

## Purchasing Managers Index Report – Georgia January 2017

*Georgia continues return November gains, but remains at levels consistent with expansion in manufacturing. New orders and employment still seen as rising*

INDEX	Georgia PMI		Southeast PMI		National PMI	
	Index	Change	Index	Change	Index	Change
	Jan '17	Jan-Dec	Jan '17	Jan-Dec	Jan '17	Jan-Dec
<b>INDEX</b>	<b>52.0</b>	<b>-3.6</b>	<b>52.1</b>	<b>-1.7</b>	56.0	+1.5
UNDERLYING VARIABLES:						
New Orders (NO)	56.7	-5.8	52.6	-2.8	60.4	+0.1
Production (P)	50.0	-6.3	56.6	+1.2	61.4	+2.0
Employment (E)	56.7	+0.4	53.9	-4.2	56.1	+3.3
Supply Deliveries (SD)	50.0	-3.1	51.3	-2.7	53.6	+0.6
Finished Inventory (FI)	46.7	-3.3	46.1	+0.1	48.5	+1.5
Commodity Prices (CP)	56.7	-12.1	57.9	-8.3	69.0	+3.5

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### Media Contact

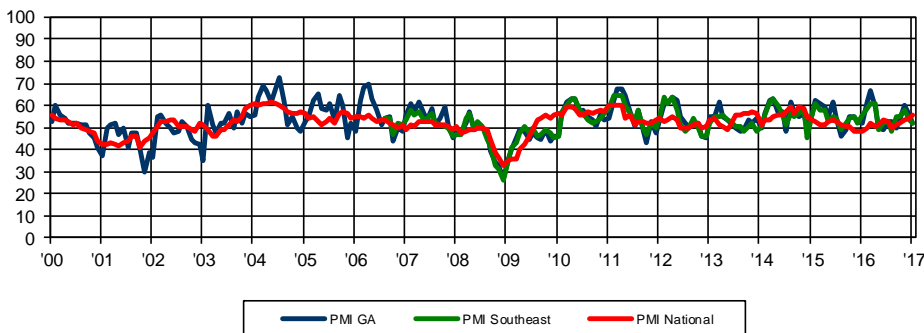
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### PMI Georgia, PMI Southeast, and PMI National

	Aug '16	Sep '16	Oct '16	Nov '16	Dec '16	Jan '17	Jan - Dec
<b>PMI Georgia</b>	52.4	49.4	53.5	60.0	55.6	52.0	-3.6
<b>PMI Southeast</b>	48.5	54.8	55.1	57.9	53.8	52.1	-1.7
<b>PMI National</b>	49.4	51.5	51.9	53.2	54.5	56.0	+1.5

### GA % Change: Jan - Dec

	Higher	Same	Lower
New Orders	-4.2	-3.3	7.5
Production	-5.0	-2.5	7.5
Employment	-5.4	11.7	-6.3
Deliveries	-6.3	6.3	0.0
Finished Inventory	-5.0	3.3	1.7
Commodity Prices	-23.8	23.3	0.4



### Outlook

	Nov '16	Dec '16	Jan '17	Jan - Dec
<b>Higher</b>	44.4	75.0	60.0	-15.0
<b>Same</b>	50.0	25.0	40.0	+15.0
<b>Lower</b>	5.6	0.0	0.0	+0.0
<b>INDEX</b>	69.4	87.5	80.0	-7.5

\* 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 January Respondents

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

"We are hoping for an uptick in sales in the first quarter. Initial indications are positive."

"Usual seasonal slowdown but outlook still very good."

"We have already been told that many of our material prices will go up in the first quarter of 2017. average increases are 3-5%."

"Fundamentals of our industry are good and a lot of optimism about future infrastructure programs creating a lot of demand. Skill trades employees remains a challenge. overall things are going well."

"We believe 2017 will be the strongest year in metals since 2008."

"I expect all metals to go up in price."

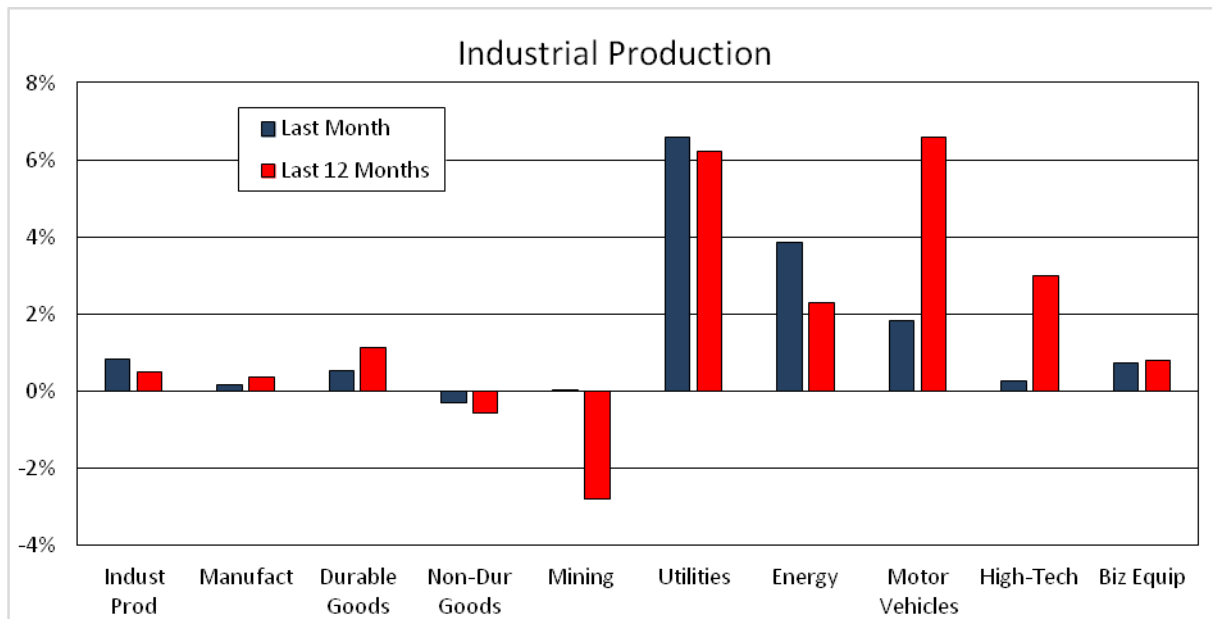
"The biggest issue in maintaining and growing business is the lack of reliable workforce. Turnover among new hires is astronomical - in the 90% range."

"Out look is good for 2017."

"Hopeful that Trump will kick start the economy."

"Expect economy to continue to improve."

"Positive."



Industrial production rose 0.8 percent in December after falling 0.7 percent in November. For the fourth quarter as a whole, the index slipped 0.6 percent at an annual rate.

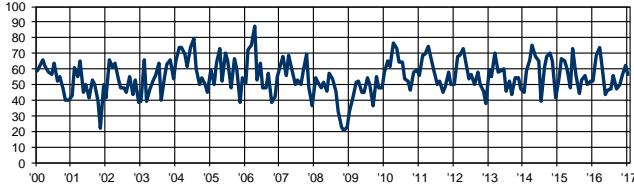
In December, manufacturing output moved up 0.2 percent and mining output was unchanged. The index for utilities jumped 6.6 percent, largely because of a return to more normal temperatures following unseasonably warm weather in November; the gain last month was the largest since December 1989.

At 104.6 percent of its 2012 average, total industrial production in December was 0.5 percent above its year-earlier level. Capacity utilization for the industrial sector increased 0.6 percentage point in December to 75.5 percent, a rate that is 4.5 percentage points below its long-run (1972–2015) average.

**New Orders**

	Aug '16	Sep '16	Oct '16	Nov '16	Dec '16	Jan '17	Jan - Dec
<b>Higher</b>	29.4	31.3	23.5	22.2	37.5	33.3	-4.2
<b>Same</b>	52.9	31.3	52.9	66.7	50.0	46.7	-3.3
<b>Lower</b>	17.6	37.5	23.5	11.1	12.5	20.0	+7.5
<b>INDEX</b>	55.9	46.9	50.0	55.6	62.5	56.7	-5.8

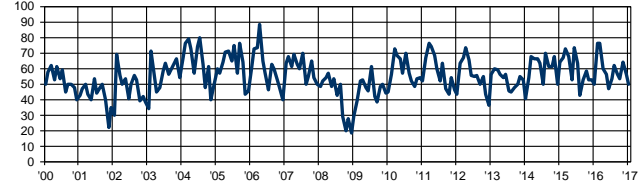
GA's NO decreased 5.8 points as a result of 4.2% less participants reporting 'Higher' NO and 7.5% more participants reporting 'Lower' NO.



**Production**

	Aug '16	Sep '16	Oct '16	Nov '16	Dec '16	Jan '17	Jan - Dec
<b>Higher</b>	23.5	37.5	23.5	38.9	25.0	20.0	-5.0
<b>Same</b>	76.5	37.5	58.8	50.0	62.5	60.0	-2.5
<b>Lower</b>	0.0	25.0	17.6	11.1	12.5	20.0	+7.5
<b>INDEX</b>	61.8	56.3	52.9	63.9	56.3	50.0	-6.3

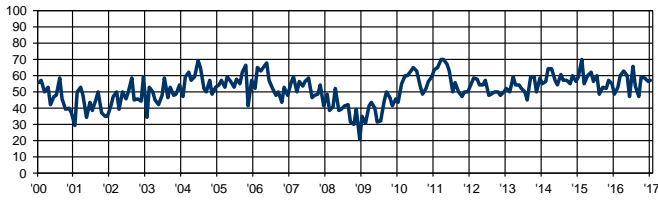
GA's P decreased 6.3 points based on 5% less participants reporting 'Higher' P and 7.5% more participants reporting 'Lower' P.



**Employment**

	Aug '16	Sep '16	Oct '16	Nov '16	Dec '16	Jan '17	Jan - Dec
<b>Higher</b>	11.8	12.5	23.5	27.8	18.8	13.3	-5.4
<b>Same</b>	82.4	68.8	70.6	61.1	75.0	86.7	+11.7
<b>Lower</b>	5.9	18.8	5.9	11.1	6.3	0.0	-6.3
<b>INDEX</b>	52.9	46.9	58.8	58.3	56.3	56.7	+0.4

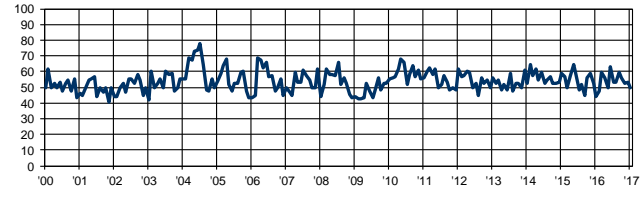
GA's E increased 0.4 points due to 6.3% less participants reporting 'Lower' E.



**Supplier Delivery Time**

	Aug '16	Sep '16	Oct '16	Nov '16	Dec '16	Jan '17	Jan - Dec
<b>Slower</b>	5.9	18.8	11.8	5.6	6.3	0.0	-6.3
<b>Same</b>	94.1	81.3	88.2	94.4	93.8	100.0	+6.3
<b>Faster</b>	0.0	0.0	0.0	0.0	0.0	0.0	+0.0
<b>INDEX</b>	52.9	59.4	55.9	52.8	53.1	50.0	-3.1

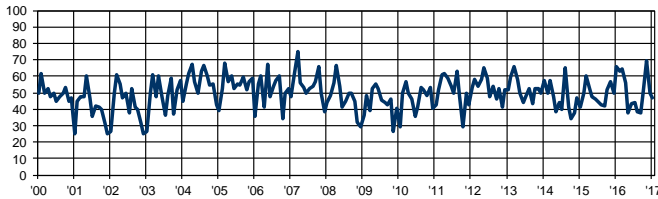
GA's SD decreased 3.1 points due to 6.3% less participants reporting 'Slower' SD.



**Finished Inventory**

	Aug '16	Sep '16	Oct '16	Nov '16	Dec '16	Jan '17	Jan - Dec
<b>Higher</b>	11.8	6.3	23.5	44.4	25.0	20.0	-5.0
<b>Same</b>	52.9	62.5	52.9	50.0	50.0	53.3	+3.3
<b>Lower</b>	35.3	31.3	23.5	5.6	25.0	26.7	+1.7
<b>INDEX</b>	38.2	37.5	50.0	69.4	50.0	46.7	-3.3

GA's FI decreased 3.3 points based on 5% less participants reporting 'Higher' FI and 1.7% more participants reporting 'Lower' FI.



**Commodity Prices**

	Aug '16	Sep '16	Oct '16	Nov '16	Dec '16	Jan '17	Jan - Dec
<b>Higher</b>	17.6	31.3	35.3	33.3	43.8	20.0	-23.8
<b>Same</b>	64.7	68.8	58.8	66.7	50.0	73.3	+23.3
<b>Lower</b>	17.6	0.0	5.9	0.0	6.3	6.7	+0.4
<b>INDEX</b>	50.0	65.6	64.7	66.7	68.8	56.7	-12.1

GA's CP decreased 12.1 points as a result of 23.8% less participants reporting 'Higher' CP.

