

# Purchasing Managers Index of Puerto Rico Manufacturing

## December 2016

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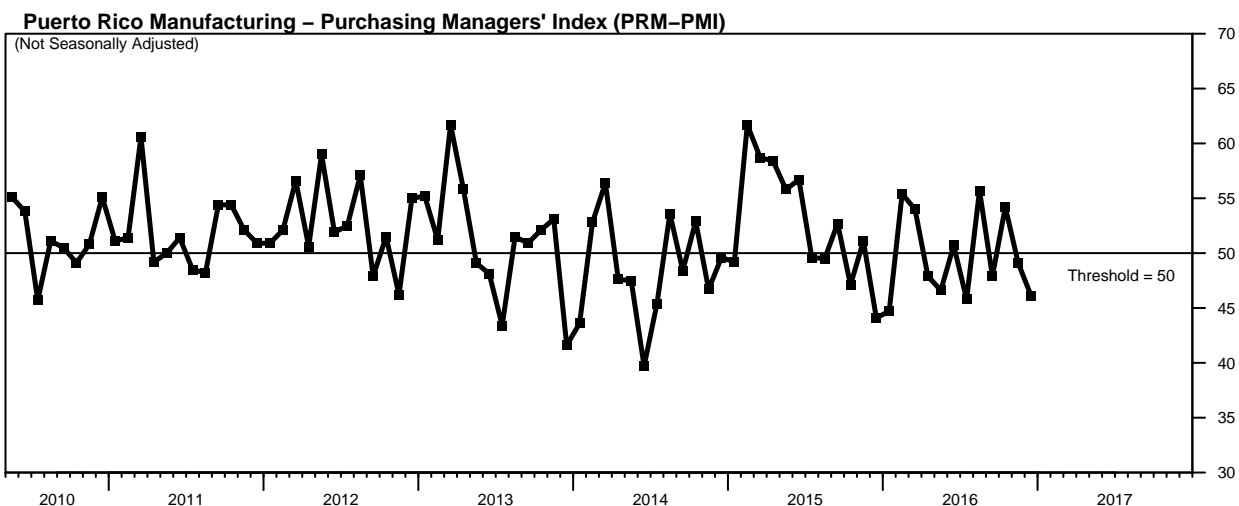
until 10:00 a.m. (AST) Wednesday, February 1, 2017

(787) 993-3336 • [preguntas@estadisticas.pr](mailto:preguntas@estadisticas.pr)

<http://www.estadisticas.pr/iepr/Publicaciones/Encuestas/ManufacturaPMI.aspx>

### PUERTO RICO MANUFACTURING PMI EDGED DOWN TO 46.1 IN DECEMBER

On a Non-Seasonally Adjusted (NSA) basis, the Purchasing Managers Index (PMI) for Puerto Rico's manufacturing sector decreased to 46.1 in December. A reading below the threshold level of 50 suggests a contraction in the manufacturing sector with respect to the previous month. The New Orders and Employment sub-indexes remained steady when compared to their November reading, at 45.7 and 50.0 respectively. The Production PMI (NSA) plummeted to 37.0 this month, falling below the threshold level after two consecutive months above. The Puerto Rico Manufacturing-Purchasing Managers Index (PRM-PMI) has been at or above the threshold level in 49 of the 80 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): December 2016**

	Better	Same	Worse	PMI		
Órdenes nuevas	17.4	56.5	26.1	45.7	Lower	New orders
Producción	13	47.8	39.1	37	Lower	Production
Empleo	13	73.9	13	50	Same	Employment
Entregas de suplidores	13	78.3	8.7	52.2	Slower	Supplier deliveries
Inventarios de su empresa	26.1	39.1	34.8	45.7	Lower	Own inventories
<b>Puerto Rico Manufacturing – Purchasing Managers Index (NSA)</b>				<b>46.1</b>	<b>Contraction</b>	

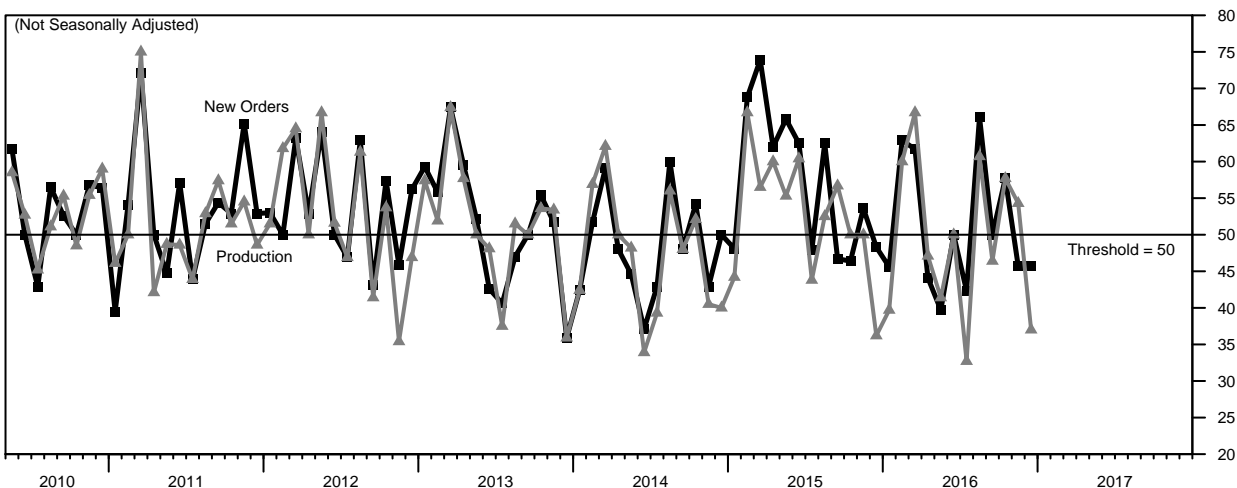
Note: Not Seasonally Adjusted (NSA)

## New Orders

The New Orders PMI (NSA) was unchanged at 45.7 in December, remaining below the threshold level for the second consecutive month. A reading below 50 indicates that on a Non-Seasonally adjusted (NSA) basis, new orders at manufacturing establishments in December were lower than in November.

## Production

In December, the Production PMI (NSA) plummeted to 37.0, falling below the threshold level after two consecutive months above. A reading below 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, manufacturing production in December was lower than in November.

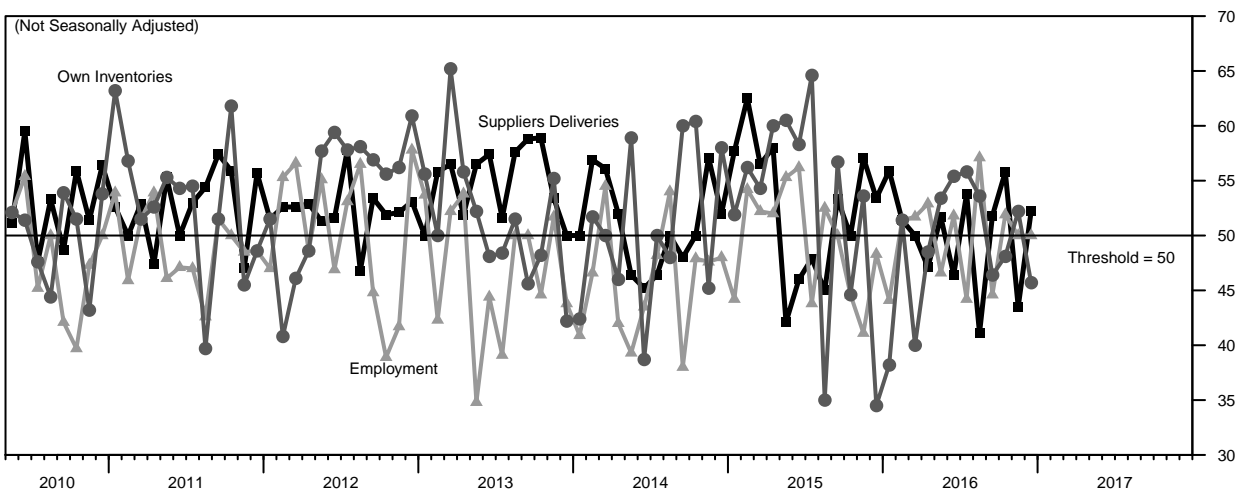


## Employment

The Employment PMI (NSA) remained at the threshold level of 50.0 in December, the third consecutive month at or above the threshold level. A reading of 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, manufacturing employment in December was the same as in November.

## Supplier Deliveries

In December, the Supplier Deliveries PMI (NSA) climbed above the threshold level to 52.2. A reading above 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, the speed of supply deliveries in December was slower than in November, suggesting a higher demand for intermediate goods.



## Own Inventories

The Own Inventories PMI (NSA) declined to 45.7, falling below the threshold level. A reading below 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, inventories in manufacturing establishments in December were lower than in November.

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### 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 <http://www.estadisticas.pr/iepr/Publicaciones/Encuestas/ManufaturaPMI.aspx>. 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 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. In specific, 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. 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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### Contact information

Contact person: Mario Marazzi-Santiago, PhD, Executive Director

Addresses: Physical – 57 Quisqueya St., Suite 2000, San Juan, PR 00917; Postal – P.O. Box 195484, San Juan, PR 00919

Telephones: Direct – (787) 993-3337; Fax – (787) 993-3346; E-mail – [mario.marazzi@estadisticas.pr](mailto:mario.marazzi@estadisticas.pr).

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(1) visit <http://www.estadisticas.pr/iepr/Publicaciones/Encuestas/ManufaturaPMI.aspx>, (2) email your request to [preguntas@estadisticas.pr](mailto:preguntas@estadisticas.pr), (3) call (787) 993-3336, (4) fax your request to (787) 993-3346, (5) mail your request to the Puerto Rico Institute of Statistics, P.O. Box 195484, San Juan, PR 00919, or (6) 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 2016:

Reference month	Publication date
Nov-16	January 4, 2017
Dec-16	February 1, 2017
Jan-17	March 1, 2017
Feb-17	April 3, 2017
Mar-17	May 1, 2017
Apr-17	June 1, 2017

Reference month	Publication date
May-17	July 3, 2017
Jun-17	August 1, 2017
Jul-17	September 1, 2017
Aug-17	October 2, 2017
Sep-17	November 1, 2017
Oct-17	December 1, 2017