

Purchasing Managers Index of Puerto Rico Manufacturing

NOVEMBER 2023



PUERTO RICO MANUFACTURING PMI INCREASED TO 52.5 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. On a Non-Seasonally Adjusted (NSA) basis, the Purchasing Managers Index (PMI) for Puerto Rico's manufacturing sector increased to 52.5 in November 2023. A reading above the threshold level of 50 suggests an expansion in the manufacturing sector with respect to the previous month. Production, Employment and Own Inventories sub-indexes increased with respect to the previous month. Supplier Deliveries, Employment 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 75%, absenteeism 8%) and operations (supply chain logistics 8%, sales 8%, cost of transportation 8%, cost of materials 8%, changing on consumer preferences 8%). The Puerto Rico Manufacturing-Purchasing Managers Index (PRM-PMI) has been at or above the threshold level in 102 of the 162 months since the survey was first undertaken. The PRM-PMI is currently available only on a Non- Seasonally Adjusted (NSA) basis which means that seasonal fluctuations can affect its performance.

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

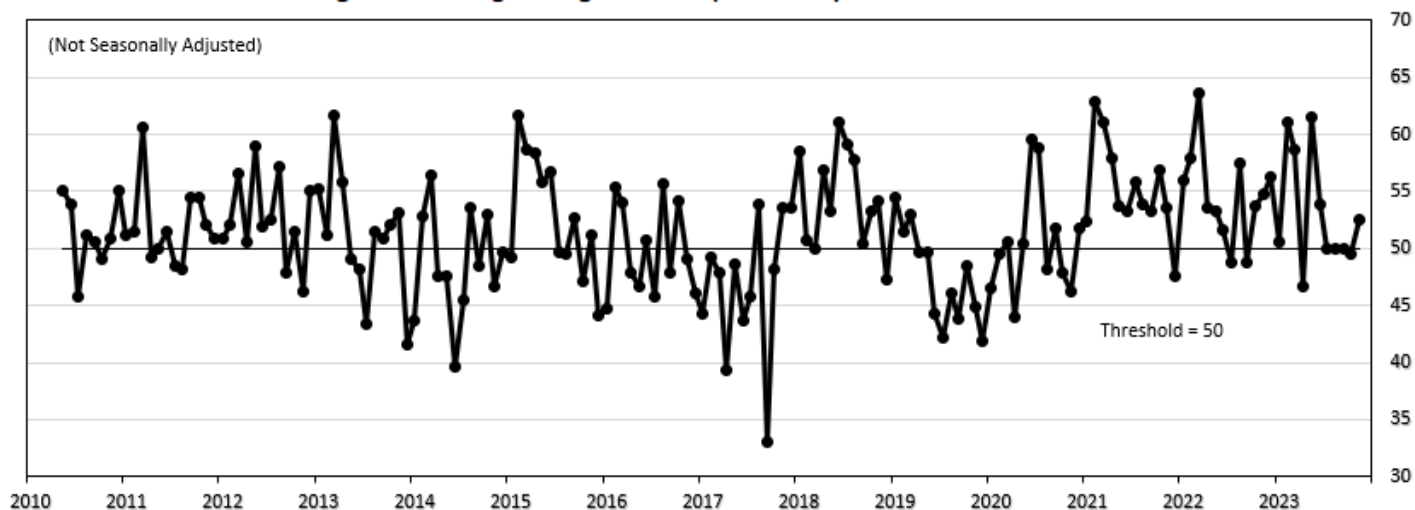


Table 1. Puerto Rico Manufacturing – Purchasing Managers' Index (NSA): November 2023

	Better	Same	Worse	Index		
Órdenes nuevas	18.8	50.0	31.2	43.8	Lower	New orders
Producción	12.5	68.8	18.8	46.9	Lower	Production
Empleo	25.0	62.5	12.5	56.3	Higher	Employment
Entregas de suplidores	6.3	87.5	6.3	50.0	Same	Supplier deliveries
Inventarios de su empresa	43.8	43.8	12.5	65.6	Higher	Own inventories
Puerto Rico Manufacturing – Purchasing Managers Index (NSA)				52.5	Expansion	

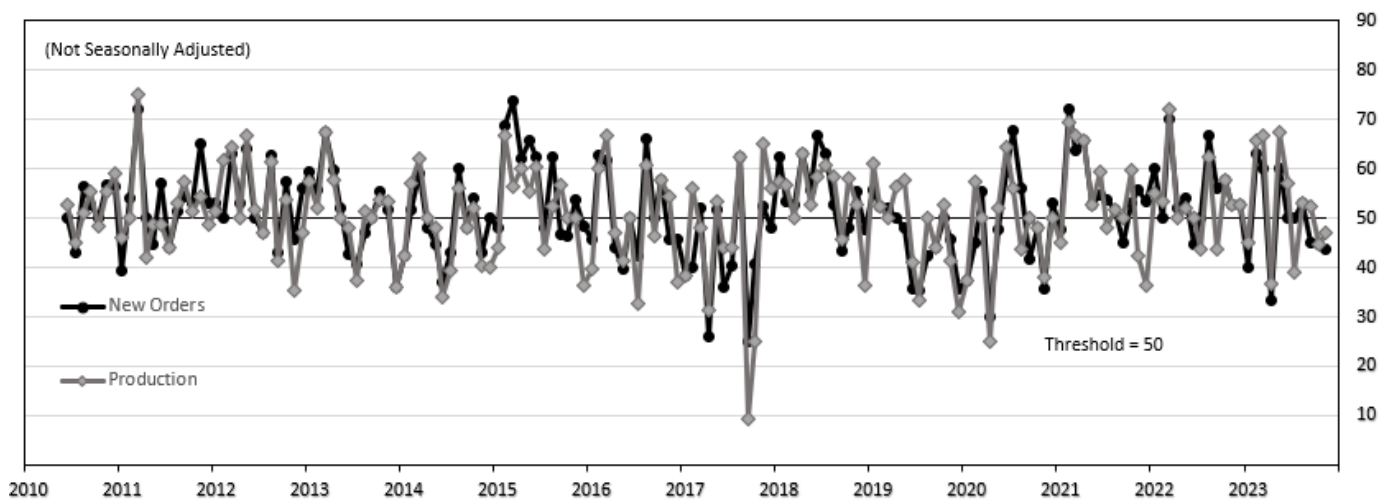
Note: Not Seasonally Adjusted (NSA)

New Orders

In November, the New Orders PMI (NSA) decreased to 43.8, staying below the threshold for three consecutive months. A reading below 50 suggests that on a Non-Seasonally Adjusted (NSA) basis, new orders at manufacturing establishments in November were lower than in October.

Production

The Production PMI (NSA) increased to 46.9 in November, staying below the threshold for two consecutive months. A reading below 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, manufacturing production in November was lower than in October.

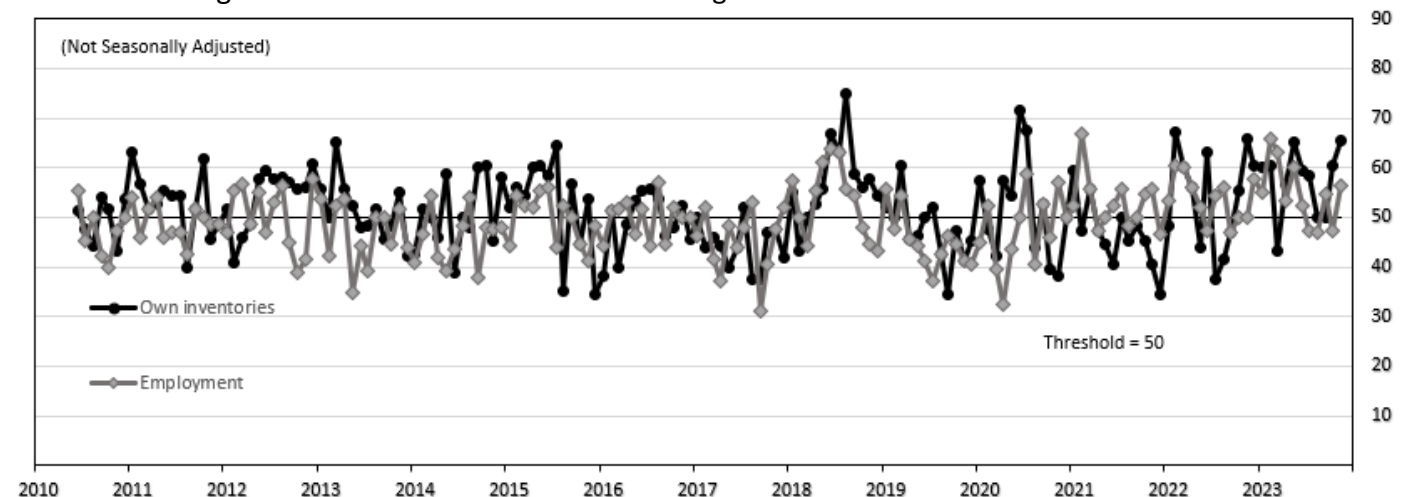


Employment

In November, the Employment PMI (NSA) increased to 56.3, after being below the threshold in the previous month. A reading above 50 suggests that on a Non-Seasonally Adjusted (NSA) basis, manufacturing employment in November was higher than in October.

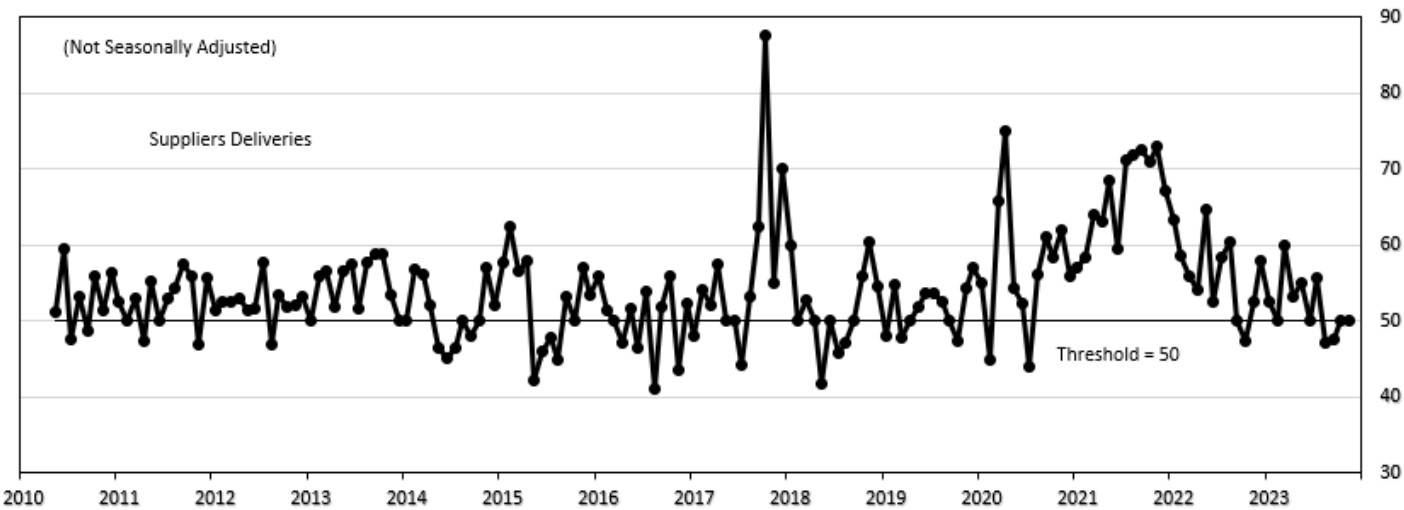
Own Inventories

In November, the Own Inventories PMI (NSA) increased to 65.6, staying at or above the threshold for eight consecutive months. A reading above 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, inventories in manufacturing establishments in November were higher than in October.



Supplier Deliveries

The Supplier Deliveries PMI (NSA) remained the same at 50.0 in November, staying at the threshold for two consecutive months. A reading at 50 suggests that on a Non-Seasonally Adjusted (NSA) basis, the speed of supplier deliveries in November was the same as 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-run 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. In the future, with sufficient data points, a seasonally adjusted version of the PRM-PMI will be prepared, which will smooth away the influence of any seasonal fluctuations.

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 2023:

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