

Key Takeaways

Employment

- Non-farm employment in November grew in El Paso and Ciudad Juárez by 1.3% (4,200 jobs gained) and 0.9% (4,200 jobs gained), respectively, with respect to October. Las Cruces non-farm employment remained stagnant. In Ciudad Juárez, non-farm employment also increased on a year-over-year basis by 2.2% (10,300 jobs gained), its largest year-over-year increase since April 2019.

Remittances

- Given the integration of border sister communities, operations that were usually conducted in person have transitioned to remote transactions due to current inland travel restrictions across the U.S. border, leading to increased electronic money transfers. Remittances to Mexican border states have increased more rapidly than those to non-border states. For border cities, the largest recorded increases for the January to September 2020 period on a year-over-year basis were observed in Tijuana (\$106 million), Mexicali (\$74 million), and Ciudad Juárez (\$50 million), respectively.

Trade

- Of the top ten U.S.-Mexico ports of entry in terms of total merchandise trade value in 2019, Santa Teresa Port of Entry (PoE) continued to suffer the most in terms of year-over-year decreases in November (-\$233 million or -10.2%), while El Paso also decreased (-\$134 million or -2.1%). Laredo, Hidalgo, Eagle Pass, and Otay Mesa were the only ports of entry to see increases in November compared to the same month last year, at \$1 billion (5.3%), \$205 million (6.9%), \$164 million (6.5%), and \$79 million (1.9%), respectively.

Employment

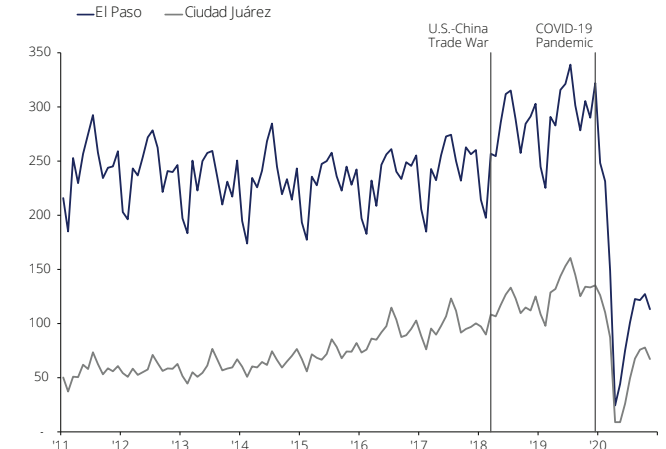
Jobs Show Mixed Signals Throughout Region

El Paso and Ciudad Juárez increased employment in November compared to October, while employment in Las Cruces remained stagnant.

On a monthly basis, non-farm employment in November continued to increase in El Paso and Ciudad Juárez. El Paso non-farm employment increased by 1.3% (4,200 jobs gained), its second monthly increase in a row, while in Ciudad Juárez employment increased by 0.9% (4,200 jobs gained), its sixth monthly increase in a row. Las Cruces non-farm employment registered no job growth for the period. On a year-over-year basis, however, non-farm employment in El Paso and Las Cruces decreased by 4.0% (13,300 jobs lost) and 7.5% (5,700 jobs lost), respectively. In El Paso this represented the smallest year-over-year decrease in employment since the beginning of the current recession, indicating a continued rebound; for Las Cruces, however

Quick-Glance Indicators

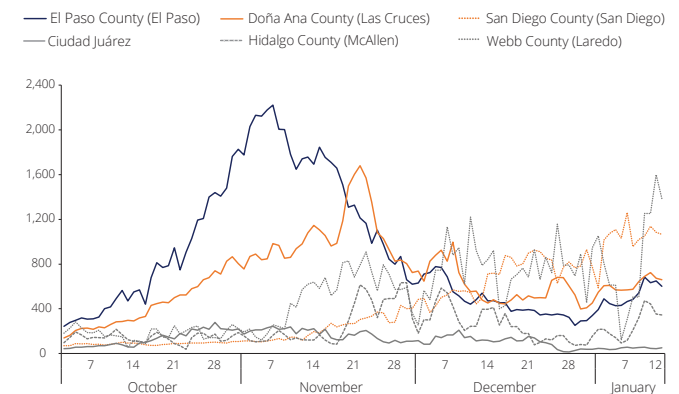
El Paso and Ciudad Juárez Air Passengers, Thousands



Note: Data as of November 2020.

Source: El Paso International Airport and Grupo OMA.

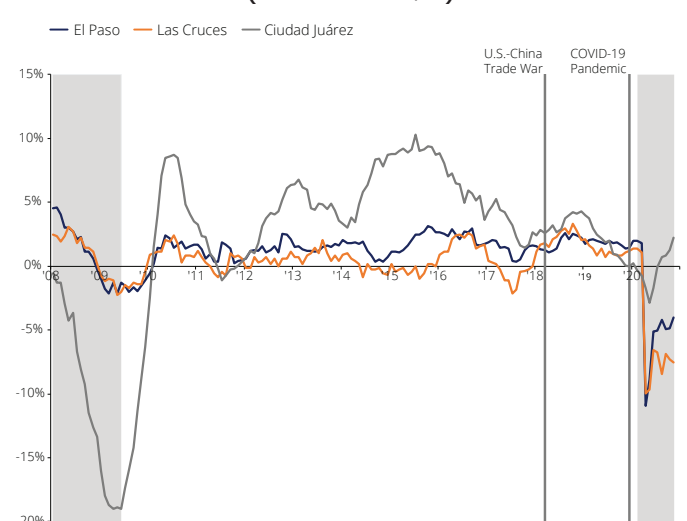
New Coronavirus Cases per 1 Million Inhabitants, 5-Day Moving Average



Note: Data as of January 12, 2021.

Source: Hunt Institute calculations using Texas Health and Human Services, New Mexico Department of Health, Secretaría de Salud de Chihuahua, Center for Systems Science and Engineering at Johns Hopkins University, U.S. Census Bureau, and Consejo Nacional de Población.

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



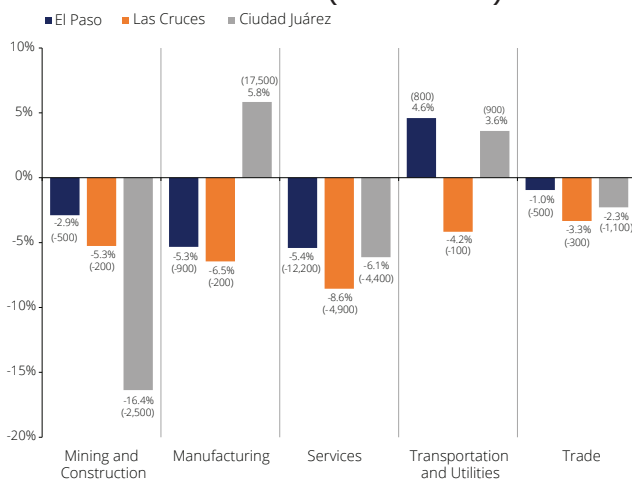
Note: Preliminary data for November 2020. Shaded area indicates NBER defined recession (2020 recession began in February with no end date at time of publication).

Source: Hunt Institute calculations using U.S. Bureau of Labor Statistics and IMSS data.

it represented a steeper year-over-year decline than the month prior. On the other hand, non-farm employment in Ciudad Juárez increased by 2.2% (10,300 jobs gained) in November, its largest year-over-year increase since April 2019.

Across the five sectors used to compare non-farm employment across the Paso del Norte region, in November on a monthly basis, El Paso increased in the Trade (1,900 jobs gained), Transportation and Utilities (1,500 jobs gained), and Services (1,300 jobs gained) sectors, while decreasing by 400 jobs and 100 jobs in the Manufacturing and Mining and Construction sectors, respectively. In Las Cruces, the Transportation and Utilities sector gained 100 jobs, the Services sector lost 100 jobs, and the Manufacturing, Mining and Construction, and Trade sectors exhibited no change. In Ciudad Juárez, all sectors except Services increased on a monthly basis in November, led by Manufacturing and Trade with gains of approximately 4,100 jobs and 400 jobs, respectively. On a year-over-year basis, all sectors, except Manufacturing in Ciudad Juárez and Transportation and Utilities in El Paso and Ciudad Juárez, exhibited negative growth rates. In November, the highest over-the-year job losses in absolute terms for these sectors across the region were: Services in El Paso (-12,200 approximately), Services in Las Cruces (-4,900 approximately), and Services in Ciudad Juárez (-4,400 approximately). For El Paso, the job year-over-year gain in Transportation and Utilities was the first registered across any of the five sectors since March 2020.

Paso del Norte Total Non-Farm Employment by Sector November 2020 (Year-over-Year)



Note: Preliminary data for November 2020. Services exclude Transportation and Utilities and Trade. Numbers are rounded to the nearest hundred.

Source: Hunt Institute calculations using U.S. Bureau of Labor Statistics and IMSS data.

Remittances

Remittances Up in 2020

Ciudad Juárez received \$50 million more in remittances during the first nine months of 2020 period on a year-over-year basis.

Given the integration of border sister communities, operations and transactions that were previously conducted in-person have

been impacted and are now conducted remotely as current inland travel restrictions across the U.S. border, leading to increased electronic money transfers. Amidst the pandemic, remittances to Mexico have continuously registered increases on a year-over-year basis, except in April 2020. In fact, remittances reached their highest peak in March 2020 at around \$4 billion (35% increase), and sat at \$3.4 billion (16% increase) in November. The rate at which remittances have increased, however, differ across states, increasing more rapidly in states situated across the U.S.-Mexico border. For the January to September period on a year-over-year basis, while remittances sent to Mexican border states increased by 14.1%, those for non-border states increased by 9.3%¹. The overall increase in remittances across various regions is partially explained by fluctuations of the Mexican exchange rate, avoidance of carrying cash into Mexico in case of a layoff for those under unlawful presence, and people assisting their families in distressed situations.

Remittances to Mexican States (Million USD)

| Region | 2019 | A Jan-Sep 2019 | B Jan-Sep 2020 | B-A | B-A (%) |
|-------------------|----------|----------------|----------------|---------|---------|
| Border States | \$5,150 | \$3,871 | \$4,416 | \$545 | 14.1% |
| Baja California | \$949 | \$712 | \$932 | \$220 | 30.9% |
| Coahuila | \$640 | \$476 | \$526 | \$50 | 10.5% |
| Chihuahua | \$1,135 | \$857 | \$970 | \$113 | 13.2% |
| Nuevo León | \$960 | \$724 | \$755 | \$31 | 4.2% |
| Sonora | \$593 | \$445 | \$528 | \$84 | 18.8% |
| Tamaulipas | \$873 | \$656 | \$705 | \$49 | 7.4% |
| Non-Border States | \$31,289 | \$23,369 | \$25,550 | \$2,181 | 9.3% |
| Mexico | \$36,439 | \$27,240 | \$29,966 | \$2,726 | 10.0% |

Source: Hunt Institute calculations using data from Banco de México.

Of the top Mexican border cities for remittances, Tijuana received the largest sum of remittances at \$481 million in 2019, followed by Ciudad Juárez with \$327 million. For the January to September 2020 period on a year-over-year basis, all of the selected cities exhibited increases, with the exception of Reynosa which decreased by \$12 million.

Top 10 U.S.-Mexico Border Cities in Remittances (Million USD)

| Municipality | 2019 | A Jan-Sep 2019 | B Jan-Sep 2020 | B-A | B-A (%) |
|-----------------------|----------------|----------------|----------------|--------------|------------|
| Tijuana | \$481 | \$362 | \$467 | \$106 | 29% |
| Ciudad Juárez | \$327 | \$248 | \$298 | \$50 | 20% |
| Mexicali | \$206 | \$155 | \$230 | \$74 | 48% |
| Matamoros | \$135 | \$99 | \$126 | \$27 | 28% |
| Reynosa | \$129 | \$99 | \$87 | -\$12 | -12% |
| Nuevo Laredo | \$99 | \$77 | \$78 | \$1 | 1% |
| Nogales | \$72 | \$54 | \$60 | \$6 | 11% |
| San Luis Río Colorado | \$66 | \$51 | \$73 | \$23 | 45% |
| Ciudad Acuña | \$56 | \$42 | \$51 | \$9 | 21% |
| Piedras Negras | \$52 | \$39 | \$47 | \$9 | 22% |
| Total | \$1,624 | \$1,225 | \$1,518 | \$292 | 24% |

Source: Hunt Institute calculations using data from Banco de México.

¹ Remittances for Mexican states and cities is available up to September 2020.

The largest recorded increases in remittances for the January to September 2020 period were recorded in Tijuana (\$106 million), Mexicali (\$74 million), and Ciudad Juárez (\$50 million), respectively. During this period, the top ten Mexican border cities in remittances increased by 24% (\$292 million), a higher rate than that of the border states as a whole (14.1%).

Trade*

Total Trade Decreases Across Top Ports

The top 10 U.S.-Mexico border ports of entry in total trade all decreased in November compared to October.

Each of the top 10 U.S.-Mexico border ports of entry for total merchandise trade value exhibited decreases in November with respect to the month prior. After six months of consecutive month-over-month increases, Laredo recorded the largest trade value decrease across these ports at \$1.5 billion (-6.9%). However, when compared to November 2019, Santa Teresa witnessed the largest decrease at \$233 million (-10.2%), while El Paso PoE also fell by \$134 million (-2.1%). Laredo, Hidalgo, Eagle Pass, and Otay Mesa were the only ports to increase in November on a year-over-year basis, with increases of \$1 billion (5.3%), \$205 million (6.9%), \$164 million (6.5%), and \$79 million (1.9%), respectively.

Top 10 U.S. Border PoE for Total Trade with World, Million USD

| Port of Entry | November 2020 | | A Jan-Nov 2019 | B Jan-Nov 2020 | B-A | B-A (%) |
|-------------------|---------------|---------|-------------------|-------------------|-----------|------------|
| | MoM | YoY | | | | |
| Laredo, TX | -\$1,468 | \$1,002 | \$214,318 | \$186,839 | -\$27,479 | -12.8% |
| El Paso, TX | -\$632 | -\$134 | \$72,975 | \$66,442 | -\$6,534 | -9.0% |
| Otay Mesa, CA | -\$678 | \$79 | \$45,629 | \$42,127 | -\$3,502 | -7.7% |
| Hidalgo, TX | -\$41 | \$205 | \$34,114 | \$30,192 | -\$3,922 | -11.5% |
| Santa Teresa, NM | -\$275 | -\$233 | \$27,976 | \$21,883 | -\$6,093 | -21.8% |
| Eagle Pass, TX | -\$417 | \$164 | \$27,495 | \$25,342 | -\$2,154 | -7.8% |
| Nogales, AZ | -\$27 | -\$154 | \$24,153 | \$20,506 | -\$3,647 | -15.1% |
| Brownsville, TX | -\$109 | -\$96 | \$17,620 | \$15,918 | -\$1,702 | -9.7% |
| Calexico-East, CA | -\$224 | -\$40 | \$16,470 | \$14,392 | -\$2,078 | -12.6% |
| Del Rio, TX | -\$40 | -\$37 | \$4,837 | \$3,868 | -\$970 | -20.1% |

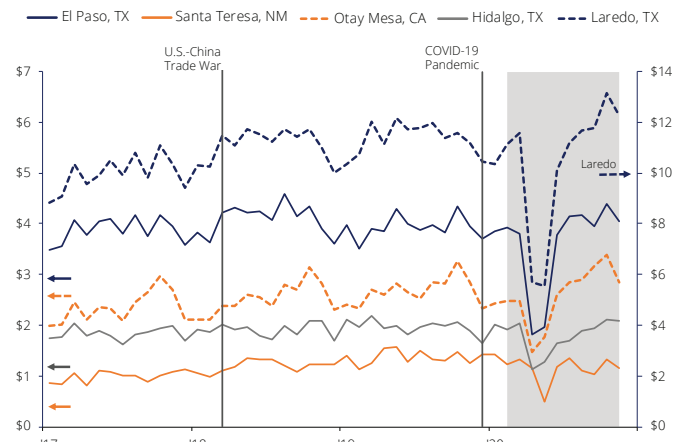
Note: Top 10 in 2019. El Paso PoE includes Ysleta PoE. YoY denotes year-over-year; MoM denotes month-over-month.

Source: Hunt Institute calculations using U.S. Census Bureau data.

Imports

Of the top five U.S.-Mexico border ports of entry for imports, Santa Teresa PoE exhibited the largest decrease at -7.4%, respectively, compared to November 2019. While Otay Mesa PoE imports also decreased by -0.6%, Hidalgo (10.7%), Laredo (9.4%), and El Paso (2.1%) ports of entry increased imports during the period. From mid-2020 to November, El Paso, Laredo, Hidalgo, and Otay Mesa ports of entry surpassed their import levels from December 2019 when COVID-19 hit. In fact, Laredo PoE reached its highest level of imports ever in October at roughly \$13.1 billion.

Top U.S.-Mexico Border PoE for Imports from the World, Billion USD



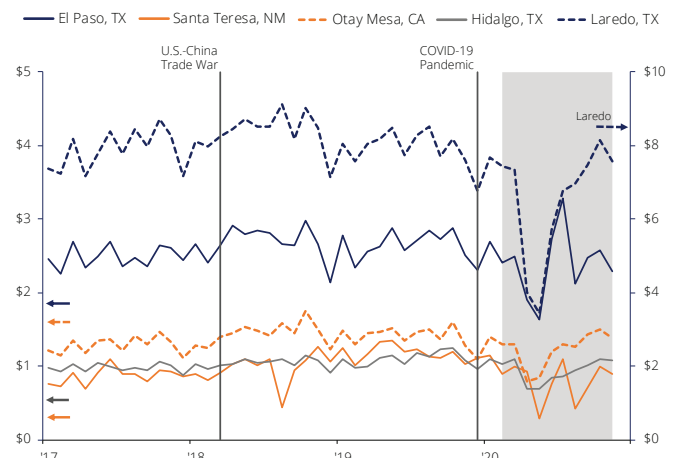
Note: El Paso PoE includes Ysleta PoE. Shaded area indicates NBER defined recession (2020 recession began in February with no end date at time of publication).

Source: Hunt Institute calculations using U.S. Census Bureau data.

Exports

Of the top five U.S.-Mexico border ports of entry for exports, the Santa Teresa and El Paso ports of entry exhibited the largest decreases at 13.7% and 8.6%, respectively, compared to November 2019. While Laredo PoE exports also decreased by 0.7%, Otay Mesa (7.6%) and Hidalgo (0.4%) ports of entry increased exports during the period. From mid-2020 to November, Laredo, Hidalgo, and Otay Mesa ports of entry surpassed their export levels from December 2019. Moreover, El Paso PoE reached its highest export level ever in July 2020 at nearly \$3.3 billion.

Top U.S.-Mexico Border PoE for Exports from the World, Billion USD



Note: El Paso PoE includes Ysleta PoE. Shaded area indicates NBER defined recession (2020 recession began in February with no end date at time of publication).

Source: Hunt Institute calculations using U.S. Census Bureau data.

* Updated section includes Ysleta PoE in El Paso PoE.

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 can strengthen regional and binational cross-border economic and social development.

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