

ECONOMIC UPDATE: EL PASO

El Paso non-farm employment increased in October at a 3.2 percent annualized rate. Year-to-date, El Paso has added 1,200 new jobs. The sectors that registered job gains were manufacturing, trade, transportation and utilities, professional and business services, and educational and health services. On the other hand,

information, leisure and hospitality, and government posted job losses, while the rest of the sectors remained unchanged. Because of the job gains in October, the unemployment rate declined to 5.4 percent, from 5.9 percent in September. In September, retail sales tax rebates decreased by almost 4 percent. The El Paso

Business-cycle Index decreased at a 6.5 percent annualized rate in September; however, once the October employment growth is included in the computation of this index, it is likely that it will show an upward turn.

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

	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07
Nonfarm Employment	4.6	0.9	2.7	-1.3	-9.4	3.2
Goods Producing	-10.3	0.0	-10.4	-10.4	-13.8	11.8
Construction, Mining & Natural Resources	0.0	9.5	-16.6	0.0	0.0	0.0
Manufacturing	-16.4	-5.9	-5.9	-16.8	-22.1	20.7
Services Providing	6.9	1.0	4.7	0.0	-8.7	2.1
Trade, Transportation & Utilities	6.2	-2.0	2.0	-4.0	10.6	2.0
Information	26.8	0.0	0.0	0.0	0.0	-21.2
Financial Activities	11.2	0.0	0.0	-10.0	11.2	0.0
Professional & Business Services	7.9	-10.8	7.9	12.0	0.0	11.9
Educational & Health Services	11.9	11.8	0.0	3.8	-13.8	20.4
Leisure & Hospitality	4.7	0.0	4.7	0.0	-12.8	-4.5
Other Services	16.5	16.3	0.0	-14.0	0.0	0.0
Government	2.0	4.0	10.1	0.0	-28.2	-5.8
Unemployment Rate	5.5	5.8	6.0	5.4	5.9	5.4

Notes: Seasonally adjusted data

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

El Paso Sales Tax Rebates

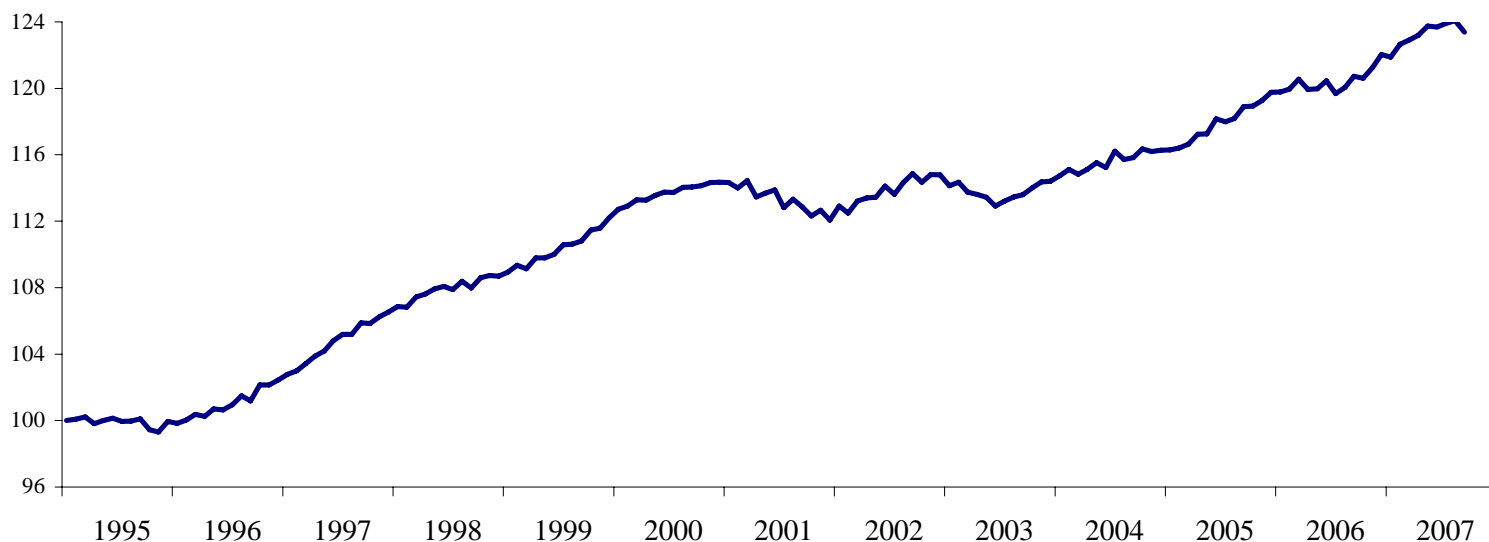
	Month-over-Month Percent Change	Index (1994=100)
Sep-07	-3.9	118.1
Aug-07	0.7	123.0
Jul-07	12.3	122.1
Jun-07	-13.0	108.8
May-07	9.1	125.0
Apr-07	-4.8	114.5
Mar-07	0.7	120.3
Feb-07	0.7	119.5
Jan-07	1.1	118.7
Dec-06	-2.5	117.3
Nov-06	-0.4	120.3
Oct-06	2.4	120.8
Sep-06	4.2	117.9

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

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ECONOMIC UPDATE: CD. JUAREZ

Juarez employment decreased in October at a 5.2 percent annualized rate. However, year-to-date, total payroll has increased by almost 9,000 jobs. The job losses in October were widespread across sectors, with only the trade sector posting job gains. In August, retail sales increased by 2.5

percent. U.S. industrial production registered 2.4 percent year-over-year growth in October. Mexico's industrial production grew at a 0.9 percent rate in September. As the chart below shows, there is a close relationship between maquiladora employment and U.S. and Mexico

manufacturing indices, which are growing at moderate rates, as the most recent data shows; thus, it is likely that the maquiladora industry in Ciudad Juarez will follow suit in the next couple of months.

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

	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07
Total	2.9	4.2	6.9	4.2	6.7	-5.2
Goods Producing	-0.3	5.9	12.3	3.1	9.6	-3.3
Agriculture & Mining	10.6	28.7	-1.0	-12.4	-23.7	-23.1
Manufacturing	-2.3	6.0	15.1	2.8	9.4	-0.8
Construction	27.4	3.2	-16.4	8.8	14.7	-28.8
Service Providing	13.5	0.7	-6.2	4.7	1.1	-4.4
Transportation and Public Utilities	1.0	6.4	12.0	29.3	0.8	-1.8
Trade	8.3	-1.7	5.6	-1.1	9.5	3.7
Services	19.7	1.2	-16.2	4.3	-4.0	-9.9

Note: Seasonally adjusted data

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

Cd. Juarez Retail Sales

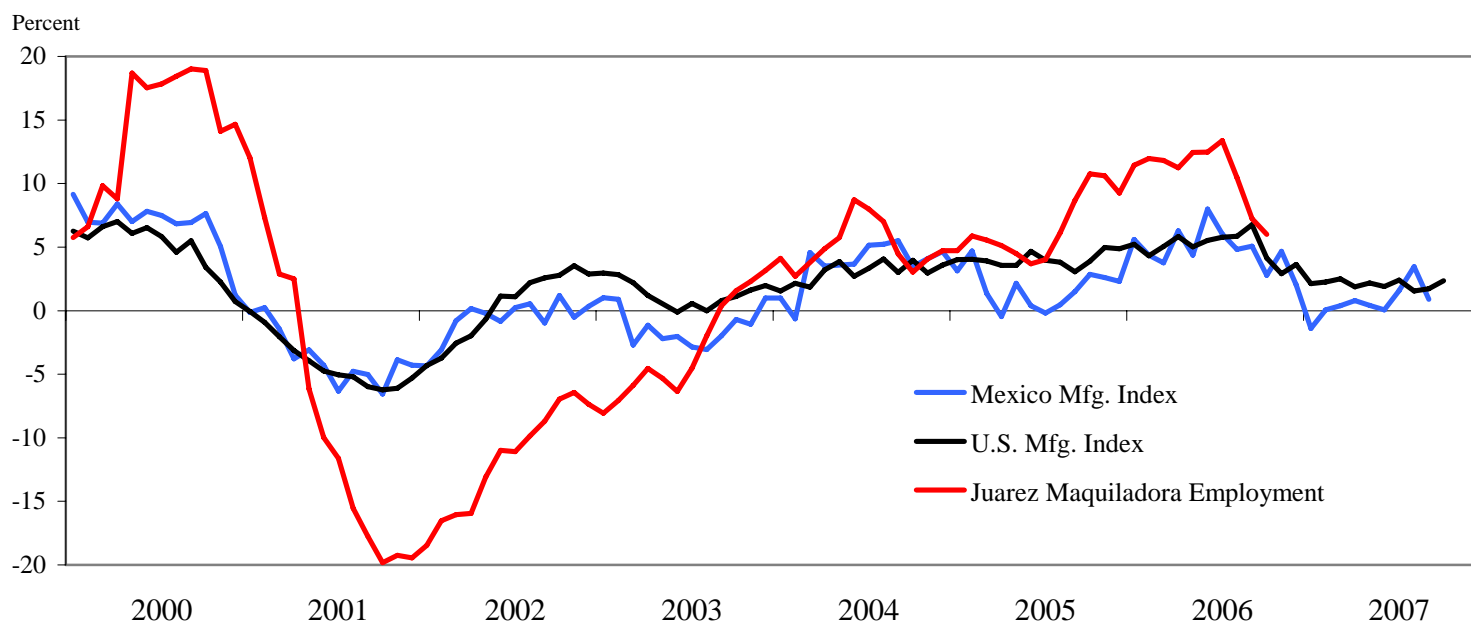
	Month-over-Month Percent Change	Index (2003=100)
Aug-07	2.5	134.3
Jul-07	-1.8	131.0
Jun-07	2.4	133.4
May-07	10.3	130.3
Apr-07	-6.1	118.1
Mar-07	1.7	125.8
Feb-07	1.5	123.6
Jan-07	0.9	121.8
Dec-06	0.1	120.7
Nov-06	-2.9	120.6
Oct-06	0.8	124.2
Sep-06	3.0	123.2
Aug-06	-0.6	119.6

Notes: Seasonally and inflation adjusted data

Source: INEGI

U.S. and Mexico Manufacturing Production Indices

Year-over-Year



Notes: Seasonally adjusted data

Source: INEGI & Federal Reserve Bank of Dallas

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