



**institute for
supply management**

FOR RELEASE: 12:00 P.M. ET June 2, 2014

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May 2014 Manufacturing ISM[®] *Report On Business*[®] CORRECTION

PMI at 55.4 percent

ISM[®] has discovered an error in its software programming for calculating the May 2014 Manufacturing PMI[®] that was released at 10 a.m. ET this morning.

“We apologize for this error. We have recalculated and confirmed that the actual index indicates that the economy is accelerating,” said Bradley J. Holcomb, CPSM, CPSD, chair of the Institute for Supply Management[®] (ISM[®]) Manufacturing Business Survey Committee. “Our research team is analyzing our internal processes to ensure that this doesn’t happen again,” he added.

“The May PMI[®] registered 55.4 percent, an increase of 0.5 percentage point from April’s reading of 54.9 percent, indicating expansion in manufacturing for the 12th consecutive month. The New Orders Index registered 56.9 percent, an increase of 1.8 percentage points from the 55.1 percent reading in April, indicating growth in new orders for the 12th consecutive month. The Production Index registered 61.0 percent, 5.3 percentage points above the April reading of 55.7 percent. Employment grew for the 11th consecutive month, registering 52.8 percent, a decrease of 1.9 percentage points below April’s reading of 54.7 percent. The Supplier Deliveries Index registered 53.2 percent, 2.7 percentage points below the April reading of 55.9 percent. Comments from the panel reflect generally steady growth, but note some areas of concern regarding raw materials pricing and supply tightness and shortages.”

The Manufacturing *Report on Business*[®] can be traced back to the start of the survey in 1923 and since then it has become a reliable planning tool for businesses and governments. “We are committed to maintaining the integrity of this report,” Holcomb said.

The error resulted when the software incorrectly used the seasonal adjustment factor from the previous month.