

## Formal employment – Labor market added 117,644 new formal jobs in September

October 12, 2015

- **Formal employment (September): 117,644 new jobs; previous: 72,359**
- **The services sector generated 63,882 new jobs, while industrial activities added 31,338 jobs**
- **Baja California Sur, new leader in the generation of formal employment**
- **Year-to-date, the formal labor market continues to maintain a very favorable performance**

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According to the Ministry of Labor, 117,644 new formal jobs were created in September. From this figure, 94,537 were permanent jobs, while 23,107 temporary jobs were created. Year-to-date 669,402 new jobs have been created, which is slightly higher than the 655,032 new jobs generated in the same period of 2014. Moreover, year-to-date 83.9% of the total job creation has been permanent (labor contracts made for an indefinite period of time).

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### Formal job creation by sector: September 2015

	Sep-15	Sep-14	Jan-Sep, '15	Jan-Sep, '14	% of total YTD
<b>Total</b>	<b>117,644</b>	<b>156,432</b>	<b>669,402</b>	<b>655,032</b>	
Permanent jobs	94,537	87,952	561,407	457,174	83.9
Temporary jobs	23,107	68,480	107,995	197,858	16.1
City workers	15,321	50,660	147,844	232,654	22.1
Farmworkers	7,786	17,820	-39,849	-34,796	-6.0

### Monthly formal job creation by economic sector

<b>Primary activities</b>	<b>22,424</b>	<b>24,024</b>	<b>-23,253</b>	<b>-28,591</b>	-3.5
<b>Industrial activity</b>	<b>31,338</b>	<b>61,730</b>	<b>412,667</b>	<b>416,928</b>	61.6
Mining	-1,708	-853	-1,169	-3,604	-0.2
Manufactures	31,982	37,143	265,031	245,199	39.6
Construction	1,183	25,542	151,225	178,521	22.6
Utilities	-119	-102	-2,420	-3,188	-0.4
<b>Services</b>	<b>63,882</b>	<b>70,678</b>	<b>279,988</b>	<b>266,695</b>	41.8
Trade	9,655	11,210	59,196	35,885	8.8
Communications and transportation	1,348	4,194	38,365	44,276	5.7
Personal, firms, and household's services	17,109	11,920	122,063	112,272	18.2
Social and community services	35,770	43,354	60,364	74,262	9.0

Source: Ministry of Labor

**By sector, services generated 63,882 new jobs, while industrial activities added 31,338 jobs.** Within the latter, manufacturing activities added 31,982 new jobs, while the construction sector generated a scant 1,183 jobs. Moreover, 1,708 jobs were lost in the mining industry. We highlight that during the first nine months of 2015, the industrial sector has generated 61.6% of the total job creation, while the services sector has contributed to 41.8%.

**Year-to-date, the formal labor market continues to maintain a very favorable performance.** Employment in the manufacturing sector continues to grow given that year-to-date this sector has generated 265,031 new jobs. Moreover, employment within the services has shown a favorable performance, adding 63,882 new jobs in September. Additionally, employment in the construction sector has maintained an upward trend. All of the above mentioned factors imply that the pace of growth in domestic demand has remained relatively stable during the first nine months of the year. Looking ahead, we believe that the better growth prospects of Mexico’s labor market will result in a higher growth of the Mexican economy.

*From our regional economy team*

**Baja California Sur, new leader in the generation of formal employment.**

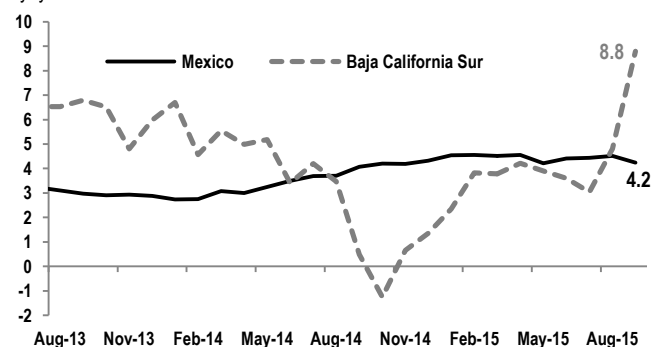
Taking a look at the employment within the federal entities, we highlight the creation of jobs in the state of Baja California Sur, which accomplished the creation of 3,350 new jobs in September, equivalent to an 8.8% yoy growth rate, its highest since 2008 and 4.6pp higher than the average observed in the country. Other states that outperformed the national average were Quintana Roo (8.3%) -which was the leader in August’s formal jobs creation -, Querétaro (6.2%), Chihuahua (6%) and Tlaxcala with 5.8% yoy.

**States with the highest formal job creation: September 2015**

	Sep-15	% yoy	Jan-Sep, '15	Jan-Sep, '14
<b>Mexico</b>	<b>117,644</b>	<b>4.2</b>	<b>669,402</b>	<b>655,032</b>
Baja California Sur	3,350	8.8	13,648	3,609
Quintana Roo	-2,426	8.3	18,470	12,931
Querétaro	3,378	6.2	28,990	25,580
Chihuahua	6,011	6.0	47,682	41,426
Tlaxcala	547	5.8	5,945	4,728

Source: Banorte-Ixe; MoL

**Formal employment: México vs. Baja California Sur**  
% yoy



Source: Banorte-Ixe; MoL

Within the 3,350 new jobs created in the entity, 32% were permanent jobs (1,079), while the remaining 68% were fixed to a maximum of a 1-year contract (2,271). So far this year, Baja California Sur continues to strengthen the labor market by accumulating 13,648 work places, 10,039 more than those created in Sep'14.

We believe that the new government administration will continue the fight against poverty, unemployment and insecurity due to the absence of job opportunities in the state. By promoting the creation of new enterprises, especially in the mining sector, the efforts made by the new government will result in a higher creation of jobs.

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