

ECONOMIC UPDATE: EL PASO

El Paso non-farm employment increased in November at a 1.8 percent annualized rate. El Paso's labor market is up by 3,300 jobs on a year-to-date basis. Employment gains took place in the service providing sectors, namely, information, professional and business services,

educational and health services and government. The trade, transportation and utilities sector was the only sector that posted job losses, while the rest of the sectors remained unchanged. As a result of the recent job gains, the unemployment rate decreased in November to 6.9 from 7.1 percent in

October. In November, retail sales tax rebates decreased by 0.2 percent. Furthermore, the El Paso Business-cycle Index increased at a 3.3 percent annualized rate in November, suggesting that the El Paso economy is expanding.

El Paso Employment Growth Month-over-Month Annualized Growth Rates

	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06
Nonfarm Employment	3.7	-1.3	-3.5	1.4	9.4	1.8
Goods Producing	14.3	-6.4	3.4	3.4	6.8	0.0
Construction, Mining & Natural Resources	0.0	0.0	9.2	-8.4	19.1	0.0
Manufacturing	23.9	-10.1	0.0	11.3	0.0	0.0
Services Providing	2.1	-0.5	-4.6	1.0	9.8	2.1
Trade, Transportation & Utilities	6.4	4.2	-2.0	15.3	6.2	-7.8
Information	29.4	28.7	-22.3	0.0	-22.7	29.4
Financial Activities	11.4	23.7	-10.0	0.0	0.0	0.0
Professional & Business Services	8.6	32.8	8.3	-3.9	-21.5	8.4
Educational & Health Services	-10.4	-10.5	11.7	3.7	7.6	7.5
Leisure & Hospitality	4.8	-4.5	4.8	4.7	4.7	0.0
Other Services	0.0	0.0	0.0	0.0	0.0	0.0
Government	-1.9	-16.2	-21.3	-11.5	46.5	6.1
Unemployment Rate	7.0	7.2	7.0	6.9	7.1	6.9

Notes: Seasonally adjusted data

Source: Federal Reserve Bank of Dallas with data from the Bureau of Labor Statistics

El Paso Sales Tax Rebates

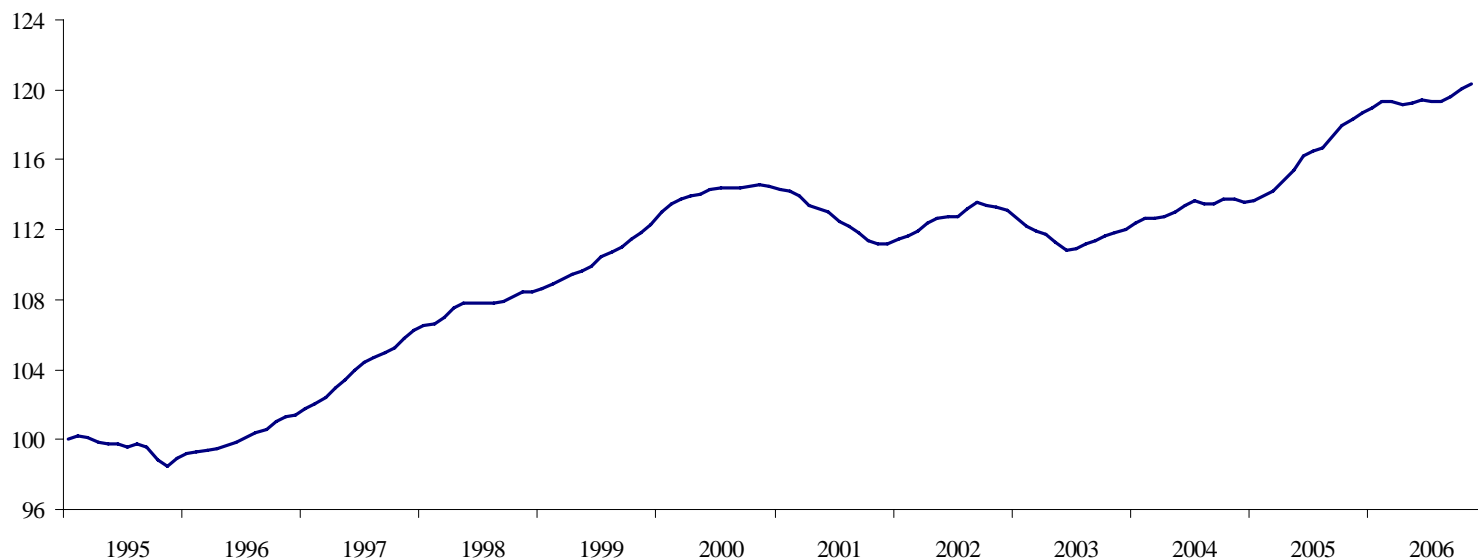
	Month-over-Month Percent Change	Index (1994=100)
Nov-06	-0.2	121.2
Oct-06	3.5	121.5
Sep-06	2.4	117.3
Aug-06	-2.0	114.6
Jul-06	9.3	116.9
Jun-06	-8.7	107.0
May-06	-3.9	117.2
Apr-06	8.8	121.9
Mar-06	-3.4	112.1
Feb-06	2.5	116.0
Jan-06	0.5	113.2
Dec-05	-0.6	112.7
Nov-05	2.3	113.4

Notes: Seasonally and inflation adjusted data

Source: Texas Comptroller of Public Accounts

El Paso Business-cycle Index

Index Jan-95=100



Source: Federal Reserve Bank of Dallas, El Paso Branch

Research Department
El Paso Branch
Federal Reserve Bank of Dallas
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ECONOMIC UPDATE: CD. JUAREZ

Juarez employment increased in December at a 2.6 percent annualized rate. In 2006, total payroll rose by almost 18,600 jobs, a 5.1 percent growth rate. The job gains in December were widespread among sectors with the only exception being construction which registered a 12.5 percent decline. In October, retail

sales increased by 1.6 percent as compared to the previous month. Maquiladora employment in Juarez increased in October at a 2.9 percent annualized rate. Through October in 2006, the maquiladora industry in Juarez generated almost 13,000 jobs, comprising 41 percent of the new jobs nationwide. The pause in the

expansion of the maquiladora industry is related to the recent weakness in U.S. industrial production. However, the outlook for the maquiladora sector remains mostly positive as the U.S. industrial sector regained its upward momentum in December, increasing at a 4.7 percent annualized rate.

Cd. Juarez Employment Growth
Month-over-Month Annualized Rates

	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06
Total	18.0	0.3	-0.3	-3.2	1.4	2.6
Goods Producing	20.2	-4.5	-1.8	-11.2	-1.0	3.0
Agriculture & Mining	-13.2	-4.4	3.1	8.1	17.3	17.4
Manufacturing	19.5	-6.6	-3.8	-11.0	-2.3	4.2
Construction	32.9	29.1	29.5	-14.9	17.3	-12.5
Service Providing	10.9	7.1	8.5	15.8	6.0	7.4
Transportation and Public Utilities	23.7	4.6	1.4	35.4	51.8	23.5
Trade	15.7	4.6	0.8	6.6	2.9	2.1
Services	5.6	9.2	15.3	18.7	1.0	8.0

Note: Seasonally adjusted data

Source: Banco de Mexico, Sucursal Ciudad Juarez with data from Instituto Mexicano del Seguro Social

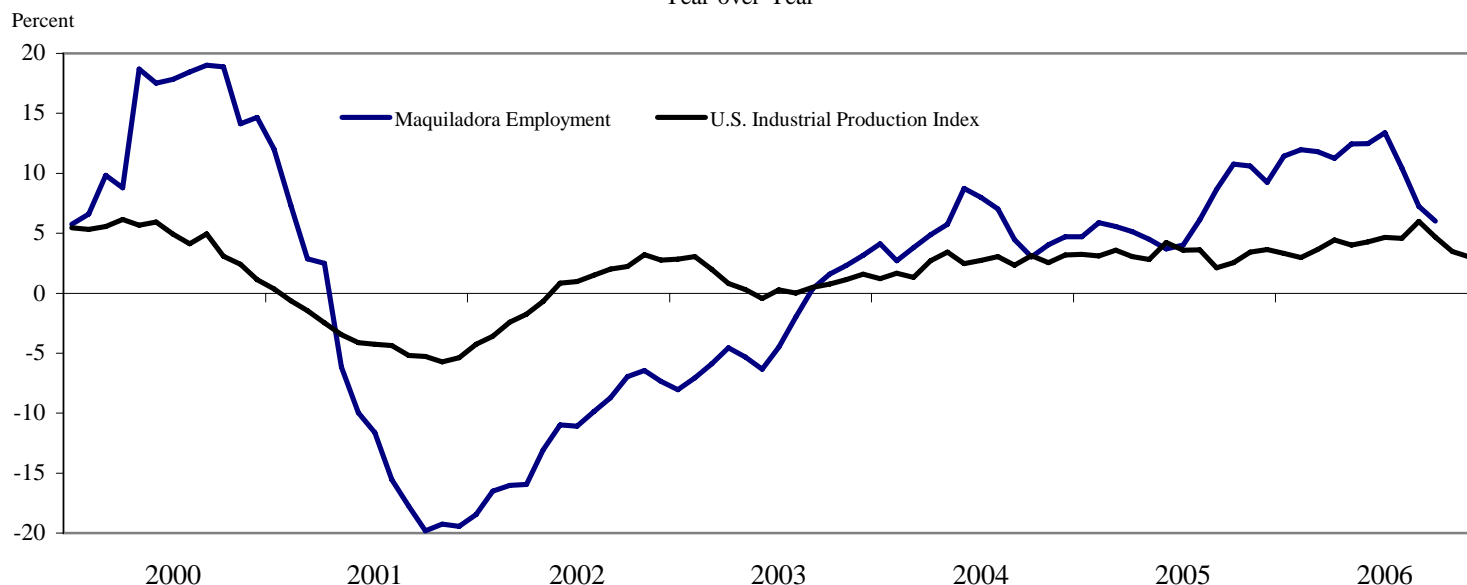
Cd. Juarez Retail Sales

	Month-over-Month Percent Change	Index (2003=100)
Oct-06	1.6	125.7
Sep-06	3.3	123.7
Aug-06	-0.8	119.8
Jul-06	2.4	120.7
Jun-06	1.1	117.9
May-06	-1.7	116.6
Apr-06	4.3	118.5
Mar-06	-6.5	113.7
Feb-06	6.5	121.5
Jan-06	-0.6	114.1
Dec-05	0.4	114.7
Nov-05	-1.9	114.3
Oct-05	4.2	116.5

Notes: Seasonally and inflation adjusted data

Source: INEGI

Cd. Juarez Maquiladora Employment Growth
Year-over-Year



Notes: Seasonally adjusted data

Source: INEGI & Federal Reserve Bank of Dallas

Research Department
El Paso Branch
Federal Reserve Bank of Dallas
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