

## Formal employment – Still strong in the first two months of the year

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- **Job creation (February): 154,055 new formal jobs (vs. 142,291 in the same month last year)**
- **Permanent jobs amounted to 95,112 jobs, while the remaining 58,933 are temporary ones**
- **By sectors, employment in the industrial sector increased by 70,191 new jobs during the period in question, while the services sector added 70,628 jobs**
- **In addition, the agricultural sector created 13,236 jobs**
- **Despite the good performance of the formal labor market seen in the first two months of the year, looking ahead we expect job creation to slow down**
- **Quintana Roo leads the creation of formal jobs in Feb'17 (10% yoy)**

**154 thousand new formal jobs were created in February (vs. 142 thousand in Feb'16).** This figure implies a creation of 95,112 permanent jobs (labor contracts made for an indefinite period of time), along with 58,933 temporary jobs.

By sectors, employment in the industrial sector increased by 70,191 jobs during the period in question, while the services sector added 70,628 new positions. In the manufacturing sub-sector 47,860 jobs were added during the month. In addition, construction added 20,324 jobs. Within the services sector, we highlight the increase of 29,165 jobs in the social and community services sub-sector, followed by 28,768 positions added in the services for personal, firms, and household's services sub-sector. Finally, agricultural activities added 13,236 jobs.

### Formal job creation: February 2017

	Feb-17	Feb-16	Jan-Feb, '17	Jan-Feb, '16
<b>Total</b>	<b>154,055</b>	<b>142,291</b>	<b>237,347</b>	<b>211,461</b>
Permanent jobs	95,122	101,139	110,972	110,555
Temporary jobs	58,933	41,152	126,375	100,906
City workers	46,866	46,001	97,089	83,918
Farmworkers	12,067	-4,849	29,286	16,988

### Monthly formal job creation by economic sector

<b>Primary activities</b>	<b>13,236</b>	<b>800</b>	<b>35,544</b>	<b>28,429</b>
<b>Industrial activity</b>	<b>70,191</b>	<b>56,090</b>	<b>155,705</b>	<b>123,241</b>
Mining	1,409	576	2,699	1,413
Manufacturing	47,860	28,800	104,150	69,921
Construction	20,324	26,420	50,312	52,843
Utilities	598	294	-1,456	-936
<b>Services</b>	<b>70,628</b>	<b>85,401</b>	<b>46,098</b>	<b>59,791</b>
Trade	6,783	13,800	-33,163	-32,695
Communications and transportation	5,912	7,965	2,806	16,726
Personal, firms, and household's services	28,768	36,699	15,829	27,619
Social and community services	29,165	26,937	60,626	48,141

Source: Ministry of Labor

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**Despite the good performance seen in the first two months of the year, looking ahead we expect job creation to slow down.** We continue to believe that uncertainty surrounding the growth of the Mexican economy in 2017 will negatively impact formal employment. In addition, the contraction in public spending will continue to reduce job creation in the construction sector, given the fall in public infrastructure projects.

*From our regional economist*

**Quintana Roo leads the creation of formal jobs in Feb'17.** Quintana Roo stands out as the leader within the rest of the federal entities with the highest growth of formal employment (10%) in February. Moreover, this figure was 6.8pp higher than the national average being the highest growth of the last three months.

In terms of job creation, we highlight that in the first two months of the year, Quintana Roo generated a total of 15,869 formal jobs, 3,526 more than Jan-Feb'16. Just in February, 6,625 jobs were generated in the entity. In this regard, of the 6,625 formal jobs created in the entity, 3,194 were permanent jobs (48%), while 3,431 were eventually jobs (52%). Also, 95% of the eventually jobs were in the city and the rest in the countryside.

Tourism, the main economic source of Quintana Roo, has been the driver of the improvement in employment levels in the state and the lower levels in unemployment rate. The construction of new hotels and tourism attractions have been the motor for the creation of new sources of work that have benefited the labor market in the state.

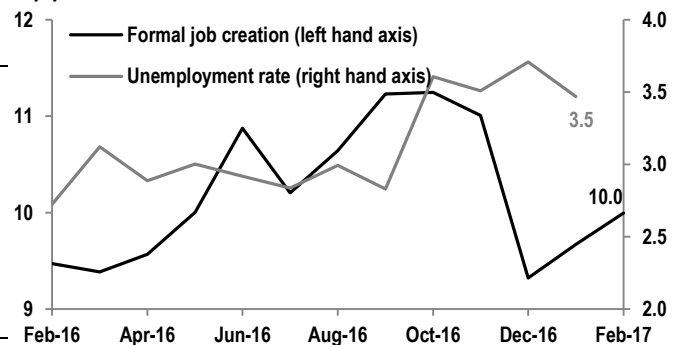
Other states that outperformed the national average were Tlaxcala (9.8%), Baja California Sur (9.8%), Queretaro (7.8%), and Baja California with 5.7% yoy, as seen in the next table.

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

	Insured workers % yoy	Job creation	
		Feb-17	Jan-Feb,'17
<b>National</b>	<b>4.2</b>	<b>154,055</b>	<b>237,347</b>
Quintana Roo	10.0	6,625	15,869
Tlaxcala	9.8	1,542	1,885
Baja California Sur	9.8	2,454	3,065
Queretaro	7.8	7,434	16,337
Baja California	5.7	7,609	18,507

Source: Banorte-Ixe; MoL

**Quintana Roo labor market**  
% yoy



Source: Banorte-Ixe; MoL

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