



March 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 at a slightly slower rate in March with an index of 38.7. February's index was 38.5. The Production index decreased in March at a slower rate with an index of 42.31. The Denver Manufacturing PMI compares to the Institute for Supply Management's (ISM) PMI of 36.3 percent, which is 0.5 percentage point higher than the 35.8 percent reported in February. This is the 14th consecutive month of contraction 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 decreased in March at a slower rate with an index of 45.4. Prices decreased in all sectors except the computers sector which remained unchanged. Lead times decreased in March at a faster rate than in February. All sectors decreased. The New Orders Index decreased in March at a faster rate than in February. The Imports Index decreased in March at a faster rate. The Raw Materials Inventory Index increased and the Finished Goods Inventory Index decreased at a slower rate in March compared to February.

March's Employment Index decreased at a faster rate than in February. The Availability of Skilled Workers Index and the Availability of Unskilled Workers Indices both decreased in March.

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

ISM's New Orders Index registered 41.2 percent in March, 8.1 percentage points higher than the 33.1 percent registered in February. This is the 16th consecutive month of contraction in the New Orders Index. ISM's Employment Index registered 28.1 percent in March, which is 2 percentage points higher than the 26.1 percent reported in February. This is the eighth consecutive month of decline in employment. Go to 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 March'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.

March 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>March</u>	<u>March vs. February</u>	<u>March vs. February</u>	<u>March</u>	<u>March vs. February</u>	<u>March vs. February</u>
Purchasing Managers' Index	38.7	Decreasing	Slightly Slower	36.3	Decreasing	Slower
Production	42.3	Decreasing	Slower	36.4	Decreasing	Slightly Slower
New Orders	33.3	Decreasing	Faster	41.2	Decreasing	Slower
Backlog of Orders	41.7	Decreasing	Slower	35.5	Decreasing	Slower
Prices	45.4	Decreasing	Slower	31	Decreasing	Slower
Lead Times	41.6	Decreasing	Faster	46.7	Decreasing	Slower
Import Orders	28.6	Decreasing	Faster	32	Decreasing	Faster
Raw Material Inventory	55	Increasing	From Decreasing	32.2*	Decreasing	Faster
Finished Goods Inventory	41.7	Decreasing	Slower	NA	NA	NA
Employment	32.1	Decreasing	Faster	28.1	Decreasing	Slower
Availability of Skilled Labor	46.4	Decreasing	From No Change	NA	NA	NA
Availability of Unskilled Labor	46.2	Decreasing	From No Change	NA	NA	NA

	<u>Colo. Index</u>	<u>Direction</u>	<u>Rate of Change</u>
<u>Prices:</u>	<u>March</u>	<u>March vs. February</u>	<u>March vs. February</u>
MRO Items	46.4	Decreasing	Slower
Capital Goods	41.7	Decreasing	Faster
Raw Materials	42.9	Decreasing	Slower
Components	45.8	Decreasing	Slower
Computers	50	No Change	From Decreasing
Services	41.7	Decreasing	Slower
<u>Lead Times</u>			
MRO Items	42.9	Decreasing	Faster
Capital Goods	45.8	Decreasing	Slower
Raw Materials	35.7	Decreasing	Faster
Components	38.5	Decreasing	Faster
Computers	45	Decreasing	Slightly Faster
Services	37.5	Decreasing	From No Change
<u>Supplier Performance</u>			
	<u>March</u>	<u>March vs. February</u>	<u>Rate of Change</u>
MRO Items	50	No Change	No Change
Capital Goods	50	No Change	No Change
Raw Materials	50	No Change	From Improving
Components	50	No Change	From Improving
Computers	50	No Change	From Improving
Services	50	No Change	From Improving