



**June 2011  
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 slightly faster in June with an index of 42.4. This compares to May's decrease of 42.9. The Production index for June was 44.4.

The Denver Manufacturing PMI compares to the Institute for Supply Management's (ISM) PMI of 55.3 percent, an increase of 1.8 percentage points when compared to May's reading of 53.5 percent. (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 faster with an index of 62 in June. Prices increased in all sectors. The Lead Time Index increased at a slightly faster rate with an index of 65 in June. Lead Times increased in the MRO, Capital Goods, Raw Materials, Components and Services sectors and registered 50 in the Computer sector.

The New Orders Index was 27.8 in June. The Raw Materials Inventory Index decreased and the Finished Goods Inventory Index increased in June.

June's Employment Index decreased in July. The Availability of Skilled Workers and the Availability of Unskilled Workers remained unchanged in June.

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

ISM's New Orders Index registered 51.6 percent in June, which is an increase of 0.6 percentage point when compared to the 51 percent reported in May. This is the 24th consecutive month of growth in the New Orders Index.

The 10 industries reporting growth in new orders in June — listed in order — are: Textile Mills; Petroleum & Coal Products; Paper Products; Miscellaneous Manufacturing; Printing & Related Support Activities; Electrical Equipment, Appliances & Components; Transportation Equipment; Fabricated Metal Products; Chemical Products; and Computer & Electronic Products. The seven industries reporting decreases in new orders in June

— listed in order — are: Plastics & Rubber Products; Apparel, Leather & Allied Products; Wood Products; Primary Metals; Food, Beverage & Tobacco Products; Machinery; and Nonmetallic Mineral Products.

ISM's Employment Index registered 59.9 percent in June, which is 1.7 percentage points higher than the 58.2 percent reported in May. This is the 21st consecutive month of growth in manufacturing employment.

Of the 18 manufacturing industries, 11 reported growth in employment in June in the following order: Textile Mills; Nonmetallic Mineral Products; Printing & Related Support Activities; Miscellaneous Manufacturing; Computer & Electronic Products; Transportation Equipment; Chemical Products; Machinery; Fabricated Metal Products; Food, Beverage & Tobacco Products; and Paper Products. The only industry reporting a decrease in employment in June is Apparel, Leather & Allied Products. Six industries reported no change in employment in June compared to May.

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 June'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.

## June 2011 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>June</u>	<u>June</u>	<u>June vs. May</u>	<u>June</u>	<u>June vs. May</u>	<u>June vs. May</u>
<b>Purchasing Managers' Index</b>	42.4	Decreasing	Slightly Faster	55.3	Increasing	Faster
<b>Production</b>	44.4	Decreasing	From No Change	54.5	Increasing	Slightly Slower
<b>New Orders</b>	27.8	Decreasing	Slower	51.6	Increasing	Slightly Faster
<b>Backlog of Orders</b>	33.3	Decreasing	Slower	49.1	Decreasing	From Increasing
<b>Imports</b>	40	Decreasing	Slower	51	Increasing	Slower
<b>Prices</b>	62	Increasing	Faster	68	Increasing	Slower
<b>Lead Times</b>	65	Increasing	Faster	56.3	Increasing	Slower
<b>Raw Material Inventory</b>	41.7	Decreasing	Slower	54.1*	Increasing	From Decreasing
<b>Finished Goods Inventory</b>	83.3	Increasing	No Change	NA	NA	NA
<b>Employment</b>	45	Decreasing	From No Change	59.9	Increasing	Faster
<b>Availability of Skilled Labor</b>	50	No Change	No Change	NA	NA	NA
<b>Availability of Unskilled Labor</b>	50	No Change	No Change	NA	NA	NA

\*ISM has one category only for Inventory.

	<u>Colo. Index</u>	<u>Direction</u>	<u>Rate of Change</u>
<b><u>Prices:</u></b>	<u>June</u>	<u>June</u>	<u>June vs. May</u>
MRO Items	55.6	Increasing	From No Change
Capital Goods	55.6	Increasing	Slower
Raw Materials	77.8	Increasing	Faster
Components	65	Increasing	Faster
Computers	56.3	Increasing	From No Change
Services	66.7	Increasing	Faster
<b><u>Lead Times</u></b>	<u>June</u>	<u>June</u>	<u>June vs. May</u>
MRO Items	61.1	Increasing	Slower
Capital Goods	77.8	Increasing	Faster
Raw Materials	61.1	Increasing	Slower
Components	75	Increasing	Faster
Computers	50	No Change	From No Change
Services	55.6	Increasing	Slower
<b><u>Supplier Performance</u></b>	<u>June</u>	<u>June</u>	<u>June vs. May</u>
MRO Items	62.5	Improving	Slower
Capital Goods	50	No Change	From No Change
Raw Materials	56.3	Improving	From No Change
Components	44.4	Worsening	From No Change
Computers	41.7	Worsening	From No Change
Services	50	No Change	From No Change