Economic activity in the manufacturing sector expanded in March for the fourth consecutive month, and the overall economy grew for the 46th consecutive month, say the nation’s supply executives in the latest Manufacturing ISM Report On Business®.

The PMI™ registered 51.3 percent, a decrease of 2.9 percentage points from February’s reading of 54.2 percent, indicating expansion in manufacturing for the fourth consecutive month, but at a slower rate. Both the New Orders and Production Indexes reflected growth in March compared to February, albeit at slower rates, registering 51.4 and 52.2 percent, respectively. The Employment Index registered 54.2, an increase of 1.6 percentage points compared to February’s reading of 52.6 percent. The Prices Index decreased 7 percentage points to 54.5, and the list of commodities up in price reflected far fewer items than in February.

Of the 18 manufacturing industries, 14 are reporting growth in March in the following order: Wood Products; Furniture & Related Products; Plastics & Rubber Products; Electrical Equipment, Appliances & Components; Fabricated Metal Products; Paper Products; Apparel, Leather & Allied Products; Miscellaneous Manufacturing‡; Nonmetallic Mineral Products; Computer & Electronic Products; Transportation Equipment; Printing & Related Support Activities; Primary Metals; and Food, Beverage & Tobacco Products.

PMI™ at 51.3%  

New Orders, Production and Employment Growing; Inventories Contracting; Supplier Deliveries Faster

MANUFACTURING AT A GLANCE

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OVERALL ECONOMY  
Growing Slower 46

MANUFACTURING SECTOR  
Growing Slower 4

“Number of months moving in current direction. Manufacturing ISM Report On Business™ data is seasonally adjusted for the New Orders, Production, Employment and Supplier Deliveries Indexes.

COMMODITIES REPORTED

Commodities Up in Price: Corrugated Boxes (8); HDPE (3); Lumber (3); pallets; Plastic Resins (2); and Polypropylene (5).

Commodities Down in Price: Sugar; and Wheat (3).

Commodities in Short Supply: No commodities are reported in short supply.

Note: The number of consecutive months the commodity is listed is indicated after each item.

‡Miscellaneous Manufacturing (products such as medical equipment and supplies, jewelry, sporting goods, toys and office supplies).

PMI™ in excess of 42.2 percent, over a period of time, generally indicates an expansion of the overall economy. Therefore, the March PMI™ indicates growth for the 46th consecutive month in the overall economy, and indicates expansion in the manufacturing sector for the fourth consecutive month. The past relationship between the PMI™ and the overall economy indicates that the average PMI™ for January through March (52.9 percent) corresponds to a 3.3 percent increase in real gross domestic product (GDP) on an annualized basis. In addition, if the PMI™ for March (51.3 percent) is annualized, it corresponds to a 2.8 percent increase in real GDP annually.
ISM Report On Business® MARCH 2013 — MANUFACTURING

ISM's Production Index registered 52.2 percent in March. The 13 industries reporting growth in production during the month of March — listed in order — are: Wood Products; Paper Products; Nonmetallic Mineral Products; Plastics & Rubber Products; Computer & Electronic Products; Apparel, Leather & Allied Products; Furniture & Related Products; Electrical Equipment, Appliances & Components; Transportation Equipment; Primary Metals; Fabricated Metal Products; Miscellaneous Manufacturing; and Food, Beverage & Tobacco Products.

ISM’s New Orders Index registered 51.4 percent in March. The 12 industries reporting growth in new orders in March — listed in order — are: Wood Products; Furniture & Related Products; Nonmetallic Mineral Products; Apparel, Leather & Allied Products; Fabricated Metal Products; Miscellaneous Manufacturing; Transportation Equipment; Plastics & Rubber Products; Machinery; Paper Products; Electrical Equipment, Appliances & Components; and Food, Beverage & Tobacco Products.

ISM’s Employment Index registered 54.2 percent in March. Of the 18 manufacturing industries, 13 reported growth in employment in March in the following order: Plastics & Rubber Products; Furniture & Related Products; Wood Products; Printing & Related Support Activities; Electrical Equipment, Appliances & Components; Miscellaneous Manufacturing; Fabricated Metal Products; Computer & Electronic Products; Food, Beverage & Tobacco Products; and Machinery.

ISM’s Supplier Deliveries Index registered 49.4 percent in March. A reading below 50 percent indicates faster deliveries, while a reading above 50 percent indicates slower deliveries. The seven industries reporting slower supplier deliveries in March — listed in order — are: Primary Metals; Furniture & Related Products; Computer & Electronic Products; Fabricated Metal Products; Miscellaneous Manufacturing; Chemical Products; and Electrical Equipment, Appliances & Components.

The Inventories Index registered 49.5 percent in March, which is 2 percentage points lower than the 51.5 percent reported in February. The nine industries reporting higher inventories in March — listed in order — are: Plastics & Rubber Products; Wood Products; Electrical Equipment, Appliances & Components; Petroleum & Coal Products; Paper Products; Transportation Equipment; and Fabricated Metal Products.

ISM’s Prices Index registered 54.5 percent in March, which is a decrease of 7 percentage points compared to the February reading of 61.5 percent. Ten industries reported paying increased prices during the month of March: Textile Mills; Petroleum & Coal Products; Plastics & Rubber Products; Wood Products; Furniture & Related Products; Paper Products; Printing & Related Support Activities; Miscellaneous Manufacturing; Chemical Products; and Electrical Equipment, Appliances & Components.

ISM’s Backlog of Orders Index registered 51 percent in March, which is 4 percentage points lower than the 55 percent reported in February. The eight industries reporting increased order backlogs in March — listed in order — are: Apparel, Leather & Allied Products; Nonmetallic Mineral Products; Primary Metals; Furniture & Related Products; Fabricated Metal Products; Food, Beverage & Tobacco Products; Electrical Equipment, Appliances & Components; and Machinery.

ISM’s New Export Orders Index registered 56 percent in March. The 12 industries reporting growth in new export orders in March — listed in order — are: Wood Products; Apparel, Leather & Allied Products; Electrical Equipment, Appliances & Components; Petroleum & Coal Products; Plastics & Rubber Products; Paper Products; Transportation Equipment; Fabricated Metal Products; Food, Beverage & Tobacco Products; Electrical Equipment, Appliances & Components; and Machinery.

ISM’s Imports Index registered 54 percent in March, which is the same reading as reported in February. The nine industries reporting growth in imports during the month of March — listed in order — are: Wood Products; Apparel, Leather & Allied Products; Transportation Equipment; Electrical Equipment, Appliances & Components; Miscellaneous Manufacturing; Computer & Electronic Products; Fabricated Metal Products; Food, Beverage & Tobacco Products; and Furniture & Related Products.
Economic activity in the non-manufacturing sector grew in March for the 39th consecutive month, say the nation’s purchasing and supply executives in the latest Non-Manufacturing ISM Report On Business®.

The NMI™ registered 54.4 percent in March, 1.6 percentage points lower than the 56 percent registered in February. This indicates continued growth at a slightly slower rate in the non-manufacturing sector. The Non-Manufacturing Business Activity Index registered 56.5 percent, reflecting growth for the 44th consecutive month. The New Orders Index decreased by 3.6 percentage points to 54.6 percent, and the Employment Index decreased 3.9 percentage points to 53.3 percent. The Prices Index decreased 5.8 percentage points to 55.9 percent, indicating prices increased at a slower rate in March when compared to February. The majority of respondents’ comments continue to be positive about business conditions; however, there is an underlying concern regarding the uncertainty of the future economy.

The 15 non-manufacturing industries reporting growth in March — listed in order — are: Construction; Management of Companies & Support Services; Transportation & Warehousing; Accommodation & Food Services; Educational Services; Retail Trade; Professional, Scientific & Technical Services; Utilities; Wholesale Trade; Public Administration; Information; Real Estate, Rental & Leasing; Finance & Insurance; Arts, Entertainment & Recreation; and Other Services.

In March, the NMI™ registered 54.4 percent, indicating continued growth in the non-manufacturing sector for the 39th consecutive month. A reading above 50 percent indicates the non-manufacturing sector economy is generally expanding; below 50 percent indicates the non-manufacturing sector is generally contracting.
**BUSINESS ACTIVITY**
ISM's Non-Manufacturing Business Activity Index in March registered 56.5 percent. The 13 industries reporting growth of business activity in March — listed in order — are: Management of Companies & Support Services; Construction; Accommodation & Food Services; Retail Trade; Educational Services; Transportation & Warehousing; Professional, Scientific & Technical Services; Utilities; Real Estate, Rental & Leasing; Information; Wholesale Trade; Public Administration; and Finance & Insurance.

**NEW ORDERS**
ISM's Non-Manufacturing New Orders Index registered 54.6 percent in March. The 15 industries reporting growth of new orders in March — listed in order — are: Transportation & Warehousing; Management of Companies & Support Services; Construction; Accommodation & Food Services; Real Estate, Rental & Leasing; Utilities; Retail Trade; Educational Services; Arts, Entertainment & Recreation; Professional, Scientific & Technical Services; Public Administration; Wholesale Trade; Information; Finance & Insurance; and Other Services.

**EMPLOYMENT**
ISM's Non-Manufacturing Employment Index registered 53.3 percent in March. The 12 industries reporting an increase in employment in March — listed in order — are: Construction; Accommodation & Food Services; Transportation & Warehousing; Management of Companies & Support Services; Arts, Entertainment & Recreation; Other Services; Finance & Insurance; Public Administration; Information; Professional, Scientific & Technical Services; Wholesale Trade; and Educational Services.

**SUPPLIER DELIVERIES**
The Supplier Deliveries Index registered 53 percent in March, indicating that supplier deliveries were slower in March for the third consecutive month. A reading above 50 percent indicates slower deliveries, while a reading below 50 percent indicates faster deliveries. The eight industries reporting slower deliveries in March are: Educational Services; Utilities; Retail Trade; Wholesale Trade; Construction; Information; Professional, Scientific & Technical Services; and Health Care & Social Assistance.

**INVENTORIES**
ISM's Non-Manufacturing Inventories Index grew in March for the second consecutive month. The index registered 51.5 percent. The 11 industries reporting an increase in inventories in March — listed in order — are: Agriculture, Forestry, Fishing & Hunting; Mining; Real Estate, Rental & Leasing; Utilities; Retail Trade; Accommodation & Food Services; Construction; Information; Wholesale Trade; Professional, Scientific & Technical Services; and Health Care & Social Assistance.

**PRICES**
ISM's Non-Manufacturing Prices Index for March registered 55.9 percent. Fifteen industries reported an increase in prices paid in the following order: Agriculture, Forestry, Fishing & Hunting; Construction; Mining; Arts, Entertainment & Recreation; Real Estate, Rental & Leasing; Educational Services; Utilities; Other Services; Wholesale Trade; Public Administration; Management of Companies & Support Services; Professional, Scientific & Technical Services; Health Care & Social Assistance; Finance & Insurance; and Accommodation & Food Services.

**BACKLOG OF ORDERS**
ISM's Non-Manufacturing Backlog of Orders Index grew in March for the second consecutive month. The index registered 54.5 percent, which is the same reading that was reported in February. The seven industries reporting an increase in order backlogs in March — listed in order — are: Construction; Real Estate, Rental & Leasing; Utilities; Educational Services; Information; Health Care & Social Assistance; and Public Administration.

**NEW EXPORT ORDERS**
ISM's New Export Orders Index for March registered 56.5 percent, which is 4 percentage points lower than the 60.5 percent reported in February. The nine industries reporting an increase in new export orders in March — listed in order — are: Construction; Agriculture, Forestry, Fishing & Hunting; Retail Trade; Management of Companies & Support Services; Arts, Entertainment & Recreation; Accommodation & Food Services; Information; Health Care & Social Assistance; and Public Administration.

**IMPORTS**
ISM's Non-Manufacturing Imports Index registered 57.5 percent in March, which is 5 percentage points higher than the 52.5 percent reported in February. The eight industries reporting an increase in imports for the month of March — listed in order — are: Agriculture, Forestry, Fishing & Hunting; Information; Accommodation & Food Services; Finance & Insurance; Other Services; Management of Companies & Support Services; Retail Trade; and Professional, Scientific & Technical Services.

**INVENTORY SENTIMENT**
ISM's Non-Manufacturing Inventory Sentiment Index in March registered 59.5 percent. This indicates that respondents believe their inventories are still too high at this time. Ten industries reported a feeling that their inventories are too high in March: Real Estate, Rental & Leasing; Management of Companies & Support Services; Utilities; Professional, Scientific & Technical Services; Arts, Entertainment & Recreation; Wholesale Trade; Retail Trade; Public Administration; Finance & Insurance; and Construction.