

Purchasing Managers Index of Puerto Rico Manufacturing

MARCH 2024



PUERTO RICO MANUFACTURING PMI INCREASED TO 54.2 IN MARCH

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 54.2 in March 2024. A reading above the threshold of 50 suggests an expansion in the manufacturing sector with respect to the previous month. New orders, Production, Suppliers' Delivery and Owned Inventories sub-indexes increased with respect to the previous month. New orders, Production and Suppliers' Delivery were 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 20%, absenteeism 20%), operations (suppliers deliveries 13%, sales 7%, shortage of raw materials 7%, maintenance and repair of machinery and equipment 7%, supply chain logistics 7%, cost of transportation 7%, quality of materials 7%), and utilities (unreliable utilities 20%). The Puerto Rico Manufacturing-Purchasing Managers Index (PRM-PMI) has been at or above the threshold level in 104 of the 166 months since the survey was first undertaken.

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

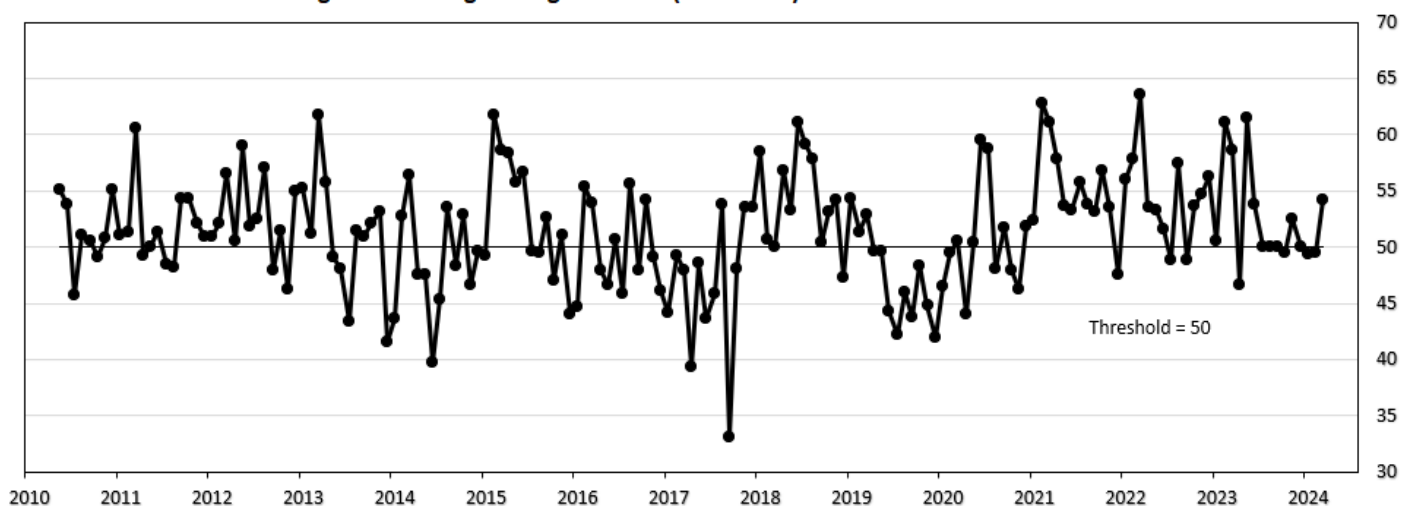


Table 1. Puerto Rico Manufacturing – Purchasing Managers' Index: March 2024

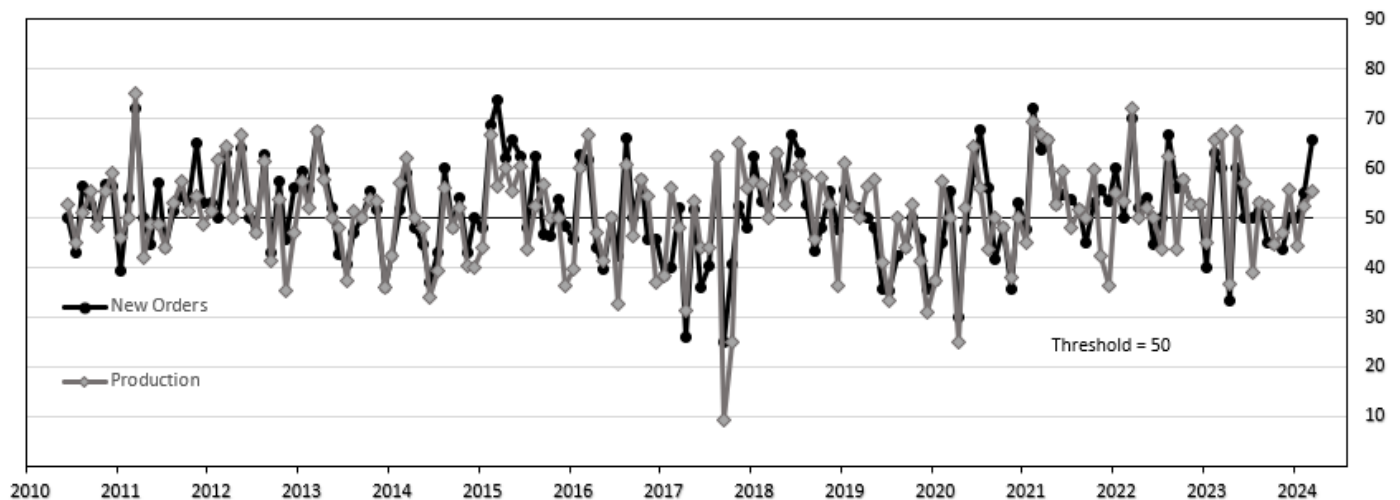
	Better	Same	Worse	Index		
New orders	42.1	47.4	10.5	65.8	Higher	Órdenes nuevas
Production	21.1	68.4	10.5	55.3	Higher	Producción
Employment	5.3	84.2	10.5	47.4	Lower	Empleo
Supplier deliveries	21.1	73.7	5.3	57.9	Slower	Entregas de suplidores
Own inventories	15.8	57.9	26.3	44.7	Lower	Inventarios de su empresa
Puerto Rico Manufacturing – Purchasing Managers Index				54.2	Expansion	

New Orders

In March, the New Orders PMI increased to 65.8, staying at or above the threshold for four consecutive months. A reading above 50 suggests that new orders at manufacturing establishments in March were higher than in February.

Production

The Production PMI increased to 55.3 in March, staying above the threshold for two consecutive months. A reading above 50 indicates that manufacturing production in March was higher than in February.

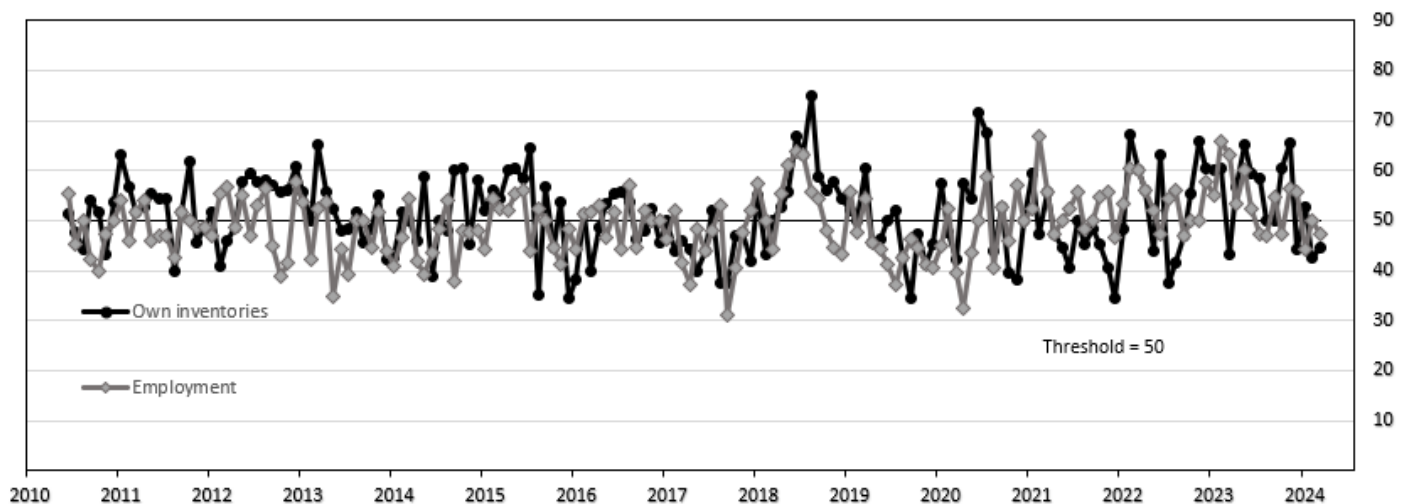


Employment

In March, the Employment PMI decreased to 47.4, after being at the threshold last month. A reading below 50 suggests that manufacturing employment in March was lower than in February.

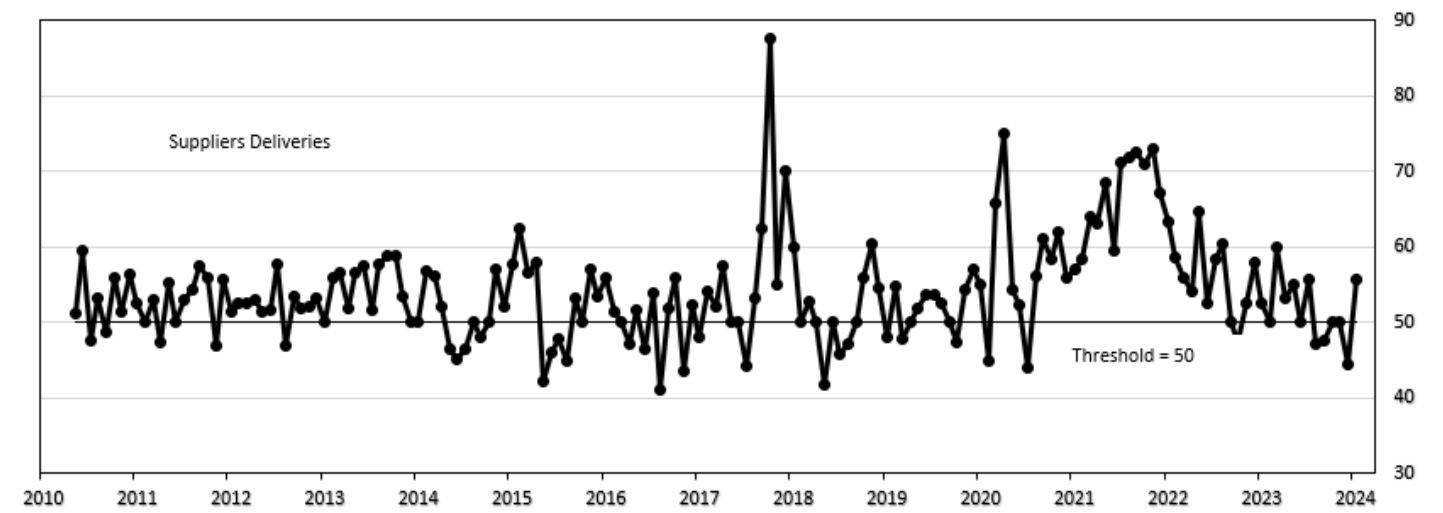
Own Inventories

In March, the Own Inventories PMI increased to 44.7, staying below the threshold for two consecutive months. A reading below 50 indicates that inventories in manufacturing establishments in March were lower than in February.



Supplier Deliveries

The Supplier Deliveries PMI increased to 57.9 in March, after being below the threshold in the previous month. A reading above 50 suggests that the speed of supplier deliveries in March was slower than in February.



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