

# Formal employment growth in January driven by temporal jobs

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- **Job creation (January): 83,292 new formal jobs (vs. 69,170 in the same month last year)**
- **67,442 jobs, out of the 83 thousand new positions are for temporary jobs, while the remaining 15,850 are permanent ones**
- **By sectors, employment in the industrial sector increased by 85,514 new jobs during the period in question, while the services sector subtracted 24,530 jobs**
- **In addition, the agricultural sector added 22,308 jobs**
- **We expect job creation to slow down during the first half of the year**
- **Baja California Sur leads the creation of formal jobs in Jan'17 (10.1% yoy)**

According to the Ministry of Labor, 83 thousand new formal jobs were created in January (vs. 69 thousand in Nov'15). This figure implies a creation of 15,850 thousand permanent jobs (labor contracts made for an indefinite period of time), along with 67,442 temporary jobs.

By sectors, employment in the industrial sector increased by 85,514 new jobs during the period in question, while the services sector subtracted 24,530 jobs. In the manufacturing sub-sector 56,290 jobs were added during the month. In addition, construction added 29,988 jobs. Within the services sector, we highlight the fall of 39,946 jobs in the commerce sub-sector, followed by 12,939 positions lost in the services for personal, firms, and household's services sub-sector. The only sub-sector within services to post an increase was social and community services, which rose by 31,461 positions. Finally, agricultural activities added 22,308 jobs.

## Formal job creation: January 2017

	Jan-17	Jan-16
<b>Total</b>	<b>83,292</b>	<b>69,170</b>
Permanent jobs	15,850	9,416
Temporary jobs	67,442	59,754
City workers	50,223	37,917
Farmworkers	17,219	21,837
<b>Monthly formal job creation by economic sector</b>		
Primary activities	22,308	27,629
Industrial activity	85,514	67,151
Mining	1,290	837
Manufactures	56,290	41,121
Construction	29,988	26,423
Utilities	-2,054	-1,230
Services	-24,530	-25,610
Trade	-39,946	-46,495
Communications and transportation	-3,106	8,761
Personal, firms, and household's services	-12,939	-9,080
Social and community services	31,461	21,204

Source: Ministry of Labor

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**We expect job creation to slow down during the first half of the year.** Despite the formal employment creation dynamism observed in the last report, we believe that uncertainty surrounding the growth of the Mexican economy in the first months of next year will negatively impact formal employment. In addition, the impact of the slowdown in public spending will continue to reduce job creation in the construction sector, given the fall in public infrastructure.

*From our regional economist*

**Baja California Sur leads the creation of formal jobs in Jan'17 (10.1% yoy).** Baja California Sur stands out as the leader within the rest of the federal entities with the highest growth of formal employment (10.1%) in January, adding 14,428 new jobs since Jan'16 and 6pp more than the national average being the highest growth since Nov'15.

We believe that the current growth dynamics of formal employment will be ensured by improving contractual conditions and establishing new and clear strategies for promoting and expanding the investments made in the entity.

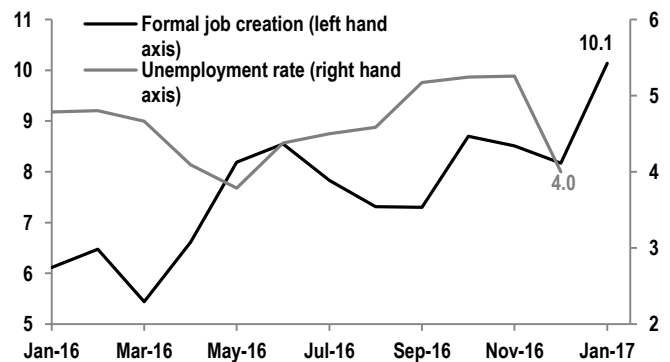
Other states that outperformed the national average were Quintana Roo (9.7%), Tlaxcala (9.1%), Queretaro (7.8%), and Jalisco with 6.2% yoy, as seen in the next table.

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

	% yoy	Jan'17
<b>National</b>	<b>4.2</b>	<b>83,292</b>
Baja California Sur	10.1	611
Quintana Roo	9.7	9,244
Tlaxcala	9.1	343
Queretaro	7.8	8,903
Jalisco	6.2	10,775

Source: Banorte-Ixe; MoL

**Baja California Sur labor market**  
% yoy



Source: Banorte-Ixe; MoL

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