



Purchasing Managers Index Report – Georgia

Release: October 7, 2016

September 2016

Georgia PMI falls by 3.0 in September as new orders slip for the state on decrease in new orders, production and employment components. Southeast and National PMI surge above 50 threshold again.

Underlying Variables	Georgia PMI		Southeast PMI		National PMI	
	Index	Change	Index	Change	Index	Change
	Sep-16	Sep-Aug	Sep-16	Sep-Aug	Sep-16	Sep-Aug
INDEX	49.4	-3.0	54.8	+6.3	51.5	+2.1
UNDERLYING VARIABLES						
New Orders (NO)	46.9	-9.0	57.5	+13.8	55.1	+6.0
Production (P)	56.3	-5.5	65.0	+15.0	52.8	+3.2
Employment (E)	46.9	-6.1	53.8	+1.3	49.7	+1.4
Supply Deliveries (SD)	59.4	+6.4	57.5	+6.3	50.3	-0.6
Finished Inventory (FI)	37.5	-0.7	40.0	-5.0	49.5	+0.5
Commodity Prices (CP)	65.6	+15.6	55.0	+1.3	53.0	+0.0

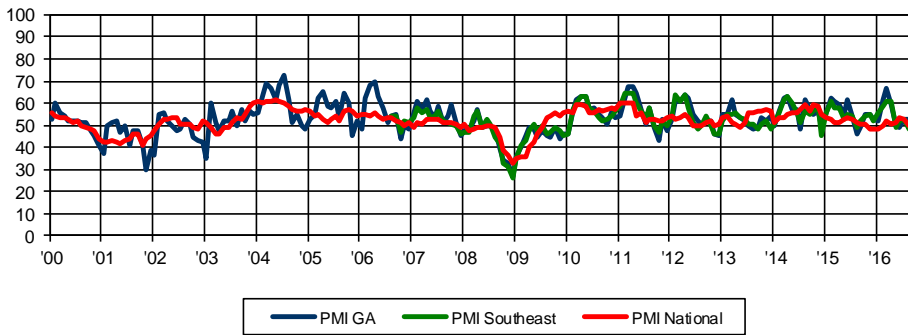
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PMI Georgia, PMI Southeast, and PMI National							
	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Sep - Aug
PMI Georgia	59.4	49.4	49.3	52.5	52.4	49.4	-3.0
PMI Southeast	61.1	48.8	51.8	52.3	48.5	54.8	+6.3
PMI National	50.8	51.3	53.2	52.6	49.4	51.5	+2.1

GA % Change: Sep - Aug

	Higher	Same	Lower
New Orders	1.8	-21.7	19.9
Production	14.0	-39.0	25.0
Employment	0.7	-13.6	12.9
Deliveries	12.9	-12.9	0.0
Finished Inventory	-5.5	9.6	-4.0
Commodity Prices	13.6	4.0	-17.6



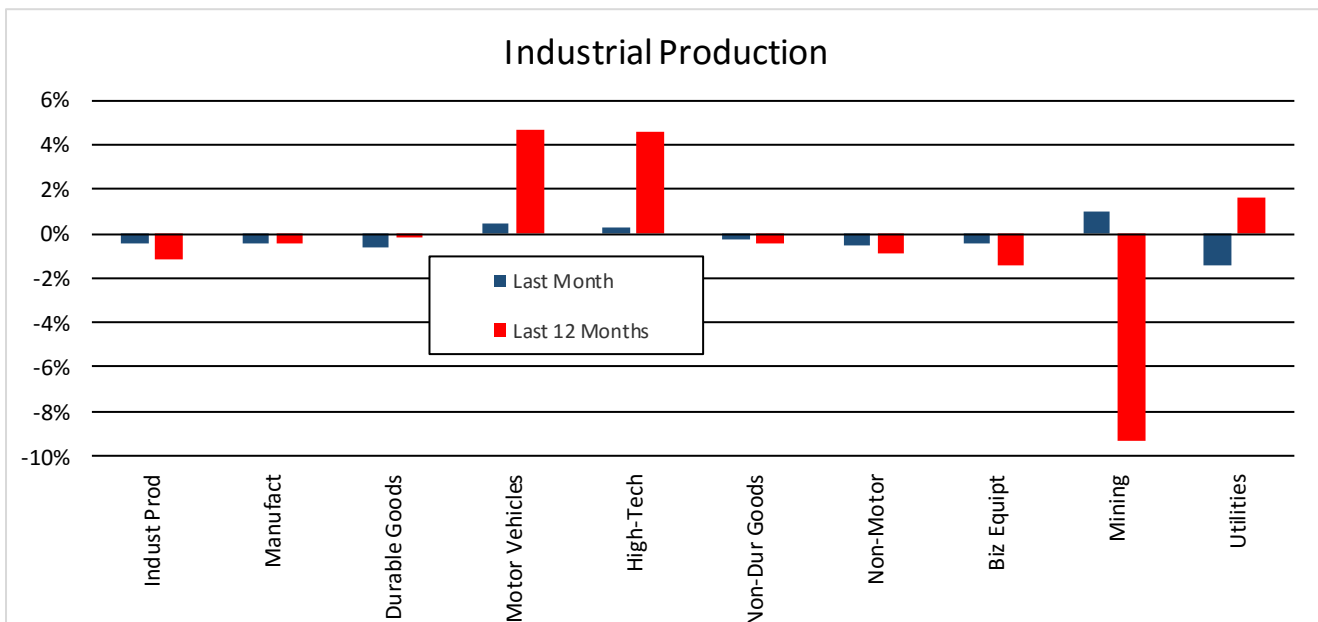
* The Econometric Center draws the Purchasing Managers Index report from a sample of Georgia's manufacturers. The PMI is a composite index that is based on five indicators equally weighted: new orders, production, employment, supplier delivery time, and finished goods. A PMI index over 50 indicates that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

General Remarks From September Respondents

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

"Uncertainty of presidential election, tightening of labor market."
 "Uncertainty is really affecting the business environment."
 "Our customers and potential customers are very busy and optimistic."
 "We are in the process of lowering our total inventory as we prepare to enter the 4th Quarter."
 "Order backlog is still good. Our delivery is still a concern for me. Skilled labor is hard to come by in our area. optimistic about business activity in our industry for the next 3 quarters."

"We still depend on some off shore sources and container costs are rising rapidly."
 "Not much positive outside residential construction and wind energy. Low commodity prices are really hurting our business."
 "Capital Good expenditures were rather low earlier this year, appear to be growing."



Comments from most recent Industrial Product Report:

Industrial production decreased 0.4 percent in August after rising 0.6 percent in July.

Manufacturing output also declined 0.4 percent in August, reversing its increase in July; the level of the index in August is little changed from its level in March. Following two consecutive monthly increases, the index for utilities fell back 1.4 percent in August. Even so, the index was 1.7 percent above its year-earlier level, as hot temperatures this summer boosted the usage of air conditioning.

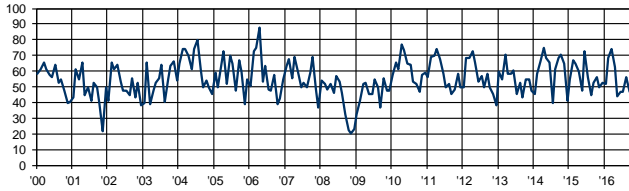
The output of mining moved up 1.0 percent in August, its fourth consecutive monthly increase following an extended downturn; the index, however, was still about 9 percent below its year-ago level. At 104.4 percent of its 2012 average, total industrial production in August was 1.1 percent lower than its year-earlier level.

Capacity utilization for the industrial sector decreased 0.4 percentage point in August to 75.5 percent, a rate that is 4.5 percentage points below its long-run (1972–2015) average.

GEORGIA PMI COMPONENTS

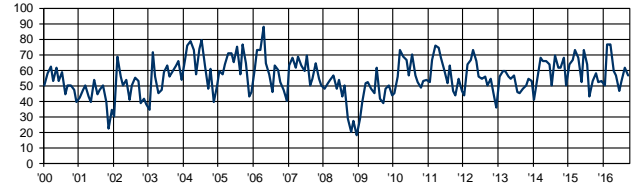
New Orders							
	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Sep - Aug
Higher	37.5	31.3	26.7	25.0	29.4	31.3	+1.8
Same	50.0	25.0	40.0	43.8	52.9	31.3	-21.7
Lower	12.5	43.8	33.3	31.3	17.6	37.5	+19.9
INDEX	62.5	43.8	46.7	46.9	55.9	46.9	-9.0

GA's NO decreased 9 points based on 19.9% more participants reporting 'Lower' NO.



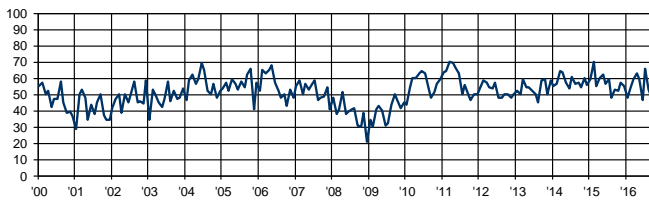
Production							
	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Sep - Aug
Higher	31.3	37.5	26.7	31.3	23.5	37.5	+14.0
Same	56.3	37.5	40.0	43.8	76.5	37.5	-39.0
Lower	12.5	25.0	33.3	25.0	0.0	25.0	+25.0
INDEX	59.4	56.3	46.7	53.1	61.8	56.3	-5.5

GA's P decreased 5.5 points based on 25% more participants reporting 'Lower' P.



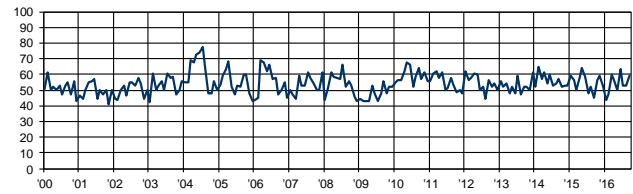
Employment							
	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Sep - Aug
Higher	31.3	25.0	6.7	37.5	11.8	12.5	+0.7
Same	62.5	68.8	80.0	56.3	82.4	68.8	-13.6
Lower	6.3	6.3	13.3	6.3	5.9	18.8	+12.9
INDEX	62.5	59.4	46.7	65.6	52.9	46.9	-6.1

GA's E decreased 6.1 points as a result of 12.9% more participants reporting 'Lower' E.



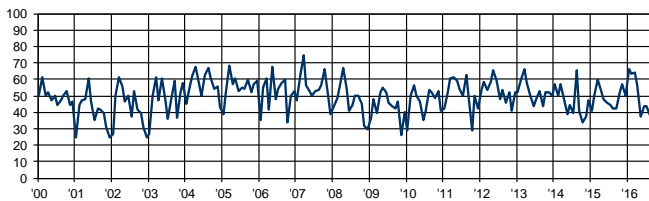
Supplier Delivery Time							
	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Sep - Aug
Slower	12.5	12.5	26.7	12.5	5.9	18.8	+12.9
Same	87.5	75.0	73.3	81.3	94.1	81.3	-12.9
Faster	0.0	12.5	0.0	6.3	0.0	0.0	+0.0
INDEX	56.3	50.0	63.3	53.1	52.9	59.4	+6.4

GA's SD increased 6.4 points based on 12.9% more participants reporting 'Slower' SD.



Finished Inventory							
	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Sep - Aug
Higher	31.3	18.8	26.7	18.8	11.8	6.3	-5.5
Same	50.0	37.5	33.3	50.0	52.9	62.5	+9.6
Lower	18.8	43.8	40.0	31.3	35.3	31.3	-4.0
INDEX	56.3	37.5	43.3	43.8	38.2	37.5	-0.7

GA's FI decreased 0.7 points due to 5.5% less participants reporting 'Higher' FI.



Commodity Prices							
	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Sep - Aug
Higher	37.5	31.3	26.7	43.8	17.6	31.3	+13.6
Same	56.3	56.3	73.3	56.3	64.7	68.8	+4.0
Lower	6.3	12.5	0.0	0.0	17.6	0.0	-17.6
INDEX	65.6	59.4	63.3	71.9	50.0	65.6	+15.6

GA's CP increased 15.6 points as a result of 13.6% more participants reporting 'Higher' CP and 17.6% less participants reporting 'Lower' CP.

