

ECONOMIC UPDATE: EL PASO

El Paso non-farm employment increased in April at a 4.4 percent annualized rate. Year to date, El Paso has added 3,100 new jobs. During April, the job gains were in the services producing sectors. The information and financial activities

sectors lead the growth with 26.2 percent and 35.9 percent, respectively, followed by government (5.6 percent) and transportation (4.1 percent). Due to the job gains during the month, the unemployment rate declined to 5.2 percent, from 5.6

percent in March. In March, retail sales tax rebates slightly increased by 0.2 percent. El Paso's business-cycle index increased 4.9 percent in April despite sluggish U.S. economic growth and weakening manufacturing activity in Juárez.

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

	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08
Nonfarm Employment	0.4	4.5	5.4	2.2	1.8	4.4
Goods Producing	3.5	0.0	0.0	3.5	-3.4	-3.4
Construction, Mining & Natural Resources	8.2	8.2	0.0	8.1	0.0	0.0
Manufacturing	0.0	-5.8	0.0	0.0	-5.9	-5.9
Services Providing	0.0	5.1	6.2	2.0	2.5	5.6
Trade, Transportation & Utilities	-13.2	6.3	0.0	0.0	4.1	4.1
Information	0.0	-20.4	0.0	0.0	-20.8	26.2
Financial Activities	0.0	0.0	11.0	0.0	0.0	35.9
Professional & Business Services	-3.8	8.1	57.7	-10.6	7.8	0.0
Educational & Health Services	3.7	0.0	7.6	0.0	3.7	3.7
Leisure & Hospitality	9.4	-4.4	4.6	4.6	-4.4	4.6
Other Services	0.0	0.0	16.8	16.5	-14.2	0.0
Government	9.7	13.7	-8.8	9.6	5.6	5.6
Unemployment Rate	5.6	5.9	5.7	5.3	5.6	5.2

Notes: Seasonally adjusted data

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

El Paso Sales Tax Rebates

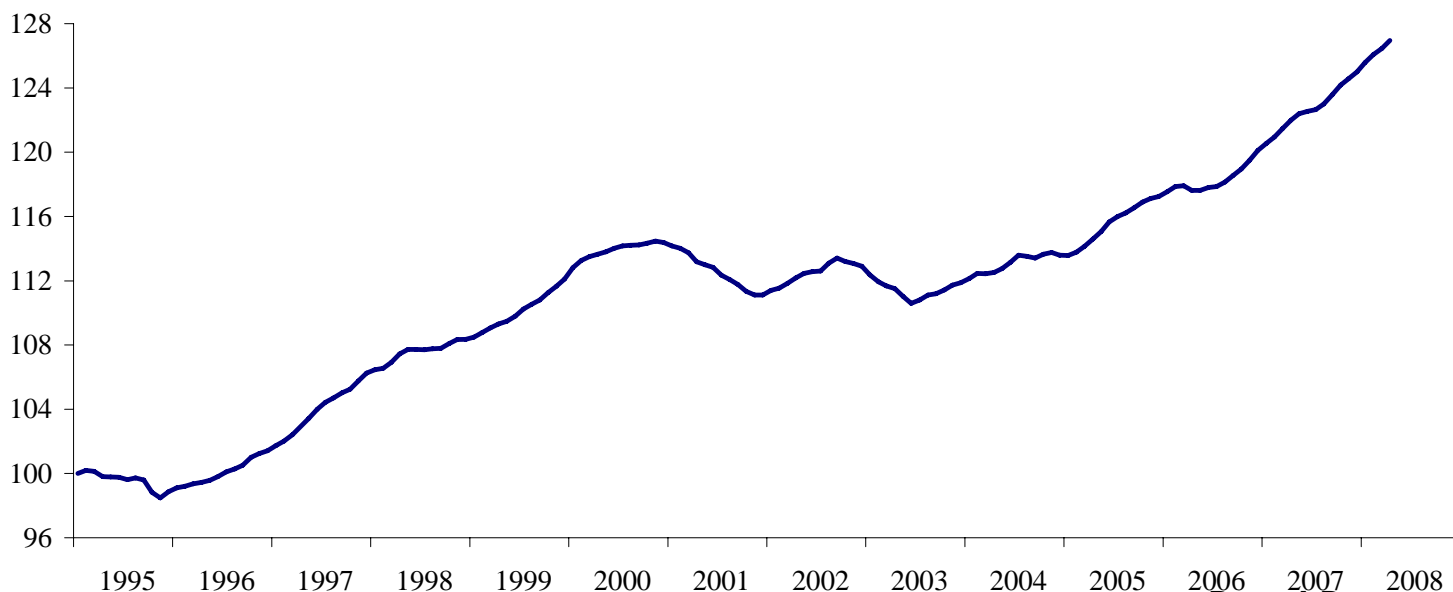
	Month-over-Month Percent Change	Index (1994=100)
Mar-08	0.2	119.3
Feb-08	-1.5	119.1
Jan-08	-1.2	120.9
Dec-07	2.5	122.5
Nov-07	-3.0	119.5
Oct-07	4.2	123.2
Sep-07	-4.0	118.2
Aug-07	0.7	123.2
Jul-07	12.0	122.3
Jun-07	-13.0	109.2
May-07	9.2	125.4
Apr-07	-4.9	114.9
Mar-07	0.9	120.8

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

Juarez continued posting job losses in April, at an 8.1 percent annualized rate. Year-to-date, employment is down by more than 8,000 jobs, a 2.2 percent decline. During April, job losses were concentrated in the goods producing sector, with manufacturing posting the largest decline at 16.9 percent annualized rate. In February,

retail sales decreased by 1.1 percent. U.S. industrial production registered a 0.1 percent year-over-year fall in April, after growing at a decreasing rate over the last two months. Mexico's industrial production grew at a 1.6 percent rate in February, after growing at 3.5 percent 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

	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08
Total	-1.4	0.6	-4.8	-3.4	-8.9	-8.1
Goods Producing	-4.7	-2.0	-9.7	-8.5	-11.5	-16.2
Agriculture & Mining	-21.4	2.7	-3.0	16.6	3.3	-12.8
Manufacturing	-4.9	-5.1	-12.6	-10.9	-8.9	-16.9
Construction	-1.6	46.8	33.7	22.1	-37.2	-6.8
Service Providing	5.8	6.9	6.1	7.8	-3.5	10.5
Transportation and Public Utilities	-6.6	0.9	-3.3	15.3	5.9	4.7
Trade	15.5	5.5	9.5	1.4	-5.7	1.1
Services	2.2	9.2	5.7	10.8	-3.7	18.6

Note: Seasonally adjusted data

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

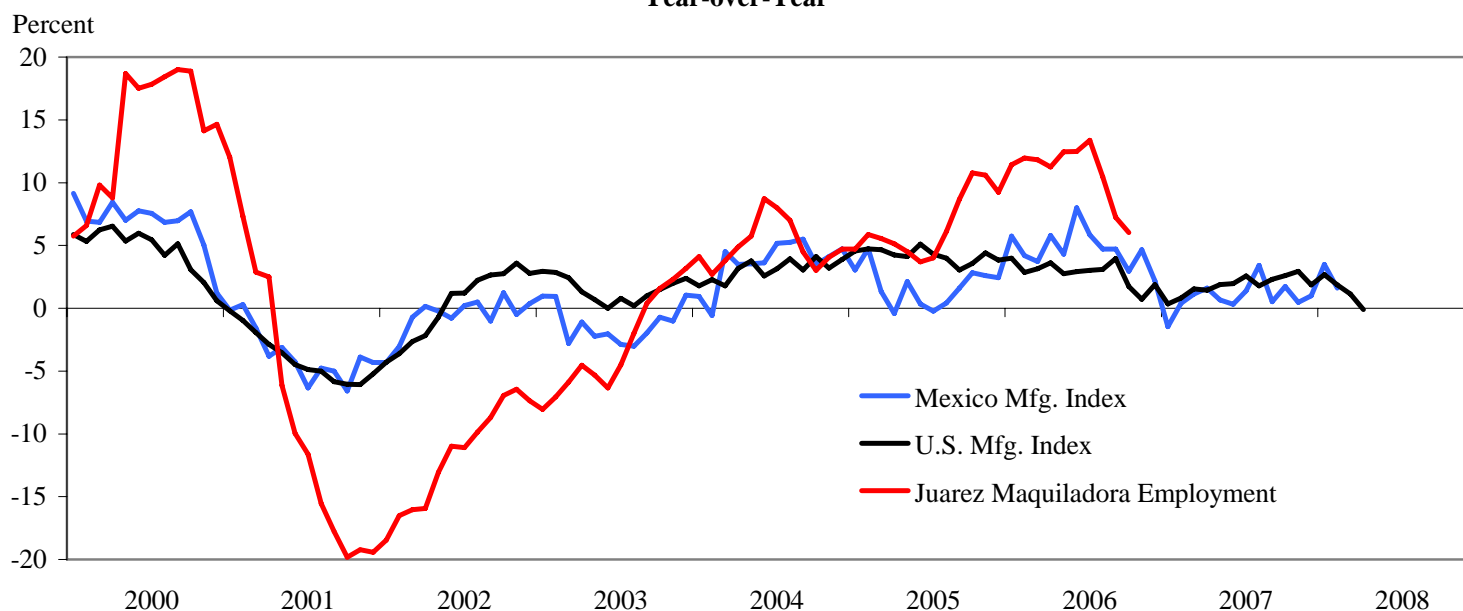
Cd. Juarez Retail Sales

	Month-over-Month Percent Change	Index (2003=100)
Feb-08	-1.1	130.7
Jan-08	8.3	132.1
Dec-07	-7.6	122.0
Nov-07	1.9	131.9
Oct-07	-2.3	129.4
Sep-07	-0.8	132.5
Aug-07	2.4	133.6
Jul-07	-2.1	130.5
Jun-07	2.4	133.3
May-07	10.2	130.2
Apr-07	-6.2	118.1
Mar-07	1.8	125.9
Feb-07	1.3	123.7

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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