According to the business-cycle index produced by the Federal Reserve Bank of Dallas, economic activity in the El Paso metropolitan economy expanded in March at a 1.7 percent annualized rate.

Ciudad Juarez maquiladora payrolls continue to inch up. Expansion at Fort Bliss is still underway, but given the uncertainty around government expenditures in the near future, growth at the base might be negatively affected.

El Paso’s nonfarm employment increased in March at a 1.7 percent annualized rate. From December to March, El Paso gained close to 3,000 jobs. In March, job losses were concentrated in the trade, transportation and utilities, financial activities and government sectors, while the construction and the educational and health services sectors registered the strongest gains.

El Paso’s unemployment rate remained at 9 percent in March. The Texas unemployment rate for March is 6.6 percent, and the national rate is 7.6 percent.

Midland–Odessa employment increased in March at a 2.3 percent annualized rate, and the unemployment rate held steady at 3.5 percent.

Las Cruces, N.M., nonfarm employment reported no growth in March. The unemployment rate increased from 7.6 in January to 8 percent in February.
Trade flows through the El Paso port of entry decreased in February at a 0.7 percent rate on a 12-month basis. As of February, total trade (exports plus imports) is over $69 billion (annual rate), below the $70 billion (annual rate) of a year ago. Despite the recent drop, trade flows over the past 12 months have remained healthy; this is likely the result of increased maquiladora activity in Ciudad Juarez.

In March, El Paso home sales increased at a 15.9 percent rate on a 12-month basis. The median home price in March was $156,800. Inventory levels are at 7.3 months. Over the past three months, the number of single-family building permits—a leading indicator for the housing sector—has increased an average of 1.3 percent on a 12-month basis.

The Midland–Odessa housing sector continues to improve, although growth in home sales has decelerated. In addition, building permits have been growing at double-digit rates over the past several months.
Conditions in Chihuahua and Juarez

- The U.S. industrial production decreased in March at a 5 percent annualized rate. The Institute for Supply Management manufacturing index and its associated new orders index (a leading indicator of industrial activity) have signaled weak growth in the industrial sector in recent months. Year-to-date growth in formal manufacturing employment in the Mexican state of Chihuahua is 2.5 percent.

- The Dallas Fed developed a model—based on the U.S. industrial production index and Chihuahua manufacturing employment—that tracks Juarez maquiladora employment since 2006. The model indicates that Juarez maquiladoras continue to expand their payrolls. For instance, in 2012 maquiladoras south of the Rio Grande posted strong job growth of 8 percent. According to our estimates, maquiladora employment in Ciudad Juarez grew at a 7.9 percent rate in 2012, compared with 5.1 in 2011; this represents more than 18,000 jobs added in 2012. Maquiladoras have added over 5,000 jobs from December 2012 to March 2013.

- After experiencing a setback in late summer and early fall 2012, U.S. auto and light truck production returned to levels above 10 million units during the past four months. In addition, U.S. auto sales continue to inch up. Today, U.S. auto sales top 15 million on an annual basis. This is good news for the local economy because roughly half of the maquiladoras across the Rio Grande are auto related.

U.S. Manufacturing and Maquiladora Employment (Year over year)

![Graph showing U.S. Manufacturing and Maquiladora Employment](image-url)

NOTE: Seasonally adjusted.


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