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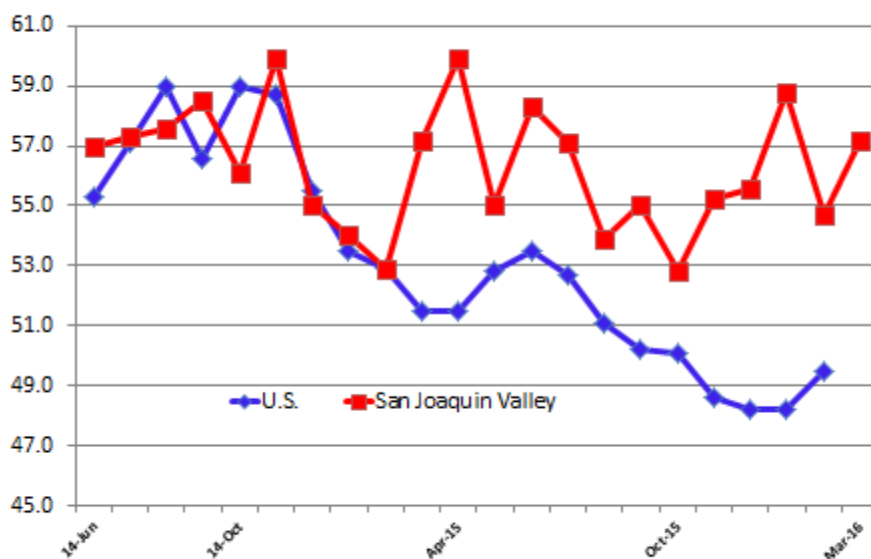
Goss video economic summary: <https://youtu.be/HHVyC8mlB5M>

San Joaquin Valley Economic Indicator Climbs for March: Access to International Markets Important Factor

March survey results at a glance:

- Leading economic indicator climbs for the month with positive growth expected for next 3 to 6 months.
- Pace of job gains advances for the month.
- Export orders slump due to strong dollar.
- Approximately 61.6 percent of businesses reported that, in terms of **selling** products and services, access to international markets is important to their businesses.
- More than two-thirds of businesses reported that, in terms of **buying** supplies of inputs and raw materials, access to international markets is important to their businesses.

PMIs for U.S. & San Joaquin Valley, June 2014 – March 2016



For Immediate Release: April 1, 2016

FRESNO, CA-For the twenty-eighth consecutive month, the San Joaquin Valley Business Conditions Index rose above the 50.0 growth neutral threshold. The index, a leading economic indicator from a survey of individuals making company purchasing decisions for firms in the counties of Fresno, Kings, Madera, and Tulare, rose and continues to point to positive growth for the next 3 to 6 months. The index is produced using the same methodology as that of the national Institute for Supply Management (www.ism.ws).

Overall Index: The March index climbed to 57.2 from 54.8 in February. Readings over the past months are in a range pointing to solid growth over the next 3 to 6 months for the region. An index greater than 50.0 indicates an expansionary economy over the course of the next three to six months. Survey results for the last two months and one year ago are listed in the accompanying table.

“According to our survey results over the last several months, economic growth will remain healthy in the months ahead and above that of the nation’s economy. As in February growth slowed for durable goods manufacturer. On the other hand, food processors, wholesale trade and business services firms continue to experience healthy growth,” said Ernie Goss, Ph.D., research faculty with the Craig School of Business at Fresno State University.

Employment: After slumping below growth neutral in October of 2013, the regional hiring gauge has moved above the 50.0 threshold each month since. The employment index rose to 57.8 from 54.1 in February. “Job growth in the San Joaquin Valley continues to expand at a solid pace and well above U.S. job growth. Regional job additions were especially healthy for non-durable manufacturers, including food processors, wholesale trade firms, and warehousing companies,” reported Goss.

Wholesale Prices: The prices-paid index, which tracks the cost of purchased raw materials and supplies, advanced to 48.9 from February’s 42.9. “Just as in other regional surveys and the national survey, there is little evidence of inflationary pressures at the wholesale level,” said Goss.

Business Confidence: Looking ahead six months, economic optimism, as captured by the business confidence index, expanded to a weak 47.9 from February’s 41.9. “Weak agriculture commodity prices, and global economic weakness continue to weigh on expectations of future economic conditions,” said Goss.

Inventories: Businesses expanded inventories of raw materials and supplies for March and at a faster pace than in February. The March inventory index climbed to 69.6 from 55.8 in February.

Trade: New export orders fell again for March. The index sank to 44.2 from February’s 48.5, and the import index climbed to 56.2 from 52.3 in February. “The strong U.S. dollar, which makes U.S. goods less competitively priced abroad, and global economic weakness are negatively affecting

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regional exports. At the same time, the strong U.S. dollars has made foreign goods more competitively priced increasing imports,” said Goss.

This month survey participants were asked about the importance of international markets to their business. Approximately 61.6 percent of businesses reported that, in terms of **selling** products and services, access to international markets is important to their businesses. Additionally more than two-thirds of businesses reported that, in terms of **buying** supplies of inputs and raw materials, access to international markets is important to their businesses.

Other components: Other components of the March Business Conditions Index were: new orders at 51.8, down from February’s 53.7; production or sales at 56.9, up from 56.1 in February; and delivery lead time at 49.6, which is down from last month’s 54.2

Table 1 details survey results for March 2015, last month, and March 2016. April survey results will be released on the first business day of next month, May 2.

	San Joaquin Valley		
	March 2015	February 2016	March 2016
Leading economic indicator	57.2	54.8	57.2
New orders	49.8	53.7	51.8
Production or sales	52.7	56.1	56.9
Employment	63.0	54.1	57.8
Inventories	59.3	55.8	69.6
Delivery lead time	61.4	54.2	49.6
Wholesale prices	47.0	42.9	48.9
Imports	48.6	52.3	56.2
Export orders	58.4	48.5	44.2
Business confidence	63.1	41.9	47.9

Craig School of Business: <http://www.fresnostate.edu/craig/ubc/sjvs.html>

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