

Creation of 801.8 thousand new formal jobs in 2017

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- **Formal job creation (December): -337,536 formal jobs (vs. -319,217 in November '16)**
- **However, we highlight that the reduction in formal jobs was mainly explained by seasonal effects.**
- **The loss in permanent jobs amounted to 196.8 thousand, while temporary jobs decreased by 140.7 thousand jobs**
- **By sectors, employment in the industrial sector fell by 138.1 thousand new jobs during the period in question, while the services sector subtracted 212.5 thousand positions**
- **In addition, formal employment in the agricultural sector grew by 13.1 thousand jobs**
- **During 2018, formal employment increased by 801,831 positions, reaching a new historical high**
- **Looking ahead, we expect a more moderate job creation growth**
- **Quintana Roo showed the highest growth in the creation of formal jobs for the sixth consecutive month (10.9% yoy)**

Formal jobs decreased by 337.5 thousand in December (vs. -319.2 thousand in December'16). This figure implies a loss of 196.8 permanent jobs (labor contracts made for an indefinite period of time), along with a cut of 140,696 temporary jobs. However, we highlight that the reduction in formal jobs was mainly explained by seasonal effects.

Moreover, during 2017 formal job creation amounted to 801,831 jobs, standing above the 732,591 positions generated in 2016. This represents the most jobs created in a year since 1997, when the indicator was started.

In the monthly dynamic, and analyzing information by sectors, employment related to industrial activity decreased by 212,502 jobs during the period in question, while the services sector subtracted 138,105 new positions. In the manufacturing sub-sector 100,820 jobs were lost during the month. Meanwhile, construction cut 109,809 positions.

Within the services sector, we highlight the decrease of 57,560 jobs in social and community services. Moreover 37,511 positions were eliminated in the commerce sub-division. On the other hand, we highlight the creation of 13,071 jobs in the agricultural sector.

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Formal job creation: December 2017

	Dec-17	Dec-16	2017	2016
Total	-337,536	-319,217	801,831	732,591
Permanent jobs	-196,840	-174,720	644,556	649,761
Temporary jobs	-140,696	-144,497	157,275	82,830
City workers	-160,707	-158,028	135,247	69,240
Farmworkers	20,011	13,531	22,028	13,590
Monthly formal job creation by economic sector				
Primary activities	13,071	9,588	49,616	42,126
Industrial activity	-212,502	-209,842	344,260	263,182
Mining	-2,418	-3,203	6,196	-1,503
Manufacturing	-100,820	-96,257	250,636	221,208
Construction	-109,809	-110,946	86,501	46,353
Utilities	545	564	927	-2,876
Services	-138,105	-118,963	407,955	427,283
Commerce	-37,511	-29,786	113,606	147,427
Communications and transportation	-6,885	-5,032	68,291	53,117
Personal, firms, and household's services	-36,149	-21,047	170,980	203,122
Social and community services	-57,560	-63,098	55,078	23,617

Source: Ministry of Labor

Looking ahead we expect job creation to moderate its growth. Despite the good performance of formal employment during 2017 –reflecting the dynamism of the manufacturing sector as well as services–, we believe that employment’s growth could still be affected by the uncertainty surrounding growth of the Mexican economy.

At a regional level

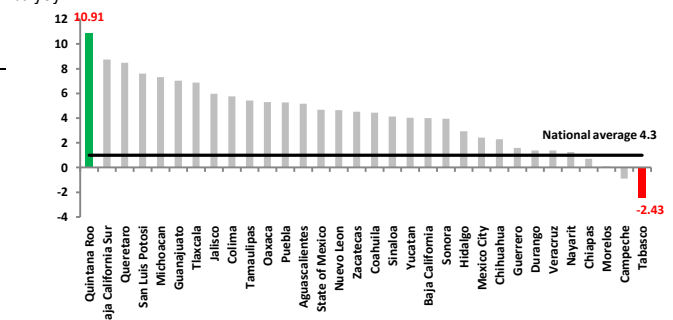
Quintana Roo showed the highest growth in the creation of formal jobs for the sixth consecutive month (10.9% yoy). Quintana Roo stands out as the state with the highest growth of formal employment (10.9% yoy), for the sixth consecutive month. In 2017, this figure was 6.6pp higher than the national average. Within this context, Quintana Roo generated a total of 8,907 formal jobs than in the same period of 2016. Moreover, in December, 13,355 jobs were lost in the entity (77% were eventually jobs).

Other states that outperformed the national average were Baja California Sur (8.7%), Queretaro (8.5%), Michoacán (7.6%), and San Luis Potosí with 7.3% yoy, as seen in the next table.

States with the highest formal job creation: December 2017

	Insured workers (thousands)	% yoy	Job creation	
			Dec-17	2017
National	19,418	4.3	-337,536	801,831
Quintana Roo	414	10.9	-13,355	40,724
Baja California Sur	170	8.7	-7,445	13,635
Queretaro	550	8.5	-12,619	42,937
Michoacan	432	7.6	-2,119	30,551
San Luis Potosi	424	7.3	-6,259	28,926

Source: Banorte; MoL

Formal job creation – December 2017
% yoy


Source: Banorte-ixe; MoL

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