Borderplex Business Barometer, Volume 8, Number 2

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There are Some Downside Risks

As highlighted in last month’s report, the national and regional economies have performed better than expected, despite 11 interest rate hikes by federal monetary authorities. Retail activity was particularly strong during much of 2023. Even though a soft landing may have been achieved, at least some deceleration is likely during 2024.

Although the Federal Reserve Bank of Dallas El Paso Metropolitan Business Cycles Index faltered during the third quarter of 2023, it inched above its July level in November and December. Fortunately, the Borderplex region survived the various 2024 North American manufacturing dips. However, global supply chain risks remain pronounced due to the wars affecting shipping routes through the Suez Canal and the Black Sea, and due to a severe drought that is choking traffic volumes through the Panama Canal.

Net worth is the difference between total assets and total liabilities. Nationally, household net worth declined during the fourth quarter of 2023 as pandemic savings were exhausted. Locally, though not at crisis levels, the UTEP El Paso Household Economic Stress Index (HESI) increased for six consecutive months to close out the year. Sun City consumer spending will probably slow in 2024, but is still predicted to exceed $17.7 billion. Most notably, consumer electronics, appliances, and clothing sales are expected to lag other retail categories.

Air passenger traffic flows surpassed pre-pandemic levels both nationally and at El Paso International Airport (EPIA) last year. Recent flights to and from EPIA have mostly sold out in recent weeks, suggesting that fares should remain stable for the time being. As the graphs illustrate, similar patterns were observed in Ciudad Juarez and Chihuahua City during 2023. Record annual passenger totals were tallied for both metropolitan economies, with notably robust domestic travel increments.

Inflation adjusted retail activity also performed well across the state of Chihuahua in 2023. While the December data have yet to be finalized, initial indications are that a record level of statewide commerce occurred last year. Powerful construction activity is probably a harbinger of additional retail success throughout the state this year with fewer bumps than elsewhere in the country. Employment growth in both cities is expected to slow, however, due to IMMEX manufacturing cutbacks resulting from weaker exports to the United States.

Despite the risks, additional economic growth is predicted for the Borderplex region in 2024 and 2025. To order a copy of Borderplex Economic Outlook to 2025: [Link Here]
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

Seasonally Adjusted Index (October 1987 = 100)

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
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 (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.

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
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
El Paso Gasoline Prices

Source: UTEP Border Region Modeling Project using GasBuddy.com Data
El Paso unleaded gasoline prices from January 2006 to January 2024

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
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

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

Source: UTEP Border Region Modeling Project
EPIA Freight and Mail (Inbound and Outbound), 2022 and 2023 (2 year comparison)

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
Source: UTEP Border Region Modeling Project using EPIA Operations Data
EPIA Air Carrier Operations 2022 and 2023 (2 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 January 2024.

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
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
Aggregate Pedestrian International Bridge Crossing to El Paso

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

Number of Pedestrians

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

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
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
International Passengers Chihuahua City International Airport

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

Number of Jobs

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
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

Source: UTEP Border Region Modeling Project using INEGI Data
Secure your Short-Term Outlook to 2025 now.