2019 CEDS Update

The Mid-Region Council of Governments is in the midst of developing its next 5-year CEDS. During this large, community-driven planning process, the MRCOG has learned a lot about what economic development issues are rising, what's falling, and what is on the horizon as an opportunity to pounce on.

Because the 2020 CEDS will flesh out many of these strategic opportunities, this 2019 Annual Update will offer a snapshot of the current regional economy, and focus on a few of the emerging issues.

2019 Economic snapshot:

The economy in the MRCOG region is on an upward trajectory. Oil and Gas has buoyed the state's finances but in terms of job growth, health care continues to lead the growth with health care workers/home health aides, PTs, and other health services among the highest job growth rates.

In the metro area, computer and mathematical occupations show the next highest rate of growth. Even though the sector is smaller. Intel is finally hiring again as it ramps up its storage and memory unit, promising 300 new jobs this year.

Other sectors doing well include construction (driven by projects like Facebook's data center in Los Lunas, and new hospital expansions), professional, and food service.

One of the biggest and most visible concentration of new jobs is in the film industry. Netflix committed to bringing a content production studio to the area and to create 1,000 production jobs per year. NBCUniversal is locating downtown bringing another 330 jobs

The unemployment rate for the state was 5.1% in March 2019 (which is better than the same time last year (6%) but still 1.3% higher than the national rate). In the MSA it is 4.2% which is the lowest it's been in 6 months.

In the metro area, our unique-ness (by location quotient) is in Life, Physical, and Science Occupations but interestingly, we have the highest award gap for that area. Meaning, the field is growing here but we need more qualified workers.

Sandia National Labs plans to hire 1900 employees (1100 new hires), Northrop Grumman is expanding its footprint here by promising 150 new jobs, and Boeing's VC fund just invested in an ABQ drone company. All this signals an expansion in the defense and tech sectors.

Emerging Issues for the MRCOG Region and New Mexico:

Biosciences

A strong Research and Development capacity, a strong University Health Science center, and a licensing arm for technology transfer has helped the region develop a robust biosciences cluster. In broad terms biosciences relates to enhancing human health, maintaining the food supply, and safeguarding the environment.

An association of biosciences companies, NMBio, has formed to enhance the biosciences cluster. According to a report by leaders from the industry, biosciences already contributes to the state's economy with over 700 New Mexico companies affiliated with at least one segment of the field of

biosciences. Approximately 18,000 degrees are awarded each year in New Mexico in fields suited to the biosciences sector. And, five specialized centers and degree programs exist at New Mexico higher education institutions specific to biosciences.

The biotechnology/bioscience industry is made up of six disciplines including Research ad Bioinformatics; Testing and Medical Laboratories; Drugs and Pharmaceuticals; Agricultural Feedstock and Chemicals; Medical Devices and Equipment; Bioscience-Related Distribution (Growing the Future, Developing New Mexico's Bioscience Industry, 2016).

Aerospace/New Space

The global space market is growing by an unprecedented level primarily due to a change in the industry from being driven by government to new private sector involvement from companies like Space X, Blue Origin, and Virgin Galactic. These companies are driving innovation and new business opportunities in the industry through new ideas and new private investment. And while New Mexico has already had a foothold in the aerospace industry through work out of the Air Force Research Lab among other public research institutions, it now has an opportunity to advance satellite manufacturing, software components and other technology innovations from both the public and private sectors.

Over 200 space industry stakeholders came together recently to create an association, New Space New Mexico, to advance economic development in the Aerospace field. The association recently published a report documenting the opportunities in the industry—which includes furthering scientific research as well as developing, providing, and using space-related products such as, ground stations, launch vehicles, and satellites, navigation equipment, satellite phones, and meteorological services, among many other applications.

Currently there are over 60 companies doing business in New Mexico with a space-related mission. These include Descartes Labs, Solstar, and Virgin Galactic, among others. Other assets include Spaceport America, three Air Force organizations: The Air Force Research Lab (AFRL), Space and Missiles Center (SMC/AD), and Space Rapid Capabilities Office (Space RCO). Those three agencies alone combined have an annual budget of $900M. Other stakeholders and contributors include Sandia National Laboratories, Los Alamos National Lab, the research universities in New Mexico, White Sands Missile Range, NASA Johnson Space Center at White Sands, among others.

In April of 2018, local company Solstar sent the first tweet from outer space while aboard Blue Origin's New Shepard, establishing Wi-Fi capabilities in space.

E-Mobility

e-Mobility, encompasses all technologies, products, services and infrastructure that support and power all electric, hybrid and autonomous vehicles. The e-Mobility industry, driving the future of transportation, is focused on developing efficient and safe offerings that will meet regional emission standards and consumer total cost of ownership (TCO) demands. Services for e-Mobility industry, including testing and certification of electric vehicle (EV) infrastructure components and batteries.

Currently, there is not a national policy or economic development strategy for mobility/autonomous technology and transportation of both people and freight. New Mexico could find a competitive advantage with adoption of new policies and an economic development strategy addressing this issue.