

Creation of 33.9 thousand new formal jobs in May

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- **Formal job creation (May): 33,966 formal jobs (vs. 26,742 in May'17)**
- **The rise in permanent jobs amounted to 51.9 thousand, while temporary jobs decreased by 17.9 thousand jobs**
- **By sectors, employment in the industrial sector grew by 35.5 thousand jobs during the period in question, while the services sector added 18.8 thousand positions**
- **However, the primary sector lost 20.4 thousand jobs given the agricultural cycle**
- **Looking ahead, we expect a more moderate job creation**
- **Quintana Roo showed the highest creation of formal jobs for the eleventh consecutive month (12.5% yoy)**

Formal jobs increased by 33.9 thousand in May (vs. 26.7 thousand in May'17). This figure implies a creation of 51.9 thousand permanent jobs (labor contracts made for an indefinite period of time). However, 17.9 thousand temporary jobs were lost. Year-to-date, 489.6 thousand new jobs have been created, 58.4 thousand more than in the same period of 2017 (431.2 thousand positions).

In the monthly dynamic, and analyzing information by sectors, employment related to industrial activity grew by 35,586 jobs in May, while the services added 18,852 new positions. However, we highlight the loss of 20,472 jobs in the primary sector given the seasonality of the agricultural cycle.

Taking a look at the breakdown at industrial activity, the manufacturing sub-sector added 21,862 positions, while construction contributed with 12,408 jobs. Moreover, mining jobs increased by 1,598 positions.

Within the services sector, we highlight the increase of 14,132 jobs in commerce. Moreover, personal firms, and household's services added 6,617 positions. By contrast, 6,004 jobs were lost in the social and community services branch (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 services sector–, 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. Once these risks start to dissipate, we expect a greater dynamism in the formal labor market

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Formal Jobs: May 2018

Total change mom; % yoy

	May-18	May-17	Jan-May, '18	Jan-May, '17
Total	33,966	26,742	489,617	431,201
Permanent jobs	51,956	64,388	355,167	318,665
Temporary jobs	-17,990	-37,646	134,450	112,536
City workers	2,517	11,480	143,495	136,942
Farmworkers	-20,507	-49,126	-9,045	-24,406
Monthly formal job creation by economic sector				
Primary activities	-20,472	-46,109	-1,013	-12,316
Industrial activity	35,586	53,782	296,523	292,545
Mining	1,598	999	6,934	6,208
Manufacturing	21,862	28,666	182,509	202,014
Construction	12,408	24,662	107,977	85,728
Utilities	-282	-545	-897	-1,405
Services	18,852	19,069	194,107	150,972
Commerce	14,132	10,133	14,163	-14,874
Communications and transportation	4,107	10,612	30,186	25,502
Personal, firms, and household's services	6,617	-2,179	88,438	69,238
Social and community services	-6,004	503	61,320	71,106

Source: Banorte with data from the Ministry of Labor

At a regional level

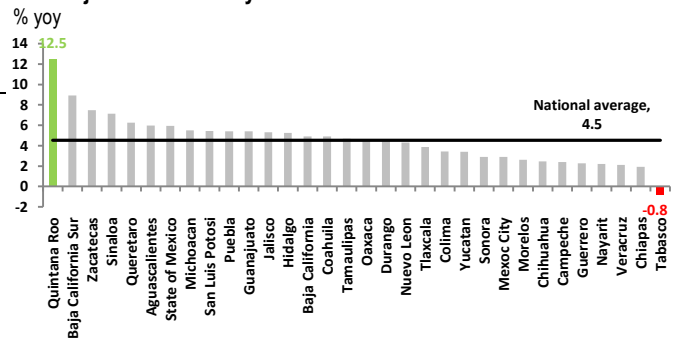
Quintana Roo showed the highest creation of formal jobs for the eleventh consecutive month (12.5% yoy). Quintana Roo stands out as the state with the highest growth of formal employment in the month (12.5% yoy), maintaining this position for the eleventh consecutive month, and reaching a new high since December 2006. Year-to-date, the state has created a total of 33,345 formal jobs. In detail, in May, 5,794 jobs were created in the entity (62% were eventually jobs). Other states that outperformed the national average were Baja California Sur (8.9%), Zacatecas (7.5%), Sinaloa (7.1%), and Queretaro (6.3% yoy), as seen in the next table.

States with the highest formal job creation: May 2018

	Insured workers (thousands)	% yoy	Job creation	
			May-18	Jan-May '18
National	19,908	4.5	33,966	489,617
Quintana Roo	447	12.5	5,794	33,345
Baja California Sur	180	8.9	3,251	10,238
Zacatecas	184	7.5	363	8,203
Sinaloa	537	7.1	-8,995	-5,686
Queretaro	570	6.3	2,094	20,018

Source: Banorte; MoL

Formal job creation – May 2018



Source: Banorte-Ixe; MoL

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