

## Purchasing Managers Index Report – Georgia October 2017 Report

*Georgia PMI slips by just under 2 points, with softer new orders and production being offset by employment gains. National PMI show comparable drop while Southeast PMI plunges.*

INDEX	Georgia PMI		Southeast PMI		National PMI	
	Index	Change	Index	Change	Index	Change
	Oct '17	Oct-Sep	Oct '17	Oct-Sep	Oct '17	Oct-Sep
<b>INDEX</b>	<b>56.4</b>	<b>-1.9</b>	<b>51.7</b>	<b>-9.0</b>	58.7	-2.1
UNDERLYING VARIABLES:						
New Orders (NO)	57.1	-9.5	50.0	-24.1	63.4	-1.2
Production (P)	50.0	-4.2	43.1	-23.6	61.0	-1.2
Employment (E)	82.1	+11.3	62.1	-0.9	59.8	-0.5
Supply Deliveries (SD)	46.4	-20.2	53.4	-5.8	61.4	-3.0
Finished Inventory (FI)	46.4	+13.1	50.0	+9.3	48.0	-4.5
Commodity Prices (CP)	82.1	+11.3	75.9	-0.1	68.5	-3.0

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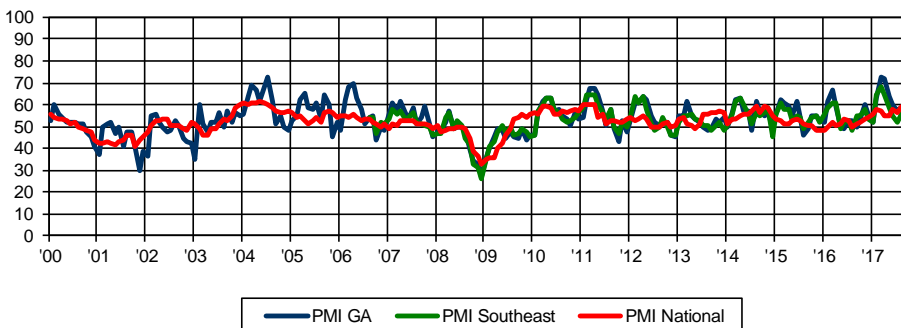
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### GA % Change: Oct - Sep

	PMI Georgia, PMI Southeast, and PMI National						Oct '17	Oct - Sep
	May '17	Jun '17	Jul '17	Aug '17	Sep '17			
<b>PMI Georgia</b>	63.8	60.0	56.9	58.6	58.3	56.4	-1.9	
<b>PMI Southeast</b>	58.5	54.7	51.6	54.5	60.7	51.7	-9.0	
<b>PMI National</b>	54.9	57.8	56.3	58.8	60.8	58.7	-2.1	

	Higher	Same	Lower
New Orders	-6.0	-7.1	13.1
Production	-13.1	17.9	-4.8
Employment	14.3	-6.0	-8.3
Deliveries	-33.3	26.2	7.1
Finished Inventory	13.1	0.0	-13.1
Commodity Prices	22.6	-22.6	0.0



	Outlook			
	Aug '17	Sep '17	Oct '17	Oct - Sep
<b>Higher</b>	35.7	58.3	57.1	-1.2
<b>Same</b>	42.9	25.0	35.7	+10.7
<b>Lower</b>	21.4	16.7	7.1	-9.5
<b>INDEX</b>	57.1	70.8	75.0	+4.2

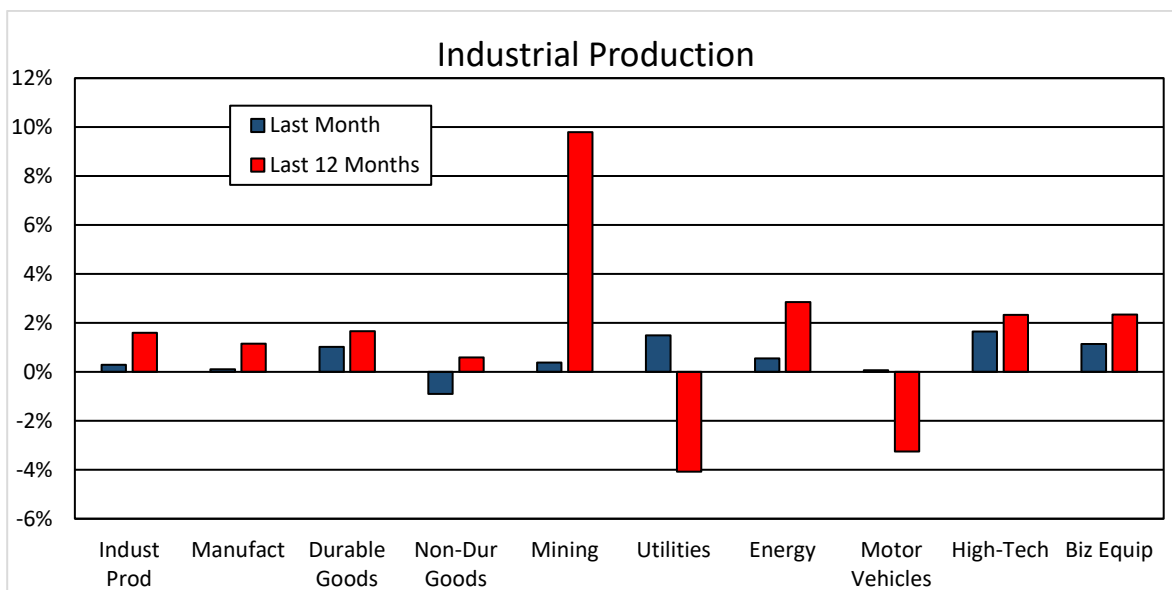
\* The Econometric Center draws the Purchasing Managers Index report from a sample of Georgia's manufacturers. The PMI is a composite index that is based on five indicators equally weighted: new orders, production, employment, supplier delivery time, and finished goods. A PMI index over 50 indicates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

## General Remarks From October Respondents

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

"Chemical companies in Houston are all declaring force majeure and raising their prices."  
 "Solid but margins taking a hit from storms."  
 "Metrics are good for our industry."  
 "More customers are thinking about future purchases for 1st quarter of next year."  
 "Quote activity is strong."  
 "Completions by year end will be in high demand."

"Recruiting and retaining a factory hourly workforce continues to be a significant challenge."  
 "The pool of workers is shallow. We're not looking for highly skilled labor, just people that will show up."  
 "Trucking availability due to hurricanes."  
 "Deliveries faster now than a month ago, because there were significant delays a month ago due to hurricane impacts."



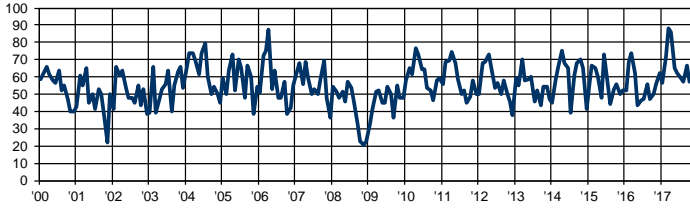
Industrial production rose 0.3 percent in September. The rates of change for July and August were notably revised; the current estimate for July, a decrease of 0.1 percent, was 0.5 percentage point lower than previously reported, while the estimate for August, a decrease of 0.7 percent, was 0.2 percentage point higher than before. The estimates for manufacturing, mining, and utilities were each revised lower in July. The continued effects of Hurricane Harvey and, to a lesser degree, the effects of Hurricane Irma combined to hold down the growth in total production in September by 1/4 percentage point.

For the third quarter as a whole, industrial production fell 1.5 percent at an annual rate; excluding the effects of the hurricanes, the index would have risen at least 1/2 percent. Manufacturing output edged up 0.1 percent in September but fell 2.2 percent at an annual rate in the third quarter. The indexes for mining and utilities in September rose 0.4 percent and 1.5 percent, respectively. At 104.6 percent of its 2012 average, total industrial production in September was 1.6 percent above its year-earlier level. Capacity utilization for the industrial sector increased 0.2 percentage point in September to 76.0 percent, a rate that is 3.9 percentage points below its long-run (1972–2016) average.

**New Orders**

	May '17	Jun '17	Jul '17	Aug '17	Sep '17	Oct '17	Oct - Sep
<b>Higher</b>	53.8	50.0	43.8	35.7	41.7	35.7	-6.0
<b>Same</b>	23.1	25.0	31.3	42.9	50.0	42.9	-7.1
<b>Lower</b>	23.1	25.0	25.0	21.4	8.3	21.4	+13.1
<b>INDEX</b>	65.4	62.5	59.4	57.1	66.7	57.1	-9.5

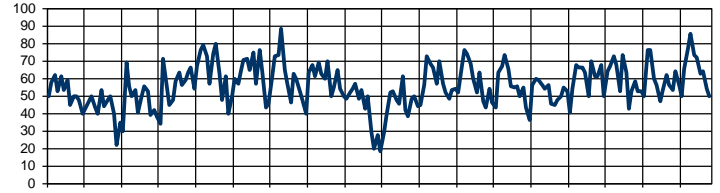
GA's NO decreased 9.5 points as a result of 6% less participants reporting 'Higher' NO and 13.1% more participants reporting 'Lower' NO.



**Production**

	May '17	Jun '17	Jul '17	Aug '17	Sep '17	Oct '17	Oct - Sep
<b>Higher</b>	53.8	50.0	43.8	42.9	41.7	28.6	-13.1
<b>Same</b>	38.5	43.8	37.5	42.9	25.0	42.9	+17.9
<b>Lower</b>	7.7	6.3	18.8	14.3	33.3	28.6	-4.8
<b>INDEX</b>	73.1	71.9	62.5	64.3	54.2	50.0	-4.2

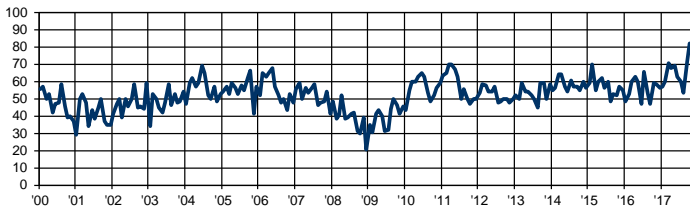
GA's P decreased 4.2 points due to 13.1% less participants reporting 'Higher' P.



**Employment**

	May '17	Jun '17	Jul '17	Aug '17	Sep '17	Oct '17	Oct - Sep
<b>Higher</b>	38.5	37.5	25.0	14.3	50.0	64.3	+14.3
<b>Same</b>	61.5	50.0	68.8	78.6	41.7	35.7	-6.0
<b>Lower</b>	0.0	12.5	6.3	7.1	8.3	0.0	-8.3
<b>INDEX</b>	69.2	62.5	59.4	53.6	70.8	82.1	+11.3

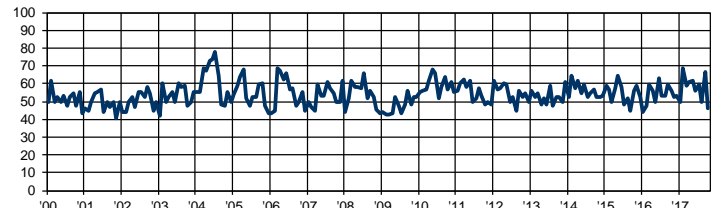
GA's E increased 11.3 points due to 14.3% more participants reporting 'Higher' E and 8.3% less participants reporting 'Lower' E.



**Supplier Delivery Time**

	May '17	Jun '17	Jul '17	Aug '17	Sep '17	Oct '17	Oct - Sep
<b>Slower</b>	23.1	18.8	25.0	21.4	33.3	0.0	-33.3
<b>Same</b>	76.9	75.0	68.8	57.1	66.7	92.9	+26.2
<b>Faster</b>	0.0	6.3	6.3	21.4	0.0	7.1	+7.1
<b>INDEX</b>	61.5	56.3	59.4	50.0	66.7	46.4	-20.2

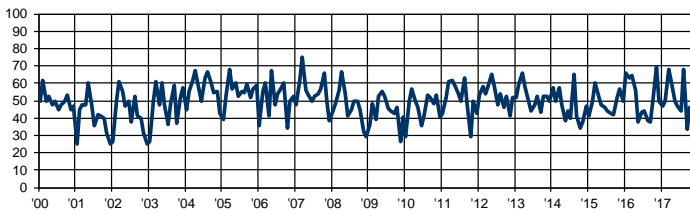
GA's SD decreased 20.2 points due to 33.3% less participants reporting 'Slower' SD.



**Finished Inventory**

	May '17	Jun '17	Jul '17	Aug '17	Sep '17	Oct '17	Oct - Sep
<b>Higher</b>	23.1	25.0	18.8	42.9	8.3	21.4	+13.1
<b>Same</b>	53.8	43.8	50.0	50.0	50.0	50.0	+0.0
<b>Lower</b>	23.1	31.3	31.3	7.1	41.7	28.6	-13.1
<b>INDEX</b>	50.0	46.9	43.8	67.9	33.3	46.4	+13.1

GA's FI increased 13.1 points based on 13.1% more participants reporting 'Higher' FI and 13.1% less participants reporting 'Lower' FI.



**Commodity Prices**

	May '17	Jun '17	Jul '17	Aug '17	Sep '17	Oct '17	Oct - Sep
<b>Higher</b>	30.8	18.8	18.8	21.4	41.7	64.3	+22.6
<b>Same</b>	53.8	62.5	68.8	71.4	58.3	35.7	-22.6
<b>Lower</b>	15.4	18.8	12.5	7.1	0.0	0.0	+0.0
<b>INDEX</b>	57.7	50.0	53.1	57.1	70.8	82.1	+11.3

GA's CP increased 11.3 points as a result of 22.6% more participants reporting 'Higher' CP.

