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CANADA JOINS THE U.S.-MEXICO FREE TRADE AGREEMENT NEGOTIATIONS

On February 5, 1991, President Bush announced that Canada would be joining the U.S.-Mexican FTA negotiations as a third party. This announcement was confirmed by Mexico's President Salinas de Gortari and Canada's Prime Minister Mulroney. The change from a bi-lateral to a tri-lateral country format came as a surprise to most observers of the FTA developments, even though there was no doubt that the FTA agreement between the U.S. and Canada could not be ignored. Nevertheless, the integration of Canada as a third party will have a significant effect upon the timing and details in the expected "new" FTA.

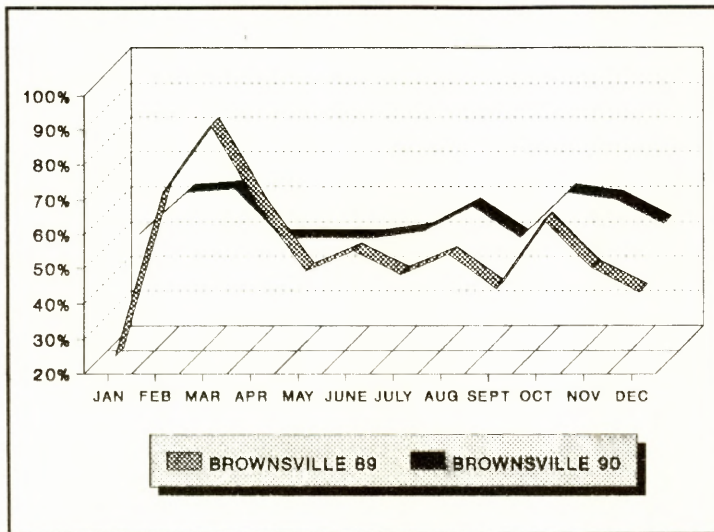
There should be no doubt that the very fact that three parties are at the negotiation table instead of two will complicate the negotiations and will necessitate a wide range of compromises among the positions of the three parties. These expected compromises will probably lead to a dilution in the content of the agreement and presumably to a prolongation of the period for the full implementation of the agreement.

Both Mexico and the U.S. have repeatedly declared their intentions to speed up the conclusion of the FTA negotiations and ratification by 1992. The main concern until now was the ability of President Bush to convince the Congress to grant a "fast track" status to the U.S.-Mexican FTA negotiations. Looking back at the three years of negotiations it took the U.S. and Canada to reach an agreement and the strong opposition from significant Canadian political and economic groups to the existing agreement, there are clear indications that most probably the expected ratification of a U.S., Mexico, Canada agreement in 1992 will be delayed to a later date.

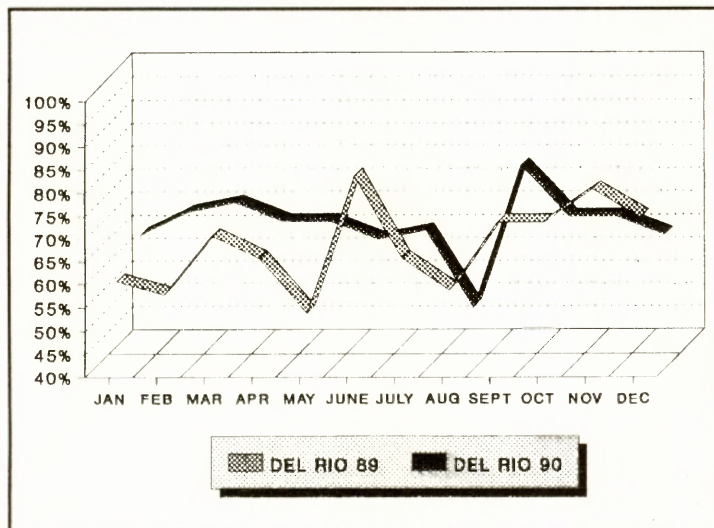
The prospect of taking the first step toward a possible future North American market consisting of 360 million people with a present gross national product of more than \$6 trillion is fascinating on its own merits. President Bush said that an agreement would link the three country's economies in "bold and far reaching ways." It is prudent to take our time and analyze carefully how bold and far reaching these FTA negotiations will turn out to be and what their possible effects may be specifically for our communities along the Texas-Mexican border. In addition, we must make sure that the interests of the border region are recognized by the negotiators and implemented in the content of the expected FTA agreement.

- Michael Landeck, Ph.D.

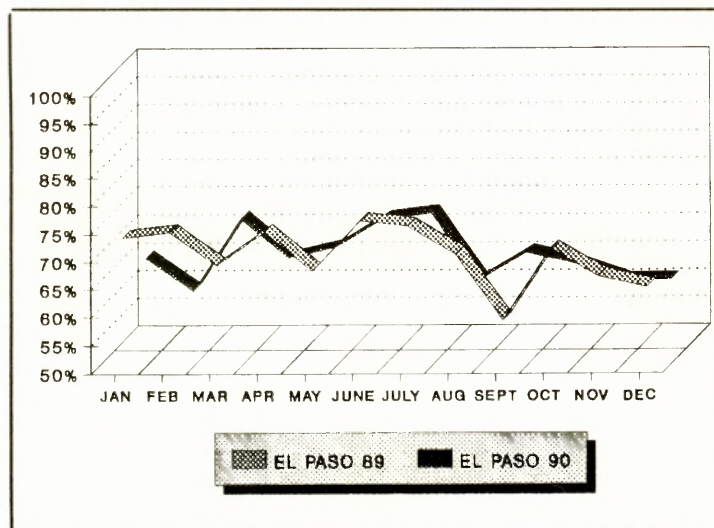
Hotel Occupancy - Brownsville



Hotel Occupancy - Del Rio



Hotel Occupancy - El Paso



Hotel/Motel

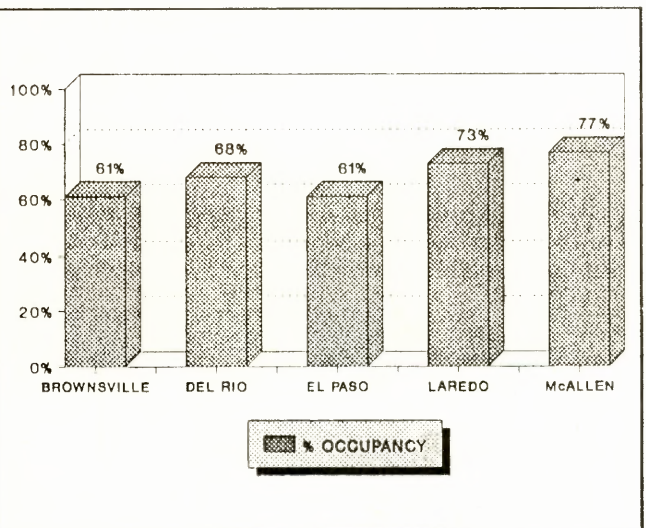
A comparison of the hotel/motel occupancy rates in the observed cities between November 1990 and November 1989 shows that the city of Laredo has had the most significant percent occupancy increase. The observed increase of 24% in Laredo brings the occupancy rate in this city up to 73%, it is significant because of the very low performance in November 1989 in which the hotel/motel occupancy in Laredo was merely at 49%.

The second largest increase in hotel/motel occupancy (and the highest percent for the month) was in McAllen which shows an occupancy rate of 77% in November of 1990, up by 15% from the 62% occupancy in November 1989. Brownsville's 61% shows an increase in the occupancy rate by 13% from a 48% low in November 1989. Del Rio and El Paso register declines in November 1990 as compared to November, 1989. While El Paso declined by 5% from 66% to 61%, Del Rio had the largest decline among all the cities observed of 11% down from 79% in November 1989 to 68% in November 1990.

Following are the monthly developments of the hotel occupancy rates in each of the observed cities for the period of January 1989 through November 1990. The trends of the hotel occupancies seem to differ in the various cities.

Brownsville shows significant development in the first quarter of 1989 when it increased its occupancy rate from 23% up to 89% in March of that year, mainly due to its growing popularity as a vacation spot for students during spring break. The hotel occupancy level decreased by half during the rest of the year down to 41% in December 1989. During 1990, Brownsville

Hotel Occupancy Rate - Nov. 1990



Occupancy

was not able to repeat the performance from 1989 and remains throughout the year at a somewhat steady level in the 50's and lower 60's percentile.

Del Rio shows very strong fluctuation in its hotel occupancy, up to 82% in June of 1989 as compared to 59% in January of that year and back toward the upper 70's at the end of 1989. The 1990 trend shows considerable declines in the hotel occupancy in the city.

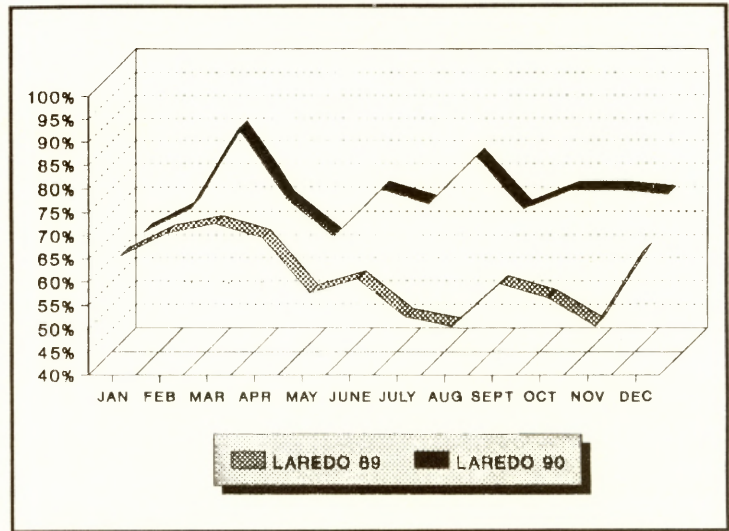
The hotel/motel industry in El Paso seems to be very stable, and its yearly trend of 1990 is almost a replica of the occupancy trend of 1989 except in September 1990 when El Paso did not lose as much in percent occupancy as it did in 1989.

Laredo shows a clear trend of improvement. All the values of 1990 show an improvement as compared to the previous year. The March 1990 improvements, could be attributed to the increased attraction of the George Washington's Birthday festivities. The most significant improvement is registered around the month of August in which Laredo improved from 49% to 80%.

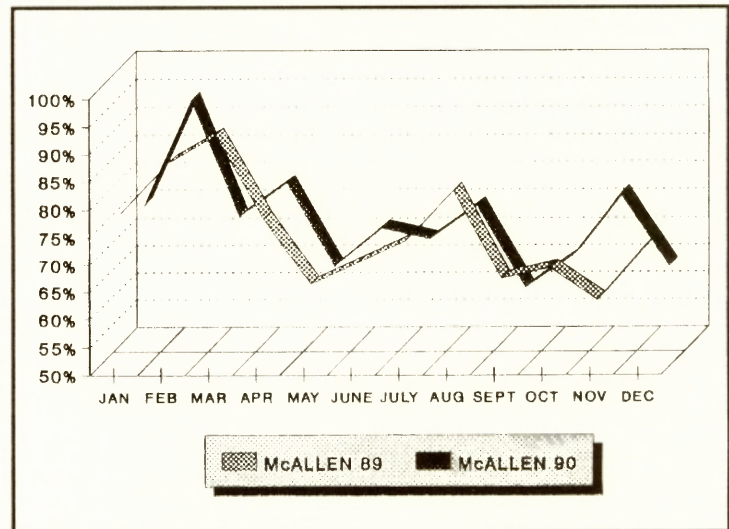
In both 1989 and 1990, the city of McAllen reaches a peak of 87% and 94% in February of the respective years, then shows a steady decline into the summer months, picks up somewhat in August, and maintains a level in the mid 60's toward the end of the year.

Note: All the statistics regarding the special topics were provided by the Texas Center for Border Economic and Enterprise Development (TCBEED) at Laredo State University.

Hotel Occupancy - Laredo



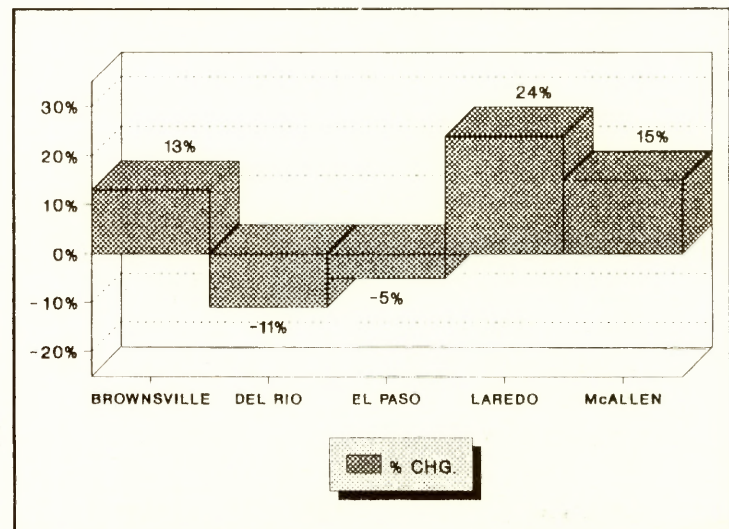
Hotel Occupancy - McAllen



Hotel/Motel Occupancy Rates (in %)

CITY	SEPT 90	OCT 90	NOV 90	NOV 89
BROWNSVILLE	50	63	61	48
DEL RIO	79	68	68	79
EL PASO	66	64	61	66
LAREDO	69	69	73	49
McALLEN	60	66	77	62

Percent Change - Nov. '89/Nov. '90



Texas - Mexico Bridge Tolls: A Survey

The reoccurring increases in the northbound bridge tolls from Mexico to the United States have contributed to an intensive discussion about its occurrence and its possible effects upon the trade between the two countries and specifically its effects upon the border communities.

Following the latest increase in Mexico's international bridge tolls in January 1991, a main concern is being formulated and directed toward the fact that the increase in Mexico's bridge tolls came without consulting with, and sufficient forewarning to, the U.S. counterparts. The critique regarding the issue of the unexpected changes in the international bridge tolls has led to an increasing demand that the timing of the tolls and their changing rates become an issue of negotiation within the U.S.-Mexico free trade agreement.

The main reasoning for the inclusion of this issue in the FTA negotiations is the perception that there could be a significant relationship between the bridge toll rates and the level of traffic frequency and trade volume between the two countries. In fact, the bridge tolls themselves could be seen as a special type of a tariff barrier and therefore a valid subject for the FTA negotiations which by definition should deal with all tariff and non-tariff barriers.

A survey done by the Institute for International Trade at Laredo State University regarding bridge tolls along the Texas-Mexico border was conducted during the month of February 1991 and the majority of the identified tolls are presented in the following tables. The most significant result is the acknowledgement of the fact that there is only one unified toll structure for all the northbound bridge crossings coming from Mexico to Texas. On the other hand, tolls for southbound traffic from the Texas cities surveyed to Mexico vary from city to city and at times vary

within a city from bridge to bridge (see tolls of El Paso and McAllen).

The reason that Mexico has a unified toll structure is that all the international bridges are federally controlled by the *Secretaria de Caminos y Puentes Federales*, whereas, the control of the international bridges on the U.S. side varies from city to city and from bridge to bridge. Some bridges on the U.S. side are controlled by public entities such as city/county governments while others are privately owned. Each U.S. bridge authority exercises its own rights to determine bridge tolls for the bridge(s) it governs. The results of the somewhat "confusing" U.S. toll structure is evident in the tables presented.

The variety in the U.S. bridge tolls versus the unity of the Mexican tolls, as shown in the above survey, may have a hindering effect on the attempt of including the bridge toll issues as a negotiating item in the upcoming FTA talks which is negotiated at the federal level. Whereas Mexico has the federal authority to implement its bridge toll decisions, the problem will be actually that the U.S. government does not currently have the same authority over the southbound bridge tolls as their Mexican counterparts do. A solution, therefore, will have to be found as to how a binding coordination could be made possible among the numerous U.S. public and private bridge authorities which will probably be opposed to limiting their authority regarding bridge toll rates.

Note: All the statistics regarding the special topics were provided by the respective Bridge Authorities as reported to the Texas Center for Border Economic and Enterprise Development (TCBEED) at Laredo State University. All bridge tolls are presented here in U.S. currency.

Northbound Bridge Tolls

CURRENT MEXICO BRIDGE TOLLS	
PEDESTRIANS	\$0.55
VEHICLES	\$2.05
VEHICLES WITH HOOKUP	\$3.55
2 AXLE TRUCKS	\$6.15
3 AXLE TRUCKS	\$10.25
4 AXLE TRUCKS	\$14.35
5 AXLE TRUCKS	\$18.45
6 AXLE TRUCKS	\$22.55
7 AXLE TRUCKS	\$26.60
8 AXLE TRUCKS	\$30.70
TARIFF FOR ADDITIONAL AXLES	\$4.10

*Detailed Freight Charges - Laredo

AUTOS AND 1/2 TON PICK-UPS	2.00
1/2 TON PICK-UPS AND AUTOS	
PULLING SMALL TRAILERS	3.00
PICK-UPS WITH REAR TWIN WHEELS	4.00
TWO AXLE BOB-TAIL TRUCK	4.00
THREE AXLE BOB-TAIL (TORTON)	6.00
TRACTOR TRAILER WITH UNDER 80M LBS.	12.00
TRACTOR TRAILER WITH 80 - 100M LBS.	24.00
TRACTOR TRAILER WITH OVER 100M LBS.	30.00

NOTE: ALL FREIGHT OVER 80M LBS. MUST BE APPROVED
BY THE CITY OF LAREDO ENGINEERING DEPT.

Southbound Bridge Tolls - Vehicles & Pedestrians

CITY	PEDESTRIANS	VEHICLES	BIKES
BROWNSVILLE			
B&M	0.25	1.00	N/A
CAMERON COUNTY	0.25	0.75	N/A
DEL RIO	0.15	0.75	0.15
EAGLE PASS	0.10	0.60	0.25
EL PASO			
STANTON (SOUTHBOUND)	0.25	1.00	0.25
CORDOVA (TWO-WAY)	FREE	FREE	FREE
ZARAGOZA (TWO-WAY)	0.25	1.00	0.25
SANTA FE (NORTHBOUND)	0.25	1.00	0.25
LAREDO	0.25	1.00	0.25
McALLEN	0.10	0.75	N/A

Southbound Bridge Tolls - Loaded Trucks

CITY	TRUCKS 2 AXLE	TRUCKS 3 AXLE	TRUCKS 4 AXLE	TRUCKS 5 AXLE	TRUCKS 6 AXLE
BROWNSVILLE					
B&M	3.00	4.00	5.00	6.00	10.00
CAMERON COUNTY	2.00	3.00	4.00	5.00	6.00
DEL RIO	3.90 + .25/1000lbs	4.30 + .25/1000lbs	4.70 + .25/1000lbs	5.10 + .25/1000lbs	5.50 + .25/1000lbs
EAGLE PASS	.80 + .15/1000lbs	1.20 + .15/1000lbs	1.60 + .15/1000lbs	2.00 + .15/1000lbs	2.40 + .15/1000lbs
EL PASO					
STANTON (SOUTHBOUND)	2.00	3.00	4.00	5.00	6.00
CORDOVA (TWO-WAY)	FREE	FREE	FREE	FREE	FREE
ZARAGOZA (TWO-WAY)	2.00	3.00	4.00	5.00	6.00
SANTA FE (NORTHBOUND)	2.00	3.00	4.00	5.00	6.00
LAREDO	1.00 + 2.00* 1.00 + 3.00*	1.50 + 4.50* 1.50 + 10.50*	1.50 + 10.50*	1.50 + 10.50*	1.50 + 10.50*
McALLEN	1.25 + .25/TON	1.25 + .25/TON	2.50 + .25/TON	2.50 + .25/TON	2.50 + .25/TON

*SEE PAGE 4 FOR EXPLANATION OF LAREDO FREIGHT CHARGES

Southbound Bridge Tolls - Empty Trucks

CITY	TRUCKS 2 AXLE	TRUCKS 3 AXLE	TRUCKS 4 AXLE	TRUCKS 5 AXLE	TRUCKS 6 AXLE
BROWNSVILLE					
B&M	2.00	3.00	4.00	5.00	6.00
CAMERON COUNTY	2.00	3.00	4.00	5.00	6.00
DEL RIO	3.50	3.50	3.50	3.50	3.50
EAGLE PASS	0.80	1.20	1.60	2.00	2.40
EL PASO					
STANTON (SOUTHBOUND)	2.00	3.00	4.00	5.00	6.00
CORDOVA (TWO-WAY)	FREE	FREE	FREE	FREE	FREE
ZARAGOZA (TWO-WAY)	2.00	3.00	4.00	5.00	6.00
SANTA FE (NORTHBOUND)	2.00	3.00	4.00	5.00	6.00
LAREDO	1.00	1.50	1.50	1.50	1.50
McALLEN	1.25	1.25	2.50	2.50	2.50

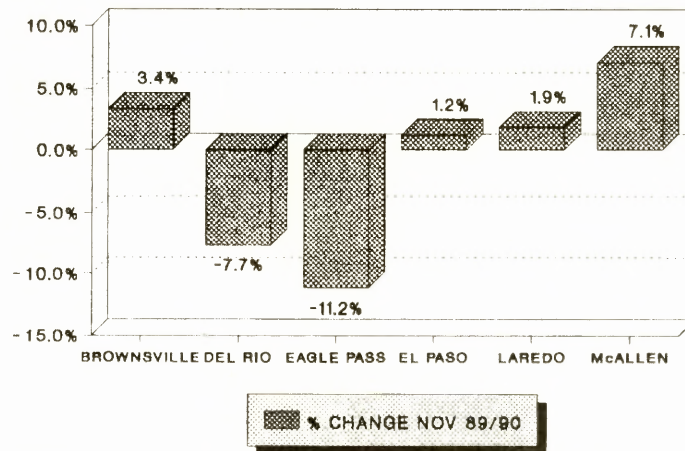
Border Statistics

Pedestrian Bridge Crossings

A downward trend of pedestrians crossing the bridges southbound into Mexico is mainly observed in Eagle Pass and Del Rio which show a decline of 11.2% down from 45,565 to 40,471 and 7.7% down from 7,277 to 6,717 respectively. These figures do not effect the total trend along the border due to the fact of the relative low number of pedestrians that pass through these bridges as compared to the other cities.

The highest improvement was registered in McAllen which shows an increase in pedestrians bridge crossings of 7.1% up from 95,692 to 102,491. The second highest increase was registered in Brownsville with 3.4%, representing 247,523 pedestrian crossings in November 1989 and 255,818 in November 1990. Both Laredo and El Paso have slightly improved in November

CITY	SEPT 1990	OCT 1990	NOV 1990	NOV 1989
BROWNSVILLE PEDESTRIANS	233,564	247,038	255,818	247,523
DEL RIO PEDESTRIANS	5,431	7,746	6,717	7,277
EAGLE PASS PEDESTRIANS	32,064	34,466	40,471	45,565
EL PASO PEDESTRIANS	414,329	429,030	452,478	447,126
LAREDO PEDESTRIANS	246,263	244,920	279,092	274,015
McALLEN PEDESTRIANS	76,321	80,825	102,491	95,692



Sources: Texas Center for Border Economic & Enterprise Dev., LSU
Respective Bridge Authorities

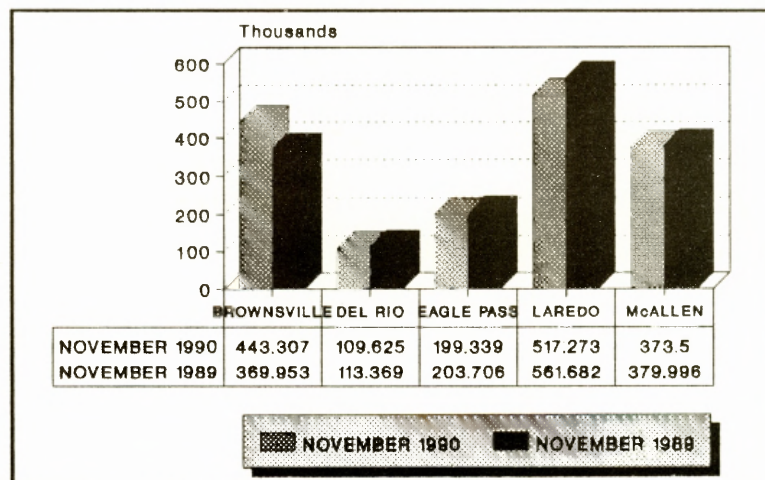
1990. Laredo up by 1.9% from 274,015 to 279,092 and El Paso up by 1.2% from 447,126 to 452,478.

In terms of total figures, it should be noted that El Paso shows by far the largest number of pedestrian crossings with 452,578*, second is Laredo with 279,092 followed closely by pedestrians crossing in Brownsville totalling 255,818. McAllen which follows as fourth lies far behind with 102,491 crossings, followed by Eagle Pass with 40,471 and the least number of pedestrians tend to cross in Del Rio with merely 6,717 crossings.

*It should be noted that the numbers of pedestrian crossings in El Paso are really significantly higher than reported due to the fact that the Cordova bridge, is toll free to vehicles, pedestrians, and trucks, and statistical data is not available regarding this toll free.

The southbound vehicle bridge crossings show a somewhat different picture as compared to the pedestrians. Only Brownsville shows a positive increase in southbound vehicle traffic, up by 19.8%. All the other cities registered a decline in vehicle bridge crossing traffic in Nov. 1990 as compared to Nov. 1989. Laredo showed the largest decrease down by 7.9%, second highest decline was registered in

Vehicle Bridge Crossings



Sources: TCBEED, LSU, Respective Bridge Authorities

Del Rio with 3.3% followed by a decrease of 2.1% in Eagle Pass and a 1.7% decrease in McAllen.

Excluding El Paso whose data is not available, Laredo has the highest Nov. 1990 southbound vehicle crossings with 517,273 vehicles followed by Brownsville with 443,307. Third was McAllen with 373,500 next was Eagle Pass with 199,339 crossings and Del Rio with 109,625.

Export Shipments by Truck

With the exception of El Paso which still does not provide separate statistics for truck crossings, Laredo registered the largest number of truck crossings among all the other cities observed. Truck crossings in November 1990 were 25,714 as compared to 18,170 in November 1989 which is an increase of 7,544 trucks crossing the Laredo bridges southbound. This increase in truck crossings through Laredo represents a remarkable increase of 41.5% when compared to November of 1989. This also shows a strong correlation to the recent developments in trade volume between the U.S. and Mexico.

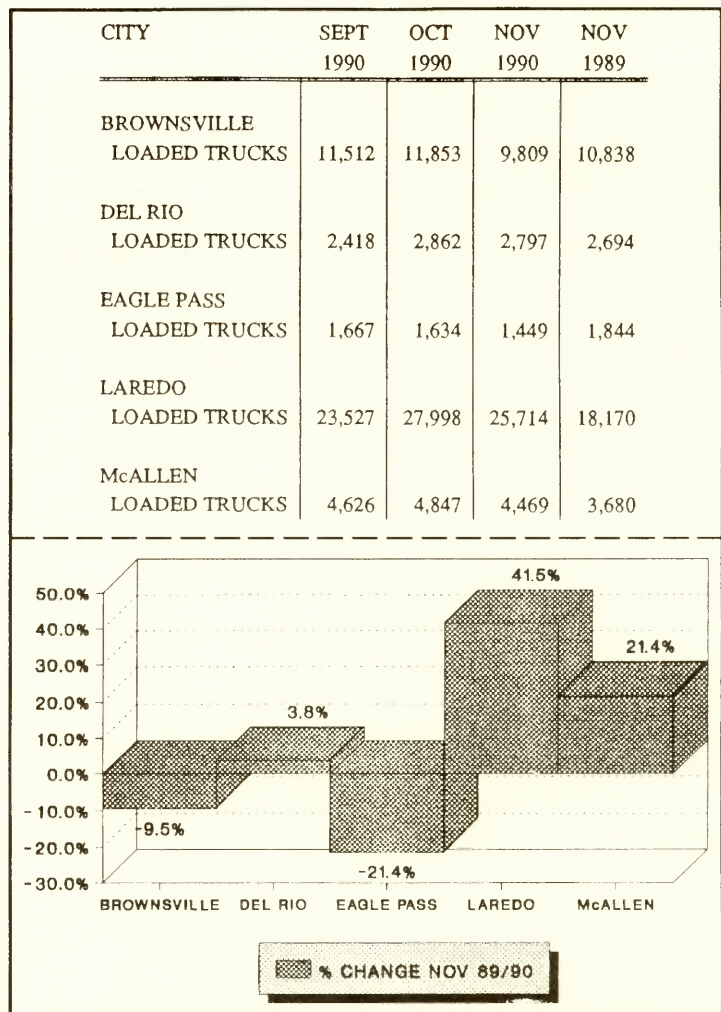
The city of McAllen shows the second highest increase in its truck traffic with 21.4%, although the absolute numbers show merely an increase of 789 trucks, up from 3,680 to 4,469. Del Rio increased only slightly by 3.8% from 2,694 to 2,797.

Brownsville shows a loss of 9.5% down from 10,838 in November 1989 to 9,809 in November 1990. The largest percent decrease was registered in Eagle Pass in which the truck traffic reduced from 1844 to 1449. This decrease represents only 395 trucks but it gives Eagle Pass a reduction of 21.4% in 1990 compared to 1989.

Export Shipments by Rail

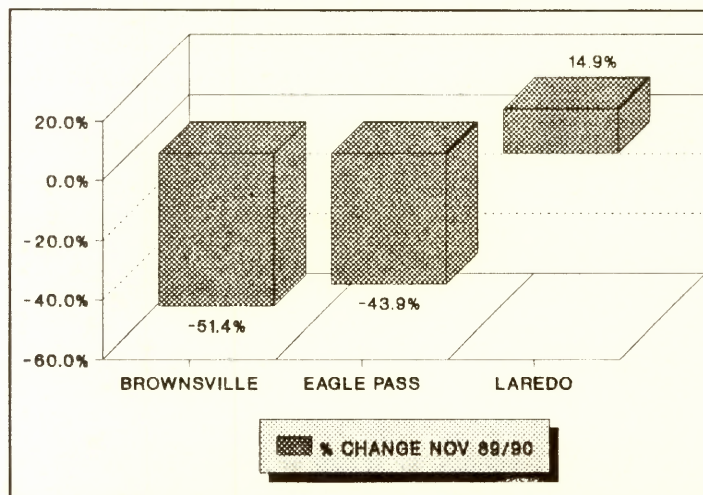
The southbound loaded rail car shipments do not indicate that the rail industry (excluding El Paso as figures are not available) is taking as much advantage of the trade volume developments between the two countries as the truck industry is. In fact, among the three cities observed the total number of loaded rail cars in November 1990 decreased by 4.8% from 8,661 rail cars to 8,274 as compared to November 1989.

Significant changes are observed in the reduction of rail traffic in Eagle Pass and Brownsville. Eagle Pass shows the number of loaded rail cars has reduced itself from 1,063 rail cars in November 1989 to 596 in Novem-



Sources: Texas Center for Border Economic & Enterprise Dev., LSU
Respective Bridge Authorities

ber 1990, a reduction of 43.9%. Brownsville shows an even higher relative loss down from 1,591 loaded rail cars in November 1989 crossing the bridge into Mexico to merely 773 in November 1990 a reduction of 51.4%. Only Laredo has maintained a positive growth in the number of loaded rail cars crossing into Mexico up from 6,007 to 6,905 which represents an increase of 898 cars or 14.9% in November 1990.



CITY	SEPT 1990	OCT 1990	NOV 1990	NOV 1989
BROWNSVILLE LOADED RAIL CAR	847	684	773	1,591
EAGLE PASS LOADED RAIL CAR	546	564	596	1,063
LAREDO LOADED RAIL CAR	6,763	7,591	6,905	6,007

Source: Texas Center for Border Economic & Enterprise Dev., LSU

Border Cities Unemployment Rates

The unemployment rate in Texas increased in November 1990 to 6.8% from 5.3% in October 1990 which represents a 1.5% increase. This increase is relatively higher than the 0.4% increase in national unemployment which went up from 5.4% in October 1990 to 5.8% in November 1990.

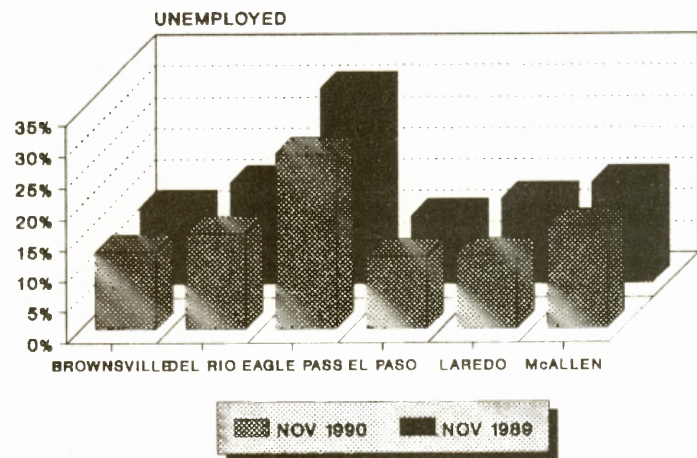
The figures for the cities observed along the U.S.-Mexico border show that in November 1990 there was a total work force of 397,213 in these cities. The number of unemployed totalled 51,644 which represents an unemployment rate of 13.0%, a figure more than double the national unemployment rate.

Note that November is the month in which a significant number of migrant workers return to the South Texas border which increases the size of the work force but they remain mostly unemployed. This probably explains the increase in the unemployment rate in all the cities observed from 9.8% in October 1990 to the reported 13.0% in November 1990. A more detailed analysis will be presented in the upcoming March issue of the Border Business Indicators.

El Paso shows the lowest unemployment rate among the cities observed of 11.9% representing 28,407 unemployed from a work force of 238,482. Laredo follows closely with an unemployment rate of 12.0% representing 6,006 unemployed from a total work force of 50,053. Next is Brownsville with a 12.6% or 5,559 unemployed from a work force of 44,294. Del Rio has 15.6% with 1,936 unemployed from 12,404. McAllen's 16.6% represents 7,105 unemployed from a total work force of 42,281. The highest unemployment rate was registered in Eagle Pass with 28.1% representing 2,721 unemployed from a work force of 9,699.

In comparison to November of 1989 Eagle Pass has reduced its unemployment rate from 31.2% to 28.1% a decrease of 3.1%. Laredo shows a significant reduction from 13.6% to 12.0% and Del Rio shows a slight improvement from 16.2% to 15.6% a reduction of 0.6%. The unemployment in McAllen has slightly increased in November 1990 as compared to November 1989 from 16.1% to 16.6% an increase of 0.5%. Brownsville is almost constant with an increase from 12.4% to 12.6% or an additional 0.2%, whereas El Paso registered an increase in its unemployment rate from 11.0% in November 1989 to 11.9% in November 1990.

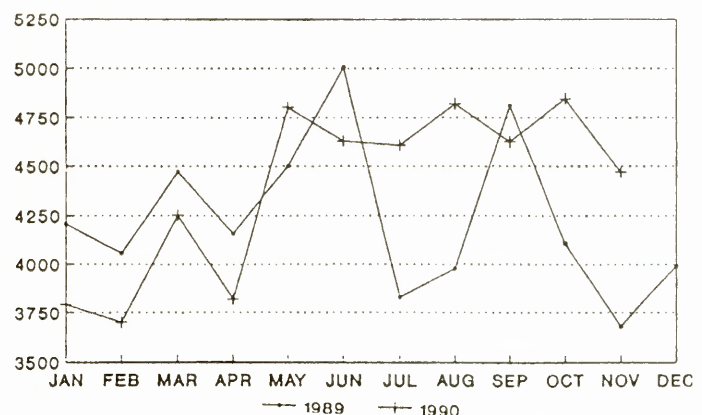
CITY	TOTAL WORK FORCE NOV 1990	TOTAL UNEMPLOYED NOV 1990	PERCENT UNEMPLOYED NOV 1990	PERCENT UNEMPLOYED NOV 1989
BROWNSVILLE	44,294	5,559	12.6	12.4
DEL RIO	12,404	1,936	15.6	16.2
EAGLE PASS	9,699	2,721	28.1	31.2
EL PASO	238,482	28,407	11.9	11.0
LAREDO	50,053	6,006	12.0	13.6
McALLEN	42,281	7,015	16.6	16.1
THE NATIONAL UNEMPLOYMENT RATE FOR NOVEMBER 1990 WAS				5.8
THE TEXAS UNEMPLOYMENT RATE FOR NOVEMBER 1990 WAS				6.8



Sources: Texas Center for Border Economic & Enterprise Dev., LSU
Texas Employment Commission

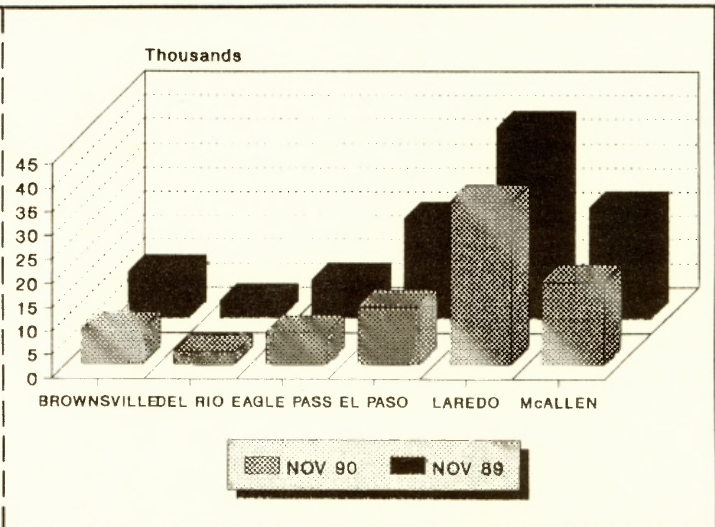
Corrections:

The December 1990 edition of the BBI included one error. An incorrect graph was published for the McAllen Truck Shipments. The correct graph is presented here. We regret this error.



Visa Permits to Tourists from Texas to Mexico

CITY	SEPT 90	OCT 90	NOV 90	NOV 89
BROWNSVILLE	7,226	6,243	7,429	9,684
DEL RIO	2,388	2,318	2,736	3,749
EAGLE PASS	7,034	6,420	6,781	8,048
EL PASO	14,884	11,780	12,103	20,853
LAREDO	28,028	27,366	34,200	39,649
McALLEN	15,204	14,561	17,445	23,186



Sources: Texas Center for Border Economic & Enterprise Dev., LSU

The month of November 1990 confirms the previous trends of declining visa permits granted to tourists crossing through the observed cities into Mexico. The total number of visas in November 1990 was 80,694 down from 105,169 in November 1989. This represents a decrease of 24.3%. The most significant decline occurred in El Paso in which the number of visas went down from 20,853 in November 1989 to 12,103 in November 1990, representing a decrease of 41.96%.

All the other cities also show declines although not at such a high level as in El Paso. Del Rio decreased from 3,749 to 2,736, a reduction of 27.02%. McAllen decreased from 23,186 to 17,445, equivalent to a decrease of 24.76%.

Secretaria de Gobrenacion Oficina de Servicios Migratorios

Brownsville decreased from 9,684 to 7,429, a decline of 23.29%.

The two cities that showed the least relative declines are Eagle Pass and Laredo. Eagle Pass declined from 8,048 to 6,781 a decline of 15.74%. Laredo had the lowest relative decline in the number of visas issued to the visitors to the interior of Mexico from 39,649 to 34,200, a decrease of 13.74%.

The number of visas granted to tourists in November 1990 was the highest in Laredo in which 41.04% of all the visas were issued, second was McAllen with 20.93%, followed by El Paso with 14.52%. Brownsville issued 9.2% of the visas then Eagle Pass with 8.14% and Del Rio had 3.4%.

Airport Activity

The McAllen airport showed the highest relative increases in passenger traffic as compared to Laredo and El Paso. Departures increased in McAllen by 10.55% and arrivals increased by 12.82%. In Laredo there was a positive increase of 6.22% in the number of passengers arriving by air in November 1990 as compared to 1989, but at the same time the departures declined by 6.64%. El Paso increased both departures and arrivals by 5.81% and 5.71% respectively.

We could not obtain statistical data from the Laredo airport on air freight. The McAllen airport showed a large decline in air freight traffic departures of 34.71%, whereas air freight arrivals only increased by 9.66%. Air freight traffic at the El Paso airport increased both in departures by 4.44% and in arrivals by 2.57%.

CITY	SEPT 1990	OCT 1990	NOV 1990	NOV 1989
EL PASO				
PASSENGERS:				
DEPARTURES	131,452	131,571	131,364	124,152
ARRIVALS	123,783	128,466	127,555	120,669
FREIGHT:				
DEPARTURES	2,820,400	3,133,400	3,057,800	2,927,800
ARRIVALS	4,349,800	4,796,800	3,531,400	3,443,000
LAREDO				
PASSENGERS:				
DEPARTURES	4,658	4,692	4,276	4,580
ARRIVALS	4,348	4,329	4,563	4,296
McALLEN				
PASSENGERS:				
DEPARTURES	17,162	16,838	18,429	16,670
ARRIVALS	16,045	16,679	17,754	15,737
FREIGHT:				
DEPARTURE	131,213	189,433	115,769	177,323
ARRIVALS	113,884	118,136	100,672	91,803

Note: All freight in pounds

Sources: Texas Center for Border Economic & Enterprise Dev. LSU
Airport Authority

The total number of residential power connections has increased by 1.9% from 316,683 to 322,708 in the observed cities. All the percent changes were very moderate, the highest being in Eagle Pass with 3.3% growth, followed by Laredo with a 2.4% increase. McAllen is third with a 1.9% increase in November 1990 as compared to November 1989. El Paso and Brownsville both increased their residential power connections by 1.8% respectively. Del Rio showed a 0.9% increase in November 1990.

The developments in the commercial power connections are very similar to the changes seen in the residential power connections. Commercial power connections grew by 1.7% overall in November 1990 as compared to November 1989, up to 38,629 connections from 37,986 connections. Laredo had the largest commercial power connections increase of 2.9%, followed by Brownsville with an increase of 2.0% and El Paso with 1.7%. McAllen had a slight increase of 0.7%, Eagle Pass commercial power connections increased by 0.6% and Del Rio remained almost constant with an increase of 0.2% in November 1990 as compared to November 1989.

The total number of building permits in November 1990 within the six observed cities along the U.S.-Mexico border has decreased to 1,001 permits down from 1,300 permits in November 1989. This represents a decrease of 23.0%. Brownsville registered an increase of 110.3% from 68 permits in November 1989 to 143 permits in November 1990. Del Rio showed an increase of 22.7%, up to 27 permits from 22 in November 1989. The largest decrease was registered in El Paso where only 535 new permits were given in November 1990 as opposed to 893 in November 1989, a 40.1% decrease. Eagle Pass decreased by 1 permit, from 7 to 6, representing a 14.3% decrease but we must be cautious due to the very low total number of permits in question. Laredo decreased by 8.5%, down from 200 permits to 183 in November 1990. McAllen decreased by 2.7%, down from 110 permits in November 1989 to 107 in November 1990.

The comparison of number of permits does not always reflect the changes in the value of the permits issued. The total value of the building permits shows a similar decline as the number of building permits, down by 34.1% from \$35.8 million to \$23.6 million. Although Laredo had a decrease in the number of permits the total value of those permits increased by 21.2% from \$4.74 million to \$5.75 million. Other increases in permit values were shown in Brownsville with 70.2% and Del Rio with 49.4%. The reduction in permit values were in El Paso with 58.8%, McAllen with 6.4% and Eagle Pass had a slight decrease of 1.7%.

Power Connections

CITY	SEPT 90	OCT 90	NOV 90	NOV 89
BROWNSVILLE				
RESIDENTIAL	24,209	25,178	25,263	24,827
COMMERCIAL	4,128	4,114	4,140	4,057
DEL RIO				
RESIDENTIAL	11,701	11,728	11,823	11,723
COMMERCIAL	1,647	1,649	1,641	1,637
EAGLE PASS				
RESIDENTIAL	7,528	7,575	7,651	7,405
COMMERCIAL	1,158	1,159	1,162	1,155
EL PASO				
RESIDENTIAL	217,876	218,170	218,348	214,383
COMMERCIAL	22,201	22,172	22,190	21,823
LAREDO				
RESIDENTIAL	33,623	33,673	33,748	32,944
COMMERCIAL	5,309	5,310	5,310	5,159
McALLEN				
RESIDENTIAL	25,203	25,399	25,875	25,401
COMMERCIAL	4,165	4,178	4,186	4,155

Sources: Texas Center for Border Economic & Enterprise Dev., LSU
Respective Utility Companies

Building Permits

CITY	SEPT 1990	OCT 1990	NOV 1990	NOV 1989
BROWNSVILLE				
VALUE	\$2,665,353	\$3,449,876	\$2,809,790	\$1,650,916
NUMBER	109	131	143	68
DEL RIO				
VALUE	\$804,213	\$388,021	\$476,483	\$318,952
NUMBER	35	37	27	22
EAGLE PASS				
VALUE	\$236,413	\$229,213	\$122,843	\$124,933
NUMBER	5	10	6	7
EL PASO				
VALUE	\$28,029,319	\$28,995,123	\$9,998,859	\$24,246,234
NUMBER	687	867	535	893
LAREDO				
VALUE	\$5,099,110	\$7,113,315	\$5,753,580	\$4,745,692
NUMBER	165	206	183	200
McALLEN				
VALUE	\$3,947,699	\$11,370,637	\$4,468,762	\$4,776,749
NUMBER	90	117	107	110

Sources: Texas Center for Border Economic & Enterprise Dev., LSU
Respective City Authorities

Vehicle Bridge Crossings 1989-1990 Trend Analysis

In the January 1991 issue (Volume 15, No. 1), we presented a trend analysis of pedestrian bridge crossings. Following is a discussion of the vehicle bridge crossing trend analysis for 1989-1990.

The yearly total number of vehicles which crossed the bridges on the Texas-Mexico border (excluding El Paso as figures are not available) increased from 19,026,701 in 1989 to 19,844,599 in 1990. This represents an overall increase of 3.2%.

Laredo had the highest number of vehicle crossings totalling 6,463,319 in 1990 down from 6,746,039 in 1989. In terms of percent share 32.6% of all the vehicle traffic crossed Laredo bridges going to Mexico in 1990 down from 35.5% in 1989. Brownsville follows as the second most frequent place for vehicle crossings up from 3,913,400 in 1989 to 4,834,797 in 1990. This increase positions Brownsville in second place behind Laredo with 24.4% of the market share up from 20.6% in 1989 and surpassing McAllen which dropped to third place. McAllen increased its numbers only slightly from 4,705,884 to 4,740,213 but decreased its share from 24.7% to 23.9%.

Eagle Pass remained fourth with 2,465,410 down from 2,479,529 or a decrease from 13.0% to 12.4% of total vehicle crossings. Del Rio showed a slight improvement from 1,181,849 to 1,340,860 and increased its share from 6.2% to 6.8%.

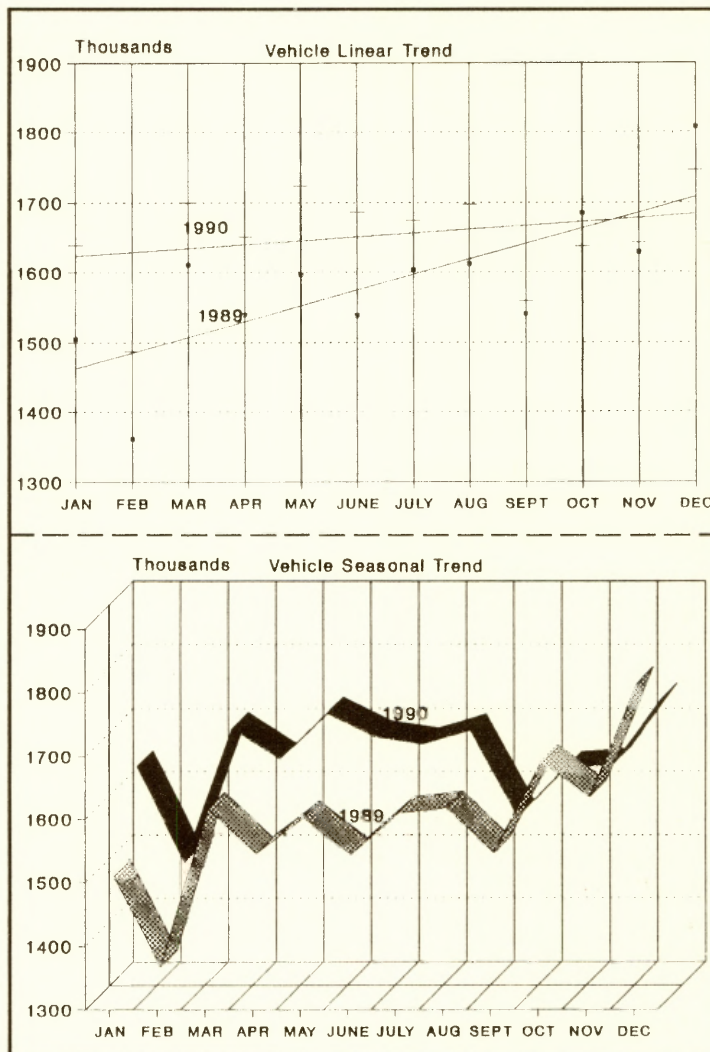
The linear graph regarding the trend of vehicle crossings showed strong tendencies to increase in 1989 based upon the fact that the total number of crossings in January 1989 was 1,504,851 and that this number increased in December 1989 to 1,807,312. This trend, if continued, would have indicated expected vehicle crossings in excess of 1.8 million per

month in 1990 with a possible growth to 1.9 million per month. In reality, 1990 started at a lower level of 1,639,390 and ended in December 1990 below the figures of 1989 with a total of 1,744,941.

The comparison between the trends shows that there was a stabilization in the trend of southbound vehicle crossings in 1990 and we cannot expect the same growth rates as in

1989. If the 1990 trend continues into 1991, we will have a stabilization at approximately 1.7 million vehicles per month crossing southbound for all the cities observed.

The graph shows that the seasonal trends of the total vehicle crossings in 1990 are almost identical to those of 1989. There was a significant drop in vehicle crossings in January and February in which the absolute lowest level was reached (1.36 million in 1989, 1.49 million in 1990). From March through August there was a stabilized level above that of January (approximately 1.6 million in 1989, 1.8 million in 1990). In September there was a significant drop in vehicle crossings (1.54 million in 1989, 1.56 million in 1990) followed by an upward trend toward the highest levels in December (1.81 million in 1989, 1.74 million in 1990).



In comparison to the pedestrian trend as published in January 1991, we did not see the downward trend that the pedestrian analysis of 1990 demonstrated. On the contrary, the 1990 vehicle trend shows an upward tendency. The similarity to the pedestrian trend is that the very promising 1989 figures were not repeated for both pedestrians and vehicles in 1990.

Note: All the statistics regarding this special topic were provided by the respective Bridge Authorities as reported to the TCBEED at LSU.

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CONFERENCE ON TRANSPORTATION ISSUES AND A NORTH AMERICAN FREE-TRADE AGREEMENT

April 19, 1991 - LAREDO, TEXAS

One of the main requests that was registered during the bi-national conference on free trade which took place last November in Laredo was that further conferences should be held to address the FTA effects on specific industries, one at a time.

The transportation industry was identified by the organizers, the Graduate School of International Trade and Business Administration, as one of the areas that may be most significantly effected by an eventual FTA.

The effects may be due to changes in the transportation regulations that would probably significantly alter the procedures of transporting goods between the negotiating countries.

Further effects would be mainly due to the expected increase in over \$100 billion in the bi-lateral trade between the U.S. and Mexico by the end of the century. The transportation industry will, therefore, have to accomodate this enormous increasing demand to physically move the goods to their destinations.

The upcoming conference will be solely dedicated to the FTA and its possible effects on the transportation industry and will offer a unique opportunity to interested parties and individuals to hear and be heard on this most important issue.

For further information concerning the conference, call Dr. Jim Giermanski, Director of The Office for the Study of the U.S.-Mexico Free Trade Agreement at (512) 722-8001 ext. 338 or call the BBI office.

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