

**Dear members and honorable advisors of ISM-PRD:**

Time is running very fast and now we are approaching summer very quickly. After a couple of months of operation in this term of ISM-PRD Council, I am really glad that we are moving forward.



*Source: ISM US Website*

The “flag-ship” decision is to move forward with strong leadership and courage to formally kick off the plan and process of a 12-month pilot project to compile the Manufacturing Purchasing Managers’ Index of Pearl River Delta (Manufacturing PMI PRD) towards 2013 with administration and operation in Hong Kong. The methodology would be based on the ISM methodology developed in USA to assure the Manufacturing PMI PRD will be highly objective, impartial and closely reflecting the economic trend of the manufacturing segment in the region.

**We** are very glad that Mr. Norbert Ore, the Ex-chair of ISM Manufacturing Business Survey Committee, Professor Zhao Xian-De from the Chinese University of Hong Kong, Mr. Edwin Keh from the Wharton School, among other reputable figures, shall be our honorable advisors for the small but professional PMI working team. A public certified accountant would be invited as honorable auditor to ensure we will strictly follow the planned process and the accuracy of data, so that the interpretations of the data collected truly reflect the actual purchasing trend in Pearl River Delta.

Currently we are contacting the related government commissions and institutions, we are striving to obtain some forms of support from the government of HKSAR. I sincerely wish that with the accomplishment of this PMI project, we can improve the productivity of the community through this leading indicator by assisting individual, corporate, government decision-making from the macro-economic perspective and minimize time loss in researching the economic trend. It would be a good learning exercise for our team, and more importantly, ISM-PRD can reach out to the community in Pearl River Delta with our professional and valuable contribution.

In April I have attended the meeting of Asian Alliance for Supply Management (AASM) in Manila, the Philippines with Mr. K.K. Poon, our Vice President for External Affairs. There were many discussions at the meeting on global collaboration, particularly in the supply chain professional community. An Asian PMI had been proposed to be a supplement to PMIs in USA and EU. As the Asian economy becomes more and more important, I am sure the Asian PMI will play a significant role to help the global community understand more about the economic moves and trends in Asia. With this consideration in the background, our Council thinks that the Manufacturing PMI PRD is imperative and it would help and support the Asian PMI in 2013. I sincerely wish you can give the Council the maximum encouragement and support for this PMI project.

I would like to thank you again for your strong support of scholarship fund-raising project of IVE Hong Kong. The fund raised has sufficiently supported the scholarship program and the students were very happy with the support and encouragement from ISM-PRD, as exhibited at their award ceremony held in IVE, Shatin which I have attended this month. Since the response from IVE was good, the Council may decide to have other scholarship fund-raising projects for other tertiary institutions in the future, perhaps extending into the Pearl River Delta. I am sure you will pose the same strong support since we all realize that nurturing young talents and leaders in the supply management profession is a contributive factor to the long term and sustainable success of ISM-PRD.



Presentation: Introducing team members



Group photo with the assigned team of students

I would like to take this opportunity to say “thank you so much” to Mr. K.K. Poon, who attended the ISM International Conference in Baltimore on behalf of ISM-PRD in 6-9<sup>th</sup> May 2012 and he has shared a lot of good information to our team already. He has created a lot of vital connections and sources of information for ISM-PRD’s development.

In the past months, we have successful seminars organized like professional sharing by Mr. Edwin Keh and Dr. Tam Kin Ming in March, and by Mr. Bill Michels, CEO of ADR-ISM China in February. I am sure you have got insights from what they have shared already. Our Council sincerely wishes that you can continue to support the profession and attend the upcoming events below:

1. CPSM/CSM exam study support course in Hong Kong, starting from June and run till Oct 2012;
2. Satellite seminar “Understanding and Embedding Risk Management Concepts into Supply Practices” on 21<sup>st</sup> July, 2012
3. Networking happy hours scheduled to start in August, 2012;
4. Professional Sharing Seminar/Field Visit in Sept/Oct., 2012;
5. Annual General Meeting in Nov., 2012.



Self-introduction at the beginning of the class



Classroom for CPSM/CSM Support Course



Class working on sample exam question



Group Photo at the end of 1<sup>st</sup> Session, 3<sup>rd</sup> June

The PMI of US and China in May were 53.5 and 50.2, respectively. The figure for China was below the consensus of the analyst of 52. In general, PMI in various EU countries were below 50 which meant reduction of purchasing volumes/values in the coming months amid the economic uncertainty arising from crises of sovereign debt problems in EU countries like Greece, Spain and Portugal. According to many economic analysts, the global economy in the second half would be very shaky. No matter what comes ahead, we supply management professionals will continue to have challenging jobs in months ahead in 2012 particularly in addressing the challenges in cost and flexibility of supply within the very uncertain and dynamic environment. As usual, I strongly believe that our members will be able to provide good support to your companies to overcome the challenges ahead. With courage and determination, we will stay successful again.

In the coming months, kids would be off from school and let's take time to have enjoyable moments with our families for outings and vacations in middle of our rewarding but stressful professional lives. I would like to take this chance to express my wholehearted gratitude to our team of professional Council members, who have spent a lot of their valuable time to support ISM-PRD voluntarily. I am sure their extra efforts will be awarded beyond monetary considerations.

Though there is head wind in the global economy, I believe we can overcome challenges in the second half of 2012 with our best efforts, and I sincerely wish all of you successes.

*Daniel Chan*  
*President of ISM-PRD*