

THE ECONOMY AT A GLANCE

HOUSTON



GREATER HOUSTON
PARTNERSHIP
Making Houston Greater.

A publication of the Greater Houston Partnership

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On May 1, the Greater Houston Partnership released its Global Houston '25 report. The full report can be found at the Partnership's [website](#). A summary of the document follows. Note: The newsletter includes updates to data not available at the time the original publication was sent to the printer.

GLOBAL HOUSTON

The global economy is expected to continue growing in '25. But recent changes to U.S. trade policy are likely to temper that growth, with the International Monetary Fund (IMF) revising its global growth forecast for '25 down to 2.8 percent in April from 3.3 percent in January. Parts of Houston's economy may be vulnerable to slowing global growth or increased trade tensions. But its relationships with other countries are deep and multi-faceted:

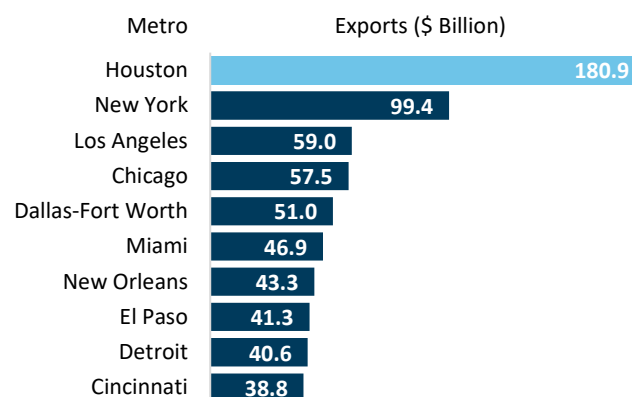
- Houston consistently exports more goods and commodities than any other U.S. metro.
- The Houston/Galveston Customs District routinely handles more foreign tonnage than any other U.S. customs district.
- Almost 1,000 foreign-owned firms operate over 1,800 offices, factories, warehouses, and service centers in Houston.
- Almost 150 Houston-based firms operate over 3,200 business establishments across 111 foreign countries.
- Over 1.8 million Houston residents, nearly one in every four, were born outside the U.S.
- Eighteen foreign banks, 41 foreign chambers of commerce and trade associations, and 11 trade and commercial offices promote trade and investment in the region.
- Eighty-six foreign governments have consulates or honorary consuls in Houston.

These ties have benefited the region's economy in years past and will continue to be important to its success in '25.

Metro Houston Exports

Houston led the nation in exports in '24, shipping \$180.9 billion in goods and commodities abroad. This is more than the combined value for New York and Los Angeles, the second and third highest exporting metros. Houston has ranked as the nation's top exporting metro in 12 out of the past 13 years. The exception was in '16, when OPEC flooded the market with crude and oil traded under \$50 per barrel most of the year. Those conditions limited exports of oil and oil field equipment from Houston.

TOP EXPORTING U.S. METROS '24



Source: U.S. Census Bureau Exports by Metropolitan Area

Houston's export value has increased by 3.1 percent since '23 and now totals \$51.3 billion – 39.6 percent higher than in '19, before the COVID-19 pandemic.

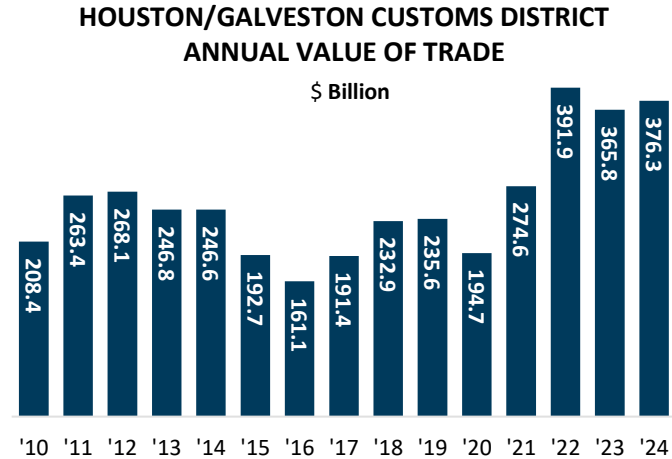
The metro data above comes from the U.S. Census Bureau's origin of movement (OM) series, which tracks goods based on the metro from which they began their export journey. For example, a medical device may be manufactured in Houston, then flown to New York where it's transferred via airplane to Europe. Though the export leaves the U.S. via New York, it began its journey in Houston. Census considers that as a Houston export.

The International Trade Administration (ITA) estimates that Texas exports supported over 1.2 million jobs in '22 (the latest year for which data is available). Since Houston accounted for around 40 percent of the state's exports, a back-of-the-envelope calculation suggests that roughly 480,000 Houston jobs—more than one in seven—were

tied to exports. But this simple calculation probably understates the full economic impact of Houston’s foreign-facing businesses, as it does not account for capital investment or services provided for foreign clients.

Customs District Traffic

The Houston/Galveston Customs District set a tonnage record in ’24. The eight ports that comprise the district handled over 432.6 million metric tons of goods and commodities, a 6.6 percent increase from ’23. Those shipments were valued at \$376.3 billion, up 2.9 percent over ’23. This value is still down 4.0 percent from the record high of \$391.9 billion set in ’22.



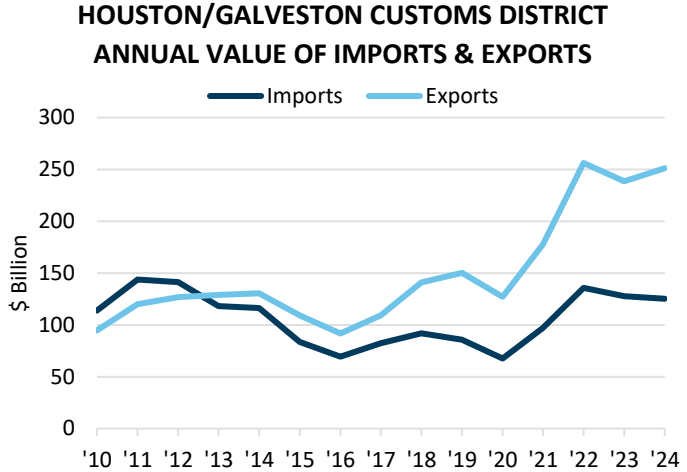
Source: U.S. Census Bureau Foreign Trade Division data

Customs district data differs from the origin of movement (OM) data in that district data reflects what passes through a region, which doesn’t necessarily correspond with where an item was produced or consumed. However, for Houston, customs district exports align with the region’s industrial base.

In ’24, the Houston/Galveston district exported \$1.0 billion or more of the following products: crude oil and refined petroleum products, industrial equipment and computers, organic chemicals, electrical machinery and parts, plastics and plastic products, automobiles and automobile parts, articles of iron and steel, alcoholic beverages and vinegars, instruments and measuring devices, iron and steel, aircraft parts, home furnishings, pharmaceuticals, rubber and rubber products, inorganic chemicals, rare earths and precious metals, industrial components, toys and games, and cereal grains, aluminum and aluminum products, copper and copper products, essential oils and cosmetics, meats, wood and wood products, fruits and nuts, mineral ores, stone and plaster products, and linens.

Exports via the Houston/Galveston district consistently exceed imports. They accounted for 66.7 percent of all

cargo value handled by the district in ’24. By comparison, exports accounted for 20.4 percent of the Los Angeles district’s exports, 30.5 percent of New York’s, and 37.5 percent of Laredo’s.



Source: U.S. Census Bureau Foreign Trade Division data

The district exported \$1.0 billion or more to 43 countries in ’24. Those countries were: Argentina, Australia, Bahamas, Belgium, Brazil, Canada, Chile, China, Colombia, Costa Rica, Denmark, Dominican Republic, Ecuador, France, Germany, Guatemala, Honduras, India, Indonesia, Ireland, Italy, Japan, Malaysia, Mexico, Netherlands, Nicaragua, Nigeria, Panama, Peru, Poland, Portugal, Saudi Arabia, Singapore, South Korea, Spain, Sweden, Taiwan, Thailand, Trinidad and Tobago, Turkey, United Arab Emirates, United Kingdom, and Venezuela.

The district’s top 20 trading partners last year, ranked by total trade (imports plus exports), were:

HOUSTON/GALVESTON CUSTOMS DISTRICT
LARGEST TRADING PARTNERS IN ’24

Trading Partner	\$Billion	Trading Partner	\$Billion
1 Netherlands	31.9	11 Taiwan	11.1
2 China	30.1	12 Singapore	10.8
3 Mexico	24.9	13 Colombia	9.9
4 South Korea	23.8	14 Italy	9.6
5 Germany	16.9	15 Spain	9.3
6 Brazil	16.8	16 France	8.6
7 United Kingdom	15.0	17 Thailand	6.0
8 Japan	13.5	18 Belgium	5.9
9 India	13.2	19 Vietnam	5.6
10 Canada	11.5	20 Chile	5.4

Source: Partnership analysis of U.S. Census Bureau data

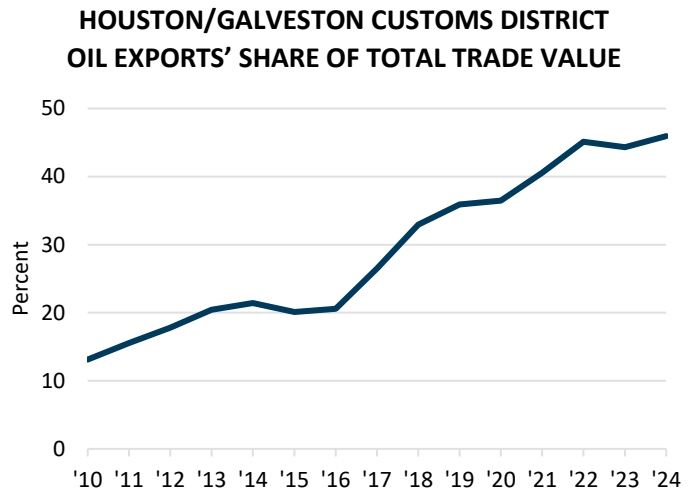
The Netherlands took the top spot with \$31.9 billion in trade. Crude oil and refined petroleum exports from Houston represented 83.2 percent (or \$26.5 billion) of the total, with the Port of Rotterdam being Europe’s largest seaport and a major gateway for fuels that are distributed

and consumed across the continent. Exports of oil from Houston to the Netherlands greatly increased after the European Union and United Kingdom imposed sanctions on Russian oil following its invasion of Ukraine in '22.

China and Mexico were the district's second- and third-largest trade partners in '24, accounting for a combined \$55.0 billion in total trade. Imports from both countries are significant and could be impacted by U.S. tariffs. Houston's top imports from China include electrical machinery, industrial equipment, and computers. From Mexico, key imports include crude oil, refined petroleum products, automobiles, automobile parts, and articles of iron and steel. Because many of these goods serve as industrial inputs rather than end consumer products, tariffs could raise production costs and disrupt supply chains for Houston's manufacturing and industrial sectors.

Energy

Crude oil and refined petroleum products are the Houston/Galveston district's top traded commodity, representing 52.1 percent of all trade in '24. Exports of these products have grown dramatically over the last 15 years, increasing from 13.1 percent of all trade in '10 to 45.9 percent last year.

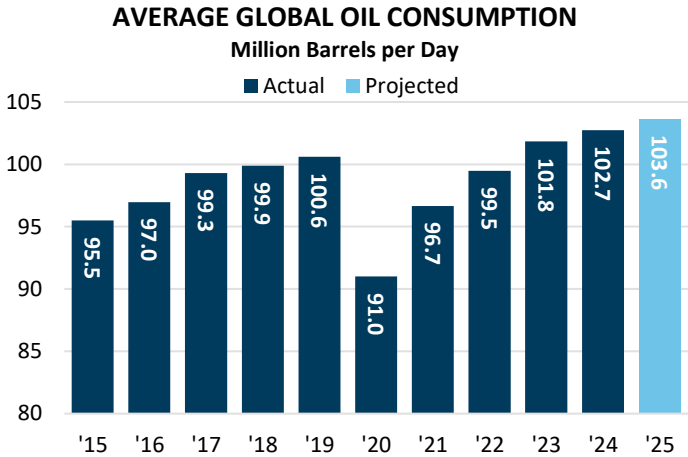


Source: Partnership analysis of U.S. Census Bureau data

Global oil demand set a record with 102.7 million barrels a day consumed on average last year, according to the U.S. Energy Information Administration. That's up 0.9 million barrels per day from '23. The EIA forecasts global consumption will reach a new high in '25, at 103.6 million barrels per day, with significant uncertainty depending on the impact of trade policy.

Despite growing demand, the EIA forecasts a decline in oil prices for '25. Brent crude, the global oil benchmark, is projected to trade for \$67.87 per barrel on average in '25

after trading for \$80.56 in '24. West Texas Intermediate (WTI), the U.S. benchmark for light, sweet crude, is projected to trade for \$63.88 in '25 after averaging at \$76.60 last year.



Source: U.S. Energy Information Administration

According to a recent survey of energy executives conducted by the Federal Reserve Bank of Dallas, the average Texas oil producer needs WTI to sell for \$41 per barrel to break even on existing wells, and \$65 per barrel to profitably drill new wells. With WTI forecast to sell for \$63.88 in '25, producers will likely continue operating existing wells but may scale back new drilling activity. As a result, Texas oil production could fall, potentially affecting export volumes through Houston.

The energy sector is broadening its focus, exploring additional opportunities for growth and developing alternative energies to meet the rising energy needs while reducing carbon emissions. The Partnership's Houston Energy Transition Initiative (HETI) has engaged both traditional and non-traditional energy providers in this process. The Partnership has identified hundreds of companies currently engaged in the energy transition. This includes companies involved in application software, construction and engineering, electric utilities, environmental services, equipment manufacturers, finance and insurance, information services, maritime operations, oil refining, renewables, and specialty chemicals. Business and community leaders recognize Houston's unique opportunity and responsibility to lead the global transition to an energy-abundant, low-carbon future.

Foreign Direct Investment

Foreign direct investment (FDI) in Houston is important for several reasons. It injects new capital into the region, expands the manufacturing capacity, absorbs office and industrial space, creates new job opportunities, facilitates the exchange of ideas and technology, leads to increased

exports, brings new talent to the region, and adds to the property tax base.

A total of 970 foreign companies own and operate 1,816 subsidiary establishments in metro Houston. These companies come from 111 different countries, with those from the top five nations (the United Kingdom, Japan, Canada, Germany, and France) operating the majority of Houston’s foreign-owned businesses.

TOP 10 FOREIGN COUNTRIES WITH BUSINESS OPERATIONS IN METRO HOUSTON

Rank	Country	# Companies	# Subsidiary Establishments
-	WORLD TOTAL	970	1,816
1	United Kingdom	157	395
2	Japan	110	228
3	Canada	95	175
4	Germany	88	147
5	France	64	108
6	Switzerland	47	129
7	South Korea	39	49
8	Netherlands	38	72
9	Norway	37	43
10	Italy	32	37

Source: Partnership analysis of Uniworld Online data

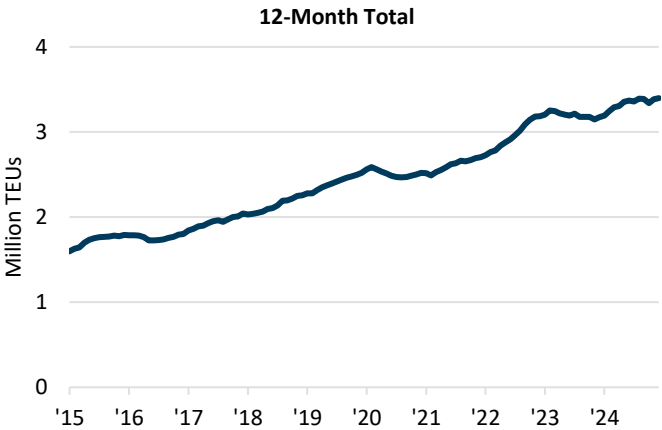
A list of foreign-owned companies with significant investments in Houston reads like a *Who’s Who* of local industry: ABB (Switzerland), Aker (Norway), Bayer (Germany), Braskem (Brazil), CEMEX (Mexico), JSW Steel (India), Mitsubishi (Japan), Shell (United Kingdom), TotalEnergies (France), and WorleyParsons (Australia), among others.

Tariffs and other trade barriers may bring additional FDI to Houston. Companies attempting to serve U.S. markets while avoiding tariff-related costs may choose to reshore in the region. Houston offers several advantages for such relocations, including a large, highly educated workforce; a relatively low cost of living and no state income tax; a central location with access to both U.S. coasts; and extensive transportation infrastructure by air, sea, rail, and road.

Container Traffic

Houston is the nation’s fifth busiest container port, behind Los Angeles, New York/New Jersey, Long Beach, and Savannah. In ’24, Port Houston set a record for container traffic with 3.4 million TEUs (twenty-foot-equivalent units) of loaded containers. This represents a 7.0 percent increase over ’23 and a 6.7 percent increase over the previous record set in ’22.

PORT OF HOUSTON LOADED CONTAINER TRAFFIC



Source: Partnership analysis of Port Houston data

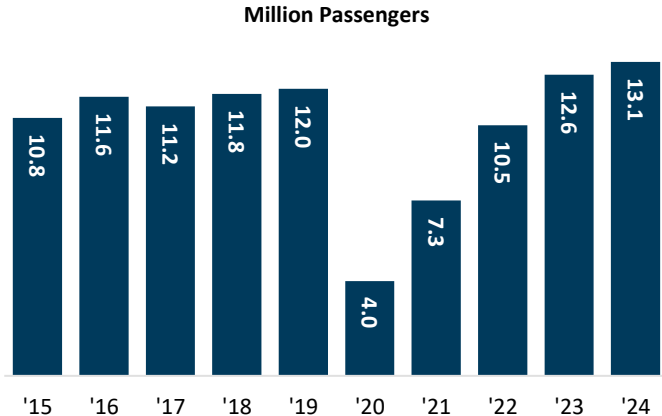
Like other major U.S. ports, most of Houston’s container traffic is import-oriented. In ’24, 55.9 percent of all TEUs handled by Houston were imports, up from 46.9 percent 10 years ago.

Year-to-date container volume through February ’25 is down 5.5 percent compared to the same period in ’24, indicating a slower start to the year. At the current pace, the port is on track to handle 3.2 million units in ’25 (down from 3.4 million in ’24), but the final number will likely be lower due to newly enacted tariffs.

International Air Travel

The Houston Airport System (HAS) handled a record 13.1 million international passengers in ’24, a 4.2 percent increase over the previous high of 12.6 million passengers in ’23. International air travel has continued to surpass its pre-COVID levels, with over a million more international passengers compared to ’19.

HOUSTON AIRPORT SYSTEM INTERNATIONAL TRAFFIC



Source: Houston Airport System

Most of this growth has been driven by travel to and from Mexico (up 32.0 percent over ’19). Travel between Canada, Europe, and Asia (including the Middle East) are slightly down compared to ’19, while travel between Latin

American countries beyond Mexico and other global regions (primarily Africa and Australia) are slightly up. Bush Intercontinental Airport ranked eighth among U.S. airports for international passenger traffic in '23 (the latest year for which comparison data is available), while Hobby Airport ranked 30th with less than one-tenth the volume of passengers.

The Houston Airport System offers over 900 international departures per week. Direct air service is available to 68 destinations in 37 foreign countries across all continents except Antarctica. Strong international air connections facilitate trade, increase access to capital, promote the transfer of knowledge, encourage cultural exchange, boost tourism, and support foreign direct investment in the region.

The first three months of '25 saw a 0.8 percent drop in international passengers handled by HAS compared to the same period in '24. Changing economic conditions and rising geopolitical tensions could lead international travel to fall further as the year goes on.

Immigration

Approximately one in four Houstonians, over 1.8 million residents, was born outside the United States. The region has the fourth-largest foreign-born population in the U.S. after New York, Los Angeles, and Miami. Among metro Houston's foreign-born, 44.1 percent are naturalized (i.e., U.S. citizens). That's up from 36.4 percent 10 years ago.

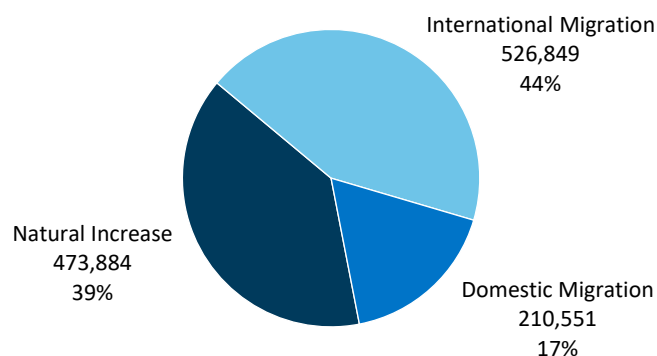
International migration is important for many reasons:

- *Immigrants are risk takers.* They left their homes and their families to start new lives in a different country. Risk-taking begets innovation, which generates new ideas, new technologies, and new growth opportunities.
- *Immigrants are entrepreneurial.* They are twice as likely to start a business as native-born citizens, according to the Small Business Administration (SBA).
- *Immigrants maintain ties to their homeland, facilitating the flow of trade.*
- *A large expat and immigrant community is important to foreign corporations seeking to open offices here.* They need to know that people from their home country have found success in Houston, and their assigned workers will feel comfortable living here.
- *Growth in an immigrant community tends to be self-reinforcing.* Foreign nationals are more likely to relocate to cities with established communities from their home country.

- *A growing immigrant community reflects dynamism in the local economy.* It's rare that immigrants would move to a metro whose economy is stagnant with limited employment prospects. After all, they left their homes to seek better opportunities.

Houston ranked fourth in international migration last year, behind New York, Miami, and Los Angeles. The 128,135 migrants accounted for 64.6 percent of Houston's population growth, well above the 21,408 new residents from domestic migration. During the past 10 years, over 526,849 people have relocated to Houston from abroad.

METRO HOUSTON POPULATION GAINS, '15 – '24



Source: Partnership analysis of U.S. Census Bureau data.

If not for international migration, the region would be much smaller. Over the last decade, immigration has accounted for approximately 44 percent of the region's total population growth. That is larger than either population growth from natural increase (births minus deaths) or domestic migration. Furthermore, international migration has been more consistent than domestic migration. Domestic migration surged in '15 as the economy boomed, but turned negative in '17 and '18 as more people left Houston than moved here from other parts of the U.S. In contrast, international migration has remained positive.

Foreign-born Houstonians contribute to the region's economy in many ways. Data from the Census Bureau's American Community Survey ('23, the latest data available), foreign-born Houstonians have higher labor force participation rates than native-born (69.3 percent vs. 66.3 percent). While they make up 24.8 percent of the region's population, they represent 30.6 percent of its workforce. Foreign-born Houstonians also have a lower rate of unemployment than the native-born population (3.0 percent vs 3.8 percent), and they work in the combined professional, scientific, management, administrative, and waste management sector at a higher rate (15.0 percent vs 13.9 percent).

Key Economic Indicators

Clicking on the hyperlinks below will provide additional details on that indicator.



Aviation — The Houston Airport System (HAS) handled 62.8 million passengers in the 12 months ending March '25. That represents a 3.4 percent increase over the 60.7 million handled over the same period last year and a continued improvement over pre-pandemic levels of travel. Domestic and international travel accounted for 49.7 million and 13.1 million passengers, respectively. Viva Aerobus announced expanded service from George Bush Intercontinental Airport (IAH) to the new Felipe Angeles International Airport (NLU) in Mexico City beginning in November '25.



Cost of Living — According to the C2ER Cost of Living Index 2024 Annual Average, Houston has the second-lowest living costs among the most populous U.S. metro areas. Houston's living costs are 5.8 percent below the nationwide average and 30.1 percent below the average of the nation's most populous metropolitan areas.



Home Sales — Brokers closed on 18,519 single-family homes year-to-date through March '25, according to the Houston Association of Realtors (HAR). This represents a modest 0.2 percent increase over the same period in '24, with falling mortgage rates in March making buyers more optimistic and homes more affordable. This trend may be short-lived as mortgage rates began ticking up in April and volatile financial markets make buyers wary about purchasing a home.



Hotels — Hotel occupancy in Houston rose in March '25 compared to the same month last year, increasing to 67.6 percent. The modest year-over-year gain of 1.5 percent helped push revenue per available room (RevPAR) up to \$78.30. The average daily rate (ADR), another key indicator of hotel performance, also saw growth over March '24, reflecting continued recovery in the market.



Housing Costs — At 20.8 percent below the national average, Houston's housing costs are the lowest among the most populous U.S. metros, according to the C2ER Cost of Living Index 2024. Furthermore, housing costs in Houston are 52.0 percent lower than the average for the most populous U.S. metros. Average home prices were \$388,197 and average apartment rents were \$1,322 according to the index.



Retail — Houston's retail market remains a steady performer among the city's commercial real estate sectors, supported by continued population and job growth. The vacancy rate edged up to 5.4 percent in Q1/25 but remains low by historical standards. Retailers continue to seek space, though leasing momentum has slowed, with total leasing activity falling to 1.7 million square feet in Q1/25 compared to over 2.1 million in Q4/24. Rents remain stable and are slightly rising, with no major signs of overbuilding as construction activity continues to decline.



Unemployment — Metro Houston's unemployment rate fell from 4.5 percent in February to 4.2 percent in March, according to the Texas Workforce Commission. Houston's March number came in slightly higher than the Texas rate of 4.0 percent but matched the U.S. rate. National and statewide unemployment rates also fell between February and March. Seasonal factors likely played a role with hiring for schools ramping up and temporary holiday workers finding new jobs.



Vehicle Sales — Houston-area dealers sold 380,781 new cars, trucks, and SUVs in the 12 months ending March '25, according to TexAuto Facts, published by InfoNation Inc. This represents an 8.3 percent increase in sales over the same period last year. Truck and SUV sales were up 10.3 percent, and car sales were up 1.1 percent. March had the highest single-month sales on record with 44,581 total vehicles sold.

Colin Baker, Margaret Barrientos, Clara Richardson, and Leta Wauson contributed to this issue of Houston: The Economy at a Glance.

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HOUSTON MSA NONFARM PAYROLL EMPLOYMENT

	March '25	February '25	March '24	Change From		% Change From	
				February '25	March '24	February '25	March '24
Total Nonfarm Payroll Jobs	3,459,400	3,453,700	3,423,100	5,700	36,300	0.2	1.1
Total Private	2,986,800	2,983,700	2,959,900	3,100	26,900	0.1	0.9
Goods Producing	553,900	552,300	549,500	1,600	4,400	0.3	0.8
Service Providing	2,905,500	2,901,400	2,873,600	4,100	31,900	0.1	1.1
Private Service Providing	2,432,900	2,431,400	2,410,400	1,500	22,500	0.1	0.9
Mining & Logging	79,800	80,200	77,800	-400	2,000	-0.5	2.6
Oil & Gas Extraction	37,800	37,800	36,900	0	900	0.0	2.4
Support Activities for Mining	40,500	40,900	39,500	-400	1,000	-1.0	2.5
Construction	234,500	233,200	233,300	1,300	1,200	0.6	0.5
Manufacturing	239,600	238,900	238,400	700	1,200	0.3	0.5
Durable Goods Manufacturing	147,900	147,900	148,400	0	-500	0.0	-0.3
Nondurable Goods Manufacturing	91,700	91,000	90,000	700	1,700	0.8	1.9
Wholesale Trade	181,000	180,800	177,700	200	3,300	0.1	1.9
Retail Trade	320,400	320,200	318,800	200	1,600	0.1	0.5
Transportation, Warehousing & Utilities	197,800	198,900	193,800	-1,100	4,000	-0.6	2.1
Utilities	24,900	24,700	23,900	200	1,000	0.8	4.2
Air Transportation	21,900	21,700	22,000	200	-100	0.9	-0.5
Truck Transportation	31,000	31,000	30,400	0	600	0.0	2.0
Pipeline Transportation	14,400	14,300	13,600	100	800	0.7	5.9
Information	29,100	29,300	30,300	-200	-1,200	-0.7	-4.0
Telecommunications	10,500	10,500	11,300	0	-800	0.0	-7.1
Finance & Insurance	117,000	117,200	117,100	-200	-100	-0.2	-0.1
Real Estate & Rental & Leasing	64,100	64,000	63,600	100	500	0.2	0.8
Professional & Business Services	556,600	560,800	561,000	-4,200	-4,400	-0.7	-0.8
Professional, Scientific & Technical Services	282,700	286,400	277,900	-3,700	4,800	-1.3	1.7
Legal Services	33,400	33,700	32,300	-300	1,100	-0.9	3.4
Accounting, Tax Preparation & Bookkeeping	28,600	28,900	29,900	-300	-1,300	-1.0	-4.3
Architectural, Engineering & Related Services	78,400	79,300	74,800	-900	3,600	-1.1	4.8
Computer Systems Design & Related Services	42,500	43,000	42,100	-500	400	-1.2	1.0
Admin & Support, Waste Mgt & Remediation	227,000	227,400	235,900	-400	-8,900	-0.2	-3.8
Administrative & Support Services	214,300	214,700	223,300	-400	-9,000	-0.2	-4.0
Employment Services	75,400	77,100	82,900	-1,700	-7,500	-2.2	-9.0
Private Educational Services	73,000	73,500	71,900	-500	1,100	-0.7	1.5
Health Care & Social Assistance	393,300	391,100	383,800	2,200	9,500	0.6	2.5
Arts, Entertainment & Recreation	41,800	40,800	40,800	1,000	1,000	2.5	2.5
Accommodation & Food Services	322,500	320,400	321,200	2,100	1,300	0.7	0.4
Other Services	136,300	134,400	130,400	1,900	5,900	1.4	4.5
Government	472,600	470,000	463,200	2,600	9,400	0.6	2.0
Federal Government	37,400	37,600	36,500	-200	900	-0.5	2.5
State Government	100,800	100,700	97,400	100	3,400	0.1	3.5
State Government Educational Services	54,600	54,600	53,300	0	1,300	0.0	2.4
Local Government	334,400	331,700	329,300	2,700	5,100	0.8	1.5
Local Government Educational Services	229,700	227,400	228,500	2,300	1,200	1.0	0.5

Source: Texas Workforce Commission