Key Takeaways

Employment

· March 2023 marked a significant milestone of year-over-year non-farm employment gains, with twenty-four consecutive months in the U.S., El Paso, and Las Cruces, and thirty-two consecutive months in Ciudad Juárez. At a national level, there were gains of nearly 4 million jobs (2.7%) observed in March 2023.

· Despite the overall positive trend in job growth, Las Cruces was the only MSA from the Paso del Norte region which experienced mixed results in March 2023, with growth observed in three out of five non-farm employment sectors. Employment declines of 100 jobs each were registered in both the Trade and Transportation and Utilities sectors.

Hotel Occupancy Rates

· Ciudad Juárez boasts the highest hotel occupancy rate at 72.9% in February 2023, outperforming other selected cities, including El Paso, Laredo, McAllen, San Antonio, and Las Cruces.

· Despite decreases in year-over-year hotel occupancy rates for most cities, Ciudad Juárez suffered a slight decrease of 0.5 percentage point (pp) and shows an impressive 11.2 pp increase compared to pre-pandemic levels in 2019.

Trade

· During the first quarter of 2023, the Laredo Port of Entry (PoE) and the Ysleta PoE displayed significant growth, with an increase of $9,768 million (14.3%) and $2,870 million (16.3%) in total trade, respectively, when compared to other PoE, with an increase of in total trade.

· The El Paso Port of Entry (PoE) registered a noteworthy year-over-year growth in total commodity import value during the first quarter of 2023 compared to the same period in 2022, with an increase amounting to $1,513 million (11.0%).

Employment

Job Growth Keeps Rising

Non-farm employment in March 2023 for the Paso del Norte region exceeded that of March 2022. In a month-over-month comparison, however, the outlook is mixed.

March 2023 marked the twenty-fourth consecutive month of year-over-year non-farm employment gains in the U.S., El Paso, and Las Cruces, and the thirty-second consecutive month in Ciudad Juárez. At the national level, year-over-year gains of 4,034,000 jobs (2.7%) were observed in March 2023. Total non-farm employment also increased in El Paso by 10,600 jobs (3.2%), in Las Cruces by 2,200 jobs (2.9%), and in Ciudad Juárez by 11,903 jobs (2.4%). In a month-over-month comparison, non-farm employment increased in the U.S. by 462,000 (0.3%), Las Cruces by 300 jobs (0.4%), and Ciudad Juárez 3,153 jobs (0.6%). However, non-farm employment in El Paso remained stagnant over this time.
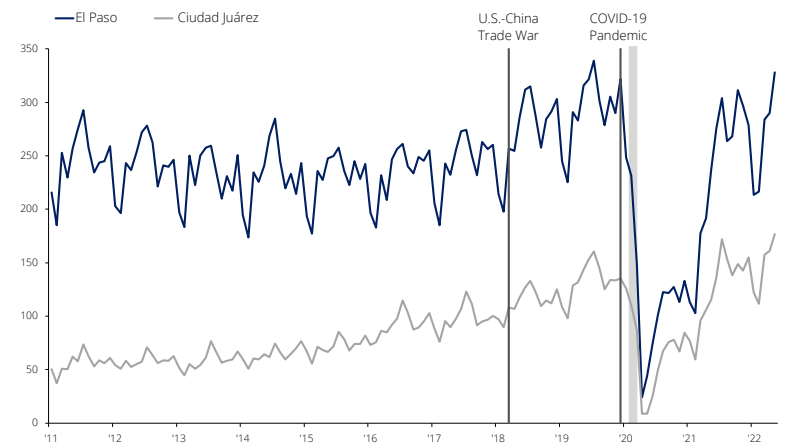
Quick-Glance Indicators

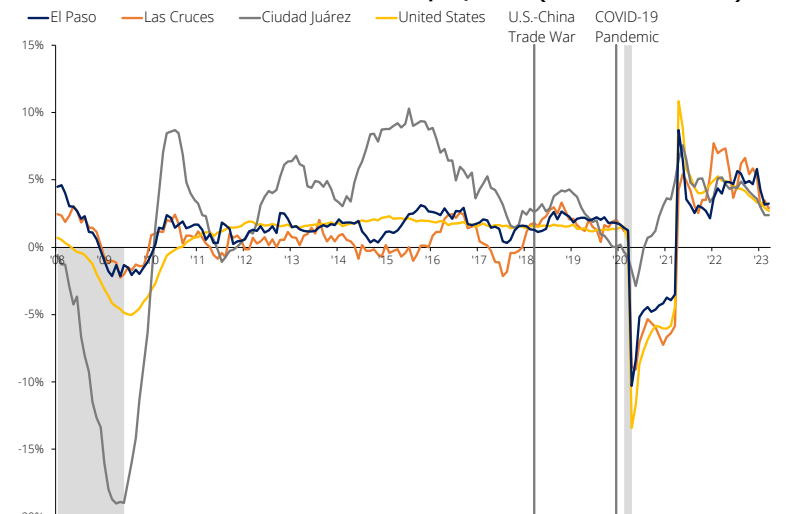**Unemployment Rates for U.S., State, and Selected MSA Economies**
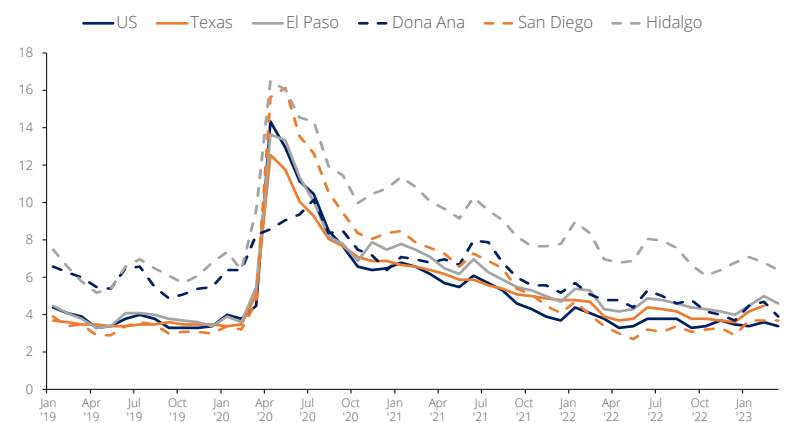
Note: Data as of March 2023.
Source: Hunt Institute calculations using data from the U.S. Bureau of Labor Statistics.

El Paso and Ciudad Juárez Air Passengers, Thousands

Note: Data as of March 2023. Shaded area indicates recession as defined by the National Bureau of Economic Research (2020 recession began in February and ended in April).
Source: Hunt Institute using El Paso International Airport and Grupo OMA data.

Paso del Norte Total Non-Farm Employment (Year-over-Year, %)

Note: Preliminary data for March 2023. Shaded area indicates recession as defined by the National Bureau of Economic Research (2020 recession began in February and ended in April).
Source: Hunt Institute calculations using data from the U.S. Bureau of Labor Statistics and Instituto Mexicano del Seguro Social.

UTEP
HUNT INSTITUTE
FOR GLOBAL COMPETITIVENESS

The Hunt Institute tracks five non-farm employment sectors in the Paso del Norte region. While the U.S., El Paso, and Ciudad Juárez added jobs in all five sectors on a year-over-year basis for March 2023, Las Cruces experienced growth in three of the five sectors.

The Services sector drove year-over-year job growth in El Paso, Las Cruces, and the U.S., while the Manufacturing sector drove growth in Ciudad Juárez. In El Paso, the Services sector grew by 6,600 jobs (3.0%), the Manufacturing sector by 1,100 jobs (6.2%), the Transportation and Utilities sector by 2,100 jobs (10.9%), the Mining and Construction sector by 600 jobs (3.5%), and the Trade sector by 200 jobs (0.4%). In Las Cruces, non-farm employment increased in the Services sector by 1,800 jobs (3.1%), the Manufacturing sector by 300 jobs (9.7%), the Mining and Construction sector by 300 jobs (8.1%), and a decrease in the Trade and Transportation and Utilities sector of 100 jobs (-1.1%) and 100 jobs (-4.2%), respectively. Ciudad Juárez recorded increases in all five sectors: 900 jobs (0.3%) in Manufacturing, 2,600 jobs (5.1%) in Trade, 3,800 jobs (23.7%) in Mining and Construction, 1,400 jobs (5.3%) in Transportation and Utilities, and 3,100 jobs (4.5%) in Services.

Paso del Norte Total Non-Farm Employment by Sector, March 2023 (Year-over-Year)

Note: Preliminary data for March 2023. Services excludes Transportation and Utilities, and Trade. Numbers are rounded to the nearest hundred.
Source: Hunt Institute calculations using data from the U.S. Bureau of Labor Statistics and Instituto Mexicano del Seguro Social.

Hotel Occupancy Rates

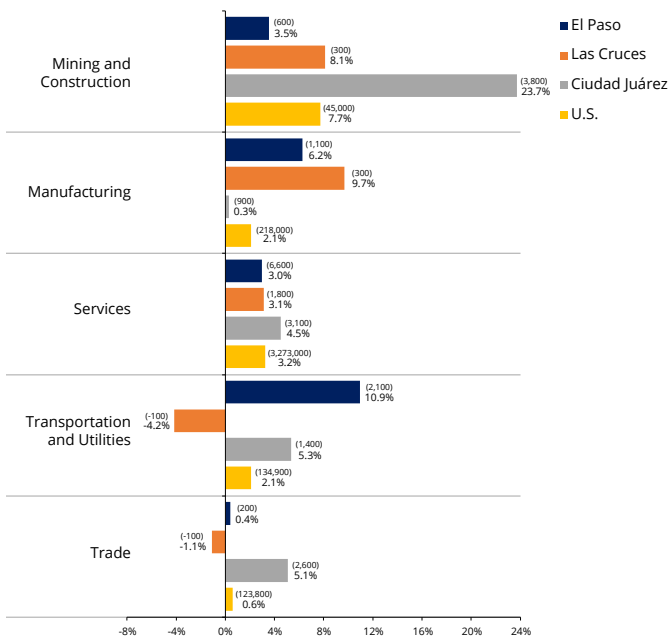## Hotel Occupancy Rates Surge in El Paso and Ciudad Juárez in a Month-Over-Month Comparison

El Paso and Ciudad Juárez lead in Hotel Occupancy Rates in early 2023 despite year-over-year decreases in selected cities.

Hotel occupancy in these cities outpaced other selected cities in early 2023.[1] In a comparison of selected cities, the hotel occupancy rates for El Paso and Ciudad Juárez reached their highest level in June 2022. For Las Cruces, Laredo, and San Antonio the highest level was recorded in March 2022 since 2022. McAllen reached its highest hotel occupancy rate in February 2022.

As of February 2023, Ciudad Juárez had the highest hotel occupancy rate of 72.9% compared to the other selected cities. El Paso had a hotel occupancy rate of 70.1%, while Laredo, McAllen, and San Antonio had hotel occupancy rates of 68.8%, 65.9%, and 64.6%, respectively. Las Cruces had the lowest hotel occupancy rate with just 55.9%.

In a year-over-year comparison of February 2023, all selected cities exhibited a decrease in hotel occupancy rates except for San Antonio, which had a year-over-year increase of 3.7 pp. Las Cruces displayed the largest decrease of 13.1 pp. Laredo exhibited a year-over-year decrease of 10.1 pp while McAllen exhibited a decrease of 12.0 pp. El Paso and Ciudad Juárez experienced less significant decreases in hotel occupancy rates, in a year-over-year-comparison, suffering a decrease of -3.0 pp and -0.5 pp, respectively.
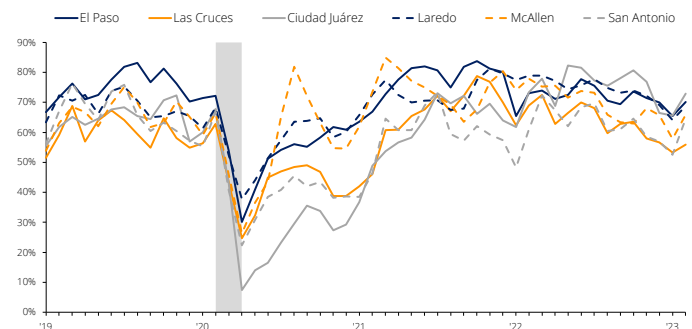
Hotel Occupancy Rates by MSA through February 2023 (Year-over-Year, %)

Note: Data as of February 2023. McAllen includes Edinburg and Mission; San Antonio includes New Braunfels. Shaded area indicates NBER defined recession (2020 recession began in February and ended in April).
Source: Hunt Institute using STR data.

1 El Paso, Las Cruces, Ciudad Juárez, Laredo, McAllen, and San Antonio

Trade

U.S.-Mexico Border Trade Surges in Q1 2023

In the first quarter of 2023, total trade across the top ten U.S.-Mexico border ports of entry increased, with the Laredo and Ysleta Port of Entry exhibiting the most significant growth.

Total trade across the top ten U.S.-Mexico border ports of entry experienced an increase during the first quarter of 2023, compared to the same period in 2022. In the first quarter of 2023, these top ten border PoE registered $168,469 million in total trade, reflecting an increase of $13,711 million (8.9%) from the first quarter of 2022. The Laredo Port of Entry (PoE) exhibited the most significant growth in total trade during this period, with an increase of $9,768 million (14.3%). The Ysleta PoE experienced significant growth as well when compared to other PoE, with an increase of $2,870 million (16.3%) in total trade.

On a month-over-month basis in 2023, the majority of the top ten PoE exhibited a considerable increase in total trade during March compared to February.

Top Ten U.S.–Mexico Border Ports of Entry for Total Trade with World, Million USD

| Port of Entry | A Jan–Mar 2022 | B Jan–Mar 2023 | B–A | B–A (Δ%) | March 2022 | |
					MoM	YoY
Laredo, TX	$68,192	$77,960	$9,768	14.3%	16.7%	12.2%
Ysleta, TX	$17, 657	$20,528	$2,870	16.3%	13.3%	9.4%
Otay Mesa, TX	$15,244	$15,331	$86	0.6%	16.2%	-3.5%
Hidalgo, TX	$11,761	$11,617	($144)	-1.2%	19.2%	-2.6%
Eagle Pass, TX	$8,156	$9,308	$1,152	14.1%	20.9%	16.6%
Nogales, AZ	$7,491	$8,351	$860	11.5%	18.7%	9.3%
Brownsville, TX	$5,664	$6,211	$547	9.7%	7.1%	7.8%
Santa Teresa, NM	$7,319	$5,844	($1,475)	-20.1%	35.6%	-15.1%
El Paso, TX	$6,268	$5,551	($717)	-11.4%	8.9%	-17.5%
Calexico-East, CA	$5,044	$5,459	$415	8.2%	20.8%	5.9%

Note: Top ten in 2022. YoY denotes year-over-year; MoM denotes month-over-month.
Source: Hunt Institute calculations using data from the U.S. Census Bureau.

In the first quarter of 2023, the top six PoE recorded a total commodity import value of $90,154 million, marking a $8,227 million (10.0%) increase compared to the same period in 2022. Year-over-year performance varied among the top six PoE. Eagle Pass and Laredo, for example, experienced increases of $401 million (19.6%) and $2,224 million (14.4%), respectively, while Santa Teresa and Otay Mesa faced declines of $118 million (-7.6%) and $193 million (-5.0%), respectively. Nevertheless, on a month-over-month basis, all top six PoE exhibited significant gains in total commodity import value, with Laredo experiencing the largest increase of $2,867 million (19.3%).

Top U.S.–Mexico Border PoE for Imports from the World, Billion USD (Year-over-Year, %)
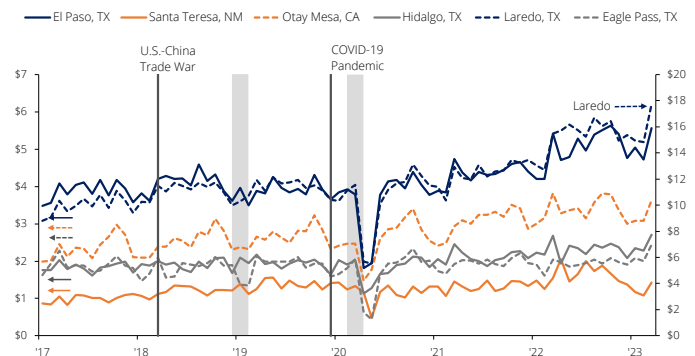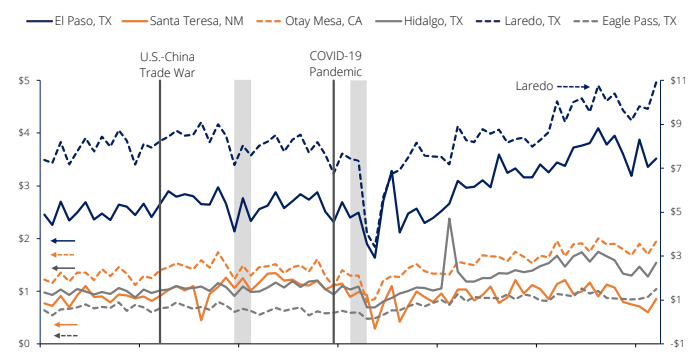

Note: Data as of March 2023. Top six ports in total trade. El Paso PoE includes Ysleta PoE. Shaded area indicates recession as defined by the National Bureau of Economic Research (2020 recession began in February and ended in April).
Source: Hunt Institute calculations using data from the U.S. Census Bureau.

In the first quarter of 2023, the top six PoE registered a total commodity export value of $55,983 million, representing a $3,314 million (6.3%) increase compared to the same period in 2022. Year-over-year performance continued to vary among the PoE in terms of export value. For instance, Eagle Pass and Laredo experienced increases of $96 million (10.1%) and $894 million (8.9%), respectively, while Santa Teresa and Hidalgo faced significant declines of $287 million (-25.3%) and $131 million (-7.9%), respectively. However, on a month-over-month basis, all top six PoE witnessed significant gains in total commodity export value, with Laredo also experiencing the greatest increase of $1,223 million (12.6%).

Top U.S.–Mexico Border PoE for Exports to the World, Billion USD (Year-over-Year, %)

Note: Data as of March 2023. Top six ports in total trade. El Paso PoE includes Ysleta PoE. Shaded area indicates recession as defined by the National Bureau of Economic Research (2020 recession began in February and ended in April).
Source: Hunt Institute calculations using data from the U.S. Census Bureau.

About Hunt Institute for Global Competitiveness

Since 2014, the Hunt Institute for Global Competitiveness at The University of Texas at El Paso has provided economic analysis of the Paso del Norte Region that includes the binational communities of El Paso, Texas; Las Cruces, N.M.; and Ciudad Juárez, Mexico. The mission of the Hunt Institute is to produce high-quality market analysis tools that strengthen regional and binational cross-border social and economic development.

utep.edu/hunt-institute