



# RGP

## Regional Growth Partnership of Northwest Ohio Manufacturing Index

October 2005

*A Monthly Comparison of Manufacturing Activities in the Northwest Ohio Region*

<b>NW Ohio Index</b>	<b>55.6</b>
<b>US Index</b>	<b>59.1</b>
<b>Net Difference</b>	<b>- 3.5</b>

### Northwest Ohio

The Regional Manufacturing Index for October is 55.6 percent. The N.W. Ohio manufacturing activity increased for the 25<sup>th</sup> consecutive month.

### U.S.

The Institute for Supply Management's Index for October is 59.1 percent. U.S. manufacturing activity increased in October for the 29<sup>th</sup> consecutive month.

### Regional Manufacturing Activity Increased

Regional manufacturing activity increased for the 25<sup>th</sup> consecutive month, with the October Northwest Ohio manufacturing index registering in at 55.6.

In October, the employment, price and supplier delivery components all registered above 62 points, with the employment index remaining positive for the ninth consecutive month. Production continued to show strength for the 3<sup>rd</sup> consecutive month, registering in at 54.6 points.

In October, new orders and inventory showed a slight decline. However both indices were above 49 points.

The regional components that grew faster than the national indices for the month included employment, inventory and supplier deliveries. Regional new orders, prices and production components all lagged behind the national indices for the month.

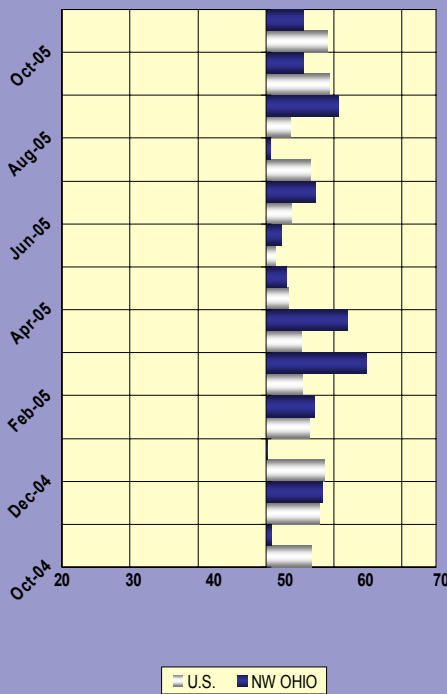
### United States Manufacturing Activity Increased

The Institute for Supply Management (ISM) Index for October is at 59.1, with economic activity in the manufacturing sector growing for the 29<sup>th</sup> consecutive month and the overall economy growing for the 48<sup>th</sup> consecutive month, according to the nation's supply executives in the latest *Manufacturing ISM Report on Business*.

According to Norbert J. Ore, chair of the ISM's Manufacturing Business Survey Committee, "the manufacturing sector grew for the 29<sup>th</sup> consecutive month in October based on the ISM data.

The PMI continued its strong performance supported by continuing growth in New Orders and Production. Rising prices, and energy costs in particular, are of major concern as manufacturers are struggling to control costs, said Norbert J. Ore."

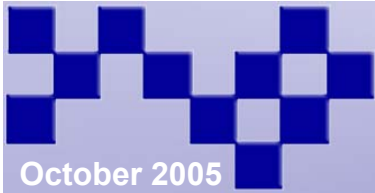
Manufacturing Index



### What It Means to the Overall Economy:

Index > 50 = Increased Manufacturing Activity  
Index < 50 = Decreased Manufacturing Activity  
Index of 50 = Same Manufacturing Activity  
All figures are in comparison to previous month.

*According to the Institute for Supply Management (ISM) an index in excess of 43.6%, over a period of time, generally indicates an expansion of the overall economy.*

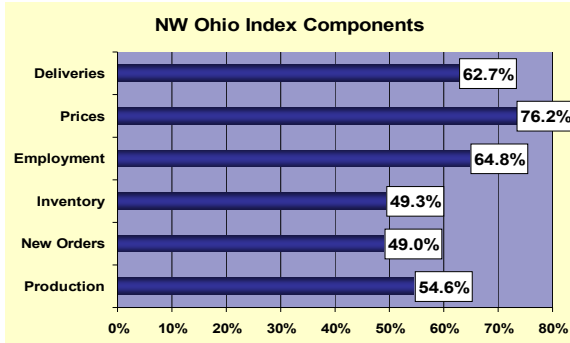


**RGP**

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of Northwest Ohio  
**Manufacturing Index**

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	Higher	Same	Lower	Oct.	Sept.
Production	24%	57%	19%	+	+
New Orders	24%	43%	33%	-	-
Vendor Deliveries*	24%	76%	0%	+	+
Inventories	19%	57%	24%	-	+
Employment	33%	57%	10%	+	+
Prices	57%	38%	5%	+	+

Percentages: Percent of firms surveyed reporting changes in each factor, compared with the previous month.  
Direction: The direction of the Index component as compared to the previous month. \*Vendor Deliveries: Slowing deliveries in the vendor delivery component indicate a growing economy.

**NW Ohio Index Components**

**NW Ohio Production**

October's Production Index of 54.6 is lower than September's index of 58.0 by 3.4 points.

**NW Ohio New Orders**

October's New Orders Index registered at 49.0, which was 0.1 point lower than September's 49.1.

**NW Ohio Supplier Deliveries**

The Supplier Deliveries Index of 62.7 in October is indicative of slower supplier deliveries. The index is 4.0 points higher than September's 58.7. A reading above 50 percent indicates slower deliveries.

**NW Ohio Inventories**

Area manufacturers reported a decrease in inventory levels in October. The October Inventories Index registered 49.3, down by 0.8 points from September's 50.1.

**NW Ohio Employment**

October's Employment Index registered at 64.8, an increase of 2.4 points from September's 62.4.

**NW Ohio Prices**

The October Price Index of 76.2 is higher than last month's price index of 73.7 by 2.5 points.

**National Index Components**

**National Production**

ISM's Production Index is 62.0 percent in October, 1.1 points lower than September's 63.1 percent, reflecting the 30<sup>th</sup> consecutive month of growth. An index above 50 percent, over time, is generally consistent with an increase in the Federal Reserve Board's Industrial Production figures.

**National New Orders**

ISM's New Orders Index grew in October with a reading of 61.7 percent. The index is 2.1 points lower than the 63.8 percent registered in September and is the 30<sup>th</sup> consecutive month the index has exceeded 50 percent.

**National Supplier Deliveries**

ISM's Supplier Deliveries Index indicates delivery performance is slower for the 28<sup>th</sup> consecutive month in October with a reading of 61.7 points. October's index is up by 2.4 points compared to September's reading of 59.3 percent. A reading above 50 percent indicates slower deliveries.

**National Inventories**

ISM's Inventories Index for October registered at 48.1 percent, down by 1.5 points compared to September's reading of 49.6 percent. An inventories index greater than 42.3 percent, over time, is generally consistent with expansion in the Bureau of Economic Analysis' figures on overall manufacturing inventories (*in chained 2000 dollars*).

**National Employment**

ISM's Employment Index grew in October for the fourth consecutive month. The index registered 55.0 percent in October compared to 53.1 percent in September, an increase of 1.9 points.

**National Prices**

ISM's Prices Index grew significantly again in October as the price index rose to 84.0 percent, up 6.0 points from 78.0 percent in September.

**Thank you!**

*To the regional manufacturers who participate in this survey.*