

El Paso Economic Indicators

DALLAS FED

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Summary

The El Paso economy continues to expand. Home sales remain strong, while median home prices continue to dip. Trade through the ports has slowed despite robust maquiladora activity.

El Paso Business-Cycle Index

Index, January 2007 = 100*



*Monthly, seasonally adjusted.

SOURCE: Dallas Fed.

▶ The El Paso Business-Cycle Index continues to post growth. The index posted annualized growth of 2.3 percent for May.

▶ Job creation and a decline in the unemployment rate have contributed to the gains in the business cycle. The timeliest data available for real wages paid in El Paso also point toward growth. However, retail sales in the metro area have declined slightly, possibly due to the strength of the dollar slowing cross-border retail.

Employment Growth by Sector



NOTES: Data show seasonally adjusted and annualized percentage employment growth by industry supersector. Numbers in parentheses represent share of total employment and may not sum to 100 due to rounding.

SOURCES: Bureau of Labor Statistics; adjustments by the Dallas Fed.

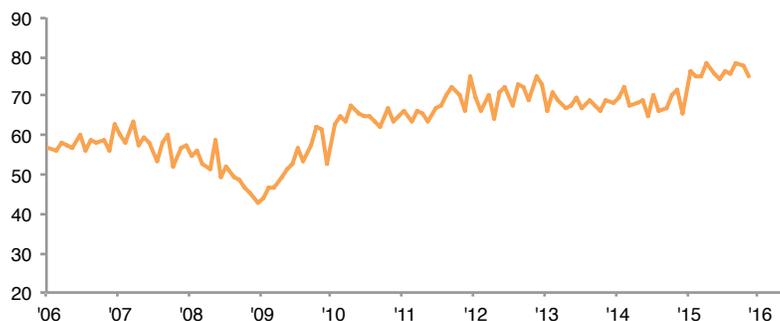
▶ In May, El Paso payroll employment slowed to 0.7 percent, compared with 1.5 percent in April. Payroll performance was mixed across industries. Construction, mining and natural resources posted the strongest gain, growing at a rate of 11.0 percent. Meanwhile, leisure and hospitality had the largest monthly decline, falling 8.6 percent. Trade, transportation and utilities continues to be one of the strongest industries in El Paso. The increases may be linked to the strong manufacturing activity south of the Rio Grande.

▶ Year to date, El Paso has added more than 1,800 jobs, with trade, transportation and utilities accounting for half of the gains.

▶ In May, the unemployment rate fell to 4.7 percent. The El Paso reading was on par with the U.S. rate of 4.7 percent but above the Texas rate of 4.4 percent.

Trade Flows

Real dollars (billions)*



*Annualized, seasonally adjusted.

SOURCES: Census Bureau; adjustments by the Dallas Fed.

▶ In April, annualized total trade (exports plus imports) slowed to \$75.0 billion, down 3.5 percent from March. The decline in total trade was driven by a slowdown in both exports and imports. Exports fell 4.7 percent, while imports declined 2.6 percent.

Existing-Home Sales



*Seasonally adjusted, six-month moving average.

SOURCES: Texas A&M University Real Estate Center; adjustments by the Dallas Fed.

► El Paso home sales climbed in May to more than 6,800. The median home price fell to \$139,683—the first time it hit below \$140,000 since July 2014.

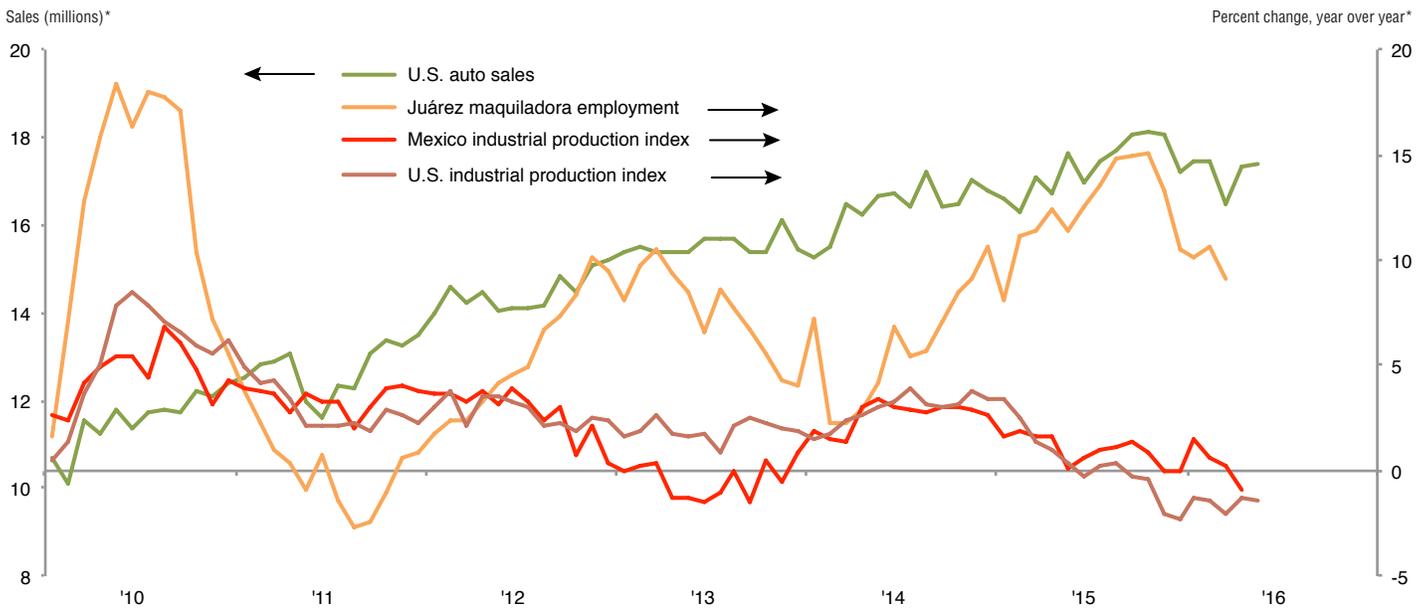
Juárez Maquiladora Activity

► U.S. industrial production contracted 1.4 percent year over year in May. The Institute for Supply Management manufacturing index also fell from a year earlier, while its associated new-orders index—a leading indicator of industrial activity—posted a small gain from May 2015.

► Despite the sluggish U.S. industrial sector, Mexico's maquiladoras continue to add jobs. According to Mexico's newer IMMEX series,

Juarez manufacturing employment rose 9.2 percent year over year in March (latest data available), bringing total maquiladora employment to more than 252,000.

► U.S. auto and light-truck production dropped slightly to 11.1 million units in May, while U.S. auto sales rose to 17.4 million units on an annual basis in May. Auto sales are closely linked to the local economy because roughly half of maquiladoras are auto related.



*Seasonally adjusted.

SOURCES: Instituto Nacional de Estadística y Geografía (National Institute of Statistics and Geography); Federal Reserve Board; Bureau of Economic Analysis; adjustments by the Dallas Fed.

NOTES: Data may not match previously published numbers due to revisions. The El Paso metropolitan statistical area includes El Paso and Hudspeth counties.

Questions regarding *El Paso Economic Indicators* can be addressed to Marycruz De León at marycruz.deleon@dal.frb.org.

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