

Formal Employment – 136.1 thousand new jobs, the most in the last 6 months

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- **Job creation (September): 136,051 new formal jobs (vs. 160,175 in September '16)**
- **In the month, permanent jobs amounted to 103.2 thousand positions, while temporary jobs increased by 32.8 thousand jobs**
- **By sectors, employment in the industrial sector increased by 24 thousand new jobs during the period in question, while the services sector added 81.1 thousand positions**
- **In addition, the agricultural sector stood at 31 thousand jobs, the most in the year**
- **New jobs year-to-date have increased by 812,292 positions, 69,923 more than in the same period of last year**
- **Looking ahead we expect moderate job creation growth**
- **Quintana Roo showed the highest growth in the creation of formal jobs for the third consecutive month (10.9% yoy)**

New formal jobs amounted to 136.1 thousand jobs in September (vs. 160.2 thousand in September'16). This figure implies a creation of 103,242 permanent jobs (labor contracts made for an indefinite period of time), along with an increase of 32,809 temporary jobs. In this context, we highlight job creation in September, which reached a new maximum since March 2017. Moreover, year-to-date, formal job creation amounted to 812.3 thousand jobs, 69,923 more positions than in the same period in 2016.

By sectors, employment in the industrial sector increased by 24,008 jobs during the period in question, while the services sector added 81,053 new positions. In the manufacturing sub-sector, 24,999 jobs were created during the month. Meanwhile, construction added 744 positions. However, the mining and utilities sectors subtracted 1,235 jobs.

Within the services sector, we highlight the increase of 32,068 jobs in the social and community services sub-sector. Moreover 22,793 positions were created in the commerce. Also, 18,324 new jobs were created in the Personal, firms, and household's services sub-sector. On the other hand, we observed the creation of 30,990 jobs in the agricultural sector, the highest number of new jobs in the sector throughout the year.

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Formal job creation: September 2017

	Sep-17	Sep-16	% yoy	Jan-Sep, '17	Jan-Sep, '16
Total	136,051	160,175	-15.1	812,292	742,369
Permanent jobs	103,242	125,071	-17.5	634,019	604,734
Temporary jobs	32,809	35,104	-6.5	178,273	137,635
City workers	11,640	25,611	-54.6	215,869	181,323
Farmworkers	21,169	9,493	123.0	-37,596	-43,688
Monthly formal job creation by economic sector					
Primary activities	30,990	18,825	64.6	-14,140	-19,794
Industrial activity	24,008	44,874	-46.5	472,280	396,632
Mining	-475	249	-290.8	7,131	861
Manufacturing	24,499	40,521	-39.5	301,643	260,895
Construction	744	5,059	-85.3	164,151	137,647
Utilities	-760	-955	-20.4	-645	-2,771
Services	81,053	96,476	-16.0	354,152	365,531
Commerce	22,793	18,960	20.2	63,105	89,210
Communications and transportation	7,868	5,034	56.3	55,087	40,369
Personal, firms, and household's services	18,324	29,134	-37.1	148,673	162,146
Social and community services	32,068	43,348	-26.0	87,287	73,806

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. However, we could see an increase in construction jobs in the coming months thanks to the reconstruction efforts after September's earthquakes.

At a regional level

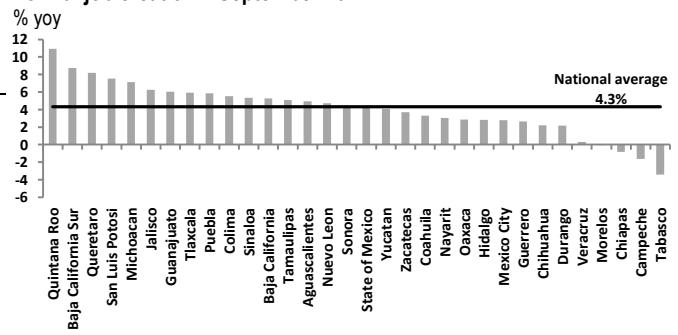
Quintana Roo showed the highest growth in the creation of formal jobs for the third consecutive month (10.9% yoy). Quintana Roo stands out as the state with the highest growth of formal employment (10.9% yoy), for the third consecutive month. Year-to-date, this figure was 6.6pp higher than the national average. Within this context, Quintana Roo generated a total of 9,036 formal jobs than in the same period of 2016. However, in September, 1,671 jobs were lost in the entity (44% were permanent jobs). Other states that outperformed the national average were Baja California Sur (8.7%), Queretaro (8.2%), San Luis Potosi (7.5%), and Michoacan with 7.1% yoy, as seen in the next table.

States with the highest formal job creation: September 2017

	Insured workers (thousands)	% yoy	Job creation	
			Sep-17	Jan-Sep, '17
National	19,429	4.3	136,051	812,292
Quintana Roo	414	10.9	-1,671	41,194
Baja California Sur	170	8.7	2,696	14,086
Queretaro	552	8.2	2,941	45,463
San Luis Potosi	423	7.5	3,289	27,278
Michoacan	423	7.1	4,460	20,795

Source: Banorte; MoL

Formal job creation – September 2017



Source: Banorte-ixe; MoL

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