

Key Takeaways

Employment

• In May 2020, non-farm employment decreased by 8.6% in El Paso (-27,800 jobs), 8.9% in Las Cruces (-6,600 jobs), and 2.9% in Ciudad Juárez (-13,200 jobs) on a year-over-year basis.

Occupation and Certification Demand

• At the beginning of July, the most demanded occupation groups in El Paso were sales and related occupations (22.7%), and food preparation and serving-related occupations (14.2%).

Maquiladoras Activity

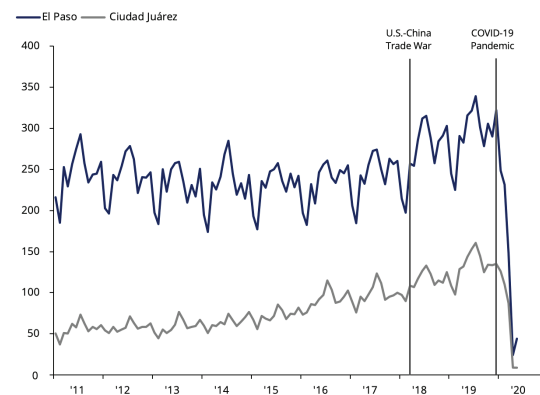
• Total absenteeism in maquiladoras, excused and unexcused, reached its highest level in April 2020 with 33.3% and its second highest level in May 2020 with 6.5%. The automotive and sewing sectors shut down their operations in April. In May, the industry sector that witnessed the highest absenteeism was Electric Machinery with 19.9%.

Truck Freight Crossings

• After the first global case of COVID-19 was detected in December 2019, the number of full containers crossing northbound by truck through the El Paso Port of Entry (PoE) has continuously decreased on a monthly basis, with the sharpest decline of 44.7% registered in April 2020.

Quick-Glance Indicators

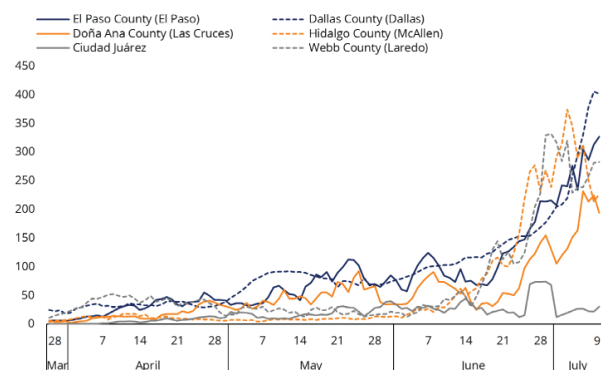
El Paso and Ciudad Juárez Air Passengers, Thousands



Note: Data as of May 2020.

Source: El Paso International Airport and Grupo OMA.

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



Note: Data as of July 9, 2020.

Source: 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.

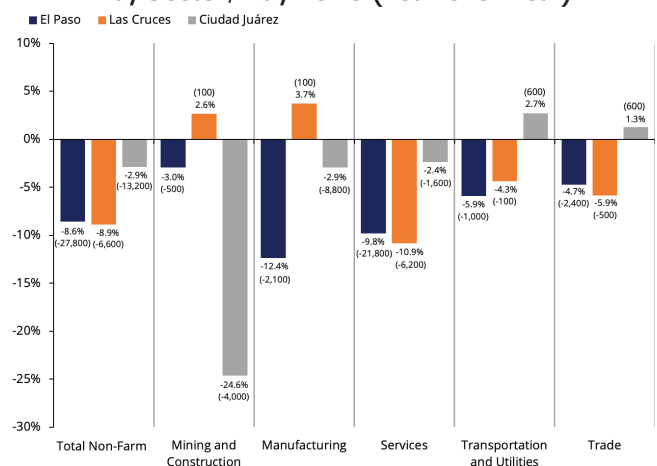
Employment

Pandemic Takes Toll on Jobs Throughout Region

The onset of COVID-19 has resulted in layoffs and furloughs across employment sectors on both sides of the border, affecting consumer spending and production.

In May 2020, non-farm employment decreased by 8.6% in El Paso (-27,800 jobs), 8.9% in Las Cruces (-6,600 jobs), and 2.9% in Ciudad Juárez (-13,200 jobs approximately) on a year-over-year basis. Although the April non-farm employment level in El Paso was the lowest since mid-2013 (287,700 workers), there was an increase of 8,500 jobs in May, the highest number of job gains for a month, reaching 296,200 workers. In April, Las Cruces non-farm employment reached its lowest level since mid-2009 with 66,900 workers but in May this number increased to 67,800, an increase of 900 workers over a month. The employment level for May in Ciudad Juárez was approximately 445,000.

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



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

Source: U.S. Bureau of Labor Statistics and Instituto Mexicano del Seguro Social.

In May 2020, the main sectors contributing to these year-over-year job losses in El Paso were Leisure and Hospitality with 15,500 jobs lost (-40.1%); Professional and Business Services with 4,900 jobs lost (-13.7%); Trade, Transportation, and Utilities with 3,400 jobs lost (-5%), and Manufacturing with 2,100 jobs lost (-12.4%). In Las Cruces, those sectors with the largest annual job losses were Leisure and Hospitality with 3,800 jobs lost (-43.7%), Professional and Business Services with 1,000 jobs lost (-12.7%), Education and Health Services with 700 jobs lost (-4.3%), and Trade, Transportation, and Utilities with 600 jobs lost (-5.6%). In Ciudad Juárez, the Manufacturing and the Mining and Construction sectors recorded the highest job losses over the year, with approximately 8,800 jobs lost (-2.9%) and 4,000 jobs lost (-24.6%), respectively.

To facilitate the analysis of non-farm employment across the Paso del Norte region's urban areas, five sectors of employment were grouped. Except the Mining and Construction and the Manufacturing sectors in Las Cruces, and the Transportation and Utilities and the Trade sectors in Ciudad Juárez, all sectors exhibited negative growth rates on a year-over-year basis. The highest May over-the-year job losses in absolute terms for these sectors across the region were Services in El Paso (-21,800 approximately), Services in Las Cruces (-6,200 approximately), and Manufacturing in Ciudad Juárez (-8,800 approximately).

Occupation and Certification Demand

Rising Employer Demand for Certain Occupations

With more demand for groceries and essential items during the quarantine, there has been an increase in demand for workers in sales, food preparation, and certain health care specialists.

At the beginning of July, the most demanded occupation group in El Paso according to job postings was sales and related occupations, comprising 22.7% of all jobs posted. The second most demanded group was food preparation and serving-related occupations with 14.2%. The demand for these occupation groups is likely a result of increased demand for food, household, and other essential items, requiring stores to keep goods in stock, as well as an increased demand for food delivery services during the quarantine. In order to identify the demand for healthcare services, the healthcare practitioners and technical occupations group was analyzed in conjunction with that of healthcare support occupations group. This group was third for job postings in the area with a 13.7% share.

Four of the top five certifications demanded by employers through job postings were for healthcare services: 12.8% for CPR, 11.3% for driver's license, 11% for registered nurse, 8.4% for basic life support, and 5.5% for advanced cardiac life support.

Top 5 Occupation Groups Demanded in El Paso*

Sales and Related Occupations	22.7%
Food Preparation and Serving Related Occupations	14.2%
Healthcare Practitioners and Support and Technical Occupations	13.7%
Transportation and Material Moving Occupations	8.0%
Office and Administrative Support Occupations	7.3%

*In active online job postings for El Paso MSA as of July 7, 2020.

Source: JobsEQ.

Top 5 Certifications Demanded for Jobs in El Paso*

Cardiopulmonary Resuscitation (CPR)	12.8%
Driver's License	11.3%
Registered Nurse	11.0%
Basic Life Support	8.4%
Advanced Cardiac Life Support Certification	5.5%

*In active online job postings for El Paso MSA as of July 7, 2020.

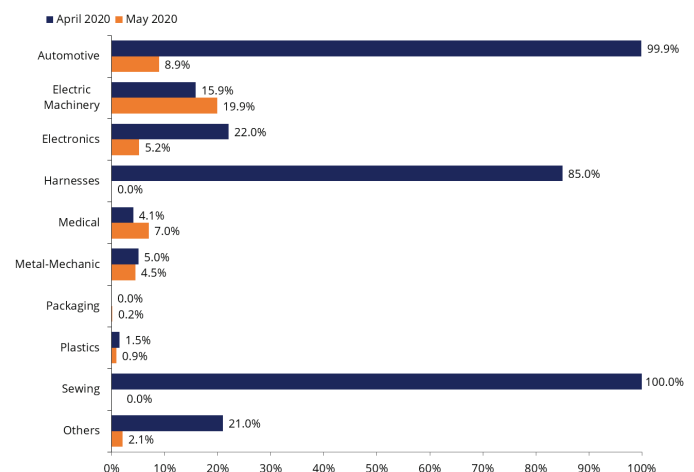
Source: JobsEQ.

Maquiladoras Activity

Operations Disrupted at Maquiladoras

Maquiladoras in Ciudad Juárez have stalled operations due to the global health crisis, creating disruptions in production, inventory systems, and supply chains.

Maquiladoras Absenteeism by Industry Type (%)



Source: Monthly surveys to Index Juárez maquiladoras members.

Due to preventive and sanitary measures associated with COVID-19, many maquiladoras in Ciudad Juárez have faced greater absenteeism from workers. Total absenteeism, excused

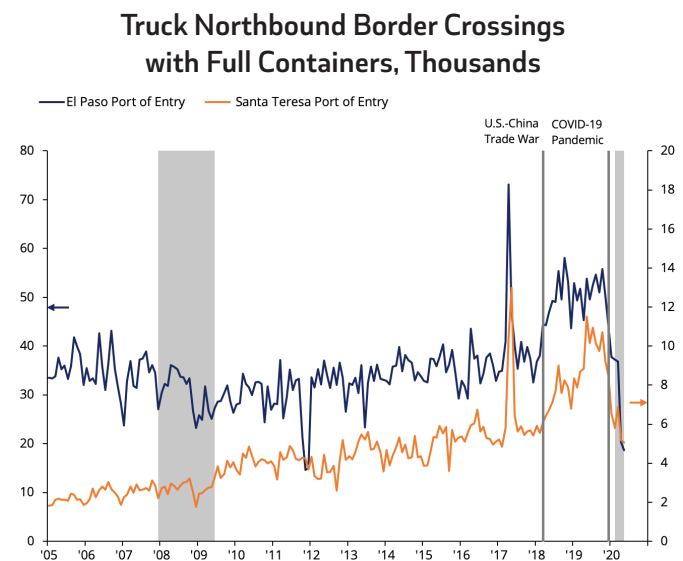
and unexcused, reached its highest level in April 2020 with 33.3% and its second highest level in May 2020 with 6.5%. The third highest level of absenteeism recorded was 2.8% in November 2015. Besides the effects on production, this will most likely affect trade flows and retail trade activities, while disrupting supply chains. Breaking down total absenteeism by type of industry shows that the automotive and sewing sectors shut down their operations in April. In May, the industry sector that witnessed the highest absenteeism was Electric Machinery with 19.9%.

Most likely, the economic downturn from the current global health crisis will influence the planning and operations of maquiladoras – in particular, the management of their inventory systems – by establishing warehousing and distribution centers in strategic locations with access to major logistical hubs.

Truck Freight Crossings

Truck Traffic at Ports of Entry Significantly Sags

The impact of COVID-19 on truck freight border traffic has been greater than that of the migration crisis, reaching new all-time lows at the region's ports of entry.



Note: Data as of May 2020. Ysleta PoE full containers crossings included in El Paso PoE data. Average of the preceding and following month for December 2013 and December 2014 for El Paso PoE. Shaded area indicates NBER defined recession (2020 recession began in February with no end date at time of publication).
Source: U.S. Bureau of Transportation Statistics.

Truck border crossings with full containers made up 94.7% of all full commercial containers that crossed northbound through the El Paso Port of Entry (PoE) in 2019. These border crossings by truck increased by 17.1% in the El Paso PoE after the U.S.-China trade war began in March 2018, compared to February 2018.

However, after the first global case of COVID-19 was detected in December 2019, the number of full containers that crossed northbound by truck at the El Paso PoE has decreased every month, with the sharpest decline at 44.7% from March 2020 to April 2020. In May, the over-the-month decline was 8.2%.

In the Santa Teresa PoE, all border crossings with full containers are by truck. Excluding March 2020, this number has registered month-over-month declines since November 2019, with May 2020 registering a 2.5% decrease.

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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