

# ECONOMIC UPDATE: EL PASO

El Paso non-farm employment increased in January at a 5.8 percent annualized rate. Overall in 2007, El Paso added more than 8,000 new jobs, representing a 3.0 percent increase. During January, the job gains were widespread among sectors with only the manufacturing and trade,

transportation and utilities sectors registering job losses of 11.2 percent and 3.9 percent, respectively. Due to the job gains in January, the unemployment rate declined to 5.7 percent, from 5.9 percent in December. In January, retail sales tax rebates decreased by 1.2 percent. The

El Paso Business-cycle Index increased at a 5.5 percent annualized rate in January. On a year-over-year basis, the El Paso Business-cycle Index posted an increase of almost 4.9 percent, suggesting that El Paso's economy is on a solid growth trend.

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

	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08
<b>Nonfarm Employment</b>	<b>0.9</b>	<b>5.4</b>	<b>9.1</b>	<b>-0.9</b>	<b>7.2</b>	<b>5.8</b>
<b>Goods Producing</b>	<b>11.0</b>	<b>0.0</b>	<b>10.9</b>	<b>0.0</b>	<b>10.8</b>	<b>3.5</b>
Construction, Mining & Natural Resources	38.6	0.0	0.0	0.0	8.4	26.8
Manufacturing	-5.9	0.0	19.8	0.0	12.6	-11.2
<b>Services Providing</b>	<b>-0.5</b>	<b>6.2</b>	<b>8.9</b>	<b>-1.0</b>	<b>6.7</b>	<b>6.1</b>
Trade, Transportation & Utilities	2.1	8.4	12.8	-5.8	4.1	-3.9
Information	0.0	-20.1	0.0	0.0	-20.4	0.0
Financial Activities	0.0	0.0	10.8	-9.8	0.0	10.8
Professional & Business Services	0.0	-7.4	0.0	3.9	25.7	29.9
Educational & Health Services	3.7	0.0	7.6	0.0	3.7	0.0
Leisure & Hospitality	-8.6	0.0	4.6	-4.4	-4.4	4.6
Other Services	-13.7	15.9	0.0	-13.7	0.0	0.0
Government	0.0	20.9	14.0	5.7	11.7	9.6
<b>Unemployment Rate</b>	<b>5.7</b>	<b>5.8</b>	<b>5.6</b>	<b>5.6</b>	<b>5.9</b>	<b>5.7</b>

Notes: Seasonally adjusted data

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

**El Paso Sales Tax Rebates**

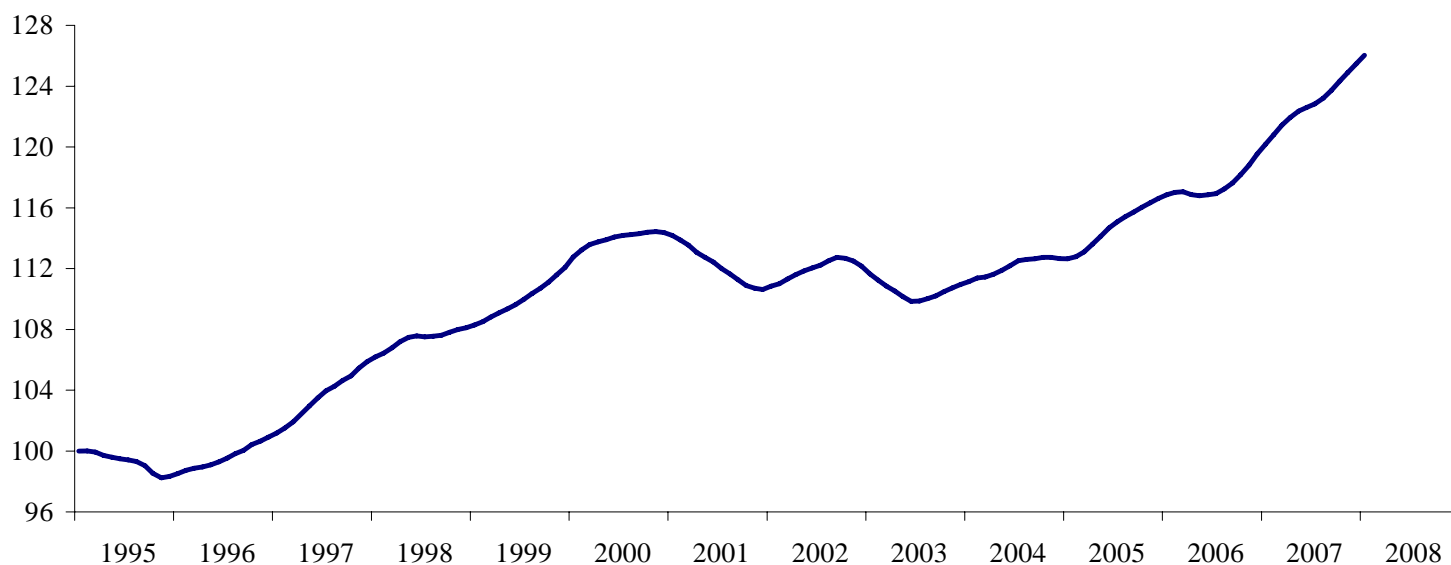
	Month-over-Month Percent Change	Index (1994=100)
<b>Jan-08</b>	-1.2	121.2
<b>Dec-07</b>	2.5	122.7
<b>Nov-07</b>	-2.9	119.7
<b>Oct-07</b>	4.3	123.2
<b>Sep-07</b>	-4.0	118.2
<b>Aug-07</b>	0.7	123.1
<b>Jul-07</b>	11.9	122.2
<b>Jun-07</b>	-12.9	109.3
<b>May-07</b>	9.2	125.5
<b>Apr-07</b>	-4.4	114.9
<b>Mar-07</b>	0.6	120.2
<b>Feb-07</b>	0.6	119.5
<b>Jan-07</b>	1.6	118.8

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  
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March 28, 2008

# ECONOMIC UPDATE: CD. JUAREZ

Juarez employment decreased for the fifth consecutive month in February, at a 2.7 percent annualized rate. However, in 2007 total payroll increased by almost 8,000 jobs, representing a 2.1 percent increase. The job losses were concentrated in manufacturing during February, declining by a 10.5 percent annualized rate. The continued job

losses in the Ciudad Juarez manufacturing sector are related to the slowdown in industrial activity in the U.S. during recent months. In January, retail sales increased by 8.3 percent. U.S. industrial production registered a 1.8 percent year-over-year increase in February. Mexico's industrial production grew at a 3.0 percent rate in January. As the chart

below shows, there is a close relationship between maquiladora employment and U.S. and Mexico manufacturing indices, which have posted sluggish growth rates in the recent months; thus, it is likely that the maquiladora industry in Ciudad Juarez will continue to follow suit in the next few months.

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

	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08
<b>Total</b>	7.9	-6.1	-2.2	-0.1	-4.7	-2.7
<b>Goods Producing</b>	10.2	-4.1	-6.1	-3.5	-9.8	-7.3
Agriculture & Mining	-21.4	-20.7	-20.2	3.1	-3.5	17.9
Manufacturing	9.8	-1.5	-6.3	-6.7	-13.0	-10.5
Construction	17.4	-30.3	-2.5	46.5	39.4	37.5
<b>Service Providing</b>	1.7	-3.6	6.2	7.2	6.6	8.6
Transportation and Public Utilities	0.2	-3.8	-7.2	0.0	-5.1	12.6
Trade	10.5	5.4	17.1	5.5	10.5	3.0
Services	-3.4	-9.2	2.0	9.8	6.4	11.8

Note: Seasonally adjusted data

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

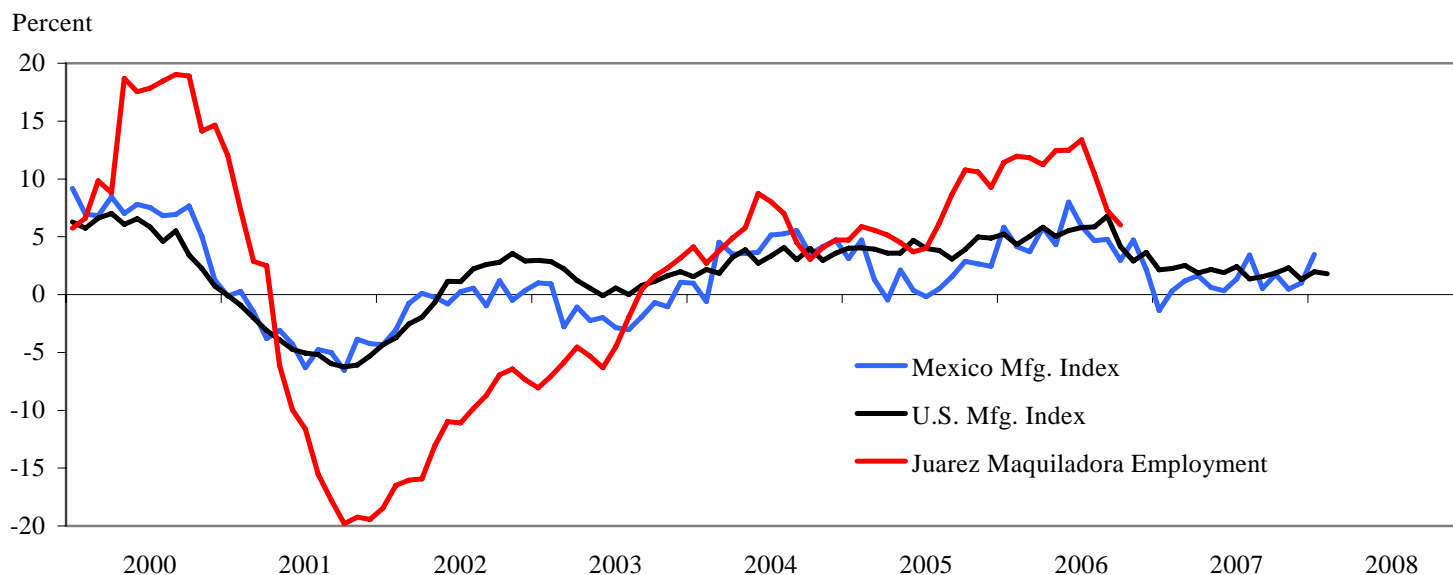
**Cd. Juarez Retail Sales**

	Month-over-Month Percent Change	Index (2003=100)
Jan-08	8.3	132.1
Dec-07	-7.5	122.0
Nov-07	1.9	131.9
Oct-07	-2.3	129.5
Sep-07	-0.8	132.6
Aug-07	2.4	133.7
Jul-07	-2.1	130.6
Jun-07	2.4	133.3
May-07	10.2	130.1
Apr-07	-6.1	118.0
Mar-07	1.7	125.8
Feb-07	1.4	123.7
Jan-07	0.3	122.0

Notes: Seasonally and inflation adjusted data

Source: INEGI

**U.S. and Mexico Manufacturing Production Indices**  
Year-over-Year



Note: Seasonally adjusted data

Source: INEGI & Federal Reserve Bank of Dallas

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March 28, 2008