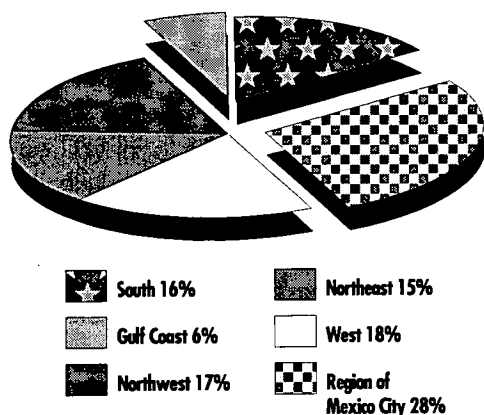


REGISTERED EMPLOYMENT BY REGION



Source: Grupo Financiero Bancomer, Economic Report, July 1996, p. 69.

EMPLOYMENT

Mexico's main industrial centre is in the Valley of Mexico, including the *Distrito Federal*, Federal District, and the State of Mexico. In May 1996, there were about 2.5 million registered private-sector employees in the region, about 28 percent of the nation's total. Western Mexico is the next-largest industrial region, with about 1.5 million workers; 18 percent of the total. These numbers refer only to the "formal" sector, which includes employees covered by the *Instituto Mexicano del Seguro Social (IMSS)*, Mexican Institute for Social Security.

In terms of formal employment, the western region has mostly recovered from the economic crisis. By May 1996, official regional employment had reached 1,531,464, which is 97.7 percent of the pre-crisis level. In Jalisco alone, almost 9,000 new jobs were created in May. This is about the same as the national average, but much better than the Mexico City region, which has traditionally been the nation's source of industrial strength. In the Federal District, employment in May 1996 was still only 91 percent of the pre-crisis level.

There are, however, still lingering effects from the crisis. While employment will soon reach pre-crisis levels, a large number of young workers have entered the labour force in the meantime. It has been estimated that in Guadalajara alone, more than 40,000 new jobs are needed annually. It is significant to recognize that the official employment statistics count a person who works 15 or more hours per week as employed and there has been an increase in underemployment.

The labour force is young and productive. Half the population is under 20 years old, while about 30 percent is between the ages of 20 and 30. Large employers in the region report labour turnover rates as low as 1 percent annually. In the Guadalajara region, many major multinational corporations are producing at world standards of both quality and productivity.

According to the 1990 statistics from *Instituto Nacional de Estadística, Geografía e Informática (INEGI)*, National Institute for Statistics, Geography and Informatics, almost half of Jalisco's economically active population was employed in the tertiary sector, about one-third in the secondary sector and the balance in the primary sector. Aguascalientes is also highly developed, but the other states in the region are more heavily dependent on their primary sectors.