

## Formal Employment – 120.6 thousand new jobs, the best scenario in the last 4 months

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- **Job creation (August): 120,643 new formal jobs (vs. 118,096 in August '16)**
- **Permanent jobs amounted to 86.8 thousand positions, while temporary jobs increased by 33.7 thousand jobs**
- **By sectors, employment in the industrial sector increased by 52.7 thousand new jobs during the period in question, while the services sector added 47.6 thousand positions**
- **In addition, the agricultural sector stood at 20.2 thousand jobs**
- **Looking ahead we expect moderate job creation growth**
- **Quintana Roo showed the highest growth in the creation of formal jobs for the second consecutive month (11.2% yoy)**

**New formal jobs amounted to 120.6 thousand jobs in August (vs. 118 thousand in August'16).** This figure implies a creation of 86,861 permanent jobs (labor contracts made for an indefinite period of time), along with an increase of 33,782 temporary jobs. Within this context, we highlight job creation in August, which reached a new maximum since April 2017.

By sectors, employment in the industrial sector increased by 52,753 jobs during the period in question, while the services sector added 47,615 new positions. In the construction sub-sector, 34,169 jobs were created during the month. Meanwhile, manufacturing added 19,105 positions. We believe that the surge in construction jobs seen in the months is driven by a higher flow of investments made by some international funds.

Within the services sector, we highlight the increase of 35,990 jobs in the social and community services sub-sector. Moreover 4,680 positions were created in the personal, firms, and household's services. Also, 4,310 new jobs were created in the communications and transportation sub-sector. In addition, we observed the advanced of 20,275 jobs created in the agricultural sector.

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**Formal job creation: August 2017**

	Aug-17	Aug-16	% yoy	Jan-Aug, '17	Jan-Aug, '16
<b>Total</b>	<b>120,643</b>	<b>118,096</b>	<b>2.2</b>	<b>676,241</b>	<b>582,194</b>
<b>Permanent jobs</b>	<b>86,861</b>	<b>78,027</b>	<b>11.3</b>	<b>530,777</b>	<b>479,663</b>
<b>Temporary jobs</b>	<b>33,782</b>	<b>40,069</b>	<b>-15.7</b>	<b>145,464</b>	<b>102,531</b>
City workers	29,318	26,771	9.5	204,229	155,712
Farmworkers	4,464	13,298	-66.4	-58,765	-53,181
<b>Monthly formal job creation by economic sector</b>					
<b>Primary activities</b>	<b>20,275</b>	<b>18,214</b>	<b>11.3</b>	<b>-45,130</b>	<b>-38,619</b>
<b>Industrial activity</b>	<b>52,753</b>	<b>51,399</b>	<b>2.6</b>	<b>448,272</b>	<b>351,758</b>
Mining	113	264	-57.2	7,606	612
Manufacturing	19,105	27,249	-29.9	277,144	220,374
Construction	34,169	26,131	30.8	163,407	132,588
Utilities	-634	-2,245	-71.8	115	-1,816
<b>Services</b>	<b>47,615</b>	<b>48,483</b>	<b>-1.8</b>	<b>273,099</b>	<b>269,055</b>
Trade	2,635	12,317	-78.6	40,312	70,250
Communications and transportation	4,310	4,313	-0.1	47,219	35,335
Personal, firms, and household's services	4,680	-3,350	-239.7	130,349	133,012
Social and community services	35,990	35,203	2.2	55,219	30,458

Source: Ministry of Labor

**Looking ahead we expect job creation to moderate its growth.** We continue to believe that uncertainty surrounding the growth of the Mexican economy in 2017 will negatively impact formal employment.

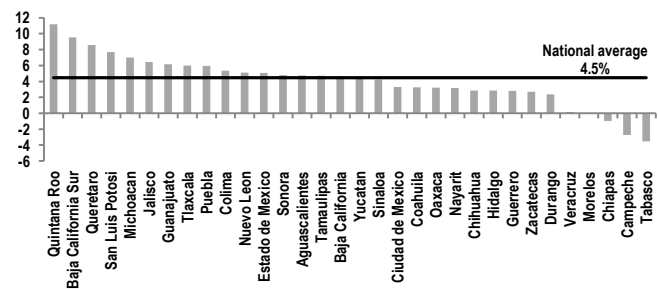
*At a regional level*

**Quintana Roo showed the highest growth in the creation of formal jobs for the second consecutive month (11.2% yoy).** Quintana Roo stands out as the state with the highest growth of formal employment (11.2% yoy), for the second consecutive month, also it was the highest growth observed at a national level since Nov'16. Year-to-date, this figure was 6.7pp higher than the national average. Within this context, Quintana Roo generated a total of 9,986 formal jobs than in the same period of 2016. Just in August, 4.1 thousand jobs were generated in the entity (71% were permanent jobs).

Other states that outperformed the national average were Baja California Sur (9.5%), Queretaro (8.6%), San Luis Potosi (7.7%), and Michoacan with 7% yoy, as seen in the next table.

**States with the highest formal job creation: August 2017**

	Insured workers (thousands)	% yoy	Job creation	
			Aug-17	Jan-Aug, '17
<b>National</b>	<b>19,293</b>	<b>4.5</b>	<b>120,643</b>	<b>676,241</b>
Quintana Roo	416	11.2	4,183	42,865
Baja California Sur	168	9.5	403	11,390
Queretaro	549	8.6	7,761	42,522
San Luis Potosi	420	7.7	1,990	23,989
Michoacan	418	7.0	3,495	16,335

**Formal job creation – August 2017**  
% yoy

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