

Formal employment – Services drive the labor market in August

September 14, 2015

- **Formal employment (August): 72,359 new jobs; previous: 44,691**
- **The services sector generated 46,035 new jobs, while industrial activities added 19,784 jobs**
- **Quintana Roo stands as the state with the largest generation of jobs in August**
- **Year-to-date, the formal labor market continues to maintain a very favorable performance**

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According to the Ministry of Labor, 72,359 new formal jobs were created in August. From this figure, 61,987 were permanent jobs, while 10,372 temporary jobs were created. Year-to-date 551,758 new jobs have been created, which is higher than the 498,600 new jobs generated in the same period of 2014. Moreover, year-to-date 84.6% of the total job creation has been permanent (labor contracts made for an indefinite period of time).

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Formal job creation by sector: August 2015

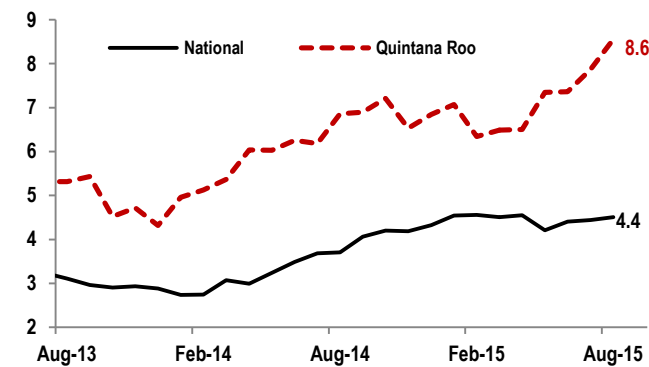
	Aug-15	Aug-14	Jan-Aug, '15	Jan-Aug, '14	% of total YTD 2015
Total	72,359	57,689	551,758	498,600	
Permanent jobs	61,987	33,327	466,870	369,222	84.6
Temporary jobs	10,372	24,362	84,888	129,378	15.4
City workers	-1,317	20,295	132,523	181,994	24.0
Farmworkers	11,689	4,067	-47,635	-52,616	-8.6
Monthly formal job creation by economic sector					
Primary activities	6,540	-3,285	-45,677	-52,615	-8.3
Industrial activity	19,784	35,208	381,329	355,198	69.1
Mining	-1,214	312	539	-2,751	0.1
Manufactures	6,210	20,705	233,049	208,056	42.2
Construction	16,416	17,181	150,042	152,979	27.2
Utilities	-1,628	-2,990	-2,301	-3,086	-0.4
Services	46,035	25,766	216,106	196,017	39.2
Trade	11,141	301	49,541	24,675	9.0
Communications and transportation	6,101	2,275	37,017	40,082	6.7
Personal, firms, and household's services	1,545	1,325	104,954	100,352	19.0
Social and community services	27,248	21,865	24,594	30,908	4.5

Source: INEGI

By sector, services generated 46,035 new jobs, while industrial activities added 19,784 jobs. Within the latter, manufacturing activities added 6,210 new jobs, while the construction sector generated 16,416 jobs. We highlight that during the first eight months of 2015, the industrial sector has generated 69.1% of the total job creation, while the services sector has contributed to 39.2%.

Quintana Roo stands out as the Federal Entity with the highest labor growth rate in August (8.6% yoy). Below, the state of Baja California ranks in second place showing an 8% yoy growth rate. With significant advances, we highlight the states of Tlaxcala (+7.3% yoy) Queretaro (+6.5% yoy) and Guanajuato (+6.3% yoy).

Formal employment: México vs. Quintana Roo
% annual



Source: Banorte_ixe; Ministry of Labor

States with major formal job creation: August 2015

	Aug-15	% annual
Mexico	72,359	4.5
Quintana Roo	1,194	8.6
Baja California	8,609	8.0
Tlaxcala	641	7.3
Queretaro	5,259	6.5
Guanajuato	3,819	6.3

Source: Banorte_ixe; Ministry of Labor

Year-to-date, the formal labor market continues to maintain a very favorable performance. Employment in the manufacturing sector continues to grow given that year-to-date this sector has generated 233,049 new jobs. Moreover, employment within the services has shown a favorable performance, adding 46,035 new jobs in August (vs. 25,766 formal jobs created in Aug'14). Additionally, employment in the construction sector has maintained an upward trend. All of the above mentioned factors imply that the pace of growth in domestic demand has remained relatively stable during the first eight months of the year. Looking ahead, we believe that the better growth prospects of Mexico's labor market will result in a higher growth of the Mexican economy.

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