

Purchasing Managers Index of Puerto Rico Manufacturing

NOVEMBER 2024



PUERTO RICO MANUFACTURING PMI DECREASED TO 35.6 IN NOVEMBER

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 35.6 in November 2024. A reading below the threshold of 50 suggests a contraction in the manufacturing sector with respect to the previous month. All sub-indexes decreased with respect to the previous month and were below the threshold level of 50. In a supplemental survey of manufacturing establishments, the biggest challenges faced by companies during the past month were: human resources (employment 38%, absenteeism 15%, turnover 15%), utilities (unreliable utilities 23%), and operations (sales 15%, expenses 8%, cost of materials 8%). The Puerto Rico Manufacturing-Purchasing Managers Index (PRM-PMI) has been at or above the threshold level in 108 of the 174 months since the survey was first undertaken.

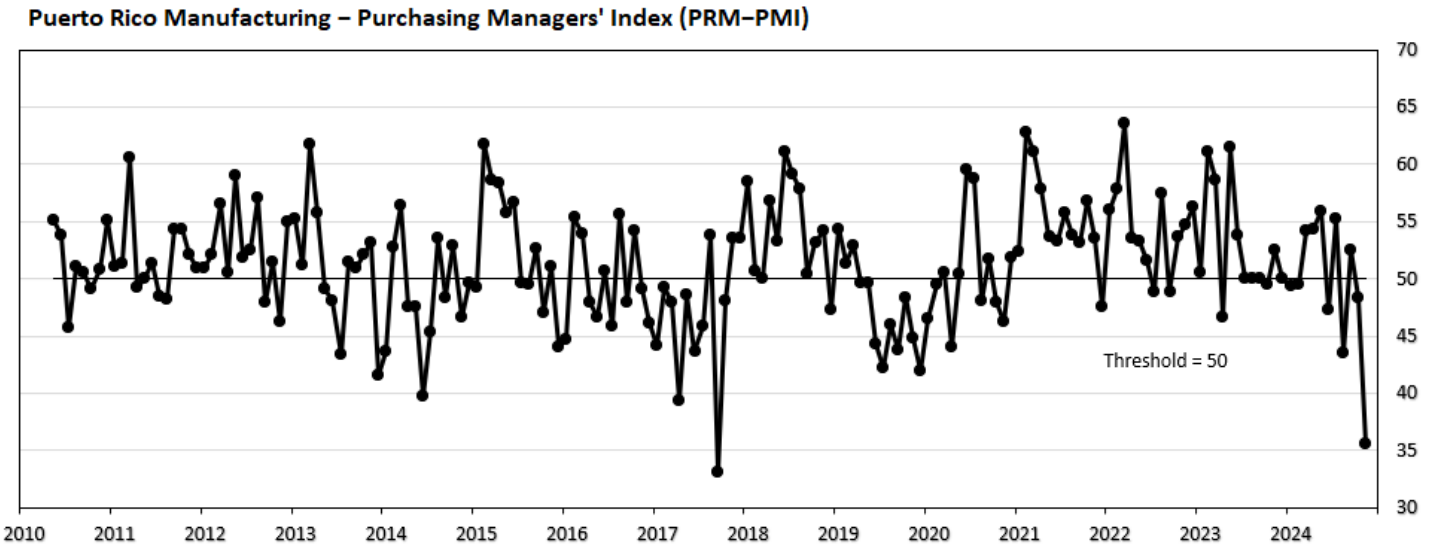


Table 1. Puerto Rico Manufacturing – Purchasing Managers' Index: November 2024

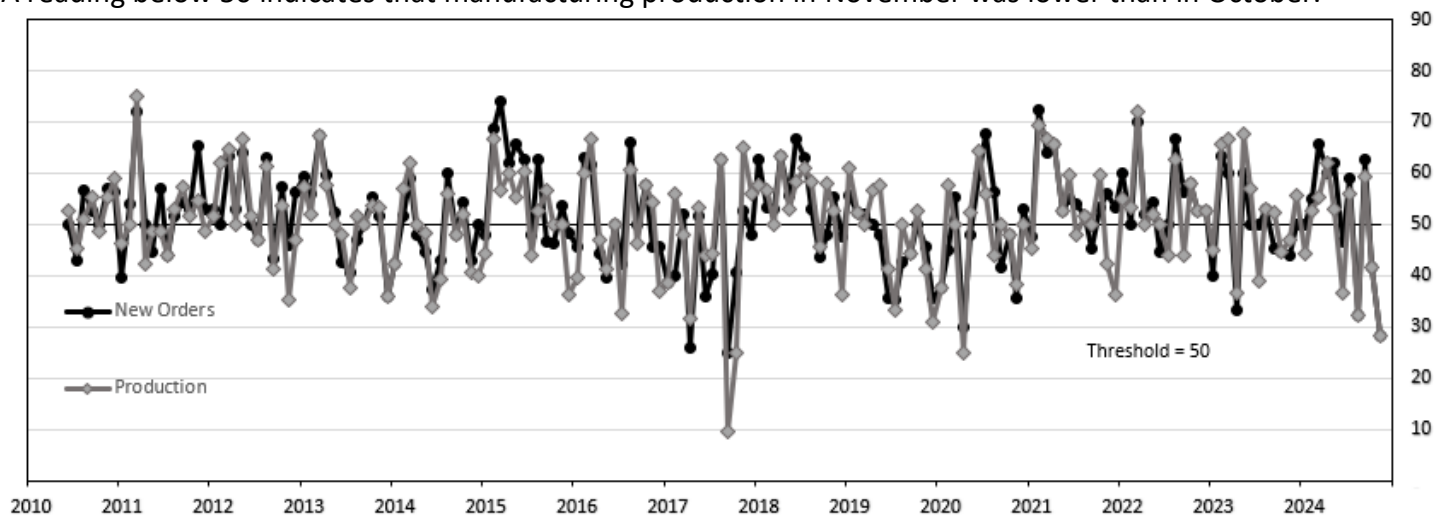
	Better	Same	Worse	Index		
New orders	12.5	31.3	56.3	28.1	Lower	Órdenes nuevas
Production	0.0	56.3	43.8	28.1	Lower	Producción
Employment	12.5	62.5	25.0	43.8	Lower	Empleo
Supplier deliveries	6.3	75.0	18.8	43.8	Faster	Entregas de suplidores
Own inventories	18.8	31.3	50.0	34.4	Lower	Inventarios de su empresa
Puerto Rico Manufacturing – Purchasing Managers Index				35.6	Contraction	

New Orders

In November, the New Orders PMI decreased to 28.1, staying below the threshold for two consecutive months. A reading below 50 suggests that new orders at manufacturing establishments in November were lower than in October.

Production

The Production PMI decreased to 28.1 in November, staying below the threshold for two consecutive months. A reading below 50 indicates that manufacturing production in November was lower than in October.

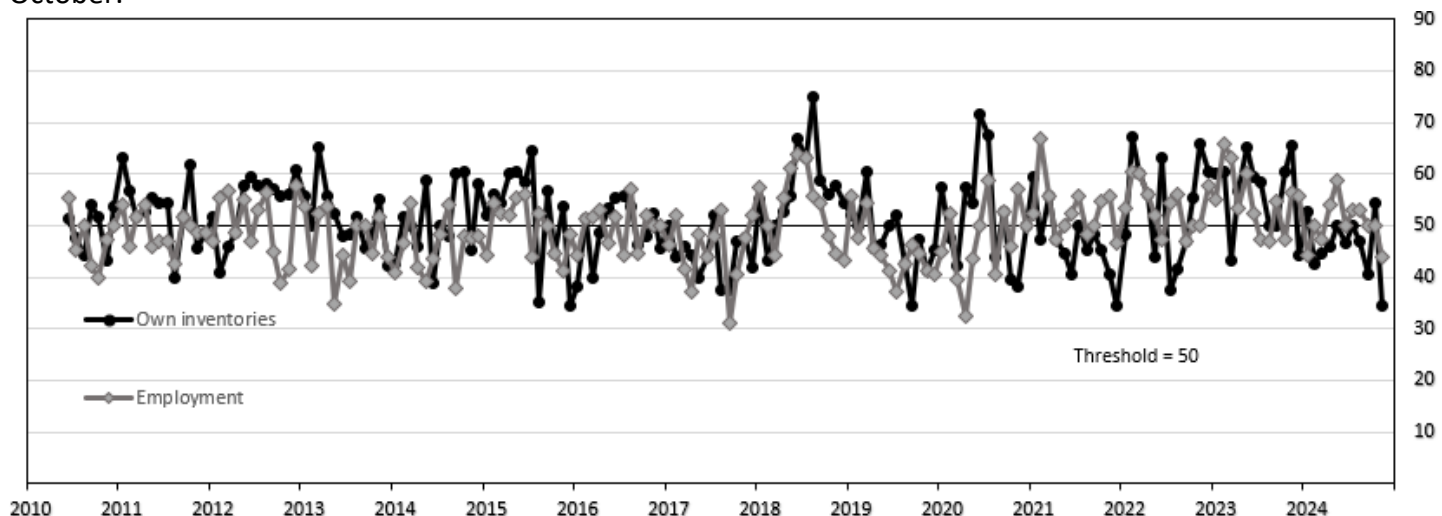


Employment

In November, the Employment PMI decreased to 43.8, after being at or above the threshold for seven consecutive months. A reading below 50 suggests that manufacturing employment in November was lower than in October.

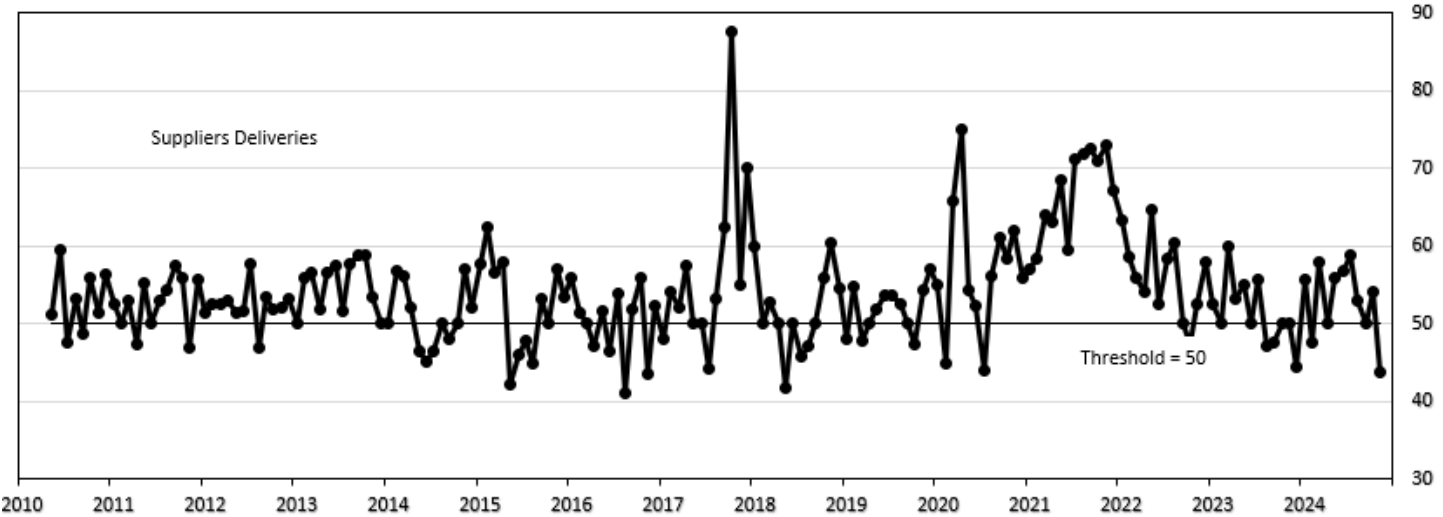
Own Inventories

In November, the Own Inventories PMI decreased to 34.4, after being above the threshold the previous month. A reading below 50 indicates that inventories in manufacturing establishments in November were lower than in October.



Supplier Deliveries

The Supplier Deliveries PMI decreased to 43.8 in November, after being at or above the threshold for eight consecutive months. A reading below 50 suggests that the speed of supplier deliveries in November was faster than in October.



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