

Purchasing Managers Index of Puerto Rico Manufacturing

November 2015

Transmission of material in this release is embargoed

until 10:00 a.m. (AST) Monday, January 4, 2016

(787) 993-3336 • preguntas@estadisticas.pr

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

PUERTO RICO MANUFACTURING PMI ROSE TO 51.1 IN NOVEMBER

On a Non-Seasonally Adjusted (NSA) basis, the Purchasing Managers Index (PMI) for Puerto Rico's manufacturing sector increased above the threshold level to 51.1 in November. A reading above the threshold level of 50 suggests an expansion in the manufacturing sector with respect to the previous month. Except for the Employment sub-index, all of the sub-indexes were at or above the threshold level, and all of the sub-indexes increased when compared to their October reading. The Puerto Rico Manufacturing-Purchasing Managers Index (PRM-PMI) has been at or above the threshold level in 44 of the 67 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.

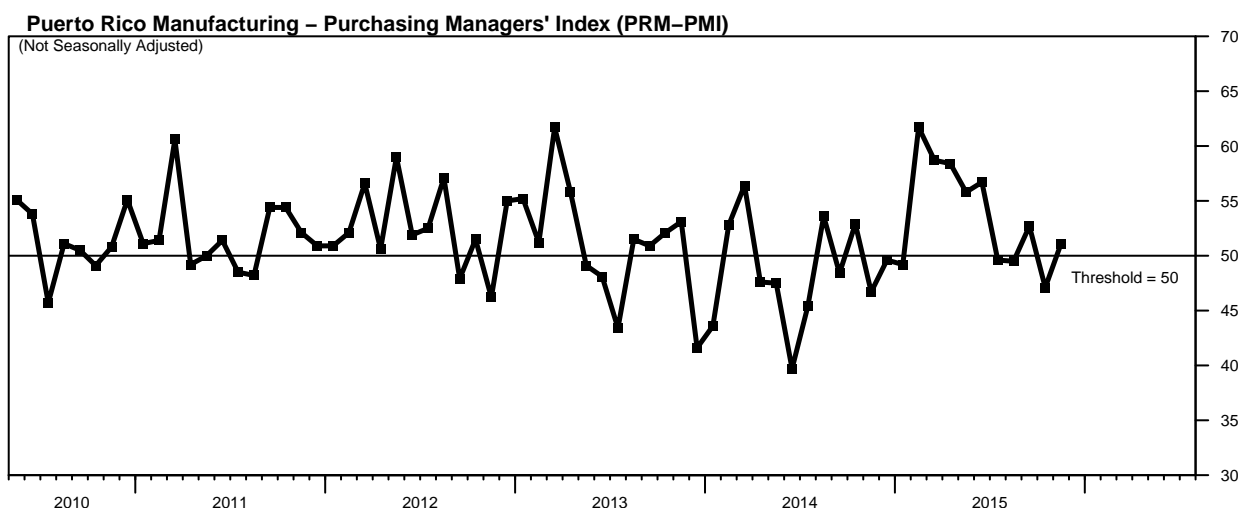


Table 1. Puerto Rico Manufacturing – Purchasing Managers' Index (NSA): November 2015

	Better	Same	Worse	PMI		
Órdenes nuevas	21.4	64.3	14.3	53.6	Higher	New orders
Producción	21.4	57.1	21.4	50	Same	Production
Empleo	3.6	75	21.4	41.1	Lower	Employment
Entregas de suplidores	17.9	78.6	3.6	57.1	Slower	Supplier deliveries
Inventarios de su empresa	28.6	50	21.4	53.6	Higher	Own inventories

Puerto Rico Manufacturing – Purchasing Managers Index (NSA) 51.1 Expansion

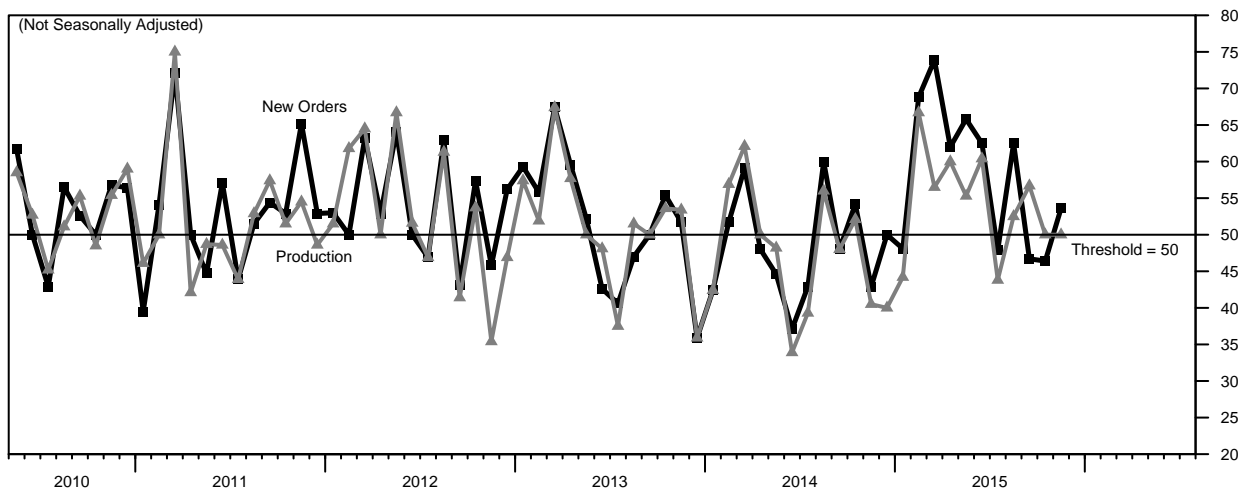
Note: Not Seasonally Adjusted (NSA)

New Orders

In November, the New Orders PMI (NSA) climbed above the threshold level to 53.6, after two consecutive months below it. A reading above 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, new orders at manufacturing establishments in November were higher than in October.

Production

The Production PMI (NSA) remained at the threshold level of 50.0 in November for the second consecutive month. A reading of 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, manufacturing production in November was the same as in October.

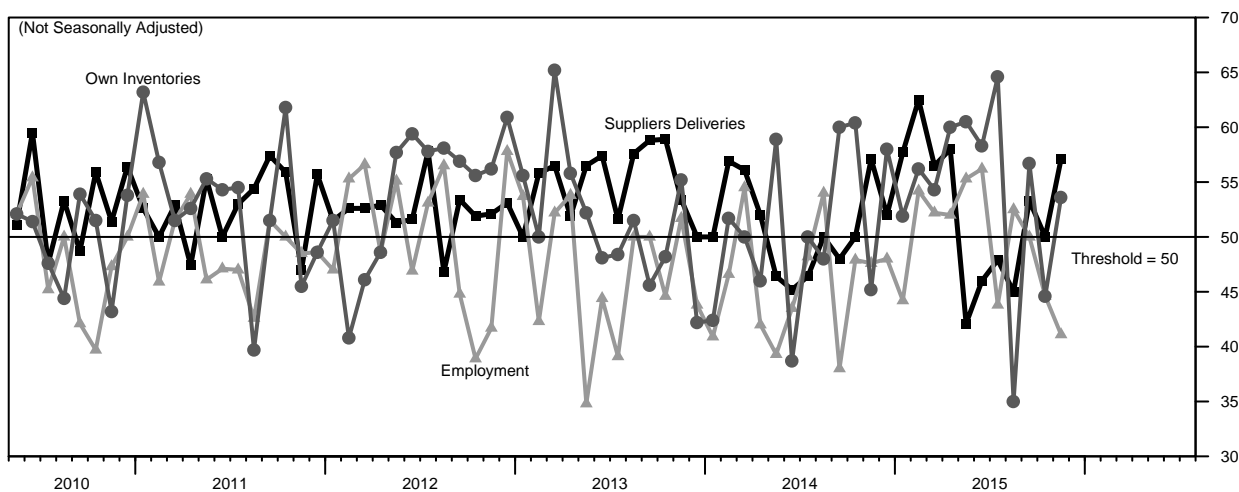


Employment

In November, the Employment PMI (NSA) decreased to 41.1, remaining below the threshold level for the second month. A reading below 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, manufacturing employment in November was lower than in October.

Supplier Deliveries

The Supplier Deliveries PMI (NSA) jumped up to 57.1 in November, remaining above the threshold level for the third consecutive month. A reading above 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, the speed of supply deliveries in November was slower than in October, suggesting a higher demand for intermediate goods.



Own Inventories

In November, the Own Inventories PMI (NSA) leapt over the threshold level to 53.6. A reading above 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, inventories in manufacturing establishments in November were higher 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-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/ManufacturaPMI.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.

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: 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.

To obtain a copy of this report

(1) visit <http://www.estadisticas.pr/iepr/Publicaciones/Encuestas/ManufacturaPMI.aspx>, (2) email your request to 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 2015:

Reference month	Publication date
Nov-15	January 4, 2016
Dec-15	February 1, 2016
Jan-16	March 1, 2016
Feb-16	April 1, 2016
Mar-16	May 2, 2016
Apr-16	June 1, 2016

Reference month	Publication date
May-16	July 1, 2016
Jun-16	August 1, 2016
Jul-16	September 1, 2016
Aug-16	October 3, 2016
Sep-16	November 1, 2016
Oct-16	December 1, 2016