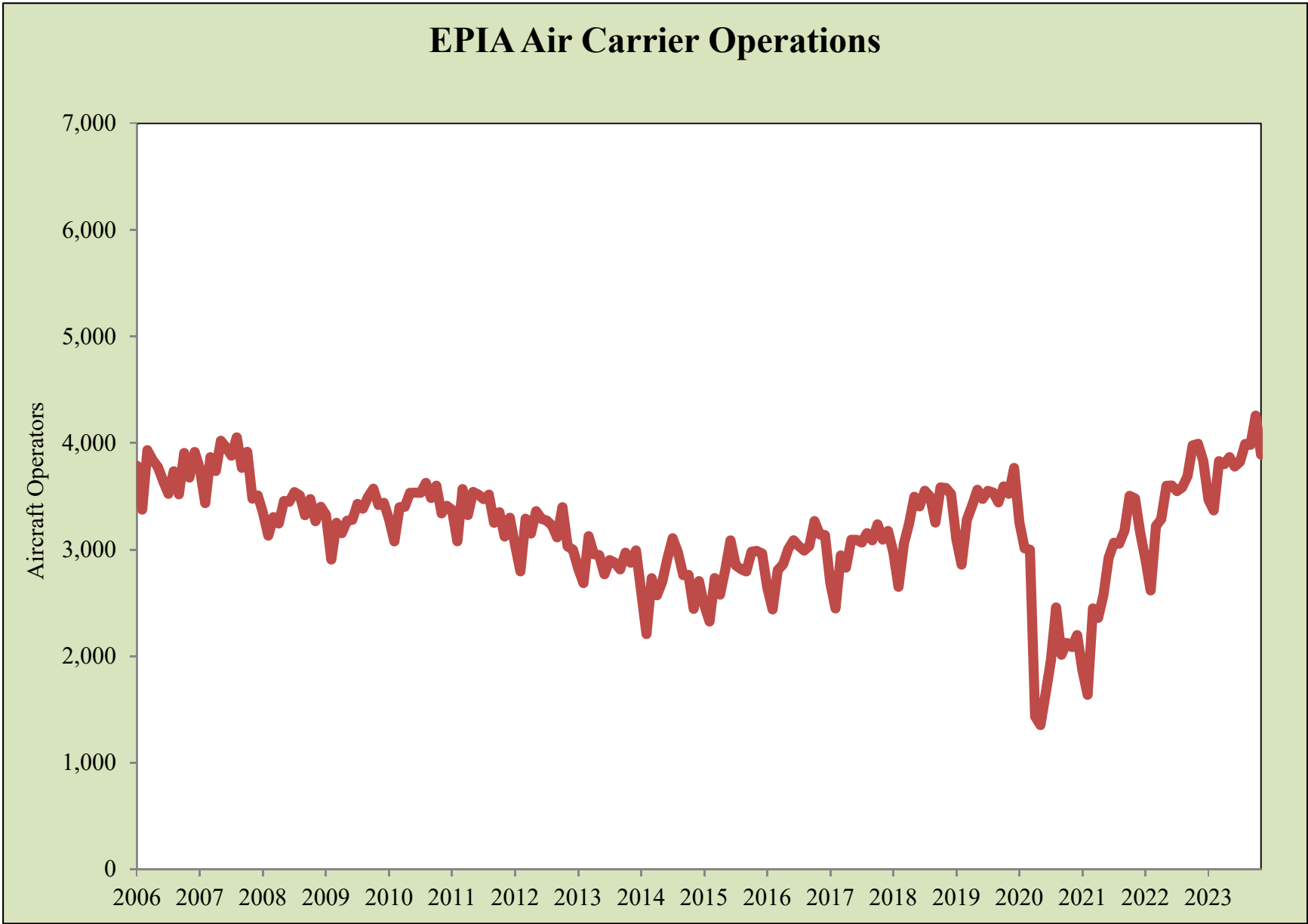
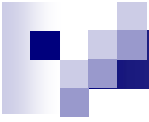
Source: UTEP Border Region Modeling Project using EPIA Operations Data



EPIA Air Carrier Operations



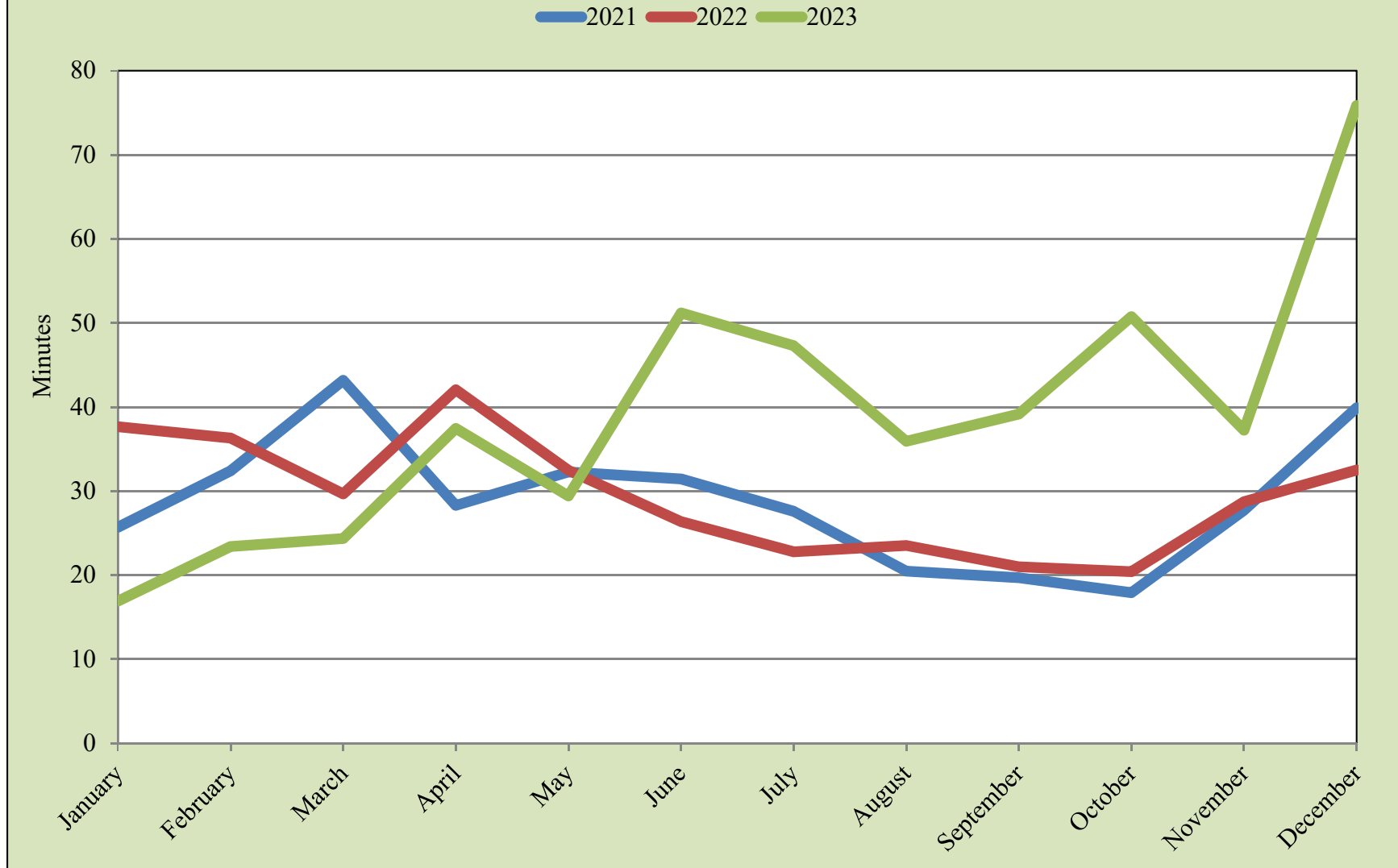
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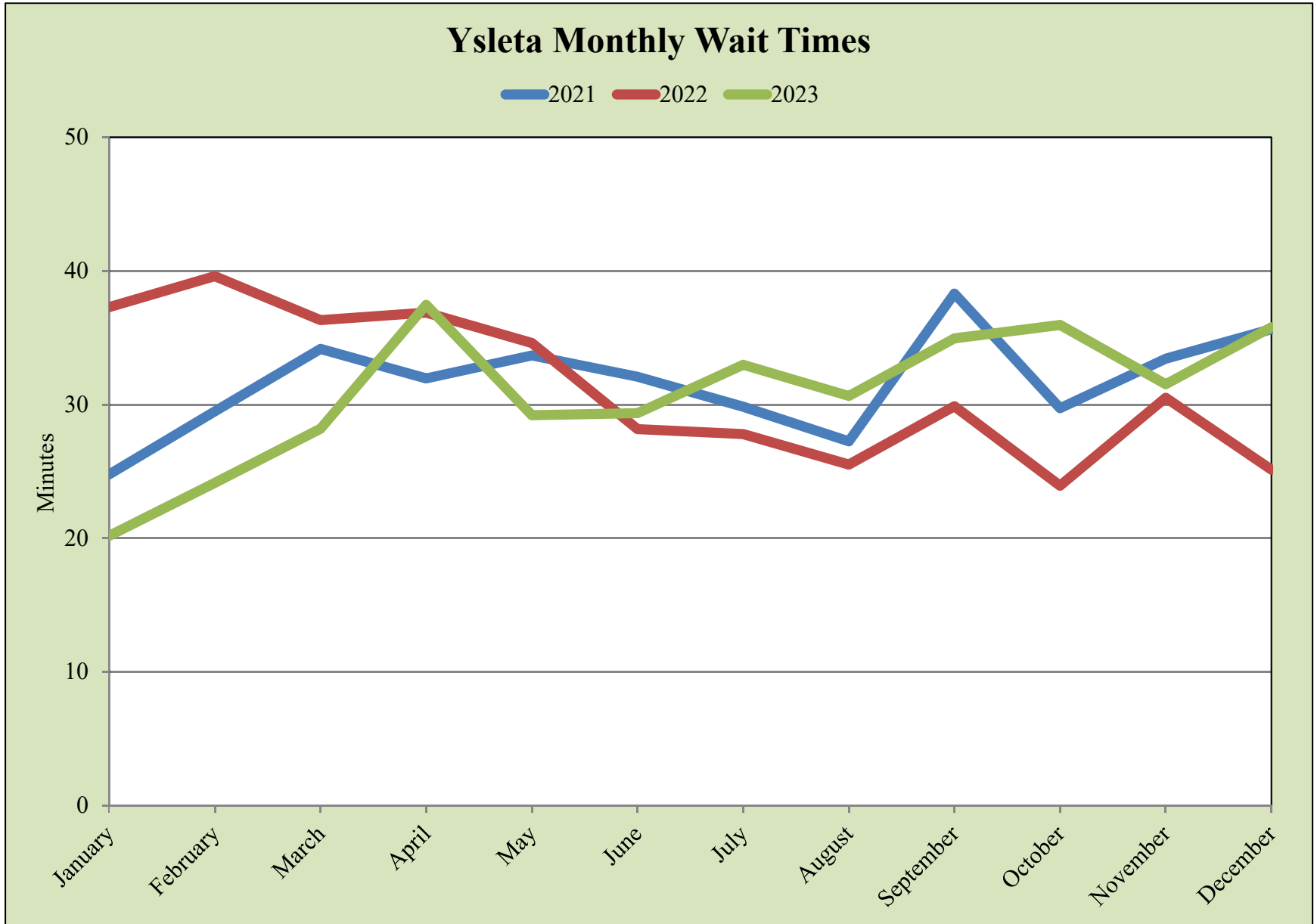
Source: UTEP Border Region Modeling Project using EPIA Operations Data



Paso del Norte Monthly Wait Times



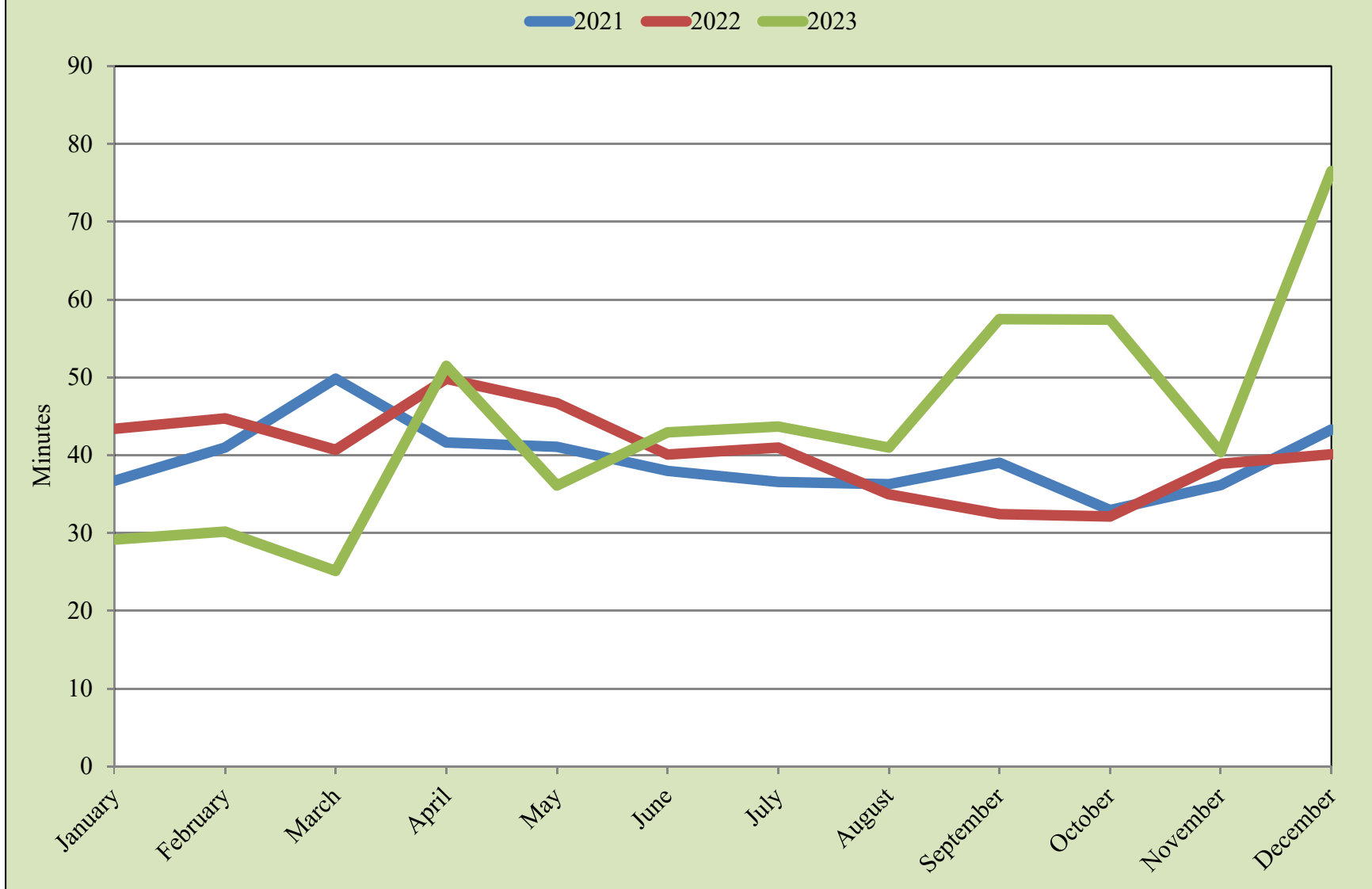
Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data



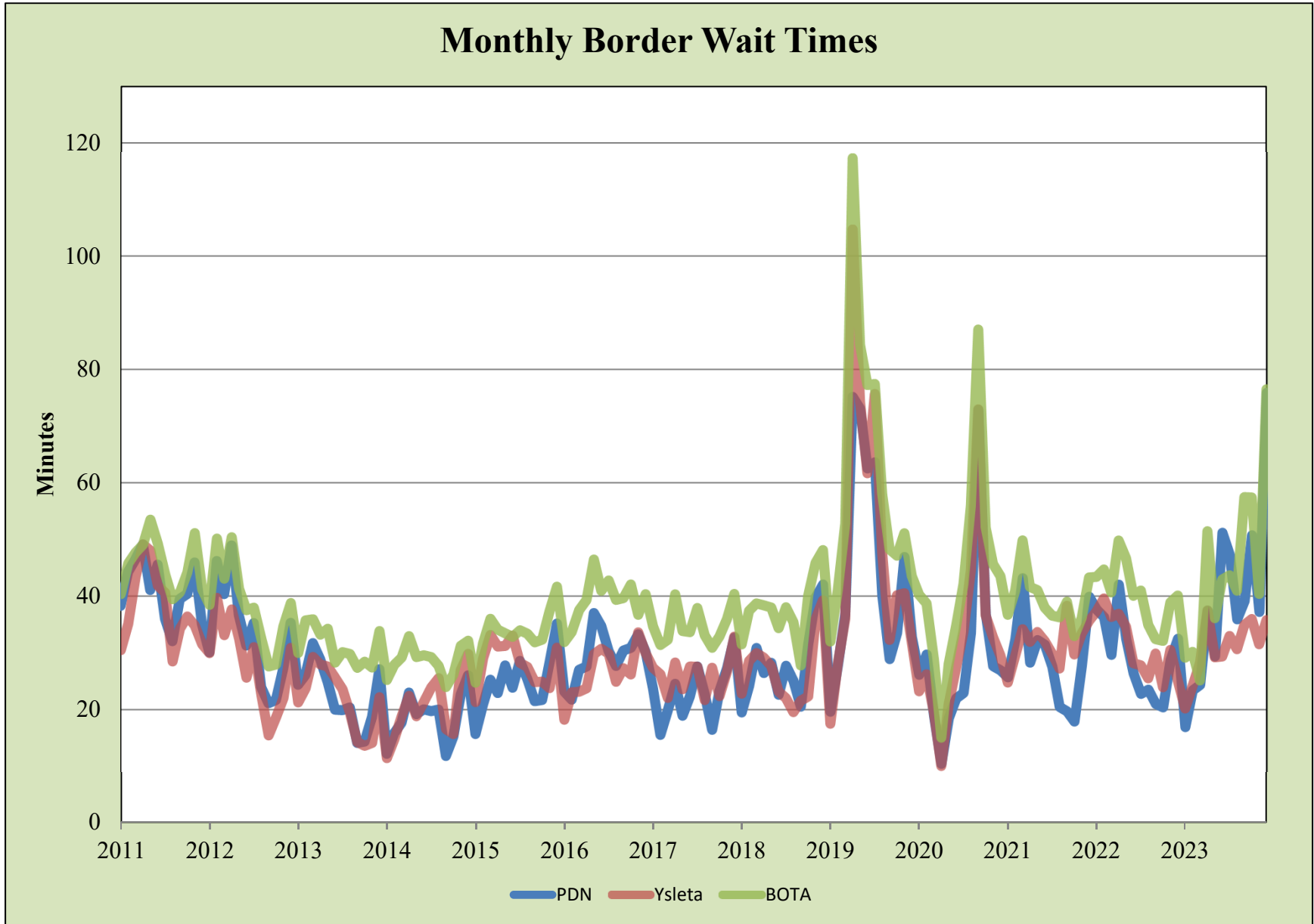
Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data



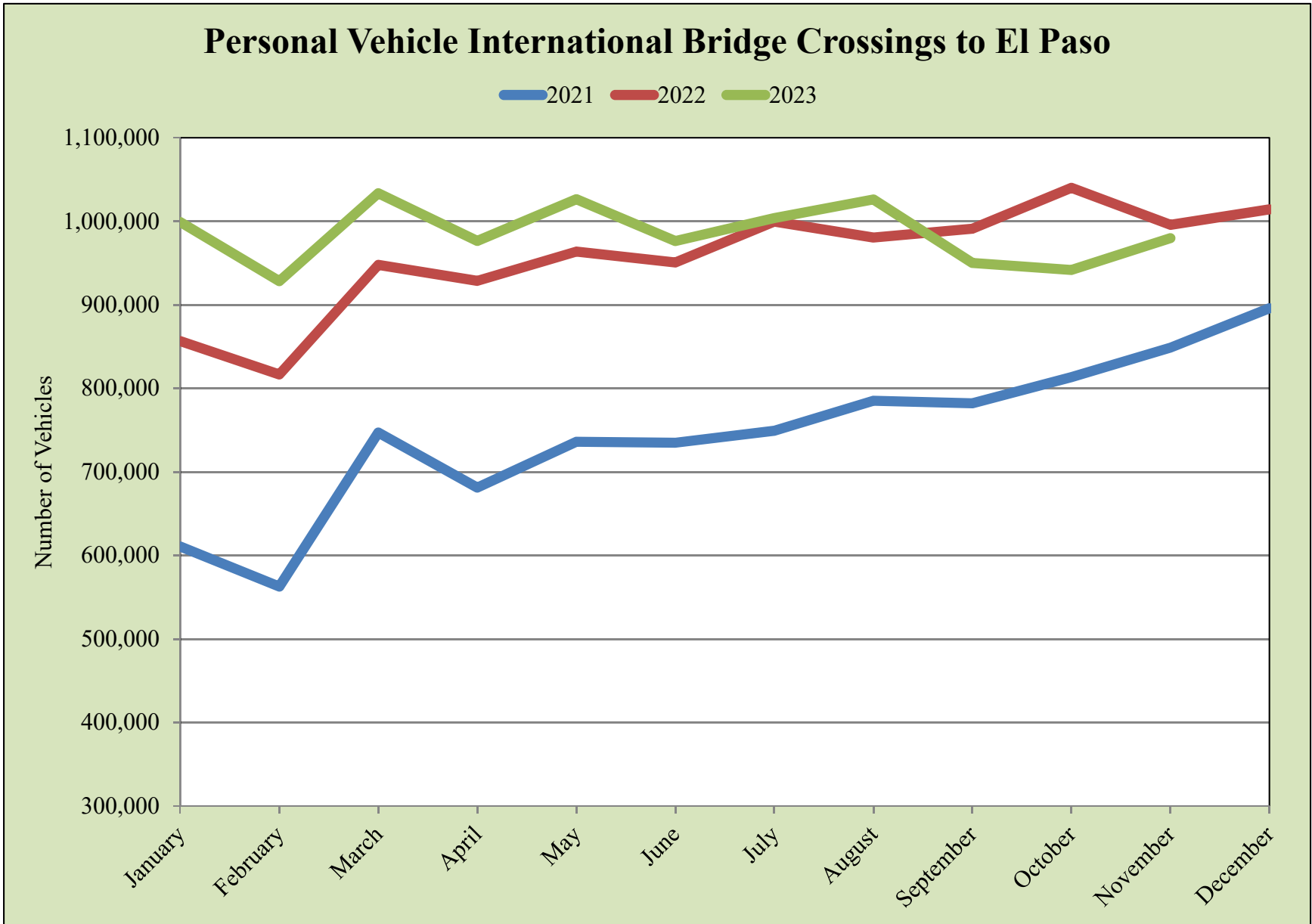
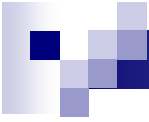
Bridge of the Americas Monthly Wait Times



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



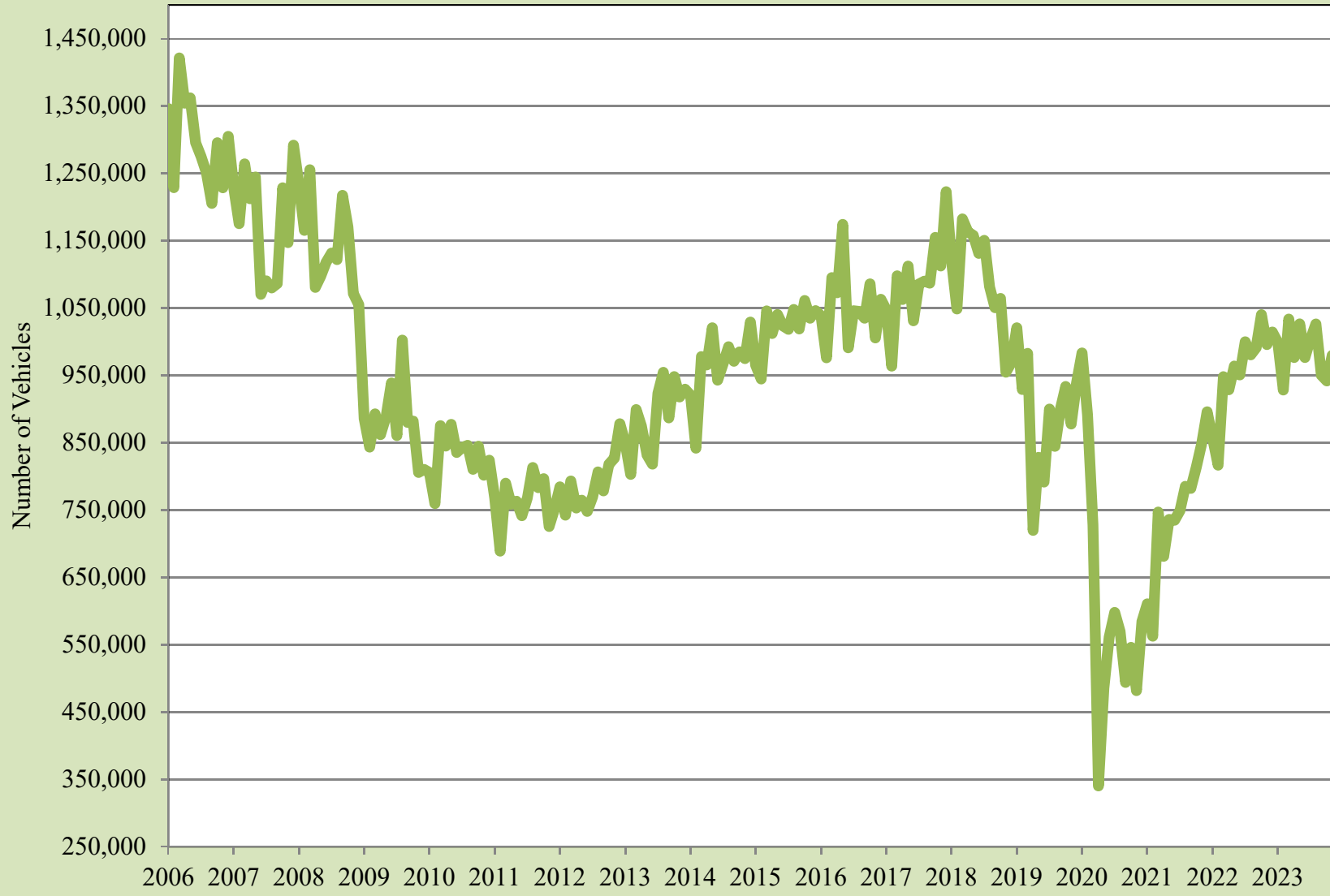
Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data



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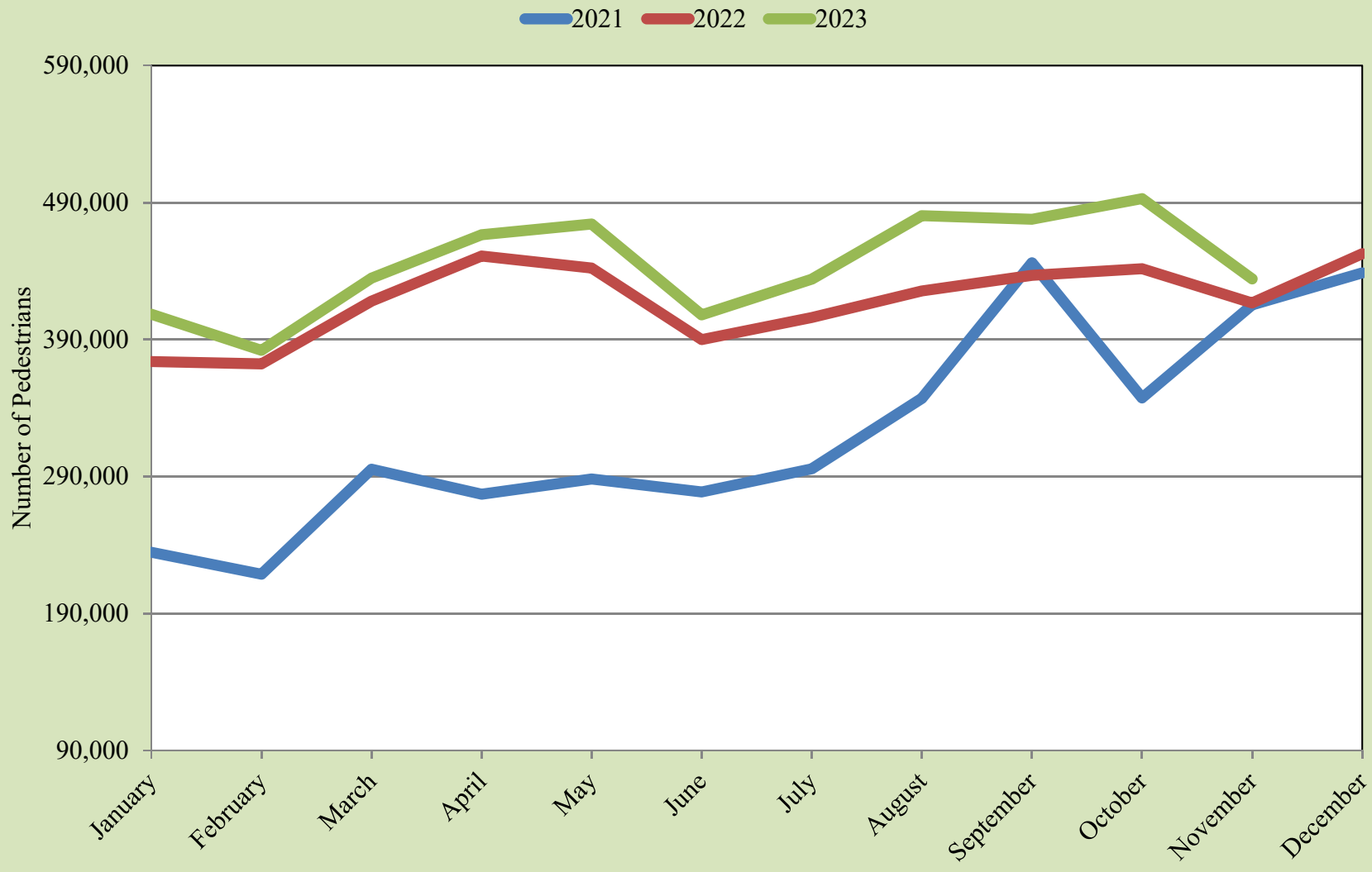
Personal Vehicle International Bridge Crossings to El Paso



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



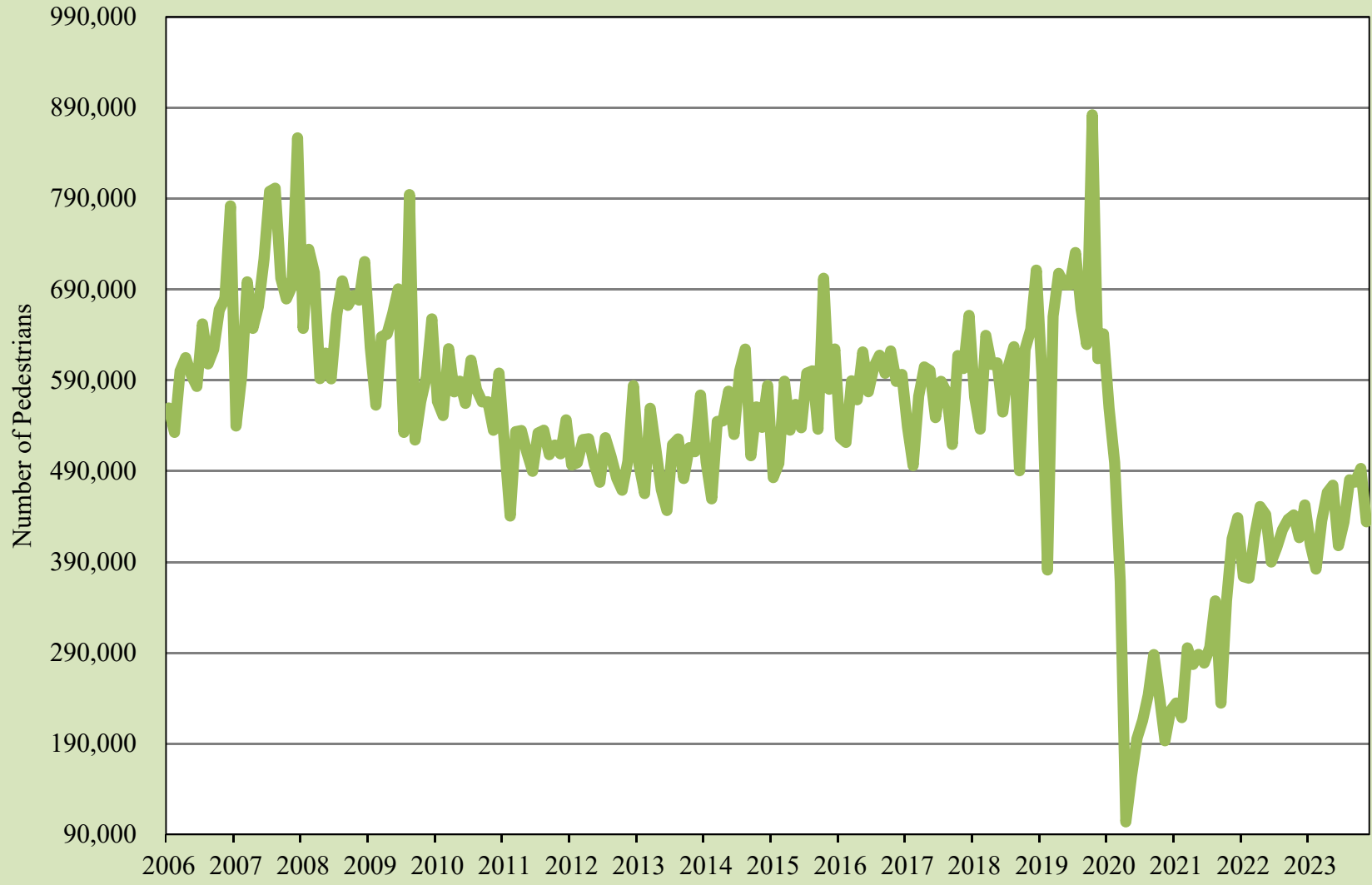
Pedestrian International Bridge Crossings to El Paso



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



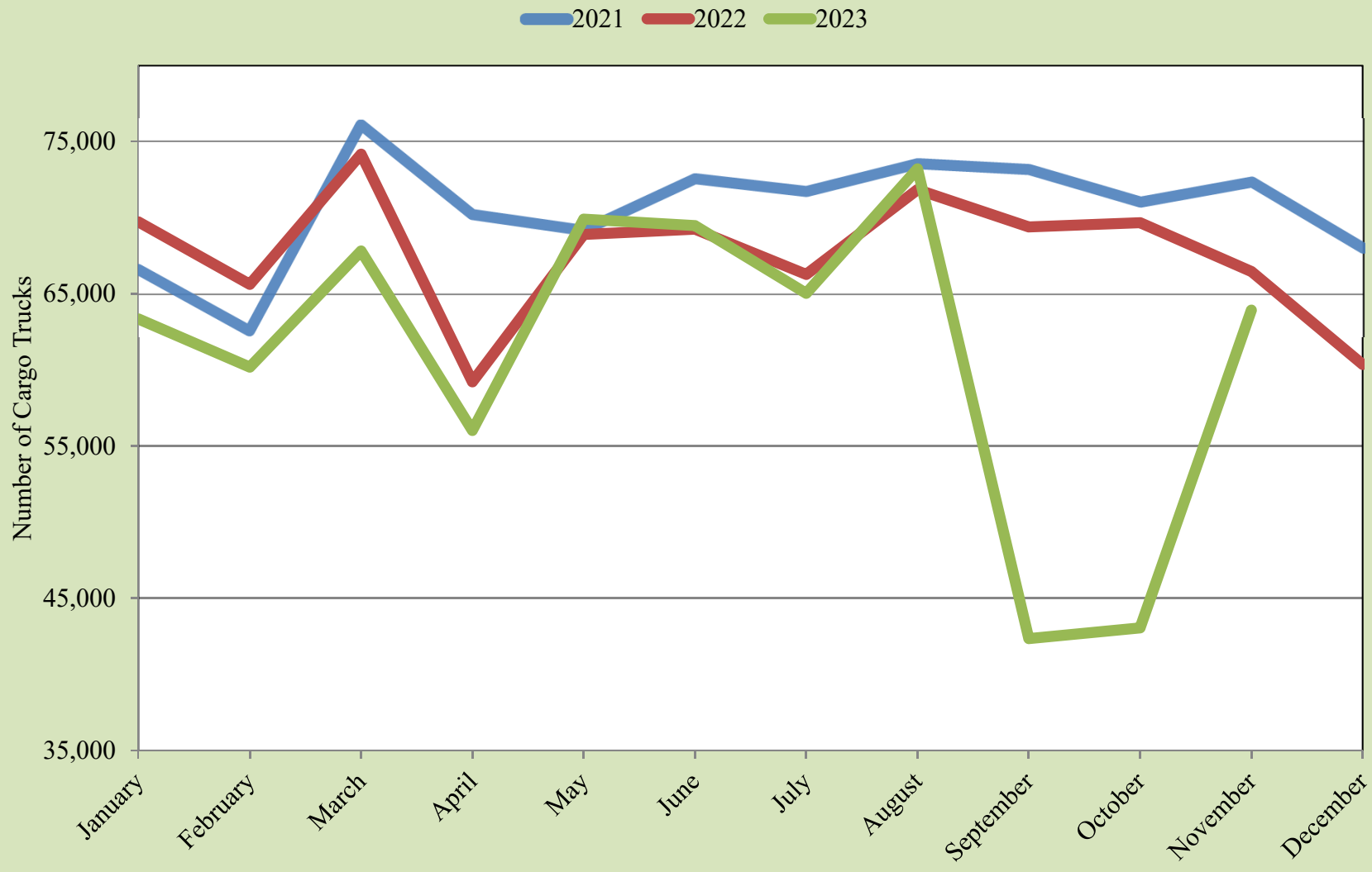
Pedestrian International Bridge Crossings to El Paso



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



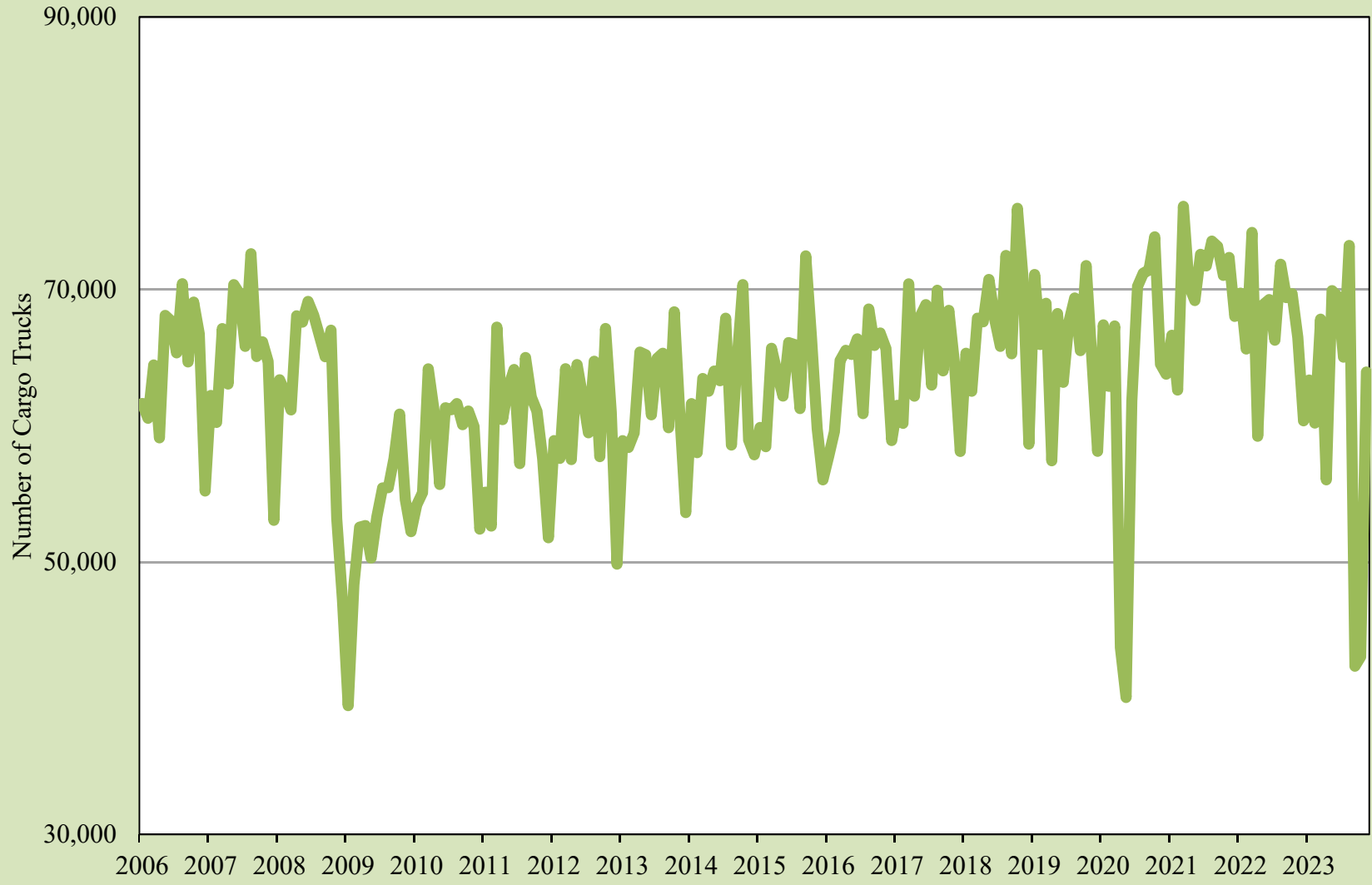
Cargo Truck International Bridge Crossings to El Paso



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



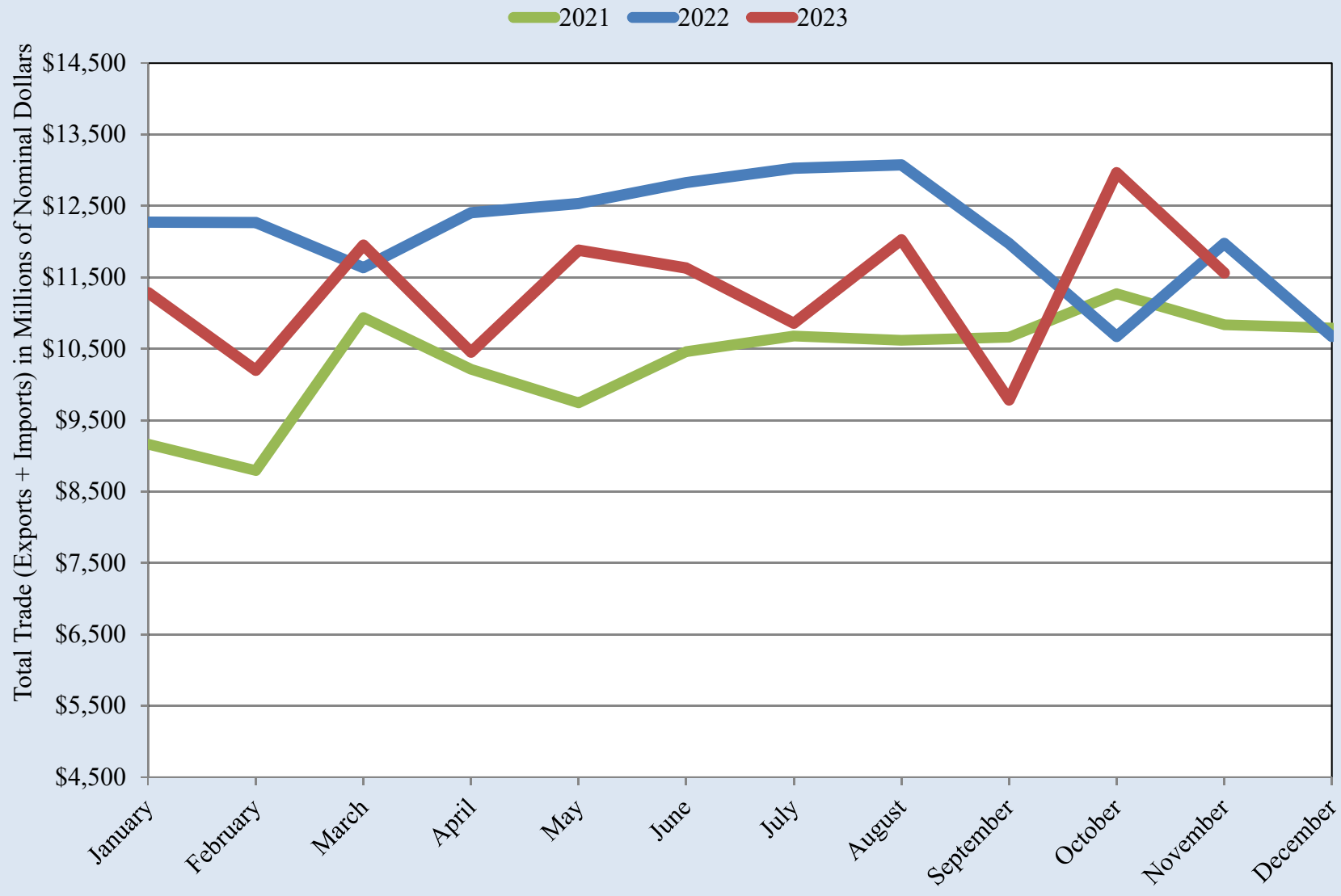
Cargo Truck International Bridge Crossings to El Paso



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



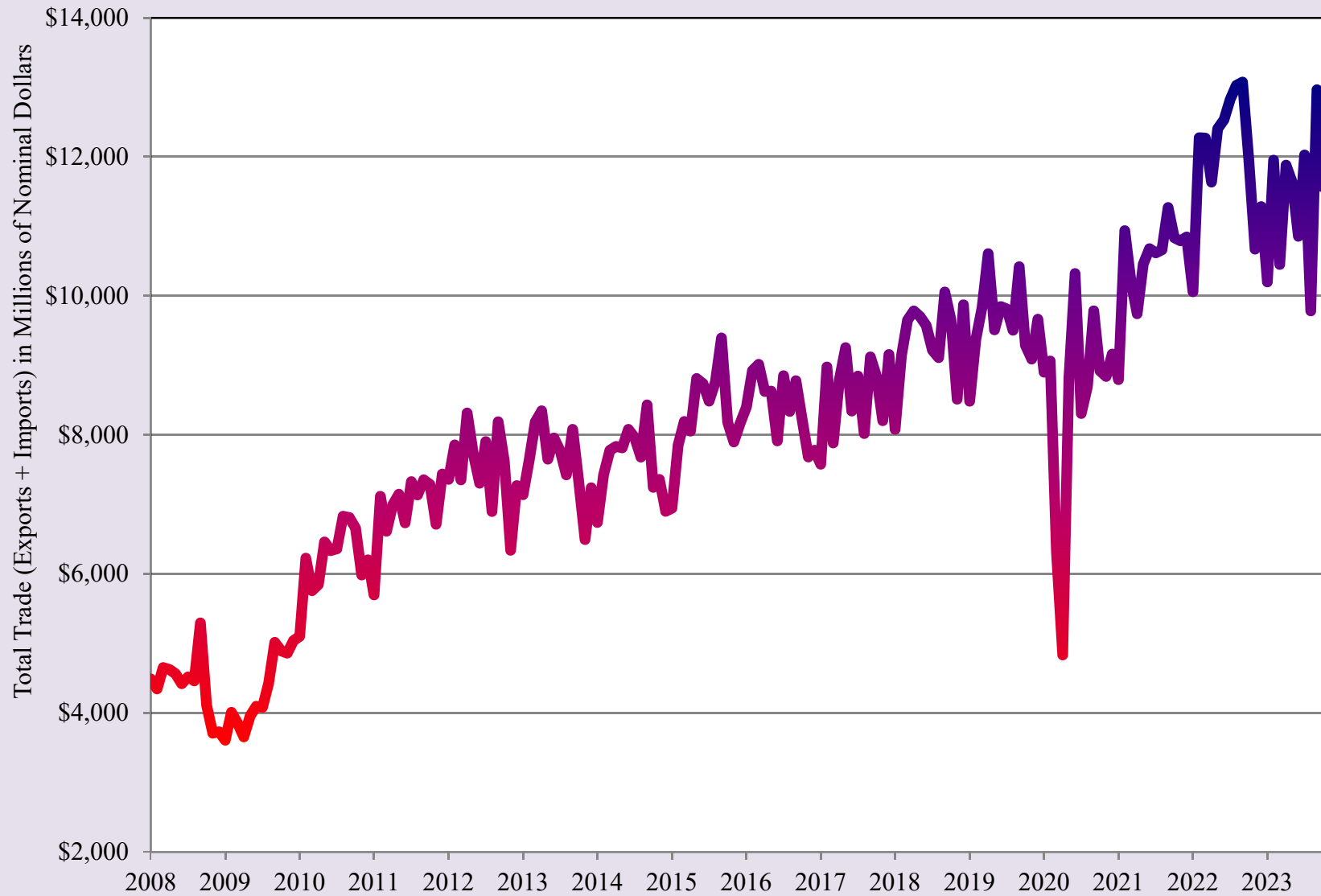
Total Trade through the El Paso Customs District



Source: UTEP Border Region Modeling Project using US International Trade Commission Data



Total Trade through the El Paso Customs District

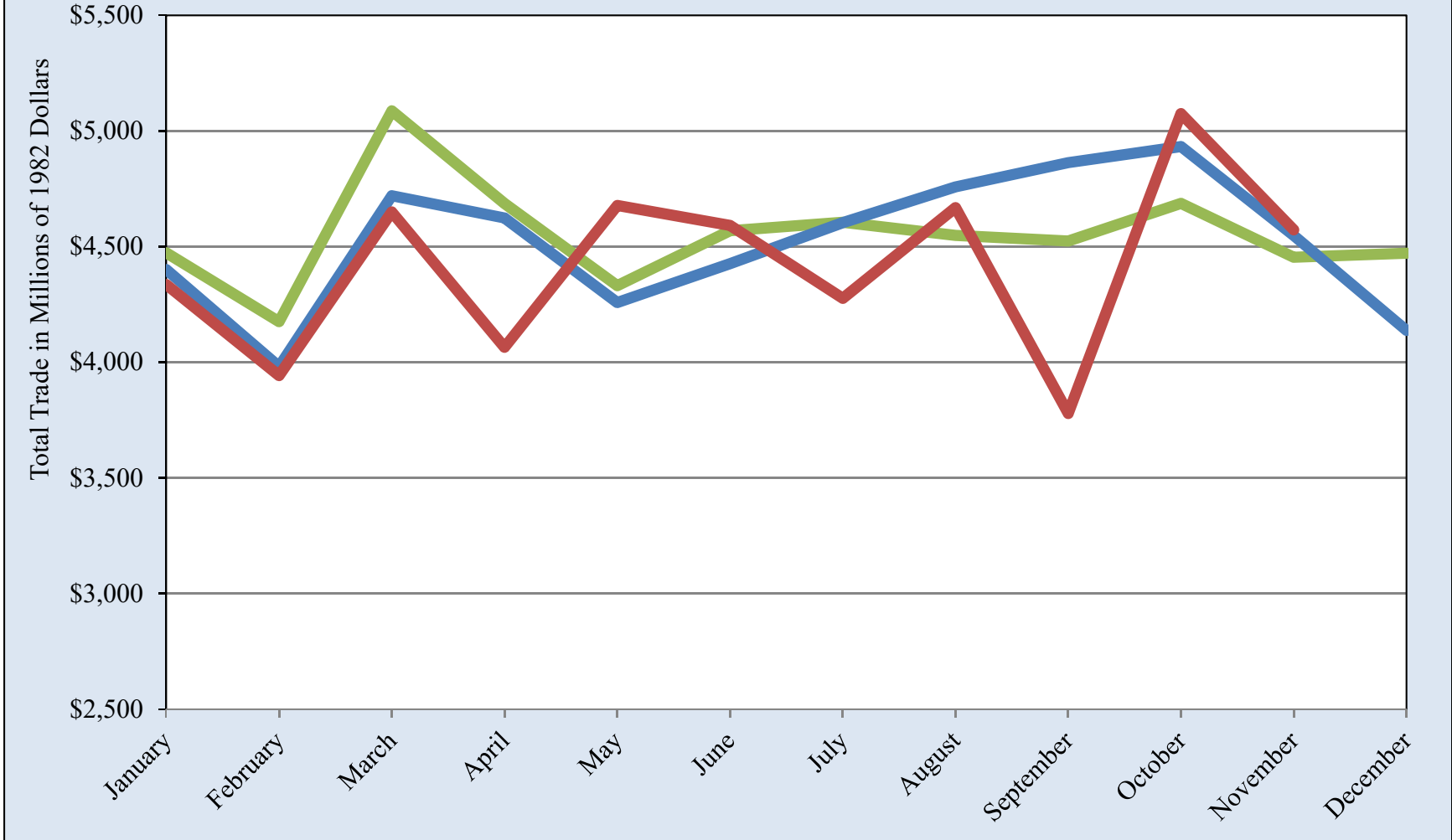


Source: UTEP Border Region Modeling Project using US International Trade Commission Data



Real Total Trade through the El Paso Customs District

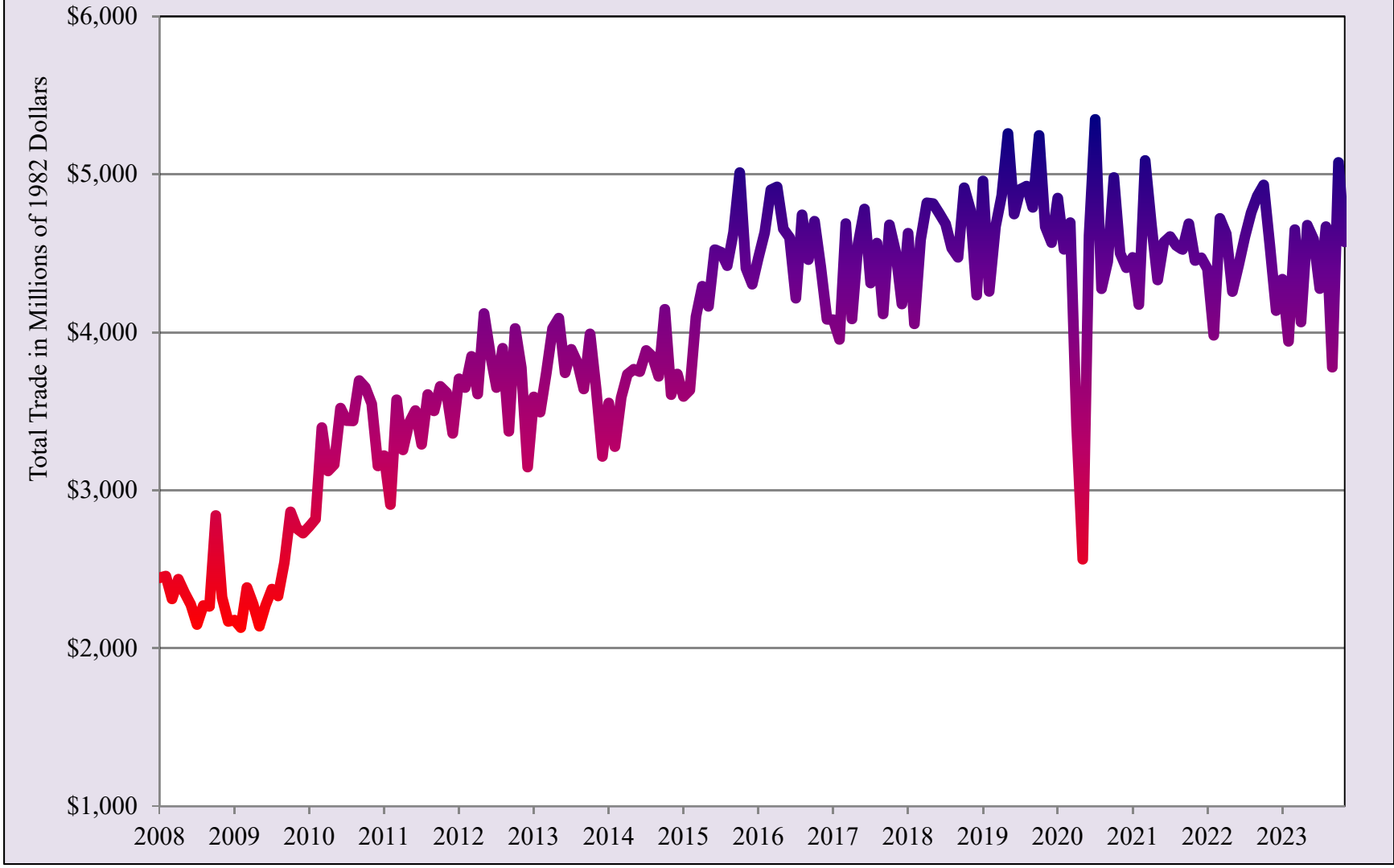
2021 2022 2023



Source: UTEP Border Region Modeling Project using US International Trade Commission Data



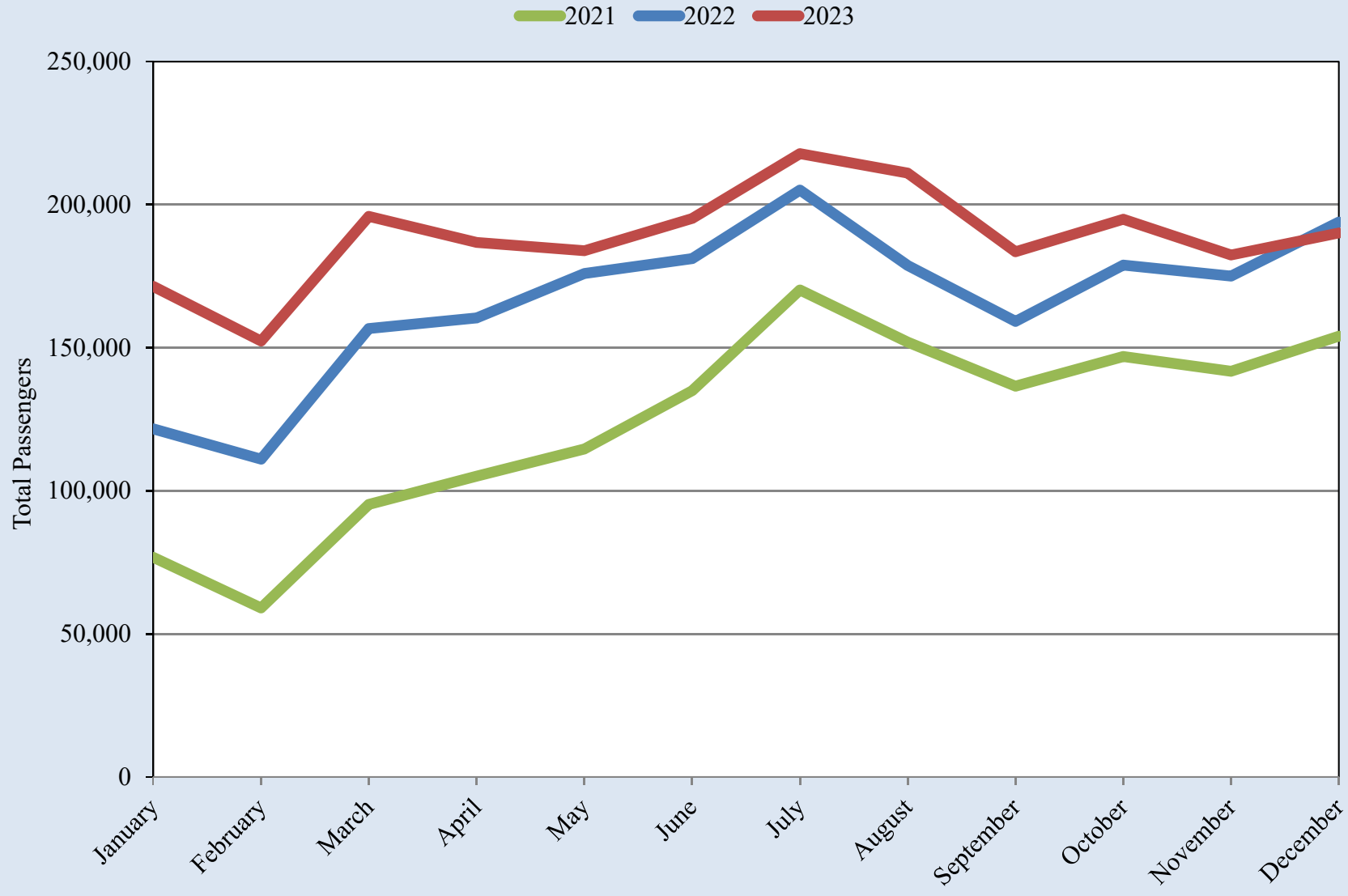
Real Total Trade through the El Paso Customs District



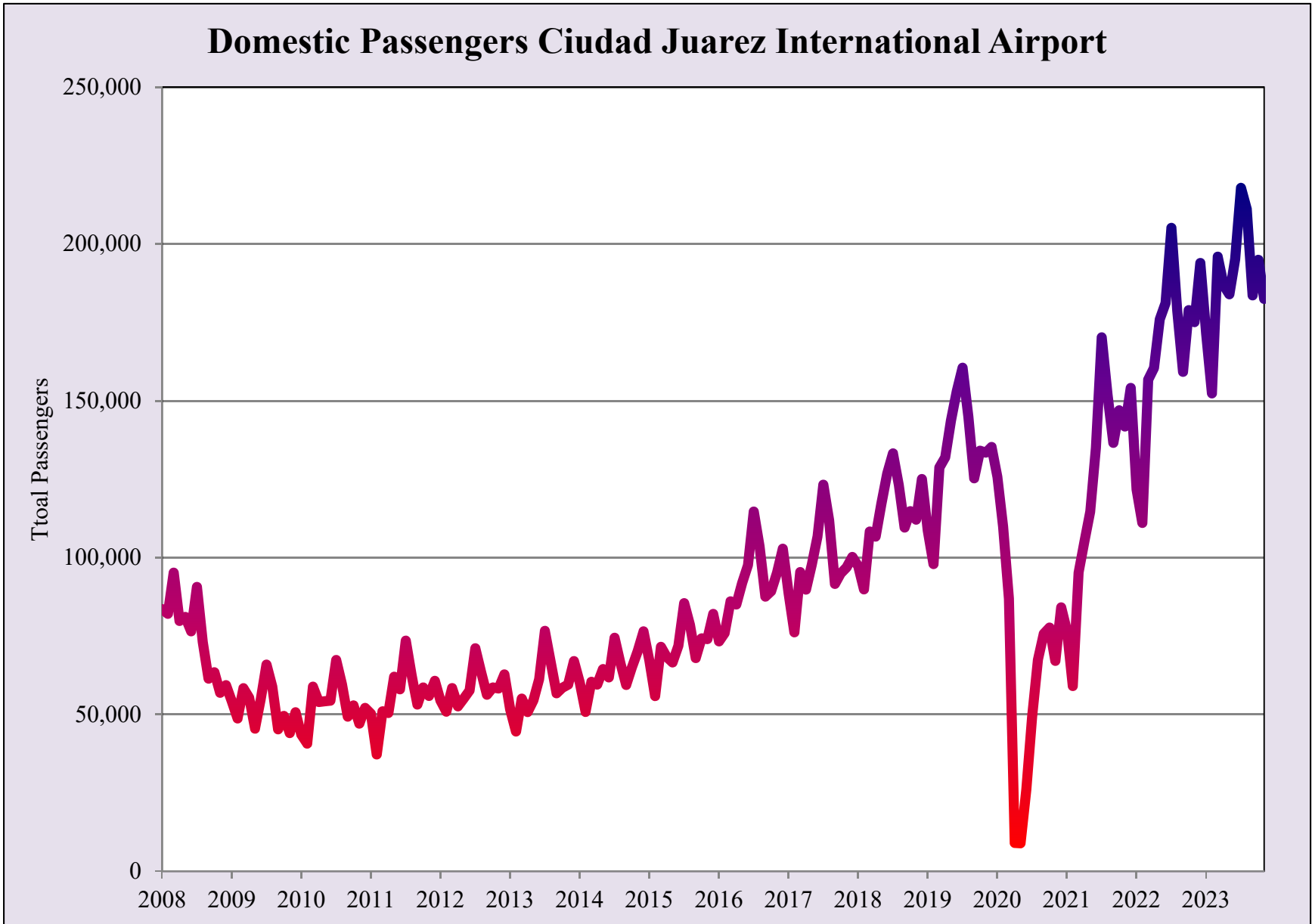
Source: UTEP Border Region Modeling Project using US International Trade Commission Data



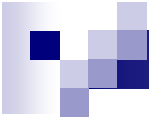
Domestic Passengers Ciudad Juarez International Airport



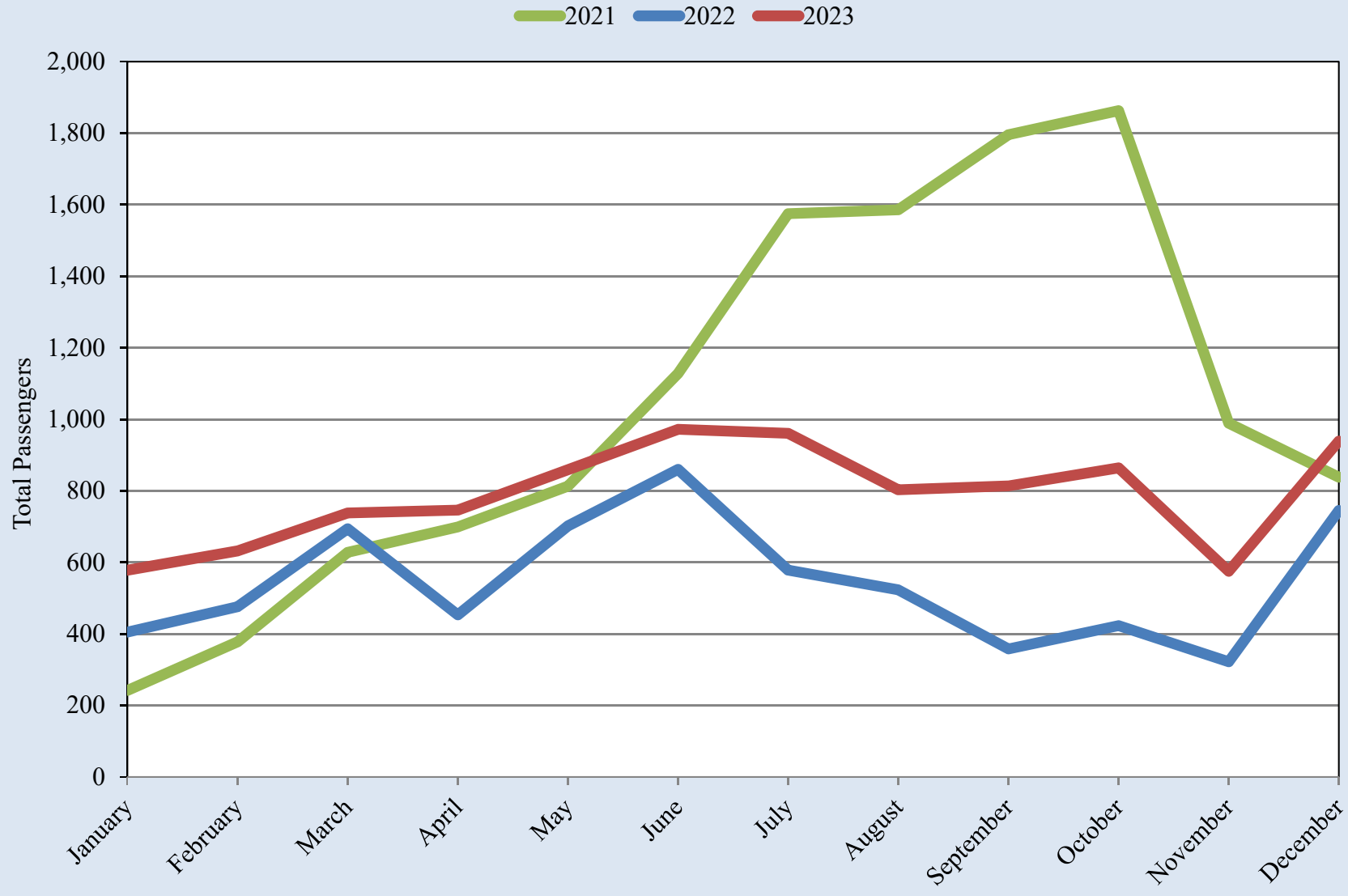
Source: UTEP Border Region Modeling Project using Grupo Aeroportuario Centro Norte - OMA Data



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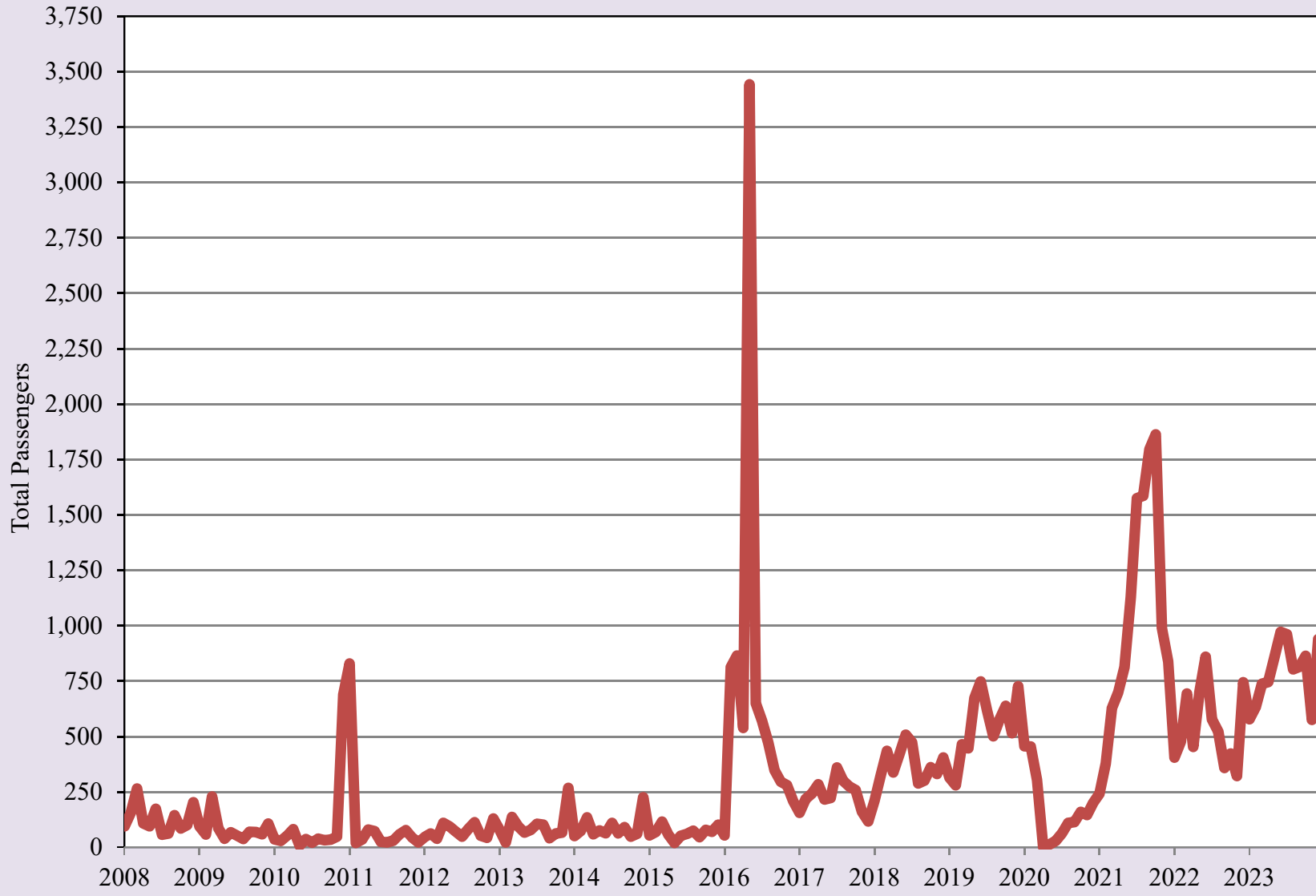
International Passengers Ciudad Juarez International Airport



Source: UTEP Border Region Modeling Project using Grupo Aeroportuario Centro Norte - OMA Data



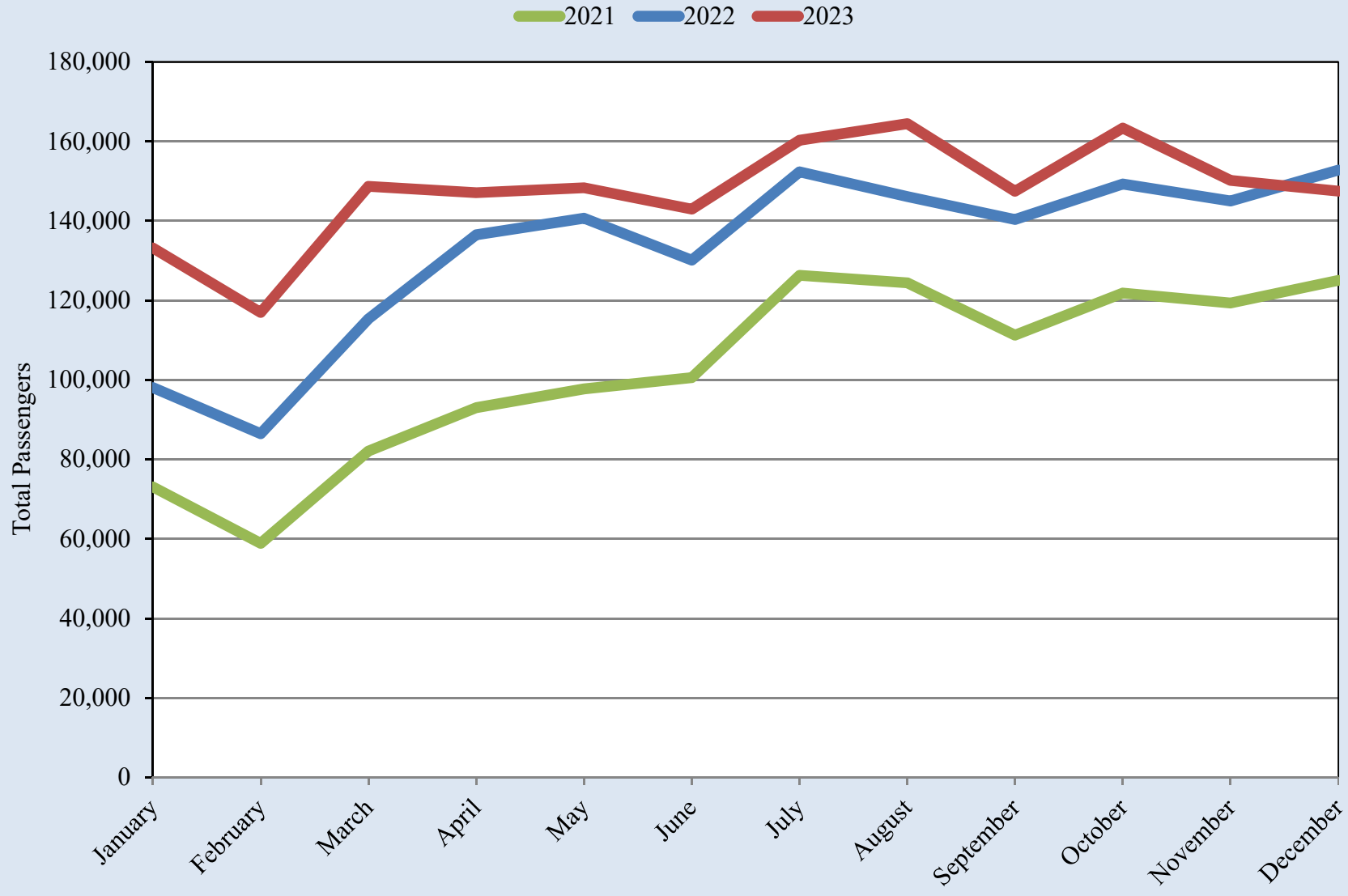
International Passengers Ciudad Juarez International Airport



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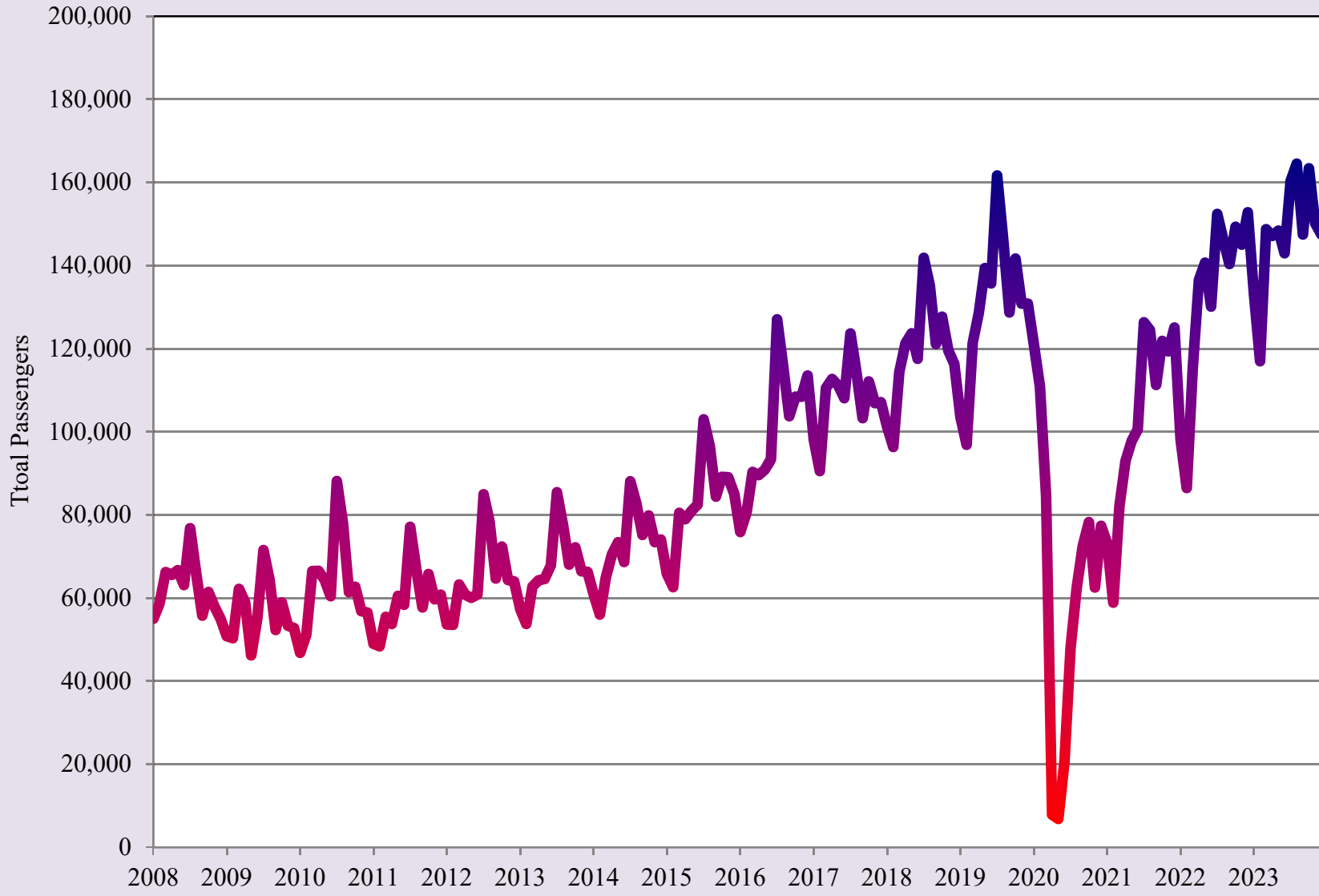
Domestic Passengers Chihuahua City International Airport



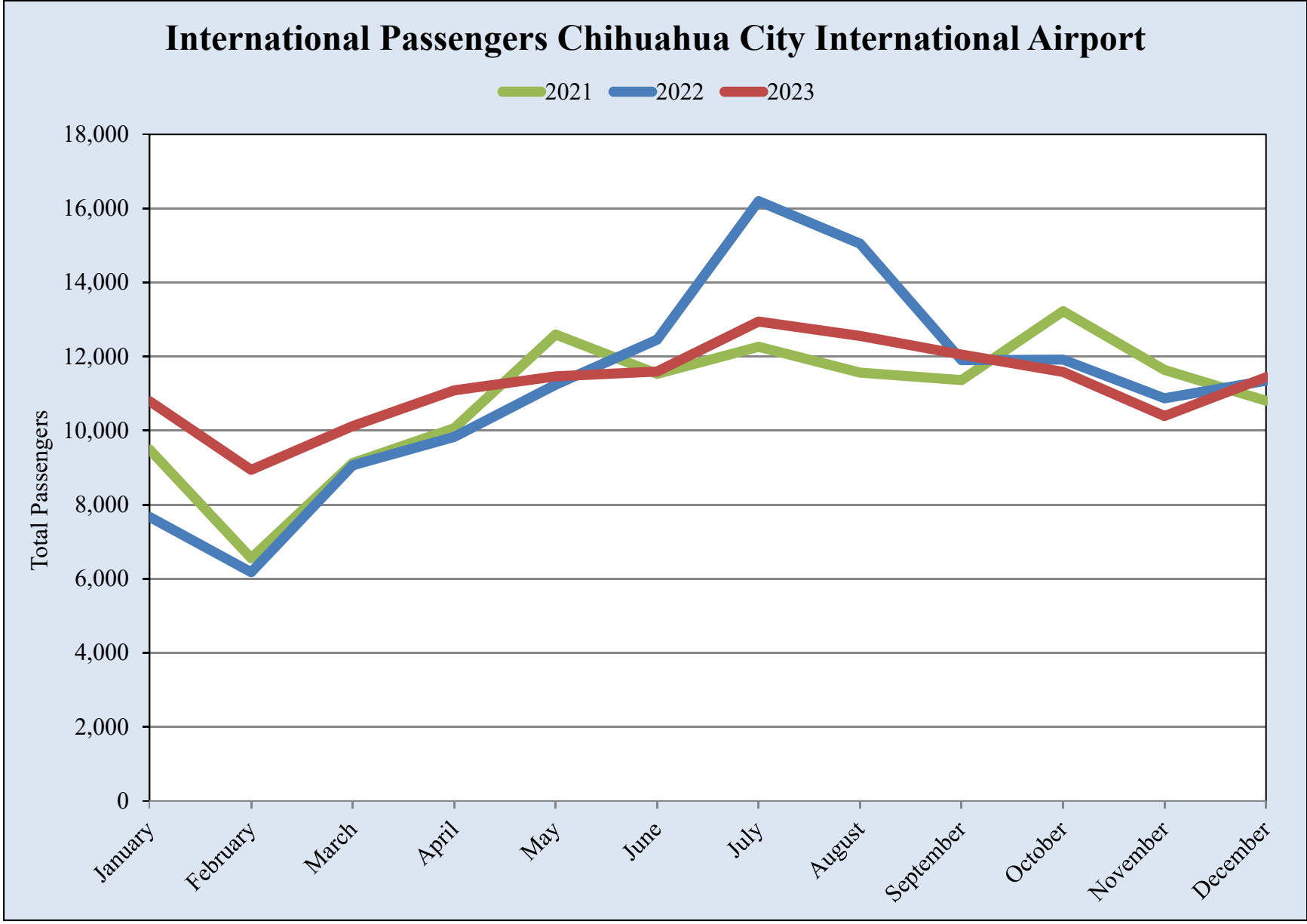
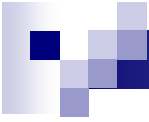
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Domestic Passengers Chihuahua City International Airport



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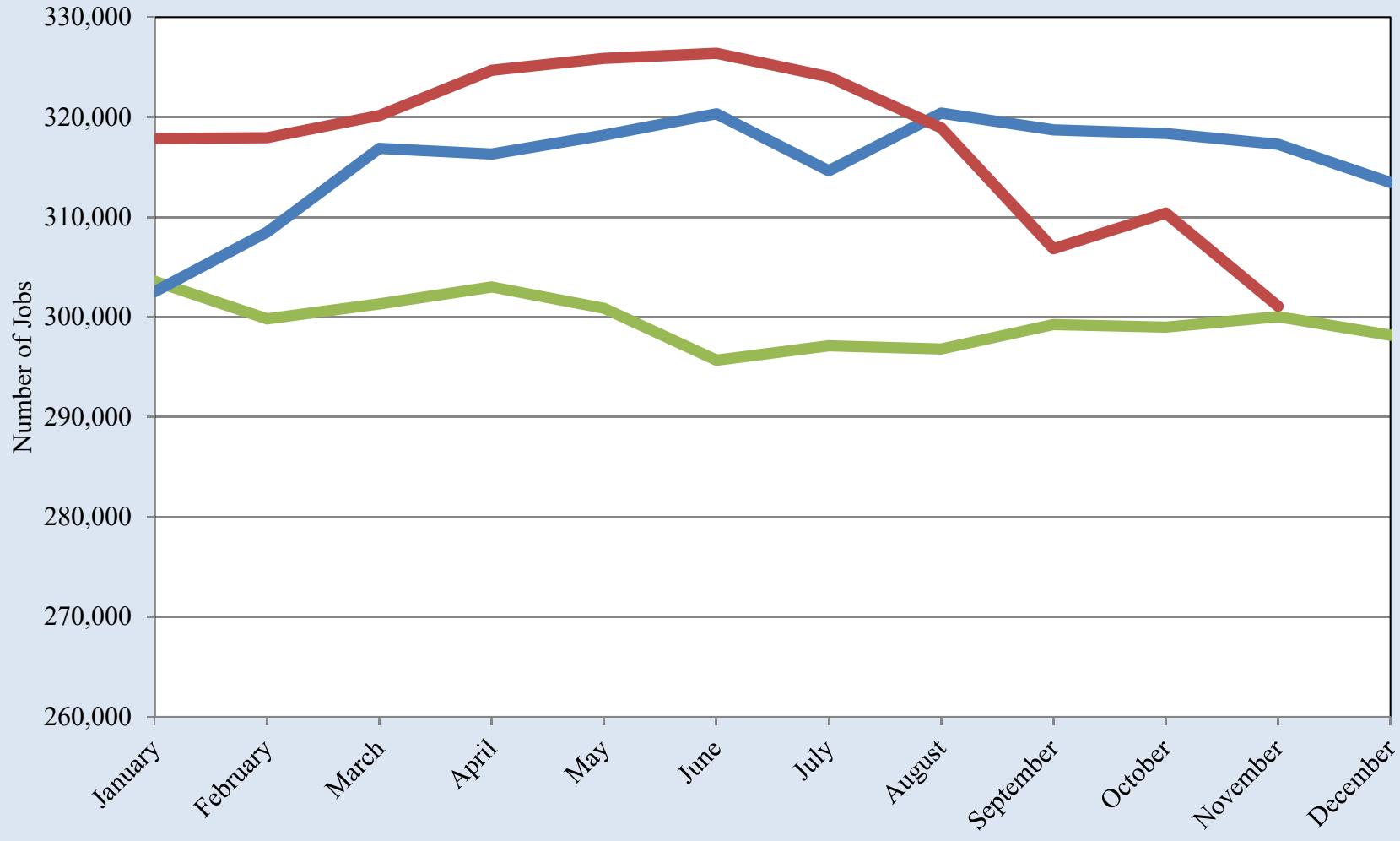


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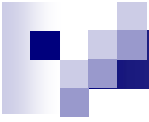


Export-Oriented Manufacturing Employment in Ciudad Juárez

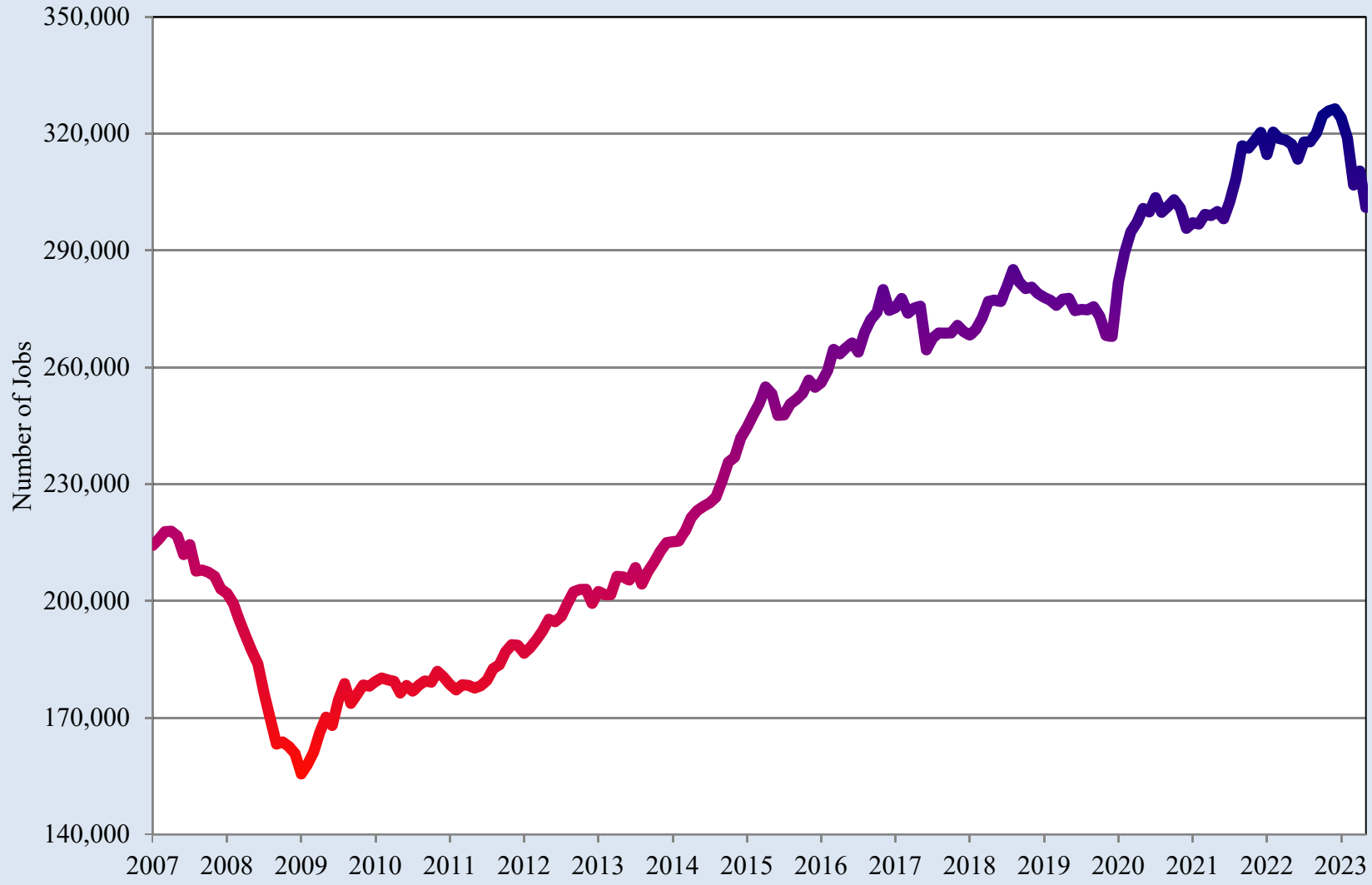
2021 2022 2023



Source: UTEP Border Region Modeling Project using INEGI Data



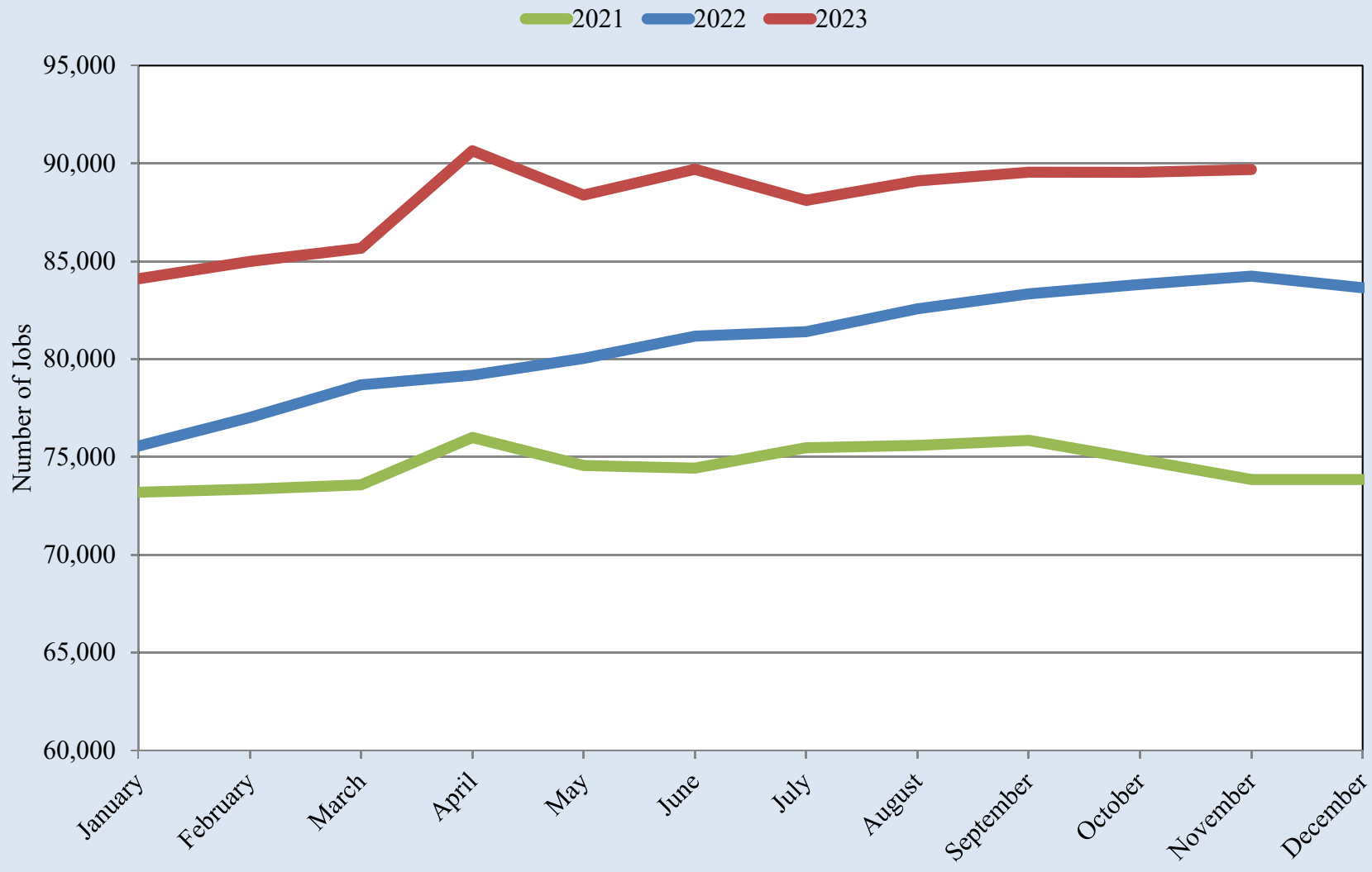
Export-Oriented Manufacturing Employment in Ciudad Juárez



Source: UTEP Border Region Modeling Project using INEGI Data



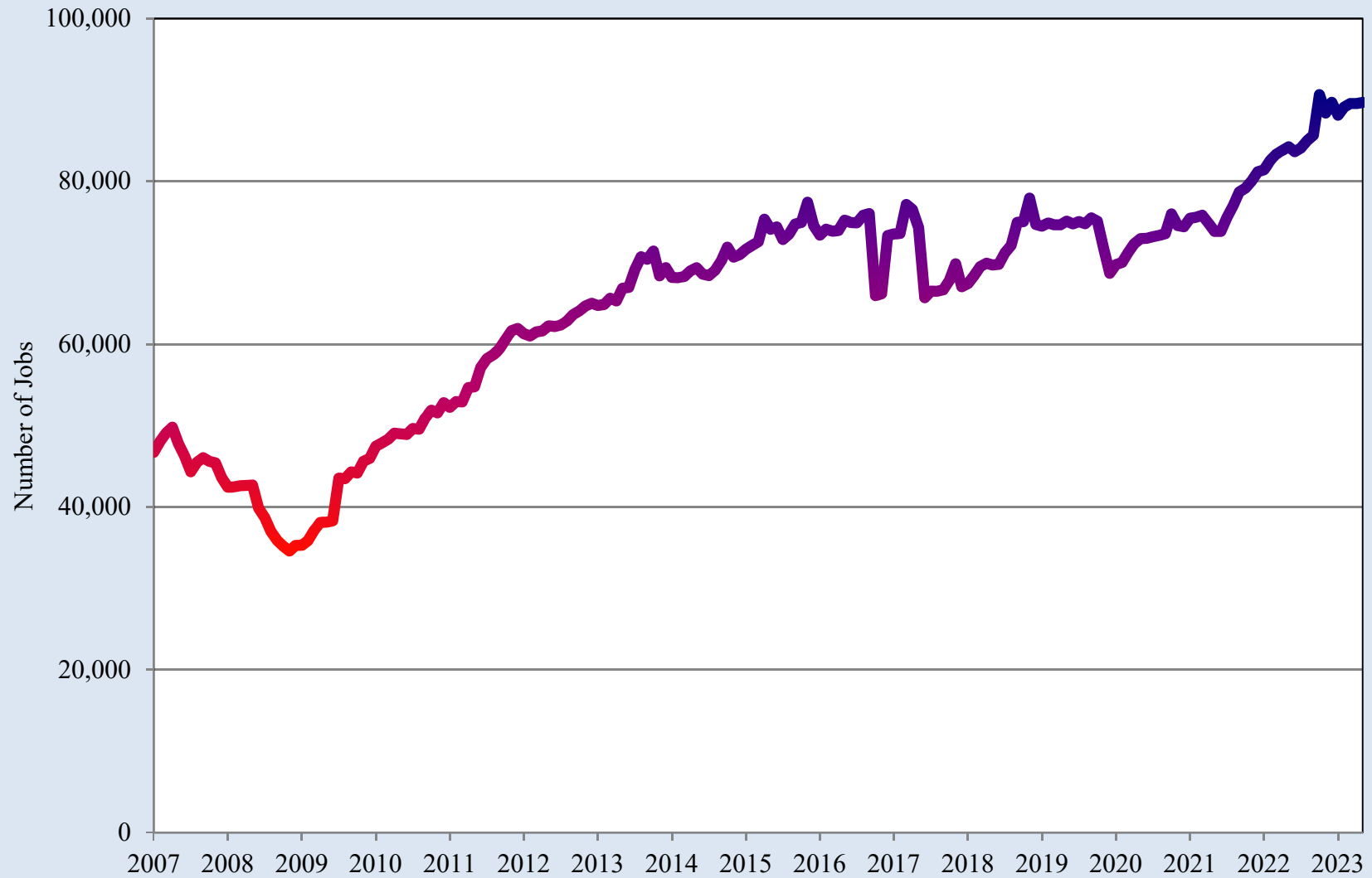
Export-Oriented Manufacturing Employment in Chihuahua City



Source: UTEP Border Region Modeling Project using INEGI Data



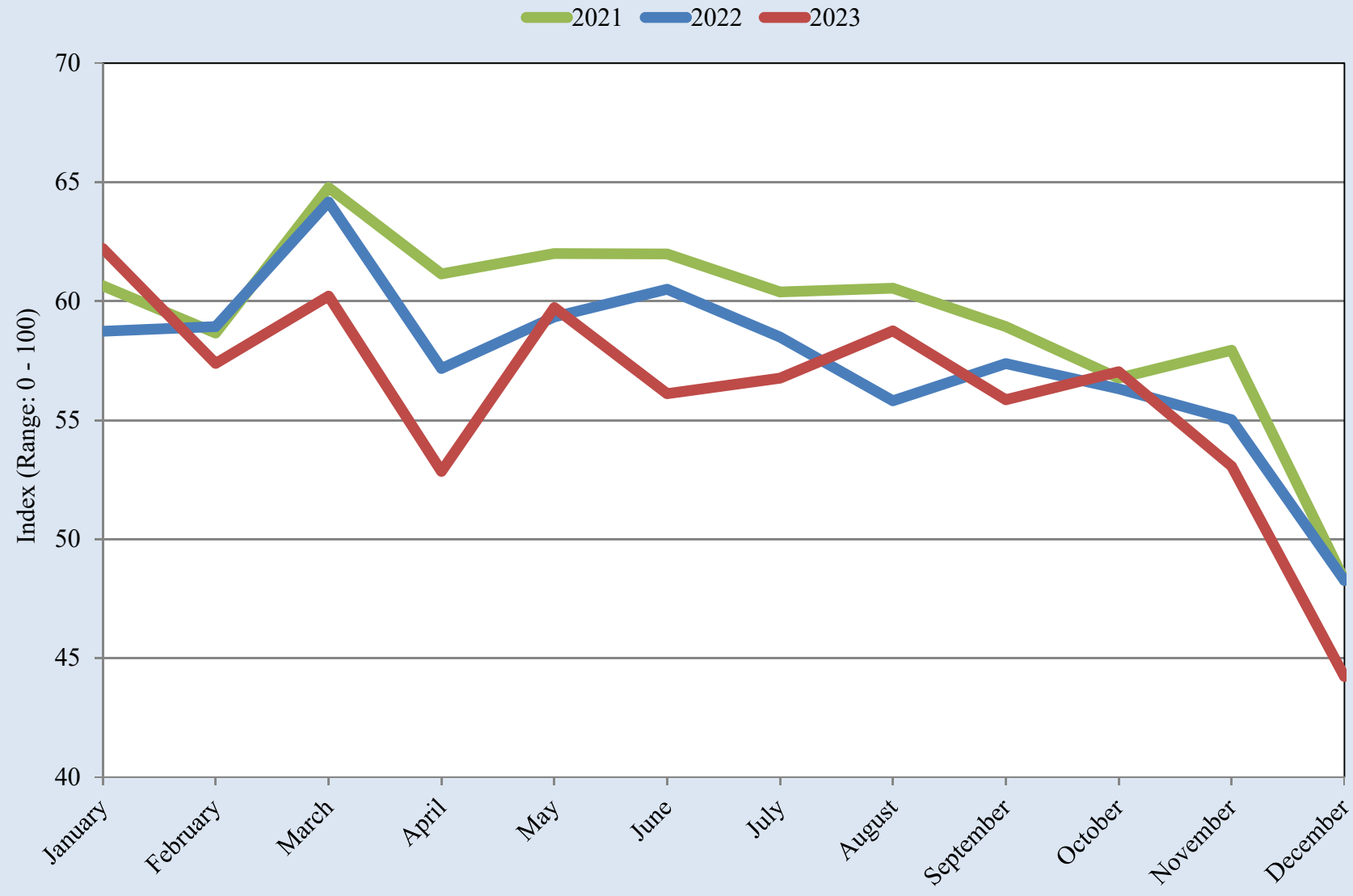
Export-Oriented Manufacturing Employment in Chihuahua City



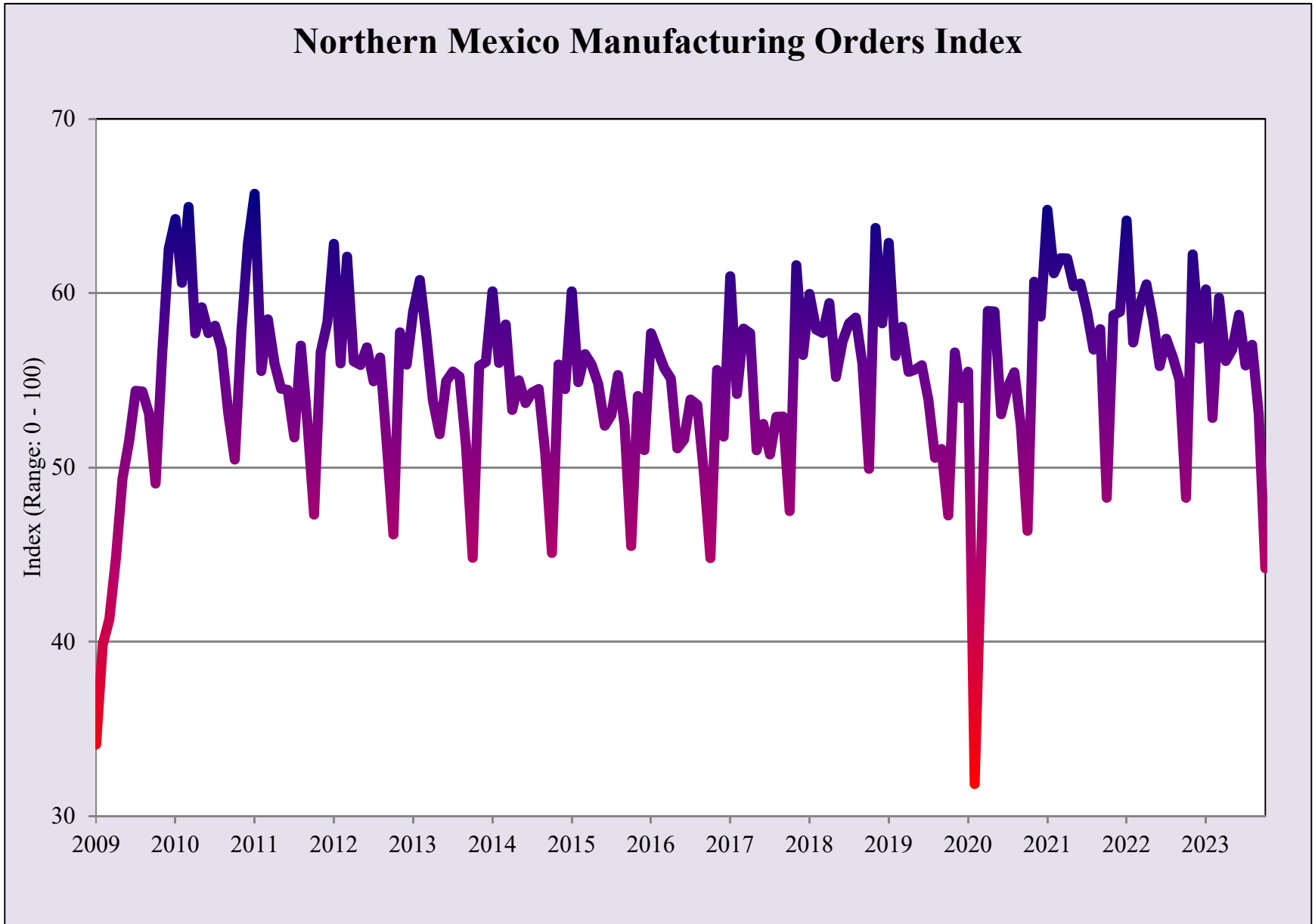
Source: UTEP Border Region Modeling Project using INEGI Data



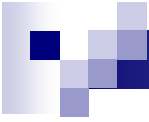
Northern Mexico Manufacturing Orders Index



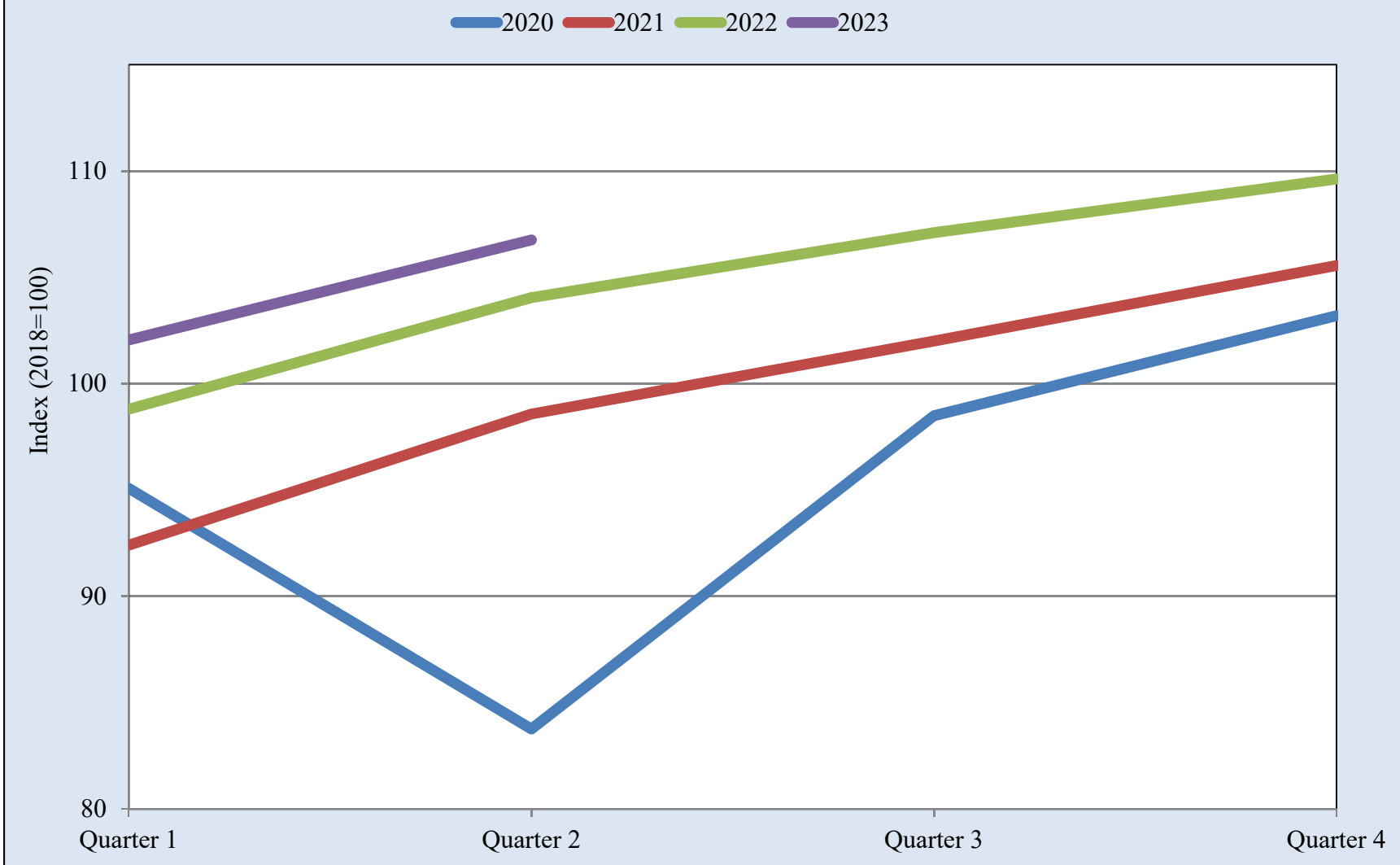
Source: UTEP Border Region Modeling Project using Banco de México Data



Source: UTEP Border Region Modeling Project using Banco de México Data



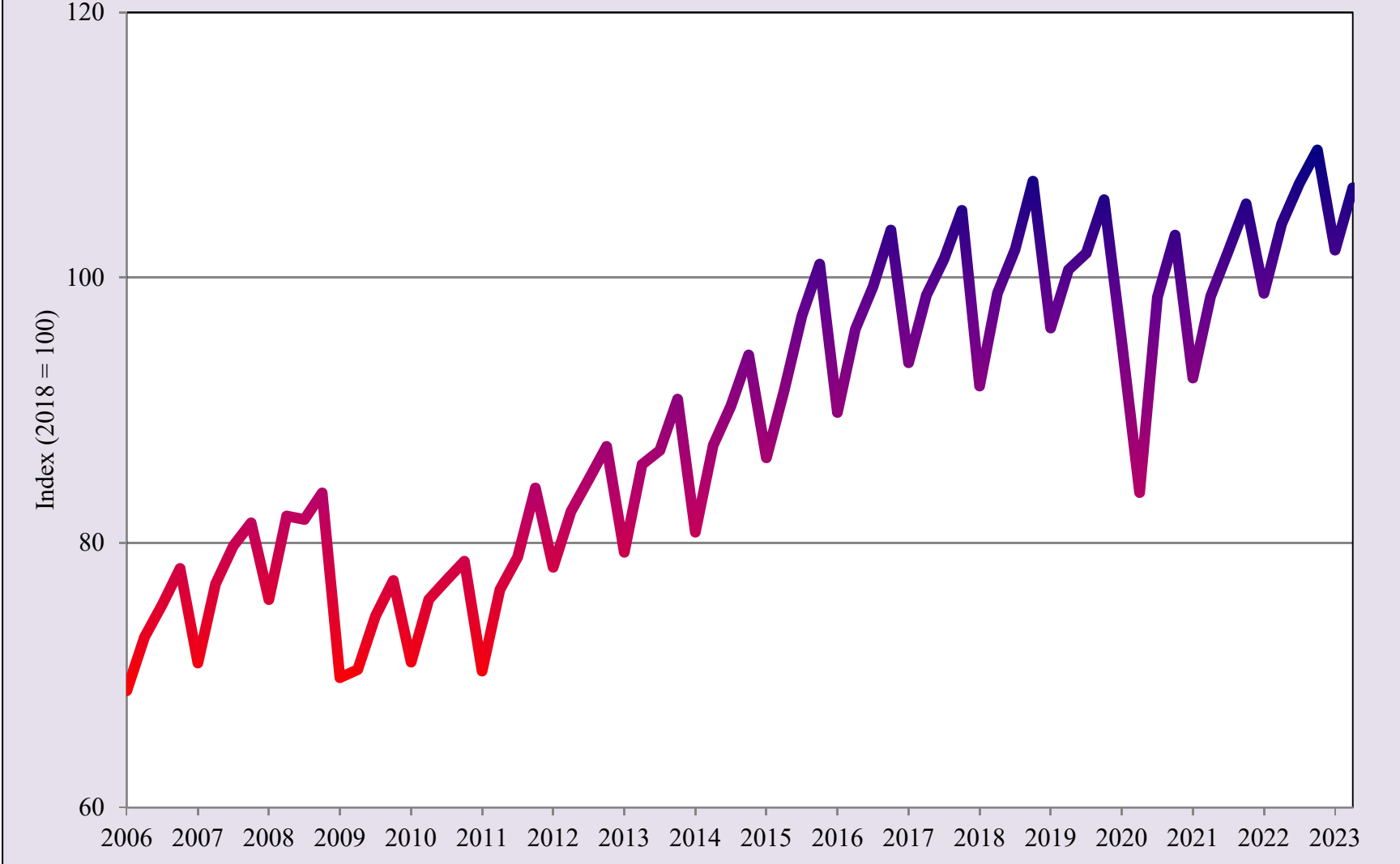
Quarterly Indicator of Economic Activity for the State of Chihuahua



Source: UTEP Border Region Modeling Project using INEGI Data



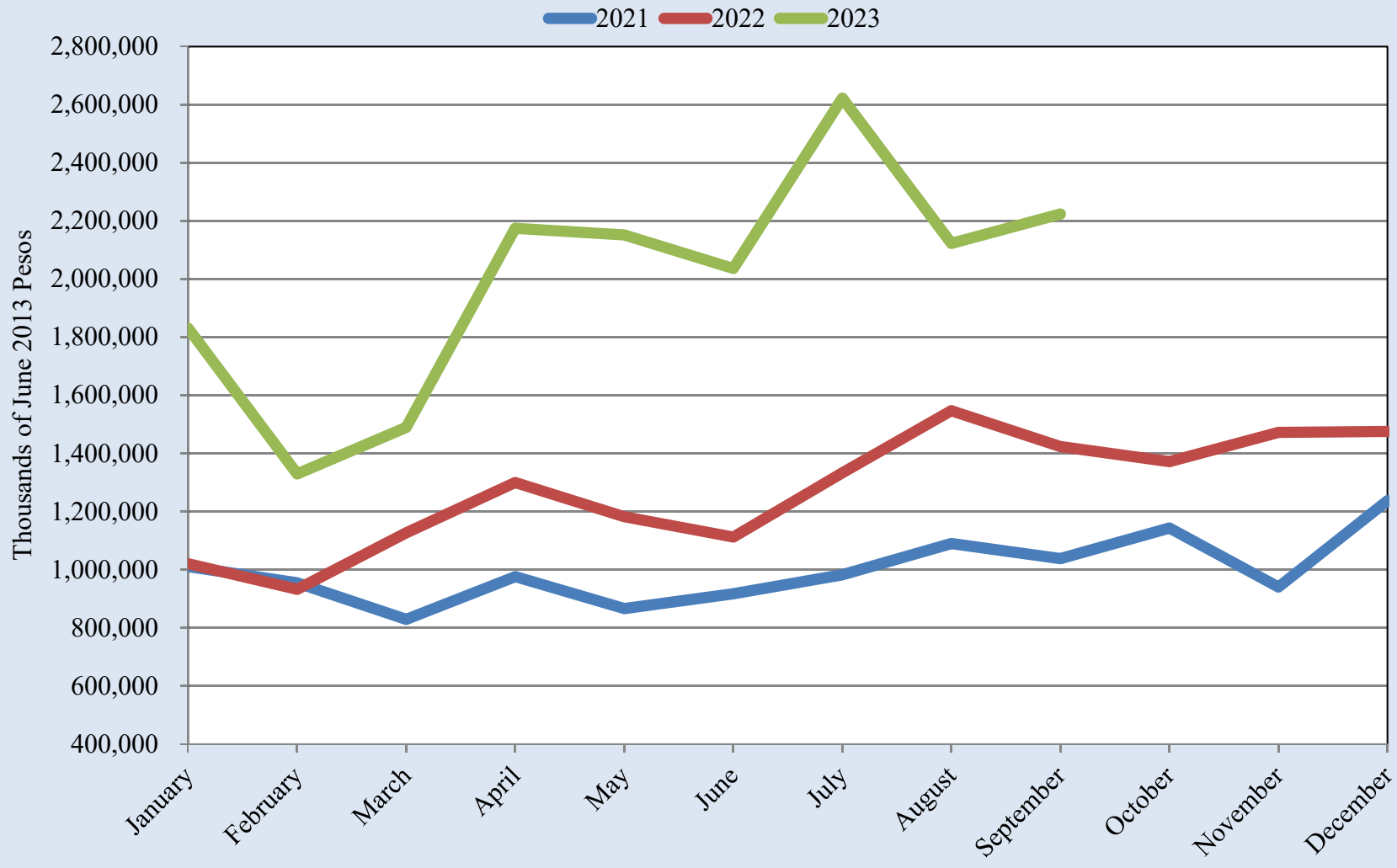
Quarterly Indicator of Economic Activity for the State of Chihuahua



Source: UTEP Border Region Modeling Project using INEGI Data



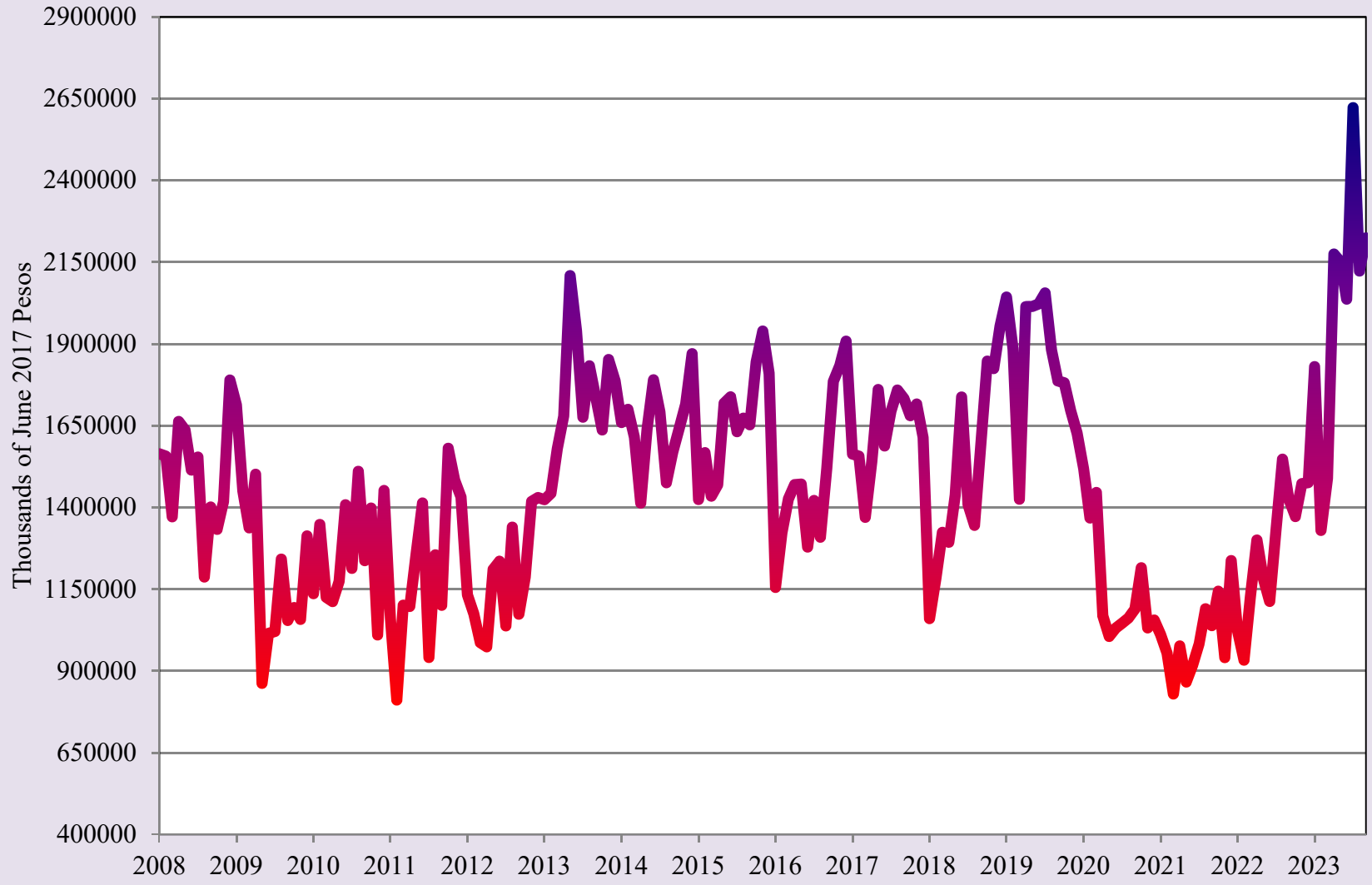
Total Value of Construction in the State of Chihuahua



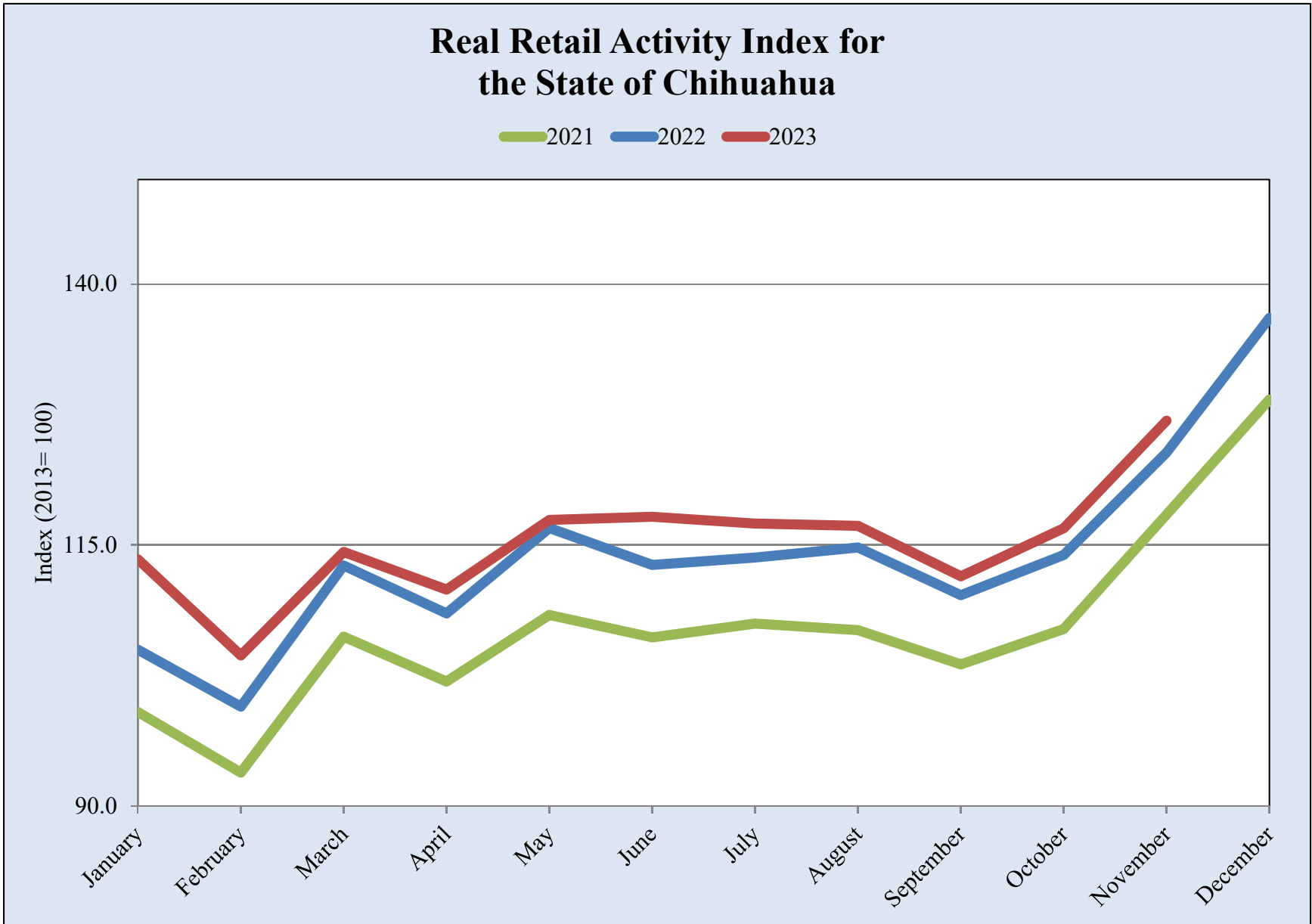
Source: UTEP Border Region Modeling Project using INEGI Data



Total Value of Construction in the State of Chihuahua



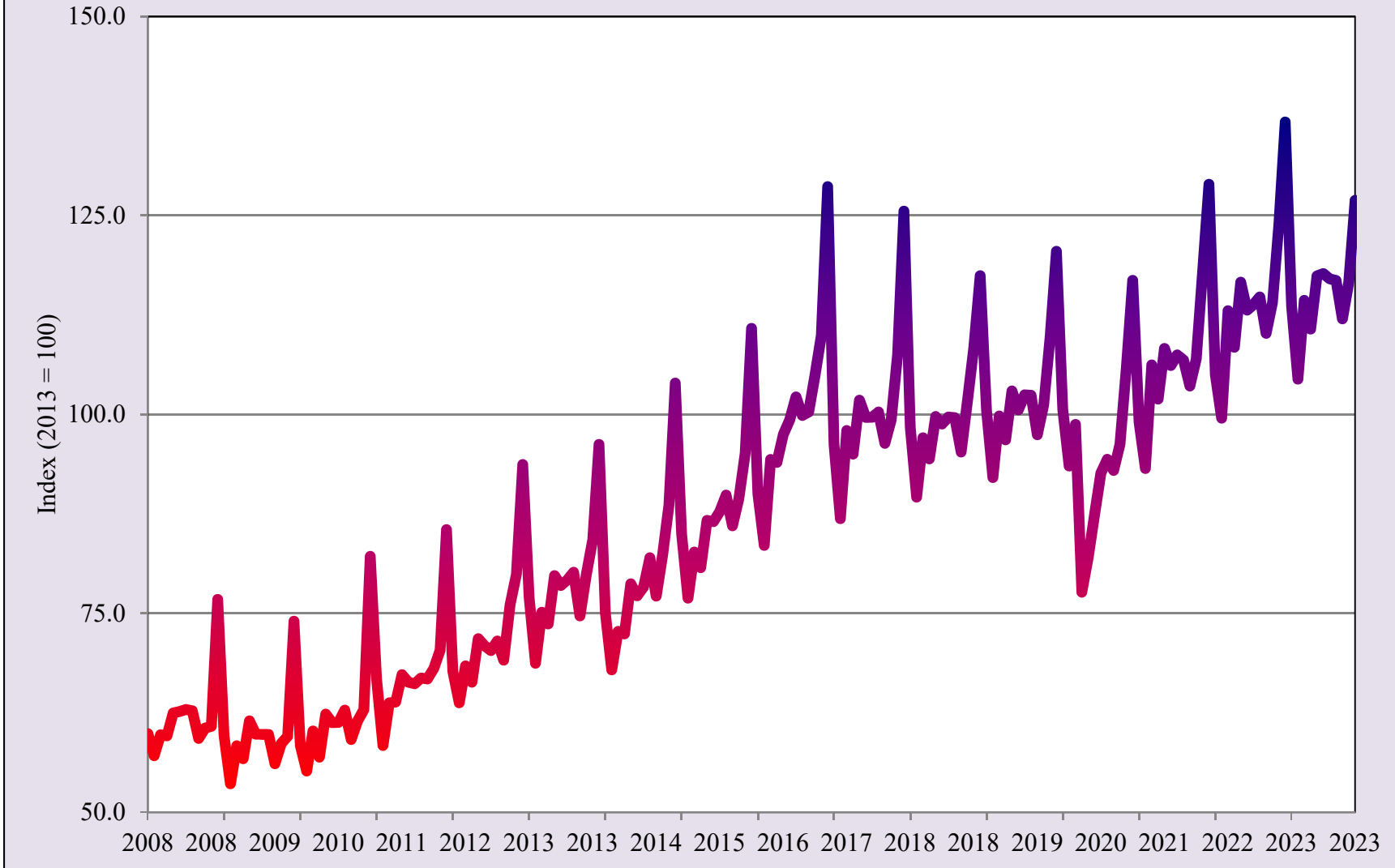
Source: UTEP Border Region Modeling Project using INEGI Data



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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