

THE ECONOMY AT A GLANCE

HOUSTON



GREATER HOUSTON
PARTNERSHIP

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On May 7, the Greater Houston Partnership released its *Global Houston '26* report. The full report can be found at the Partnership's [website](#). A summary of the document follows.

GLOBAL HOUSTON

The global economy remains full of opportunities for exchange and investment. Even after a year marked by heightened trade tensions and military conflict leading to supply chain disruptions through the Persian Gulf, global economic growth is expected to remain positive and relatively steady. In this shifting global landscape, some in the U.S. may struggle to adapt. But Houston's deep global connections put it in a position of unusual strength:

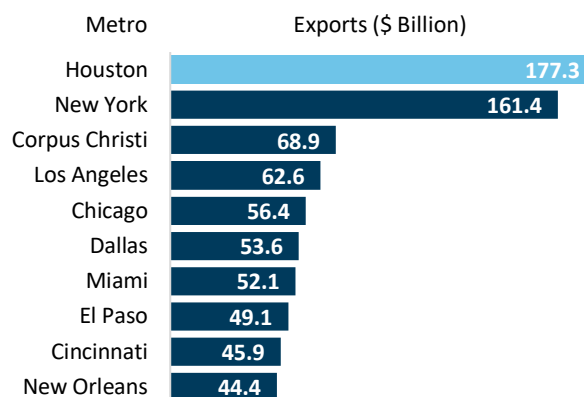
- Houston consistently exports more goods and commodities than any other U.S. metro.
- The Houston/Galveston Customs District routinely handles more foreign tonnage than any other U.S. customs district.
- Almost 1,000 foreign-owned firms operate over 2,600 business locations in Houston, including offices, factories, warehouses, and service centers.
- Almost 150 Houston-based firms operate over 5,400 business establishments across 109 foreign countries.
- Approximately 2 million Houston residents, one in every four, were born outside the U.S.
- Eighteen foreign banks, 17 sister cities, 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 '26.

Metro Houston Exports

In '25, Houston led the nation in exports, shipping more than \$177 billion in goods and commodities overseas. Only New York came close, at \$161.4 billion, even though its population is nearly three times larger. Among the country's next largest metros, Houston stands apart: it exported more in '25 than Los Angeles, Chicago, and Dallas combined.

TOP EXPORTING U.S. METROS IN '25



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

That performance is not simply a one-off spike. Houston has ranked as the nation's top exporting metro in 13 of the past 14 years, with the only interruption coming in '16 during a sharp downturn in domestic energy markets. Exporting at that scale gives Houston a larger place in the global economy than its size alone would suggest.

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

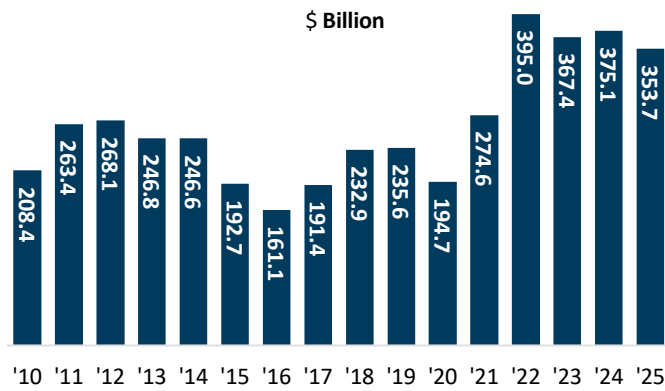
The International Trade Administration (ITA) estimates that Texas exports supported over 1 million jobs in '23 (latest year for which data is available). That leads all U.S. states and was almost double the 526,941 jobs supported

by the runner-up California. Since Houston accounted for roughly 39 percent of the state’s exports, a back-of-the-envelope calculation suggests that approximately 425,000 Houston jobs — more than one in eight — 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 saw only a modest pullback in trade volumes in '25. The district’s eight ports handled 426.5 million metric tons of goods and commodities, down 0.8 percent from the record 429.9 million moved in '24. The value of those shipments totaled \$353.7 billion, a 5.7 percent decline from the prior year. Even so, the dip was relatively limited, especially as shifts in trade policy and shipping patterns created sharper disruptions for other metros around the country.

HOUSTON/GALVESTON CUSTOMS DISTRICT ANNUAL VALUE OF TRADE



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

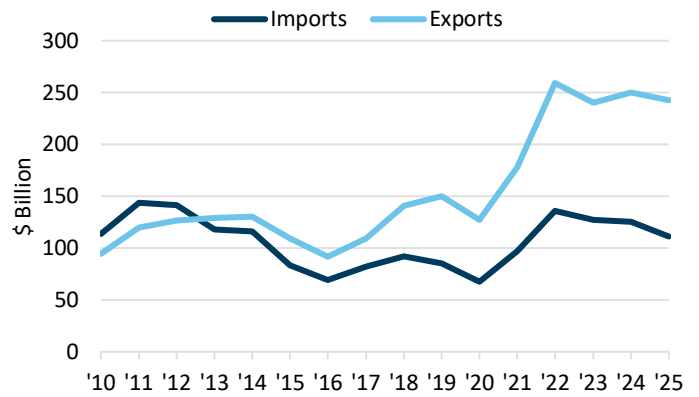
Customs district data differs from the origin of movement (OM) data in that it reflects what passes through a region, which doesn’t necessarily correspond with where an item was produced or consumed. However, for Houston, customs district exports align with the region’s industrial base.

The Houston/Galveston district handled over \$1.0 billion each (imports plus exports) of 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, beer, wines, spirits and vinegars, aerospace vehicles and part, instruments and measuring devices, iron and steel, home furnishings, rubber and rubber products, pharmaceuticals, inorganic chemicals, cereals grains, meats, copper and copper products, toys and games,

aluminum and aluminum products, fruits and nuts, coffee/teas and spice, essential oils and cosmetics, and wood and wood products.

Exports via the Houston/Galveston district consistently exceed imports. They accounted for 68.6 percent of all cargo value handled by the district in '25. By comparison, exports accounted for 21.7 percent of the Los Angeles district’s exports, and 36.0 percent of New York’s.

HOUSTON/GALVESTON CUSTOMS DISTRICT ANNUAL VALUE OF IMPORTS & EXPORTS



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

The district exported \$1.0 billion or more to 43 countries in '25. Those countries were: Argentina, Australia, Bahamas, Belgium, Brazil, Canada, Chile, China, Colombia, Costa Rica, Dominican Republic, Ecuador, Egypt, France, Germany, Guatemala, Honduras, India, Indonesia, Italy, Japan, Malaysia, Mexico, Netherlands, Nigeria, Norway, Panama, Peru, Poland, Saudi Arabia, Singapore, South Korea, Spain, Sweden, Taiwan, Thailand, Trinidad and Tobago, Turkey, United Arab Emirates, United Kingdom, Venezuela and Vietnam.

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 '25

Trading Partner	\$Billion	Trading Partner	\$Billion
1 Netherlands	32.7	11 Taiwan	11.3
2 South Korea	21.1	12 Italy	8.8
3 Mexico	20.9	13 Colombia	8.6
4 China	20.2	14 Spain	7.9
5 Brazil	17.3	15 France	7.9
6 Germany	16.1	16 Thailand	6.7
7 India	15.5	17 Vietnam	6.5
8 Japan	13.7	18 Belgium	5.9
9 Canada	12.1	19 Peru	5.6
10 United Kingdom	11.8	20 Chile	5.1

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

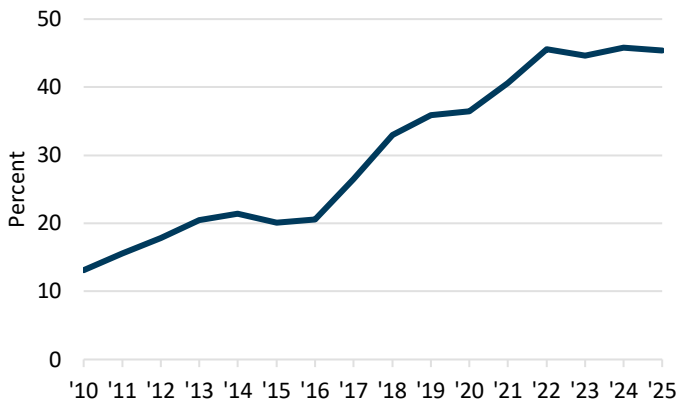
The Netherlands took the top spot with \$32.7 billion in trade. Crude oil and refined petroleum exports from Houston represented 81.8 percent (or \$26.7 billion) of the total with the Port of Rotterdam being Europe’s largest seaport and a major gateway for fuels that are distributed and consumed across 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.

South Korea ranked second in the district in ’25, overtaking China and Mexico with \$21.1 billion in total trade. This came even as fewer oil exports led trade with South Korea to decline by 11.9 percent year-over-year. But trade with China and Mexico (last year’s No.2 and No.3 partners respectively) fell even further under the pressure of tariffs. In China’s case, some trade flows began to shift to other Asian markets, as Houston’s trade with India, Vietnam, and Thailand all increased relative to ’24.

Energy

Crude oil and refined petroleum products are the Houston/Galveston district’s top traded commodity, representing 48.9 percent of all trade in ’25. Exports of these products have grown dramatically over the last 15 years, increasing from 15.6 percent of all trade in ’11 to 45.4 percent last year.

HOUSTON/GALVESTON CUSTOMS DISTRICT OIL EXPORTS’ SHARE OF TOTAL TRADE VALUE

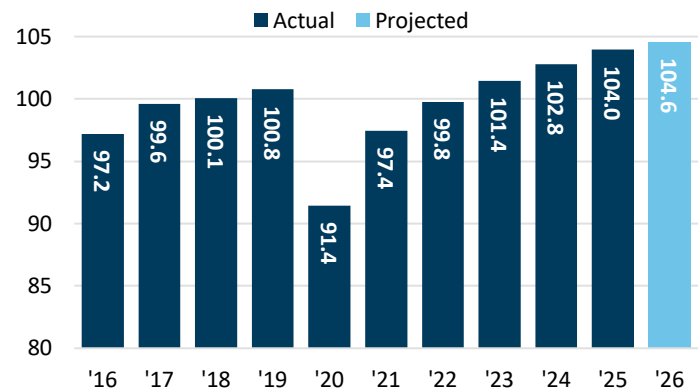


Source: Partnership analysis of U.S. Census Bureau data

Early ’26 has brought greater uncertainty to global oil markets following the conflict with Iran and disruptions to shipping through the Strait of Hormuz. The movement of crude from Middle Eastern producers to consumer markets in Asia, Europe, and elsewhere has slowed to a trickle as of late April, contributing to higher prices. Brent crude, the global benchmark, rose to \$103.13 per barrel in March from \$70.89 in February, according to the U.S. Energy information Administration (EIA). West Texas

Intermediate (WTI), the light sweet form of crude produced in Texas, saw its price climb to \$91.38 from \$64.51 during the same period. Forecasters and futures markets expect some moderation to these prices by year’s end, but the pace and extent of that decline will depend largely on how the geopolitical situation evolves.

AVERAGE GLOBAL OIL CONSUMPTION Million Barrels per Day



Source: U.S. Energy Information Administration

So far, however, tighter supply is not expected to materially weaken consumption. Economies around the world still require energy to support growth, and global demand for petroleum and other petroleum fuels is expected to edge higher. The EIA projects consumption of petroleum fuels will grow from its record 104.0 million barrels per day in ’25 to 104.6 million in ’26. In other words, even with prices climbing, the world is still consuming more fuel, not less.

That environment could give U.S. and Texas producers an opportunity to narrow the gap between supply and demand. WTI has moved firmly above the level needed to support profitable new exploration and drilling in the Permian Basin. According to the Federal Reserve Bank of Dallas, producers there require prices of \$63 per barrel on average to profitably drill new wells. The same survey shows the majority of respondents expect WTI to end the year between \$70 and \$90. If those expectations hold, domestic production may rise with new drilling, and energy exports may increase to meet global demand.

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 971 foreign companies own and operate 2,672 subsidiary establishments in metro Houston. These companies come from 46 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	971	2,672
1	United Kingdom	152	1,135
2	Japan	112	238
3	Canada	93	167
4	Germany	88	145
5	France	66	110
6	Switzerland	45	125
7	Netherlands	41	72
8	Korea, Republic of	37	48
9	Norway	36	40
10	Italy	35	42

Source: Partnership analysis of Uniworld Online data

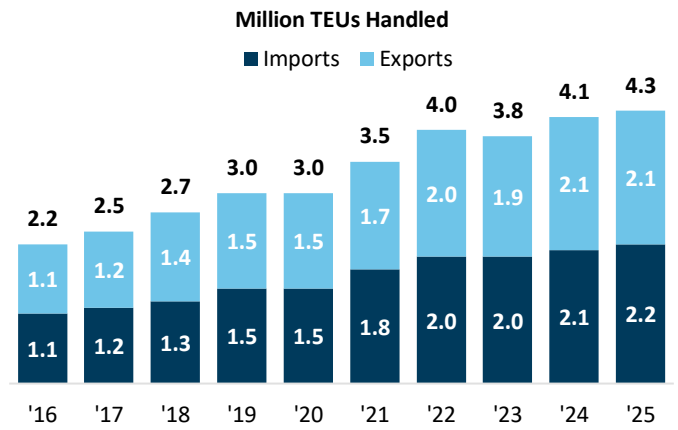
A list of foreign-owned companies with significant investments in Houston reads like a Who’s Who of local industry: ABB (Switzerland), Aker (Norway), Bayer (Germany), Braskem (Brazil), CEMEX (Mexico), JSW Steel (India), Mitsubishi (Japan), Shell (United Kingdom), TotalEnergies (France), and WorleyParsons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

A major wave of advanced manufacturing announcements related to foreign businesses show the pace of FDI remains strong. While trade policy remains in flux, Houston is a strong candidate for companies seeking to onshore production. It offers several advantages for firms looking to move production to the U.S., including a large, highly skilled workforce; a relatively low cost of living; no state income tax; a central location with access to both U.S. coasts; and an extensive infrastructure network 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 ’25, Port Houston set a record for container traffic with 4.3 million TEUs (twenty-foot-equivalent container units) handled. This represents a 3.9 percent increase over the previous record in ’24. Not only did containerized exports rise by 3.0 percent, but imports rose by an even more significant 4.8 percent despite the effect of tariffs. One advantage for Houston is its relatively even balance of trade. Because carriers are more likely to unload imports and reload exports on the return leg, Houston offers stronger back-haul economics than other U.S. ports where containers arrive full of imports and often leave partly empty.

PORT HOUSTON CONTAINER TRAFFIC



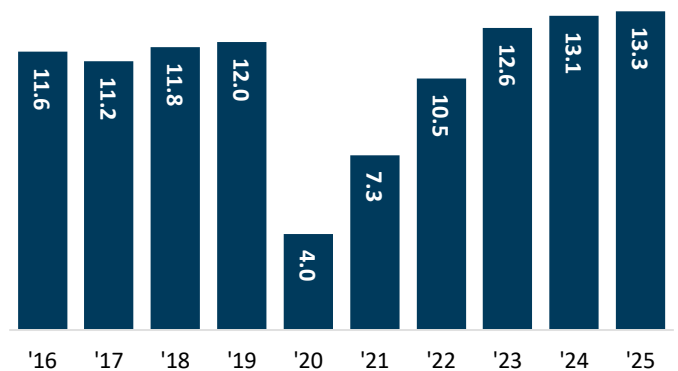
Source: Partnership analysis of Port Houston data

Early readings suggest Port Houston’s strong momentum in container traffic is continuing into ’26. Container volume through February reached a record 696,833 TEUs, up 2.2 percent from the same period in ’25. If that pace holds, the port would be on track to handle a record 4.4 million TEUs this year, up from 4.3 million in ’25.

International Air Travel

The Houston Airport System (HAS) handled a record 13.3 million international passengers in ’25, a 1.6 percent increase over the previous high of 13.1 million passengers in ’24. International air travel has continued to surpass its pre-COVID levels, with over a million more international passengers than in ’19.

HOUSTON AIRPORT SYSTEM INTERNATIONAL TRAFFIC
Million Passengers



Source: Houston Airport System

Most of this growth has been driven by travel to and from Mexico (up 29.2 percent over ’19). Travel to other parts of Latin America has been another major source of growth, increasing by 15.1 percent relative to ’19, with roughly 600,000 additional travelers annually. Travel to and from Canada, Europe, and Asia (including the Middle East) have each moderated compared to ’19, while travel to and from other regions (primarily Africa and Australia) is flat. Bush

Intercontinental Airport ranked ninth among U.S. airports for international passenger traffic in '24 (the latest year for which comparison data is available) while Hobby Airport ranked 31st with less than one-tenth the volume of passengers.

In '25, HAS offered an average of over 900 international departures per week with direct air service available to 71 foreign markets in 36 countries across all continents except Antarctica. Strong international air connections are important to Houston because they facilitate trade, increase access to capital, facilitate the transfer of knowledge, encourage cultural exchange, boost tourism, and support foreign direct investment in the region. Houston's international air connections continue to expand, with service to Rome, Italy scheduled to begin this summer.

Immigration

Approximately 2.0 million Houstonians were born outside the United States accounting for more than one in four residents. 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 residents, 43.1 percent are naturalized (i.e., U.S. citizens). That's up from 36.4 percent 10 years prior.

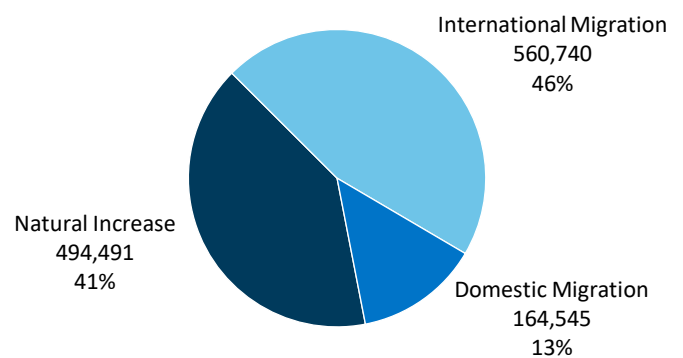
International migration is important for many reasons:

- *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 80 percent more likely to start a business than native-born citizens, according to the National Bureau of Economic Research.
- *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.

Metro Houston led the nation in population growth last year, and international migration was the biggest reason. More than half of the region's new residents (57.6 percent) came from abroad. In the 12 months ending July 1, 2025, Houston added nearly 72,000 residents through international migration, down 41.2 percent from the record pace set a year earlier, as slower job growth and changes in immigration policy cooled migration nationwide. Even so, Houston outperformed most of its peers. The region ranked third in international migration, behind only New York, and Miami and remained well above its own pre-pandemic average. Even at a slower pace, international migration continued to be a major driver of Houston's economic growth.

METRO HOUSTON POPULATION GAINS, '16 – '25



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

Its importance becomes even clearer over time. Over the past decade, international migration has added roughly 560,000 residents to metro Houston, accounting for more than 45 percent of the region's total population growth. It has also been a more dependable source of growth than domestic migration.

There are marked differences between Houston's native-born and foreign-born populations, according to Census Bureau's '24 American Community Survey (latest data available). Foreign-born Houstonians have higher labor force participation rates than native-born (69.5 percent v. 65.7 percent), more likely to be married (61.8 percent v. 43.4 percent), less likely to be divorced (9.9 percent v. 11.1 percent), and in '24 had a lower unemployment rate (2.8 percent v. 3.5 percent). Houston's foreign-born population has a higher poverty rate than native-born (17.2 percent vs 13.4 percent), but in absolute terms, fewer foreign-born Houstonians live in poverty (338,956) than native-born Houstonians (768,325).

Key Economic Indicators

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



Hotels — Hotel performance weakened during much of '25 before showing improvement in early '26. Occupancy rebounded to 69.9 percent in March '26, up 3.5 percent year-over-year and above the seasonal low observed in December '25. RevPAR followed a similar pattern, declining through much of '25 before improving in early '26. Average daily rate (ADR) remained relatively stable over the period.



Industrial — Demand for industrial and warehouse space in Houston has fluctuated over the past several years. The vacancy rate fell to a five-year low of 5.0 percent in Q4/22 amid strong absorption and record construction activity. As new supply continued to outpace demand, vacancy trended upward, reaching a cycle high of 7.4 percent in Q4/25 and remaining at that level in Q1/26.



Inflation — Inflation rose sharply in April, driven largely by higher fuel prices following the start of the conflict with Iran. Nationally, the Consumer Price Index for All Urban Consumers (CPI-U) rose 3.8 percent from April '25 to April '26, up from March's 3.3 percent reading. Locally, Houston's index rose by 2.8 percent. While that marks a sharp increase from the previous reading of 1.3 percent in February, it remained a full percentage point below the national average.



Multifamily — The multifamily market in Metro Houston remained relatively stable in Q1 '26, with modest changes in occupancy and rents compared to the same period last year. Overall apartment occupancy declined slightly between Q1 '25 and Q1 '26, according to CoStar data. Average rents also declined modestly over the year. Class B apartments led absorption, with additional gains in Class A properties helping to offset declines in Class C. Ongoing new supply has also contributed to modest softening in occupancy and rents.



Office — The Houston office market recorded negative 218,426 square feet of net absorption in Q1/26, reversing the positive momentum observed throughout '25 and marking a return to contraction following four consecutive quarters of demand growth. This shift comes after positive absorption of 116,043 square feet in Q4/25 and reflects a moderation in leasing activity after a year of recovery.



Purchasing Managers Index — Houston's economy continued to expand in April, though at a slightly slower pace, according to the latest Houston Purchasing Managers Index (PMI) from the Institute for Supply Management–Houston. The headline PMI, which gauges overall economic activity based on a survey of supply chain executives, registered 51.4, down modestly from 52.3 in March. Even so, the reading remained well above the 45 break-even value, extending the region's expansion streak to 71 consecutive months. Both manufacturing and non-manufacturing continued to grow, with PMIs of 52.2 and 51.3, respectively.



Retail — Houston's retail market remains a steady performer among the region's commercial real estate sectors, supported by ongoing population and job growth. The vacancy rate edged down to 5.5 percent in Q1/26, reflecting continued stability in occupied space. Leasing activity moderated, with net absorption totaling 608,136 square feet following stronger activity in previous quarters. Average rents increased to \$21.22 per square foot, maintaining an overall upward trend.



Unemployment — The unemployment rates for metro Houston, Texas, and the nation declined in March, according to data released by the Texas Workforce Commission (TWC). Houston's rate fell to 4.4 percent, down from 4.7 percent in February and the recent high of 4.9 percent in January. The rate for Texas declined to 4.1 percent from 4.4 percent over the month, while the national rate dropped to 4.3 percent from 4.7 percent during the same period.



Vehicle Sales — Houston-area dealers sold 375,323 new cars, trucks, and SUVs in the 12 months ending March '26, according to TexAuto Facts published by InfoNation Inc. Sales fell 1.4 percent from the same period last year, with a 12.6 percent decline in cars counteracting the 1.5 percent increase in truck and SUV sales.

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HOUSTON MSA NONFARM PAYROLL EMPLOYMENT

	March '26	February '26	March '25	Change From		% Change From	
				February '26	March '25	February '26	March '25
Total Nonfarm Payroll Jobs	3,487,400	3,471,000	3,468,500	16,400	18,900	0.5	0.5
Total Private	3,014,900	3,001,000	2,997,100	13,900	17,800	0.5	0.6
Goods Producing	572,600	568,800	569,300	3,800	3,300	0.7	0.6
Service Providing	2,914,800	2,902,200	2,899,200	12,600	15,600	0.4	0.5
Private Service Providing	2,442,300	2,432,200	2,427,800	10,100	14,500	0.4	0.6
Mining & Logging	71,400	71,200	76,400	200	-5,000	0.3	-6.5
Oil & Gas Extraction	34,700	34,500	37,200	200	-2,500	0.6	-6.7
Support Activities for Mining	35,500	35,500	37,800	0	-2,300	0.0	-6.1
Construction	261,900	260,600	251,300	1,300	10,600	0.5	4.2
Manufacturing	239,300	237,000	241,600	2,300	-2,300	1.0	-1.0
Durable Goods Manufacturing	151,300	150,000	150,400	1,300	900	0.9	0.6
Nondurable Goods Manufacturing	88,000	87,000	91,200	1,000	-3,200	1.1	-3.5
Wholesale Trade	177,400	177,600	178,900	-200	-1,500	-0.1	-0.8
Retail Trade	317,000	317,000	317,900	0	-900	0.0	-0.3
Transportation, Warehousing & Utilities	199,900	199,400	198,100	500	1,800	0.3	0.9
Utilities	25,100	24,900	24,000	200	1,100	0.8	4.6
Air Transportation	21,700	21,700	21,200	0	500	0.0	2.4
Truck Transportation	30,800	30,600	30,200	200	600	0.7	2.0
Pipeline Transportation	15,900	15,800	15,000	100	900	0.6	6.0
Information	27,600	27,700	28,600	-100	-1,000	-0.4	-3.5
Telecommunications	9,800	9,900	10,200	-100	-400	-1.0	-3.9
Finance & Insurance	113,900	113,800	116,000	100	-2,100	0.1	-1.8
Real Estate & Rental & Leasing	62,600	63,000	63,200	-400	-600	-0.6	-0.9
Professional & Business Services	568,800	565,600	559,200	3,200	9,600	0.6	1.7
Professional, Scientific & Technical Services	283,000	283,400	281,900	-400	1,100	-0.1	0.4
Legal Services	34,300	34,500	33,800	-200	500	-0.6	1.5
Accounting, Tax Preparation & Bookkeeping	27,700	27,900	29,500	-200	-1,800	-0.7	-6.1
Architectural, Engineering & Related Services	78,500	78,700	77,500	-200	1,000	-0.3	1.3
Computer Systems Design & Related Services	41,200	41,400	41,900	-200	-700	-0.5	-1.7
Admin & Support, Waste Mgt & Remediation	243,100	239,400	233,500	3,700	9,600	1.5	4.1
Administrative & Support Services	228,400	225,100	220,000	3,300	8,400	1.5	3.8
Employment Services	81,400	79,100	77,300	2,300	4,100	2.9	5.3
Private Educational Services	72,600	72,700	73,300	-100	-700	-0.1	-1.0
Health Care & Social Assistance	401,300	400,600	392,600	700	8,700	0.2	2.2
Arts, Entertainment & Recreation	42,600	41,100	42,500	1,500	100	3.6	0.2
Accommodation & Food Services	327,600	323,100	324,900	4,500	2,700	1.4	0.8
Other Services	131,000	130,600	132,600	400	-1,600	0.3	-1.2
Government	472,500	470,000	471,400	2,500	1,100	0.5	0.2
Federal Government	35,100	35,300	37,700	-200	-2,600	-0.6	-6.9
State Government	104,600	104,400	101,800	200	2,800	0.2	2.8
State Government Educational Services	57,200	57,100	55,600	100	1,600	0.2	2.9
Local Government	332,800	330,300	331,900	2,500	900	0.8	0.3
Local Government Educational Services	229,200	227,400	228,400	1,800	800	0.8	0.4

Source: Texas Workforce Commission