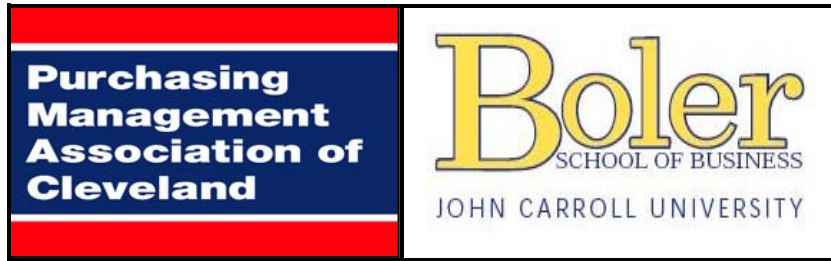


**Northeast Ohio Business Survey Report  
for  
March 2008**



*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 index of 30 indicates that economic activity is approximately equivalent to last month and this time last year.

The forecast index of -.5, indicates that the manufacturing economic activity will likely remain constant for the next month.

Barometer readings above "0" indicate that the manufacturing sector of the economy is generally expanding.

<b>Month</b>	<b>Mar-08</b>	<b>Feb-08</b>	<b>Jan-08</b>	<b>Mar-07</b>
Cleveland Barometer-%	30	26.44	14.58	25.72
Cleveland Forecast-%	-0.5	9	-12.56	3.56

**PRODUCTION**

Production activity was slightly down with fewer respondents reporting production increases.

The Production Index, now at -12, indicates that manufacturing production is somewhat lower.

<b>Production</b>	<b>%Better</b>	<b>%Same</b>	<b>%Worse</b>	<b>Net</b>	<b>Index</b>
March 2008	11	72	17	-6	-12
February 2008	24	52	24	0	-5
January 2008	21	58	21	0	14

**NEW ORDERS**

New orders remain constant with the previous month.

The New Order Index, now at -3, indicates that new orders remain relatively constant.

<b>New Orders</b>	<b>%Better</b>	<b>%Same</b>	<b>%Worse</b>	<b>Net</b>	<b>Index</b>
March 2008	29	47	24	5	-3
February 2008	31	44	26	5	1
January 2008	32	36	32	0	13

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

---

**EMPLOYMENT**

Employment remained flat, with an equal number of respondents reporting ups and downs.  
The Employment Index is now -4.

<b>Employment</b>	<b>%Greater</b>	<b>%Same</b>	<b>%Lower</b>	<b>Net</b>	<b>Index</b>
March 2008	25	50	25	0	-4
February 2008	41	41	18	23	28
January 2008	11	68	21	-10	-4

**INVENTORIES**

**RAW MATERIALS**

Raw material inventories fell in March relative to an increase in February.  
The Raw Material Inventory Index is now -22.

<b>Raw Material Inventories</b>	<b>%Higher</b>	<b>%Same</b>	<b>%Lower</b>	<b>Net</b>	<b>Index</b>
March 2008	25	38	37	-12	-22
February 2008	35	53	12	23	23
January 2008	21	53	26	-5	0

**FINISHED GOODS**

Finished Goods inventories remained flat in March relative to an increase in February.  
Finished Goods Index is now 3.

<b>Finished Goods Inventories</b>	<b>%Higher</b>	<b>%Same</b>	<b>%Lower</b>	<b>Net</b>	<b>Index</b>
March 2008	31	44	25	6	3
February 2008	27	60	13	14	18
January 2008	33	28	39	-6	0

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

---

**BUYING POLICIES**

Respondents are buying production materials for delivery further out.  
MRO commitments are shortening.  
Capital expenditures continue to be widely spread.

**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>
March 2008	14	50	14	14	8	0
February 2008	40	40	7	13	0	0
January 2008	31	31	6	26	6	0
<b>MRO SUPPLIES</b>						
March 2008	73	27	0	0	0	0
February 2008	50	43	7	0	0	0
January 2008	63	25	12	0	0	0
<b>CAPITAL EXPENDITURES</b>						
March 2008	25	0	33	17	17	8
February 2008	23	9	23	15	15	15
January 2008	33	7	13	27	7	13

**COMMODITY PRICES**

Commodity prices continue to increase.  
The Commodity Price Index is now +69.

<b>Commodity Prices</b>	<b>%Higher</b>	<b>%Same</b>	<b>%Lower</b>	<b>Net</b>	<b>Index</b>
March 2008	82	12	6	76	69
February 2008	88	12	0	88	86
January 2008	63	26	11	52	48

**COMMODITY CHANGES:**

**Prices Up:** copper, aluminum ingot, carbon steel, flat rolled steel, stainless steel, plastic resins, Chinese imports, adhesives, polyester, fatty acid based products, petroleum based products, natural gas

**Prices Down:**

**Items in Short Supply** raw materials from China, bauxite, magnesite, cenospheres, bearings aerospace alloys, wood shavings due to housing slump

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

---

**FROM GENERAL REMARKS:**

"General business conditions right now are very unstable. We have extremely higher priced raws and no increased demand to cover the early purchases"

"Business/economy still sluggish"

"Increased steel costs and surcharges make passing price increases to customers a very tough sell"

"Ohio needs to get its energy policy in place. Indecision is not good. An energy crisis in Ohio will be bad for business"

"Alloy bar long lead times, difficult to get"