

FOR  
RELEASE:  
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2007  
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# THE DETROIT REPORT

2007  
October

National Association of Purchasing Management - Metro Detroit

## The NAPM – Metro Detroit Purchasing Managers Index 50.1

**Detroit Index:** October reports reveal that the NAPM-DM composite index fell 7.3 points to 50.1.

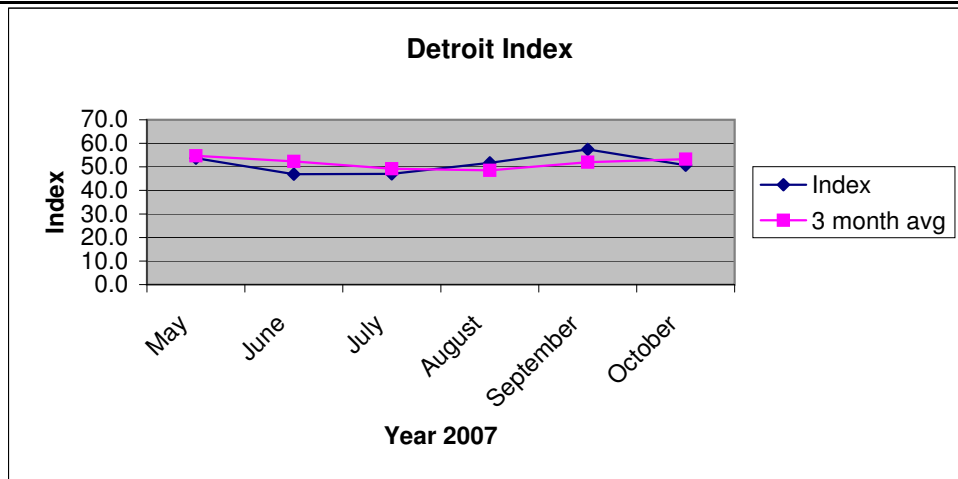
**Employment:** Employment falling at 45.7.

**Prices:** Prices continue to rise at 65.7 in October.

**Items up or down in price:** Respondents noted that zinc, steel, copper, tin, paper, corrugated paper, liner board, software, aliphatic chemicals, acetone, methanol, and solvent based resins increased in prices. Aluminum was reported as being down in price. Some mention was made of downward price movement in fuel and natural gas.

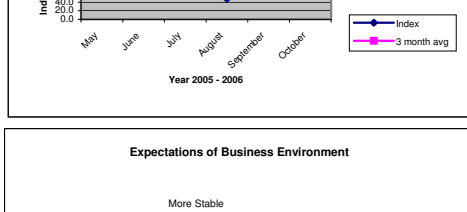
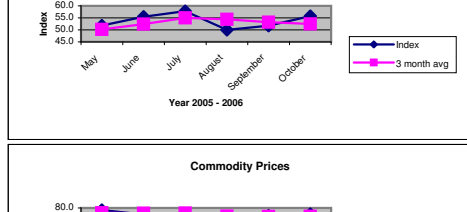
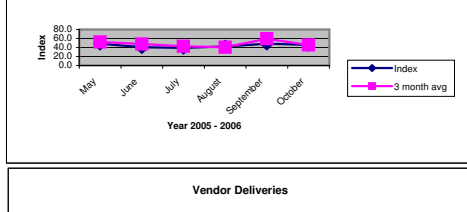
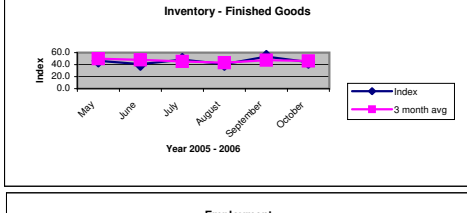
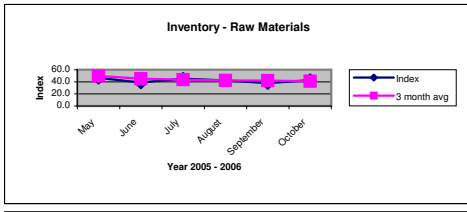
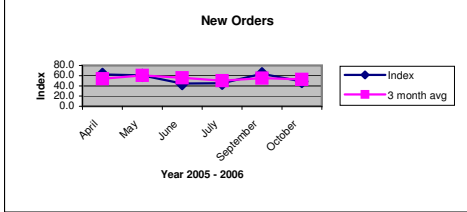
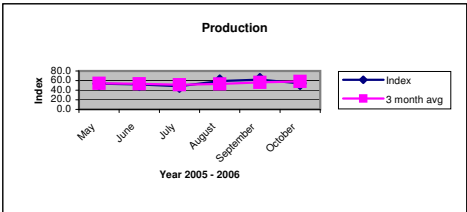
**Economic Issues:** Respondents indicated that with sales downturns in the automotive industry, that suppliers are severely impacted with questions raised about the continued survival of some firms. Others noted that the slowdown in the automotive sector was having an adverse impact on investments for future activities and current professional and skilled trade hiring is being held back. Another respondent noted that the general economy was slowing down and adversely impacting business. Others noted their concerns with the recent increases in taxes in the state of Michigan. The belief was that the legislature "grossly underestimated the amount of spending that is affected by this new tax legislation."

Respondents were asked about what impact was being felt as a result of the declining value of the U.S. dollar. Fifty-nine percent of the respondents indicated that it was not having any impact at this time. Twenty-four percent indicated that it was having a negative impact. Only 18 percent noted a favorable impact. Those citing a favorable impact tended to cite enhanced opportunities for exports. Those procuring from Europe, Asia and Canada indicated that costs were higher. Furthermore, the cost increases were having a negative impact on some companies cost cutting goals.



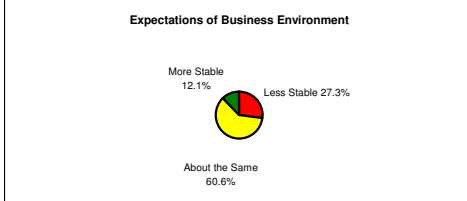
Next Release  
**3 December 2007**

Detroit Index		2007					
		May	June	July	August	September	October
Index		53.7	46.9	47.0	51.7	57.4	50.7
Index	3 month average	54.7	52.3	49.2	48.5	52.0	53.3
Production		2007					
		May	June	July	August	September	October
Higher		32.1	33.3	34.4	45.5	41.4	34.3
Same		42.9	37.0	28.1	27.3	41.4	40.0
Lower		25.0	29.6	37.5	27.3	17.2	25.7
Index		53.6	51.9	48.4	59.1	62.1	54.3
Index	3 month average	54.3	53.2	51.3	53.1	56.5	58.5
Production expands in October							
New Orders		2007					
		April	May	June	July	September	October
Higher		44.4	46.4	37.0	34.4	48.3	28.6
Same		36.1	28.6	14.9	21.9	31.0	40.0
Lower		19.5	25.0	48.2	43.8	20.7	31.4
Index		62.5	60.7	44.4	45.3	63.8	48.6
Index	3 month average	54.1	60.7	55.9	50.1	55.1	52.6
New orders fall in October							
Inventory - Raw Materials		2007					
		May	June	July	August	September	October
Higher		28.6	18.5	25.0	18.2	17.2	17.1
Same		35.7	40.7	40.6	48.5	41.4	51.4
Lower		35.7	40.7	34.4	33.3	41.4	31.4
Index		46.4	38.9	45.3	42.4	37.9	42.8
Index	3 month average	49.6	45.1	43.5	42.2	41.9	41.0
Raw materials decline in October							
Inventory - Finished Goods		2007					
		May	June	July	August	September	October
Higher		14.3	14.8	28.1	9.1	27.6	14.3
Same		64.3	51.9	40.6	63.6	51.7	60.0
Lower		21.4	33.3	31.3	27.3	20.7	25.7
Index		46.4	40.7	48.4	40.9	53.4	44.3
Index	3 month average	50.0	48.1	45.3	43.3	47.6	46.2
Finished goods inventories fall in October							
Employment		2007					
		May	June	July	August	September	October
Higher		21.4	7.4	21.9	6.1	13.8	17.1
Same		53.6	66.7	34.4	72.7	69.0	57.1
Lower		25.0	25.9	43.8	21.2	17.2	17.1
Index		48.2	40.7	39.1	42.4	48.3	45.7
Index	3 month average	52.2	47.5	42.7	40.7	59.4	45.5
Employment continues to contract in October							
Vendor Deliveries		2007					
		May	June	July	August	September	October
Faster		7.1	0.0	3.1	6.1	6.9	8.6
Same		82.1	88.9	78.1	87.9	82.8	71.4
Slower		10.7	11.1	18.8	6.1	10.3	20.0
Index		51.8	55.5	57.8	50.0	51.7	55.7
Index	3 month average	50.2	52.4	55.0	54.4	53.2	52.5
Deliveries slowing in October							
Commodity Prices		2007					
		May	June	July	August	September	October
Higher		50.0	29.6	31.3	29.2	27.6	40.0
Same		50.0	70.4	65.6	60.6	69.0	51.4
Lower		0.0	0.0	3.1	15.1	3.5	8.6
Index		75.0	64.8	64.1	54.5	62.1	65.7
Index	3 month average	68.8	67.9	68.0	61.1	60.2	60.8
Commodity prices on the rise.							



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

Expectation	Value	Unit
Less Stable	27.3	percent
About the same	60.6	percent
More Stable	12.1	percent



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