



Purchasing Managers Index Report – Georgia

Release: November 1, 2016

October 2016

Georgia PMI increased by 4.1 in October as gains in new orders and employment components offset drop in the production component. Southeast and National PMI remain above the "50 threshold" again.

	Georgia PMI		Southeast PMI		National PMI	
	Index	Change	Index	Change	Index	Change
	Oct '16	Oct-Sep	Oct '16	Oct-Sep	Oct '16	Oct-Sep
INDEX	53.5	+4.1	55.1	+0.3	51.9	+0.4
UNDERLYING VARIABLES:						
New Orders (NO)	50.0	+3.1	58.5	+1.0	52.1	-3.0
Production (P)	52.9	-3.3	61.0	-4.0	54.6	+1.8
Employment (E)	58.8	+11.9	53.7	-0.1	52.9	+3.2
Supply Deliveries (SD)	55.9	-3.5	56.1	-1.4	52.2	+1.9
Finished Inventory (FI)	50.0	+12.5	46.3	+6.3	47.5	-2.0
Commodity Prices (CP)	64.7	-0.9	61.0	+6.0	54.5	+1.5

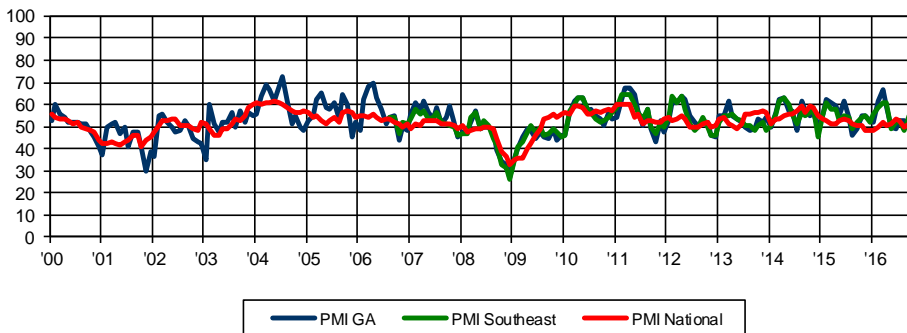
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PMI Georgia, PMI Southeast, and PMI National

	May '16	Jun '16	Jul '16	Aug '16	Sep '16	Oct '16	Oct - Sep
PMI Georgia	49.4	49.3	52.5	52.4	49.4	53.5	+4.1
PMI Southeast	48.8	51.8	52.3	48.5	54.8	55.1	+0.3
PMI National	51.3	53.2	52.6	49.4	51.5	51.9	+0.4

GA % Change: Oct - Sep

	Higher	Same	Lower
New Orders	-7.7	21.7	-14.0
Production	-14.0	21.3	-7.4
Employment	11.0	1.8	-12.9
Deliveries	-7.0	7.0	0.0
Finished Inventory	17.3	-9.6	-7.7
Commodity Prices	4.0	-9.9	5.9

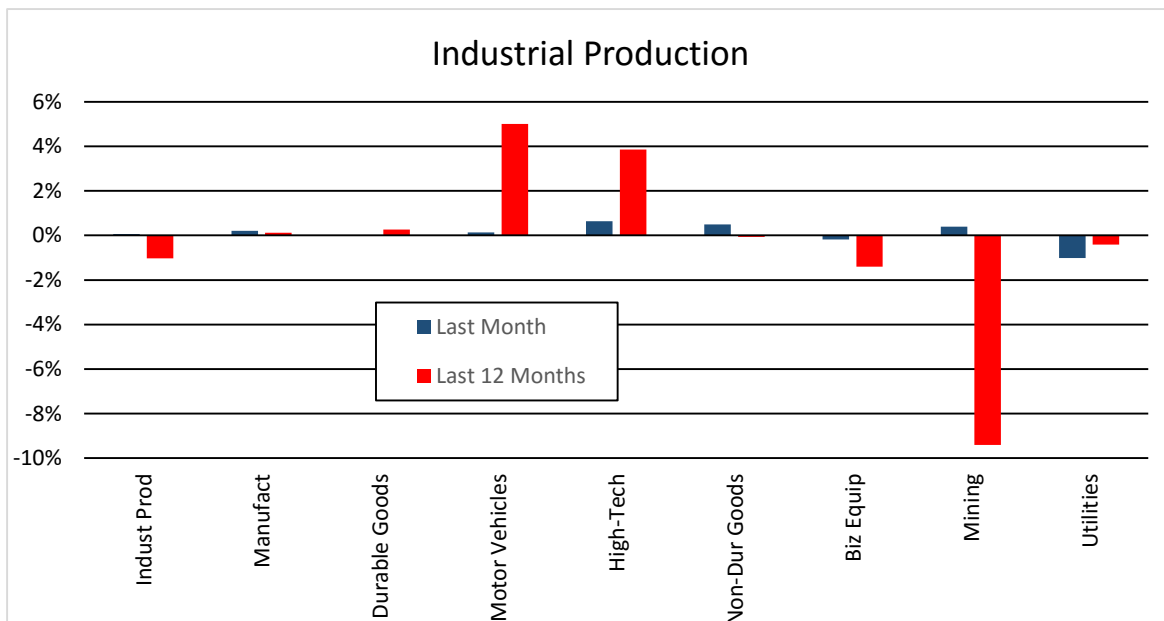


* The Econometric Center draws the Purchasing Managers Index report from a sample of Georgia's manufacturers. The PMI is a composite index that is based on five indicators equally weighted: new orders, production, employment, supplier delivery time, and finished goods. A PMI index over 50 indicates that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

General Remarks From October Respondents

"Activity in our industry continues at a high level."
 "Normal leveling off in demand this time of year."
 "Very optimistic on business levels in 2017."
 "Outlook is very good for balance of the year."
 "Business remains sluggish. Manufacturing is generally weak."
 "Economy is stuck in neutral with chronically weak demand."

"Any shoots of demand growth are quickly destroyed by raw material price increases (raw material costs increase at a faster rate than demand)."
 "Manufacturing starting to go up."
 "2017 will be rough price wise as it is clear suppliers are going to use the stronger construction demand to raise prices for no reason."



Comments from most recent (September 2016) Industrial Product Report:

Industrial production edged up 0.1 percent in September after falling 0.5 percent in August. For the third quarter as a whole, industrial production rose at an annual rate of 1.8 percent for its first quarterly increase since the third quarter of 2015.

Manufacturing output increased 0.2 percent in September and moved up at an annual rate of 0.9 percent in the third quarter. In September, the index for utilities declined 1.0 percent; mining posted a gain of 0.4 percent, which partially reversed its August decline.

At 104.2 percent of its 2012 average, total industrial production in September was 1.0 percent lower than its year-earlier level. Capacity utilization for the industrial sector edged up 0.1 percentage point in September to 75.4 percent, a rate that is 4.6 percentage points below its long-run (1972–2015) average.

