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Hunt Institute for Global Competitiveness

THE UNIVERSITY OF TEXAS AT EL PASO

How the US-Mexico Border Adapts to the COVID-19 Pandemic and USMCA



Mexico Now, Mexico's Manufacturing Supply Chain Summit
October 08, 2020

Outline

I. Employment in Selected U.S. Southern Border Cities

II. Employment in Selected Mexican Northern Border Cities

III. Trade





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UNITED STATES
OF
AMERICA

MEXICO

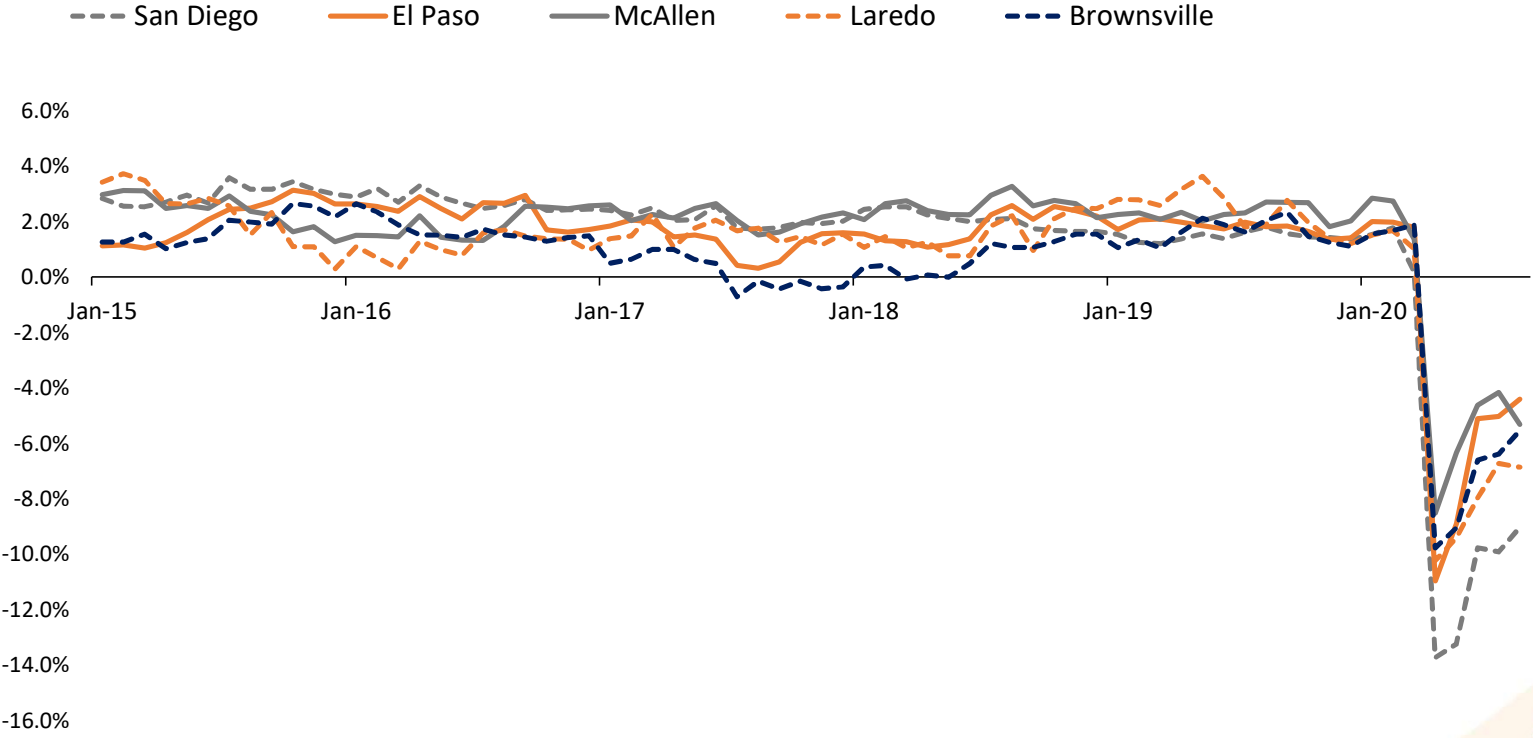
BORDERLAND SISTER CITIES

1. Otay Mesa, CA - Tijuana, MX
2. Santa Teresa, NM - San Jerónimo, MX
3. El Paso, TX - Ciudad Juárez, MX
4. Eagle Pass, TX - Piedras Negras, MX
5. Laredo, TX - Nuevo Laredo, MX
6. Hidalgo, TX - Reynosa, MX
7. Brownsville, TX - Matamoros, MX

Selected U.S.-Mexico Borderland Sister Cities



Total Non-Farm Employment, Year-over-Year (%)



Note: Hunt Institute calculations using data from the BLS. Preliminary data for August 2020.



Employment Sector Shares, 2019

	San Diego	El Paso	Laredo	McAllen	Brownsville	Texas
Mining, Logging and Construction	5.6%	5.2%	3.6%	3.1%	2.1%	8.0%
Manufacturing	7.7%	5.2%	0.7%	2.6%	4.1%	7.1%
Trade, Transportation, and Utilities	14.9%	21.1%	30.3%	19.9%	17.7%	19.6%
Information	1.6%	1.5%	0.7%	1.1%	0.5%	1.6%
Financial Activities	5.1%	4.1%	3.5%	3.3%	3.5%	6.3%
Professional and Business Services	17.1%	11.3%	9.7%	6.5%	8.6%	14.0%
Education and Health Services	14.4%	14.8%	16.1%	29.4%	29.0%	13.6%
Leisure and Hospitality	13.5%	11.7%	10.7%	9.9%	11.5%	10.9%
Other Services	3.7%	2.8%	2.2%	2.1%	2.1%	3.5%
Government	16.6%	22.3%	22.4%	22.1%	20.9%	15.4%

Note: Hunt Institute calculations using data from the BLS.



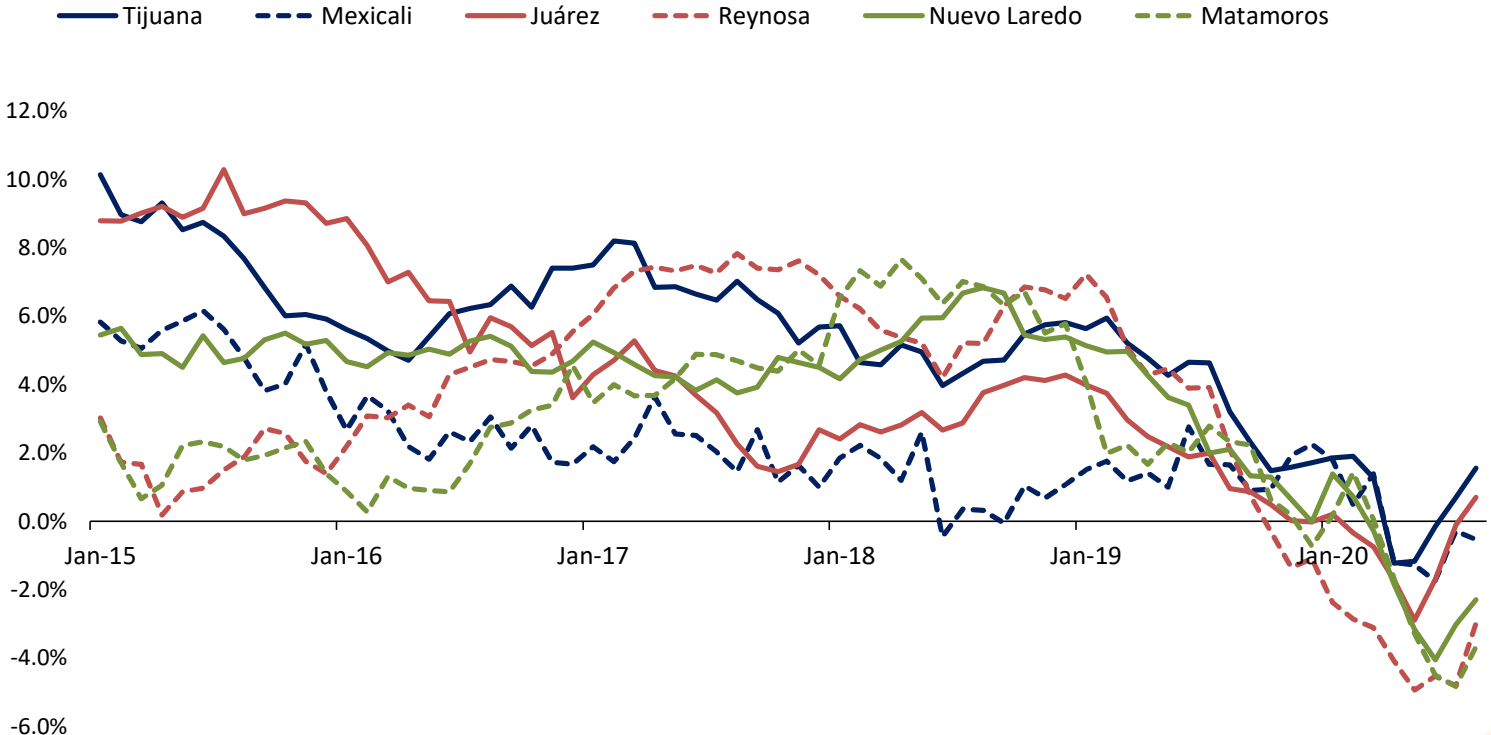
Employment by Sector, January-August 2020 (YoY)

	San Diego	El Paso	Laredo	McAllen	Brownsville	Texas
Mining, Logging and Construction	-4.4%	1.1%	-12.3%	-13.2%	-0.4%	-5.2%
Manufacturing	-3.0%	-4.9%	0.0%	-18.0%	0.2%	-2.3%
Trade, Transportation, and Utilities	-7.1%	-2.0%	-2.1%	-1.5%	-6.5%	-2.0%
Information	-10.3%	-0.5%	-4.8%	-2.6%	-6.9%	-3.9%
Financial Activities	-2.1%	1.1%	1.3%	-7.3%	-6.1%	1.1%
Professional and Business Services	0.3%	-6.7%	-14.7%	-3.5%	-6.5%	-0.6%
Education and Health Services	-3.6%	0.8%	1.0%	2.2%	0.6%	-2.0%
Leisure and Hospitality	-22.7%	-18.4%	-23.4%	-14.8%	-15.4%	-13.9%
Other Services	-17.4%	-10.9%	-7.0%	-4.3%	-6.2%	-4.7%
Government	-3.4%	0.5%	1.8%	-0.7%	-1.6%	-0.7%
Total Nonfarm Employment	-6.5%	-3.6%	-4.6%	-2.8%	-4.1%	-3.1%

Note: Hunt Institute calculations using data from the BLS.



Total Non-Farm Employment, Year-over-Year (%)



Note: Hunt Institute calculations using data from IMSS.



Employment Sector Shares, 2019

	Tijuana	Mexicali	Juárez	Reynosa	Nuevo Laredo	Matamoros
Agriculture, livestock, forestry, fishing and hunting	0.2%	3.9%	0.1%	0.2%	0.2%	0.3%
Mining	0.0%	0.2%	0.0%	0.5%	0.1%	0.1%
Manufacturing	50.1%	41.3%	65.6%	66.3%	36.6%	65.0%
Construction	4.7%	5.8%	3.4%	4.0%	3.4%	4.5%
Electrical industry, and collection and supply of drinking water	0.2%	1.0%	0.5%	0.6%	0.9%	1.0%
Trade	16.0%	17.6%	10.5%	12.6%	13.1%	12.4%
Transportation and utilities	3.8%	4.5%	4.5%	3.5%	26.9%	3.8%
Services for companies, individuals and the home	19.6%	16.1%	10.3%	8.8%	11.3%	7.7%
Social and community services	5.5%	9.6%	5.0%	3.7%	7.6%	5.2%

Note: Hunt Institute calculations using data from the BLS. Preliminary data for August 2020.



Employment by Sector, January-August 2020 (YoY)

	Tijuana	Mexicali	Juárez	Reynosa	Nuevo Laredo	Matamoros
Agriculture, livestock, forestry, fishing and hunting	7.2%	8.5%	3.0%	-4.7%	1.6%	2.1%
Mining	3.6%	-0.9%	-20.1%	-15.9%	-19.4%	-5.4%
Manufacturing	1.2%	0.0%	-0.8%	-5.0%	-4.9%	-4.1%
Construction	-6.3%	0.4%	-19.0%	-3.7%	-9.8%	-16.7%
Electrical industry, and collection and supply of drinking water	1.5%	2.7%	5.5%	-3.4%	3.3%	-1.3%
Trade	1.9%	-1.0%	1.3%	-1.3%	4.0%	5.1%
Transportation and utilities	3.6%	-0.9%	4.3%	9.8%	1.4%	6.3%
Services for companies, individuals and the home	-1.6%	2.5%	-0.6%	-5.2%	-2.7%	5.8%
Social and community services	3.0%	-0.2%	1.1%	5.2%	-0.6%	1.9%
Total	0.6%	-0.2%	-0.8%	-3.7%	-1.6%	-2.1%

Note: Hunt Institute calculations using data from the BLS. Preliminary data for August 2020.



Top 3 Employment Decreases in Selected Mexican Border Cities, January-August 2020 (YoY)

Employment Category	Tijuana	Mexicali	Ciudad Juárez	Nuevo Laredo	Reynosa	Matamoras
Manufacturing of electrical or electronic accessories		-2,558	-4,592			
Manufacturing of parts for motor vehicle electrical systems			-2,222			-1,379
Installation and repair of elevators and other transportation equipment			-1,322			
Manufacturing of pencils, erasers, and pens		-792				
Manufacturing of other miscellaneous items		-569		-758		
Manufacturing of electrical conductors	-1,510					
Manufacturing of automobiles, buses, trucks, and motorcycles	-1,236					
Repair and/or maintenance of machinery and equipment in general	-1,075					
Manufacturing of radio, television, and communications equipment					-2,001	-832
Manufacturing of parts and accessories for transportation vehicles					-1,377	-798
Manufacturing of other metal products				-519		
Cleaning services, without machinery or motorized equipment				-349		
Purchase and sale of computer or electronic data processing equipment					-1,398	
Top 3 Employment Decreases	-3,820	-3,918	-8,135	-1,626	-4,776	-3,008
YoY Change in Total Employment	3,143	-182	-3,730	-1,501	-8,065	-2,411
YoY Change in Total Employment (%)	0.6%	-0.1%	-0.8%	-1.6%	-3.7%	-2.0%

Note: Hunt Institute calculations using data from IMSS.



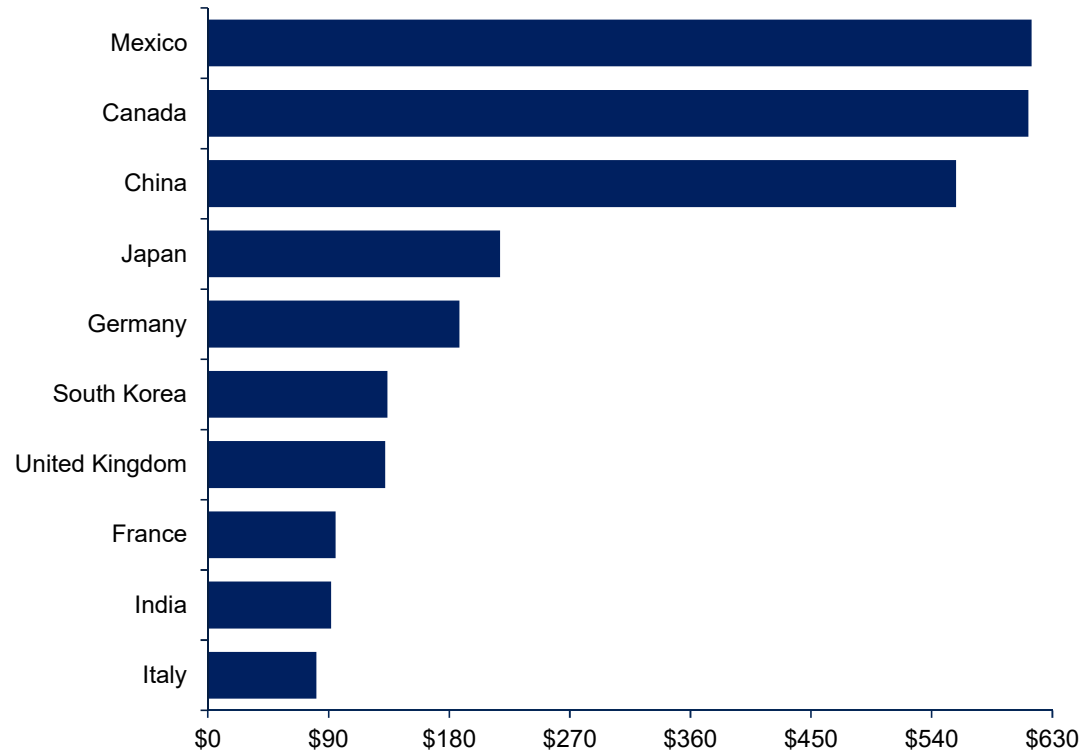
Top 3 Employment Increases in Selected Mexican Border Cities, January-August 2020 (YoY)

Employment Category	Tijuana	Mexicali	Ciudad Juárez	Nuevo Laredo	Reynosa	Matamoras
Manufacturing of scientific and professional apparatuses	3,375	1,845	2,734	336		
Manufacturing of radio, television, and communications equipment	4,085		1,694			
Manufacturing of home appliances			975			
Sale of food, beverages, and/or tobacco products, with transport		1,164				
Preparation and packaging of food products based on fruits and vegetables		626				
Manufacturing of doors, windows, metal curtains, and other blacksmith work	1,601					
Manufacturing of machinery for electrical energy generation						982
Manufacturing of other miscellaneous items						796
Manufacturing of batteries and various electrical and electronic components						807
Supermarkets, self-service stores, and specialized department stores				399	551	
Cleaning services, with machinery or motorized equipment				351		
Freight Transportation					435	
Clothing Production					358	
Top 3 Employment Increases	9,061	3,636	5,403	1,086	1,344	2,584
YoY Change in Total Employment	3,143	-182	-3,730	-1,501	-8,065	-2,411
YoY Change in Total Employment (%)	0.6%	-0.1%	-0.8%	-1.6%	-3.7%	-2.0%

Note: Hunt Institute calculations using data from IMSS.



US Top 10 Trading Partners in Total Merchandise Trade, 2019 (USD Billion)



Source: U.S. Census Bureau.



Top 10 U.S.-Mexico Border Ports for Total Trade, Million USD

Port of Entry	2019	Share (%)	A Jan-July 2019	B Jan-July 2020	B-A (Δ %)
Laredo, TX	\$231,502	43.6%	\$136,196	\$107,874	-20.8%
El Paso, TX	\$78,985	14.9%	\$45,894	\$21,971	-52.1%
Otay Mesa, CA	\$49,063	9.2%	\$28,076	\$24,221	-13.7%
Hidalgo, TX	\$36,724	6.9%	\$21,468	\$18,038	-16.0%
Santa Teresa, NM	\$30,502	5.7%	\$18,170	\$14,262	-21.5%
Eagle Pass, TX	\$29,673	5.6%	\$17,254	\$14,142	-18.0%
Nogales, AZ	\$26,189	4.9%	\$16,542	\$13,893	-16.0%
Brownsville, TX	\$18,978	3.6%	\$11,252	\$9,701	-13.8%
Calexico-East, CA	\$17,777	3.3%	\$10,329	\$8,573	-17.0%
Del Rio, TX	\$5,182	1.0%	\$3,123	\$2,340	-25.1%

Note: Hunt Institute calculations using U.S. Census Bureau data.



Top 3 Export Commodity Decreases, Jan-July 2020, Million USD (YoY)

6 Digit Code	Commodity	Otay Mesa, CA	El Paso, TX	Santa Teresa, NM	Eagle Pass, TX	Laredo, TX	Hidalgo, TX	Brownsville, TX
847330	Parts and Accessories for Adp Machines and Units		-\$424	-\$3,699				
271012	Light Oils, Preps Gt=70% Petroleum/Bitum w/o Biodiesel		-\$349					
852871	Reception App for TV Nt Designed to Inc Video Disp		-\$305				-\$186	
847170	Automatic Data Processing Storage Units, N.E.S.O.I.			-\$391				
854442	Elec Conductors, Lt=1000 V, w/ Connectors, N.E.S.O.I.			-\$143				
271019	Petrol Oil Bitum Mineral (not Crud) etc Nt Biodies						-\$80	-\$97
854231	Processors and Controllers, Electronic Integ Cirtc							-\$83
870830	Brakes and Servo-breaks; Parts thereof							-\$59
870324	Pass Veh Spk-ig Int Com Rcpr P Eng and gt; 3000 cc					-\$81		
870895	Safety Airbags with Inflator System; Parts thereof					-\$70		
870431	Mtr Veh Trans Gds Spk Ig In C P Eng, Gvw Nov 5 Mtn					-\$68		
271121	Natural Gas, Gaseous						-\$84	
840820	Compression-igntn Int Combustion Piston Engine etc.					-\$1,055		
870840	Gear Boxes for Motor Vehicles					-\$533		
870899	Parts and Accessories of Motor Vehicles, N.E.S.O.I.					-\$513		
870829	Pts and Access of Bodies of Motor Vehicles, N.E.S.O.I.	-\$164						
871690	Pts Trailers, Semi-trailer and ot Veh N Mech Propeld	-\$100						
840734	Spark-igntn Recprctng Piston Engine Etc and gt; 1000 cc	-\$91						
Top 3 Commodity Decreases		-\$355	-\$1,078	-\$4,233	-\$218	-\$2,101	-\$350	-\$239
All Commodity Decreases		-\$2,528	-\$8,573	-\$4,499	-\$1,478	-\$16,332	-\$1,712	-\$1,524
Top 3 Share of all Commodity Decreases		14%	13%	94%	15%	13%	20%	16%
Change in Total Exports, YoY		-\$1,892	-\$8,152	-\$2,432	-\$475	-\$13,975	-\$1,197	-\$697
Change in Total Exports, YoY (%)		-18.9%	-44.2%	-28.5%	-10.7%	-24.8%	-15.9%	-13.0%

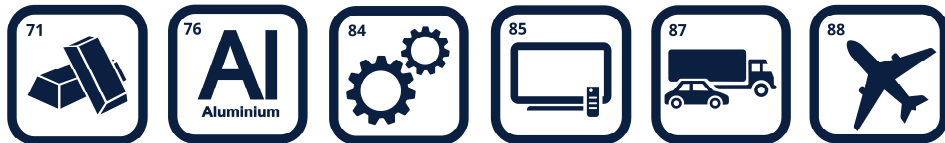
Note: Hunt Institute calculations using data U.S. Census Bureau.



Top 3 Import Commodity Decreases, Jan-July 2020, Million USD (YoY)

6 Digit Code	Commodity	Otay Mesa, CA	El Paso, TX	Santa Teresa, NM	Eagle Pass, TX	Laredo, TX	Hidalgo, TX	Brownsville, TX
847150	Digital Processing Units, N.E.S.O.I.		-\$2,573	-\$1,397				
854430	Insulated Wiring Sets for Vehicles Ships Aircraft		-\$1,357					
870323	Pass Veh Spk-ig Int Com Rcpr P Eng >1500 Nov 3m cc		-\$1,014		-\$418	-\$1,419		
710812	Gold, Nonmonetary, Unwrought N.E.S.O.I.			-\$60				
847180	Automatic Data Processing Units, N.E.S.O.I.			-\$48				
880240	Airplane and other Aircraft, Unladen Weight and gt; 15,000 Kg							-\$159
870894	Steering Wheels, Columns and Boxes of Motor Vehicles							-\$140
760110	Unwrought Aluminum, not Alloyed							-\$101
870431	Mtr Veh Trans Gds Spk Ig In C P Eng, Gvw Nov 5 Mtn	-\$1,106			-\$645			
870421	Trucks, N.E.S.O.I., Diesel Eng, Gvw 5 Metric Tons and Und				-\$329			
852872	Reception Apparatus for Television, Color, N.E.S.O.I.						-\$332	
853710	Controls etc w Elect Appr for Elect Cont Nov 1000 V						-\$185	
852721	Radiobroadcast Receivers for Motor Vehicles w Rcos						-\$148	
870120	Road Tractors for Semi-trailers					-\$2,736		
870322	Pass Mtr Veh,spark Ign Eng, over 1000cc but not 1500cc					-\$1,338		
871639	Trailers and Semi-trailer for Trans Cds N.E.S.O.I.	-\$255						
870829	Pts and Access of Bodies of Motor Vehicles, N.E.S.O.I.	-\$145						
Top 3 Commodity Decreases		-\$1,507	-\$4,944	-\$1,505	-\$1,391	-\$5,493	-\$666	-\$400
All Commodity Decreases		-\$3,473	-\$16,088	-\$1,728	-\$3,039	-\$18,083	-\$2,891	-\$1,879
Top 3 Share of all Commodity Decreases		43%	31%	87%	46%	30%	23%	2.1%
Change in Total Imports, YoY		-\$1,964	-\$15,770	-\$1,475	-\$2,636	-\$14,348	-\$2,232	-\$853
Change in Total Imports, YoY (%)		-10.9%	-57.5%	-15.3%	-20.6%	-18.0%	-16.0%	-14.5%

Note: Hunt Institute calculations using data U.S. Census Bureau.



Top 3 Export Commodity Increases, Jan-July 2020, Million USD (YoY)

6 Digit Code	Commodity	Otay Mesa, CA	El Paso, TX	Santa Teresa, NM	Eagle Pass, TX	Laredo, TX	Hidalgo, TX	Brownsville, TX
852351	Solid-state Non-vol Semiconductor Storage Devices		\$69	\$378				
271121	Natural Gas, Gaseous	\$37	\$69					\$282
170260	Fructose, N.E.S.O.I. and Syrup, Ov 50% Fructose in Dry Fm		\$44					
854231	Processors and Controllers, Electronic Integ Cirtc	\$29		\$1,469		\$182		
854232	Memories, Electronic Integrated Circuits			\$136				
847330	Parts and Accessories for Adp Machines and Units					\$226		\$170
890520	Floating or Submersible Drilling or Prodcn,Pltfrm							\$31
100590	Corn (Maize), other than Seed Corn				\$136			
100199	Wheat and Meslin, N.E.S.O.I.				\$130			
230400	Soybean Oilcake and Oth Solid Residue, wh/not Ground				\$129			
271012	Lt Oils, Preps Gt=70% Petroleum/bitum not Biodiesel						\$31	
853620	Auto Circuit Breakers Voltage not Exceeding 1000 V						\$29	
020312	Meat, Swine, Hams, Shldrs, Bone In, Frsh or Chlld						\$22	
230990	Animal Feed Prep except Dog or Cat Food, Retail Pk					\$117		
040690	Cheese, N.E.S.O.I., including Cheddar and Colby	\$33						
Top 3 Commodity Increases		\$98	\$183	\$1,982	\$395	\$525	\$82	\$483
All Commodity Increases		\$636	\$420	\$2,067	\$1,003	\$2,357	\$515	\$826
Top 3 Share of all Commodity Increases		15%	44%	96%	39%	22%	16%	59%
Change in Total Exports, YoY		-\$1,892	-\$8,152	-\$2,432	-\$475	-\$13,975	-\$1,197	-\$697
Change in Total Exports, YoY (%)		-18.9%	-44.2%	-28.5%	-10.7%	-24.8%	-15.9%	-13.0%

Note: Hunt Institute calculations using data U.S. Census Bureau.



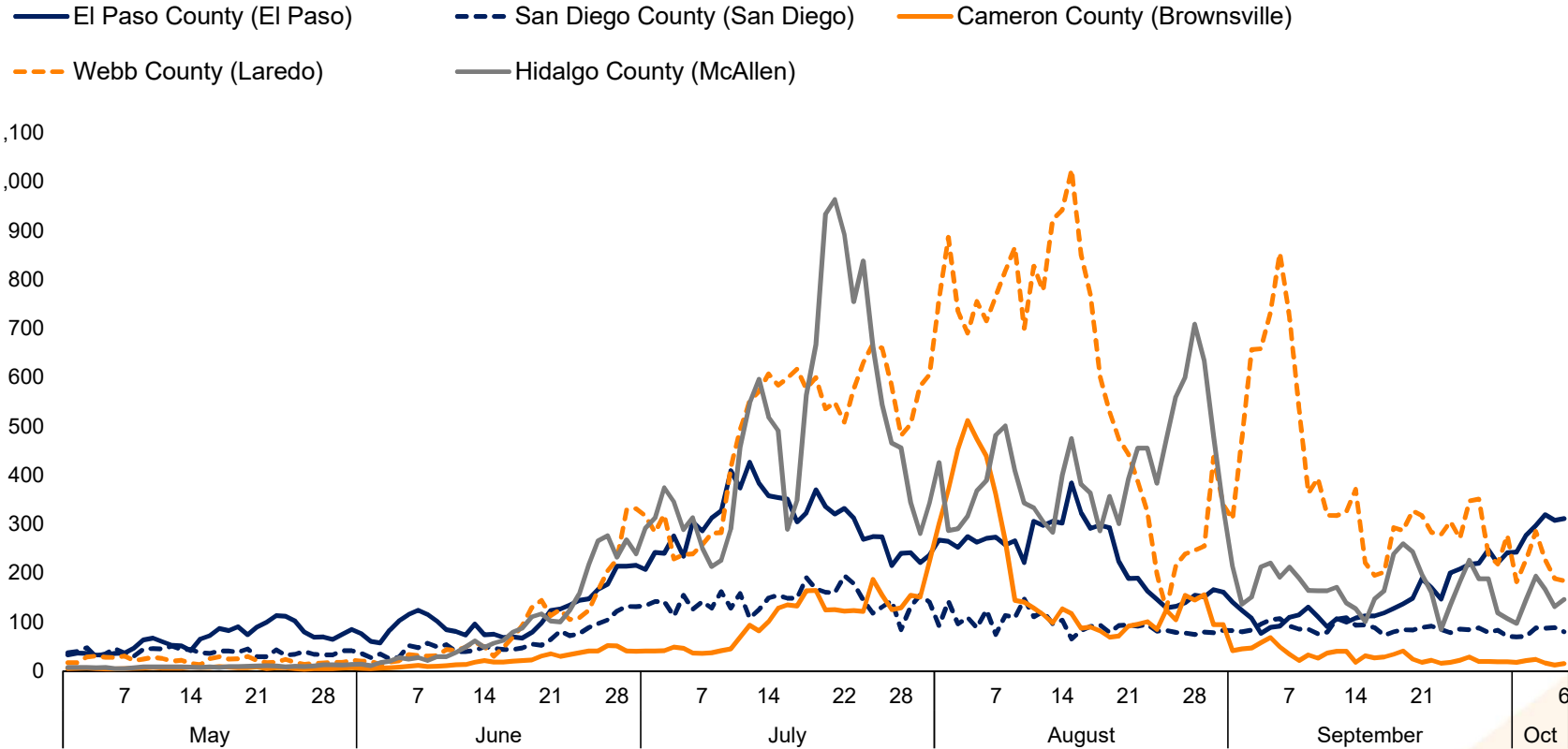
Top 3 Import Commodity Increases, Jan-July 2020, Million USD (YoY)



6 Digit Code	Commodity	Otay Mesa, CA	El Paso, TX	Santa Teresa, NM	Eagle Pass, TX	Laredo, TX	Hidalgo, TX	Brownsville, TX
840734	Spark-igntn Recrpting Piston Engine Etc and gt; 1000 cc		\$117.33					
902110	Orthopedic or Fractre Appliances, Parts and Accessor		\$47.85					
854239	Electronic Integrated Circuits, N.E.S.O.I.		\$19.30					
847149	Digital Adp Mac and Units,entered as Systems, N.E.S.O.I.				\$72.96			
940190	Parts of Seats (ex Medical, Barber, Dental etc.)				\$12.73			
854430	Insulated Wiring Sets for Vehicles Ships Aircraft				\$12.15			
841290	Engine and Motor Parts, N.E.S.O.I.							\$283.52
847330	Parts and Accessories for Adp Machines and Units							\$168.84
850231	Generating Sets, Electric, Wind-powered							\$111.83
220600	Fermented Beverages N.E.S.O.I. (Cider, Perry, Mead, etc.)				\$104.68			
621143	Oth Gar Wom Grls MM Fib ex Track Ski-suits Swmwer				\$47.50			
220890	Cordials, Liqueurs, Kirschwasser, Ratafia, etc.				\$34.71			
850131	Dc Motors and Generators w Output N Ov 750 W						\$43.30	
850790	Pts Elect Storage Batteries Inc Separators thereof						\$42.57	
070200	Tomatoes, Fresh Or Chilled						\$34.27	
851762	Mach for Recp/Cnvr/Trans/Regn of Voice/Image/Data					\$275.77		
847130	Port Digtl Automatic Data Process Mach not and gt; 10 Kg					\$155.51		
841191	Turbojet and Turboproller Parts					\$149.53		
852872	Reception Apparatus for Television, Color, N.E.S.O.I.	\$611.14						
870821	Safety Seat Belts for Motor Vehicles	\$72.79						
850760	Lithium Ion Batteries	\$39.12						
Top 3 Commodity Increases		\$723.04	\$184.47	\$97.83	\$186.89	\$580.81	\$120.14	\$564.19
All Commodity Increases		\$1,509.16	\$317.50	\$253.21	\$402.40	\$3,734.86	\$659.00	\$1,026.09
Top 3 Share of all Commodity Increases		48%	58%	39%	46%	16%	18%	55%
Change in Total Imports, YoY		-\$1,964	-\$15,770	-\$1,475	-\$2,636	-\$14,348	-\$2,232	-\$853
Change in Total Imports, YoY (%)		-10.9%	-57.5%	-15.3%	-20.6%	-18.0%	-16.0%	-14.5%

Note: Hunt Institute calculations using data U.S. Census Bureau.

New Coronavirus Cases per 1 Million Inhabitants, 5-Day Moving Average



Q&A

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