Borderplex Business Barometer, Volume 8, Number 3

Thomas M. Fullerton Jr.

Steven L. Fullerton

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Comments:
Not Bad for a Slowdown

In spite of widespread uncertainty, the first quarter of 2024 has exhibited more economic stability than many analysts expected. From a policy perspective, dual presidential election cycles are occurring in Mexico and the United States. Stalled disinflation progress, further complicated by the Port of Baltimore closure, may delay interest rate cuts by monetary authorities in both nations. Shipping costs are also being driven upward by low water levels in the Mississippi River this Spring that reduce cargo capacities on barges and other transport ships that navigate that waterway.

Against that backdrop, the Federal Reserve Bank of Dallas El Paso Metropolitan Business Cycles Index continues to climb (see Pages 2 and 3). Data revisions have erased preliminary declines originally calculated for the third quarter of last year. However, the United States yield curve remains inverted (Page 4).

Financial strains in the region increased throughout 2023. The UTEP El Paso Household Economic Stress Index (HESI) improved slightly in January, the first time in six months it did not increase (Pages 5 and 6). Continued low unemployment has helped prevent the index from climbing more rapidly (Pages 7 and 8). Supplemental Nutrition Assistance Program (SNAP or Food Stamp) enrollments in El Paso also remain below year-earlier levels (Pages 9 and 10).

Although consumer complaints abound, one of the financial markets to respond to improving economic fundamentals is that for foreign exchange. The peso per dollar exchange rate and the UTEP Restaurant Price Ratio, a cross-border currency market monitor index, normally track each other fairly closely. Those two series diverged sharply in 2015 and remained apart until late 2022 (Pages 21 and 22). That convergence held steady through February, possibly encouraging more customers from Northern Mexico to visit El Paso retail establishments during the two-week Semana Santa vacation. That clientele will face longer wait times at the Paso del Norte (Santa Fe) Bridge and at the Bridge of the Americas (Pages 31-34).

USMCA and China trade war related nearshoring has led to substantial investment in new IMMEX manufacturing investment in Ciudad Juarez and Chihuahua City. In spite of that, real trade volumes through the El Paso Customs District have been flat during the post-pandemic period (Pages 49 and 50). Much of that is due to lackluster automobile and pickup sales in the United States. Between 2015 and 2019, US light vehicle sales hovered near 17.5 million units per year. Current forecasts anticipate that sales will remain below 16.8 million units annually through at least 2026.

Because the slowdown is proving to be fairly benign, 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

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

23-February

24-February

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
Source: UTEP Border Region Modeling Project using Bureau of Labor Statistics Data
El Paso County SNAP (Food Stamp) Enrollment

Number of SNAP Recipients

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
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 2006-2024

Source: UTEP Border Region Modeling Project using Texas A&M Real Estate Center Data
Source: UTEP Border Region Modeling Project using GasBuddy.com Data
El Paso unleaded gasoline prices from January 2006 to February 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 February 2024.

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

Number of SNAP Cases

Source: UTEP Border Region Modeling Project using NM Workforce 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

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
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

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
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 February 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
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
Personal Vehicle Crossings to Santa Teresa

Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data
Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data
Pedestrian Crossings to Santa Teresa

Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data
Pedestrians Crossings to Santa Teresa

Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data
Cargo Trucks Crossings to Santa Teresa

Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data
Cargo Trucks Crossings to Santa Teresa

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
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
Domestic 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
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
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

Index (2018=100)

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
Secure your Short-Term Outlook to 2025 now.