Empire State Manufacturing Survey

Note: Survey responses were collected between February 2 and February 9.

Business activity continued to decline in New York State, according to firms responding to the February 2023 *Empire State Manufacturing Survey*. The headline general business conditions index climbed twenty-seven points but remained negative at -5.8. New orders declined modestly, while shipments held steady. Delivery times shortened, and inventories edged higher. Employment levels declined for the first time since early in the pandemic, and the average workweek shortened for a third consecutive month. Both input and selling price increases picked up. Looking ahead, firms expect business conditions to improve somewhat over the next six months.

Conditions Continue to Worsen

After falling steeply last month, manufacturing activity continued to decline in New York State, according to the February survey. The general business conditions index climbed twenty-seven points but held below zero at -5.8. Twenty-six percent of respondents reported that conditions had improved over the month, and thirty-two percent reported that conditions had worsened. The new orders index rose twenty-three points to -7.8, pointing to a small decline in orders, and the shipments index rose to 0.1, indicating that shipments held steady. The unfilled orders index came in at -9.2, a sign that unfilled orders continued to decline. The delivery times index fell ten points to -9.2, its first significant negative reading since before the pandemic, indicating that delivery times shortened. The inventories index was little changed at 6.4, pointing to a small increase in inventories.

Employment Falls

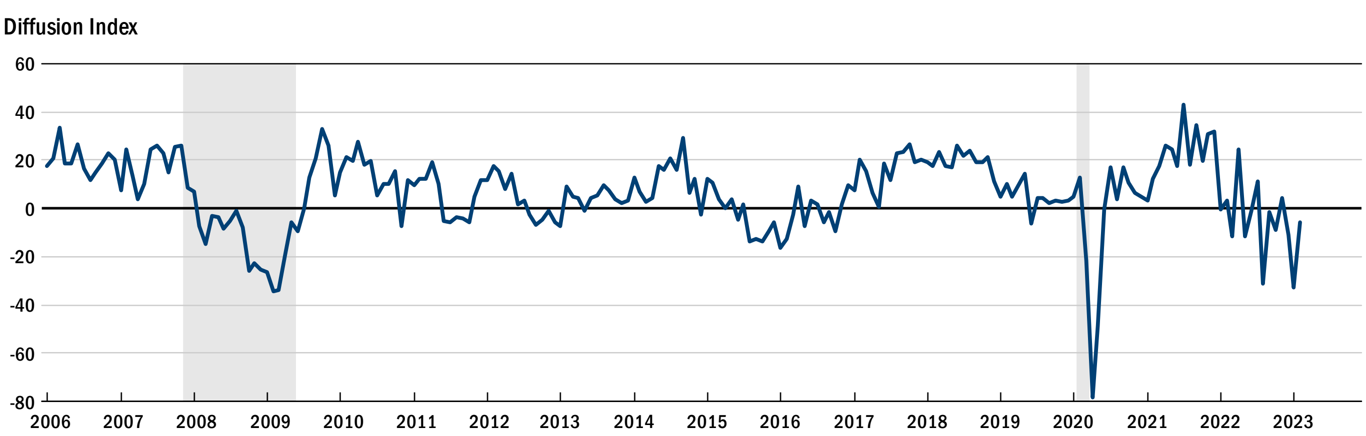
The index for number of employees fell to -6.6, its first negative reading in over two years, indicating that employment levels declined for the first time since early in the pandemic. The average workweek index remained negative at -12.1, indicating that hours worked shrank for a third consecutive month. Input prices and selling prices increased at a faster pace than last month: the prices paid index rose twelve points to 45.0, and the prices received index climbed ten points to 28.4.

Some Improvement Expected

The index for future business conditions rose seven points to 14.7, suggesting that firms expect some improvement over the next six months. New orders and shipments are expected to rise somewhat, and delivery times are expected to shorten further. Employment is not expected to increase in the months ahead. The capital spending index edged down to 18.3, and the technology spending index fell to 10.1.■

General Business Conditions

Seasonally Adjusted

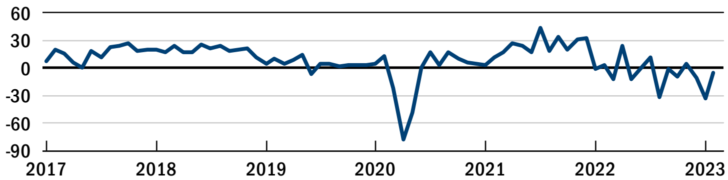


Note: The shaded areas indicate periods designated as recessions by the National Bureau of Economic Research.

Current Indicators

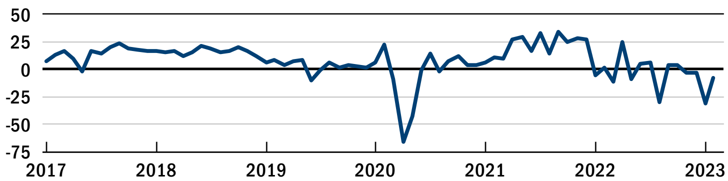
Change from Preceding Month

General Business Conditions



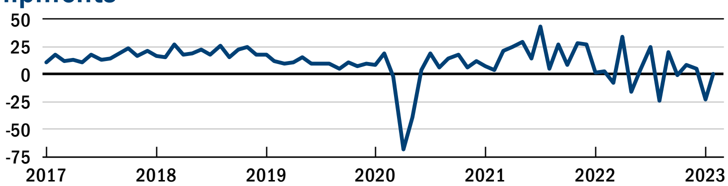
	Percent Reporting		
	Higher	Lower	Index
Jan	11.3	44.2	-32.9
Feb	26.1	31.9	-5.8
Change			27.1

New Orders



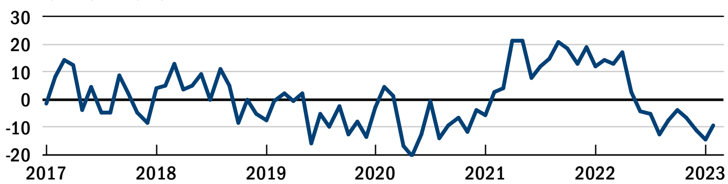
	Percent Reporting		
	Higher	Lower	Index
Jan	15.5	46.6	-31.1
Feb	30.2	38.0	-7.8
Change			23.3

Shipments



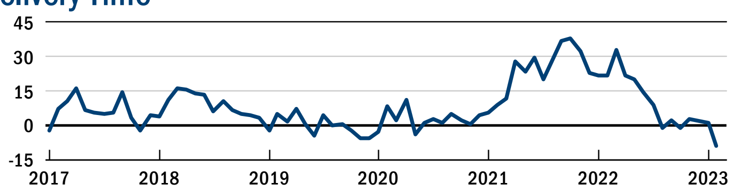
	Percent Reporting		
	Higher	Lower	Index
Jan	20.7	43.2	-22.4
Feb	33.1	33.0	0.1
Change			22.5

Unfilled Orders



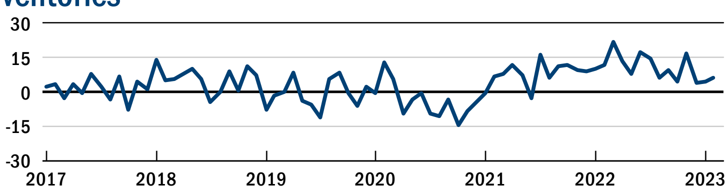
	Percent Reporting		
	Higher	Lower	Index
Jan	14.3	28.6	-14.3
Feb	19.3	28.4	-9.2
Change			5.1

Delivery Time



	Percent Reporting		
	Higher	Lower	Index
Jan	16.1	15.2	0.9
Feb	11.0	20.2	-9.2
Change			-10.1

Inventories

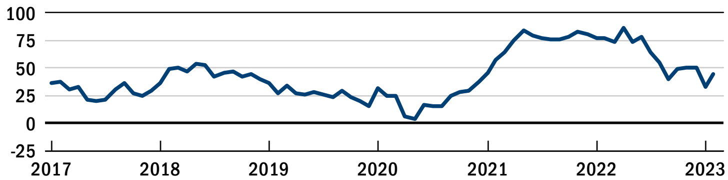


	Percent Reporting		
	Higher	Lower	Index
Jan	25.9	21.4	4.5
Feb	24.8	18.3	6.4
Change			1.9

Current Indicators, *continued*

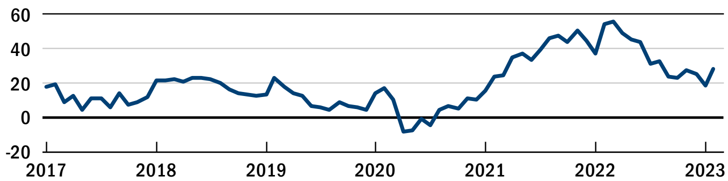
Change from Preceding Month

Prices Paid



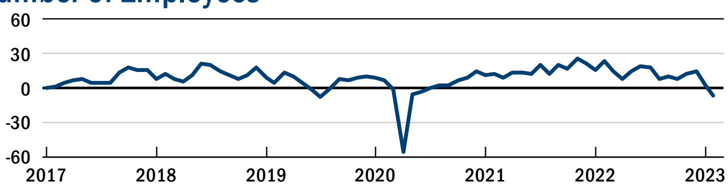
	Percent Reporting		
	Higher	Lower	Index
Jan	39.3	6.3	33.0
Feb	51.4	6.4	45.0
Change			12.0

Prices Received



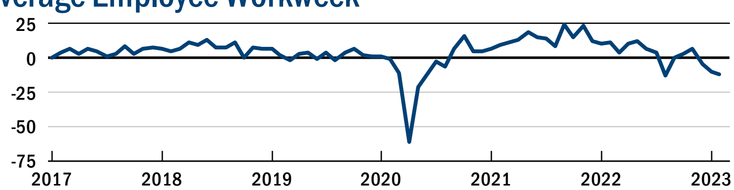
	Percent Reporting		
	Higher	Lower	Index
Jan	23.2	4.5	18.8
Feb	33.9	5.5	28.4
Change			9.6

Number of Employees



	Percent Reporting		
	Higher	Lower	Index
Jan	16.7	13.9	2.8
Feb	12.6	19.2	-6.6
Change			-9.4

Average Employee Workweek



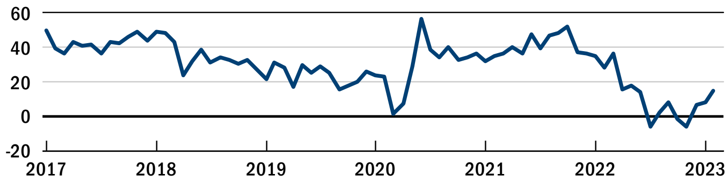
	Percent Reporting		
	Higher	Lower	Index
Jan	7.4	17.8	-10.4
Feb	8.1	20.2	-12.1
Change			-1.7

Note: Data are seasonally adjusted.

Forward-Looking Indicators

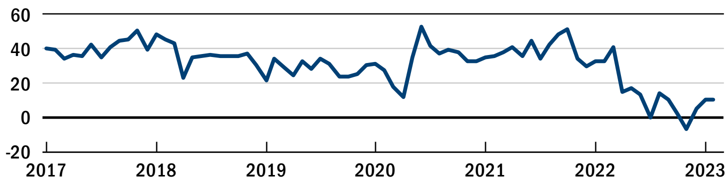
Expectations Six Months Ahead

General Business Conditions



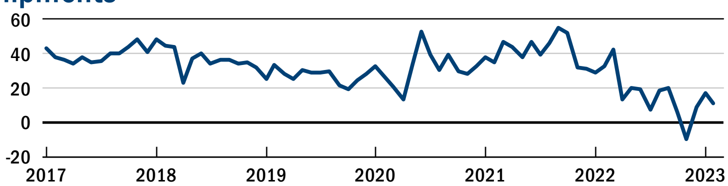
	Percent Reporting		
	Higher	Lower	Index
Jan	35.5	27.4	8.0
Feb	39.1	24.5	14.7
Change			6.7

New Orders



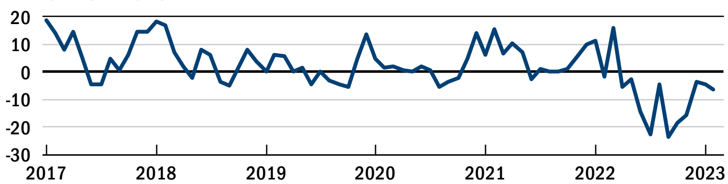
	Percent Reporting		
	Higher	Lower	Index
Jan	34.5	24.1	10.4
Feb	34.9	24.9	10.0
Change			-0.4

Shipments



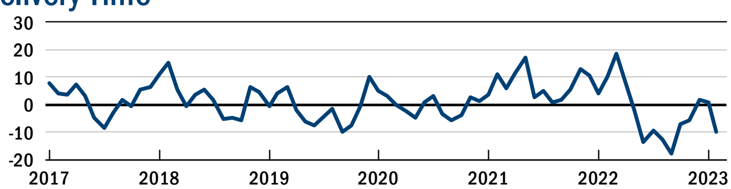
	Percent Reporting		
	Higher	Lower	Index
Jan	39.3	22.4	16.9
Feb	37.8	26.8	10.9
Change			-6.0

Unfilled Orders



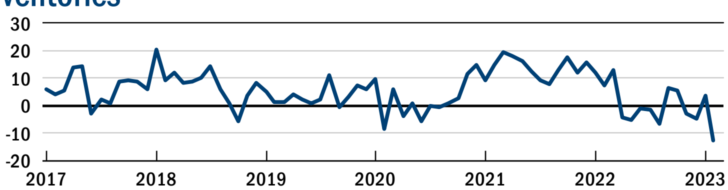
	Percent Reporting		
	Higher	Lower	Index
Jan	18.8	23.2	-4.5
Feb	12.8	19.3	-6.4
Change			-1.9

Delivery Time



	Percent Reporting		
	Higher	Lower	Index
Jan	17.9	17.0	0.9
Feb	11.0	21.1	-10.1
Change			-11.0

Inventories

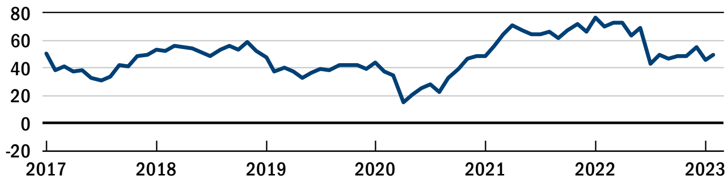


	Percent Reporting		
	Higher	Lower	Index
Jan	25.0	21.4	3.6
Feb	18.3	31.2	-12.8
Change			-16.4

Forward-Looking Indicators, *continued*

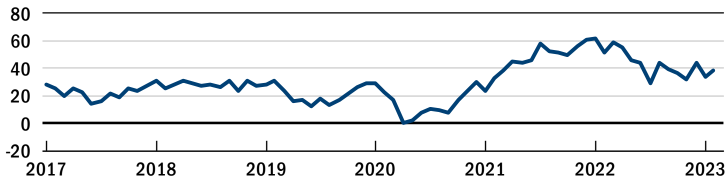
Expectations Six Months Ahead

Prices Paid



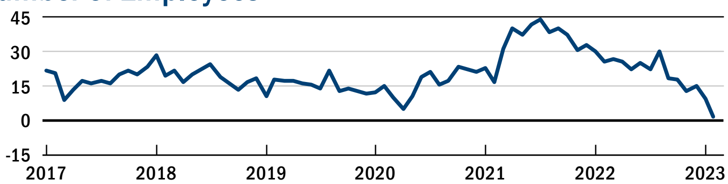
	Percent Reporting		
	Higher	Lower	Index
Jan	54.5	8.9	45.5
Feb	55.0	5.5	49.5
Change			4.0

Prices Received



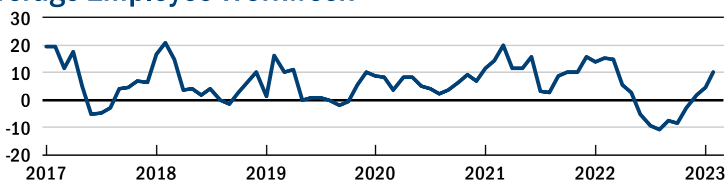
	Percent Reporting		
	Higher	Lower	Index
Jan	45.5	11.6	33.9
Feb	46.8	8.3	38.5
Change			4.6

Number of Employees



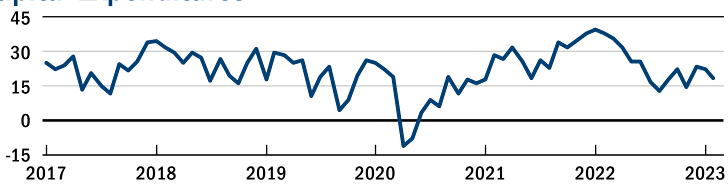
	Percent Reporting		
	Higher	Lower	Index
Jan	27.6	17.9	9.7
Feb	23.1	21.6	1.5
Change			-8.2

Average Employee Workweek



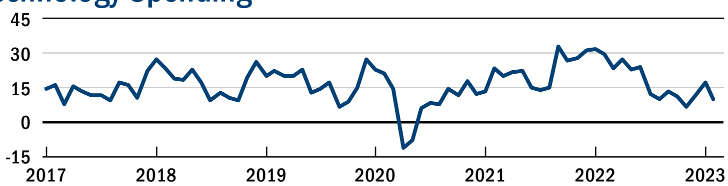
	Percent Reporting		
	Higher	Lower	Index
Jan	17.0	12.5	4.5
Feb	23.9	13.8	10.1
Change			5.6

Capital Expenditures



	Percent Reporting		
	Higher	Lower	Index
Jan	33.9	11.6	22.3
Feb	33.9	15.6	18.3
Change			-4.0

Technology Spending



	Percent Reporting		
	Higher	Lower	Index
Jan	25.9	8.9	17.0
Feb	23.9	13.8	10.1
Change			-6.9

Note: Data are seasonally adjusted.