

PUERTO RICO MANUFACTURING PMI INCREASED TO 54.4 IN APRIL

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 54.4 in April 2024. A reading above the threshold of 50 suggests an expansion in the manufacturing sector with respect to the previous month. Employment, Production, and Owned Inventories sub-indexes increased with respect to the previous month. Production, New Orders, Suppliers Deliveries and Employment 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 28%, turnover 22%, absenteeism 11%, training needs 6%), operations (suppliers deliveries 22%, sales 11%, shortage of raw materials 6%, cost of transportation 6%, cost of materials 6%), and utilities (unreliable utilities 11%). The Puerto Rico Manufacturing-Purchasing Managers Index (PRM-PMI) has been at or above the threshold level in 105 of the 167 months since the survey was first undertaken.

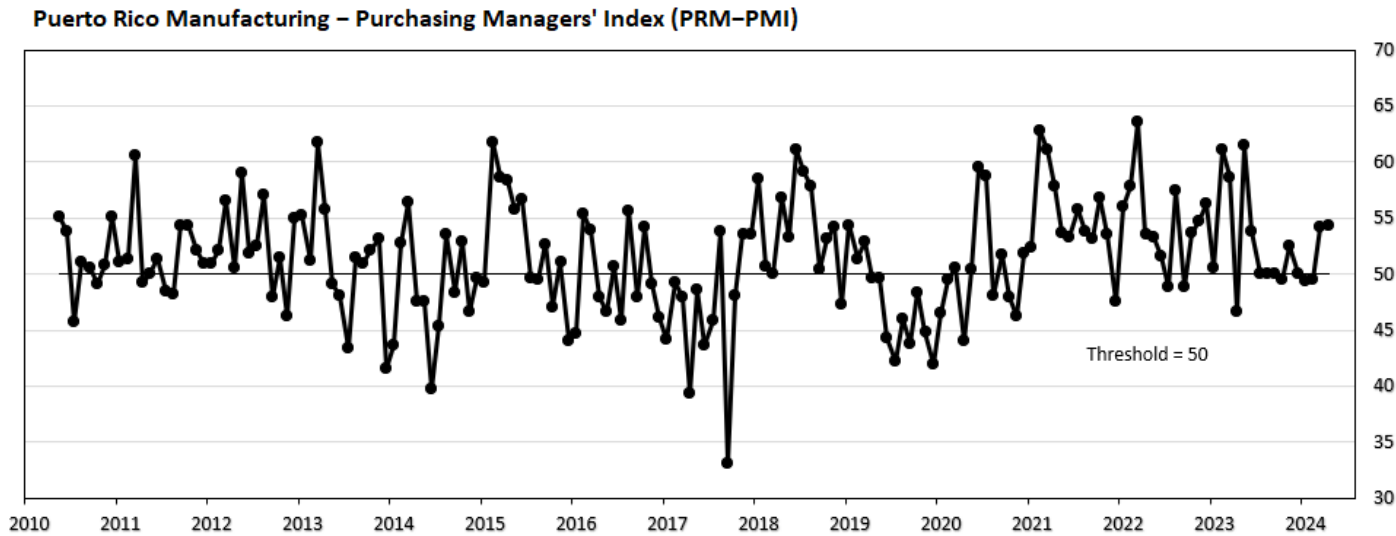


Table 1. Puerto Rico Manufacturing – Purchasing Managers' Index: April 2024

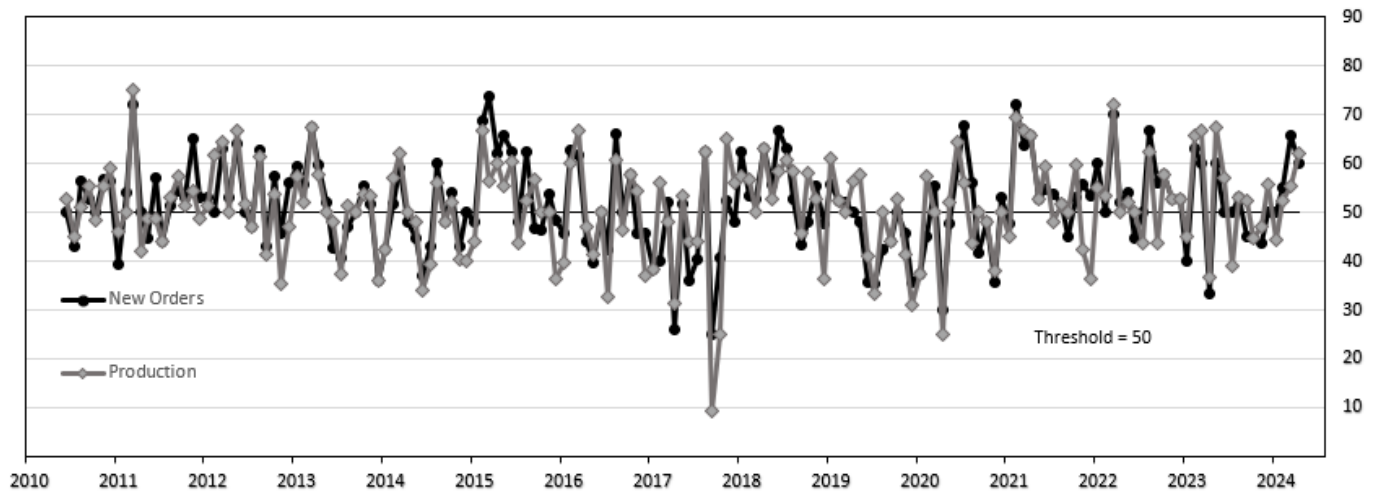
	Better	Same	Worse	Index		
New orders	36.0	48.0	16.0	60.0	Higher	Órdenes nuevas
Production	36.0	52.0	12.0	62.0	Higher	Producción
Employment	16.0	76.0	8.0	54.0	Higher	Empleo
Supplier deliveries	4.0	92.0	4.0	50.0	Same	Entregas de suplidores
Own inventories	16.0	60.0	24.0	46.0	Lower	Inventarios de su empresa
Puerto Rico Manufacturing – Purchasing Managers Index				54.4	Expansion	

New Orders

In April, the New Orders PMI decreased to 60.0, staying at or above the threshold for five consecutive months. A reading above 50 suggests that new orders at manufacturing establishments in April were higher than in March.

Production

The Production PMI increased to 62.0 in April, staying above the threshold for three consecutive months. A reading above 50 indicates that manufacturing production in April was higher than in March.

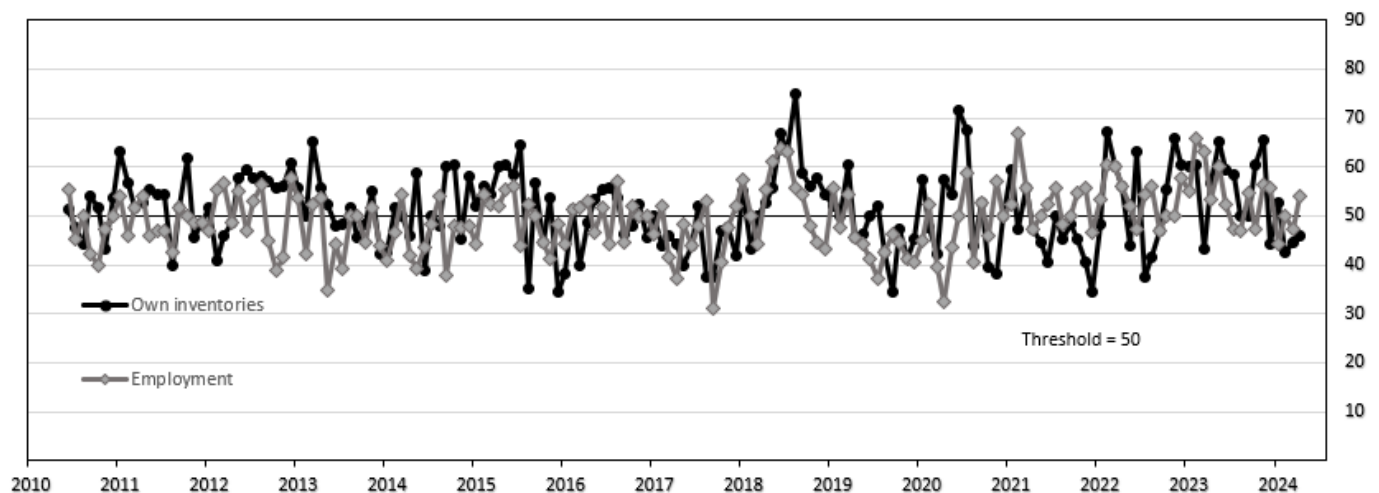


Employment

In April, the Employment PMI increased to 54.0, after being below the threshold last month. A reading above 50 suggests that manufacturing employment in April was higher than in March.

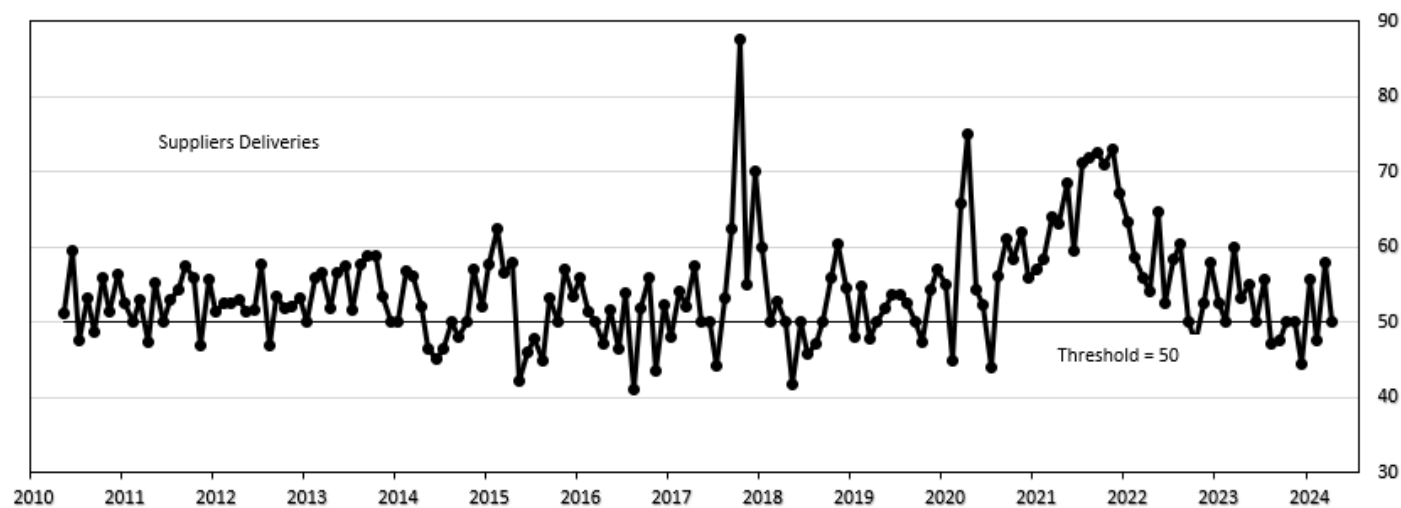
Own Inventories

In April, the Own Inventories PMI increased to 46.0, staying below the threshold for three consecutive months. A reading below 50 indicates that inventories in manufacturing establishments in April were lower than in March.



Supplier Deliveries

The Supplier Deliveries PMI decreased to 50.0 in April, staying at or above the threshold for two consecutive months. A reading at 50 suggests that the speed of supplier deliveries in April was the same as in March.



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	Reference month	Publication date
Nov-23	January 3, 2024	May-24	July 1, 2024
Dec-23	February 1, 2024	Jun-24	August 1, 2024
Jan-24	March 4, 2024	Jul-24	September 3, 2024
Feb-24	April 1, 2024	Aug-24	October 1, 2024
Mar-24	May 1, 2024	Sep-24	November 4, 2024
Apr-24	June 3, 2024	Oct-24	December 2, 2024