

Creation of 164.3 thousand new formal jobs in February

March 8, 2018

www.banorte.com
@analisis_fundam

Francisco Flores
Economist, Mexico
francisco.flores.serrano@banorte.com

Miguel Calvo
Regional and Sectorial Analyst
miguel.calvo@banorte.com

- **Formal job creation (February): 164,311 formal jobs (vs. 154,055 in February '17)**
- **The rise in permanent jobs amounted to 122.7 thousand, while temporary jobs increased by 41.7 thousand jobs**
- **By sectors, employment in the industrial sector grew by 80.2 thousand new jobs during the period in question, while the services sector added 78.6 thousand positions**
- **Looking ahead, we expect a more moderate job creation growth**
- **Quintana Roo showed the strongest creation of formal jobs for the eight consecutive month (10.9% yoy)**

Formal jobs increased by 164.3 thousand in February (vs. 154.1 thousand in February'17). This figure implies a creation of 122.7 thousand permanent jobs (labor contracts made for an indefinite period of time), along with an increase of 41.7 thousand temporary jobs. Year-to-date, 278 thousand new jobs have been created, 40.7 thousand more than in the same period of 2017 (237.3 thousand positions).

In the monthly dynamic, and analyzing information by sectors, employment related to industrial activity grew by 80,193 jobs during the period in question, while the services added 78,614 new positions. On the other hand, we highlight the creation of 5,504 jobs in the agricultural sector.

Taking a look at the breakdown at industrial activity, the manufacturing sub-sector added 53,396 positions while construction contributed with 24,141 jobs. Moreover, mining jobs increased by 2,428 positions.

Within the services sector, we highlight the increase of 38,187 jobs in personal, firms and household services. Moreover, social and community services added 19,080 positions while commerce contributed with 16,723 jobs (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 manufacturing sector as well as services–, 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 and the outcome of Mexico's Presidential elections.

Document for distribution among public

Formal job creation: February 2018

	Feb-18	Feb-17	Jan-Feb, '18	Jan-Feb, '17
Total	164,311	154,055	278,033	237,347
Permanent jobs	122,656	95,122	160,875	110,972
Temporary jobs	41,655	58,933	117,158	126,375
City workers	40,825	46,866	96,379	97,089
Farmworkers	830	12,067	20,779	29,286
Monthly formal job creation by economic sector				
Primary activities	5,504	13,236	31,920	35,544
Industrial activity	80,193	70,191	181,637	155,705
Mining	2,428	1,409	4,479	2,699
Manufacturing	53,396	47,860	107,803	104,150
Construction	24,141	20,324	70,838	50,312
Utilities	228	598	-1,483	-1,456
Services	78,614	70,628	64,476	46,098
Commerce	16,723	6,783	-22,545	-33,163
Communications and transportation	4,624	5,912	10,925	2,806
Personal, firms, and household's services	38,187	28,768	20,921	15,829
Social and community services	19,080	29,165	55,175	60,626

Source: Ministry of Labor

At a regional level

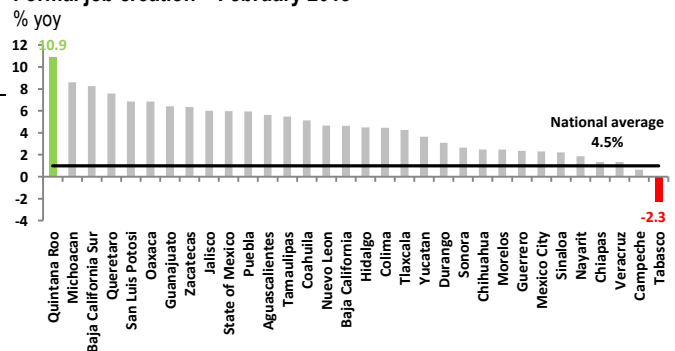
Quintana Roo showed the strongest creation of formal jobs for the eight consecutive month (10.9% yoy). Quintana Roo stands out as the state with the highest growth of formal employment (10.9% yoy), for the eight consecutive month. Year-to-date, the state has created a total of 42,308 formal jobs. Moreover, in February, 5,789 jobs were created in the entity (59% were eventually jobs).

Other states that outperformed the national average were Michoacan (8.6%), Baja California Sur (8.2%), Queretaro (7.6%), and San Luis Potosí with 6.9% yoy, as seen in the next table.2

States with the highest formal job creation: February 2018

	Insured workers (thousands)	% yoy	Job creation	
			Feb-18	Jan-Feb '18
National	19,696	4.5	164,311	278,033
Quintana Roo	431	10.9	5,789	17,453
Michoacan	440	8.6	5,685	7,795
Baja California Sur	172	8.2	983	2,556
Queretaro	563	7.6	6,571	13,000
San Luis Potosi	434	6.9	4,923	9,539

Source: Banorte; MoL

Formal job creation – February 2018


Source: Banorte-Ixe; MoL

Disclaimer

The information contained in this document is illustrative and informative so it should not be considered as an advice and/or recommendation of any kind. BANORTE is not part of any party or political trend.

GRUPO FINANCIERO BANORTE S.A.B. de C.V.
Research and Strategy

Gabriel Casillas Olvera	Chief Economist and Head of Research	gabriel.casillas@banorte.com	(55) 4433 - 4695
Raquel Vázquez Godínez	Assistant	raquel.vazquez@banorte.com	(55) 1670 - 2967

Economic Analysis

Delia María Paredes Mier	Executive Director of Economic Analysis	delia.paredes@banorte.com	(55) 5268 - 1694
Alejandro Cervantes Llamas	Senior Economist, Mexico	alejandro.cervantes@banorte.com	(55) 1670 - 2972
Katia Celina Goya Ostos	Senior, Global Economist	katia.goya@banorte.com	(55) 1670 - 1821
Miguel Alejandro Calvo Domínguez	Economist, Regional & Sectorial	miguel.calvo@banorte.com	(55) 1670 - 2220
Juan Carlos García Viejo	Economist, International	juan.garcia.viejo@banorte.com	(55) 1670 - 2252
Francisco José Flores Serrano	Economist, Mexico	francisco.flores.serrano@banorte.com	(55) 1670 - 2957
Lourdes Calvo Fernández	Analyst (Edition)	lourdes.calvo@banorte.com	(55) 1103 - 4000 x 2611

Fixed income and FX Strategy

Alejandro Padilla Santana	Head Strategist – Fixed income and FX	alejandro.padilla@banorte.com	(55) 1103 - 4043
Juan Carlos Alderete Macal, CFA	FX Senior Strategist	juan.alderete.macal@banorte.com	(55) 1103 - 4046
Santiago Leal Singer	Strategist Fixed income and FX	santiago.leal@banorte.com	(55) 1670 - 2144

Equity Strategy

Manuel Jiménez Zaldivar	Director Equity Research — Telecommunications / Media	manuel.jimenez@banorte.com	(55) 5268 - 1671
Víctor Hugo Cortes Castro	Equity Research Analyst	victorh.cortes@banorte.com	(55) 1670 - 1800
Marissa Garza Ostos	Senior Equity Research Analyst – Conglomerates / Financials/ Mining / Chemistry	marissa.garza@banorte.com	(55) 1670 - 1719
José Itzamna Espitia Hernández	Equity Research Analyst – Airlines / Airports / Cement / Infrastructure / Fibras	jose.espitia@banorte.com	(55) 1670 - 2249
Valentín III Mendoza Balderas	Equity Research Analyst – Auto Parts/ Consumer Discretionary / Real Estate / Retail	valentin.mendoza@banorte.com	(55) 1670 - 2250
Itzel Martínez Rojas	Analyst	itzel.martinez.rojas@banorte.com	(55) 1670 - 2251

Corporate Debt

Tania Abdul Massih Jacobo	Director Corporate Debt	tania.abdul@banorte.com	(55) 5268 - 1672
Hugo Armando Gómez Solís	Senior, Corporate Debt	hugo.gomez@banorte.com	(55) 1670 - 2247
Gerardo Daniel Valle Trujillo	Analyst, Corporate Debt	gerardo.valle.trujillo@banorte.com	(55) 1670 - 2248

Wholesale Banking

Armando Rodal Espinosa	Head of Wholesale Banking	armando.rodal@banorte.com	(55) 1670 - 1889
Alejandro Eric Faesi Puente	Head of Global Markets and Institutional Sales	alejandro.faesi@banorte.com	(55) 5268 - 1640
Alejandro Aguilar Ceballos	Head of Asset Management	alejandro.aguilar.cebillos@banorte.com	(55) 5268 - 9996
Arturo Monroy Ballesteros	Head of Investment Banking and Structured Finance	arturo.monroy.ballesteros@banorte.com	(55) 5004 - 1002
Gerardo Zamora Nanez	Head of Transactional Banking, Leasing and Factoring	gerardo.zamora@banorte.com	(81) 8318 - 5071
Jorge de la Vega Grajales	Head of Government Banking	jorge.delavega@banorte.com	(55) 5004 - 5121
Luis Pietrini Sheridan	Head of Private Banking	luis.pietrini@banorte.com	(55) 5004 - 1453
René Gerardo Pimentel Ibarrola	Head of Asset Management	pimentelr@banorte.com	(55) 5268 - 9004
Ricardo Velázquez Rodríguez	Head of International Banking	rvelazquez@banorte.com	(55) 5004 - 5279
Víctor Antonio Roldan Ferrer	Head of Corporate Banking	victor.roldan.ferrer@banorte.com	(55) 5004 - 1454