

# ECONOMIC UPDATE: EL PASO

El Paso non-farm employment increased in December at a 3.6 percent annualized rate. Overall, in 2007, El Paso added 3,000 new jobs, representing a 1.1 percent increase. During December, the job gains were widespread among sectors with only the information, and leisure and

hospitality sectors registering job losses. In spite of job gains in December, the unemployment rate jumped to 6 percent, from 5.6 percent in November. In November, retail sales tax rebates decreased by almost 3 percent. The El Paso Business-cycle Index slightly increased at a 0.4

percent annualized rate in November; however, once the December employment growth is included in the computation of this index, it is likely that it will show a stronger performance.

**El Paso Employment Growth**  
Month-over-Month Annualized Growth Rates

	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07
<b>Nonfarm Employment</b>	2.7	-1.3	-9.4	7.4	0.4	3.6
<b>Goods Producing</b>	-10.4	-10.4	-13.8	7.7	3.8	11.7
Construction, Mining & Natural Resources	-16.6	0.0	0.0	-8.8	9.6	9.6
Manufacturing	-5.9	-16.8	-22.1	20.7	0.0	13.2
<b>Services Providing</b>	4.7	0.0	-8.7	7.4	0.0	2.6
Trade, Transportation & Utilities	2.0	-4.0	10.6	12.7	-5.8	4.1
Information	0.0	0.0	0.0	-21.2	0.0	-21.5
Financial Activities	0.0	-10.0	11.2	0.0	0.0	0.0
Professional & Business Services	7.9	12.0	0.0	-3.7	-3.7	0.0
Educational & Health Services	0.0	3.8	-13.8	7.7	3.8	0.0
Leisure & Hospitality	4.7	0.0	-12.8	4.7	0.0	-8.8
Other Services	0.0	-14.0	0.0	0.0	0.0	0.0
Government	10.1	0.0	-28.2	14.8	6.0	12.3
<b>Unemployment Rate</b>	6.0	5.4	5.9	5.4	5.6	6.0

Notes: Seasonally adjusted data

Source: Federal Reserve Bank of Dallas with data from the Bureau of Labor Statistics

**El Paso Sales Tax Rebates**  
Month-over-

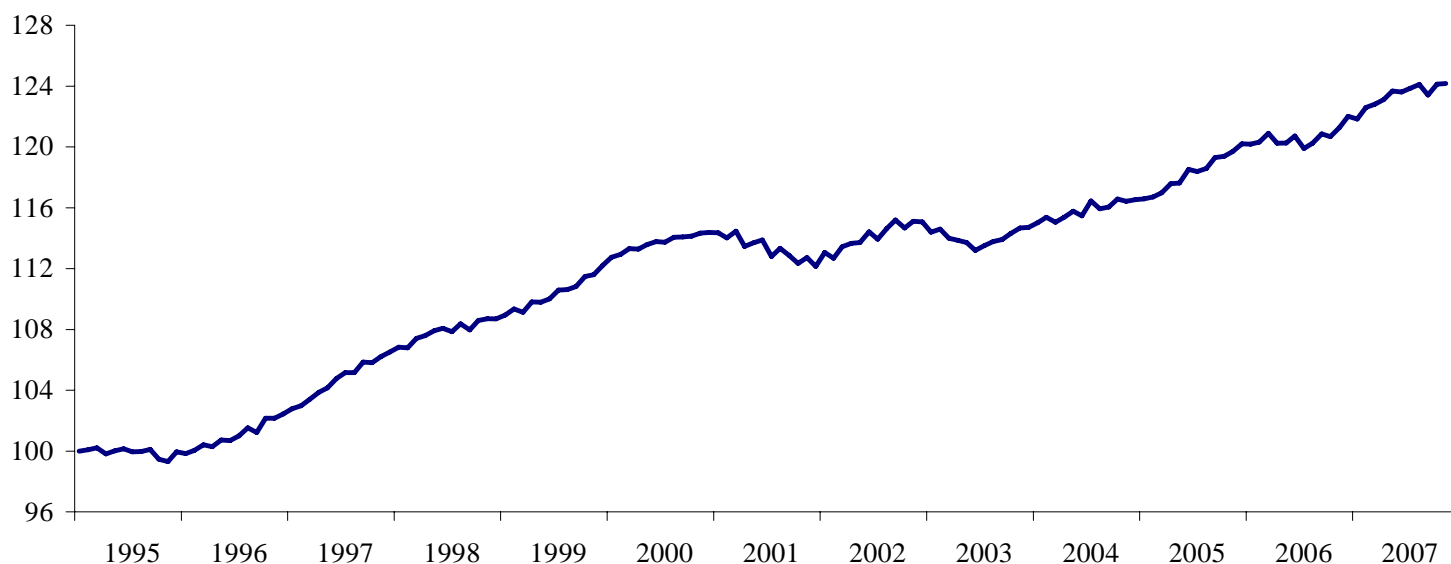
	Month Percent Change	Index (1994=100)
Nov-07	-2.9	119.7
Oct-07	4.3	123.3
Sep-07	-3.9	118.3
Aug-07	0.7	123.1
Jul-07	12.4	122.3
Jun-07	-13.3	108.8
May-07	9.2	125.5
Apr-07	-4.6	114.9
Mar-07	0.8	120.4
Feb-07	0.7	119.5
Jan-07	1.1	118.7
Dec-06	-2.3	117.3
Nov-06	0.4	120.1

Notes: Seasonally and inflation adjusted data

Source: Texas Comptroller of Public Accounts

**El Paso Business-cycle Index**

Index Jan-95=100



Source: Federal Reserve Bank of Dallas, El Paso Branch

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January 29, 2008

# ECONOMIC UPDATE: CD. JUAREZ

Juarez employment increased in December at a 0.3 percent annualized rate. In 2007, total payroll increased by almost 8,000 jobs, representing a 2.1 percent increase. Most sectors posted job gains during December, with the exception of agriculture and mining, and manufacturing.

In November, retail sales increased by 1.8 percent. U.S. industrial production registered a 1.2 percent year-over-year increase in December. Mexico's industrial production grew at a 0.5 percent rate in November. As the chart below shows, there is a close relationship between maquiladora

employment and U.S. and Mexico manufacturing indices, which have posted sluggish growth rates in the recent months; thus, it is likely that the maquiladora industry in Ciudad Juarez will follow suit in the next few months.

**Cd. Juarez Employment Growth**  
Month-over-Month Annualized Rates

	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07
<b>Total</b>	<b>6.9</b>	<b>3.9</b>	<b>7.2</b>	<b>-6.5</b>	<b>-2.3</b>	<b>0.3</b>
<b>Goods Producing</b>	<b>12.2</b>	<b>2.6</b>	<b>8.3</b>	<b>-4.9</b>	<b>-6.0</b>	<b>-2.8</b>
Agriculture & Mining	-4.4	-10.7	-23.6	-22.6	-22.8	-1.6
Manufacturing	14.8	2.1	8.0	-2.5	-5.9	-5.2
Construction	-14.3	10.7	16.1	-28.8	-6.2	34.1
<b>Service Providing</b>	<b>-5.1</b>	<b>5.0</b>	<b>1.7</b>	<b>-3.3</b>	<b>4.9</b>	<b>5.2</b>
Transportation and Public Utilities	12.4	28.7	-1.0	-4.0	-8.4	0.0
Trade	5.7	-0.7	10.5	6.5	16.1	4.8
Services	-14.5	4.7	-3.3	-9.2	0.6	6.5

Note: Seasonally adjusted data

Source: Banco de Mexico, Sucursal Ciudad Juarez with data from Instituto Mexicano del Seguro Social

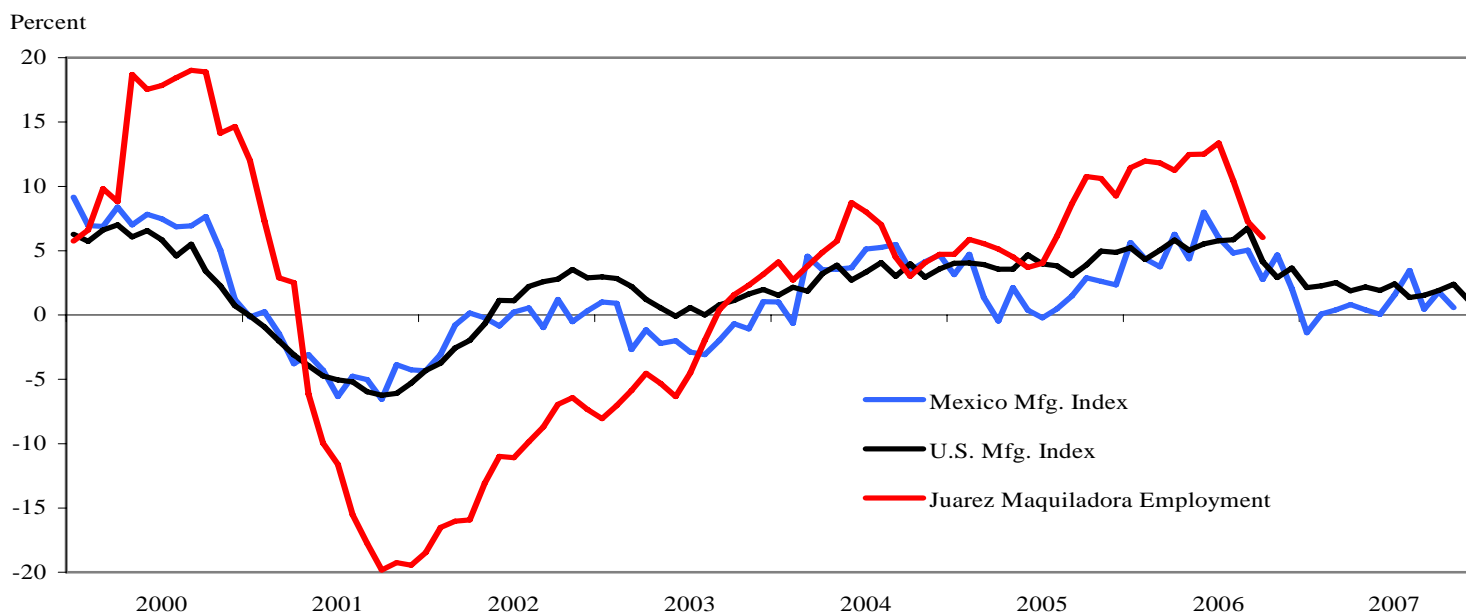
**Cd. Juarez Retail Sales**

	Month-over-Month Percent Change	Index (2003=100)
Nov-07	1.8	131.9
Oct-07	-2.4	129.6
Sep-07	-0.8	132.7
Aug-07	2.3	133.9
Jul-07	-1.9	130.9
Jun-07	2.3	133.4
May-07	10.3	130.4
Apr-07	-6.1	118.2
Mar-07	1.7	125.8
Feb-07	1.5	123.7
Jan-07	0.9	121.9
Dec-06	0.0	120.8
Nov-06	-2.9	120.7

Notes: Seasonally and inflation adjusted data

Source: INEGI

**U.S. and Mexico Manufacturing Production Indices**  
Year-over-Year



Note: Seasonally adjusted data

Source: INEGI & Federal Reserve Bank of Dallas

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