

# El Paso Economic Indicators

DALLAS FED

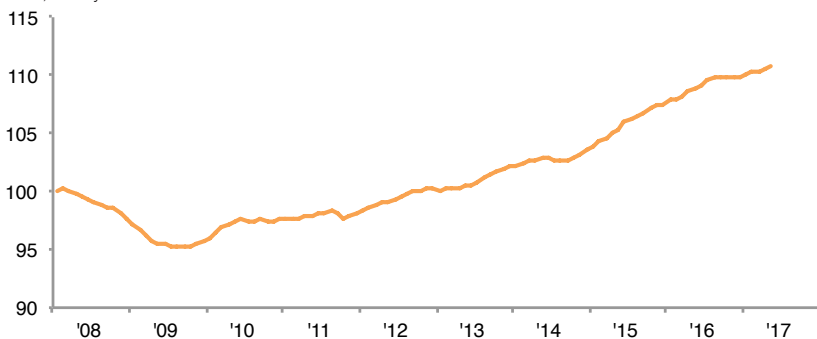
FEDERAL RESERVE BANK OF DALLAS • JUNE 29, 2017

## Summary

El Paso economic activity continues to expand. Solid growth in El Paso is being driven by the services industry and by strong maquiladora activity in Ciudad Juárez. While trade through the El Paso Port of Entry has slowed, the housing market remains strong, with sales above year-ago levels.

### El Paso Business-Cycle Index

Index, January 2008 = 100\*

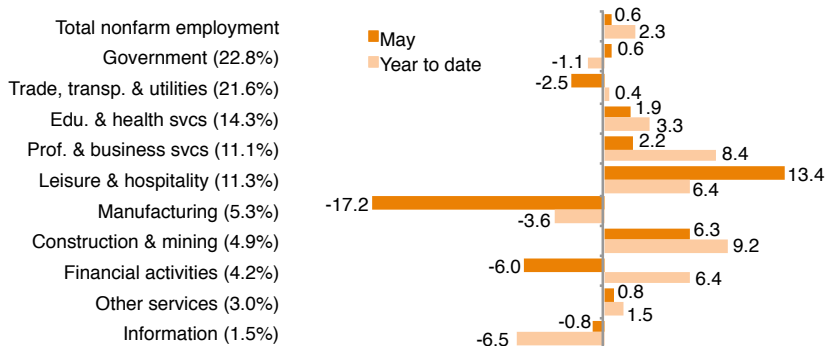


\*Seasonally adjusted, monthly.

SOURCE: Dallas Fed.

► The El Paso Business-Cycle Index, which is based on employment, unemployment, retail sales and wages, posted annualized growth of 2.1 percent in May. The continued gains in the index are attributed to the strong labor market. Meanwhile, retail sales totaled \$2.9 billion in fourth quarter 2016 (latest data available), down 5.5 percent from third quarter 2016 sales, but showing no change from retail sales a year earlier. The quarterly decline in retail sales may be attributed to a slowdown in retail spending by Mexican nationals. Research shows that peso-dollar exchange rate fluctuations significantly influence cross-border shopping activity.

### Employment Growth by Sector



NOTES: Data show seasonally adjusted and annualized percentage employment growth by sector. 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.

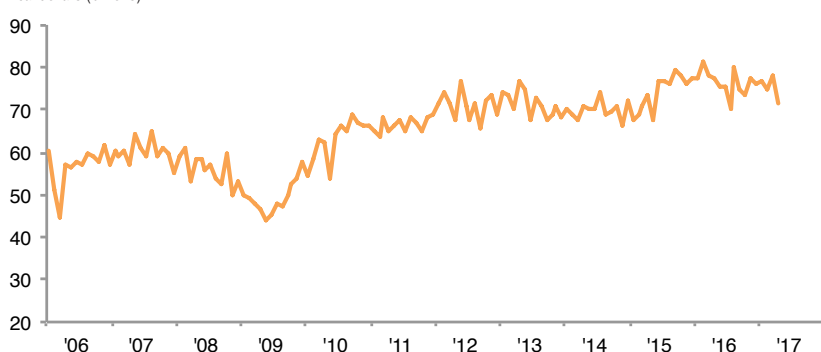
► The El Paso unemployment rate dipped to 5.1 percent in May, from 5.3 percent in April. The El Paso May reading was above the Texas rate of 4.8 percent and the U.S. unemployment rate of 4.3 percent.

► May job growth was mixed. Trade, transportation and utilities declined by 2.5 percent, and manufacturing fell by 17.2 percent. However, the declines were offset by strong growth in education and health services, professional and business services, and leisure and hospitality. Overall, El Paso posted an annualized growth rate of 0.6 percent in May.

► Year to date, El Paso has added approximately 3,000 jobs. Professional and business services has added 1,150 jobs this year, and leisure and hospitality has gained 900 jobs.

### Total Trade

Real dollars (billions)\*

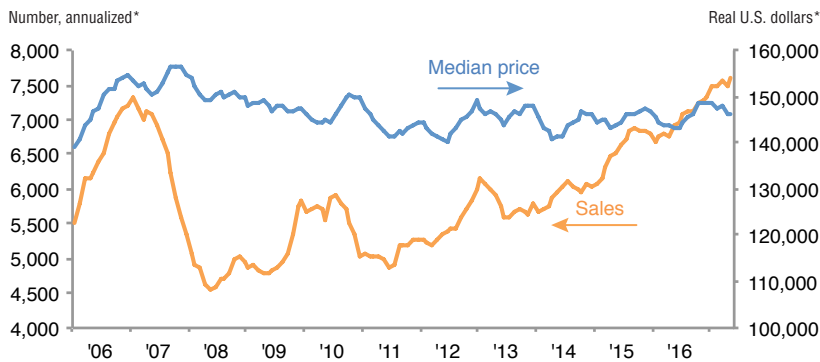


\*Seasonally adjusted, annualized.

SOURCES: Census Bureau; adjustments by the Dallas Fed.

► Annualized total trade in El Paso amounted to \$71.7 billion in April, down from \$77.8 billion in March. Total trade declined 7.8 percent. The month-over-month decline was due to both slower imports and exports. In April, exports fell 8.6 percent and imports declined 7.4 percent.

## Existing-Home Sales



\*Seasonally adjusted, six-month moving average.

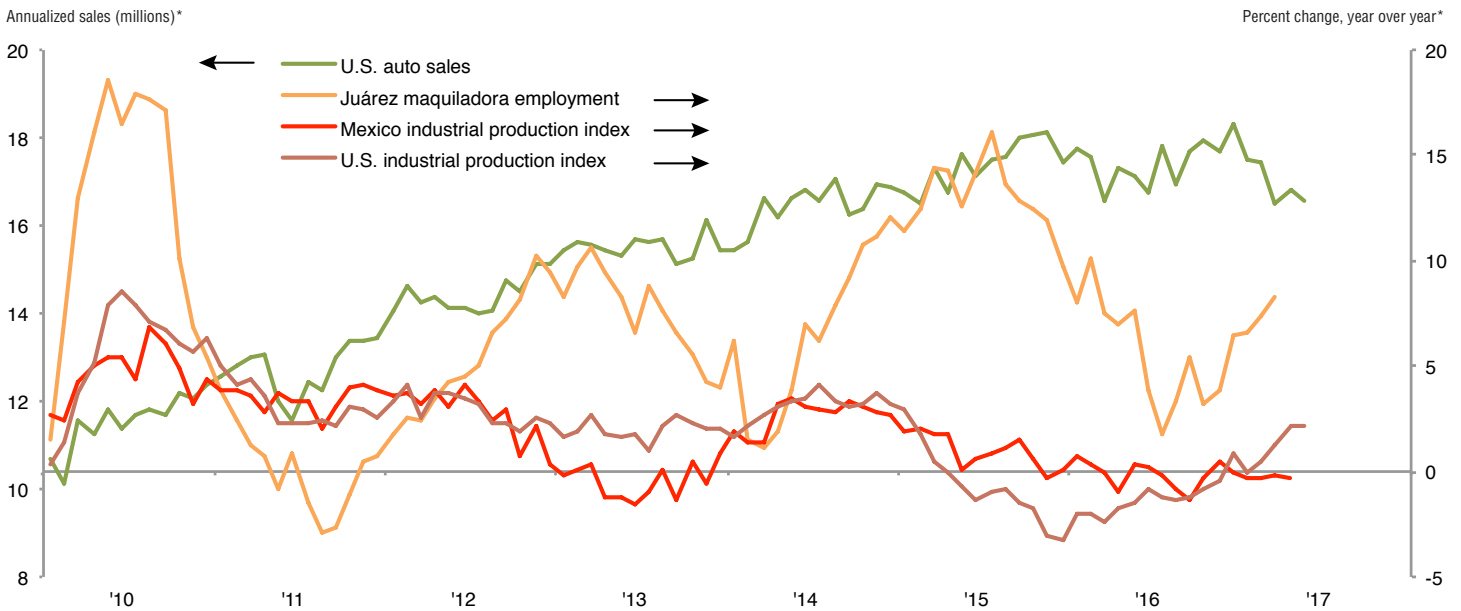
SOURCES: Texas A&M University Real Estate Center; adjustments by the Dallas Fed.

► The El Paso housing market remains strong. Annualized home sales totaled 7,611 in May, up 11 percent from a year ago. Meanwhile, home prices have remained stable, up only 2.4 percent from a year ago. In May, the median home price stood at \$146,484 compared with \$142,996 a year earlier.

## Juárez Maquiladora Activity

► U.S. industrial production rose 2.2 percent year over year in May. As the U.S. industrial sector continues to show growth, Mexico's maquiladoras continue to add jobs. According to Mexico's IMMEX series, Juárez manufacturing employment totaled over 274,000 in March (latest data available), up 8.2 percent from a year ago, and reaching a new postrecession high.

► U.S. auto and light-truck production declined to 11.3 million units in May from 11.5 million in April. Meanwhile, U.S. auto sales in May fell to nearly 16.6 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.



\*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](mailto:marycruz.deleon@dal.frb.org).

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