EXAS AS A whole grew at a 3.3-percent annual rate in the first 11 months of 1998, but the growth was not evenly distributed throughout the state. Low commodity prices and inclement weather depressed growth in agriculture and energy, causing problems not only for Texas but also for Texas’ major trading partners—Mexico and Canada. While some regions of the state were largely insulated from these effects by low interest rates and the continued strength of the U.S. economy, other regions were fully exposed. As a general rule, agricultural areas, the oil patch and the border with Mexico grew more slowly than the rest of the state.

The major exception was El Paso, which grew more rapidly than the state average in 1998 (see chart below). El Paso added 8,500 jobs between December 1997 and November 1998 as strong job growth in services, government and transportation more than offset job losses in other industries. Maquiladora industries are a bright spot in the Mexican economy, and much of El Paso’s strength relative to other cities along the border with Mexico can be attributed to El Paso’s position as a service, supply and distribution center for the maquiladoras.

Primarily as a result of the solid employment growth, El Paso’s traditionally high unemployment rate fell in 1998 to its lowest average annual rate of the decade—10 percent. Despite the recent declines, however, the unemployment rate in El Paso remains more than double that of any other large Texas metropolitan area. Among Texas cities, only Brownsville and McAllen have higher unemployment rates than El Paso.

—Lori L. Taylor

### Further Information on the Data
