

Purchasing Managers Index of Puerto Rico Manufacturing

JANUARY 2013

Transmission of material in this release is embargoed
until 10:00 a.m. (AST) Friday, March 1, 2013

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

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

PUERTO RICO MANUFACTURING PMI INCHED UP TO 55.2 IN JANUARY

On a Non-Seasonally Adjusted (NSA) basis, the Purchasing Managers Index (PMI) for Puerto Rico's manufacturing sector edged up to 55.2 in January, remaining above the threshold for the second consecutive month. A reading above the threshold value of 50 suggests an expansion in the manufacturing sector with respect to the previous month. In January all five PMI sub-indexes were at or above the threshold. New Orders and Production sub-indexes increased, whereas the Employment, Suppliers Deliveries, and Own Inventories sub-indexes decreased. The Puerto Rico Manufacturing-Purchasing Managers Index (PRM-PMI) has been above the threshold value in 26 of the 33 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.

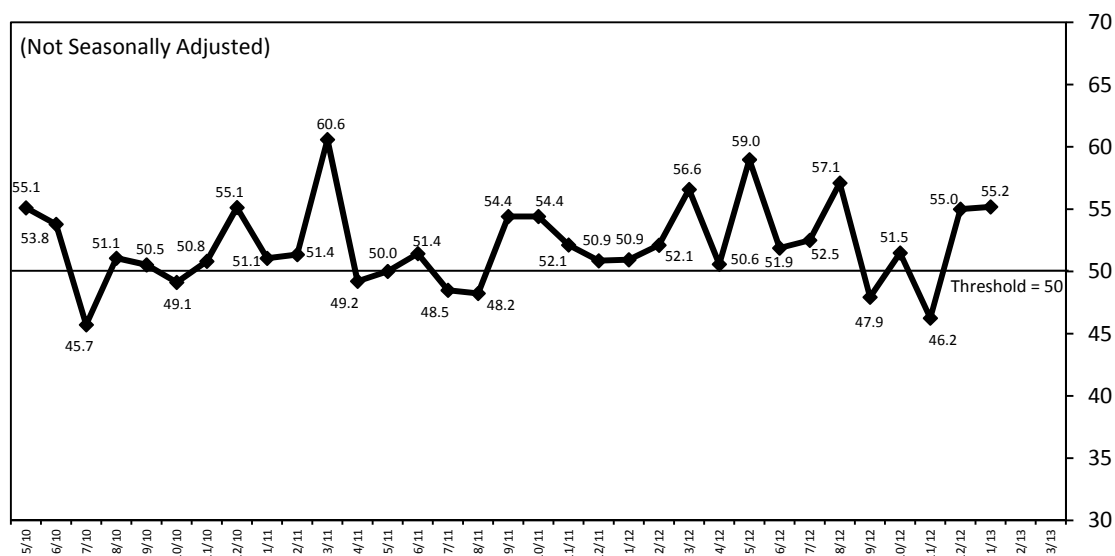


Table 1. Puerto Rico Manufacturing – Purchasing Managers' Index (NSA): January 2013

	Better	Same	Worse	PMI		
Órdenes nuevas	40.7	37	22.2	59.3	Higher	New orders
Producción	33.3	48.1	18.5	57.4	Higher	Production
Empleo	22.2	63	14.8	53.7	Higher	Employment
Entregas de suplidores	14.8	70.4	14.8	50	Same	Supplier deliveries
Inventarios de su empresa	25.9	59.3	14.8	55.6	Higher	Own inventories
Puerto Rico Manufacturing – Purchasing Managers Index (NSA)				55.2	Expansion	

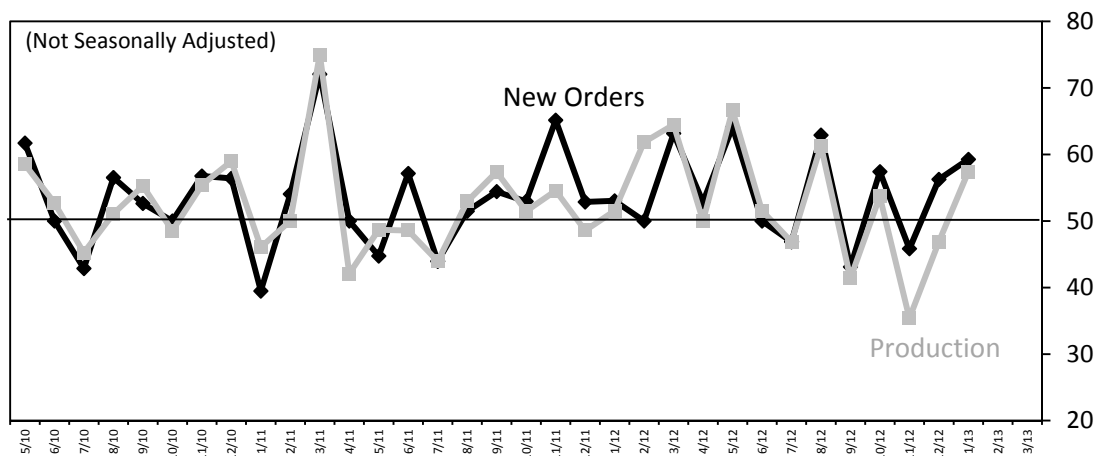
Note: Not Seasonally Adjusted (NSA)

New Orders

In January, the New Orders PMI (NSA) rose further above the threshold to 59.3. A reading above 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, new orders at manufacturing establishments in January were higher than in December.

Production

In January, the Production PMI (NSA) jumped up above the threshold to 57.4 after two consecutive months below. A reading above 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, manufacturing production in January was higher than in December.

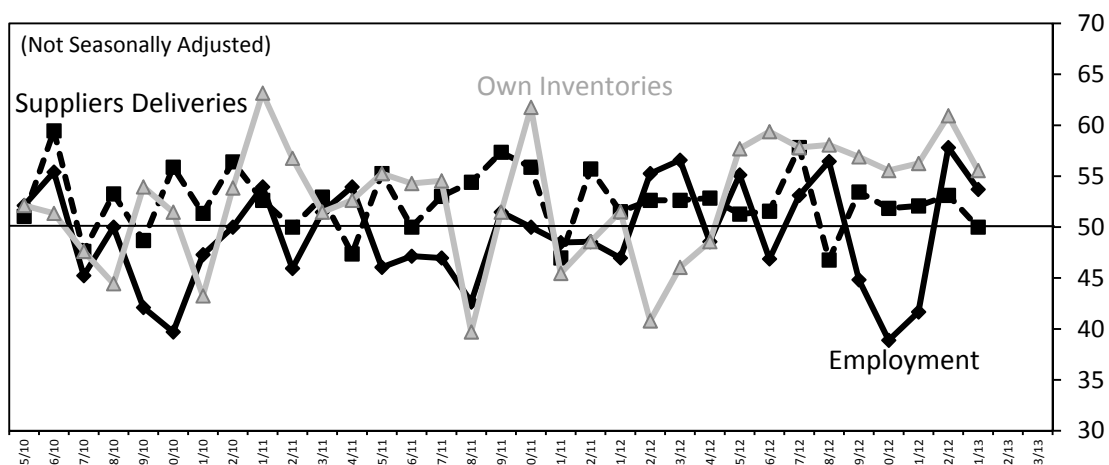


Employment

The Employment PMI (NSA) edged down to 53.7 in January, but remained above the threshold for the second consecutive month. A reading above 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, manufacturing employment in January was higher than in December.

Supplier Deliveries

The Supplier Deliveries PMI (NSA) inched down to 50.0 in January, but remained at or above the threshold for the fifth consecutive month. A reading at 50.0 indicates that on a Non-Seasonally Adjusted (NSA) basis, the speed of supply deliveries in January was the same as in December.



Own Inventories

In January, the Own Inventories PMI (NSA) decreased to 55.6 but remaining above the threshold for the ninth consecutive month. A reading above 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, inventories in manufacturing establishments in January were higher than in December.

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/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: Yoel Velázquez, PPL, 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) 993-3340; Fax – (787) 993-3346; E-mail – yoel.velazquez@estadisticas.gobierno.pr

To obtain a copy of this report

(1) visit <http://www.estadisticas.gobierno.pr/iepr/Publicaciones/Encuestas/ManufacturaPMI.aspx>, (2) email your request to 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 2013:

Reference month	Publication date
Nov-12	January 2, 2013
Dec-12	February 1, 2013
Jan-13	March 1, 2013
Feb-13	April 1, 2013
Mar-13	May 1, 2013
Apr-13	June 3, 2013

Reference month	Publication date
May-13	July 1, 2013
Jun-13	August 1, 2013
Jul-13	September 3, 2013
Aug-13	October 1, 2013
Sep-13	November 1, 2013
Oct-13	December 2, 2013