

Formal employment – Creation of 142,291 new jobs in February reflects the better growth projects in the labor market

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- **Formal employment (February): 142,291 new jobs; previous: 69,170**
- **We highlight that today’s figure stands out as the highest job creation for a February, since the Ministry of Labor report these figures**
- **In this context, the services sector generated 85,401 new jobs, while industrial activities added 56,090 jobs**
- **We believe that the formal labor market will continue to maintain a very favorable performance in the next months**
- **Quintana Roo continues to lead the federal entities with the best annual growth rate**

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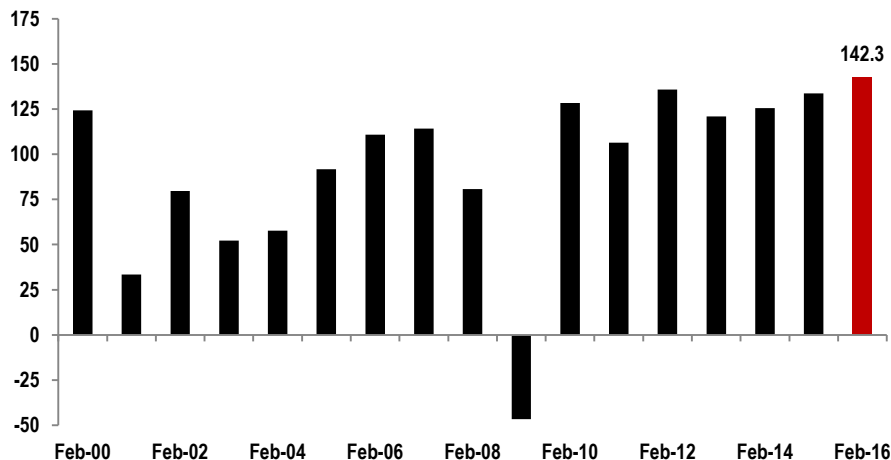
Regional and Sectorial

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According to the Ministry of Labor, 142,291 new formal jobs were created in February. We highlight that today’s figure stands out as the highest job creation for a February, since the Ministry of Labor report these figures. Taking a look at the breakdown, 101,139 were permanent jobs, while 41,152 temporary jobs were created. Year-to-date 211,461 new jobs have been created, which is slightly higher than the 193,475 new jobs generated in the same period of 2015. Moreover, year-to-date 52.3% of the total job creation has been permanent (labor contracts made for an indefinite period of time).

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Formal job creation in February
Thousands



Source: Ministry of Labor

By sector, services generated 85,401 new jobs, while industrial activities added 56,090 jobs. We highlight the creation of 36,699 new formal jobs in “personal, firms, and household's services” subsector, and it was also the largest contributor to the total employment in February. Moreover, manufacturing activities added 28,800 new jobs, while the construction and the mining industries created 26,420 and 576 jobs, respectively. Similarly, primary activities added 800 new jobs. Year-to-date, the industrial sector has generated 58.3% of the total job creation, while the services sector has contributed to 28.3% and the primary activities with 13.4%.

Formal job creation by sector: February

	Feb-16	Feb-15	Jan-Feb, '16	Jan-Feb, '15	% of total YTD
Total	142,291	133,691	211,461	193,475	
Permanent jobs	101,139	90,600	110,555	102,305	52.3
Temporary jobs	41,152	43,091	100,906	91,170	47.7
City workers	46,001	33,369	83,918	66,989	39.7
Farmworkers	-4,849	9,722	16,988	24,181	8.0
Monthly formal job creation by economic sector					
Primary activities	800	12,628	28,429	30,722	13.4
Industrial activity	56,090	68,624	123,241	147,983	58.3
Mining	576	-180	1,413	542	0.7
Manufactures	28,800	41,499	69,921	99,742	33.1
Construction	26,420	26,870	52,843	50,184	25.0
Utilities	294	435	-936	-2,485	-0.4
Services	85,401	52,439	59,791	14,770	28.3
Trade	13,800	15,300	-32,695	-32,006	-15.5
Communications and transportation	7,965	5,888	16,726	4,838	7.9
Personal, firms, and household's services	36,699	18,923	27,619	4,787	13.1
Social and community services	26,937	12,328	48,141	37,151	22.8

Source: Ministry of Labor

We believe that the formal labor market will continue to maintain a favorable performance in 2016. Employment in the manufacturing sector continues to grow given that in February this sector generated 28,800 new jobs, and in 2015 it generated 227,247 jobs vs. 2212,318 in 2014. Moreover, employment within the services has shown a favorable performance, adding 85,401 new jobs in February (345,182 new jobs last year). All of the above mentioned factors imply that the pace of growth in domestic demand has remained relatively stable. Looking ahead, we believe that the better growth prospects of Mexico's labor market will result in a higher growth of private consumption.

From our regional economy team

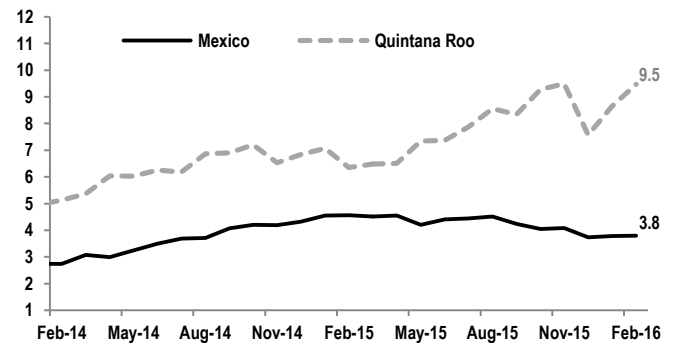
Quintana Roo continues to lead the federal entities with the highest growth in the creation of formal jobs. Quintana Roo stands out as the entity that achieved the highest growth of formal employment for the second consecutive month (9.5%), with the creation of 5,001 new jobs, 2,850 more than the ones generated in the same month last year. Other states that outperformed the national average were Queretaro (7.2%), Aguascalientes (6.8%), Baja California Sur (6.7%), and Chihuahua con 6.4% yoy.

States with the highest formal job creation: February 2016

	Feb-16	% yoy	Jan-Feb, '16
Mexico	142,291	3.8	211,461
Quintana Roo	5,001	9.5	12,343
Queretaro	6,903	7.2	14,819
Aguascalientes	3,947	6.8	6,540
Baja California Sur	2,951	6.7	931
Chihuahua	4,541	6.4	11,580

Source: Banorte-ixe; MoL

Formal employment: México vs. Quintana Roo
% yoy



Source: Banorte-ixe; MoL

We believe that high hotel occupations registered throughout the year in Quintana Roo has explained the higher growth of formal employment with levels above the national average. In this regard, this growth is derived from greater exposure in international tourism fairs, as we have seen a greater number of tourist even in low-season months as February. According to the State Employment Service, 28,849 workers were inscribed in the “Job Vacancies” program, of which 17,710 were male and 11,139 female workers. Of these, 40% were able to find a job. In conjunction with the other programs, the entity has provided job seeking services for more than 63,000 workers. The above mentioned programs implemented by Quintana Roo’s government has resulted in a significant growth of the state’s labor market, outperforming the national average.

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