

Purchasing Managers Index of Puerto Rico Manufacturing

March 2016

Transmission of material in this release is embargoed

until 10:00 a.m. (AST) Monday, May 2, 2016

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

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

PUERTO RICO MANUFACTURING PMI INCHED DOWN TO 54.0 IN MARCH

On a Non-Seasonally Adjusted (NSA) basis, the Purchasing Managers Index (PMI) for Puerto Rico's manufacturing sector edged down to 54.0 in March. 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 above the threshold in March, except the Own Inventories sub-index which sank below the threshold level to 40.0. The Suppliers Delivery sub-index moved down to the threshold level of 50.0 this month. The Puerto Rico Manufacturing-Purchasing Managers Index (PRM-PMI) has been at or above the threshold level in 46 of the 71 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.

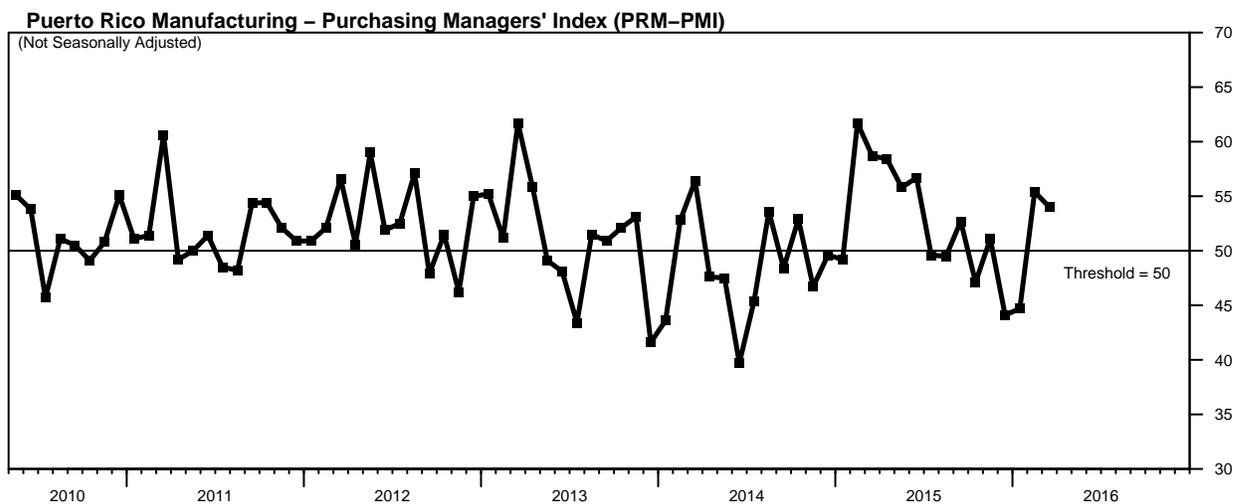


Table 1. Puerto Rico Manufacturing – Purchasing Managers' Index (NSA): March 2016

	Better	Same	Worse	PMI		
Órdenes nuevas	33.3	56.7	10	61.7	Higher	New orders
Producción	40	53.3	6.7	66.7	Higher	Production
Empleo	13.3	76.7	10	51.7	Higher	Employment
Entregas de suplidores	6.7	86.7	6.7	50	Same	Supplier deliveries
Inventarios de su empresa	6.7	66.7	26.7	40	Lower	Own inventories

Puerto Rico Manufacturing – Purchasing Managers Index (NSA) 54 Expansion

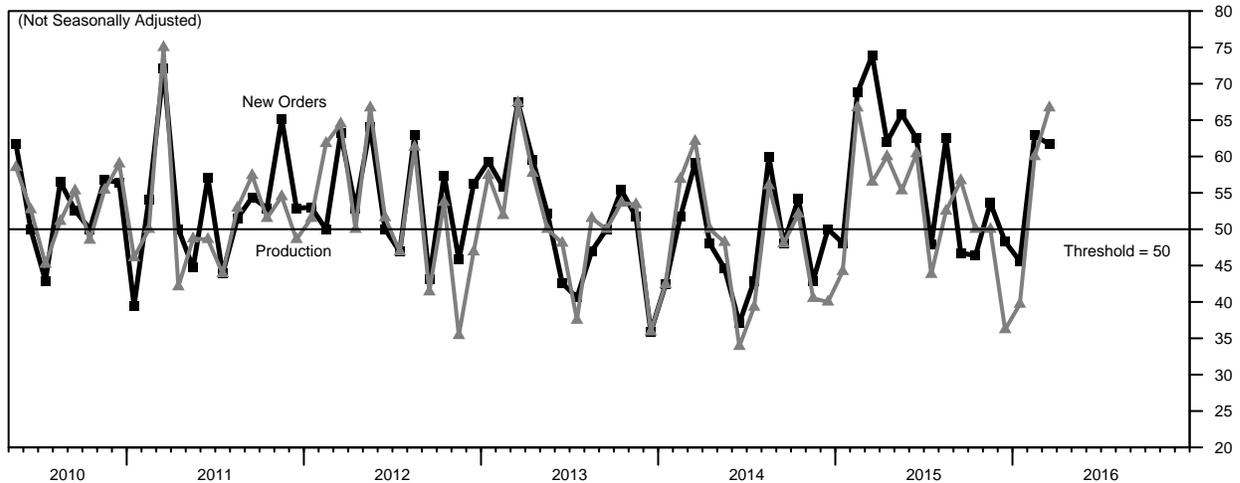
Note: Not Seasonally Adjusted (NSA)

New Orders

In March, the New Orders PMI (NSA) inched down to 61.7, but remained above the threshold level for the second consecutive month. 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) rose to 66.7 in March, remaining above the threshold level for the second consecutive month. A reading above 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, manufacturing production in March was higher than in February.

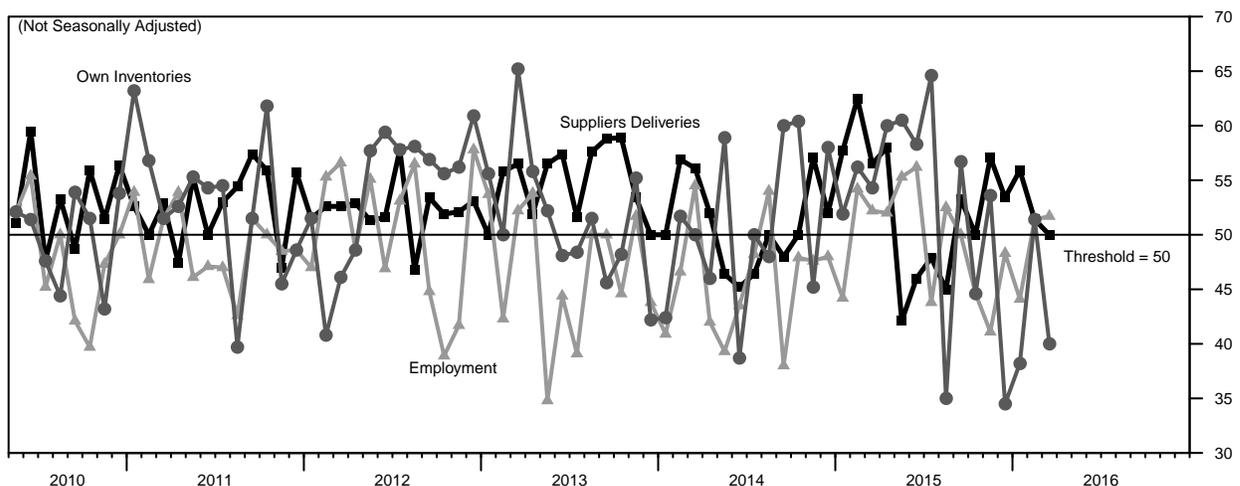


Employment

In March, the Employment PMI (NSA) ticked up to 51.7, remaining above the threshold level for the second consecutive month. A reading above 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, manufacturing employment in March was higher than in February.

Supplier Deliveries

The Supplier Deliveries PMI (NSA) edged down in March, reaching the threshold level of 50.0. A reading of 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, the speed of supply deliveries in March was the same as in February, suggesting no change in the demand for intermediate goods.



Own Inventories

In March, the Own Inventories PMI (NSA) sunk below the threshold level to 40.0. A reading below 50 indicates that on a Non-Seasonally Adjusted (NSA) basis, inventories in manufacturing establishments in March were lower than 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 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 2016:

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