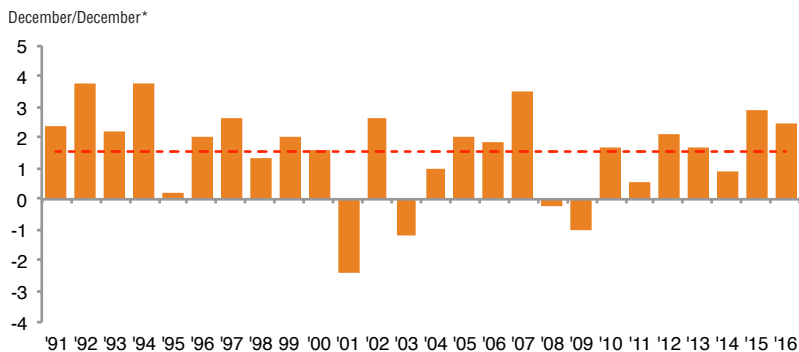


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Summary

El Paso economic activity expanded modestly in 2016. The metro area created jobs at a 2.5 percent pace, outperforming both the state and nation. Solid growth in El Paso is partially attributed to strong gains in maquiladora activity in Ciudad Juárez. Trade inched up for the second consecutive year.

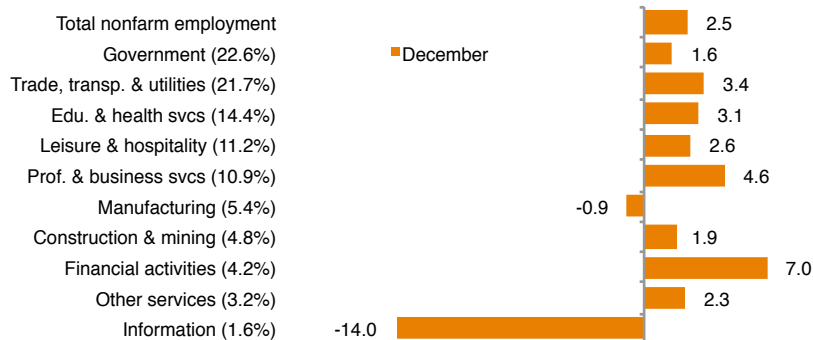
El Paso Employment



*Percent change.
NOTE: Dashed line indicates El Paso's long-term average annual job growth.
SOURCES: Bureau of Labor Statistics; adjustments by the Dallas Fed.

- ▶ El Paso payrolls grew 2.5 percent in 2016. Employment slowed slightly from 2015 growth of 2.9 percent but surpassed its long-term average growth rate of 1.6 percent.
- ▶ Last year also marked the second consecutive year that El Paso job gains outperformed those of Texas (1.4 percent) and the U.S. (1.6 percent).

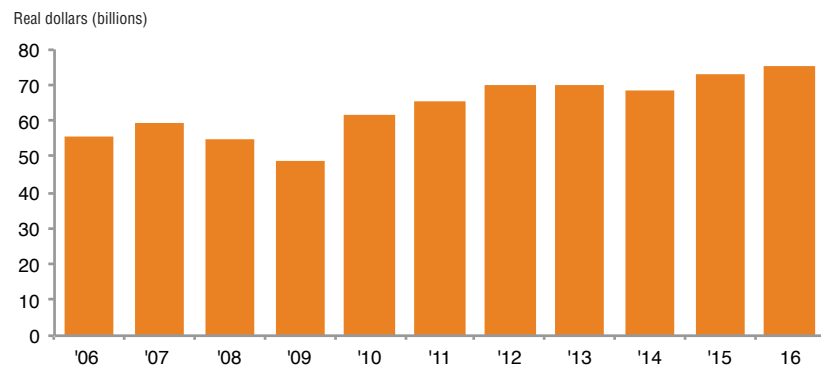
Employment Growth by Sector



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.

- ▶ El Paso added over 7,500 jobs with broad-based industry gains in 2016. Among the services industries, financial activities registered the fastest increase, rising 7.0 percent in 2016. It was followed by professional and business services (4.6 percent) and trade, transportation and utilities (3.4 percent). Payrolls in manufacturing inched down 0.9 percent, while information jobs fell 14.0 percent (820 jobs).
- ▶ For 2016 as a whole, job growth was revised up due to [early benchmarking](#) of third-quarter data.

Total Trade

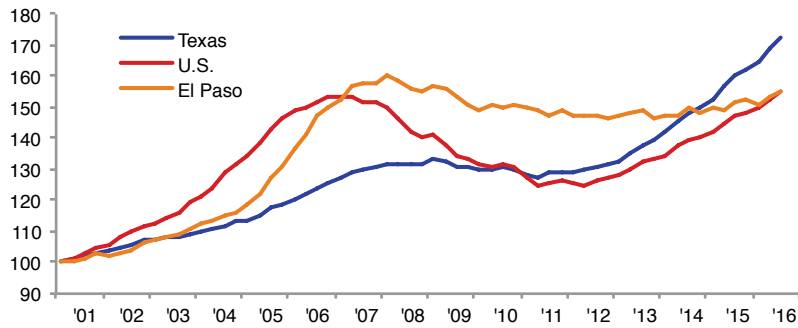


SOURCES: Census Bureau; adjustments by the Dallas Fed.

- ▶ Total trade in 2016 amounted to \$75.2 billion, up 2.8 percent from \$73.1 billion in 2015. The increase was due to a 5.3 percent gain in imports, which offset a 0.6 percent decline in exports.
- ▶ While trade through the El Paso port of entry rose, total U.S.-Mexico trade declined 2.6 percent over the same time period, from \$538 billion in 2015 to \$525 billion in 2016.

Home Price Index

Index, first quarter 2001 = 100



SOURCE: Federal Housing Finance Agency.

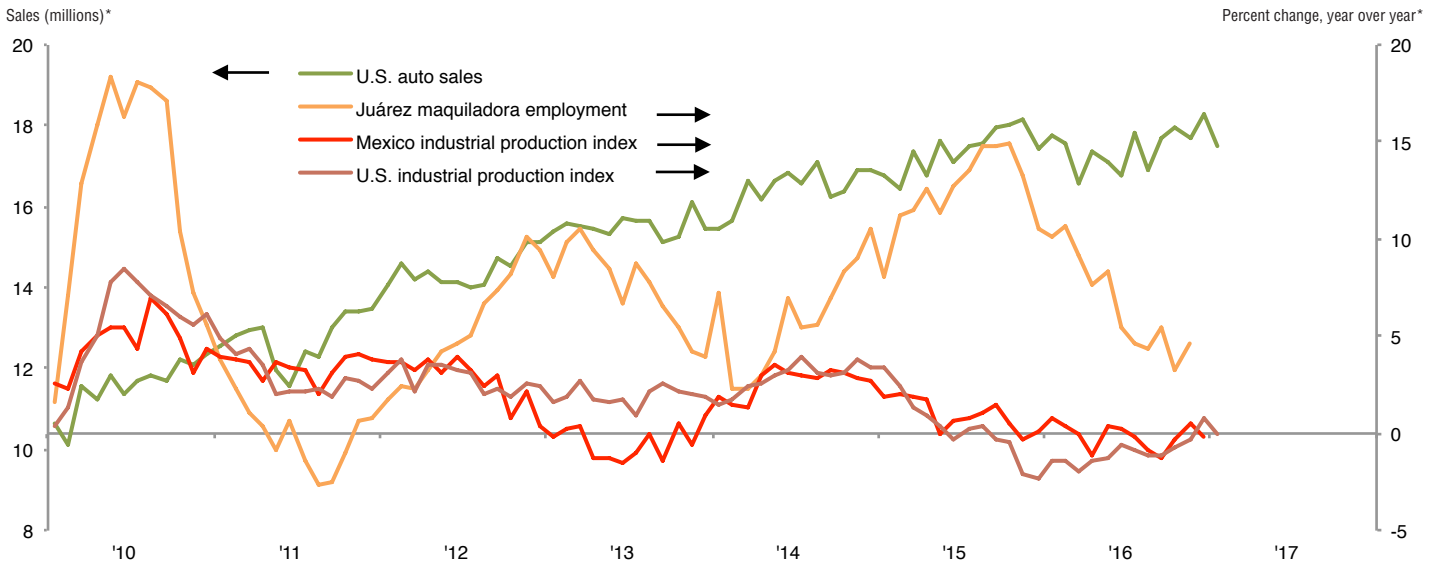
► The El Paso housing market remains strong. However, home prices in El Paso remain 5 percent below their 2008 first-quarter peak, according to a price index from the Federal Housing Finance Agency. Although U.S. home prices dropped drastically due to the financial crisis, they are on an upward trend again and have surpassed their 2007 first-quarter peak price. In Texas, home prices have increased at a much faster rate. On a year-over-year basis, home prices in Texas rose 12 percent, compared with El Paso's growth of 4.0 percent and the national growth of 8.0 percent during the same period.

Juárez Maquiladora Activity

► U.S. industrial production stalled at 0.01 percent year over year in December. The Institute for Supply Management manufacturing index rose to 56.0 in January from 54.5 in December. Its associated new-orders index—a leading indicator of industrial activity—also increased, from 60.3 in December to 60.4 in January.

► U.S. auto and light-truck production edged down to 11.2 million units in January from 11.9 million in December. Meanwhile, U.S. auto sales in January slightly declined to 17.5 million units on an annual basis. Auto sales are closely linked to the local economy because roughly half of maquiladoras in Juárez are auto related.

► Despite the sluggish U.S. industrial sector, Mexico's maquiladoras continue to add jobs. According to Mexico's IMMEX series, Juárez manufacturing employment totaled over 263,000 in November (latest data available), up 4.6 percent from a year ago.



*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.

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