



# Purchasing Managers Index Report – Georgia

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March 2016

*March's PMI Increased Based On Increases For New Orders, Employment, Supply Deliveries, And Finished Inventory*

Georgia PMI	66.7	Southeast PMI	60.6	National PMI	51.8
Mar-Feb	+5.1	Mar-Feb	+2.2	Mar-Feb	+2.3

Underlying Variables	Georgia PMI		Southeast	National
	Index	Change	Index	Index
	Mar-16	Mar-Feb	Mar-16	Mar-16
New Orders (NO)	73.8	+5.4	67.7	58.3
Production (P)	76.2	-0.1	66.7	55.3
Employment (E)	59.5	+6.9	59.4	48.1
Supply Deliveries (SD)	59.5	+12.2	57.3	50.2
Finished Inventory (FI)	64.3	+1.1	52.1	47.0
Commodity Prices (CP)	45.2	+11.0	50.0	51.5



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**An analysis of the March PMI Report:**

**New Orders:**

New Orders increased 5.4 points to 73.8 based on 5% less respondents reporting higher new orders for a total of 47.6 and 15.8% less respondents reporting lower New Orders for a total of 0%.

**Production:**

Production decreased 0.3 points to 76.2 based on 10.6% less respondents reporting higher production for a total of 52.4% and 10.5% less respondents reporting lower Production for a total of 0%.

**Employment:**

Employment increased 6.9 points to 59.5 based on 18% more respondents reporting higher employment for a total of 28.6% and 4.3% more respondents reporting lower employment for a total of 9.5%.

**Supplier Delivery Time:**

Supplier Delivery Time increased 12.2 points to 59.5 based on 13.8% more respondents reporting slower delivery time for a total of 19% and 10.5% less respondents reporting faster delivery for a total of 0%.

**Finished Inventory:**

Finished Inventory increased 1.1 points to 64.3 points based on 3.5% less respondents reporting higher finished inventory for a total of 33.3% and 5.8% less respondents reporting lower finished inventory for a total of 4.8%.

**Commodity Price:**

Commodity Price increased 11 points to 45.2 based on 4.3% more respondents reporting higher commodity price for a total of 9.5% and 17.6% less respondents reporting lower commodity price for a total of 19%.

**Survey Question:**

Thirty three percent expect production to be higher in the next three to six months versus twenty six percent for February. Five percent of respondents expect production to be lower than their current production versus twelve percent in January. The index is 64.2.

**National PMI Report:**

The National March PMI increased 2.3 point to 51.8 as a result of the following: new orders increased 6.8 points to 58.3; production increased 2.5 points to 55.3; employment decreased 0.4 points to 48.1 points; supplier delivery time increased 0.5 points to 50.2; and finished inventory increased 2.0 points to 47.0. Commodity price increased 13 points to 51.5. Exports increased 5.5 points to 52 points. Backlog orders increased 2.5 points to 51.

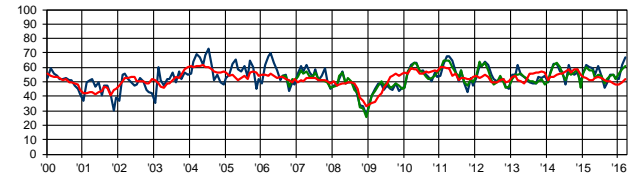
Of the 18 manufacturing industries, 12 are reporting growth up from 9 in February. The 12 industries include: Printing & Related Support Activities; Furniture & Related Products; Nonmetallic Mineral Products; Miscellaneous Manufacturing; Machinery; Plastics & Rubber Products; Food, Beverage & Tobacco Products; Fabricated Metal Products; Chemical Products; Paper Products; Primary Metals; and Computer & Electronic Products.

The 5 industries reporting contraction in March are: Apparel, Leather & Allied Products; Textile Mills; Electrical Equipment, Appliances & Components; Transportation Equipment; and Petroleum & Coal Products.

**Industrial Production Report:**

The February Industrial Production Report recorded a 0.5% monthly decrease following a 0.8 percent increase for January. February manufacturing recorded a 0.2% increase following a 0.5% increase for January. February durable goods recorded a 0.4% increase following a 0.4% increase for January. Motor vehicle and parts recorded a 0.1% decrease following a 3.4% increase for January. Business equipment recorded a 0.6 percent increase following January's 0.6% increase. High-tech recorded a 0.1% decrease following a 0.7% increase for January. Mining recorded a 1.4% decrease following a 0.7% decrease for January.

PMI Georgia, PMI Southeast, and PMI National							
	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Mar - Feb
PMI Georgia	54.8	55.0	52.5	52.0	61.6	66.7	+5.1
PMI Southeast	54.2	54.6	52.0	55.3	58.4	60.6	+2.2
PMI National	50.1	48.6	48.0	48.2	49.5	51.8	+2.3



**Change in Percent March – February**

	Higher	Same	Lower
New Orders	-5.0	20.8	-15.8
Production	-10.8	21.3	-10.5
Employment	18.0	-22.3	4.3
Deliveries	13.8	-3.3	-10.5
Finished Inventory	-3.5	9.3	-5.8
Commodity Prices	4.3	13.5	-17.8

Utilities recorded a 4% decrease following a 4.2% increase for January.

**Georgia versus the Southeast Survey:**

Georgia's PMI increased 5.1 points to 66.7 as the Southeast's PMI increased 2.2 points to 60.6. Georgia's new orders, production, employment, supplier delivery time, and finished inventory registered 6.1, 9.5, 0.1, 2.2, and 12.2 points respectively higher compared to Southeast's components. Southeast's commodity price recorded 4.8 points higher than for Georgia.

**Georgia versus the National Survey:**

In March Georgia's PMI increased 5.1 points to 66.7 and the National PMI increased 2.3 points to 51.8. The Georgia PMI's higher reading of 14.9 points is based on higher readings for new orders, production, employment, supplier delivery time, and finished inventory of 15.5, 20.9, 11.4, 9.3, and 17.3 points, respectively. National's commodity price of 51.5 registered 6.3 points higher than Georgia's reading of 45.2.

**Comment:**

Georgia's PMI increase of 5.1 points was driven by strong increases for new orders, employment, and supplier delivery time.

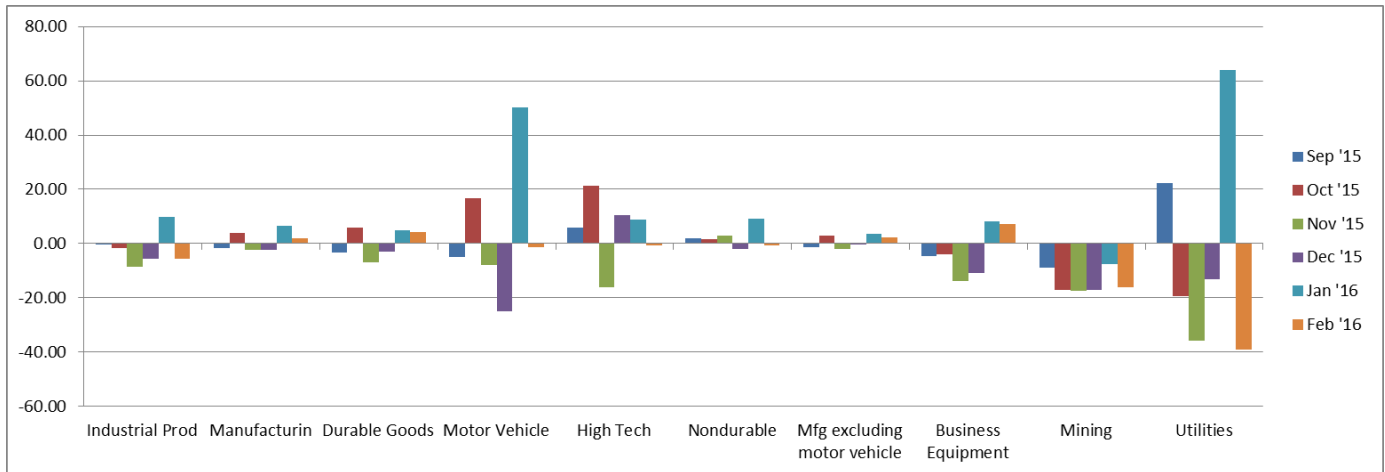
\* The Econometric Center draws the Purchasing Managers Index report from a sample of Georgia's manufacturers. The PMI is a composite index that is based on five indicators equally weighted: new orders, production, employment, supplier delivery time, and finished goods. A PMI index over 50 indicates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

### General Remarks From March Respondents

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

"Very busy trying to reduce sales backlog."  
 "We are hopeful that commodity prices are starting to rise."  
 "Extremely busy for the next 3 months."  
 "Our backlog is at historical high. our delivery is out so far we are losing some business. demand remains very strong for our products. How long it will last?"  
 "Positive."  
 "Oil and gas business is hurting economy."

"I think we are heading into recession and the lifting construction, mining industries are in the downward spiral or cyclical trends."  
 "Good weather helping increased sales."  
 "Oil and mining commodities need to rise for us to see an increase in business."  
 "Sales Market still soft in US."  
 "What will crude's small growth turn into?"



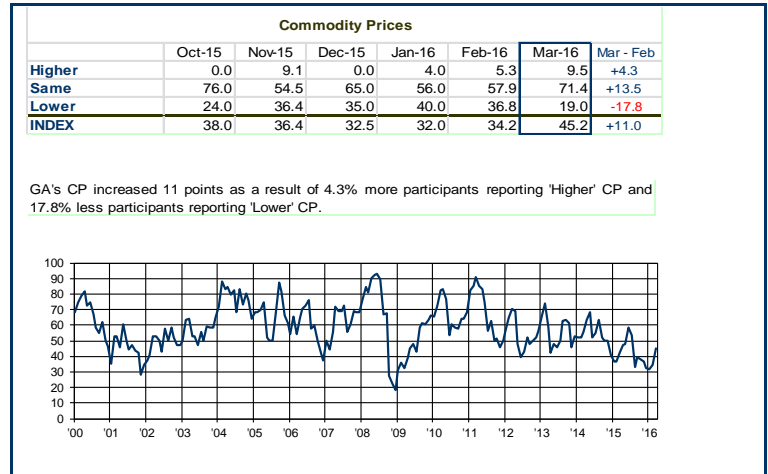
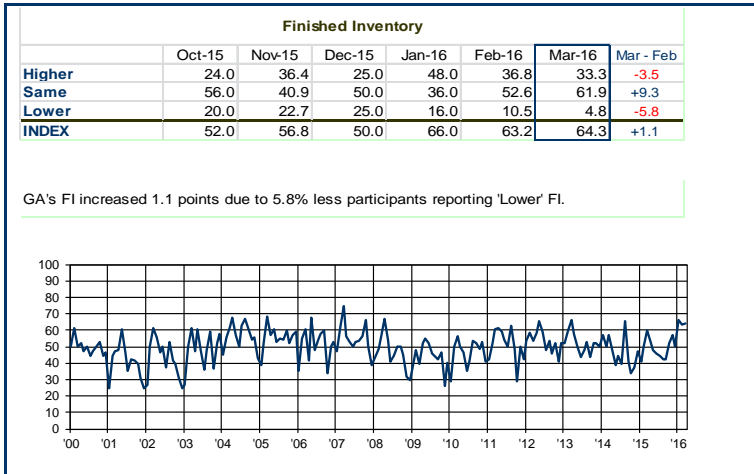
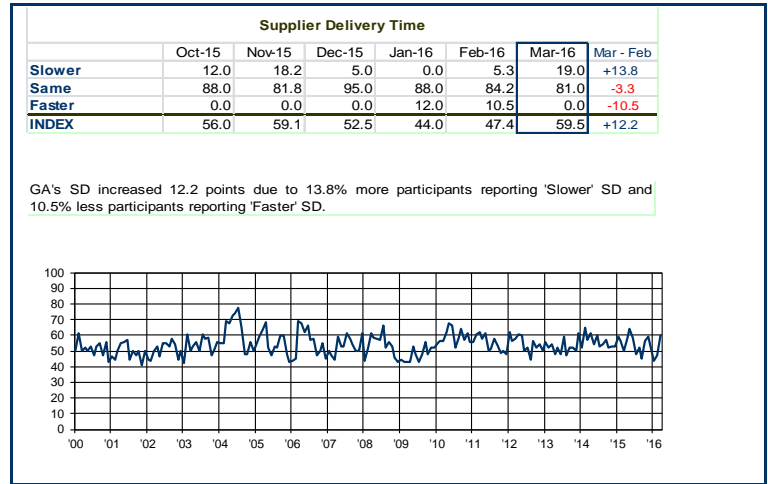
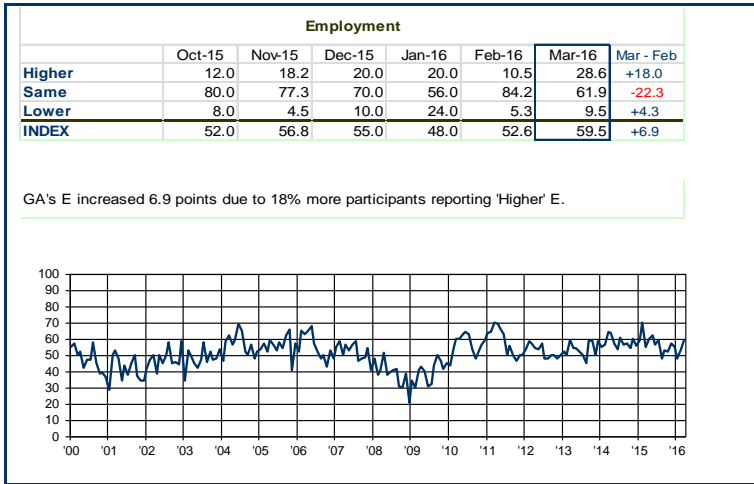
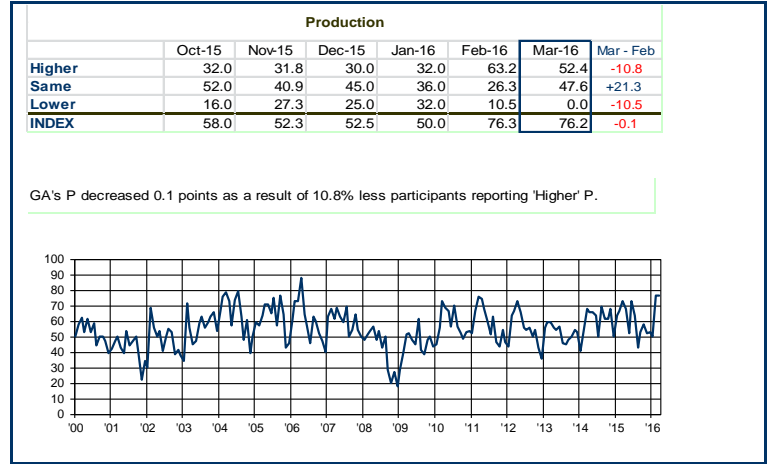
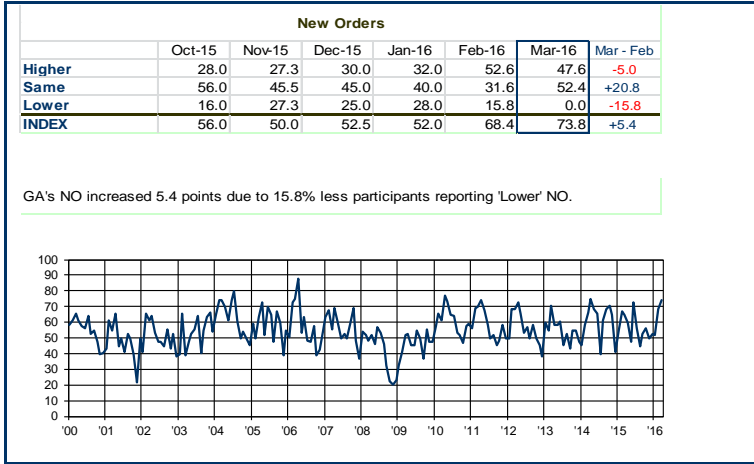
### All monthly growth rates based on annualized rates

Manufacturing's February 2016 annualized growth rate of 5.77 percent decrease is down from a 9.71 percent increase for January 2016. February 2016 durable goods increased 1.88 percent, down from a 6.62 percent increase for January 2016. Motor vehicle's production decreased 1.45 percent down from a 50 percent increase for January 2016. Manufacturing minus motor vehicle production increased 2.16 percent down from a 3.7 percent increase for January 2016. February 2016 High-tech decreased 0.66 percent down from a 8.97 percent increase for January 2016. Nondurable decreased 0.69 percent

down from 9.20 increase for January 2016. Business equipment increased 7.17 percent down from 8.06 percent increase for January 2016. Mining decreased 15.9 percent down from a 7.58 percent decrease for January 2016. Utility decreased 40 percent down from a 63.8 percent increase for January 2016. February 2016 industrial production decrease of 5.7 percent, was driven weakness for Motor Vehicle, Mining, and Utilities. High Tech and Nondurables also contributed to the drop in Industrial Production.

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