



**July 2008**  
**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 increased in July at a slower rate than in June. July's index is 56.6. June's index was 66.1. The Production index also increased in July at a slower rate with an index of 61.7. June's Production index was 71.4. The Denver Manufacturing PMI compares to the Institute for Supply Management's (ISM) PMI of 50 percent, 0.2 percentage point lower than the 50.2 percent reported in June. (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 increased at a slower rate in July. All sectors increased. Lead times also increased at a slower rate in July compared to June. All sectors increased except the Services sector which decreased. The New Orders Index increased at a slower rate in July compared to June. The Imports Index decreased in July reversing the increase in June. The Raw Materials Inventory Index remained unchanged. The Finished Goods Inventory Index decreased in July at a faster rate than in June.

July's Employment Index increased at a slower rate in July compared to June. The Availability of Skilled Workers Index and the Availability of Unskilled Workers Indices both decreased in July.

Supplier performance in our Denver survey increased in the Components, Computers and Services sectors, decreased in the Capital Goods and Raw Materials sectors and remained unchanged in the MRO sector.

ISM's New Orders Index registered 45 percent in July, 4.6 percentage points lower than the 49.6 percent registered in June. A New Orders Index above 51.6 percent, over time, is generally consistent with an increase in the Census Bureau's series on manufacturing orders (in constant 2000 dollars). ISM's Employment Index registered 51.9 percent in July, which is an increase of 8.2 percentage points when compared to the 43.7 percent reported in June. 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 July'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.

### July 2008 Colorado Front Range Manufacturing Survey

	<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>Series</u>	<u>July</u>	<u>July</u>	<u>July vs. June</u>	<u>July</u>	<u>July</u>	<u>July vs. June</u>
<b>Purchasing Managers' Index</b>	56.6	Increasing	Slower	50	No Change	From Increasing
<b>Production</b>	61.7	Increasing	Slower	52.9	Increasing	Faster
<b>New Orders</b>	55	Increasing	Slower	45	Decreasing	Faster
<b>Backlog of Orders</b>	55	Increasing	Slower	47.5	Decreasing	Slower
<b>Prices</b>	64.6	Increasing	Slower	88.5	Increasing	Slower
<b>Lead Times</b>	59.9	Increasing	Slower	55.1	Increasing	No Change
<b>Import Orders</b>	45.8	Decreasing	From Increasing	46.5	Decreasing	Slightly Slower
<b>Raw Material Inventory</b>	50	No Change	From Increasing	45*	Decreasing	From Increasing
<b>Finished Goods Inventory</b>	41.7	Decreasing	Faster	NA	NA	NA
<b>Employment</b>	53.3	Increasing	Slower	51.9	Increasing	From Decreasing
<b>Availability of Skilled Labor</b>	46.3	Decreasing	From No Change	NA	NA	NA
<b>Availability of Unskilled Labor</b>	44	Decreasing	From No Change	NA	NA	NA

\*The national index surveys only total inventories.

Note: The index for the overall economy is a composite based on five components: delivery times, inventory levels, new orders, production and employment. It is constructed to parallel the national overall index. An index above 50 means the manufacturing economy is generally expanding.

July 2008

	<u>Colo. Index</u>	<u>Direction</u>	<u>Rate of Change</u>
<u>Prices:</u>	<u>July</u>	<u>July</u>	<u>July vs. June</u>
MRO Items	65	Increasing	Slower
Capital Goods	66.7	Increasing	No Change
Raw Materials	71.7	Increasing	Slower
Components	65.5	Increasing	Slower
Computers	54	Increasing	Slower
Services	61.7	Increasing	Faster

Lead Times

MRO Items	53.5	Increasing	Slower
Capital Goods	53.5	Increasing	Slower
Raw Materials	58.3	Increasing	No Change
Components	73.3	Increasing	Slower
Computers	60.7	Increasing	Slower
Services	47.8	Decreasing	From No Change

Supplier  
Performance

	<u>July</u>	<u>July</u>	<u>July vs. June</u>
MRO Items	50	No Change	From Improving
Capital Goods	47.9	Worsening	From Improving
Raw Materials	45	Worsening	From No Change
Components	53.5	Improving	Slower
Computers	54.2	Improving	Slower
Services	56	Improving	Slower