



**December 2010  
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 slower with an index of 60.8 in December. This compares to November's increase of 66.7. The Production index was 60, a slower increase than November's 70 rate. The Denver Manufacturing PMI compares to the Institute for Supply Management's (ISM) PMI of 57 percent, an increase of 0.4 percentage point when compared to November's reading of 56.6 percent. A reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally contracting. (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 slower with an index of 50 in December. Prices increased in the Services sector and remained unchanged in all other sectors. The Lead Time index is unavailable for December.

The New Orders Index increased faster with an index of 62.5 in December. The Raw Materials Inventory index increased slower and the Finished Goods Inventory Index remained unchanged in December.

December's Employment Index increased slower in December with an index of 62.5. The Availability of Skilled Workers and the Availability of Unskilled Workers Indices both registered 50 in December.

Supplier performance in our Denver survey improved in the Services sector and was at 50 in all other sectors.

ISM's New Orders Index registered 60.9 percent in December, which is an increase of 4.3 percentage points when compared to the 56.6 percent reported in November. This is the 18th consecutive month of growth in the New Orders Index.

ISM's Employment Index registered 55.7 percent in December, which is 1.8 percentage points lower than the 57.5 percent reported in November. This is the 13th consecutive month of growth in manufacturing employment. Of the 18 manufacturing industries, nine reported growth in employment in December in the following order: Apparel, Leather & Allied Products; Primary Metals; Fabricated Metal Products; Food, Beverage & Tobacco Products; Computer & Electronic Products; Transportation Equipment; Machinery; Electrical Equipment, Appliances & Components; and Paper Products. The five industries reporting a decrease in employment during December are: Nonmetallic Mineral Products; Furniture & Related Products;

Miscellaneous Manufacturing; Printing & Related Support Activities; and Textile Mills. 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 2010 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	60.8	Increasing	Slower	57	Increasing	Slightly Faster
Production	60	Increasing	Slower	60.7	Increasing	Faster
New Orders	62.5	Increasing	Faster	60.9	Increasing	Faster
Backlog of Orders	75	Increasing	Slower	47	Decreasing	Slower
Imports	70	Increasing	From No Change	50.5	Increasing	Slower
Prices	50	No Change	From Increasing	72.5	Increasing	Faster
Lead Times	N/A	N/A	N/A	55.9	Increasing	Slower
Raw Material Inventory	70	Increasing	Slower	51.8*	Increasing	Slower
Finished Goods Inventory	50	No Change	From Increasing	NA	NA	NA
Employment	62.5	Increasing	Slower	55.7	Increasing	Slower
Availability of Skilled Labor	50	No Change	From Increasing	NA	NA	NA
Availability of Unskilled Labor	50	No Change	From Increasing	NA	NA	NA

\*ISM has one category only for Inventory.

	<u>Colo. Index</u>	<u>Direction</u>	<u>Rate of Change</u>
<u>Prices:</u>	<u>December</u>	<u>December</u>	<u>December vs. November</u>
MRO Items	50	No Change	From Increasing
Capital Goods	50	No Change	From No Change
Raw Materials	50	No Change	From Increasing
Components	50	No Change	From No Change
Computers	50	No Change	From No Change
Services	62.5	Increasing	Faster
<u>Lead Times</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<u>Supplier Performance</u>	<u>December</u>	<u>December</u>	<u>December vs. November</u>
MRO Items	75	Improving	From No Change
Capital Goods	50	No Change	From No Change
Raw Materials	70	Improving	From No Change
Components	50	No Change	From No Change
Computers	50	No Change	From No Change
Services	100	Improving	From No Change