

# Purchasing Managers Index of Puerto Rico Manufacturing

## OCTOBER 2024



### PUERTO RICO MANUFACTURING PMI DECREASED TO 48.3 IN OCTOBER

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 decreased to 48.3 in October 2024. A reading below the threshold of 50 suggests a contraction in the manufacturing sector with respect to the previous month. Own Inventories and Suppliers Deliveries increased with respect to the previous month. Employment, Own Inventories and Suppliers Deliveries 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: utilities (unreliable utilities 40%), human resources (employment 30%, absenteeism 10%), and operations (sales 10%, quality of materials 10%, own inventories 10%). The Puerto Rico Manufacturing-Purchasing Managers Index (PRM-PMI) has been at or above the threshold level in 108 of the 173 months since the survey was first undertaken.

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

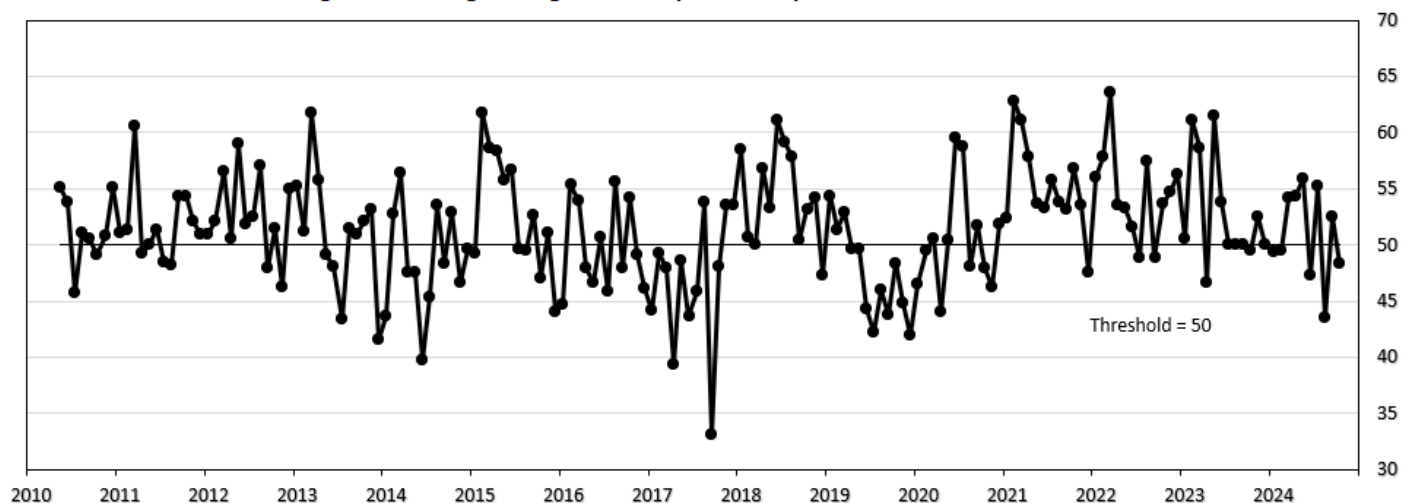


Table 1. Puerto Rico Manufacturing – Purchasing Managers' Index: October 2024

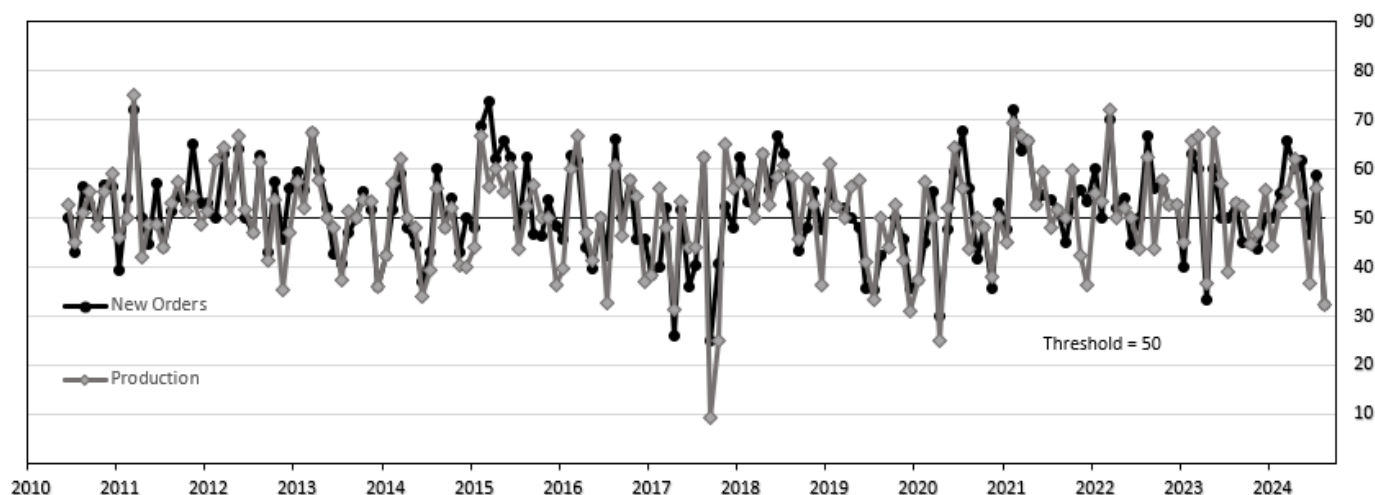
	Better	Same	Worse	Index		
New orders	16.7	50.0	33.3	41.7	Lower	Órdenes nuevas
Production	16.7	50.0	33.3	41.7	Lower	Producción
Employment	0.0	100.0	0.0	50.0	Same	Empleo
Supplier deliveries	8.3	91.7	0.0	54.2	Slower	Entregas de suplidores
Own inventories	16.7	75.0	8.3	54.2	Higher	Inventarios de su empresa
Puerto Rico Manufacturing – Purchasing Managers Index				48.3	Contraction	

## New Orders

In October, the New Orders PMI decreased to 41.7, after being above the threshold last month. A reading below 50 suggests that new orders at manufacturing establishments in October were lower than in September.

## Production

The Production PMI decreased to 41.7 in October, after being above the threshold the previous month. A reading below 50 indicates that manufacturing production in October was lower than in September.

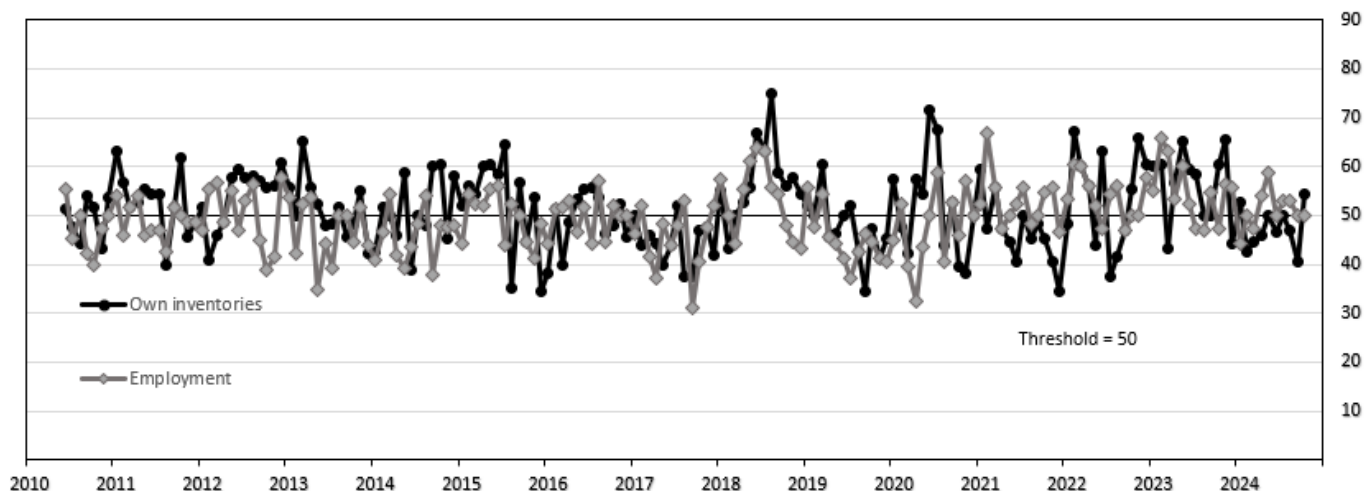


## Employment

In October, the Employment PMI remained the same (50.0), staying at or above the threshold for seven consecutive months. A reading at 50 suggests that manufacturing employment in October was the same as in September.

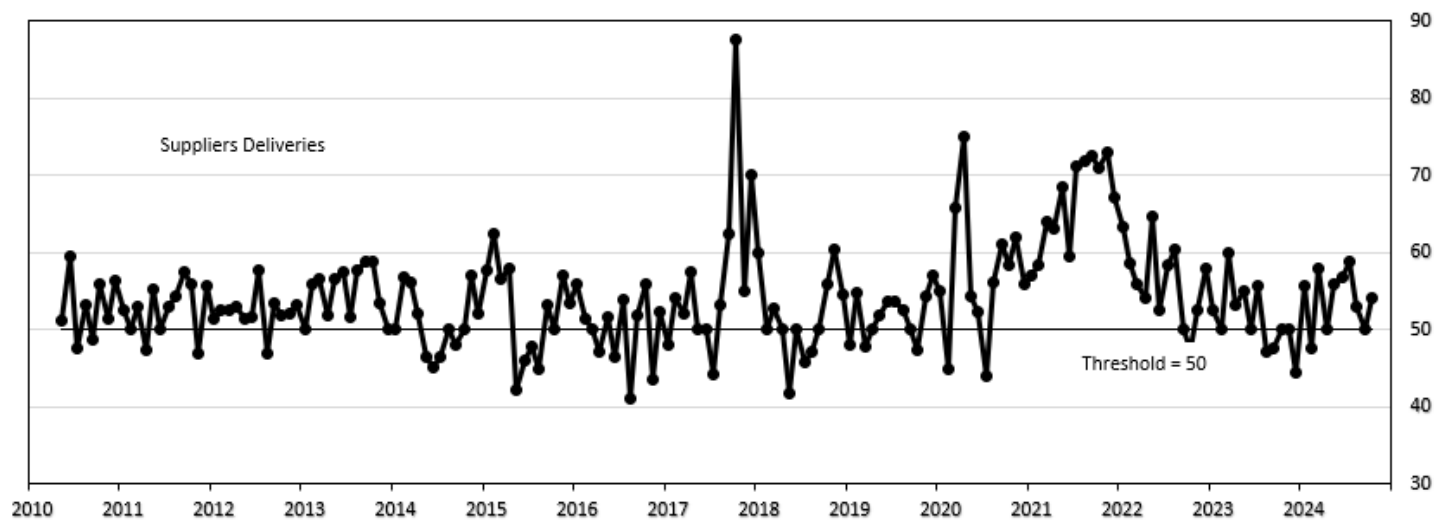
## Own Inventories

In October, the Own Inventories PMI increased to 54.2, after being below the threshold for two consecutive months. A reading above 50 indicates that inventories in manufacturing establishments in October were higher than in September.



Supplier Deliveries

The Supplier Deliveries PMI increased to 54.2 in October, staying at or above the threshold for eight consecutive months. A reading above 50 suggests that the speed of supplier deliveries in October was slower than in September.



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## 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 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