

Purchasing Managers Index of Puerto Rico Manufacturing

MAY 2024



PUERTO RICO MANUFACTURING PMI INCREASED TO 55.9 IN MAY

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 55.9 in May 2024. A reading above the threshold of 50 suggests an expansion in the manufacturing sector with respect to the previous month. New Orders, Suppliers Deliveries, Employment and Own Inventories sub-indexes increased with respect to the previous month. All sub-indexes were at or above the threshold level of 50. In a supplemental survey of manufacturing establishments, the biggest challenges faced by companies during the past month were: in human resources (employment 27%, turnover 9%, absenteeism 9%), operations (suppliers deliveries 9%, sales 9%, shortage of raw materials 9%, cost of transportation 9%, cost of materials 9%, supply chain logistics 9%, lead times 9%), and utilities (unreliable utilities 9%). The Puerto Rico Manufacturing-Purchasing Managers Index (PRM-PMI) has been at or above the threshold level in 106 of the 168 months since the survey was first undertaken.

Puerto Rico Manufacturing – Purchasing Managers' Index (PRM-PMI)

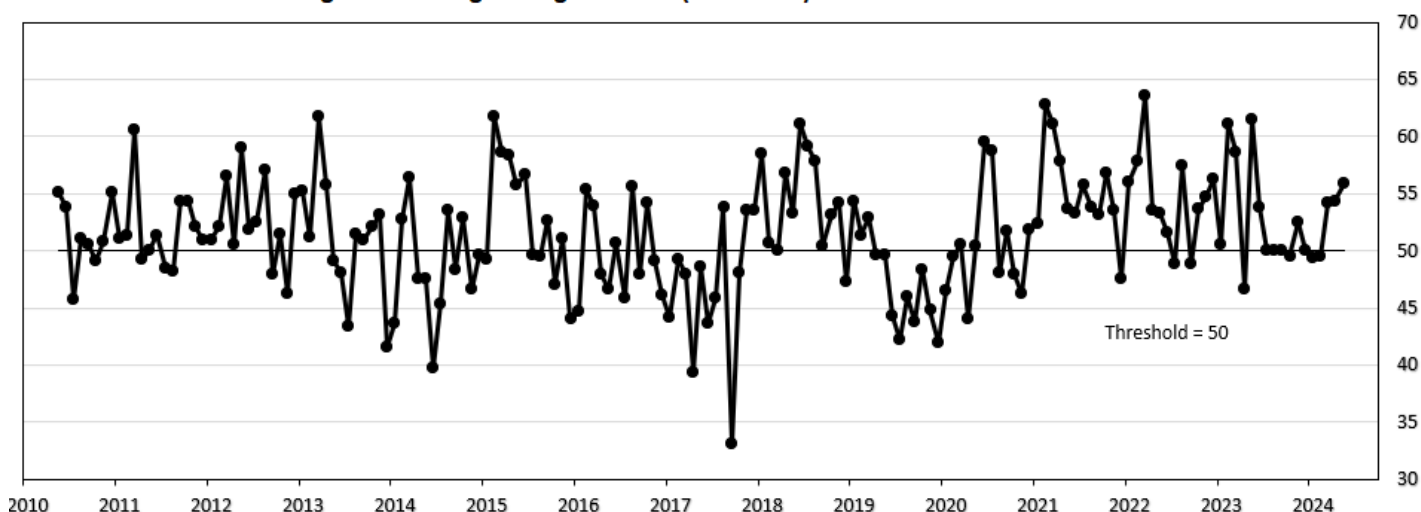


Table 1. Puerto Rico Manufacturing – Purchasing Managers' Index: May 2024

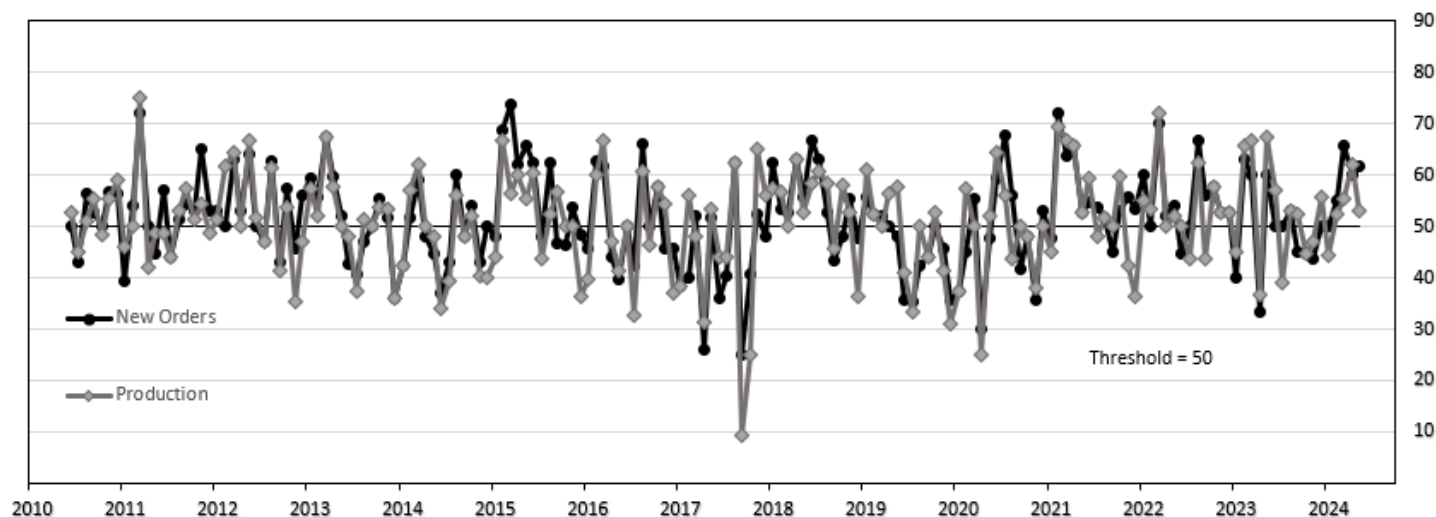
	Better	Same	Worse	Index		
New orders	35.3	52.9	11.8	61.8	Higher	Órdenes nuevas
Production	23.5	58.8	17.6	52.9	Higher	Producción
Employment	17.6	82.4	0.0	58.8	Higher	Empleo
Supplier deliveries	11.8	88.2	0.0	55.9	Slower	Entregas de suplidores
Own inventories	17.6	64.7	17.6	50.0	Same	Inventarios de su empresa
Puerto Rico Manufacturing – Purchasing Managers Index				55.9	Expansion	

New Orders

In May, the New Orders PMI increased to 61.8, staying at or above the threshold for six consecutive months. A reading above 50 suggests that new orders at manufacturing establishments in May were higher than in April.

Production

The Production PMI decreased to 52.9 in May, staying above the threshold for four consecutive months. A reading above 50 indicates that manufacturing production in May was higher than in April.

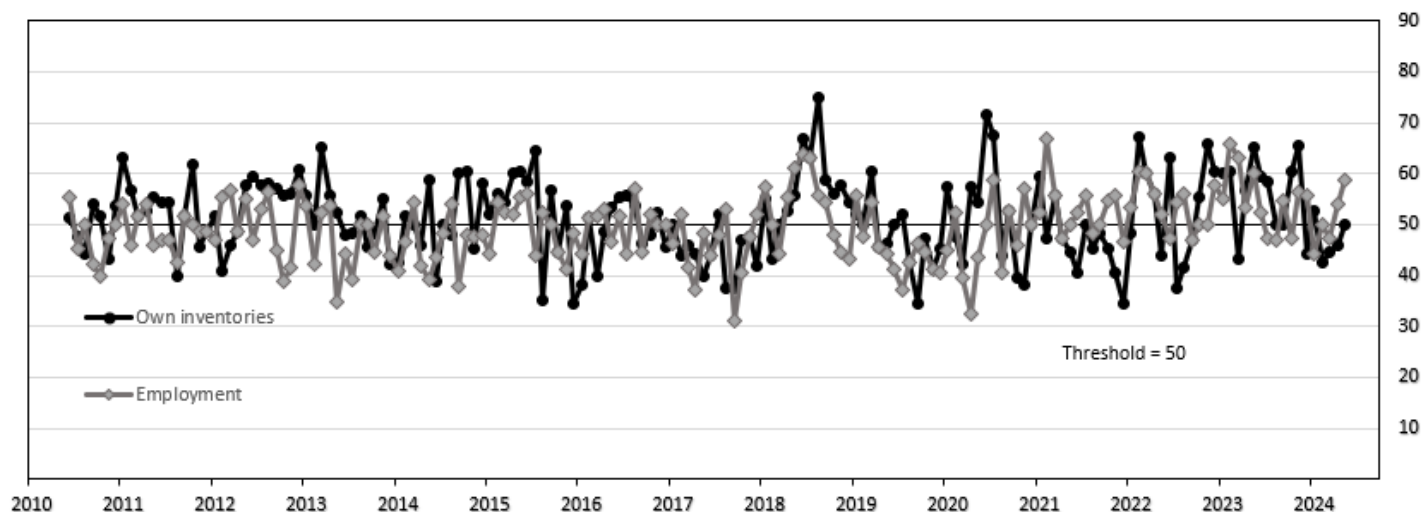


Employment

In May, the Employment PMI increased to 58.8, staying above the threshold for two consecutive months. A reading above 50 suggests that manufacturing employment in May was higher than in April.

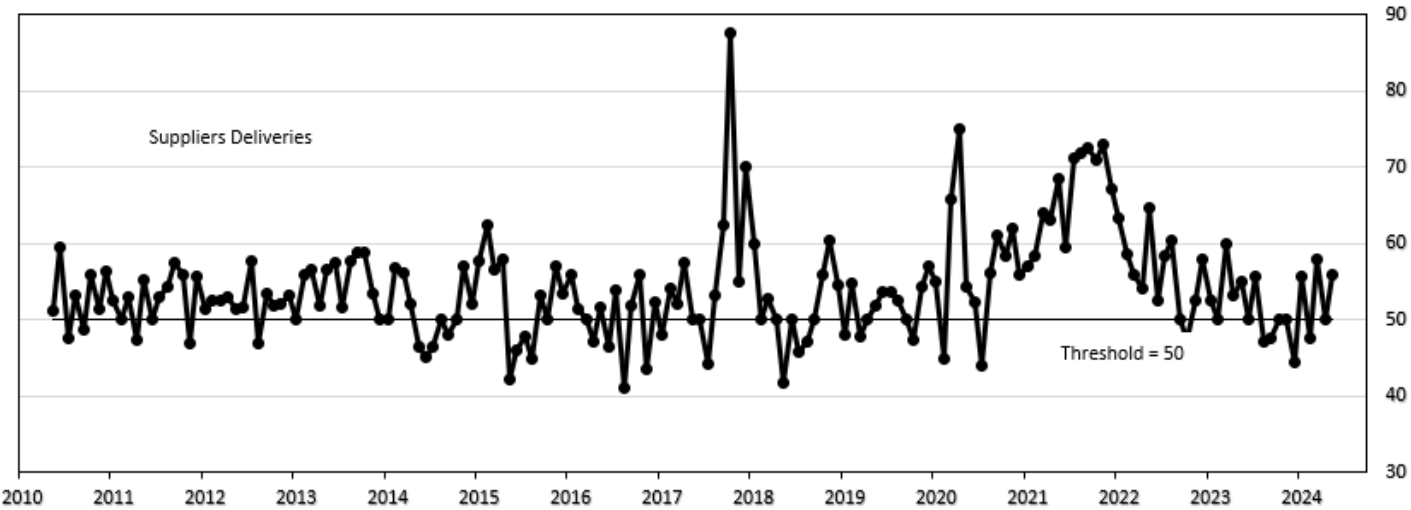
Own Inventories

In May, the Own Inventories PMI increased to 50.0, after being below the threshold last month. A reading at 50 indicates that inventories in manufacturing establishments in May were the same as in April.



Supplier Deliveries

The Supplier Deliveries PMI increased to 55.9 in May, staying at or above the threshold for three consecutive months. A reading above 50 suggests that the speed of supplier deliveries in May was slower than in April.



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. It is currently in a testing phase to ensure a reliable methodology. 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 report is published at 10:00 a.m. 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 2024:

Reference month	Publication date
Nov-23	January 3, 2024
Dec-23	February 1, 2024
Jan-24	March 4, 2024
Feb-24	April 1, 2024
Mar-24	May 1, 2024
Apr-24	June 3, 2024

Reference month	Publication date
May-24	July 1, 2024
Jun-24	August 1, 2024
Jul-24	September 3, 2024
Aug-24	October 1, 2024
Sep-24	November 4, 2024
Oct-24	December 2, 2024