



**December 2009  
Manufacturing  
Business Conditions Survey  
A Joint Project of the College of Business  
At the University of Colorado at Denver  
And NAPM-Denver**

The local Denver manufacturing economic index decreased with an index of 49.1 in December. This compares to November's increase of 57.9. The Production index was 50. The Denver Manufacturing PMI compares to the Institute for Supply Management's (ISM) PMI of 55.9 percent, an increase of 2.3 percentage points when compared to November's reading of 53.6 percent, indicating continuing recovery in the sector at a faster rate of growth. This is the fifth consecutive month of growth in the manufacturing sector. (ISM publishes the national PMI).

(As a reminder to our readers, an index below 50 indicates the majority of our respondents reported a decline versus the previous month. The further below 50, the greater the number of respondents reporting a decline. An index over 50 indicates growth, increase, or improvement).

The overall Price Index of the Denver Manufacturing Survey was 52.9 in December. Prices increased in the Raw Material sector and remained unchanged in all other sectors. Lead times decreased in December with an index of 44. Lead times decreased in the Capital Goods, Raw Materials, Components and Computers sectors, increased in the MRO sector and remained unchanged in the Computers sector.

The New Orders Index decreased with an index of 42.9 in December. The Raw Materials Inventory and the Finished Goods Inventory Indices increased in December.

December's Employment Index increased at a slower rate in December with an index of 57.1. The Availability of Skilled Workers Index increased faster with an index of 57.1 and the Availability of Unskilled Workers Index remained unchanged in December.

Supplier performance in our Denver survey remained unchanged in the all sectors.

ISM's New Orders Index registered 65.5 percent in December, 5.2 percentage points higher than the 60.3 percent registered in November. This is the sixth consecutive month of growth in the New Orders Index. ISM's Employment Index registered 52 percent in December, which is 1.2 percentage points higher than the 50.8 percent reported in November. This is the third month of growth in manufacturing employment, following 14 consecutive months of decline. Go to [www.ism.ws](http://www.ism.ws) for the complete ISM report.

The Business Conditions Survey is a joint project of University of Colorado at Denver and NAPM-Denver. Dr. M.P. Parthasarathy of the College of Business conducted December's survey at the University of Colorado at Denver. For further information on the survey, or to participate in it, call Dr. Parthasarathy at 303-556-5849.

\*Note: In the below tables, an index over 50 indicates growth, increase, or improvement. Below 50 is indicative of decrease or worsening.

### December 2009 Colorado Front Range Manufacturing Survey

<i>Series</i>	<i>Colo. Index</i>	<i>Direction</i>	<i>Rate of Change</i>	<i>National Index</i>	<i>Direction</i>	<i>Rate of Change</i>
	<u>December</u>	<u>December</u>	<u>December vs. November</u>	<u>December</u>	<u>December vs. November</u>	<u>December vs. November</u>
Purchasing Managers' Index	49.1	Decreasing	From Increasing	55.9	Increasing	Faster
Production	50	No Change	From Increasing	61.8	Increasing	Faster
New Orders	42.9	Decreasing	From Increasing	65.5	Increasing	Faster
Backlog of Orders	42.9	Decreasing	From Increasing	50	No Change	From Increasing
Imports	25	Decreasing	From Increasing	55	Increasing	Faster
Prices	52.9	Increasing	Slower	61.5	Increasing	Faster
Lead Times	44	Decreasing	From Increasing	56.6	Increasing	Slightly Faster
Raw Material Inventory	57.1	Increasing	From No Change	43.4*	Decreasing	Slower
Finished Goods Inventory	58.3	Increasing	From No Change	NA	NA	NA
Employment	57.1	Increasing	Slower	52	Increasing	Faster
Availability of Skilled Labor	57.1	Increasing	Faster	NA	NA	NA
Availability of Unskilled Labor	50	Increasing	From Decreasing	NA	NA	NA

	<u>Colo. Index</u>	<u>Direction</u>	<u>Rate of Change</u>
<u>Prices:</u>	<u>December</u>	<u>December</u>	<u>December</u>
			<u>vs.</u>
			<u>November</u>
MRO Items	50	No Change	From No Change
Capital Goods	50	No Change	From No Change
Raw Materials	64.3	Increasing	Slower
Components	50	No Change	From No Change
Computers	50	No Change	From No Change
Services	50	No Change	From Increasing
<u>Lead Times</u>	<u>December</u>	<u>December</u>	<u>December</u>
			<u>vs.</u>
			<u>November</u>
MRO Items	58.3	Increasing	No Change
Capital Goods	41.7	Decreasing	From Increasing
Raw Materials	35.7	Decreasing	From Increasing
Components	42.9	Decreasing	From Increasing
Computers	41.7	Decreasing	From No Change
Services	50	No Change	From Increasing
<u>Supplier Performance</u>	<u>December</u>	<u>December</u>	<u>December</u>
			<u>vs.</u>
			<u>November</u>
MRO Items	50	No Change	From No Change
Capital Goods	50	No Change	From Worsening
Raw Materials	50	No Change	From Worsening
Components	50	No Change	From Worsening
Computers	50	No Change	From Improving
Services	50	No Change	From Worsening