The El Paso economy continued to expand in January, albeit at a slower pace than in December, according to the Dallas Fed’s El Paso Business-Cycle index. In January, the index advanced at an annualized rate of 0.8 percent, compared with December’s gain of 2.0 percent.

El Paso’s nonfarm employment registered a 2.0 percent annualized decline in January. Growth in trade, transportation and utilities, construction and manufacturing was offset by declines in professional and business services and government.

The unemployment rate in El Paso rose to 5.7 percent in January, above December’s 5.5 percent rate. Texas’ unemployment rate in January stood at 4.4 percent, while the U.S. rate was also 5.7 percent.

Midland–Odessa, Texas, continued to add jobs in January. Employment rose at an annualized rate of 9.8 percent, while the unemployment rate stood at 2.8 percent.

Nonfarm employment in Las Cruces, N.M., rose at an annualized rate of 0.8 percent in January. The unemployment rate in January stood at 6.6 percent, down from 6.7 percent in December. The New Mexico unemployment rate was 5.9 percent in December.
Trade flows through the El Paso port of entry in January fell nearly 9 percent from December, as both exports and imports declined. Total trade (exports plus imports) was $63.7 billion annualized, compared with $67.4 billion in 2014.

February home sales in El Paso stood at an annual pace of 6,125, up from 5,792 a year earlier. Meanwhile, the median home price rose to $139,200, and inventory levels decreased to 7.9 months from 8.2 months a year earlier.

In Midland–Odessa, January home sales stood at 154, which is 23 percent below last January's sales. The median home price of $203,296 was also below last January's price of $212,593.
Conditions in Chihuahua and Ciudad Juárez

- U.S. industrial production remained nearly unchanged in February, while the Institute for Supply Management manufacturing index and its associated new-orders index, a leading indicator of industrial activity, declined.

- However, maquiladoras south of the Rio Grande continue to add jobs, according to a Dallas Fed model based on the U.S. industrial production index and Chihuahua manufacturing employment. The model has been used to track maquiladora employment in the Chihuahua city of Juárez since Mexico changed its methodology in 2006. According to the model, February maquiladora employment rose 7.4 percent from a year ago, while formal manufacturing employment in the Mexican state of Chihuahua also increased 7.4 percent over the same time period.

- U.S. auto and light truck production in February totaled 10.8 million units, while U.S. auto sales amounted to 16.2 million on an annual basis. Although auto sales have slowed in recent months, they remain near historic highs, which is good news for the local economy because roughly half of the maquiladoras across the Rio Grande are auto related.

U.S. Manufacturing and Ciudad Juárez Maquiladora Employment

*Year-over-year change; seasonally adjusted.

NOTES: Data may not match previously published numbers due to revisions. As of January 2015, El Paso MSA now includes El Paso and Hudspeth counties.

SOURCES: 

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