

# Purchasing Managers Index of Puerto Rico Manufacturing

## March 2014

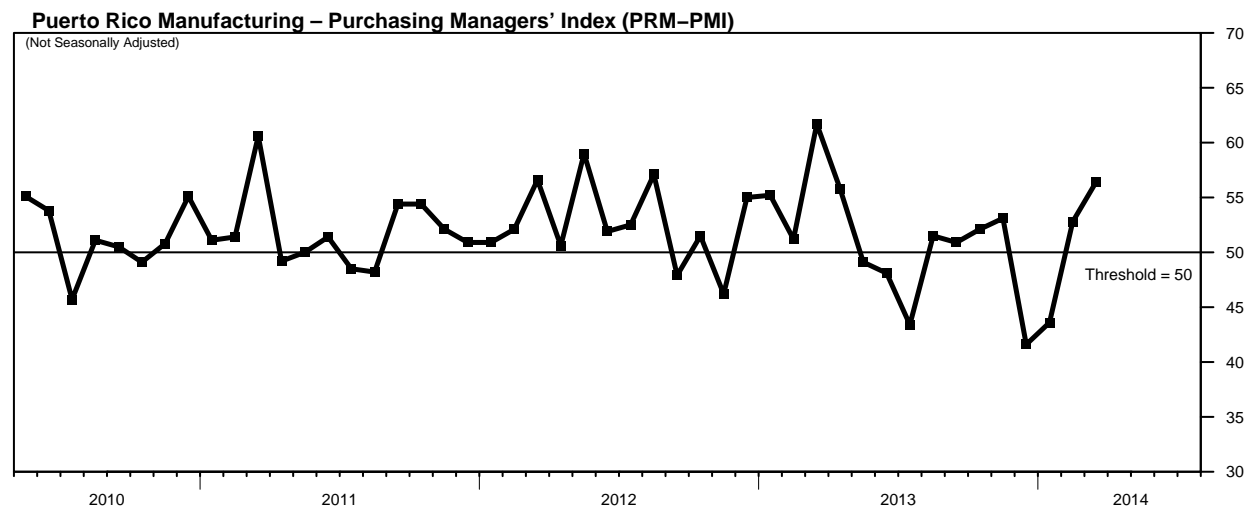
Transmission of material in this release is embargoed  
until 10:00 a.m. (AST) Wednesday, May 1, 2014

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

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

### PUERTO RICO MANUFACTURING PMI INCREASED TO 56.4 IN MARCH

On a Non-Seasonally Adjusted (NSA) basis, the Purchasing Managers Index (PMI) for Puerto Rico's manufacturing sector rose to 56.4 in March, remaining above the threshold level for the second consecutive month. A reading above the threshold level of 50 suggests an expansion in the manufacturing sector with respect to the previous month. All of the sub-indexes were at or above the threshold level of 50. The New Orders, Production, and Employment sub-indexes edged up, whereas the Suppliers Deliveries and Own Inventories sub-indexes inched down when compared to their February reading. The Puerto Rico Manufacturing-Purchasing Managers Index (PRM-PMI) has been at or above the threshold level in 35 of the 47 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): March 2014**

|                           | Better | Same | Worse | PMI  |        |                     |
|---------------------------|--------|------|-------|------|--------|---------------------|
| Órdenes nuevas            | 33.3   | 51.5 | 15.2  | 59.1 | Higher | New orders          |
| Producción                | 36.4   | 51.5 | 12.1  | 62.1 | Higher | Production          |
| Empleo                    | 15.2   | 78.8 | 6.1   | 54.5 | Higher | Employment          |
| Entregas de suplidores    | 15.2   | 81.8 | 3     | 56.1 | Slower | Supplier deliveries |
| Inventarios de su empresa | 24.2   | 51.5 | 24.2  | 50   | Same   | Own inventories     |

**Puerto Rico Manufacturing – Purchasing Managers Index (NSA) 56.4 Expansion**

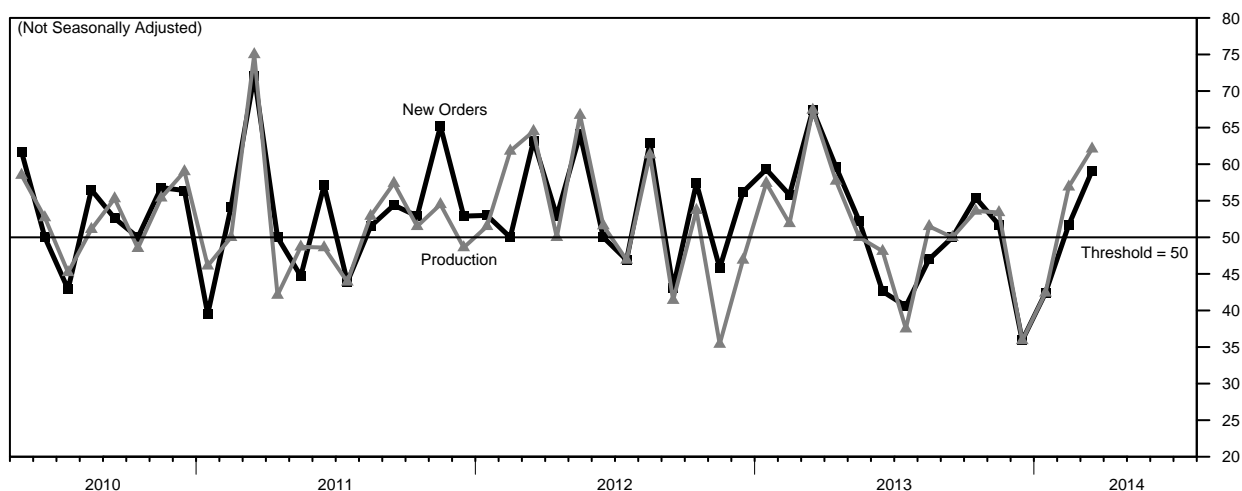
Note: Not Seasonally Adjusted (NSA)

## New Orders

In March, the New Orders PMI (NSA) increased further above the threshold to 59.1. A reading above 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, new orders at manufacturing establishments in March were higher than in February.

## Production

The Production PMI (NSA) edged up further above the threshold to 62.1 in March. A reading above 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, manufacturing production in March was higher than in February.

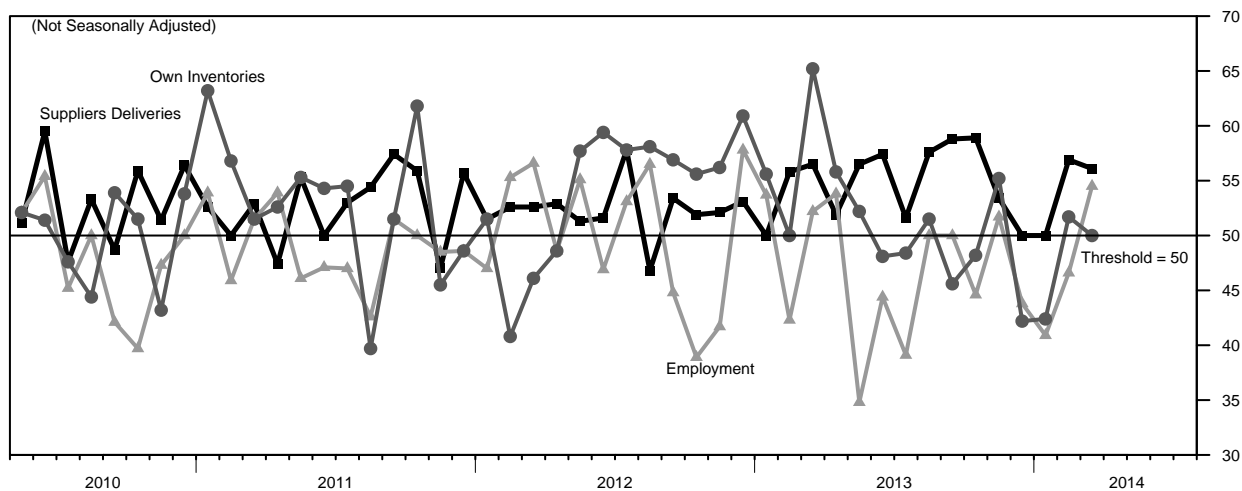


## Employment

The Employment PMI (NSA) jumped up above the threshold level to 54.5 in March, after remaining below for three consecutive months. A reading above 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, manufacturing employment in March was higher than in February.

## Supplier Deliveries

In March, the Supplier Deliveries PMI (NSA) ticked down to 56.1, but remained above the threshold level. A reading above 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, the speed of supply deliveries in March was slower than in February, suggesting a higher demand for intermediate goods.



## Own Inventories

The Own Inventories PMI (NSA) decreased to the threshold level of 50 in March, after one month above it. A reading of 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, inventories in manufacturing establishments in March were the same as in February.

---

### Methodological note

The Puerto Rico Manufacturing-Purchasing Managers Index (PRM-PMI) is the result of a collaborative project between the Puerto Rico Manufacturers Association, Scotiabank, 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.gobierno.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.

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: José G. Caraballo, PhD, Statistical Project Manager

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

Telephones: Direct – (787) 993-3343; Fax – (787) 993-3346; E-mail – [jose.caraballo@estadisticas.gobierno.pr](mailto:jose.caraballo@estadisticas.gobierno.pr)

### To obtain a copy of this report

(1) visit <http://www.estadisticas.gobierno.pr/iepr/Publicaciones/Encuestas/ManufaturaPMI.aspx>, (2) email your request to [preguntas@estadisticas.gobierno.pr](mailto:preguntas@estadisticas.gobierno.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 2014:

| Reference month | Publication date |
|-----------------|------------------|
| Nov-13          | January 2, 2014  |
| Dec-13          | February 3, 2014 |
| Jan-14          | March 3, 2014    |
| Feb-14          | April 1, 2014    |
| Mar-14          | May 1, 2014      |
| Apr-14          | June 2, 2014     |

| Reference month | Publication date  |
|-----------------|-------------------|
| May-14          | July 1, 2014      |
| Jun-14          | August 1, 2014    |
| Jul-14          | September 2, 2014 |
| Aug-14          | October 1, 2014   |
| Sep-14          | November 3, 2014  |
| Oct-14          | December 1, 2014  |