

FOR  
RELEASE:  
May 1, 2008  
6am EST

# THE DETROIT REPORT

2008  
April

National Association of Purchasing Management - Metro Detroit

## The NAPM – Metro Detroit Purchasing Managers Index 54.6

**Detroit Index:** April reports reveal that the NAPM-DM composite index rose 3.5 points to 54.6.

**Employment:** Employment rose to 51.6.

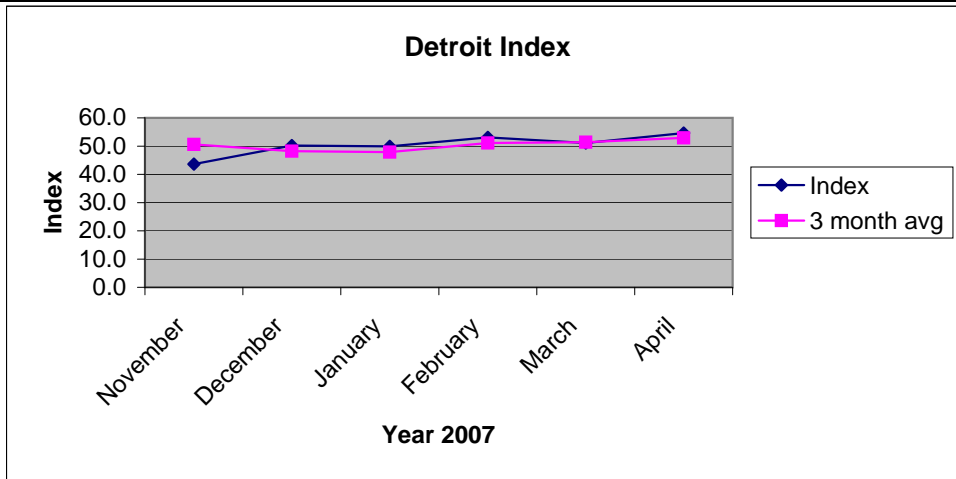
**Prices:** Prices rose strongly to 86.4.

**Items up or down in price:** Respondents noted a continuation in the rise in input prices for the month of April. Items cited as being up in price include: phosphates, sulfuric acid, potassium hydroxide, phosphoric acid, copper, hot rolled steel, aluminum, copy paper, carbon, nickel, hardware, scrap steel, fuel, plastic products and resin, gold plating, and stainless steel. One respondent noted that “raw materials in general are on the rise”. The energy prices are being built into transportation costs.

**Economic Issues:** The majority of the comments made by the respondents to the April survey relate to rising prices. One respondent noted that “escalating raw material prices make it hard to negotiate with the supply base.” Another noted that price pressure and pressure from shareholders is leading to a number of operating issues, to include, possible layoffs. Another noted that the demand from China and India will continue to generate increases in raw material prices, and possible shortages in the future. One respondent cited the exchange rate for the dollar as a major item in the price increases. This respondent also noted that the firm was moving business from Europe back to the U.S. as fast as possible. Lastly, a respondent noted they have heard more business concerns with regards to the new Michigan Business tax than any other issue.

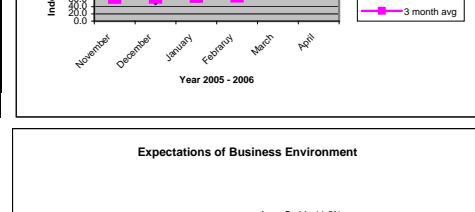
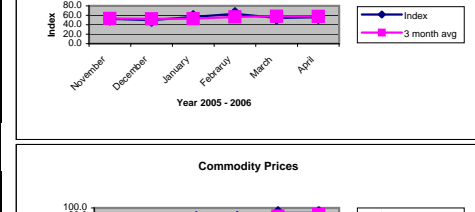
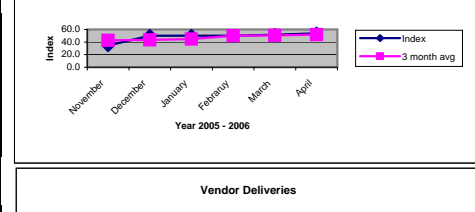
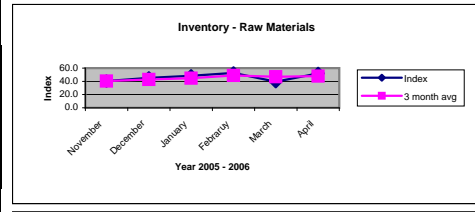
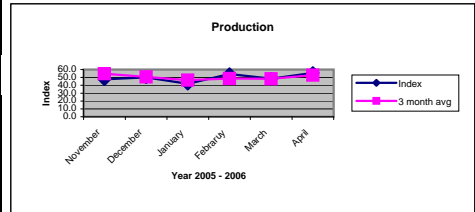
When asked their opinion about the business environment in the future, the April survey reveals a movement toward “About the Same”. Currently about 62 percent of the respondents believe business conditions in the next six months will be “About the Same”. A total of 12 percent believe conditions will be “Less Stable” and 27 percent are anticipating “More Stability”. This may imply a movement toward an economic turnaround.

The respondents were also asked if they felt the economy were in a recession. Interestingly, 85 percent of the respondents do not feel we are currently in a recession. We will monitor the respondents response to this question over the coming months.



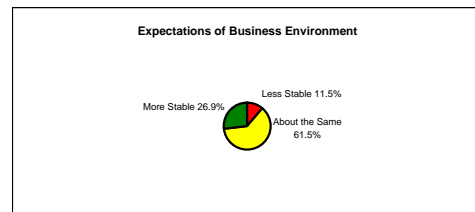
Next Release  
2 June 2008

Detroit Index		2007		2008			
		November	December	January	February	March	April
Index		43.6	50.2	49.9	53.1	51.1	54.6
Index	3 month average	50.6	48.2	47.9	51.1	51.4	52.9
Production		2007		2008			
		November	December	January	February	March	April
Higher		21.4	22.6	22.6	37.1	27.3	38.5
Same		52.4	54.8	38.7	34.3	42.4	34.6
Lower		26.2	22.6	38.7	28.6	30.3	26.9
Index		47.6	50.0	41.9	54.3	48.5	55.8
Index	3 month average	54.7	50.6	46.5	48.7	48.2	52.9
Production rose in April							
New Orders		2007		2008			
		November	December	January	February	March	April
Higher		21.4	35.5	41.9	40.0	30.3	42.3
Same		42.9	35.5	19.4	25.7	42.4	30.8
Lower		35.7	29.0	38.7	34.3	27.3	26.9
Index		42.9	53.2	51.6	52.8	51.5	57.7
Index	3 month average	51.8	48.2	49.2	52.5	52.0	54.0
New orders continue to expand							
Inventory - Raw Materials		2007		2008			
		November	December	January	February	March	April
Higher		16.7	16.1	25.0	20.0	30.3	19.2
Same		47.6	58.1	46.9	65.7	39.4	65.4
Lower		35.7	25.8	28.1	14.3	30.3	15.4
Index		40.5	45.2	48.4	52.8	39.4	51.9
Index	3 month average	40.4	42.8	44.7	48.8	46.9	48.0
Raw materials rose in April							
Inventory - Finished Goods		2007		2008			
		November	December	January	February	March	April
Higher		14.3	12.9	28.1	11.4	21.2	11.5
Same		52.4	58.1	53.1	62.9	57.6	61.5
Lower		33.3	29.0	18.8	25.7	21.2	26.9
Index		40.5	41.9	54.7	42.8	50.0	42.3
Index	3 month average	46.1	42.2	45.7	46.5	49.2	45.0
Finished goods inventories fall in April							
Employment		2007		2008			
		November	December	January	February	March	April
Higher		9.5	22.6	12.9	22.9	25.0	24.0
Same		50.0	54.8	74.2	54.3	53.1	60.0
Lower		40.5	22.6	12.9	22.9	21.9	16.0
Index		34.5	50.0	50.0	50.0	51.6	54.0
Index	3 month average	42.8	43.4	44.8	50.0	50.5	51.9
Employment up in April							
Vendor Deliveries		2007		2008			
		November	December	January	February	March	April
Faster		4.8	6.5	3.2	0.0	12.1	3.9
Same		85.7	87.1	80.6	74.3	66.7	80.8
Slower		9.5	6.5	16.1	25.7	21.2	15.4
Index		52.4	50.0	56.5	62.9	54.5	55.8
Index	3 month average	53.3	52.7	53.0	56.5	58.0	57.7
Vendor deliveries a bit slow in April							
Commodity Prices		2007		2008			
		November	December	January	February	March	April
Higher		42.9	35.5	48.4	51.4	75.8	76.9
Same		54.8	54.8	48.4	42.9	21.2	19.2
Lower		2.4	9.7	3.2	5.7	3.0	3.9
Index		70.2	62.9	72.6	72.8	86.4	86.5
Index	3 month average	66.0	66.3	68.6	69.4	77.3	81.9
Commodity prices move up in April							



**Expectations of Business Environment**  
6 months into the future:

Expectation	Percent	Label
Less Stable	11.5	percent
About the same	61.5	percent
More Stable	26.9	percent



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