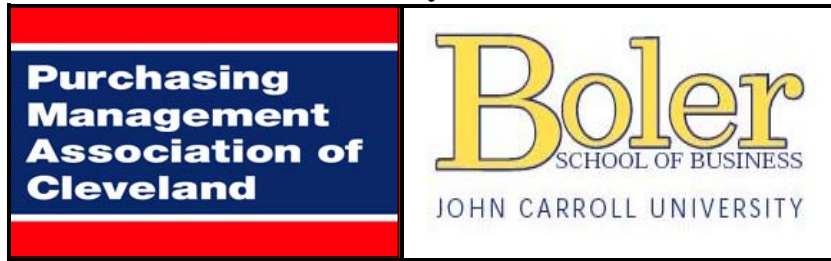


**Northeast Ohio Business Survey Report  
for  
February 2008**



*Published by: **Boler School of Business, John Carroll University**  
In conjunction with: **Purchasing Management Association of Cleveland***

*To view this report on-line, please go to [www.PMAC.org](http://www.PMAC.org)*

**GENERAL BUSINESS CONDITIONS**

The barometer indicates increasing economic activity - equivalent to this time last year. The forecast index of 18, indicates that the manufacturing economic activity may begin to trend up somewhat - again, similar to this time last year. Barometer readings above "0" indicate that the manufacturing sector of the economy is generally expanding. Readings below "0" mean generally contracting.

<b>Month</b>	<b>Feb-08</b>	<b>Jan-08</b>	<b>Dec-07</b>	<b>Feb-07</b>
Cleveland Barometer-%	22.88	13.31	9.50	22.53
Cleveland Forecast-%	18.5	-3.25	-29.00	15.67

**PRODUCTION**

Production activity remains constant with the same number of respondents reporting ups and downs. The Production Index, now at -5, indicates that manufacturing production is relatively steady.

<b>Production</b>	<b>%Better</b>	<b>%Same</b>	<b>%Worse</b>	<b>Net</b>	<b>Index</b>
February 2008	24	52	24	0	-5
January 2008	21	58	21	0	14
December 2007	21	47	32	-11	-1

**NEW ORDERS**

New orders remain constant with similar numbers of respondents reporting ups and downs. The New Order Index, now at 1, indicates that new orders remain steady.

<b>New Orders</b>	<b>%Better</b>	<b>%Same</b>	<b>%Worse</b>	<b>Net</b>	<b>Index</b>
February 2008	31	44	26	5	1
January 2008	32	36	32	0	13
December 2007	11	47	42	-31	-20

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**EMPLOYMENT**

Employment increased in February, compared with flat employment rates in the past two months. The Employment Index is now 28.

<b>Employment</b>	<b>%Greater</b>	<b>%Same</b>	<b>%Lower</b>	<b>Net</b>	<b>Index</b>
February 2008	41	41	18	23	28
January 2008	11	68	21	-10	-4
December 2007	5	79	16	-11	-3

**INVENTORIES**

**RAW MATERIALS**

Raw material inventories are beginning to increase. The Raw Material Inventory Index is now 23.

<b>Raw Material Inventories</b>	<b>%Higher</b>	<b>%Same</b>	<b>%Lower</b>	<b>Net</b>	<b>Index</b>
February 2008	35	53	12	23	23
January 2008	21	53	26	-5	0
December 2007	5	37	58	-53	-43

**FINISHED GOODS**

Finished Goods inventories are beginning to increase. Finished Goods Index is now 18.

<b>Finished Goods Inventories</b>	<b>%Higher</b>	<b>%Same</b>	<b>%Lower</b>	<b>Net</b>	<b>Index</b>
February 2008	27	60	13	14	18
January 2008	33	28	39	-6	0
December 2007	12	29	59	-47	-46

**Northeast Ohio Business Survey Report  
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February 2008**

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**BUYING POLICIES**

Respondents are buying production materials for delivery closer in.  
MRO commitments remain consistent with those of the previous two months.  
Capital expenditures continue to be widely spread but tend to be farther-out.

**PERCENT REPORTING**

<b>PRODUCTION MATERIALS</b>	<b>Hand to Mouth</b>	<b>30 Days</b>	<b>60 Days</b>	<b>90 Days</b>	<b>6 Mos</b>	<b>1 Year</b>
February 2008	40	40	7	13	0	0
January 2008	31	31	6	26	6	0
December 2007	31	31	15	8	8	7
<b>MRO SUPPLIES</b>						
February 2008	50	43	7	0	0	0
January 2008	63	25	12	0	0	0
December 2007	56	44	0	0	0	0
<b>CAPITAL EXPENDITURES</b>						
February 2008	23	9	23	15	15	15
January 2008	33	7	13	27	7	13
December 2007	8	15	23	23	15	16

**COMMODITY PRICES**

Commodity prices are increasing.  
The Commodity Price Index is now +86.

<b>Commodity Prices</b>	<b>%Higher</b>	<b>%Same</b>	<b>%Lower</b>	<b>Net</b>	<b>Index</b>
February 2008	88	12	0	88	86
January 2008	63	26	11	52	48
December 2007	37	63	0	37	40

**COMMODITY CHANGES:**

**Prices Up:** flat rolled steel, wire mesh rebar, steel scrap, all steel related items, iron pipe, conduit, hangers, hdpe resin, nickel, cobalt, molybdenum, shipping and fuel related products

**Prices Down:**

**Items in Short Supply:** steel scrap, bearings, allow bar, particularly certain grades, orthopedic shoes, mighty put running shorts pants sets, Chinese items due to Chinese New Year

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**FROM GENERAL REMARKS:**

"Housing problems continue to affect incoming orders"

"Capital expansion has been put on hold due to company sale"

"Business picking up after year-end drop off. Pricing up across the board"

"Commodity items costs are increasing daily"

"Many of our suppliers are looking for work. Steel prices are increasing even with the slowdown in demand"





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