

# ECONOMIC UPDATE: EL PASO

El Paso non-farm employment increased in July at a 2.7 percent annualized rate. The sectors that registered job gains were trade, transportation and utilities, educational and health services and government. On the other hand,

manufacturing and the professional and business services sectors posted job losses, while the rest of the sectors remained unchanged during July. In spite of the job gains in July, the unemployment rate increased to 6.0 percent, from 5.8 percent in June. In

June, retail sales tax rebates decreased significantly, by 16 percent, after posting strong growth in May. The El Paso Business-cycle Index increased at a 3.4 percent annualized rate in July, suggesting that the El Paso economy is expanding.

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

	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07
<b>Nonfarm Employment</b>	<b>0.9</b>	<b>4.2</b>	<b>1.4</b>	<b>4.1</b>	<b>6.0</b>	<b>2.7</b>
<b>Goods Producing</b>	<b>-10.5</b>	<b>0.0</b>	<b>-7.2</b>	<b>3.8</b>	<b>7.7</b>	<b>-7.1</b>
Construction, Mining & Natural Resources	0.0	10.6	0.0	0.0	21.9	0.0
Manufacturing	-16.0	-5.7	-11.2	6.1	0.0	-11.2
<b>Services Providing</b>	<b>2.6</b>	<b>4.8</b>	<b>2.6</b>	<b>4.2</b>	<b>5.8</b>	<b>4.2</b>
Trade, Transportation & Utilities	8.7	4.2	0.0	8.6	2.1	2.1
Information	0.0	-21.9	0.0	28.1	0.0	0.0
Financial Activities	0.0	24.1	23.7	11.0	-9.9	0.0
Professional & Business Services	4.0	25.9	16.3	7.8	16.0	-7.1
Educational & Health Services	-3.7	3.9	-3.7	-10.8	3.9	7.9
Leisure & Hospitality	0.0	4.7	0.0	4.6	4.6	0.0
Other Services	16.7	-14.3	0.0	0.0	16.7	0.0
Government	0.0	-1.9	0.0	4.0	8.0	14.4
<b>Unemployment Rate</b>	<b>6.5</b>	<b>5.9</b>	<b>5.8</b>	<b>5.5</b>	<b>5.8</b>	<b>6.0</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>Jun-07</b>	-16.0	105.7
<b>May-07</b>	9.7	125.8
<b>Apr-07</b>	-4.6	114.7
<b>Mar-07</b>	0.4	120.2
<b>Feb-07</b>	0.6	119.7
<b>Jan-07</b>	1.1	118.9
<b>Dec-06</b>	-2.5	117.6
<b>Nov-06</b>	-0.4	120.6
<b>Oct-06</b>	3.4	121.2
<b>Sep-06</b>	2.4	117.2
<b>Aug-06</b>	-2.1	114.4
<b>Jul-06</b>	8.4	116.9
<b>Jun-06</b>	-8.2	107.9

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 increased in July at a 6.5 percent annualized rate. So far in 2007, total payroll has increased by almost 7,000 jobs. The job gains in July were widespread across sectors, with only the construction and services sectors posting job losses of 16.6 percent and 19.2 percent, respectively. In June, retail sales

increased by 2.5 percent, after posting a strong growth rate in May. U.S. industrial production registered a 1.9 percent year-over-year growth in July. However, Mexico's industrial production grew slightly at a rate of 0.1 percent in June. As the chart below shows, there is a close relationship between maquiladora

employment and U.S. and Mexico manufacturing indices, which are growing at a slower rate, as the most recent data shows; thus, the maquiladora industry in Ciudad Juarez is likely to follow suit in the next couple of months.

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

	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07
<b>Total</b>	2.6	2.7	1.4	3.3	3.9	6.5
<b>Goods Producing</b>	2.2	-0.6	-3.6	-0.2	4.9	14.3
Agriculture & Mining	10.0	-22.1	-12.7	4.8	28.2	4.9
Manufacturing	1.5	-2.7	-5.3	-2.3	4.9	17.3
Construction	12.4	32.5	20.4	28.5	3.2	-16.6
<b>Service Providing</b>	6.2	4.7	11.7	15.1	0.7	-8.2
Transportation and Public Utilities	11.4	5.7	9.5	0.6	3.7	10.0
Trade	11.8	9.1	4.9	8.2	-1.7	5.6
Services	1.7	1.6	16.9	23.0	1.6	-19.2

Note: Seasonally adjusted data

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

**Cd. Juarez Retail Sales**

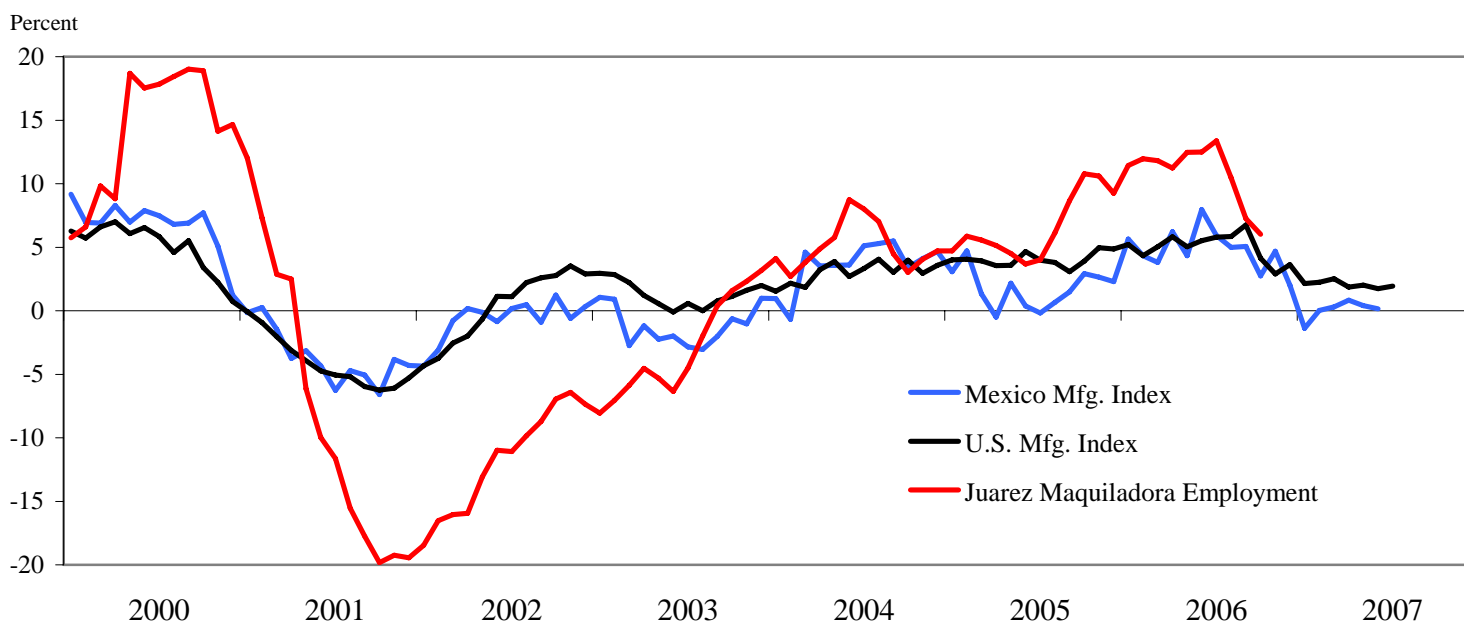
	Month-over-Month Percent Change	Index (2003=100)
<b>Jun-07</b>	2.5	133.7
<b>May-07</b>	10.4	130.4
<b>Apr-07</b>	-6.1	118.1
<b>Mar-07</b>	1.8	125.7
<b>Feb-07</b>	1.6	123.5
<b>Jan-07</b>	0.8	121.6
<b>Dec-06</b>	0.0	120.6
<b>Nov-06</b>	-2.9	120.6
<b>Oct-06</b>	0.8	124.2
<b>Sep-06</b>	3.0	123.3
<b>Aug-06</b>	-0.5	119.7
<b>Jul-06</b>	2.1	120.3
<b>Jun-06</b>	1.4	117.8

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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