

Key Takeaways

Employment

- Las Cruces experienced mixed year-over-year (YoY) employment results across sectors. Employment declines were registered in Las Cruces in the Trade sector, with a decrease of 300 jobs (-3.3%). Employment in the Transportation and Utilities sector remained flat.
- El Paso also experienced mixed YoY employment gains across sectors. Employment declines were observed in the Manufacturing and Transportation and Utilities sectors, with 200 jobs (-1.1%), and 100 jobs (-0.5%), respectively.

Hotel Occupancy Rates

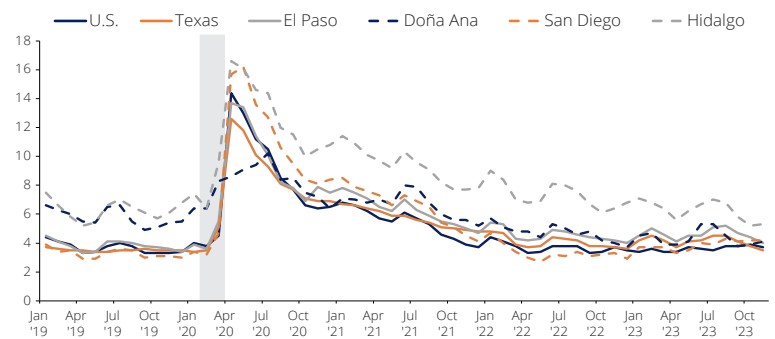
- The hotel occupancy rates for the selected MSAs show seasonal fluctuations, with higher rates during the summer months (June and July) and lower rates in the winter months (December and January).¹
- Ciudad Juárez and El Paso had the highest occupancy rates, especially during the summer months of 2023.
- San Antonio was the only selected MSA registering an increase in their hotel occupancy rate in November 2023.

Border Crossings

- The El Paso PoE (excluding Ysleta) is the only Port of Entry (PoE) among the top ten to experience a decrease in commercial border crossings, with a reduction of 13,085 trucks (-22.9%) from January to November in 2023 when compared to the same period in 2022.²
- The Laredo PoE accounted for 38% of the total commercial border crossings from January to November 2023.
- The San Ysidro and El Paso PoEs account for 22.3% and 12.5%, respectively, of the total noncommercial border crossings at the top ten PoEs from January to November 2023.

Quick-Glance Indicators

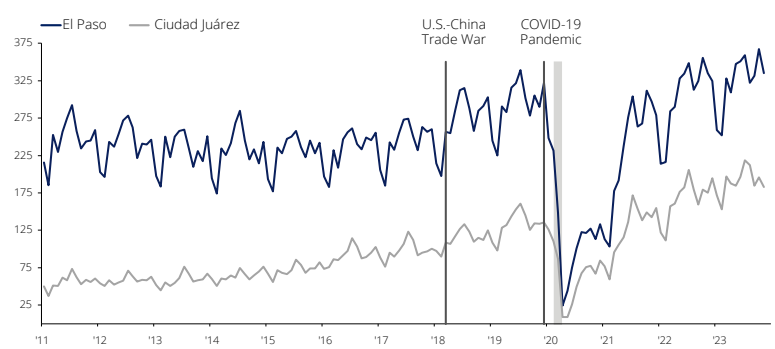
Unemployment Rates for U.S., State, and Selected MSA Economies



Note: Data as of November 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.

El Paso and Ciudad Juárez Air Passengers, Thousands



Note: Data as of November 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.

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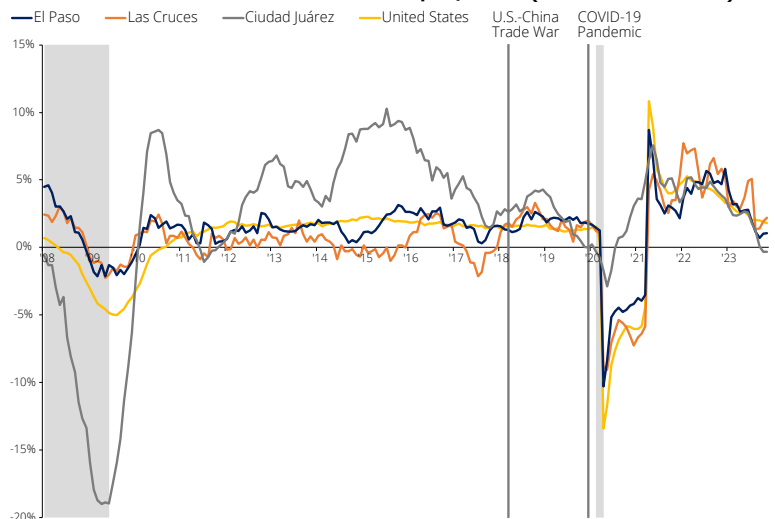
Employment

Mixed Growth in Non-farm Employment in the Region

Non-farm employment in November 2023 for the Paso del Norte region exceeded that of November 2022.

November 2023 marked the thirty-second consecutive month of year-over-year (YoY) non-farm employment gains in the U.S., El Paso, and Las Cruces. At the national level, YoY gains of 2,819,000 jobs (1.8%) were observed in November 2023. Total non-farm employment also increased in El Paso by 3,600 jobs (1.1%) and Las Cruces by 1,700 jobs (2.2%). In a month-over-month (MoM) comparison, however, non-farm employment gains were more moderate, with the U.S. gaining 477,000 jobs (0.3%), while El Paso and Las Cruces gained 2,500

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



Note: Preliminary data for November 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.

¹ The selected MSAs include El Paso, Las Cruces, Ciudad Juárez, Laredo, McAllen, and San Antonio.
² Top ten selected PoEs include the following: Laredo, TX; Otay Mesa, CA; Hidalgo, TX; Ysleta, TX; Nogales, AZ; Calexico East, CA; Brownsville, TX; Eagle Pass, TX; Santa Teresa, NM; and El Paso, TX.

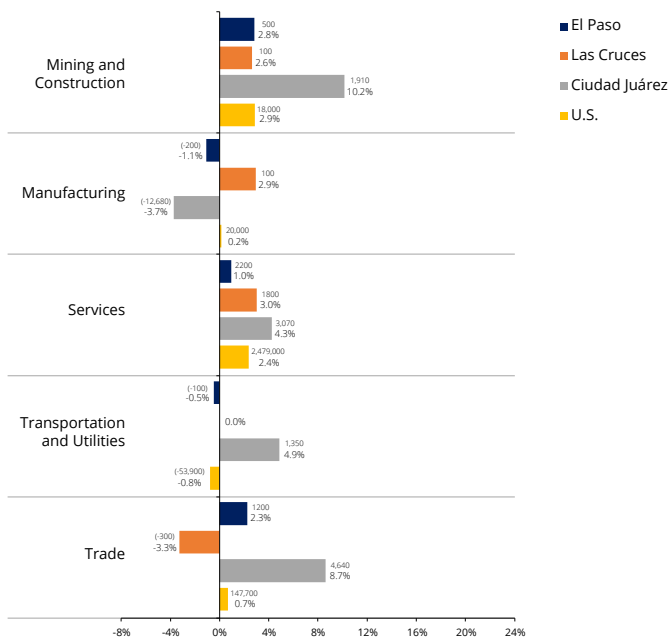
(0.7%) and 300 (0.4%), respectively. The Hunt Institute tracks five non-farm employment sectors in the Paso del Norte region. In November 2023, only the U.S. and Ciudad Juárez registered growth in four out of five sectors, while El Paso and Las Cruces experienced growth in three out of five sectors on a YoY basis.

In El Paso, the following sectors experienced employment growth on a YoY basis: Services by 2,200 jobs (1.0%), Mining and Construction by 500 jobs (2.8%), and Trade by 1,200 jobs (2.3%), while the Manufacturing sector lost 200 jobs (-1.1%) and the Transportation and Utilities sector shrank by 100 jobs (-0.5%). In Las Cruces, non-farm employment increased in the Services sector by 1,800 jobs (3.0%), Mining and Construction sector by 100 jobs (2.6%), and Manufacturing sector by 100 jobs (2.9%), while the Trade sector lost 300 jobs (-3.3%). The Transportation and Utilities sector remained stagnant.

sector expanded by 100 jobs (4.2%). In contrast, the Mining and Construction sector decreased by 100 jobs (-2.5%). The Trade and Manufacturing sectors remained stagnant.

Ciudad Juárez lost its thirty-eight consecutive month streak of non-farm employment gains last month in October 2023 in a YoY comparison, and November 2023 continued the losing streak. Total non-farm employment declined by 1,727 jobs (-0.3%), while four of the five sectors experienced employment gains. The Manufacturing sector drove the YoY losses, with a 12,680-job decline (-3.7%). The Mining and Construction sector increased by 1,910 jobs (10.2%), the Trade sector gained 4,640 jobs (8.7%), the Transportation and Utilities sector expanded by 1,350 jobs (4.9%), and the Services sector added 3,070 jobs (4.3%). On a MoM comparison, only the Trade and Transportation and Utilities sectors experienced employment gains. The Manufacturing sector drove MoM losses, with a -1,555 job (-0.5%) reduction.

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



Note: Preliminary data for November 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.

El Paso's month-over-month (MoM) non-farm employment increased in four out of five sectors. The Services sector added 800 jobs (0.3%), the Transportation and Utilities sector increased by 200 jobs (0.9%), Trade grew by 1,400 jobs (2.7%), and the Mining and Construction sector expanded by 100 jobs (0.6%). The Manufacturing sector remained stagnant. Las Cruces exhibited employment growth in two of the five sectors in a MoM comparison. The Services sector grew by 300 jobs (0.5%), and the Transportation and Utilities

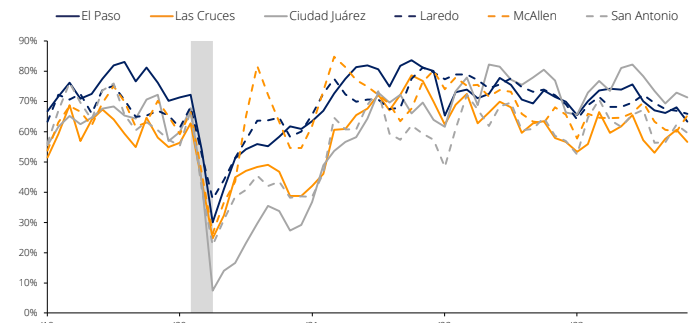
Hotel Occupancy Rates

Hotel Occupancy Rates Decline

Hotel occupancy in November 2023 showed a decline in five of the six selected Metropolitan Statistical Areas (MSAs) compared to the same month in 2022.

This decrease in hotel occupancy is not exclusive to these selected MSAs. A recent PricewaterhouseCoopers (PwC) study states that hotel occupancy rates have consistently decreased compared to equivalent figures from 2022. This trend is anticipated to extend into at least the first quarter of 2024. The study says this decline coincided with the reopening of vacation destinations worldwide, where leisure travelers began to regain confidence in traveling abroad.

Hotel Occupancy Rates by MSA through July 2023 (Year-over-Year, %)



Note: Data as of July 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.

However, affordability has declined in recent years due to high inflation and an end to the expansion of hotel occupancy growths experienced right after the pandemic started to

3 The selected MSAs include El Paso, Las Cruces, Ciudad Juárez, Laredo, McAllen, and San Antonio.
4 <https://www.pwc.com/us/en/industries/consumer-markets/assets/pwc-hospitality-directions-us-november-2023.pdf>

dwindle. Increased options and the reopening of countries to visitors could also lead to the selected MSAs being less preferable to vacation.

From September to November 2023, a MoM comparison reveals distinctive trends in hotel occupancy rates across the selected MSAs. This aligns with the seasonal fluctuations with lower rates during the winter months.

In September 2023, El Paso, Ciudad Juárez, Laredo, and McAllen experienced declines in hotel occupancy rates by an average of 2.4 percentage points, while Las Cruces experienced an increase in hotel occupancy rates by 4.6 percentage points. At the same time, hotel occupancy in San Antonio remained stable. In October 2023, most MSAs continued to experience increased rates, by an average of 3.5 percentage points. McAllen remained stable. Laredo decreased marginally by 0.6 percentage points, indicating diverse travel behaviors among MSAs during this period. By November 2023, the variations persisted.

Border Crossings

Border Crossing Activity Increased in the Top Ten Ports of Entry

Commercial and Noncommercial border crossings increased in the first 11 months of the year compared to the same period in 2022.

In the first 11 months of 2023, total commercial border crossings at the top ten PoEs, encompassing loaded truck containers, surpassed the levels observed over the same period in 2022. This marked an overall increase of 1,446,889 (32.9%) trucks during that period. El Paso was the only PoE among the top ten to experience a decline in commercial border crossings, with a decrease of 13,052 (22.9%) trucks. In contrast, the Ysleta PoE experienced a significant increase during the same period, with an increase of 145,758 (38.0%) trucks.

The trend of heightened commercial border activity extended beyond individual PoEs, as the total commercial border crossings from the U.S. to Mexico exhibited a noteworthy uptick. From January to November 2023, there was a total increase of 1,558,657 (33.4%) trucks, compared to the same period in 2022. Laredo remains the top PoE for commercial traffic at the U.S.-Mexico border, with a total share of 38.2%.

Noncommercial border crossings at the top ten PoEs increased by 6,935,698 (5.9%) individuals from January to November 2023 compared to the same period in 2022. The San Ysidro and El Paso PoEs (excluding the Ysleta PoE) lead the noncommercial border crossings, accounting for 18.8% and 10.5% of the total share, respectively.⁵

⁵ Noncommercial border crossings include pedestrians as well as personal vehicle, bus, and train passengers.

All the top ten PoEs exhibited an increase from January to November 2023 compared to the same period in 2022, with Brownsville and Hidalgo registering the two most significant relative increases of 15.4% and 14.3%, respectively.

Change in Commercial Traffic at the Top Ten U.S.-Mexico Border Ports of Entry

Port of Entry	A Jan-Nov 2022	B Jan-Nov 2023	Share (%)	B-A	B-A (Δ%)
Laredo, TX	1,904,182	2,374,461	38.2%	470,279	24.7%
Otay Mesa, CA	775,891	1,042,043	16.7%	266,152	34.3%
Hidalgo, TX	439,641	658,119	10.6%	218,478	49.7%
Ysleta, TX	383,295	529,053	8.5%	145,758	38.0%
Nogales, AZ	256,103	345,938	5.6%	89,835	35.1%
Calexico-East, CA	225,349	336,841	5.4%	111,492	49.5%
Eagle Pass, TX	129,525	187,068	3.0%	57,543	44.4%
Brownsville, TX	129,119	181,681	2.9%	52,562	40.7%
Santa Teresa, NM	96,120	143,962	2.3%	47,842	49.8%
El Paso, TX	57,085	44,033	0.7%	(13,052)	-22.9%
Total Top Ten	4,396,310	5,843,199	93.9%	1,446,889	32.9%
Total U.S.-MX	4,663,984	6,222,641	100.0%	1,558,657	33.4%

Note: Top ten ports based on 2022 traffic. Numbers are for loaded container truck crossings.

Source: Hunt Institute calculations using data from the U.S. Bureau of Transportation Statistics.

Change in Noncommercial Traffic at the Top Ten U.S.-Mexico Border Ports of Entry

Port of Entry	A Jan-Nov 2022	B Jan-Nov 2023	Share (%)	B-A	B-A (Δ%)
San Ysidro, CA	29,001,667	30,335,990	18.8%	1,334,323	4.6%
El Paso, TX	16,504,660	16,989,443	10.5%	484,783	2.9%
Otay Mesa, CA	10,966,600	11,049,657	6.9%	83,057	0.8%
Laredo, TX	10,905,846	11,536,161	7.2%	630,315	5.8%
Hidalgo, TX	9,798,454	11,199,999	7.0%	1,401,545	14.3%
Calexico, CA	9,535,767	10,043,862	6.2%	508,095	5.3%
Brownsville, TX	9,090,577	10,488,952	6.5%	1,398,375	15.4%
Nogales, AZ	8,968,183	9,333,656	5.8%	365,473	4.1%
San Luis, AZ	6,843,668	7,043,956	4.4%	200,288	2.9%
Ysleta, TX	6,142,727	6,672,171	4.1%	529,444	8.6%
Top Ten Total	117,758,149	124,693,847	77.4%	6,935,698	5.9%
Total U.S.-MX	150,995,509	161,113,299	100.0%	10,117,790	6.7%
21. Santa Teresa, NM	1,310,446	1,490,188	0.9%	179,742	13.7%

Note: Top ten ports based on 2022 traffic. Numbers are for total passengers and pedestrians.

Source: Hunt Institute calculations using data from the U.S. Bureau of Transportation Statistics.

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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