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Partial Upward Progress

The Federal Reserve Bank of Dallas Metropolitan Business Cycle Index for El Paso grew by a meager 0.6 percent from 2016 to 2017, overall. That represents the slowest year-over-year rate of growth using this metric since 2011. However, the El Paso Household Economic Stress Index remains fairly low by recent historical standards, suggesting relatively good overall economic conditions. The local unemployment rate remained flat at 4 percent in December. Finally, El Paso County enrollment in the Supplemental Nutrition Assistance Program (SNAP) declined by more than 3.1 thousand relative to December 2016. Overall, these statistics suggest that El Paso’s economy has continued to grow, though perhaps at a somewhat slower pace than in previous years.

Median housing prices increased substantially in late 2017, rising to nearly $158,000 in December. Compared to December 2016, that represents more than a 5.1 percent increase, a notable uptick in the pace of housing price inflation. Likewise, months of housing inventory sunk to the lowest level observed since October 2006. Jointly, these numbers point to robust housing market conditions in El Paso. Similar to the rest of the country, local gasoline prices are nearly 50 cents a gallon above year ago levels.

In December, the Doña Ana County unemployment rate fell to 6.1 percent. This is the lowest level recorded in nine years. Labor market conditions have improved recently in New Mexico as a whole, with a statewide unemployment rate of 5.5 percent being recorded in December. In another sign of economic revival, Las Cruces area year-end SNAP enrollments were more than 4 thousand lower than in December 2016.

The peso continued to oscillate minimally in both nominal and real terms during the last quarter of 2017. The number of personal vehicles crossing the border into El Paso increased modestly last year, while the number of pedestrian crossings held steady. The low inflation-adjusted value of the peso relative to the dollar makes retail items in El Paso more expensive than similar items in Ciudad Juárez, thereby compressing customer traffic across the international bridges. Cargo vehicle flows were essentially flat last year. Approximately $8.8 billion in exports and imports passed through the El Paso Customs District in November 2017. This represents an increase relative to the $8.2 billion in trade recorded in November 2016. As in the nation as a whole, imports through the El Paso Customs District grew more rapidly than exports in 2017.

In Ciudad Juárez, the export processing sector continued to grow, though at a reduced pace. Export-oriented manufacturing employment stood at 275,687 in November 2017, a 4 percent increase relative to the same month in 2016. The Northern Mexico Manufacturing Orders Index was 1.4 percentage points higher, on average, in 2017 than in 2016. At the state level, the Quarterly Indicator of Economic Activity for Chihuahua declined slightly between the second and third quarters of 2017. That decline is in contrast to the growth tallied during the same period in 2016 and may presage broader economic difficulties. One of the areas where economic sluggishness is most visible is the construction sector. Statewide construction declined on a year-over-year basis for each of the first eleven months of 2017. Statewide real retail sales were also lower in both October and November relative to the volumes achieved one year earlier.
Metro Business-Cycle Index for El Paso

Source: Federal Reserve Bank of Dallas
Metro Business-Cycle Index for El Paso

Source: Federal Reserve Bank of Dallas
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: Bureau of Labor Statistics
El Paso County Unemployment Rate

Source: Bureau of Labor Statistics
El Paso County SNAP (Food Stamp) Enrollment

Source: Texas Health and Human Services Commission
Starting in September, 2014, the number of SNAP recipients is recorded for the end of each month.

Source: Texas Health and Human Services Commission
El Paso Median Housing Prices

Source: Texas A&M Real Estate Center
El Paso Median Housing Prices

Source: Texas A&M Real Estate Center
Months of Housing Inventory for El Paso

Source: Texas A&M Real Estate Center
Source: Texas A&M Real Estate Center
El Paso Gasoline Prices

2016 - 2017

Source: GasBuddy.com
Doña Ana County Unemployment Rate

2016 - 2017

Source: Bureau of Labor Statistics
Doña Ana County Unemployment Rate

Source: Bureau of Labor Statistics
Las Cruces Area SNAP (Food Stamp) Cases

Source: New Mexico Human Services Department
Las Cruces Area SNAP (Food Stamp) Cases

Source: New Mexico Human Services Department
Restaurant Price Ratio and Exchange Rate

- 2016 Restaurant Price Ratio
- 2017 Restaurant Price Ratio
- 2016 Nominal Exchange Rate
- 2017 Nominal Exchange Rate

Source: UTEP Border Region Modeling Project and Banco de Mexico
Restaurant Price Ratio and Exchange Rate

Source: UTEP Border Region Modeling Project and Banco de Mexico
Real Peso/Dollar Exchange Rate Index

Source: UTEP Border Region Modeling Project
Real Peso/Dollar Exchange Rate Index

Source: UTEP Border Region Modeling Project
Personal Vehicle International Bridge Crossings to El Paso

Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection
Personal Vehicle International Bridge Crossings to El Paso

Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection
Pedestrian International Bridge Crossings to El Paso

Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection
Pedestrian International Bridge Crossings to El Paso

Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection
Cargo Truck International Bridge Crossings to El Paso

Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection
Cargo Truck International Bridge Crossings to El Paso

Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection
Total Trade through the El Paso Customs District

Source: U.S. International Trade Commission
Total Trade through the El Paso Customs District

Source: U.S. International Trade Commission
Real Total Trade through the El Paso Customs District

Real Total Trade through the El Paso Customs District

Export-Oriented Manufacturing Employment in Ciudad Juárez

Source: INEGI
Export-Oriented Manufacturing Employment in Ciudad Juárez

Source: INEGI
Northern Mexico Manufacturing Orders Index

Source: Banco de México
Northern Mexico Manufacturing Orders Index

Source: Banco de México
Quarterly Indicator of Economic Activity for the State of Chihuahua

Source: INEGI
Quarterly Indicator of Economic Activity for the State of Chihuahua

Source: INEGI
Total Value of Construction in the State of Chihuahua

Source: INEGI
Total Value of Construction in the State of Chihuahua

Source: INEGI
Real Retail Activity Index for the State of Chihuahua

Source: INEGI
Real Retail Activity Index for the State of Chihuahua

Source: INEGI
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 College of Business Administration of The University of Texas at El Paso. BRMP information is available at: http://academics.utep.edu/border. 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.