

Purchasing Managers Index of Puerto Rico Manufacturing

DECEMBER 2024



PUERTO RICO MANUFACTURING PMI INCREASED TO 46.4 IN DECEMBER

The Purchasing Managers Index (PMI) for Puerto Rico’s manufacturing sector is a collaborative effort between the Puerto Rico Manufacturers Association and the Puerto Rico Institute of Statistics. The Purchasing Managers Index (PMI) for Puerto Rico’s manufacturing sector increased to 46.4 in December 2024. A reading below the threshold of 50 suggests a contraction in the manufacturing sector with respect to the previous month. All sub-indexes increased with respect to the previous month. Supplier Deliveries was above the threshold level of 50. In a supplemental survey of manufacturing establishments, the biggest challenges faced by companies during the past month were: operations (sales 18%, supplier deliveries 12%, supply chain logistics 12%, own inventories 6%), human resources (employment 24%, absenteeism 12%), and utilities (unreliable utilities 24%). The Puerto Rico Manufacturing-Purchasing Managers Index (PRM-PMI) has been at or above the threshold level in 108 of the 175 months since the survey was first undertaken.

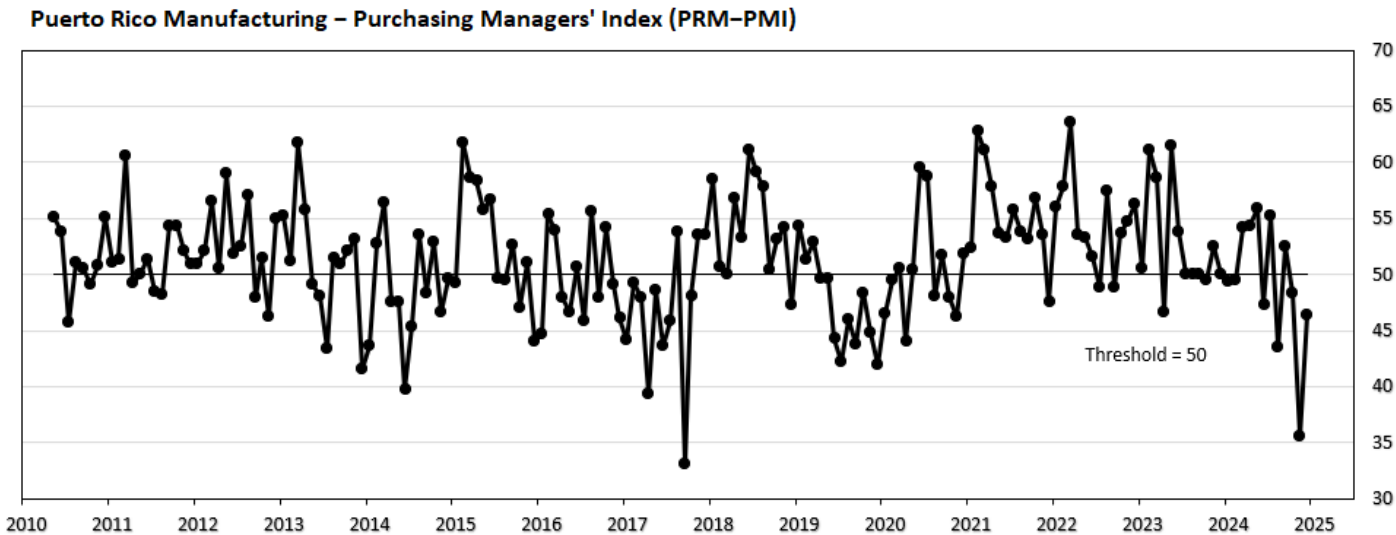


Table 1. Puerto Rico Manufacturing – Purchasing Managers' Index: December 2024

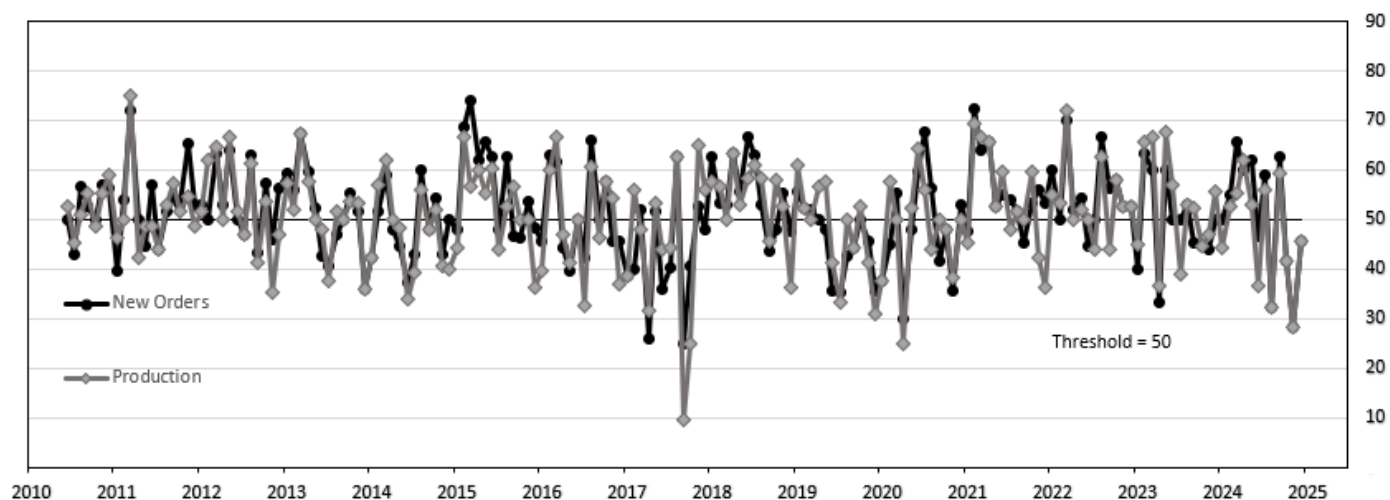
	Better	Same	Worse	Index		
New orders	22.7	45.5	31.8	45.5	Lower	Órdenes nuevas
Production	22.7	45.5	31.8	45.5	Lower	Producción
Employment	9.1	77.3	13.6	47.7	Lower	Empleo
Supplier deliveries	27.3	54.5	18.2	54.5	Slower	Entregas de suplidores
Own inventories	18.2	40.9	40.9	38.6	Lower	Inventarios de su empresa
Puerto Rico Manufacturing – Purchasing Managers Index				46.4	Contraction	

New Orders

In December, the New Orders PMI increased to 45.5, staying below the threshold for three consecutive months. A reading below 50 suggests that new orders at manufacturing establishments in December were lower than in November.

Production

The Production PMI increased to 45.5 in December, staying below the threshold for three consecutive months. A reading below 50 indicates that manufacturing production in December was lower than in November.

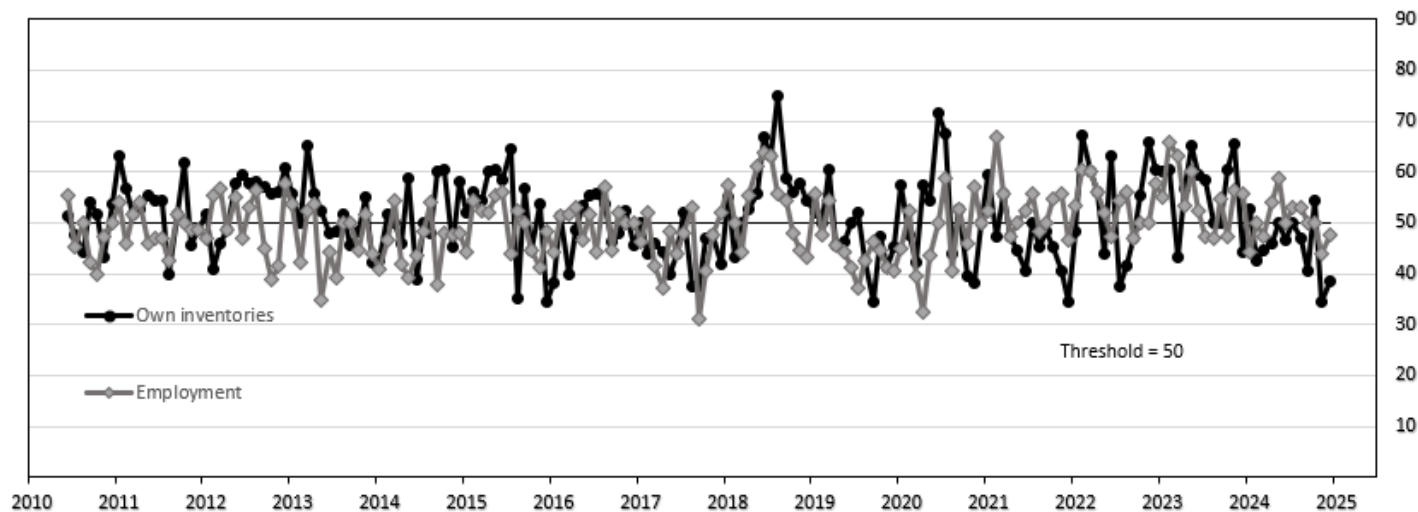


Employment

In December, the Employment PMI increased to 47.7, staying below the threshold for two consecutive months. A reading below 50 suggests that manufacturing employment in December was lower than in November.

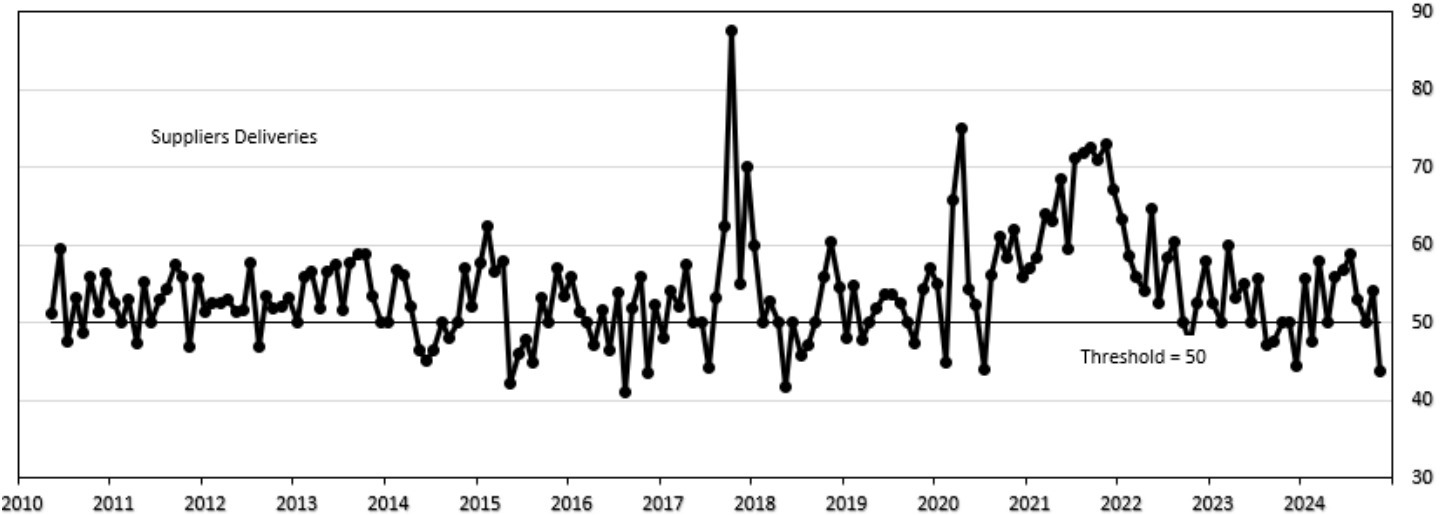
Own Inventories

In December, the Own Inventories PMI increased to 38.6, staying below the threshold for two consecutive months. A reading below 50 indicates that inventories in manufacturing establishments in December were lower than in November.



Supplier Deliveries

The Supplier Deliveries PMI increased to 54.5 in December, after being below the threshold last month. A reading above 50 suggests that the speed of supplier deliveries in December was slower than in November.



Methodological note

The Puerto Rico Manufacturing-Purchasing Managers Index (PRM-PMI) is the result of a collaborative project between the Puerto Rico Manufacturers Association and the Puerto Rico Institute of Statistics. The PRM-PMI measures short-term business conditions in Puerto Rico's manufacturing sector and provides a broad-based metric for the productive side of Puerto Rico's economy. The methodology is similar to PMI surveys conducted elsewhere. The survey questionnaire is available at <https://estadisticas.pr/encuestas/puerto-rico-manufacturing>. The participants include manufacturing establishments with 50 or more employees with membership in the Puerto Rico Manufacturers Association. Currently, results are presented on a Non-Seasonally Adjusted (NSA) basis. The Puerto Rico Institute of Statistics conducted tests to assess the need for seasonal adjustment, and at present, the series does not require it.

The PRM-PMI is calculated as the simple average of 5 sub-indexes, representing different business conditions in manufacturing establishments: New Orders PMI, Production PMI, Employment PMI, Supplier Deliveries PMI, Own Inventories PMI. The sub-indexes are computed using a diffusion index methodology. Specifically, for any given month with respect to the previous month, participants are asked to answer whether the business condition of the establishment: (1) improved, (2) remained the same, or (3) deteriorated. Diffusion indexes are calculated as the percentage of responses that indicate the business condition improved plus half of the percentage of responses that indicate the business condition remained the same. Responses that indicate the business condition deteriorated are not taken into account in calculating diffusion indexes. The survey also includes questions on other business conditions. The diffusion indexes that correspond to these questions are currently under evaluation.

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Publication calendar

The monthly PRM-PMI is reported on the first business day of the month. In specific, the table below shows the expected publication dates of the PRM-PMI report during calendar year 2025:

Reference month	Publication date
Nov-24	January 3, 2025
Dec-24	February 3, 2025
Jan-25	March 3, 2025
Feb-25	April 1, 2025
Mar-25	May 1, 2025
Apr-25	June 2, 2025

Reference month	Publication date
May-25	July 1, 2025
Jun-25	August 1, 2025
Jul-25	September 2, 2025
Aug-25	October 1, 2025
Sep-25	November 3, 2025
Oct-25	December 1, 2025