



# Purchasing Managers Index Report – Georgia

Release: January 4, 2016

**December 2015**

*December PMI Decreased 2.5 Points Based On Weakness for Employment, Supply Deliveries, And Finished Inventory*

Georgia PMI	52.5	Southeast PMI	52.0	National PMI	48.2
Dec-Nov	-2.5	Dec-Nov	-2.6	Dec-Nov	-0.4

Underlying Variables	Georgia PMI		Southeast	National
	Index	Change		
	Dec-15	Dec-Nov		
New Orders (NO)	52.5	+2.5	50.0	49.2
Production (P)	52.5	+0.2	50.0	49.8
Employment (E)	55.0	-1.8	57.0	48.1
Supply Deliveries (SD)	52.5	-6.6	50.0	50.3
Finished Inventory (FI)	50.0	-6.8	53.0	43.5
Commodity Prices (CP)	32.5	-3.9	34.0	33.5



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### An analysis of the December PMI Report:

#### New Orders:

New Orders increased 2.5 points to 52.5 based on 2.7% more respondents reporting higher new orders for a total of 30 and 2.3% less respondents reporting lower New Orders for a total of 25%.

#### Production:

Production increased 0.2 points to 52.5 based on 1.8% less respondents reporting higher production for a total of 30% and 2.3% less respondents reporting lower Production for a total of 25%.

#### Employment:

Employment decreased 1.8 points to 55 based on 1.8% more respondents reporting higher employment for a total of 20% and 5.5% more respondents reporting lower employment for a total of 10%.

#### Supplier Delivery Time:

Supplier Delivery Time decreased 6.6 points to 52.5 based on 13.2% less respondents reporting slower delivery time for a total of 5% and 0% more respondents reporting faster delivery for a total of 0%.

#### Finished Inventory:

Finished Inventory decreased 6.8 points to 50 points based on 11.4% less respondents reporting higher finished inventory for a total of 25% and 2.3% more respondents reporting lower finished inventory for a total of 25%.

#### Commodity Price:

Commodity Price decreased 3.9 points to 32.5 based on 9.4% less respondents reporting higher commodity price for a total of 0% and 1.4% less respondents reporting lower commodity price for a total of 35%.

#### Survey Question:

Forty five percent expect production to be higher in the next three to six months versus thirty two percent for November. Thirteen percent of respondents expect production to be lower than their current production versus

thirteen percent in November. The index is 65.

#### National PMI Report:

The National December PMI decreased 0.4 point to 48.2 as a result of the following: new orders increased 0.3 point to 49.2; production increased 0.6 point to 49.8; employment decreased 3.2 point to 48.1 points; supplier delivery time decreased 0.3 point to 50.3; and finished inventory increased 0.5 point to 43.5. Commodity price decreased 2.0 points to 35.5.

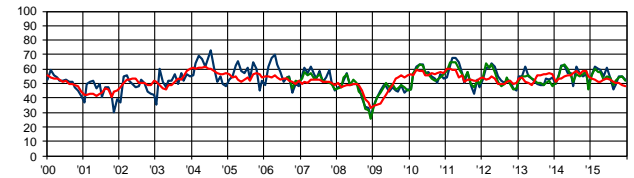
Exports increased 3.5 points to 51 points. Backlog orders decreased 2.0 points to 41. Of the 18 manufacturing industries, 6 are reporting growth up from 5 in November. The 6 industries include: Printing & Related Support Activities; Textile Mills; Paper Products; Miscellaneous Manufacturing; Chemical Products; and Food, Beverage & Tobacco Products.

The 10 industries reporting contraction in December are: Apparel, Leather & Allied Products; Plastics & Rubber Products; Machinery; Primary Metals; Fabricated Metal Products; Transportation Equipment; Electrical Equipment, Appliances & Components; Computer & Electronic Products; Wood Products; and Nonmetallic Mineral Products.

#### Industrial Production Report:

The November Industrial Production Report recorded a 0.6% monthly decrease following a 0.4 percent decrease for October. November manufacturing recorded a 0.0% following a 0.3% increase for October. November durable goods recorded a 0.2% decrease following a 0.6% increase for October. Motor vehicle and parts recorded a 1.0% decrease following a 1.2% increase for October. Business equipment recorded a 0.2 percent increase following October's 0.4% decrease. High-tech recorded a 0.2% increase following a 1.5%

	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Dec - Nov
PMI Georgia	54.2	45.9	48.9	54.8	55.0	52.5	-2.5
PMI Southeast	54.3	48.8	51.8	54.2	54.6	52.0	-2.6
PMI National	52.7	51.1	50.2	50.1	48.6	48.2	-0.4



Change in Percent  
December – November

	Higher	Same	Lower
New Orders	2.7	-0.5	-2.3
Production	-1.8	4.1	-2.3
Employment	1.8	-7.3	5.5
Deliveries	-13.2	13.2	0.0
Finished Inventory	-11.4	9.1	2.3
Commodity Prices	-9.1	10.5	-1.4

increase for October. Mining recorded a 1.1% decrease following a 2.4% decrease for October. Utilities recorded a 4.3% decrease following a 2.8% decrease for October.

#### Georgia versus the Southeast Survey:

Georgia and Southeast's PMIs decreased 2.5 and 2.6 points with readings of 52.5 and 52, respectively. Georgia's new orders, production, and supplier delivery time, registered 2.5, 2.5, and 3.0 points respectively higher compared to Southeast's components. Southeast's employment and finished inventory recorded 2.0 and 3.0 points higher than for Georgia. Southeast's commodity price reading of 34 registered 1.5 points higher than Southeast's reading of 32.5.

#### Georgia versus the National Survey:

In December Georgia's PMI decreased 2.5 points to 52.5 and the National PMI decreased 0.4 of a point to 48.2. The Georgia PMI's higher reading of 4.3 points is based on higher readings for new orders, production, employment, supplier delivery time, and finished inventory of 3.3, 2.7, 6.9, 2.2, and 6.5 points, respectively. National's commodity price registered 17.5 points higher than Georgia's reading of 34.

#### Comment:

Although Georgia and the National PMIs both declined in December, Georgia's December PMI and underlying components still register above the National.

\* The Econometric Center draws the Purchasing Managers Index report from a sample of Georgia's manufacturers. The PMI is a composite index that is based on five indicators equally weighted: new orders, production, employment, supplier delivery time, and finished goods. A PMI index over 50 indicates that manufacturing is expanding while anything below 50 means that the industry is contracting.

## General Remarks From December Respondents

**Give your frank opinion on any conditions, local, national or international, that affect your purchasing operation or your company's outlook**

"Quite busy!"

"We have a large backlog and strong quote activity."

"A long term Highway Bill was passed, be it with smoke and mirrors on funding at ridiculously low level. It will help our industry some but make matters."

"Customers are still very strong even with the holidays."

"Every one seems to be in holding pattern for 2016. both customers and suppliers."

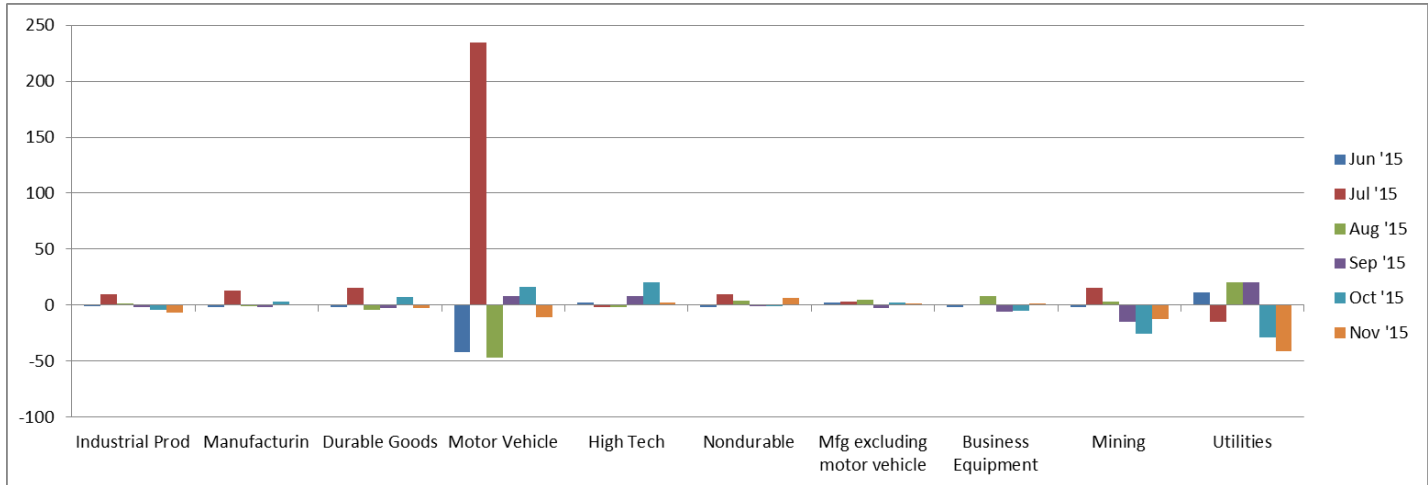
"Economy is not strong."

"Overall demand is slowing (domestic and exports). Export demand also weak due to strong dollar."

"Outlook bright."

"Down."

"We are closely tied to the mining industry. As long as oil remains low our business will continue to suffer."



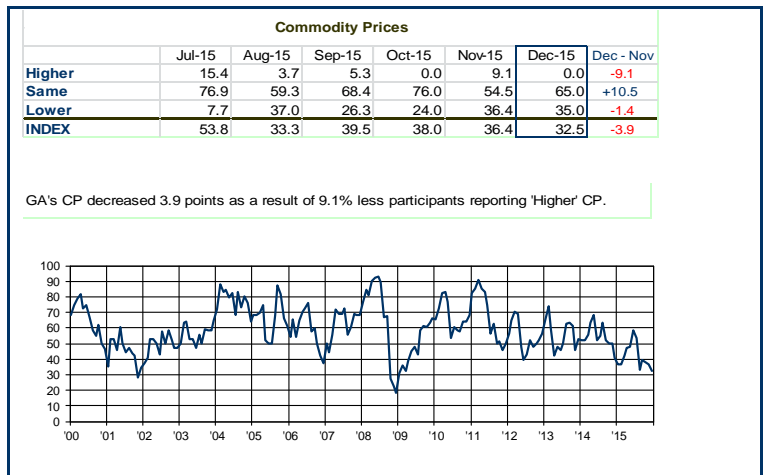
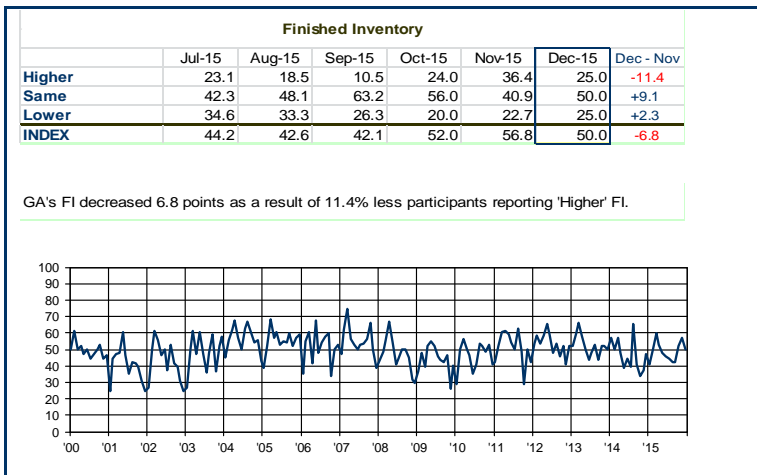
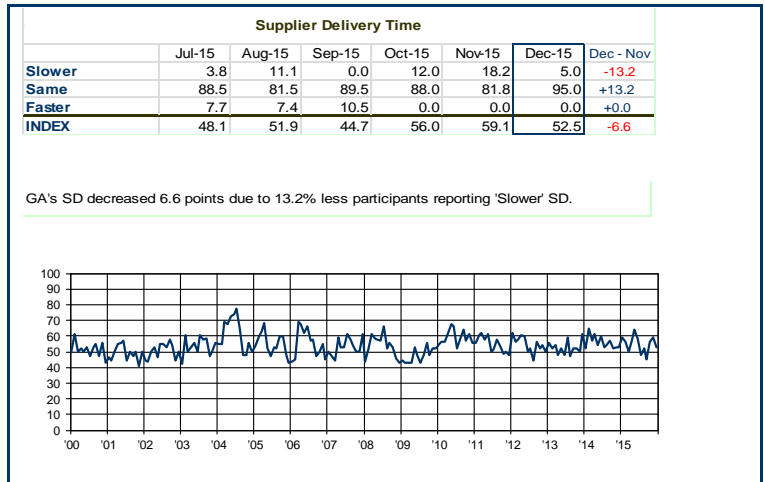
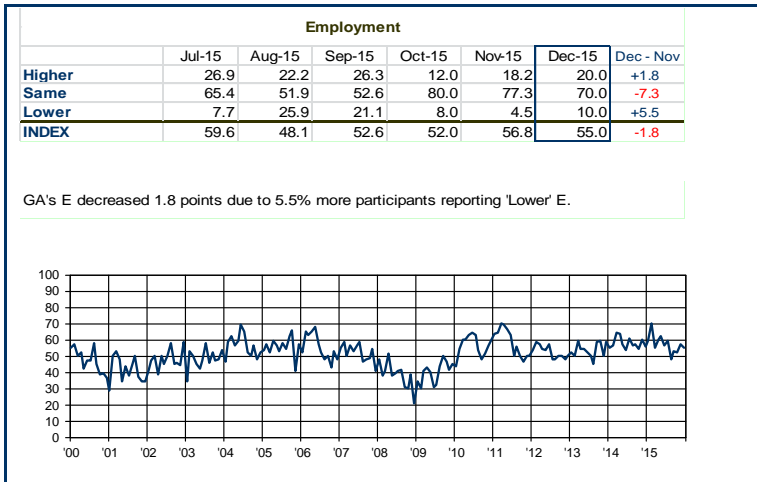
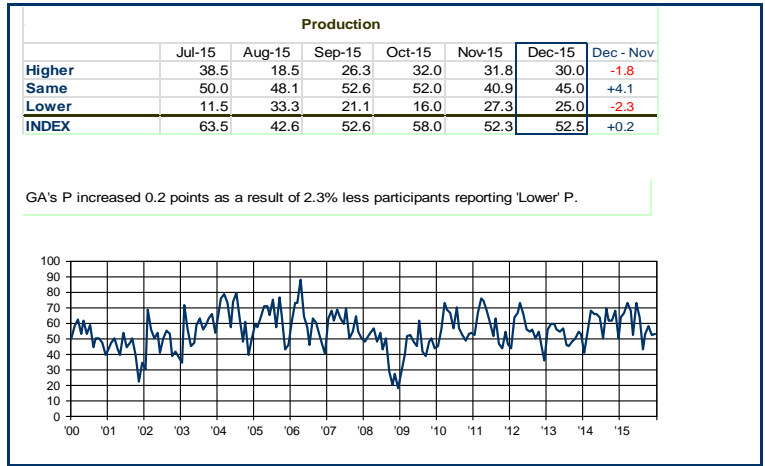
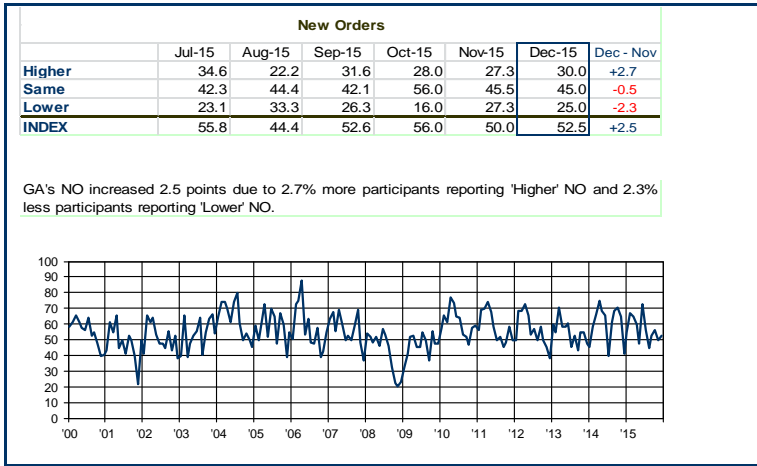
### All monthly growth rates based on annualized rates

Manufacturing's November 2015 annualized growth rate of a 0.58 percent increase is down from a 3.5 percent increase for October 2015. November 2015 durable goods decreased 2.6 percent, down from a 7.3 percent increase for October 2015. Motor vehicle's production decreased 10.9 percent down from a 16 percent increase for October 2015. Manufacturing minus motor vehicle production increased 1.6 percent down from a 2.5 percent increase for October 2015. November 2015 High-tech increased 2.3 percent down from a

Mining decreased 12.4 percent up from a 25 percent decrease for October. Utility decreased 41.3 percent up from 28 percent decrease for October 2015. November 2015 industrial production decrease of 0.58 percent, is the largest decline since March 2012. Weakness for Mining and Utilities are responsible for much of November's decline. Unusually warm temperatures contributed to Utilities weakness.

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