

Formal employment creation reached a new historic high in October

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- **Formal job creation (October): 194,758 new formal jobs (vs. 171,522 in October '16)**
- **In the month, new permanent jobs amounted to 120.9 thousand, while temporary jobs increased by 73.8 thousand jobs**
- **By sectors, employment in the industrial sector increased by 66.8 thousand new jobs during the period in question, while the services sector added 106.6 thousand positions**
- **In addition, the agricultural sector grew by 21.3 thousand jobs**
- **Year-to-date, formal employment have increased by 1 million positions, 93.1 thousand more than in the same period of 2016**
- **Looking ahead, we expect a more moderate job creation growth**
- **Quintana Roo showed the highest growth in the creation of formal jobs for the fourth consecutive month (10.5% yoy)**

New formal jobs amounted to 194.8 thousand in October (vs. 171.5 thousand in October'16). This figure implies a creation of 120,934 permanent jobs (labor contracts made for an indefinite period of time), along with an increase of 73,824 temporary jobs. In this context, we highlight job creation in October, which reached a new maximum in the history of the indicator, which traces back to August 1997. Moreover, year-to-date, formal job creation amounted to 1,0007,050 jobs, 93,129 more positions than in the same period in 2016.

By sectors, employment in the industrial sector increased by 66,842 jobs during the period in question, while the services sector added 106,602 new positions. In the manufacturing sub-sector, 35,169 jobs were created during the month. Meanwhile, construction added 29,485 positions. We believe that the strong growth of this sector is in part due to the start of reconstruction work after September's earthquakes.

Within the services sector, we highlight the increase of 42,715 jobs in the commerce sub-sector. Moreover 33,685 positions were created in the personal, firms, and household's services sub-division. Also, 20,846 new jobs were created in the social and community services sub-sector, which could also have been motivated by the actions of civil society after the earthquakes. On the other hand, we observed the creation of 21,314 jobs in the agricultural sector.

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Formal job creation: October 2017

	Oct-17	Oct-16	% yoy	Jan-Oct, '17	Jan-Oct, '16
Total	194,758	171,552	13.5	1,007,050	913,921
Permanent jobs	120,934	123,395	-2.0	754,953	728,129
Temporary jobs	73,824	48,157	53.3	252,097	185,792
City workers	59,518	33,362	78.4	275,387	214,685
Farmworkers	14,306	14,795	-3.3	-23,290	-28,893
Monthly formal job creation by economic sector					
Primary activities	21,314	19,779	7.8	7,174	-15
Industrial activity	66,842	55,129	21.2	539,122	451,761
Mining	965	389	148.1	8,096	1,250
Manufacturing	35,169	33,970	3.5	336,812	294,865
Construction	29,485	21,557	36.8	193,636	159,204
Utilities	1,223	-787	-255.4	578	-3,558
Services	106,602	96,644	10.3	460,754	462,175
Commerce	42,715	46,211	-7.6	105,820	135,421
Communications and transportation	9,356	7,216	29.7	64,443	47,585
Personal, firms, and household's services	33,685	34,608	-2.7	182,358	196,754
Social and community services	20,846	8,609	142.1	108,133	82,415

Source: Ministry of Labor

Looking ahead we expect job creation to moderate its growth. Despite the good performance of formal employment during the third quarter of the year –partly beginning to reflect the start of reconstruction efforts after the recent earthquakes–, we believe that employment’s growth could still be affected by the uncertainty surrounding growth of the Mexican economy.

At a regional level

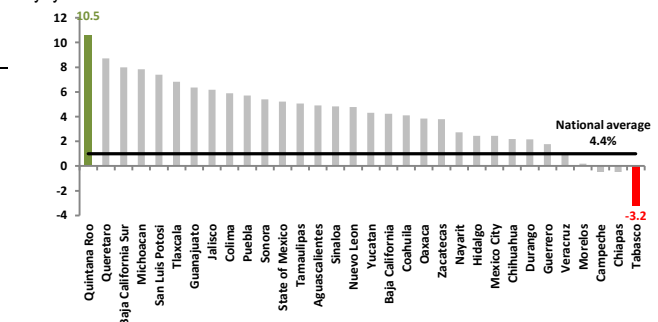
Quintana Roo showed the highest growth in the creation of formal jobs for the fourth consecutive month (10.5% yoy). Quintana Roo stands out as the state with the highest growth of formal employment (10.5% yoy), for the fourth consecutive month. Year-to-date, this figure was 6.2pp higher than the national average. In this context, Quintana Roo generated 8,215 more formal jobs YTD17 than in the same period of 2016. Moreover, in October, 5,446 jobs were created in the entity (81% were permanent jobs).

Other states that outperformed the national average were Queretaro (8.7%), Baja California Sur (8%), Michoacan (7.8%), and San Luis Potosi with 7.4% yoy, as seen in the next table.

States with the highest formal job creation: October 2017

	% yoy	Job creation	
		Oct-17	Jan-Oct, '17
National	4.4	194,758	1,007,050
Quintana Roo	10.5	5,446	46,640
Queretaro	8.7	7,859	53,322
Baja California Sur	8.0	4,287	18,373
Michoacan	7.8	7,334	28,129
San Luis Potosi	7.4	1,995	29,273

Source: Banorte; MoL

Formal job creation – October 2017
% yoy


Source: Banorte-ixe; MoL

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