

Key Takeaways

Employment

- Total non-farm employment increased in August 2022 on a year-over-year basis in the U.S. (5,695,000 jobs, 3.9%), El Paso (9,500 jobs, 3.0%), Las Cruces (2,700 jobs, 3.8%), and Ciudad Juárez (23,400 jobs, 4.9%).
- On a monthly basis, the change in total non-farm employment across the Paso del Norte region and the U.S. was mixed in July, with El Paso remaining stagnant, Las Cruces adding 700 jobs (1.0%), and Ciudad Juárez growing by 3,400 jobs (0.7%). The U.S. gained 384,000 jobs (0.3%).

Hotel Occupancy Rates

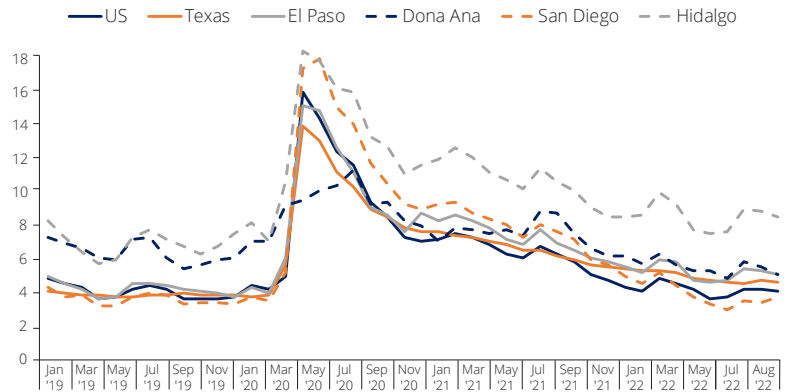
- Hotel occupancy rates in the selected MSAs, excluding McAllen, have recovered from pre-pandemic levels as of August 2022.¹
- Hotel occupancy rates in the selected MSAs seem to show a slight downward trend in recent months.

Commodity Flows

- Imported commodities from Mexico to El Paso made up 81% of total commodity value while imported commodities from East Asia made up 7%. Import and export flows decreased sharply in 2020 due to the COVID-19 global pandemic.
- In 2020, \$4.3 billion of total commodity value arrived in El Paso from Los Angeles. Electronics, Gasoline, Plastics and Rubber, Mixed Freight, and Pharmaceuticals were the top five categories accounting for 17.8%, 14.3%, 8.2%, 6.6%, and 6.2% of the total value, respectively.
- From El Paso, the top domestic destination was New Mexico with \$1.1 billion (4.5% of total commodity value) in 2020. Electronics was 25.6% of the total value of these shipments.

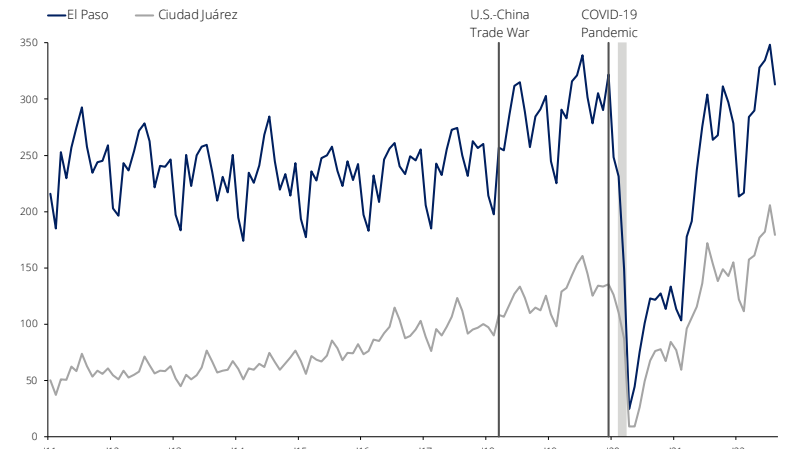
Quick-Glance Indicators

Unemployment Rates for U.S., State, and Selected MSA Economies



Note: Data up to August 2022.
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 August 2022. 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.

Employment

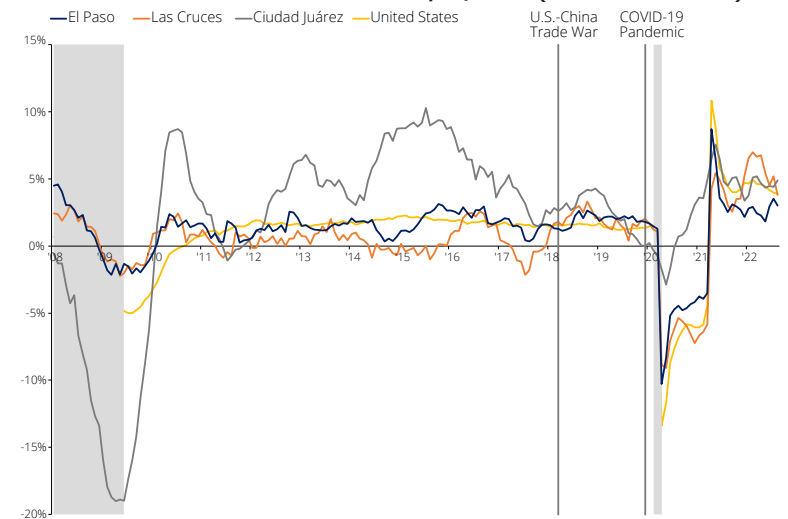
Post-pandemic Job Growth Slows Down

Non-farm employment in August 2022 for the Paso del Norte region exceeds that of August 2021, while month-over-month growth has been stagnant.

August 2022 marked the seventeenth consecutive month of year-over-year non-farm employment gains for El Paso and Las Cruces. Non-farm employment gains continued for the twenty-fifth consecutive month in Ciudad Juárez.

The national economy registered year-over-year gains of 5,695,000 jobs (3.9%) in August. By comparison, total non-farm employment increased in El Paso by 9,500 jobs (3.0%), in Las Cruces by 2,700 jobs (3.8%), and in Ciudad Juárez by 23,400 jobs (4.9%). In a month-over-month

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



Note: Preliminary data for August 2022. 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.

1. Selected MSAs are El Paso, TX; McAllen, TX; San Antonio, TX; Las Cruces, NM; and, Ciudad Juárez in Chihuahua, Mexico.

comparison, the U.S. gained 384,000 jobs (0.3%), Las Cruces grew 700 jobs (1.0%), and Ciudad Juárez increased by 3,400 jobs (0.7%). El Paso remained stagnant.

The Hunt Institute tracks five non-farm employment sectors in the Paso del Norte region. El Paso exhibited growth in all but one sector in a year-over-year comparison for August 2022, while Las Cruces gained jobs in three out of the five sectors. Ciudad Juárez and the U.S. added jobs in all 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 (3.1%), the Trade sector by 1,100 jobs (1.2%), the Transportation and Utilities sector by 1,400 jobs (8.4%), and the Manufacturing sector by 1,300 jobs (8.0%) while the Mining and Construction sector decreased by 900 jobs (-4.8%). In Las Cruces, non-farm employment increased in the Services sector by 2,200 jobs (4.2%), the Mining and Construction sector by 600 jobs (16.7%), and the Manufacturing sector by 100 jobs (3.3%). The Trade sector decreased by 200 jobs (-2.2%), while the Transportation and Utilities sector remained stagnant. Ciudad Juárez recorded increases in all sectors: with 14,000 jobs (4.4%) in the Manufacturing sector, 1,800 jobs (3.5%) in the Trade sector, 2,900 jobs (20.6%) in the Mining and Construction sector, 1,600 jobs (6.3%) in the Transportation and Utilities sector, and 3,100 jobs (4.6%) in the Services sector.

El Paso's non-farm employment gains in a month-over-month comparison occurred in two of the five sectors. The Services sector grew by 300 jobs (0.1%), and the Trade sector by 100 jobs (0.2%). El Paso lost jobs in other employment sectors: Transportation and Utilities by 300 jobs (-1.6%) and Mining and Construction sector by 100 jobs (-0.6%). The Manufacturing sector remained stagnant.

Las Cruces exhibited employment growth in two sectors. The Services sector grew by 700 jobs (1.3%), and Trade by 100 jobs (1.1%). The Mining and Construction sector lost 100 jobs (-2.3%), while the Manufacturing sector and the Transportation and Utilities sector remained stagnant. Ciudad Juárez demonstrated moderate job gains in all five sectors. Manufacturing increased by 1,500 jobs (0.4%), the Services sector added 900 jobs (1.3%), Mining and construction by 600 jobs (3.8%), Trade by 200 jobs (0.4%), and the Transportation and Utilities sector by 200 jobs (1.3%).

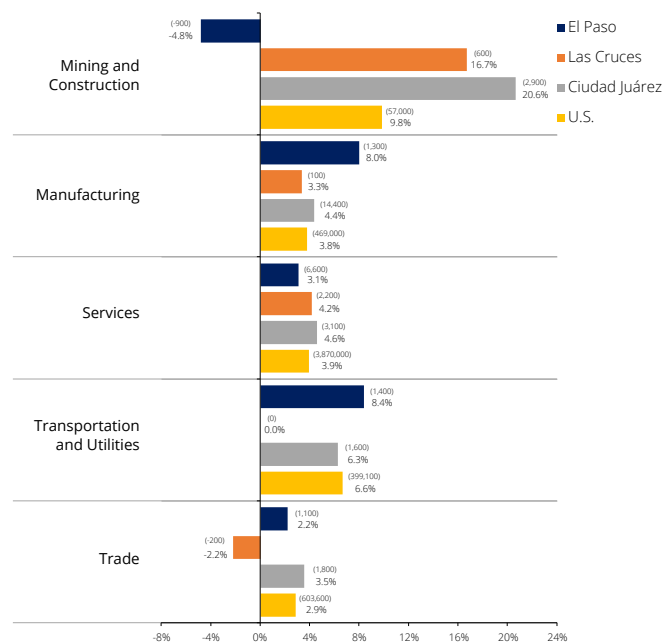
Hotel Occupancy Rates

Hotel Occupancy Rates Slow but Remain above Pre-pandemic Levels

Hotel occupancy rates in the selected MSAs slump slightly as we head into the end of the year in August 2022.²

Hotel occupancy rates in the selected MSAs, excluding McAllen, have recovered from pre-pandemic levels as of August 2022. Notably for the Ciudad Juárez, San Antonio, and El Paso where hotel occupancy rates were up by 46% for Ciudad Juárez and 15% for both San Antonio and El Paso in August 2022 compared to 2019. However, when compared to the previous year, El Paso and Las Cruces suffered a decrease of 4% and 7%, respectively. Hotel occupancy rates in the selected cities seem to slightly show a downward trend in recent months.

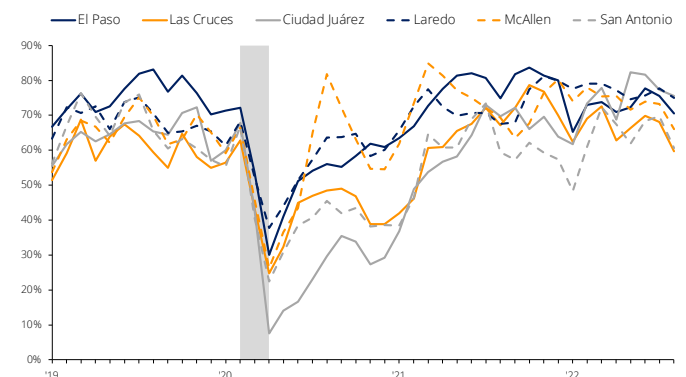
Paso del Norte Total Non-Farm Employment by Sector, August 2022 (Year-over-Year)



Note: Preliminary data for August 2022. 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 by MSA through August 2022 (Year-over-Year, %)



Note: Data as of August 2022. 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.

² Selected MSAs are El Paso, TX; McAllen, TX; San Antonio, TX; Las Cruces, NM; and Ciudad Juárez in Chihuahua, Mexico.

Commodity Flows

Total Commodity Flows to El Paso Decreased Sharply in 2020

In 2020, \$4.3 billion in commodity value from Los Angeles came to El Paso. Electronics was 17.8% of the total value of these shipments.

El Paso is a strategic location for trade between the U.S. and Mexico, linking supply chains where manufacturers in each country work together to produce finished goods. In El Paso, the flow of intermediate inputs is exported to Mexico for manufacturing and returned as finished products or intermediate inputs for further production in the U.S.

In El Paso, imported commodities from Mexico made up 81% of total commodity value while commodities from East Asia made up 7%. There is no data available for 2021, but import flows decreased sharply in 2020 due to the COVID-19 global pandemic.

Top Foreign Shipping Points for International Shipments heading to El Paso (USD Million)

U.S. State	A 2019	B 2020	B-A	B-A (Δ%)
Mexico	\$23,393.7	\$17,847.2	\$(5,546.5)	-23.7%
East Asia	\$1,930.9	\$1,618.5	\$(312.4)	-16.2%
Europe	\$1,071.4	\$928.5	\$(143.0)	-13.3%
Southeast Asia and Oceania	\$773.2	\$716.2	\$(57.1)	-7.4%
Canada	\$368.0	\$329.5	\$(38.4)	-10.4%
Southwest and Central Asia	\$299.0	\$235.3	\$(63.7)	-21.3%
Rest of Americas	\$251.6	\$208.2	\$(43.4)	-17.3%
Africa	\$47.5	\$32.4	\$(15.1)	-31.8%
Total	\$28,135.4	\$21,915.8	\$(6,219.6)	-22.1%

Note: Modes of Transportation include truck, rail, air, multiple modes and mail, pipeline, and other and unknown.
Source: The U.S. Bureau of Transportation Statistics and the Federal Highway Administration.

Top Domestic Shipping Points for International Shipments heading to El Paso (USD Million)

U.S. State	A 2019	B 2020	B-A	B-A (Δ%)
Los Angeles	\$4,386.1	\$4,265.7	\$(120.4)	-2.7%
Rest of Texas	\$3,940.1	\$3,539.7	\$(400.4)	-10.2%
Rest of Arizona	\$3,044.1	\$3,028.5	\$(15.6)	-0.5%
Dallas-Fort Worth (Texas Part)	\$2,004.1	\$1,936.9	\$(67.2)	-3.4%
New Mexico	\$1,247.1	\$1,208.7	\$(38.4)	-3.1%
San Francisco	\$1,169.6	\$1,139.2	\$(30.4)	-2.6%
Chicago (Illinois Part)	\$1,019.8	\$943.3	\$(76.5)	-7.5%
Total	\$47,109.1	\$44,436.5	\$(2,672.7)	-5.7%

Note: Modes of Transportation include truck, rail, air, multiple modes and mail, pipeline, and other and unknown.
Source: The U.S. Bureau of Transportation Statistics and the Federal Highway Administration.

These import flows arriving in El Paso from foreign shipping points first arrive at domestic shipping points across the U.S. In 2020, \$4.3 billion of total commodity value arrived in El Paso from Los Angeles. Electronics, Gasoline, Plastics and Rubber,

Mixed Freight, and Pharmaceuticals were the the top five categories accounting for 17.8%, 14.3%, 8.2%, 6.6%, and 6.2% of the total value, respectively.

In 2020, the top domestic destination for shipments leaving El Paso was New Mexico with \$1.1 billion (4.5% of total commodity value). Electronics was 25.6% of the total value of these shipments, while Gasoline 17.4%, Base Metals 11.2%, Pharmaceuticals 7.0%, and Other Foodstuffs 5.2%.

Top Domestic Destinations for International Shipments leaving El Paso (USD Million)

U.S. State	A 2019	B 2020	B-A	B-A (Δ%)
New Mexico	\$1,185.3	\$1,109.9	\$(75.4)	-6.4%
Detroit	\$1,050.5	\$1,027.3	\$(23.2)	-2.2%
Rest of Connecticut	\$941.6	\$851.2	\$(90.4)	-9.6%
Dallas-Fort Worth (Texas Part)	\$704.0	\$677.0	\$(26.9)	-3.8%
Chicago (Illinois Part)	\$579.0	\$566.8	\$(12.2)	-2.1%
Kansas City (Missouri Part)	\$557.9	\$543.1	\$(14.8)	-2.7%
San Francisco	\$528.8	\$515.1	\$(13.7)	-2.6%
Total	\$26,105.7	\$24,613.3	\$(1,492.4)	-5.7%

Note: Modes of Transportation include truck, rail, air, multiple modes and mail, pipeline, and other and unknown.
Source: The U.S. Bureau of Transportation Statistics and the Federal Highway Administration.

From El Paso, export flows make their way to foreign destinations as well. The top foreign destination was Mexico, making up 88.8% of total commodity value. East Asia made up only 3% of total commodity value.

Total Commodity Value Export Flows from El Paso to all Foreign Destinations (USD Million)

U.S. State	A 2019	B 2020	B-A	B-A (Δ%)
Mexico	\$20,200.5	\$18,957.6	\$(1,242.9)	-6.2%
East Asia	\$567.4	\$651.7	\$84.3	14.9%
Rest of Americas	\$552.6	\$499.8	\$(52.8)	-9.5%
Europe	\$465.8	\$438.8	\$(27.0)	-5.8%
Canada	\$342.9	\$298.2	\$(44.8)	-13.1%
Southeast Asia and Oceania	\$224.0	\$214.7	\$(9.3)	-4.2%
Southwest and Central Asia	\$260.2	\$213.9	\$(46.3)	-17.8%
Africa	\$92.5	\$75.1	\$(17.3)	-18.7%
Grand Total	\$22,706.0	\$21,349.8	\$(1,356.1)	-6.0%

Note: Modes of Transportation include truck, rail, air, multiple modes and mail, pipeline, and other and unknown.
Source: The U.S. Bureau of Transportation Statistics and the Federal Highway Administration.

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.

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