

Purchasing Managers Index of Puerto Rico Manufacturing

October 2022



Transmission of material in this release is embargoed

(787) 819-0730 • <https://preguntas.estadisticas.pr/>

<https://estadisticas.pr/encuestas/puerto-rico-manufacturing>

PUERTO RICO MANUFACTURING PMI INCREASED TO 53.7 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. On a Non-Seasonally Adjusted (NSA) basis, the Purchasing Managers Index (PMI) for Puerto Rico's manufacturing sector increased to 53.7 in October 2022. A reading above the threshold level of 50 suggests an expansion in the manufacturing sector with respect to the previous month. New Orders, Production, Employment and Own inventories sub-indexes increased with respect to the previous month. On a positive note, New Orders, Production, 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 the shortage of raw material (33%), employment (22%), absence of basic utilities (17%), unreliable utilities (17%), costs (17%), supply chain logistics (11%), lead times (11%), absenteeism (11%), sales (6%), fuel supply for power generation (6%), maintenance and repair of machinery and equipment (6%) and obtaining parts (6%). The Puerto Rico Manufacturing-Purchasing Managers Index (PRM-PMI) has been at or above the threshold level in 91 of the 149 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.

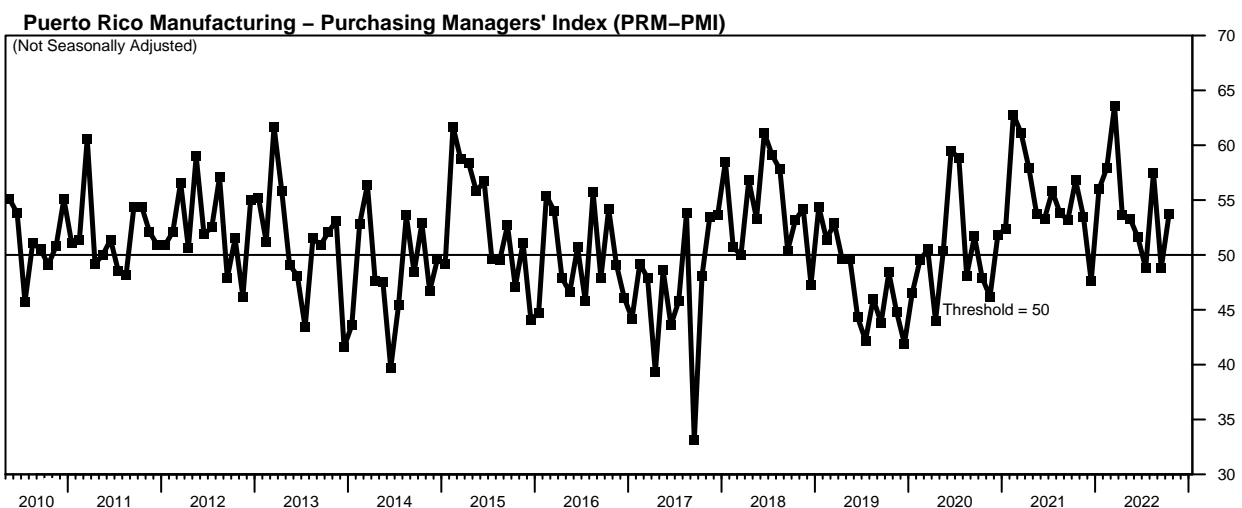


Table 1. Puerto Rico Manufacturing – Purchasing Managers' Index (NSA): October 2022

	Better	Same	Worse	Index		
Órdenes nuevas	26.3	63.2	10.5	57.9	Higher	New orders
Producción	21.1	73.7	5.3	57.9	Higher	Production
Empleo	5.3	89.5	5.3	50	Same	Employment
Entregas de suplidores	10.5	73.7	15.8	47.4	Faster	Supplier deliveries
Inventarios de su empresa	21.1	68.4	10.5	55.3	Higher	Own inventories

Puerto Rico Manufacturing – Purchasing Managers Index (NSA) 53.7 Expansion

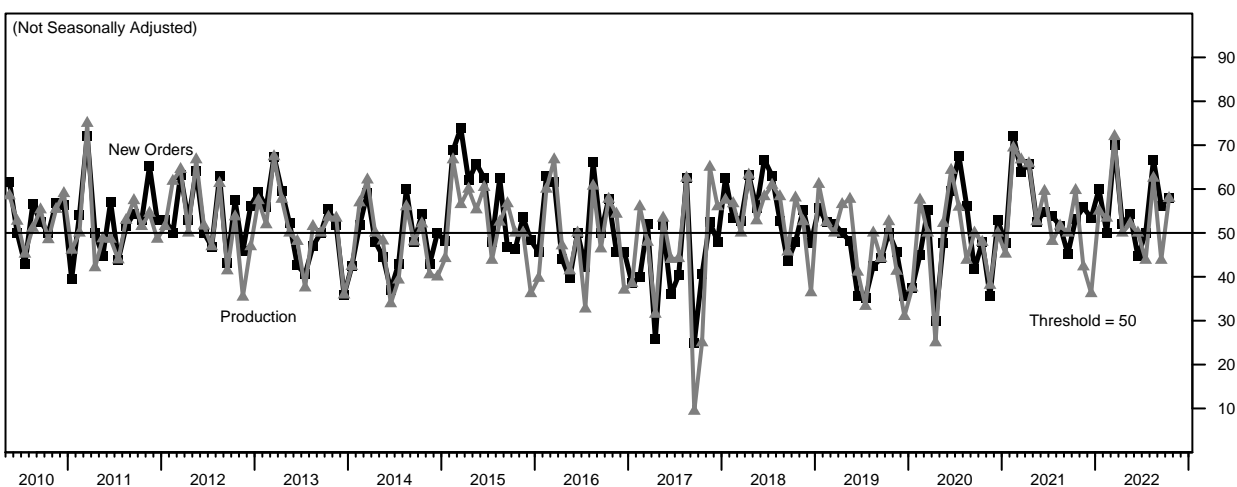
Note: Not Seasonally Adjusted (NSA)

New Orders

In October, the New Orders PMI (NSA) increased to 57.9, staying at or above the threshold for four consecutive months. A reading above 50 suggests that on a Non-Seasonally adjusted (NSA) basis, new orders at manufacturing establishments in October were higher than September.

Production

The Production PMI (NSA) increased to 57.9 in October, after being below the threshold in September. A reading above 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, manufacturing production in October was higher than September.

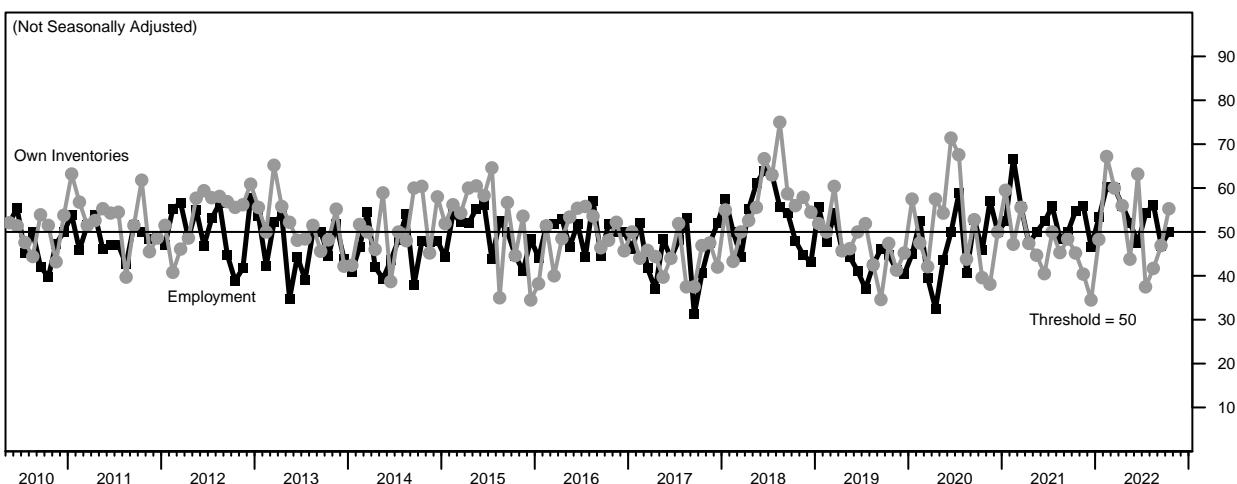


Employment

In October, the Employment PMI (NSA) increased to 50.0, after being below the threshold last month. A reading at 50 suggests that on a Non-Seasonally Adjusted (NSA) basis, manufacturing employment in October was the same as in September.

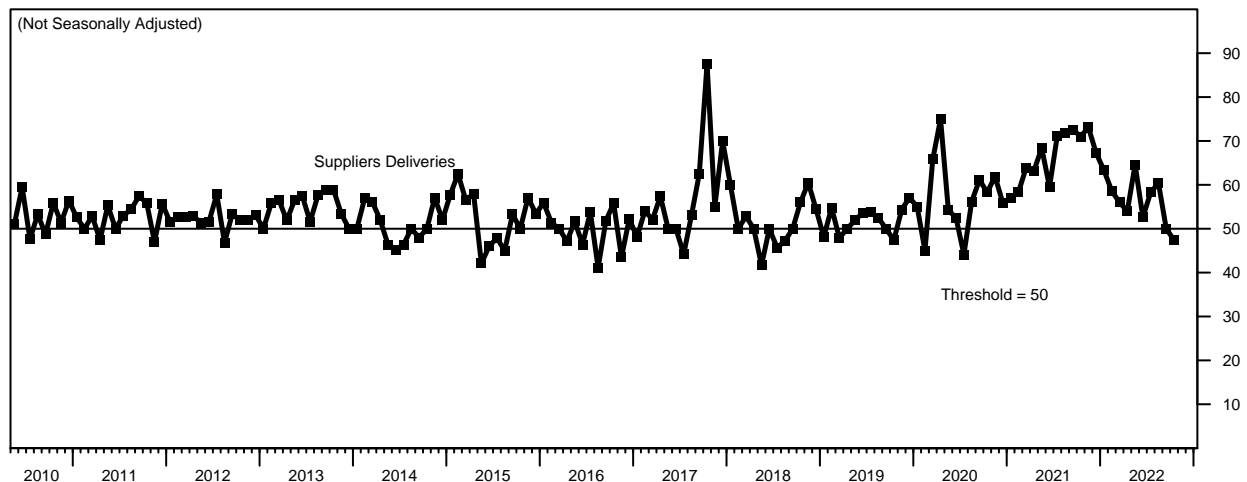
Own Inventories

In October, the Own Inventories PMI (NSA) increased to 55.3, after being below the threshold for three consecutive months. A reading above 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, inventories in manufacturing establishments in October were higher than in September.



Supplier Deliveries

The Supplier Deliveries PMI (NSA) decreased to 47.4 in October, after being at or above the threshold for 26 consecutive months. A reading below the threshold of 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, the speed of supplier deliveries in October was faster than in September.



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.

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: Ana Gabriela Jara Castro, Statistical Projects Manager

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 – ana.jara@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 2022:

Reference month	Publication date
Nov-21	January 3, 2022
Dec-21	February 1, 2022
Jan-22	March 1, 2022
Feb-22	April 5, 2022
Mar-22	June 3, 2022
Apr-22	July 7, 2022

Reference month	Publication date
June-22	July 5, 2022
Jun-22	August 2, 2022
Jul-22	September 6, 2022
Aug-22	October 4, 2022
Sep-22	November 1, 2022
Oct-22	December 6, 2022