



Border Business Briefs

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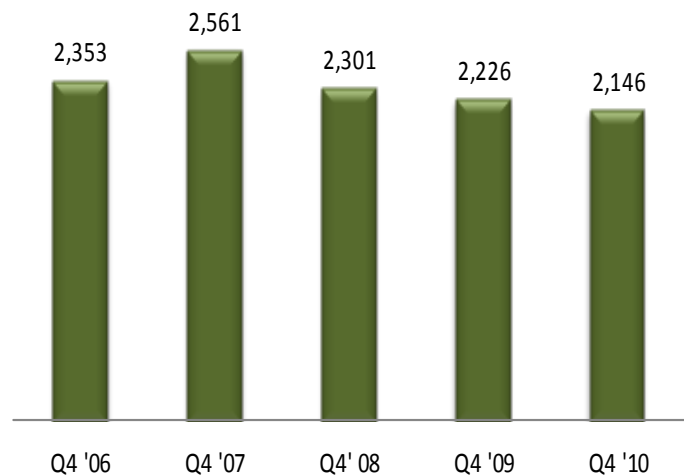
GROSS SALES

Overall, gross sales have been mixed between the fourth quarter of 2006 and the corresponding quarter of 2010. In Cameron county sales declined by nine percent over that time period, while Hidalgo County's sales showed no change over that time period.

Relative to the fourth quarter of 2009, both Cameron and

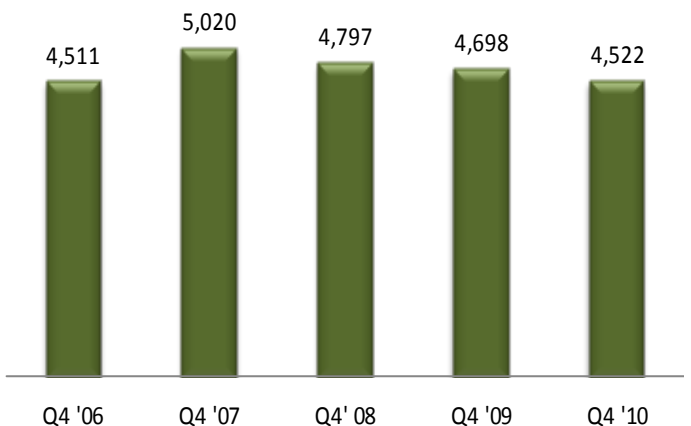
Cameron County Gross Sales

Fourth Quarter (2006-2010)



Hidalgo County Gross Sales

Fourth Quarter (2006-2010)



*Not adjusted for inflation

Source: Texas Comptroller of Public Accounts

Hidalgo County's gross sales declined by four percent in the fourth quarter of 2010. Most sectors were affected by the declining economic activity. This decline in Cameron County was fueled by the construction and manufacturing sectors. In Hidalgo County the decline was seen in construction, manufacturing and the retail 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 mixed across the Valley cities in the first quarter of 2011 relative to the same period in 2010. The cities of Brownsville and Harlingen posted increases of almost five and two percent respectively, while McAllen had a decline of two percent in their sales tax revenues.

Gross Sales by County and Industry

In Millions of Dollars

Cameron County			
	Q4 '10	Q4 '09	Change
Construction	85	101	-16%
Manufacturing	224	417	-46%
Wholesale Trade	482	364	32%
Retail Trade	1,011	998	1%
Accom./Food Services	108	96	12%
Other Services*	185	200	-7%
Other**	51	50	4%
All Industries***	2,146	2,226	-4%
Hidalgo County			
	Q4 '10	Q4 '09	Change
Construction	208	228	-8%
Manufacturing	487	591	-17%
Wholesale Trade	747	687	9%
Retail Trade	2,361	2,523	-6%
Accom./Food Services	216	198	9%
Other Services*	366	357	3%
Other**	136	116	17%
All Industries***	4,522	4,698	-4%

* 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; Healthcare 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

	Q1 '11	Q1 '10	Change
Brownsville	\$8,403	\$8,023	4.7%
Harlingen	\$4,783	\$4,695	1.9%
McAllen	\$15,277	\$15,608	-2.1%

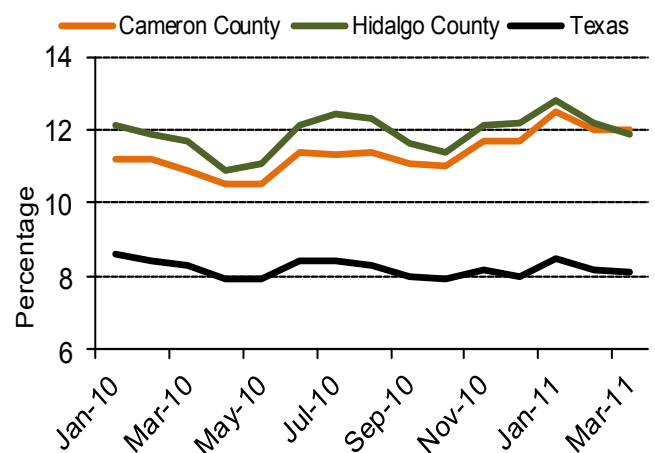
*Sales tax revenues reflect the total dollars returned to a local sales taxing city by the Comptroller's office for their local sales tax collection. City tax for the three above cities amount to two percent of sales. Allocation amounts generally represent taxes collected on sales made two months or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

Source: Texas Comptroller of Public Accounts

EMPLOYMENT

In March 2011, total employment stood at 138,841 for Cameron County and at 275,356 for Hidalgo County. This represented a 1.0 percent decrease and a 1.9 percent increase from March 2010 employment figures for Cameron and Hidalgo Counties respectively. Although these results

Unemployment Rates



Source: Bureau of Labor Statistics

* Not seasonally adjusted.

were marginal, they were consistent with that for the state overall. For the entire state, net job growth was 1.4 percent.

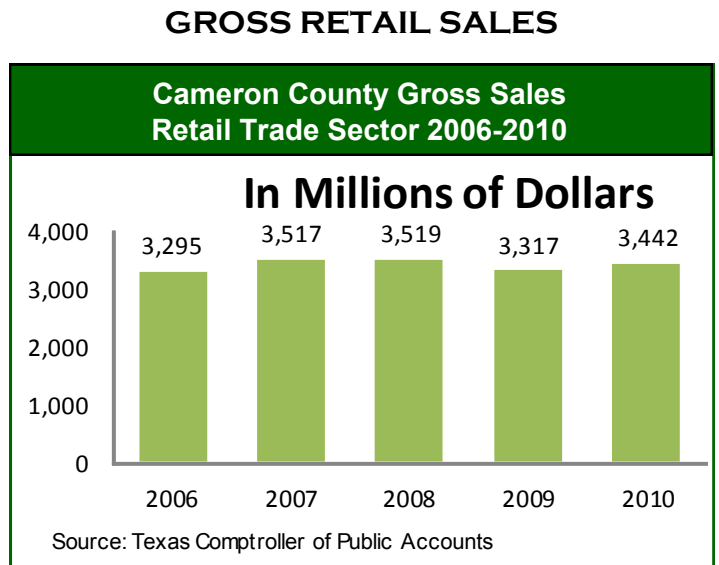
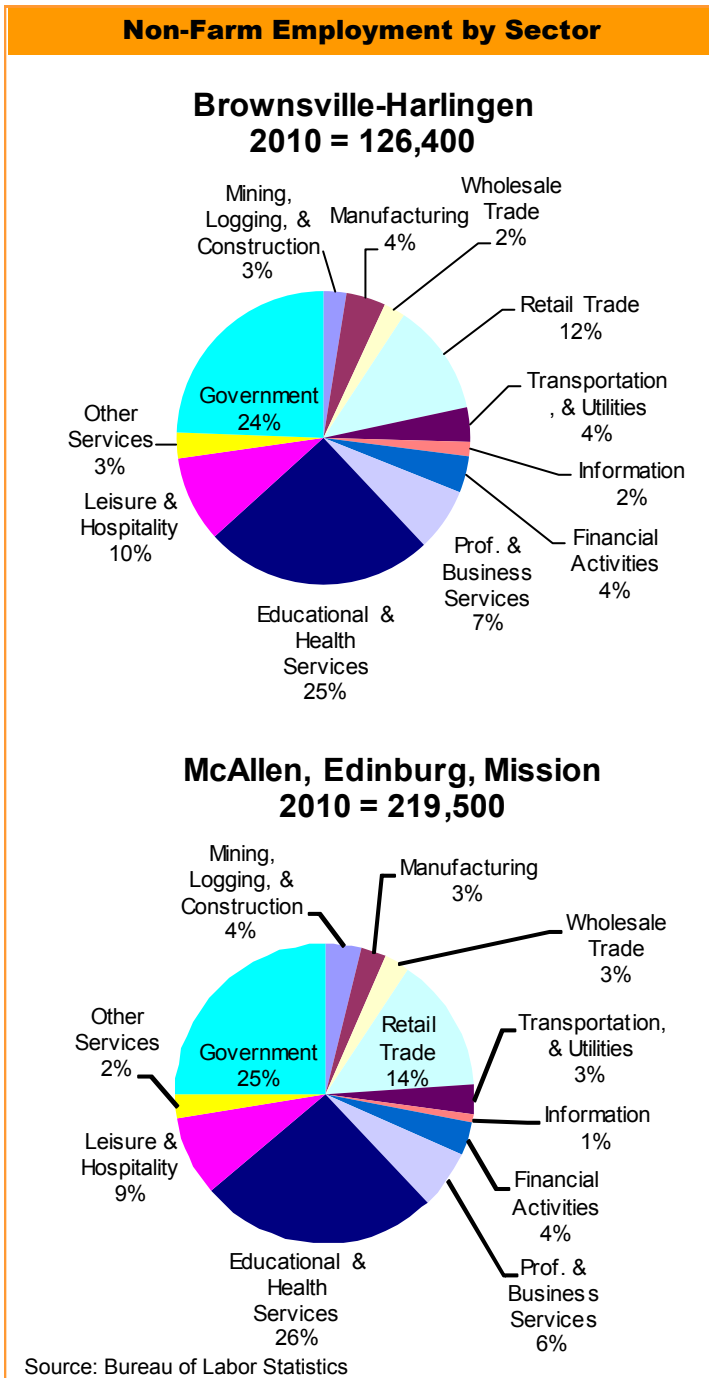
By the end of the first quarter of 2011, the unemployment rate was 12.0 and 11.9 percent for Cameron and Hidalgo counties, respectively, compared to rates of 10.9 and 11.7 percent in March 2010. Although both counties recorded similar employment rates as Texas, both counties continue to record higher unemployment levels than that for the state and the country as a whole. The Texas unemploy-

ment rate was 8.1 percent while the average for the country was 9.2 percent in March 2011 compared to 12.0 percent and 11.9 percent for Cameron and Hidalgo Counties respectively.

Employment			
	Mar. '11	Mar. '10	Change
Cameron County	138,841	140,187	-1.0%
Hidalgo County	275,356	270,140	1.9%
Texas	11,231,253	11,076,701	1.4%

Unemployment Rates (%)			
	Mar. '11	Mar. '10	Change
Cameron County	12.0	10.9	10.1%
Hidalgo County	11.9	11.7	1.7%
Texas	8.1	8.3	-2.4%
U.S.	9.2	10.2	-9.8%

Source: Bureau of Labor Statistics



Retail Trade Sector Gross Sales*
Q4 '10
Brownsville - Harlingen MSA

Industry	Q4 '10	Q4 '09	Percent Change
Motor Vehicles	179,009	171,330	4.5%
Home Furnishings	18,768	20,037	-6.3%
Electronics/Appliance	35,057	32,748	7.0%
Building Materials	63,164	55,810	13.2%
Food & Beverage	178,418	184,489	-3.3%
Health & Personal	79,671	75,840	5.1%
Gasoline Stations	77,315	75,664	2.2%
Clothing Stores	51,171	51,185	0.0%
Sport/Hobby/Books	26,395	29,250	-9.8%
General Merchandise	251,399	251,800	-0.2%
Misc. Stores	40,166	41,781	-3.9%
Nonstore, Other	10,345	8,359	23.8%
TOTAL RETAIL TRADE	1,010,877	998,295	1.3%

McAllen - Edinburg - Mission MSA

Industry	Q4 '10	Q4 '09	Percent Change
Motor Vehicles	415,308	451,979	-8.1%
Home Furnishings	46,808	45,719	2.4%
Electronics/Appliance	91,231	93,825	-2.8%
Building Materials	144,578	137,841	4.9%
Food & Beverage	345,619	351,892	-1.8%
Health & Personal	212,028	285,957	-25.9%
Gasoline Stations	202,598	184,436	9.8%
Clothing Stores	222,010	240,842	-7.8%
Sport/Hobby/Books	60,732	64,593	-6.0%
General Merchandise	485,974	502,392	-3.3%
Misc. Stores	122,976	145,001	-15.2%
Nonstore, Other	108,320	18,428	-41.2%
TOTAL RETAIL TRADE	2,360,694	2,522,904	-6.4%

Source: Texas Comptroller of Public Accounts

*In Thousands of Dollars

Retail Trade Sector Outlets*
Q4 '10
Brownsville - Harlingen MSA

Industry	Outlets 2010 4th Qtr	Outlets 2009 4th Qtr	Percent Change
Motor Vehicles	423	498	-15.1%
Home Furnishings	137	154	-11.0%
Electronics/Appliance	147	154	-4.5%
Building Materials	167	164	1.8%
Food & Beverage	279	305	-8.5%
Health & Personal	160	181	-11.6%
Gasoline Stations	275	283	-2.8%
Clothing Stores	517	532	-2.8%
Sport/Hobby/Books	305	304	0.3%
General Merchandise	589	554	6.3%
Misc. Stores	1,104	1,142	-3.3%
Nonstore, Other	198	172	15.1%
TOTAL RETAIL TRADE	4,301	4,443	-3.2%

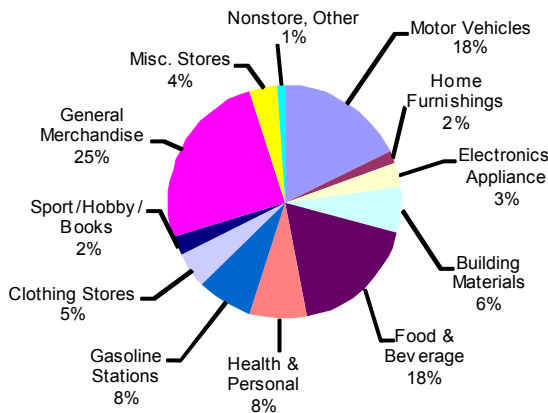
McAllen - Edinburg - Mission MSA

Industry	Outlets 2010 4th Qtr	Outlets 2009 4th Qtr	Percent Change
Motor Vehicles	860	946	-9.1%
Home Furnishings	188	204	-7.8%
Electronics/Appliance	293	306	-4.2%
Building Materials	358	393	-8.9%
Food & Beverage	527	543	-2.9%
Health & Personal	338	408	-17.2%
Gasoline Stations	469	497	-5.6%
Clothing Stores	1,050	1,131	-7.2%
Sport/Hobby/Books	358	406	-11.8%
General Merchandise	958	1,052	-8.9%
Misc. Stores	1,646	1,906	-13.6%
Nonstore, Other	293	298	-1.7%
TOTAL RETAIL TRADE	7,338	8,090	-9.3%

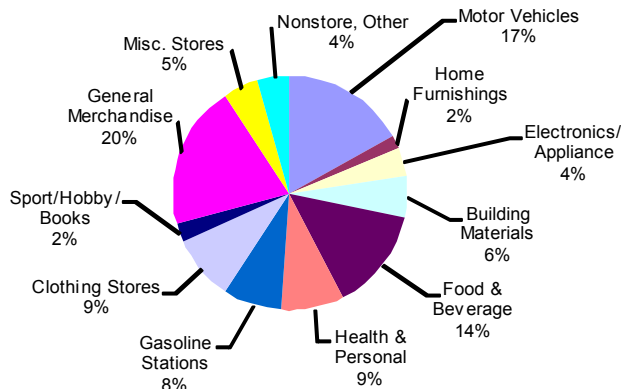
Source: Texas Comptroller of Public Accounts

*In Thousands of Dollars

Brownsville - Harlingen MSA



McAllen - Edinburg - Mission MSA



Source: Texas Comptroller of Public Accounts

BUILDING PERMITS

Residential construction activity in the Lower Rio Grande Valley had mixed results in the first quarter of 2011 when compared to the same period in 2010. In Cameron County, the number of permits issued decreased by 9.8 percent and increased by 5.6 percent in Hidalgo County. Over the same period the dollar

Housing Affordability (Q1 '11)

MLS Area	HAI*
Brownsville	2.36
Harlingen	2.58
McAllen	1.93
Texas	3.72
USA	2.33

*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 reporting Realtors® association's geographical coverage area.

Source: Real Estate Center at Texas A&M University

value of authorized housing units decreased by 7.1 percent in Cameron County but increased by 6.7 percent in Hidalgo County. The housing affordability index for several MLS areas in the two-county area indicates that housing in the area continues to be relatively affordable. Home sales reported declines of 22.9, 8.0 and 22.4 percent in the Brownsville, Harlingen, and McAllen MSA's respectively.

New Privately Owned Housing Units Authorized by County

County	Number of Units		Change
	Q1 '11	Q1 '10	
Cameron	221	245	-9.8%
Hidalgo	809	766	5.6%
	YTD '11*	YTD '10*	
Cameron	221	245	-9.8%
Hidalgo	809	766	5.6%
County	Valuation (in thousands of dollars)		Change
	Q1 '11	Q1 '10	
Cameron	\$22,148	\$23,837	-7.1%
Hidalgo	\$107,404	\$100,617	6.7%
	YTD '11*	YTD '10*	
Cameron	\$22,148	\$23,837	-7.1%
Hidalgo	\$107,404	\$100,617	6.7%

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.

Home Sales

MLS Area	Sales		Change
	Q1 '11	Q1 '10	
Brownsville	162	210	-22.9%
Harlingen	206	224	-8.0%
McAllen	418	539	-22.4%
MLS Area	Dollar Volume (In Thousands of Dollars)		Change
	Q1 '11	Q1 '10	
Brownsville	\$19,013	\$20,585	-7.6%
Harlingen	\$21,739	\$22,171	-1.9%
McAllen	\$50,232	\$61,229	-18.0%

Source: Real Estate Center at Texas A&M University

Airports - Passenger Statistics*

	Q1 '11	Q1 '10	Change
Brownsville	41,987	42,838	-2.0%
Harlingen	178,420	186,122	-4.1%
McAllen	161,929	166,056	-2.5%
Laredo	45,440	50,968	-10.8%
El Paso	653,757	677,544	-3.5%

* Passenger Statistics includes both enplaned and deplaned values.

Source: Respective Airports

Land Ports of Entry - Border Crossings

	Southbound Traffic			Northbound Traffic			
	Q1 '11	Q1 '10	Change	Q1 '11	Q1 '10	Change	
Trucks							
Rio Grande Valley*	172,821	168,635	2.5%	Rio Grande Valley*	179,941	177,296	1.5%
El Paso**	79,896	76,201	4.8%	El Paso	174,985	173,447	0.9%
Laredo	426,457	379,955	12.2%	Laredo	417,162	377,006	10.7%
Rail							
Rio Grande Valley*	13,516	10,513	28.6%	Rio Grande Valley*	4,985	1,677	197.3%
El Paso	-	-		El Paso	6,382	7,354	-13.2%
Laredo	58,137	58,572	-0.7%	Laredo	44,040	40,729	8.1%
Vehicles							
Rio Grande Valley*	2,006,974	2,395,850	-16.2%	Rio Grande Valley*	2,414,567	2,944,540	-18.0%
El Paso**	837,670	757,279	10.6%	El Paso	2,246,880	2,440,289	-7.9%
Laredo	1,053,684	1,127,297	-6.5%	Laredo	1,172,558	1,237,312	-5.2%
Pedestrians							
Rio Grande Valley*	1,069,645	1,167,598	-8.4%	Rio Grande Valley*	1,315,646	1,427,633	-7.8%
El Paso**	1,052,374	1,274,506	-17.4%	El Paso	1,488,600	1,742,689	-14.6%
Laredo	761,889	939,224	-18.9%	Laredo	777,191	959,010	-19.0%

*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 15.0 percent in the first quarter of 2011 relative to the same quarter in 2010. Exports to Mexico through the two counties' ports rose by 19.4 percent in contrast with the increase through all Texas

ports of 19.2 percent. Imports from Mexico increased by 11.7 percent through the two counties which mirrors the change at the state level. Overall, the ports of Cameron and Hidalgo counties account for 15.6 percent of Texas trade activity with Mexico.

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

	in Millions of Dollars				
	Q1 '11	% of TX Export Trade Activity	Q1 '10	% of TX Export Trade Activity	Change
Brownsville	2,110	7.4%	1,753	7.3%	20.3%
Hidalgo	2,292	8.0%	1,930	8.0%	18.8%
Progreso	48	0.2%	44	0.2%	8.4%
Two County Total	4,451	15.5%	3,727	15.5%	19.4%
Texas Total	28,691		24,063		19.2%

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

	in Millions of Dollars				
	Q1 '11	% of TX Import Trade Activity	Q1 '10	% of TX Import Trade Activity	Change
Brownsville	1,624	4.5%	1,426	4.6%	13.9%
Hidalgo	4,037	11.1%	3,634	11.6%	11.1%
Progreso	38	0.1%	41	0.1%	-6.2%
Two County Total	5,700	15.6%	5,101	16.3%	11.7%
Texas Total	36,487		31,338		16.4%

*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-El Paso

Hotels

	Cameron County			Hidalgo County		
	Q1 '11	Q1 '10	Change	Q1 '11	Q1 '10	Change
Revenues (\$000)	\$26,403	\$25,917	1.9%	\$25,204	\$23,991	5.1%
Room nights available (000)	652.5	651.5	0.2%	627.3	621.8	0.9%
Occupancy Rate (%)	50.6	49.4	2.4%	55.8	54.5	2.4%

Source: sourcestrategies.org/texas



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