

OKLAHOMA IS AT A REGIONAL HIGH

Business improving, study finds

BY DEBBIE BLOSSOM

Business Writer dblossom@opubco.com

For the first time since last December, the state's leading economic indicator showed improvement, a survey of business conditions in Oklahoma and eight other states released Wednesday showed.

The sampling of supply managers puts Oklahoma's business conditions index at a regional high of 53.6, up from May's 47.3 and April's 31.3.

The survey's index ranges between 0 and 100, and any index score below 50 suggests a contracting economy during the next three to six months. Components of June's overall reading were new orders at 62, production at 65.6, delivery lead time at 68.2, inventories at 52.6 and employment at 19.8.

In Oklahoma and other Midwest states, job losses continue even as other indicators have strengthened, said Creighton University economist Ernie Goss, who oversees the survey.

"Over the past year, Oklahoma has lost more than 15,000 manufacturing jobs, and our survey indicates that these losses continued for June," Goss said. Almost all of the weakness was reported in durable or heavy manufacturing, he said.

Goss said there was better news for the state's food producers, which experienced an upturn last month.

But Goss said he expects Oklahoma's jobless rate will stabilize in the next quarter and top out at about 7 percent.

"I expect Oklahoma's rising unemployment rate to moderate in the months ahead ... the negatives are getting less negative," Goss said.

In the region, the index hit its highest level since last September, up to 49.3 in June from 46.6 in May. And looking ahead for six months, economic optimism in June increased for the fifth consecutive month to its highest level since February 2005.

One 'stronger' company

At Pelco Structural in Claremore, "our business is much stronger than last year," said Phil Albert, president of the company that makes custom steelpole designs and fabrications for the traffic control, utility, lighting and communication industries.

Albert said Pelco's business is related to federal stimulus projects, and though there only has been one stimulus project in the state, highway work in Tulsa, Albert said he is seeing interest from utility companies in upgrading the national grid.

"Our business has been very resilient. Most of our orders are infrastructure related."



Metal worker Lloyd Crutchfield operates a heavy plate burner at the Pelco Structural steel pole plant in Claremore on May 27, 2008. The company is busier this year with orders for its steel poles for infrastructure projects.

PHOTO BY PAUL HELLSTERN,
THE OKLAHOMAN