

Empire State Manufacturing Survey

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

Business activity continued to decline in New York State, according to firms responding to the March 2023 *Empire State Manufacturing Survey*. The headline general business conditions index fell nineteen points to -24.6. New orders dropped significantly, and shipments declined modestly. Delivery times shortened for a second consecutive month, suggesting supply availability improved, and inventories were steady. Both employment and hours worked declined for a second consecutive month. Input and selling price increases slowed somewhat. Looking ahead, businesses expect little improvement in conditions over the next six months.

Activity Continues to Contract

Manufacturing activity continued to decline in New York State, according to the March survey. The general business conditions index fell nineteen points to -24.6, continuing the see-saw pattern of ups and downs within

negative territory seen in recent months. Twenty percent of respondents reported that conditions had improved over the month, and forty-five percent reported that conditions had worsened. The new orders index fell fourteen points to -21.7, indicating that orders declined substantially, and the shipments index fell fourteen points to -13.4, pointing to a decline in shipments. The unfilled orders index came in at -6.7, a sign that unfilled orders continued to decline. At -7.6, the delivery times index was negative for a second consecutive month, indicating that delivery times shortened. The inventories index moved down eight points to -1.9, indicating that inventory levels held steady.

Labor Market Indicators Weaken

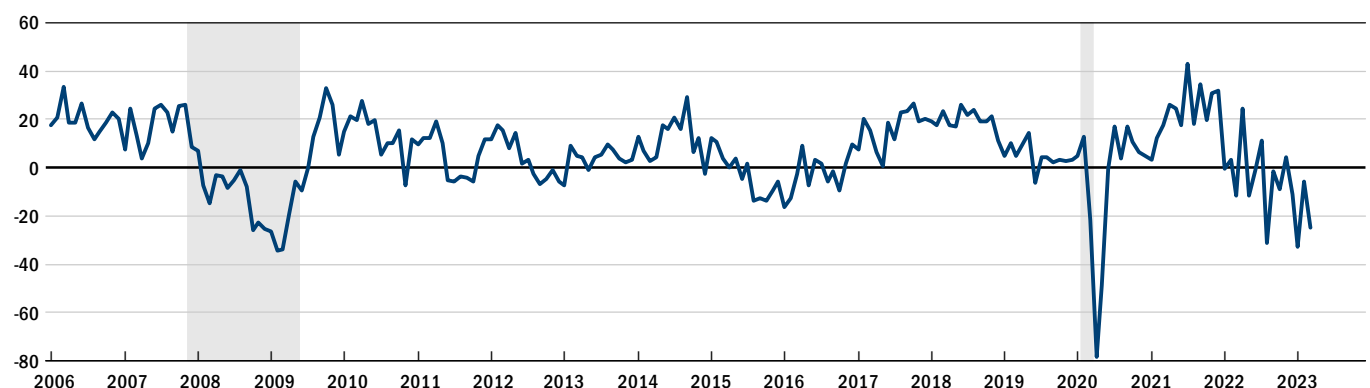
The index for number of employees fell four points to -10.1, its second consecutive negative reading, indicating that employment levels continued to decline. The average workweek index fell six points

to -18.5, its lowest level since early in the pandemic, indicating that hours worked shrank for a fourth consecutive month. Input prices and selling prices increased at a somewhat slower pace than last month: the prices paid index fell three points to 41.9, and the prices received index moved down six points to 22.9.

Little Improvement Expected

The index for future business conditions fell twelve points to 2.9, suggesting that firms do not expect activity to improve much over the next six months. New orders and shipments are expected to increase modestly, and employment is expected to be somewhat higher. The index for future prices paid fell a steep eighteen points, suggesting that, looking ahead, firms expect slower input price increases than they were anticipating last month. The capital spending index and technology spending index both fell to 13.3. ■

Diffusion Index

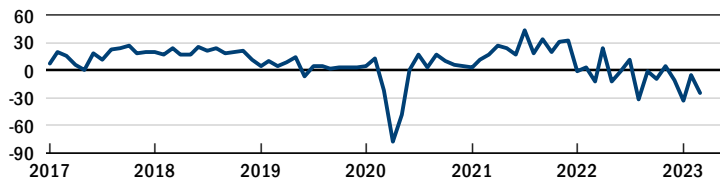


Note: The shaded areas indicate periods designated as recessions by the National Bureau of Economic Research.

Current Indicators

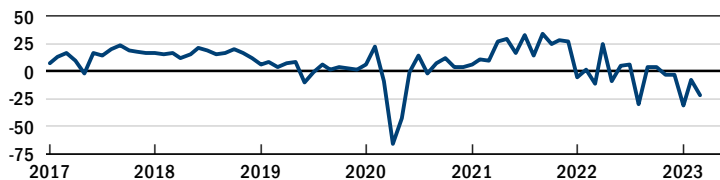
Change from Preceding Month

General Business Conditions



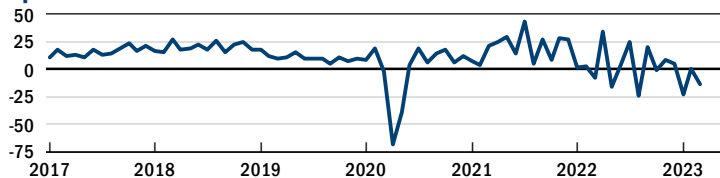
	Percent Reporting		Index
	Higher	Lower	
Feb	26.1	31.9	-5.8
Mar	20.1	44.7	-24.6
Change			-18.8

New Orders



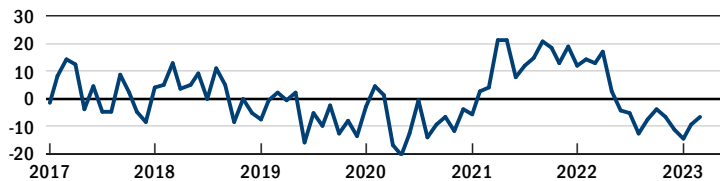
	Percent Reporting		Index
	Higher	Lower	
Feb	30.2	38.0	-7.8
Mar	18.6	40.3	-21.7
Change			-13.9

Shipments



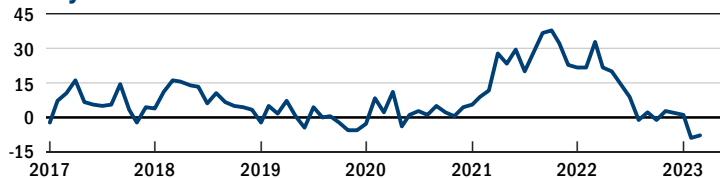
	Percent Reporting		Index
	Higher	Lower	
Feb	33.1	33.0	0.1
Mar	22.0	35.4	-13.4
Change			-13.5

Unfilled Orders



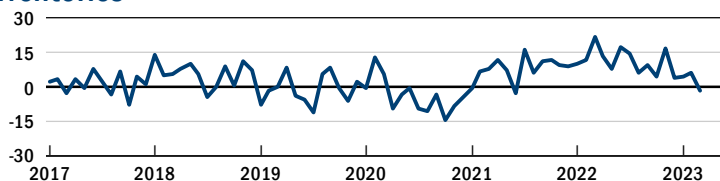
	Percent Reporting		Index
	Higher	Lower	
Feb	19.3	28.4	-9.2
Mar	18.1	24.8	-6.7
Change			2.5

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Feb	11.0	20.2	-9.2
Mar	10.5	18.1	-7.6
Change			1.6

Inventories

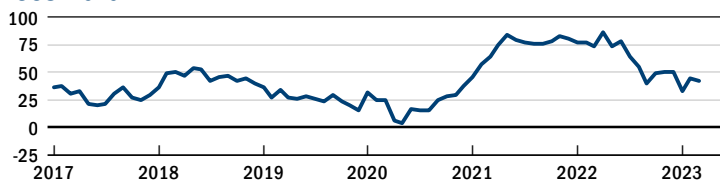


	Percent Reporting		Index
	Higher	Lower	
Feb	24.8	18.3	6.4
Mar	19.0	21.0	-1.9
Change			-8.3

Current Indicators, *continued*

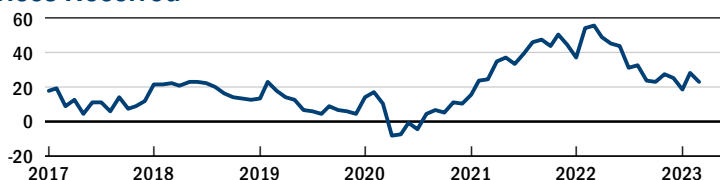
Change from Preceding Month

Prices Paid



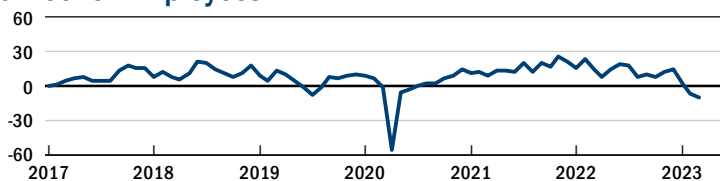
	Percent Reporting		Index
	Higher	Lower	
Feb	51.4	6.4	45.0
Mar	43.8	1.9	41.9
Change			-3.1

Prices Received



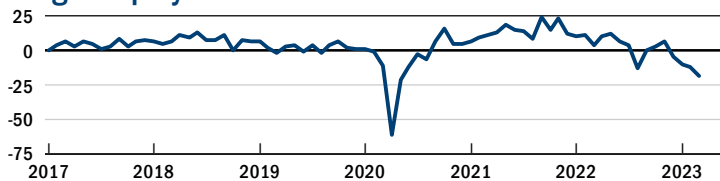
	Percent Reporting		Index
	Higher	Lower	
Feb	33.9	5.5	28.4
Mar	29.5	6.7	22.9
Change			-5.5

Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Feb	12.6	19.2	-6.6
Mar	15.0	25.1	-10.1
Change			-3.5

Average Employee Workweek



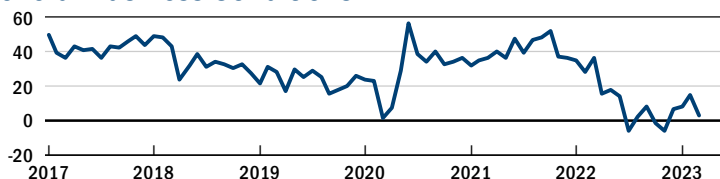
	Percent Reporting		Index
	Higher	Lower	
Feb	8.1	20.2	-12.1
Mar	2.9	21.4	-18.5
Change			-6.4

Note: Data are seasonally adjusted.

Forward-Looking Indicators

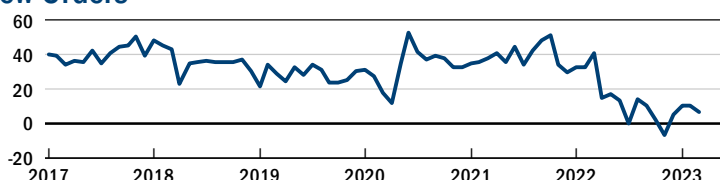
Expectations Six Months Ahead

General Business Conditions



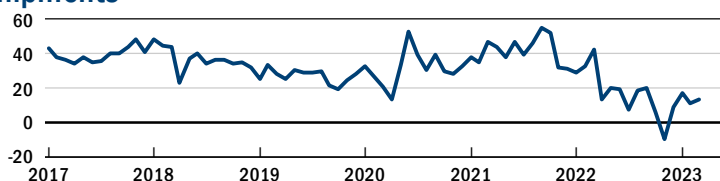
	Percent Reporting		Index
	Higher	Lower	
Feb	39.1	24.5	14.7
Mar	38.5	35.6	2.9
Change			-11.8

New Orders



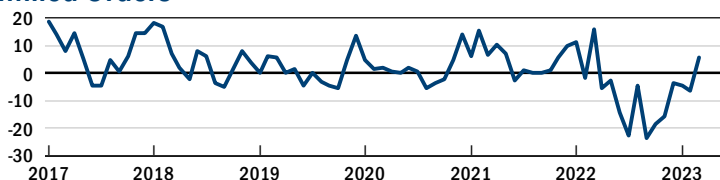
	Percent Reporting		Index
	Higher	Lower	
Feb	34.9	24.9	10.0
Mar	40.9	34.6	6.3
Change			-3.7

Shipments



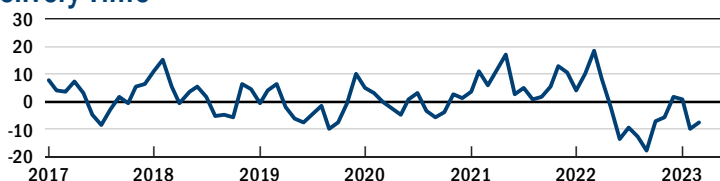
	Percent Reporting		Index
	Higher	Lower	
Feb	37.8	26.8	10.9
Mar	41.6	28.3	13.3
Change			2.4

Unfilled Orders



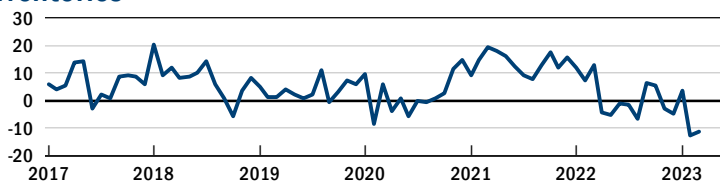
	Percent Reporting		Index
	Higher	Lower	
Feb	12.8	19.3	-6.4
Mar	25.7	20.0	5.7
Change			12.1

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Feb	11.0	21.1	-10.1
Mar	16.2	23.8	-7.6
Change			2.5

Inventories

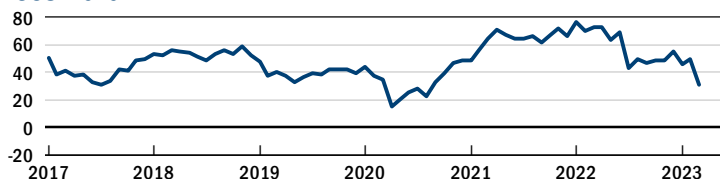


	Percent Reporting		Index
	Higher	Lower	
Feb	18.3	31.2	-12.8
Mar	19.0	30.5	-11.4
Change			1.4

Forward-Looking Indicators, *continued*

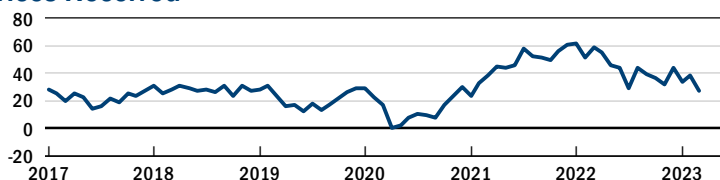
Expectations Six Months Ahead

Prices Paid



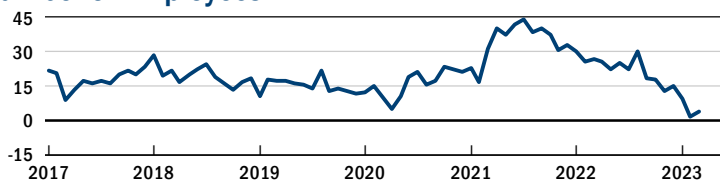
	Percent Reporting		Index
	Higher	Lower	
Feb	55.0	5.5	49.5
Mar	41.0	9.5	31.4
Change			-18.1

Prices Received



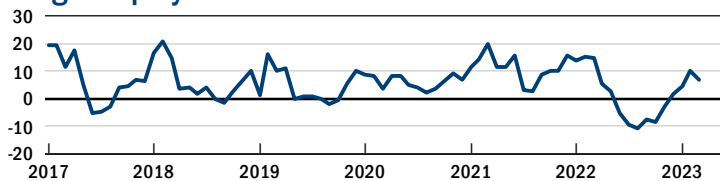
	Percent Reporting		Index
	Higher	Lower	
Feb	46.8	8.3	38.5
Mar	37.1	9.5	27.6
Change			-10.9

Number of Employees



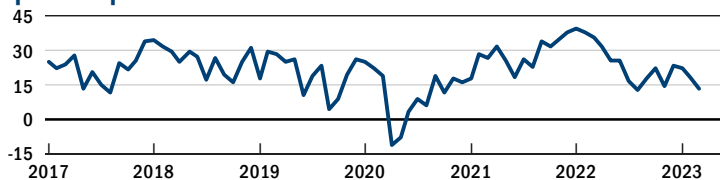
	Percent Reporting		Index
	Higher	Lower	
Feb	23.1	21.6	1.5
Mar	21.4	17.3	4.1
Change			2.6

Average Employee Workweek



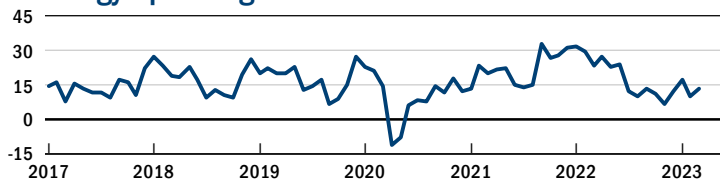
	Percent Reporting		Index
	Higher	Lower	
Feb	23.9	13.8	10.1
Mar	18.1	11.4	6.7
Change			-3.4

Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Feb	33.9	15.6	18.3
Mar	30.5	17.1	13.3
Change			-5.0

Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Feb	23.9	13.8	10.1
Mar	25.7	12.4	13.3
Change			3.2

Note: Data are seasonally adjusted.