

Purchasing Managers Index of Puerto Rico Manufacturing

January 2024



PUERTO RICO MANUFACTURING PMI DECREASED TO 49.4 IN JANUARY

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 49.4 in January 2024. A reading below the threshold of 50 suggests a contraction in the manufacturing sector with respect to the previous month. Suppliers' Delivery and Own inventories sub-indexes increased with respect to the previous month. New orders, Suppliers' Delivery, and Own inventories 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 45%, absenteeism 9%), operations (sales 18%, cost of transportation 9%, shortage of raw materials 9%, suppliers deliveries 9%), utilities (unreliable utilities 9%) and external factors (severe weather events 9%). The Puerto Rico Manufacturing-Purchasing Managers Index (PRM-PMI) has been at or above the threshold level in 103 of the 164 months since the survey was first undertaken.

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

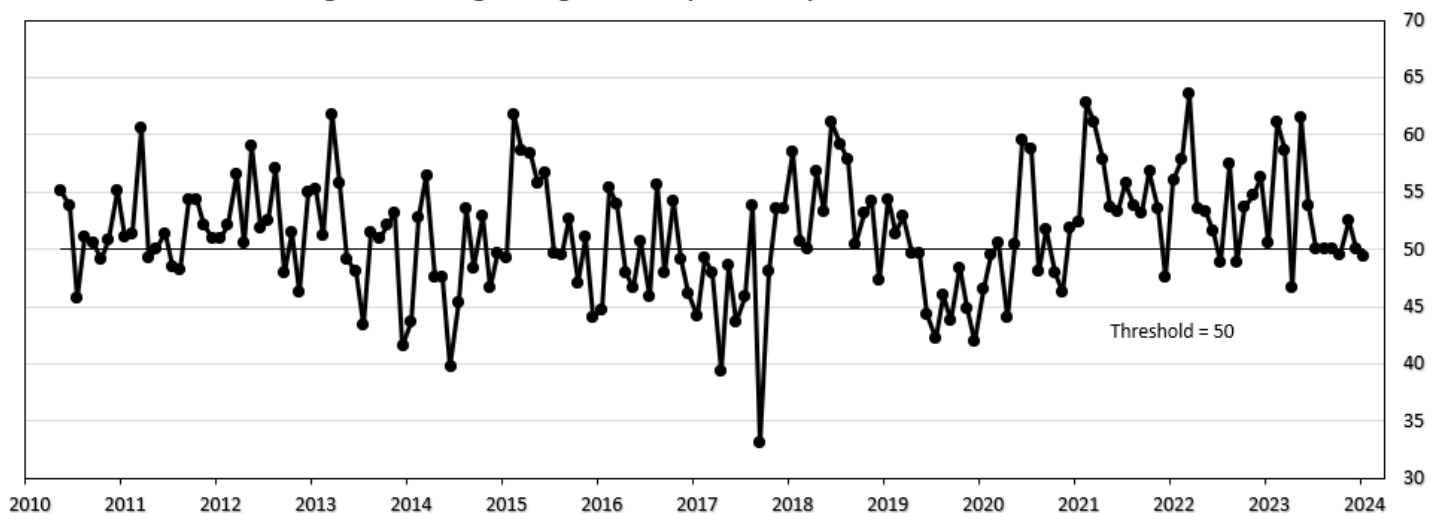


Table 1. Puerto Rico Manufacturing – Purchasing Managers' Index: January 2024

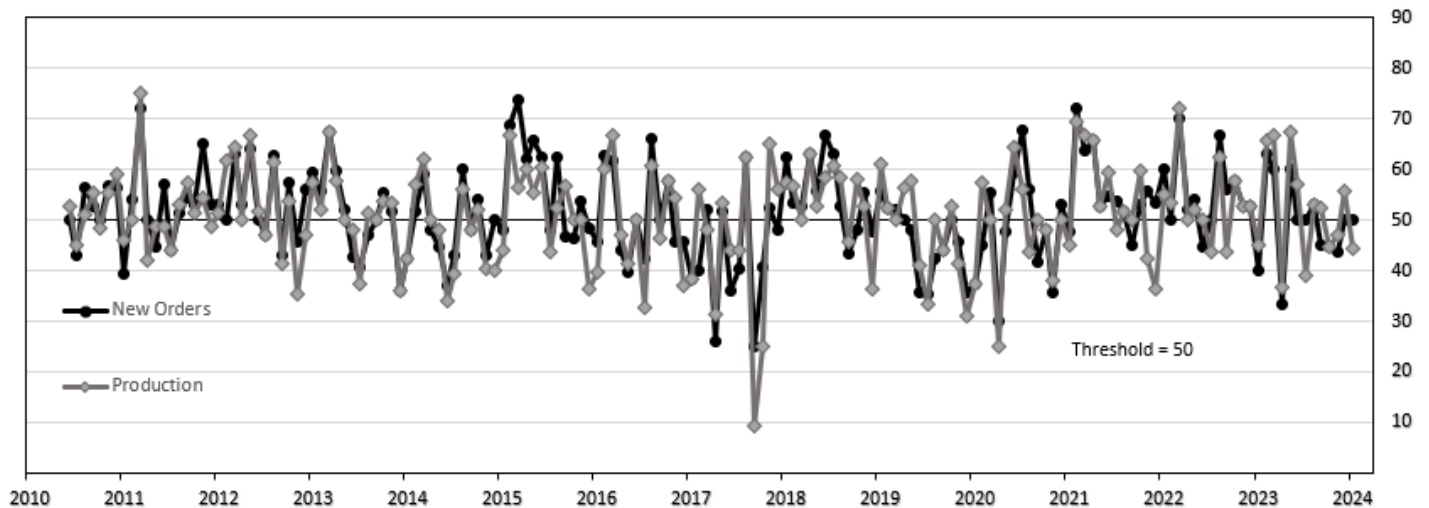
	Better	Same	Worse	Index		
Órdenes nuevas	22.2	55.6	22.2	50.0	Same	New orders
Producción	16.7	55.6	27.8	44.4	Lower	Production
Empleo	11.1	66.7	22.2	44.4	Lower	Employment
Entregas de suplidores	16.7	77.8	5.6	55.6	Slower	Supplier deliveries
Inventarios de su empresa	27.8	50.0	22.2	52.8	Higher	Own inventories
Puerto Rico Manufacturing – Purchasing Managers Index				49.4	Lower	

New Orders

In January, the New Orders PMI remained the same (50.0) with respect to the previous month, staying at the threshold for two consecutive months. A reading at 50 suggests that new orders at manufacturing establishments in January were the same as in December.

Production

The Production PMI decreased to 44.4 in January, after being above the threshold in the previous month. A reading below 50 indicates that manufacturing production in January was lower than in December.

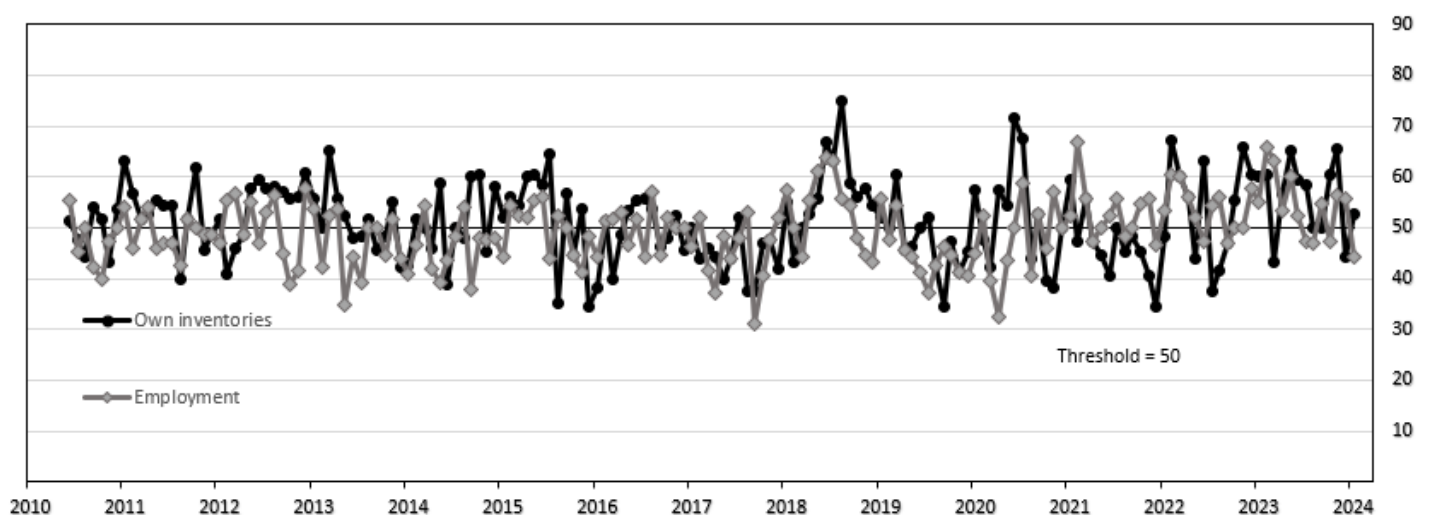


Employment

In January, the Employment PMI decreased to 44.4, after being above the threshold for two consecutive months. A reading below 50 suggests that manufacturing employment in January was lower than in December.

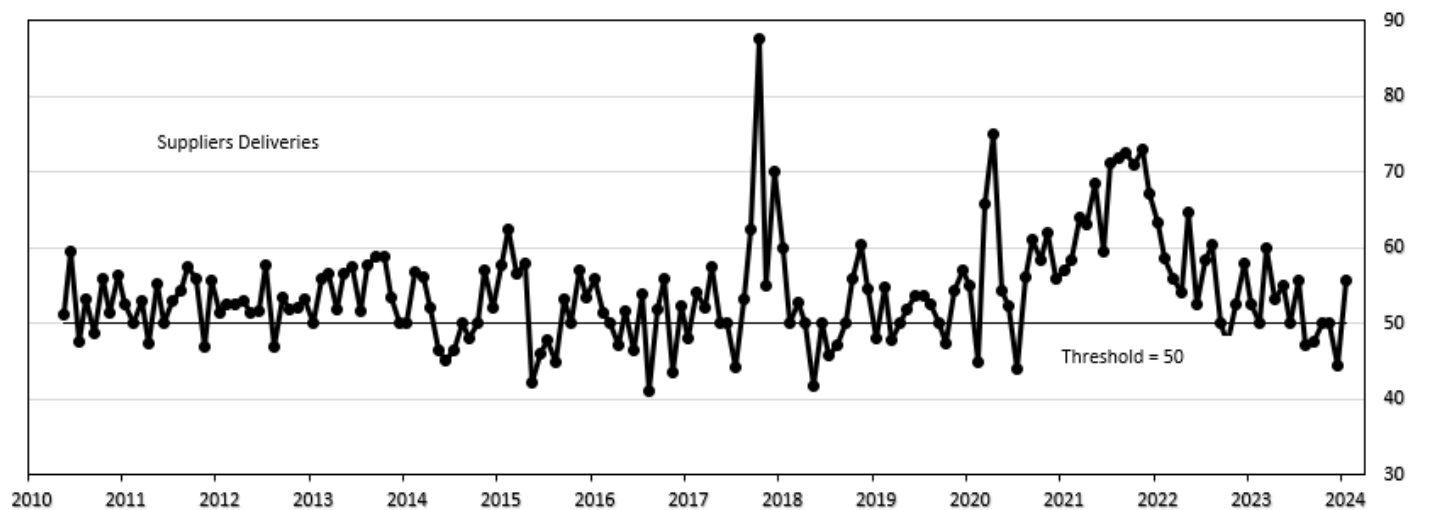
Own Inventories

In January, the Own Inventories PMI increased to 52.8, after being below the threshold in the previous month. A reading above 50 indicates that inventories in manufacturing establishments in January were higher than in December.



Supplier Deliveries

The Supplier Deliveries PMI increased to 55.6 in January, after being below the threshold in the previous month. A reading above 50 suggests that the speed of supplier deliveries in January was lower than in December.



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.

This report was prepared by the staff of the Puerto Rico Institute of Statistics and has not been evaluated by the Board of Directors of the Puerto Rico Institute of Statistics. The information contained in this report need not reflect the official opinion of the Board of Directors of the Puerto Rico Institute of Statistics. No warranty, express or implied, is attached to these figures. While the figures are compiled with professional care, no representations about appropriateness, accuracy, or suitability for specific applications are made.

Contact information

Contact person: Dr. Ronald Hernández Maldonado, Statistical Project Manager; Leyda Inés Soto López, Statistical Project Assistant
Addresses: Physical – 57 Quisqueya St., Suite 2000, San Juan, PR 00917; Postal – P.O. Box 195484, San Juan, PR 00919
Telephones: Direct – (787) 819-0730; E-mail – ronald.hernandez@estadisticas.pr ; leyda.soto@estadisticas.pr

To obtain a copy of this report

(1) Visit <https://estadisticas.pr/encuestas/puerto-rico-manufacturing>, (2) write your request at <https://preguntas.estadisticas.pr/>, (3) call (787) 819-0730, (4) mail your request to the Puerto Rico Institute of Statistics, P.O. Box 195484, San Juan, PR 00919, or (5) visit the offices of the Puerto Rico Institute of Statistics at 57 Quisqueya St., Suite 2000, San Juan, PR 00917, between the hours of 8:00 a.m. and 5:30 p.m. The report is available on paper and in the following electronic formats: pdf and Microsoft Excel. The report is free.

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