

Creation of 87.1 thousand new formal jobs in April

May 14, 2018

www.banorte.com
@analisis_fundam

Francisco Flores
Economist, Mexico
francisco.flores.serrano@banorte.com

Miguel Calvo
Regional and Sectorial Analyst
miguel.calvo@banorte.com

- **Formal job creation (April): 87,109 formal jobs (vs. 26,765 in April '17)**
- **The rise in permanent jobs amounted to 81.4 thousand, while temporary jobs increased by 5.6 thousand jobs**
- **By sectors, employment in the industrial sector grew by 62.4 thousand new jobs during the period in question, while the services sector added 60.8 thousand positions**
- **However, the primary sector lost 36.1 thousand jobs given the agricultural cycle**
- **Looking ahead, we expect a more moderate job creation**
- **Quintana Roo showed the strongest creation of formal jobs for the tenth consecutive month (11.8% yoy)**

Formal jobs increased by 87.1 thousand in April (vs. 26.8 thousand in April'17). This figure implies a creation of 81.5 thousand permanent jobs (labor contracts made for an indefinite period of time), along with an increase of 5.6 thousand temporary jobs. Year-to-date, 455.7 thousand new jobs have been created, 51.2 thousand more than in the same period of 2017 (404.5 thousand positions).

In the monthly dynamic, and analyzing information by sectors, employment related to industrial activity grew by 62,405 jobs during the period in question, while the services added 60,841 new positions. On the other hand, we highlight the loss of 36,137 jobs in the primary sector given the agricultural cycle.

Taking a look at the breakdown at industrial activity, the manufacturing sub-sector added 27,833 positions, while construction contributed with 34,388 jobs. Moreover, mining jobs increased by 821 positions.

Within the services sector, we highlight the increase of 30,057 jobs in personal, firms and household services. Moreover, commerce added 12,658 positions while social and community services contributed with 10,169 jobs (as shown in the table on the following page).

Looking ahead we expect job creation to moderate its growth. Despite the good performance of formal employment during 2017 and the first months of 2018 –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 as a result of the renegotiation of NAFTA and the outcome of Mexico's Presidential elections. Once these risks start to dissipate, we expect a greater dynamism in the formal labor market

Document for distribution among public

Formal Jobs: April 2018

Total change mom; % yoy

	Apr-18	Apr-17	% yoy	Jan-Apr, '18	Jan-Apr, '17	% of total YTD
Total	87,109	26,765	225.5	455,651	404,459	
Permanent jobs	81,474	30,214	169.7	303,211	254,277	66.5
Temporary jobs	5,635	-3,449	-263.4	152,440	150,182	33.5
City workers	39,427	2,998	1,215.1	140,978	125,462	30.9
Farmworkers	-33,792	-6,447	424.2	11,462	24,720	2.5
Monthly formal job creation by economic sector						
Primary activities	-36,137	-9,038	299.8	19,459	33,793	4.3
Industrial activity	62,405	14,438	332.2	260,937	238,763	57.3
Mining	821	1,055	-22.2	5,336	5,209	1.2
Manufacturing	27,833	17,543	58.7	160,647	173,348	35.3
Construction	34,388	-4,473	-868.8	95,569	61,066	21.0
Utilities	-637	313	-303.5	-615	-860	-0.1
Services	60,841	21,365	184.8	175,255	131,903	38.5
Commerce	12,658	-113	-11,301.8	31	-25,007	0.0
Communications and transportation	7,957	8,471	-6.1	26,079	14,890	5.7
Personal, firms, and household's services	30,057	14,024	114.3	81,821	71,417	18.0
Social and community services	10,169	-1,017	-1,099.9	67,324	70,603	14.8

Source: Banorte with data from the Ministry of Labor

At a regional level

Quintana Roo showed the strongest creation of formal jobs for the tenth consecutive month (11.8% yoy). Quintana Roo stands out as the state with the highest growth of formal employment (11.8% yoy), for the tenth consecutive month. Year-to-date, the state has created a total of 46,737 formal jobs. Moreover, in April, 6,465 jobs were created in the entity (53% were eventually jobs).

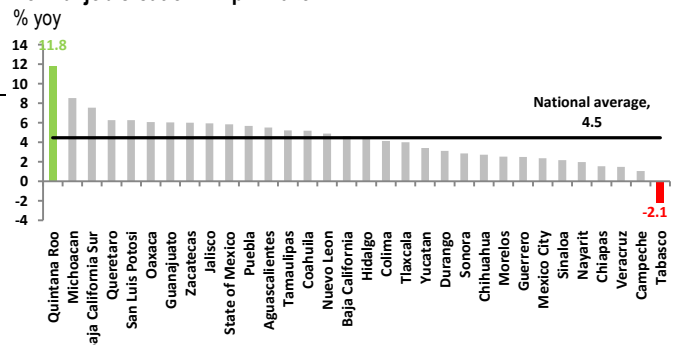
Other states that outperformed the national average were Baja California Sur (8.5%), Zacatecas (7.6%), Queretaro, and Guanajuato with 6.3% yoy respectively, as seen in the next table.

States with the highest formal job creation: April 2018

	Insured workers (thousands)	% yoy	Job creation	
			Apr-18	Jan-Apr '18
National	19,874	4.5	87,109	455,651
Quintana Roo	441	11.8	6,465	27,551
Baja California Sur	177	8.5	3,417	6,987
Zacatecas	183	7.6	677	7,840
Queretaro	568	6.3	5,274	17,924
Guanajuato	976	6.3	10,268	24,678

Source: Banorte; MoL

Formal job creation – April 2018



Source: Banorte-lxe; MoL

Disclaimer

The information contained in this document is illustrative and informative so it should not be considered as an advice and/or recommendation of any kind. BANORTE is not part of any party or political trend.

GRUPO FINANCIERO BANORTE S.A.B. de C.V.
Research and Strategy

Gabriel Casillas Olvera	Chief Economist and Head of Research	gabriel.casillas@banorte.com	(55) 4433 - 4695
Raquel Vázquez Godínez	Assistant	raquel.vazquez@banorte.com	(55) 1670 - 2967

Economic Analysis

Delia María Paredes Mier	Executive Director of Economic Analysis	delia.paredes@banorte.com	(55) 5268 - 1694
Alejandro Cervantes Llamas	Senior Economist, Mexico	alejandro.cervantes@banorte.com	(55) 1670 - 2972
Katia Celina Goya Ostos	Senior, Global Economist	katia.goya@banorte.com	(55) 1670 - 1821
Miguel Alejandro Calvo Domínguez	Economist, Regional & Sectorial	miguel.calvo@banorte.com	(55) 1670 - 2220
Francisco José Flores Serrano	Economist, Mexico	francisco.flores.serrano@banorte.com	(55) 1670 - 2957
Lourdes Calvo Fernández	Analyst (Edition)	lourdes.calvo@banorte.com	(55) 1103 - 4000 x 2611

Fixed income and FX Strategy

Alejandro Padilla Santana	Head Strategist – Fixed income and FX	alejandro.padilla@banorte.com	(55) 1103 - 4043
Juan Carlos Alderete Macal, CFA	FX Senior Strategist	juan.alderete.macal@banorte.com	(55) 1103 - 4046
Santiago Leal Singer	Strategist Fixed income and FX	santiago.leal@banorte.com	(55) 1670 - 2144

Equity Strategy

Manuel Jiménez Zaldivar	Director Equity Research — Telecommunications / Media	manuel.jimenez@banorte.com	(55) 5268 - 1671
Victor Hugo Cortes Castro	Equity Research Analyst	victorh.cortes@banorte.com	(55) 1670 - 1800
Marissa Garza Ostos	Senior Equity Research Analyst – Conglomerates / Financials/ Mining / Chemistry	marissa.garza@banorte.com	(55) 1670 - 1719
José Itzamna Espitia Hernández	Equity Research Analyst – Airlines / Airports / Cement / Infrastructure / Fibras	jose.espitia@banorte.com	(55) 1670 - 2249
Valentín III Mendoza Balderas	Equity Research Analyst – Auto Parts/ Consumer Discretionary / Real Estate / Retail	valentin.mendoza@banorte.com	(55) 1670 - 2250
Itzel Martínez Rojas	Analyst	itzel.martinez.rojas@banorte.com	(55) 1670 - 2251

Corporate Debt

Tania Abdul Massih Jacobo	Director Corporate Debt	tania.abdul@banorte.com	(55) 5268 - 1672
Hugo Armando Gómez Solís	Senior, Corporate Debt	hugo.gomez@banorte.com	(55) 1670 - 2247
Gerardo Daniel Valle Trujillo	Analyst, Corporate Debt	gerardo.valle.trujillo@banorte.com	(55) 1670 - 2248

Wholesale Banking

Armando Rodal Espinosa	Head of Wholesale Banking	armando.rodal@banorte.com	(55) 1670 - 1889
Alejandro Eric Faesi Puente	Head of Global Markets and Institutional Sales	alejandro.faesi@banorte.com	(55) 5268 - 1640
Alejandro Aguilar Ceballos	Head of Asset Management	alejandro.aguilar.cebillos@banorte.com	(55) 5268 - 9996
Arturo Monroy Ballesteros	Head of Investment Banking and Structured Finance	arturo.monroy.ballesteros@banorte.com	(55) 5004 - 1002
Gerardo Zamora Nanez	Head of Transactional Banking, Leasing and Factoring	gerardo.zamora@banorte.com	(81) 8318 - 5071
Jorge de la Vega Grajales	Head of Government Banking	jorge.delavega@banorte.com	(55) 5004 - 5121
Luis Pietrini Sheridan	Head of Private Banking	luis.pietrini@banorte.com	(55) 5004 - 1453
René Gerardo Pimentel Ibarrola	Head of Asset Management	pimentelr@banorte.com	(55) 5268 - 9004
Ricardo Velázquez Rodríguez	Head of International Banking	rvelazquez@banorte.com	(55) 5004 - 5279
Víctor Antonio Roldan Ferrer	Head of Corporate Banking	victor.rolan.ferrer@banorte.com	(55) 5004 - 1454