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Thomas M. Fullerton Jr.  
University of Texas at El Paso, tomf@utep.edu

Adam G. Walke  
University of Texas at El Paso, agwalke@utep.edu

Omar Solis  
University of Texas at El Paso, osolis3@miners.utep.edu

Esmeralda P. Muñiz  
University of Texas at El Paso, eporozcogutierrez@miners.utep.edu

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Uneven Border Region Growth

In April 2018, the Federal Reserve Bank of Dallas Metropolitan Business Cycle Index for El Paso was 0.9 percent higher than in the same month last year, but it was unchanged relative to March 2018. Similarly, the UTEP Border Region Modeling Project’s El Paso Household Economic Stress Index remained flat between March and April. However, the unemployment rate declined from 4.5 to 4.1 percent over the same period. These trends suggest that economic conditions in El Paso continue to improve, but the rate of growth may have subsided.

Median housing prices experienced strong growth between March and April, rising to $154,550 by the latter month. That is the second-highest value in the historical price series. The peak historical value of $157,725 was observed in December 2017. In another sign of strong housing demand, months of housing inventory fell to levels not observed since mid-2006. Like housing prices, gasoline prices also shot upward in recent months. Strong gasoline demand plus international oil supply curtailments are among the main factors driving the price increases.

The Doña Ana County unemployment rate dropped to 5.5 percent in April, down more than one percentage point from the year-ago level. Sectors of the local economy that have done relatively well in recent months include healthcare, transportation, and warehousing. Las Cruces area enrollment in the Supplemental Nutrition Assistance Program (SNAP) program also declined slightly in April. Overall, these trends appear to bode well for the Mesilla Valley economy.

The nominal peso-per-dollar exchange rate fell to 18.34 in April. At the same time, the ratio of restaurant prices in Ciudad Juárez to those in El Paso for identical menu items edged slightly upward to 12.94 pesos per dollar. Trade related peso jitters will widen that gap once the data are tabulated for May. The temporary real appreciation of the peso in recent months helps explain an increase in traffic through El Paso’s ports of entry. Personal vehicle international bridge crossings increased by 8.2 percent in the first four months of 2018, relative to the first four months of 2017. Pedestrian bridge crossings increased by 6.4 percent over the same period, while cargo vehicle crossings increased by 3.6 percent.

The export-processing employment figure for March 2018 was 268,761, which is 1.3 percent below the March 2017 value. It is also below the peak employment level of 279,972 jobs recorded in May 2017. Recent trends for this variable suggest that export-processing employment in Ciudad Juárez is being adversely affected by United States trade policy positions. On a region-wide scale, the Northern Mexico Manufacturing Orders Index has fared more favorably, increasing by 2.7 percentage points, on average, in the first four months of 2018, relative to the first four months of 2017. The value of construction in the state of Chihuahua dropped 4.7 percent in March, relative to February. This represents a continuation of the trend towards weakening state-level construction activity that began nearly two years ago. The retail sector in the state of Chihuahua stagnated in the first quarter of 2018. Given shifts in the real exchange rate, it is likely that a portion of this stagnation was due to cross-border shopping by residents of Mexico. That pattern may be reversed in coming months.
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

2017 - 2018

185,000

Source: Texas Health and Human Services Commission
El Paso County SNAP (Food Stamp) Enrollment

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
Months of Housing Inventory for El Paso

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

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

Source: GasBuddy.com
El Paso Gasoline Prices

Source: GasBuddy.com
Dona Ana County Unemployment Rate

2017 - 2018

Source: Bureau of Labor Statistics
Doña Ana County Unemployment Rate

Source: Bureau of Labor Statistics
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

- 2017 Restaurant Price Ratio
- 2018 Restaurant Price Ratio
- 2017 Nominal Exchange Rate
- 2018 Nominal Exchange Rate

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

- Price Ratio
- Nominal Exchange Rate

Source: UTEP Border Region Modeling Project and Banco de Mexico
Real Peso-per-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

2017 - 2018

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
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.