



Border Business Briefs

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The University of Texas-Pan American™

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Harlingen: 5.5% ▲

McAllen: 2.4% ▲

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Trucks: 3.9% ▲

Private Vehicles: 16.0% ▼

Pedestrians: 1.1% ▼

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Trucks: 1.9% ▲

Private Vehicles: 25.2% ▼

Pedestrians: 5.0% ▼

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Cameron County: 10.7% ▲

Hidalgo County: 19.2% ▲

Hotel Revenues (Q4 09-10) pg. 7

Cameron County: 1.0% ▼

Hidalgo County: 5.0% ▲

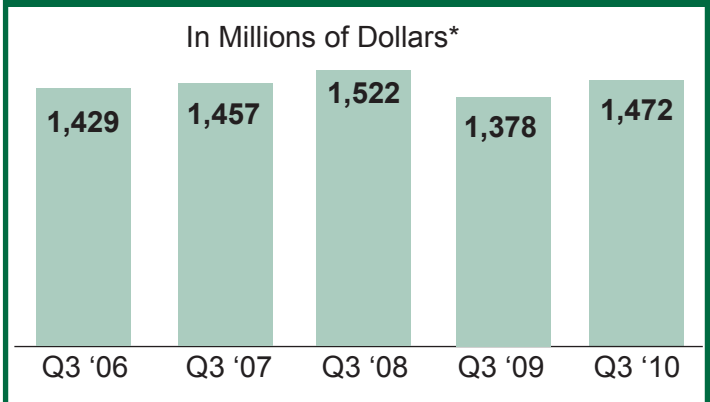
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GROSS SALES

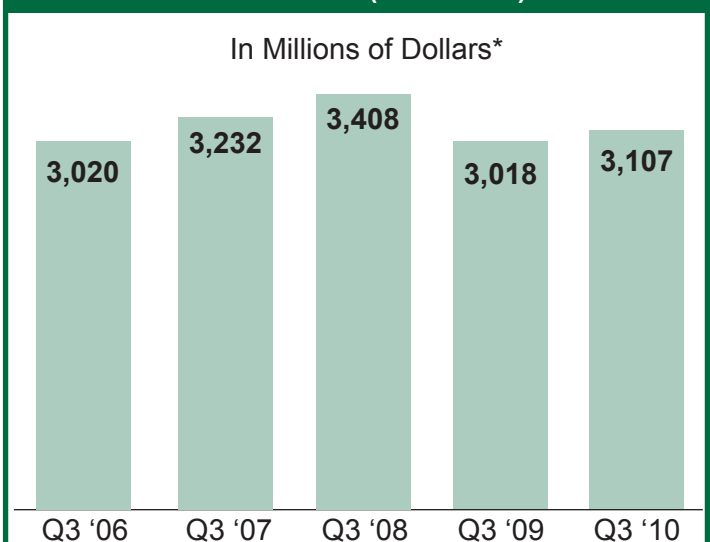
Overall, gross sales have increased between the third quarter of 2006 and the corresponding quarter of 2010. In both Cameron and Hidalgo Counties sales rose by three percent over that time period.

Relative to the third quarter of 2009, Cameron County's gross sales rose by seven percent in the third quarter of 2010. Hidalgo County's gross sales rose by three percent in the third quarter of 2010. Most sectors were affected by the declining economic activity. This decline in Cameron

Cameron County Gross Sales Third Quarter (2006-2010)



Hidalgo County Gross Sales First Quarter (2006-2010)



*Not adjusted for inflation

Source: Texas Comptroller of Public Accounts

County was fueled by the other services category particularly management of companies and enterprises, real estate and healthcare and social assistance. In Hidalgo County the decline was seen in construction, and the wholesale trade.

Trade continues to dominate the economy of both counties, with retail and wholesale trade accounting for sixty-six and sixty-nine percent of gross sales in Cameron and

Hidalgo Counties respectively.

Changes in sales tax revenues were consistent across the Valley cities in the fourth quarter of 2010 relative to the same period in 2009. The cities of Brownsville, Harlingen and McAllen posted sales tax revenue increases of three, two and three percent respectively.

Gross Sales by County and Industry			
In Millions of Dollars			
Cameron County			
	Q3 '10	Q3 '09	Change
Construction	75	64	18%
Manufacturing	145	121	19%
Wholesale Trade	151	118	28%
Retail Trade	820	772	6%
Accom./Food Serv.	111	107	4%
Other Services*	124	150	-17%
Other**	45	46	-3%
All Industries***	1,472	1,378	7%
Hidalgo County			
	Q3 '10	Q3 '09	Change
Construction	110	122	-10%
Manufacturing	264	267	-1%
Wholesale Trade	369	412	-10%
Retail Trade	1,787	1,673	7%
Accom./Food Serv.	200	181	11%
Other Services*	277	260	6%
Other**	100	102	-2%
All Industries***	3,107	3,018	3%

* The "Other Services" category includes the following sectors, each of which accounts for less than two percent of gross sales: Information; Finance and insurance; Real estate; Professional, scientific and technical services; Management of companies and enterprises; Administrative, support, waste, management and remediation services; Educational services; Health care and social assistance; Arts, entertainment and recreation services; among others.

** The "Other" category includes the following sectors, each of which accounts for less than two percent of gross sales: Agriculture; Mining; Utilities; Transportation and warehousing; and Public administration.

*** Totals may not add up due to rounding and disclosure issues.

Source: Texas Comptroller of Public Accounts

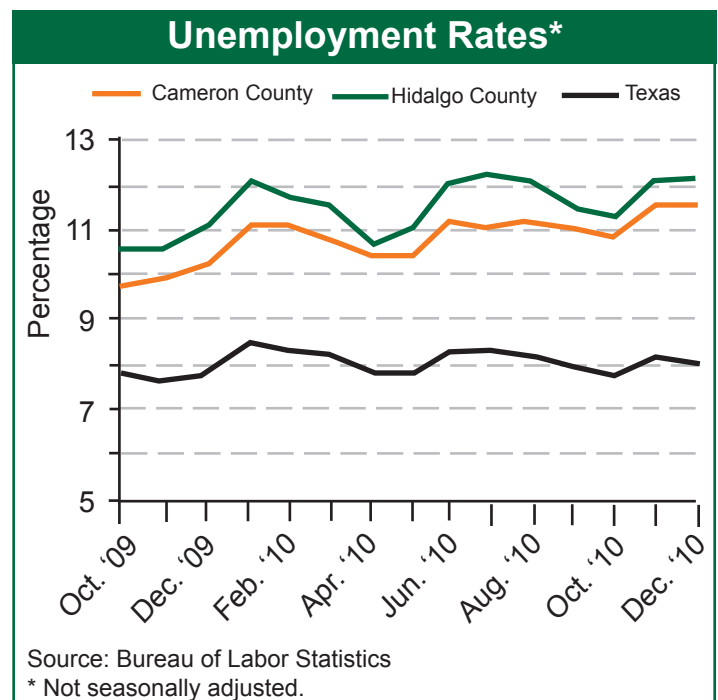
Sales Tax Revenues*			
In Thousands of Dollars			
	Q4 '10	Q4 '09	Change
Brownsville	\$7,321	\$7,094	3.2%
Harlingen	\$4,454	\$4,341	2.6%
McAllen	\$12,677	\$12,243	3.5%

*Sales tax revenues reflect the total dollars returned to a local sales taxing city by the Comptroller's office for their local sales tax collection. City tax for the three above cities amount to two percent of sales. Allocation amounts generally represent taxes collected on sales made two months or more prior to the allocation payment.

Source: Texas Comptroller of Public Accounts

EMPLOYMENT

In December 2010, total employment stood at 140,620 for Cameron County and at 273,741 for Hidalgo County. This represented a 1.5 and 1.7 percent increase from December 2009 employment figures for Cameron and Hidalgo Counties respectively. Although these results were marginal, they were consistent with that for the state overall. For the entire state, net job growth was 1.2 percent.

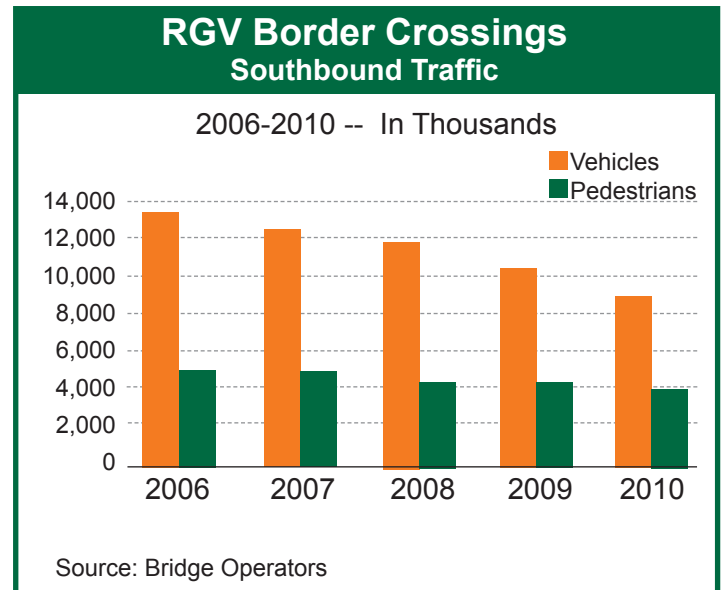
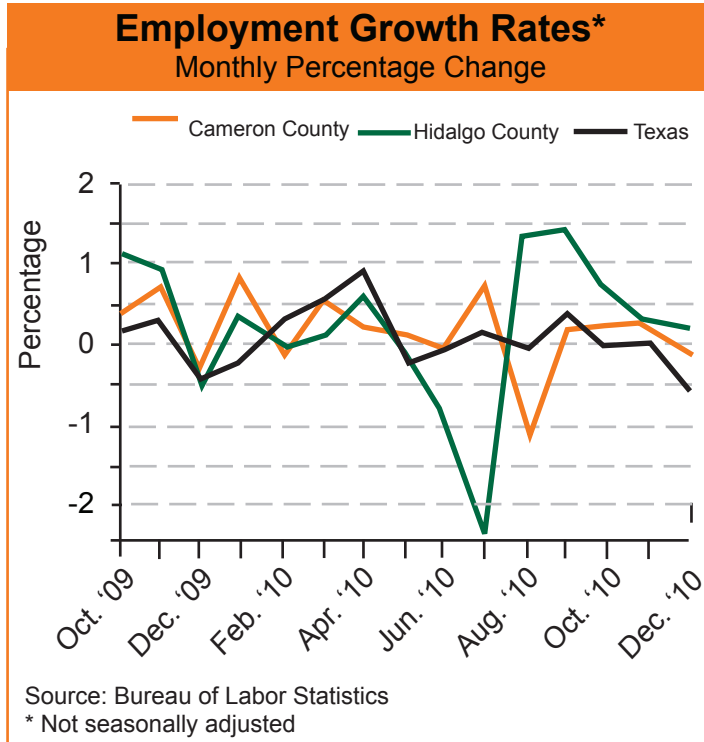


By the end of the fourth quarter of 2010, the unemployment rate was 11.7 and 12.2 percent for Cameron and Hidalgo counties, respectively, compared to rates of 10.4 and 11.3 percent in December 2009. Although both counties recorded similar employment rates as Texas, both counties continue to record higher unemployment levels than that for the state and the country as a whole. The Texas unemployment rate was 8.0 percent while the average for the country was 9.1 percent in December 2010 compared to 11.7 percent and 12.2 percent for Cameron and Hidalgo Counties respectively.

BORDER CROSSINGS

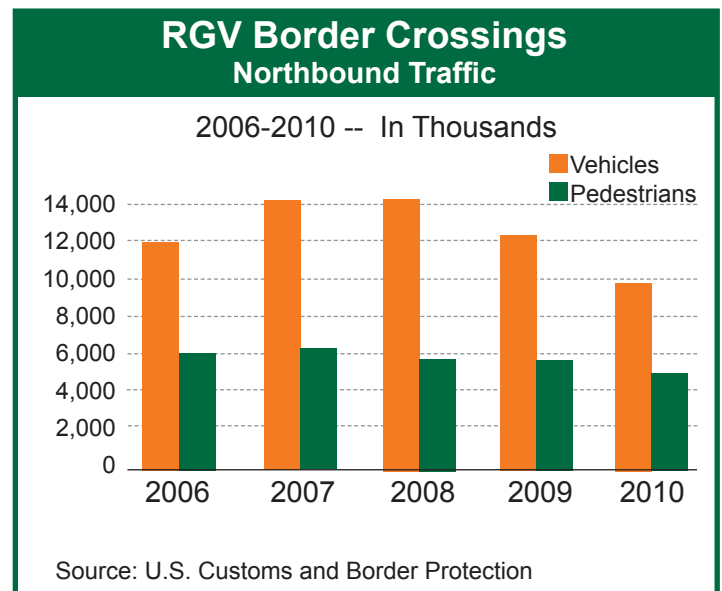
North and south-bound border crossings in the Rio Grande Valley recorded significant declines for both pedestrian and vehicular traffic between 2006 and 2010. Overall, the decline in southbound crossings was 20% and 33% for pedestrian and vehicular traffic respectively. For northbound crossings, the decline was 17% for both pedestrian and vehicular traffic.

A breakdown by county indicates that the slowdown affected both counties significantly. Northbound crossings



Employment

	Dec. '10	Dec. '09	Change
Cameron County	140,620	138,590	1.5%
Hidalgo County	273,741	269,049	1.7%
Texas	11,141,903	11,006,179	1.2%



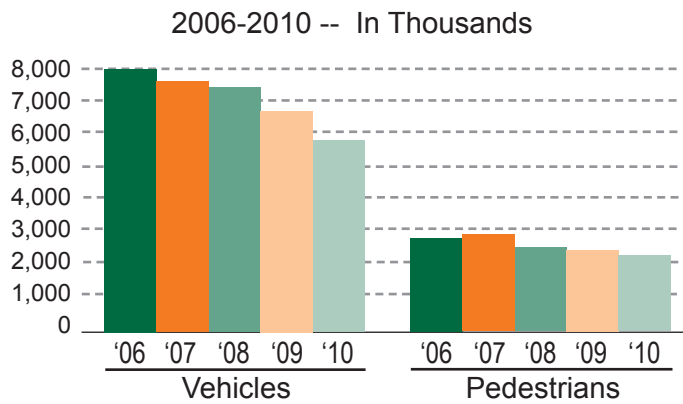
Unemployment Rates (%)

	Dec. '10	Dec. '09	Change
Cameron County	11.7	10.4	12.5%
Hidalgo County	12.2	11.3	8.0%
Texas	8.0	7.9	1.3%
U.S.	9.1	9.7	-6.2%

Source: Bureau of Labor Statistics

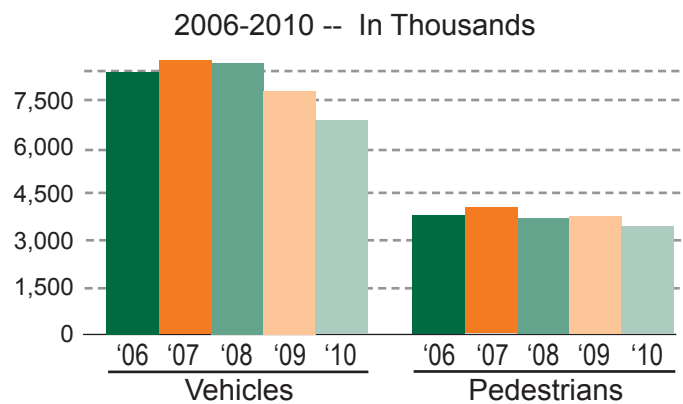
The next issue of *Border Business Briefs* will feature the Master of Education in Guidance and Counseling Program at the University of Texas-Pan American.

Hidalgo County* Border Crossings Southbound



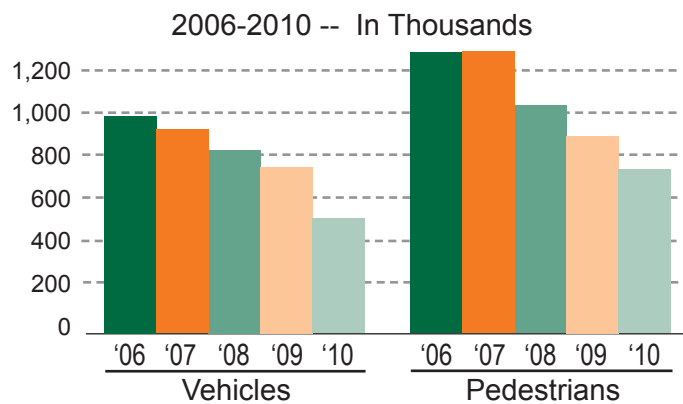
Source: Bridge Operators
*Includes Pharr, Hidalgo, Progreso and Anzalduas Bridges

Hidalgo County* Border Crossings Northbound



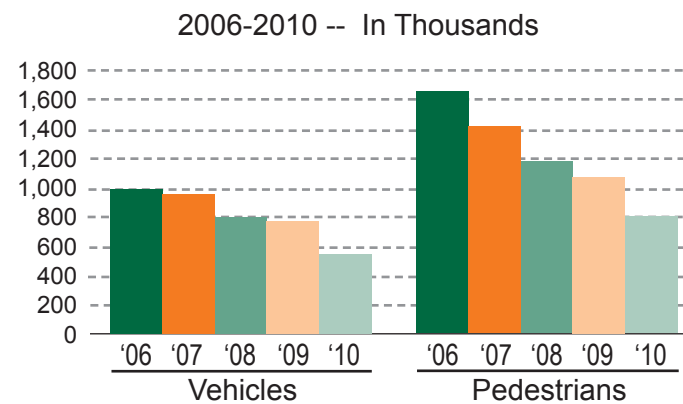
Source: U.S. Customs and Border Protection
*Includes Pharr, Hidalgo, Progreso and Anzalduas Bridges

Progreso* Bridge Border Crossings Southbound



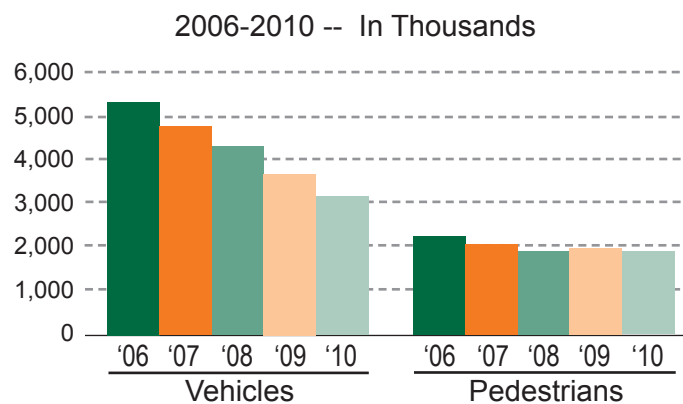
Source: Bridge Operators

Progreso* Bridge Border Crossings Northbound



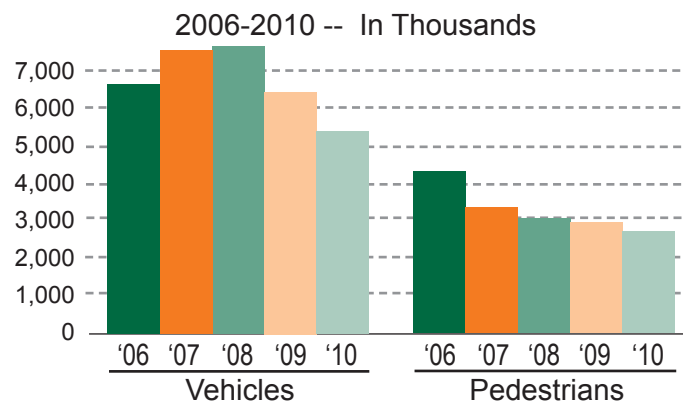
Source: U.S. Customs and Border Protection

Cameron County* Border Crossings Southbound



Source: Bridge Operators
*Includes Los Indios, Veterans and Gateway Bridges

Cameron County* Border Crossings Northbound



Source: U.S. Customs and Border Protection
*Includes Los Indios, Veterans and Gateway Bridges

in Hidalgo were down by 9% and 18% for pedestrian and vehicular traffic respectively and Cameron county northbound crossings declined by 36% and 18% respectively for pedestrian and vehicular traffic. Southbound crossings also had large declines in both counties; 18% and 27% for pedestrian and vehicular traffic in Hidalgo County and 15% and 40% respectively for Cameron County.

Increased violence in Mexico coupled with repeated US-government warnings against visits to Mexico in recent years have been advanced as reasons for the significant reduction in border crossings.

The Rio Grande Valley is home to many seasonal visitors who spend the winter months here because of the moderate temperatures. Many of these visitors use the Progreso crossing to visit Mexico for shopping, medical supplies, and entertainment resulting in that crossing recording disproportionately high incidences of pedestrian traffic. However, despite the fact that there has been no reduction in seasonal visitors to the Rio Grande Valley, the Progreso crossing also recorded significant declines in both northbound and southbound crossings. Southbound pedestrian traffic declined by 41% while northbound pedestrian traffic declined by 51%.

BUILDING PERMITS

Residential construction activity in the Lower Rio Grande Valley had mixed results in the fourth quarter of 2010 when compared to the same period in 2009. In Cameron County the number of permits issued decreased by 9.4 percent and increased by 15.1 percent in Hidalgo County. The dollar value of authorized housing units decreased by 2.7 percent in Cameron county but increased by 49.7 percent in Hi-

dalgo county in the fourth quarter of 2010, compared to the same period in 2009. The housing affordability index for several MLS areas in the two-county area indicates that housing in the area continues to be relatively affordable, especially when viewed against the fact that average income in the area lags both that for Texas and the U.S. as a whole. Home sales reported declines of 17.0, 16.7 and 10.4 percent in the Brownsville, Harlingen and McAllen MSA's.

New Privately Owned Housing Units Authorized by County

County	Number of Units		Change
	Q4 '10	Q4 '09	
Cameron	212	234	-9.4%
Hidalgo	672	584	15.1%
	YTD '10*	YTD '09*	
Cameron	959	949	1.1%
Hidalgo	2,893	2,919	-0.9%

County	Valuation (in thousands of dollars)		Change
	Q4 '10	Q4 '09	
Cameron	\$23,573	\$24,238	-2.7%
Hidalgo	\$92,244	\$61,608	49.7%
	YTD '10*	YTD '09*	
Cameron	\$97,881	\$93,329	4.9%
Hidalgo	\$382,782	\$345,704	10.7%

Source: U.S. Census Bureau, Construction Statistics

* Year-to-date data include any late reports or corrections from prior months. Summing the published monthly data will not generate the same estimate that is published for year-to-date.

Housing Affordability (Q4 '10)

MLS Area	HAI*
Brownsville	2.16
Harlingen	2.50
McAllen	2.01
Texas	2.42
USA	2.29

*The Housing Affordability Index is the ratio of median family income to the income required to qualify for an 80 percent, fixed rate mortgage to purchase the median-priced home. The higher the ratio, the more affordable housing is. The MLS Area represents the local Realtors® association's geographical coverage area.

Source: Real Estate Center at Texas A&M University

Home Sales

MLS Area	Number of Units		Change
	Q4 '10	Q4 '09	
Brownsville	151	182	-17.0%
Harlingen	200	240	-16.7%
McAllen	440	491	-10.4%

MLS Area	Dollar Volume (in thousands of dollars)		Change
	Q4 '10	Q4 '09	
Brownsville	\$18,657	\$20,932	-10.9%
Harlingen	\$21,498	\$25,971	-17.2%
McAllen	\$55,574	\$60,699	-8.4%

Source: Real Estate Center at Texas A&M University

TRANSPORTATION

Airports – Passenger Statistics*

	Q4 '10	Q4 '09	Change
Brownsville	41,941	43,140	-2.8%
Harlingen	180,457	171,020	5.5%
McAllen	181,817	177,509	2.4%
Laredo	54,705	52,429	4.3%
El Paso	763,980	776,630	-1.6%

*Passenger statistics includes both enplaned and deplaned values.
Source: Respective Airports

Land Ports of Entry – Border Crossings

Southbound Traffic

	Q4 '10	Q4 '09	Change
Trucks			
Rio Grande Valley*	161,257	155,176	3.9%
El Paso**	77,311	73,854	4.7%
Laredo	418,398	377,001	11.0%
Rail			
Rio Grande Valley*	12,907	10,096	27.8%
El Paso	-	-	
Laredo	61,049	53,456	14.2%
Vehicles			
Rio Grande Valley*	2,224,345	2,678,162	-16.9%
El Paso**	951,387	821,403	15.8%
Laredo	1,172,573	1,335,484	-12.2%
Pedestrians			
Rio Grande Valley*	1,103,060	1,115,869	-1.1%
El Paso**	1,212,003	1,416,776	-14.5%
Laredo	886,390	1,086,228	-18.4%

Northbound Traffic

	Q4 '10	Q4 '09	Change
Trucks			
Rio Grande Valley*	167,542	164,410	1.9%
El Paso	173,411	167,627	3.5%
Laredo	405,835	370,329	9.6%
Rail			
Rio Grande Valley*	2,384	1,218	95.7%
El Paso	8,601	9,932	-13.4%
Laredo	46,532	36,072	29.0%
Vehicles			
Rio Grande Valley*	2,424,569	3,242,930	-25.2%
El Paso	2,470,477	2,497,991	-1.1%
Laredo	1,251,755	1,391,818	-10.1%
Pedestrians			
Rio Grande Valley*	1,402,622	1,476,596	-5.0%
El Paso	1,699,131	1,817,060	-6.5%
Laredo	859,017	1,116,612	-23.1%

*Rio Grande Valley includes land ports of entry in Cameron and Hidalgo counties.

**El Paso has four international bridges. However, southbound data is collected for only two bridges since *Paso del Norte* is strictly northbound and Bridge of the Americas is a toll-free bridge. Thus, no official count for southbound traffic is available for Bridge of the Americas.

Source: U.S. Customs and Border Protection for northbound traffic; bridge operators for southbound traffic

EXPORT/IMPORT ACTIVITY

Overall trade activity through the ports of Cameron and Hidalgo counties increased by 16.1 percent in the fourth quarter of 2010 relative to the same quarter in 2009. Exports to Mexico through the two counties' ports rose by 15.6 percent in contrast with the increase through all Texas

ports of 18.9 percent. Imports from Mexico increased by 16.5 percent through the two counties which mirrors the change at the state level. Overall, the ports of Cameron and Hidalgo counties account for 15.5 percent of Texas trade activity with Mexico.

Total U.S. Export Trade Activity Through Cameron and Hidalgo County Ports*

	In Millions of Dollars				
	Q4 '10	% of TX Export Trade Activity	Q4 '09	% of TX Export Trade Activity	Change
Brownsville	2,060	7.2%	1,862	7.8%	10.6%
Hidalgo	2,375	8.3%	1,969	8.2%	20.6%
Progreso	37	0.1%	37	0.2%	1.0%
Two County Total	4,472	15.7%	3,868	16.1%	15.6%
Texas Total	28,540		24,004		18.9%

Total U.S. Import Trade Activity Through Cameron and Hidalgo County Ports*

	In Millions of Dollars				
	Q4 '10	% of TX Import Trade Activity	Q4 '09	% of TX Import Trade Activity	Change
Brownsville	1,390	3.9%	1,256	4.2%	10.7%
Hidalgo	3,994	11.3%	3,373	11.3%	18.4%
Progreso	36	0.1%	26	0.1%	42.8%
Two County Total	5,421	15.3%	4,654	15.5%	16.5%
Texas Total	35,332		29,932		18.0%

*Total export (import) trade activity through the Texas-Mexico border has two components: exports to (imports from) Mexico and exports whose final destination (country of origin) is a country other than Mexico (transshipment). The total export (import) trade activity figure, however, can be used interchangeably with exports to (imports from) Mexico, since the latter figure constitutes more than 95 percent of the total.

**Totals may not add up due to rounding.

Source: Texas Centers for Border Economic and Enterprise Development, Texas A&M International University, The University of Texas-Pan American and The University of Texas-EI Paso

Hotels

	Cameron County			Hidalgo County		
	Q4 '10	Q4 '09	Change	Q4 '10	Q4 '09	Change
Revenues (\$000)	\$15,166	\$15,324	-1.0%	\$25,759	\$24,544	5.0%
Room nights available (000)	675.1	658.7	2.5%	650.6	653.4	-0.4%
Occupancy Rate (%)	32.1	32.0	0.3%	52.7	50.1	5.3%

Source: Texas Tourism



Border Business Briefs

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The Master of Accountancy (MACC) program at the University of Texas-Pan American is designed to serve two groups: accounting professionals seeking to further their accounting qualifications and other professionals without an accounting background looking to change careers. The program is also designed to help aspiring CPA's meet the education requirements set by the Texas State Board of Public Accountancy.

UTPA student teams have successfully competed in national competitions against top schools across the country. Recent accomplishments include winning the KPMG & ALPFA National Accounting Case Study competition in 2004, 2005, and 2008 and placing second in 2009. Graduates have gone on to accept positions with big-four accounting firms, fortune 500 companies, government organizations (GAO, IRS, FDIC), and local/regional CPA firms. Classes are offered at the Edinburg campus and the University Center in Harlingen. For additional information please contact Dr. Randall Young at: YoungRF@utpa.edu

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