

# January 2003

## Empire State Manufacturing

### Survey



#### Summary

The *Empire State Manufacturing Survey* indicates that conditions continued to improve for New York manufacturers in January. The general business conditions index attained its highest level on record, having risen for three consecutive months to reach 20.7. Similar positive readings were seen in the shipments and new orders indexes, while the unfilled orders index dropped to -14.7. The delivery time and inventories indexes remained negative. Pricing pressures continued: the prices paid index was positive and the prices received index negative and significantly lower than last month. Employment indexes were mixed.

Respondents remain optimistic about the future. The six-month-ahead index of general business conditions continued to be very high, and other future indexes were favorable except for the prices paid and received indexes.

#### Main Index Jumps to a Record Level

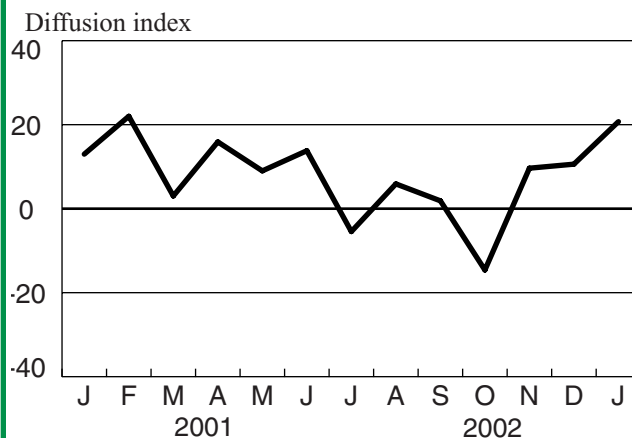
The general business conditions index rose 8 points to 20.7, the highest level since this survey began. Although slightly more than half of respondents said conditions were unchanged since December, over one-third reported that conditions had improved. Only 14 percent said conditions had deteriorated. The new orders index dropped several points but remained positive at 18.7. The shipments index rose to 22.8. A significant fall, to -14.7, occurred in the unfilled orders index from its positive reading last month. One-quarter of respondents reported fewer unfilled orders in January. The delivery time index drifted up slightly to -7.2, and the inventories index remained negative at -7.4.

#### No Letup in Pricing Pressures

Pricing pressures continued: the prices paid index remained positive at 7.3, with 83 percent of respondents indicating no change and 12 percent reporting higher prices. The prices received index dropped 7 points to -15.6, with 20 percent indicating that prices had fallen and 75 percent reporting no change.

Employment indexes were mixed, as they had been in December. The number of employees index was close to zero, with 18 percent adding employees in January and an equal percent reducing job rolls. The average workweek index was positive, at 6.8, with 20 percent reporting a longer workweek.

#### General Business Conditions



#### Looking Ahead to Continued Improvement

Respondents expect improved conditions in the future—in all areas except the pricing environment. The six-month-ahead index of general business conditions, at 49.7, was nearly the same as in December. More than half the respondents expect a higher level of business activity, while only 7 percent expect conditions to deteriorate. The future indexes for new orders and shipments were also at high levels. A record level for the future index for unfilled orders was reached at 22.7.

Pricing pressures are expected to continue, with the future prices paid index 9.0 and the future prices received index -7.3. Future employment indexes were positive, with approximately one-quarter of respondents expecting to hire more workers and extend the average workweek. The capital expenditures index for six months ahead remained positive at 16.9.

#### Note:

Diffusion indexes are calculated for each indicator by subtracting the percent of respondents reporting the indicator lower from the previous month from those reporting the indicator higher. Thus positive values signify that more respondents report the indicator higher from the previous month than lower. Data are seasonally adjusted to control for seasonal variations.

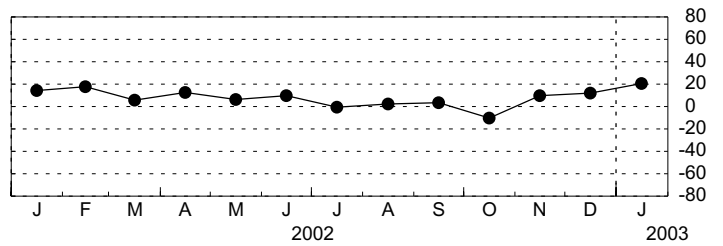
# Empire State Manufacturing Survey, January 2003

## Seasonally Adjusted

### General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	31.39	49.53	19.07	12.32
Jan	34.70	51.32	13.98	20.72

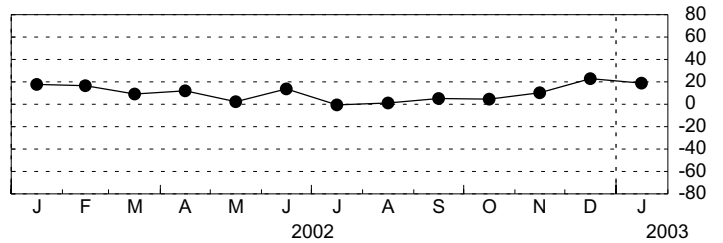
### General Business Conditions - Diffusion Index



### New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	41.10	40.42	18.47	22.63
Jan	36.46	45.87	17.67	18.79

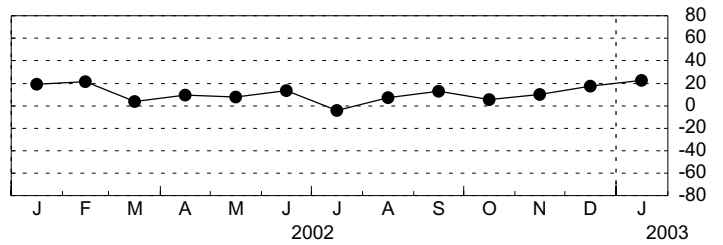
### New Orders - Diffusion Index



### Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	37.84	41.72	20.43	17.41
Jan	33.85	55.08	11.07	22.79

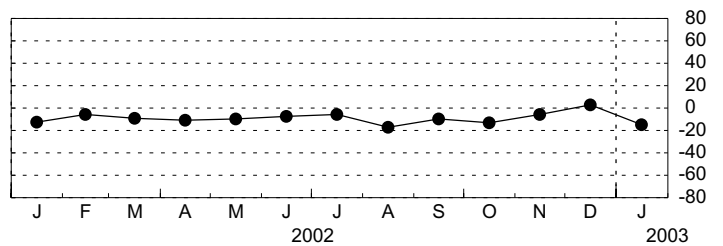
### Shipments - Diffusion Index



### Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	15.01	73.15	11.84	3.17
Jan	10.95	63.44	25.60	-14.65

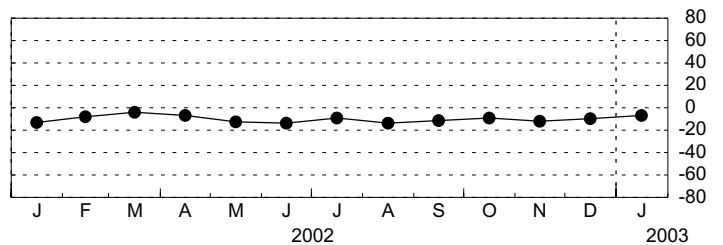
### Unfilled Orders - Diffusion Index



### Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	6.98	76.19	16.83	-9.85
Jan	5.35	82.15	12.50	-7.15

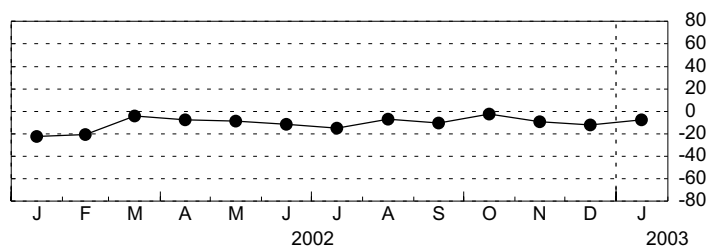
### Delivery Time - Diffusion Index



### Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	14.85	58.33	26.82	-11.97
Jan	17.31	58.03	24.67	-7.36

### Inventories - Diffusion Index



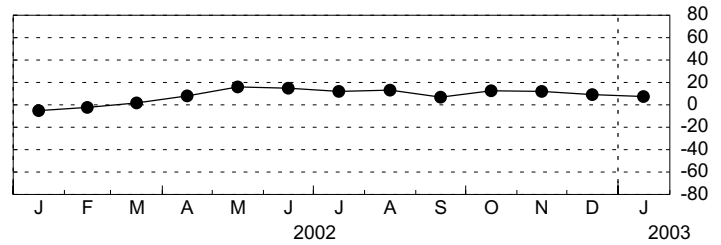
# Empire State Manufacturing Survey, January 2003

## Seasonally Adjusted

### Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	18.33	72.76	8.91	9.42
Jan	12.11	83.08	4.81	7.30

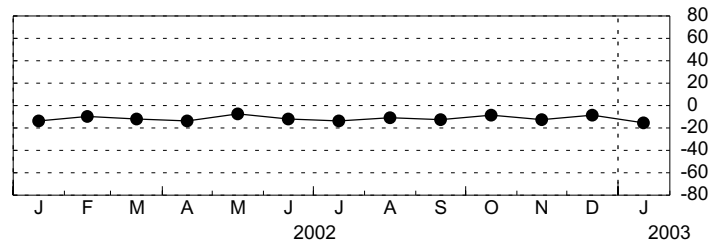
### Prices Paid - Diffusion Index



### Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	6.21	78.94	14.85	-8.64
Jan	4.60	75.20	20.19	-15.59

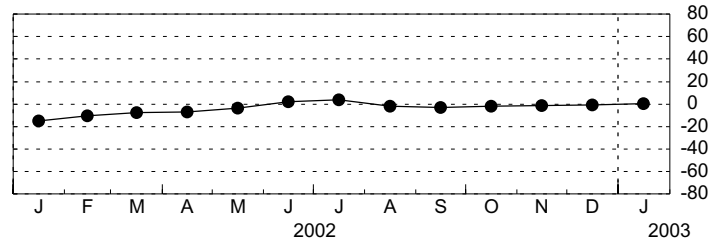
### Prices Received - Diffusion Index



### No. of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	18.39	62.43	19.18	-0.79
Jan	18.18	64.26	17.56	0.62

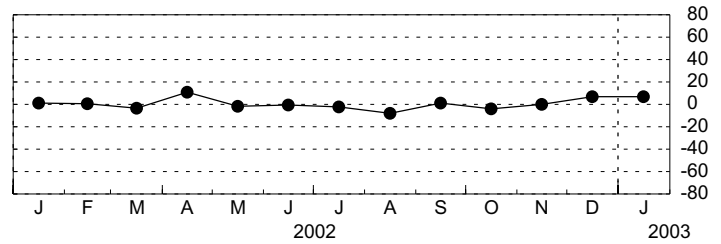
### No. of Employees - Diffusion Index



### Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	19.27	68.54	12.19	7.08
Jan	19.70	67.36	12.95	6.75

### Average Employee Workweek - Diffusion Index

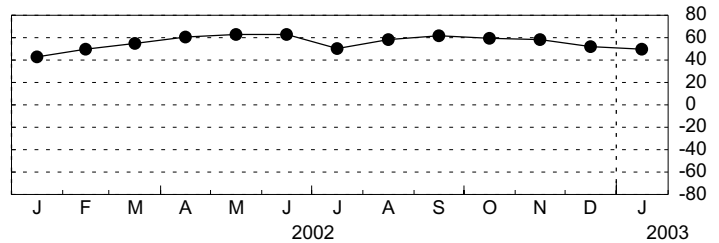


# Empire State Manufacturing Survey, January 2003, Expectations Six Months Ahead Seasonally Adjusted

## General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	62.99	26.21	10.80	52.19
Jan	56.57	36.53	6.90	49.68

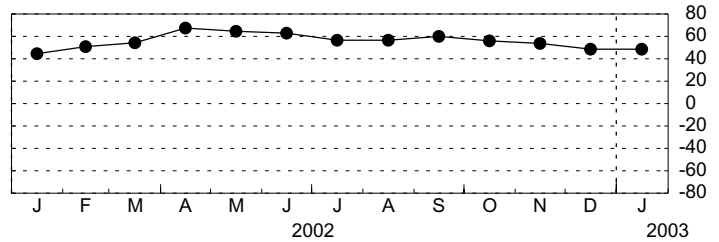
## General Business Conditions - Diffusion Index



## New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	59.34	29.67	10.99	48.35
Jan	57.14	34.04	8.82	48.32

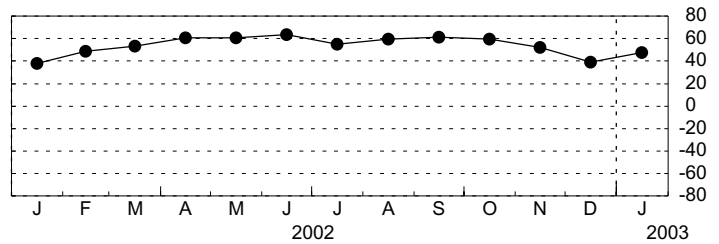
## New Orders - Diffusion Index



## Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	52.74	33.92	13.34	39.40
Jan	57.03	33.75	9.22	47.81

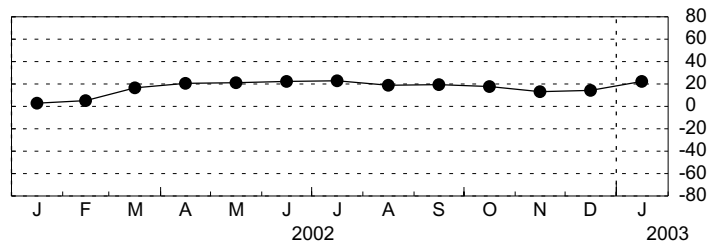
## Shipments - Diffusion Index



## Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	22.66	68.83	8.51	14.15
Jan	31.20	60.29	8.52	22.68

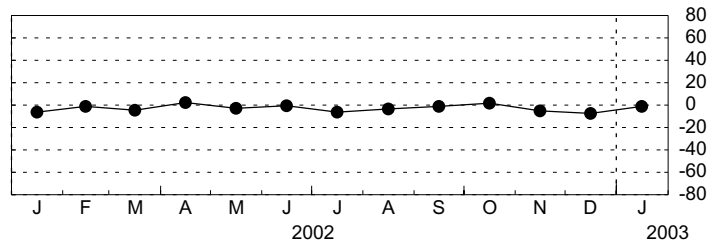
## Unfilled Orders - Diffusion Index



## Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	6.87	78.72	14.41	-7.54
Jan	10.42	78.21	11.37	-0.95

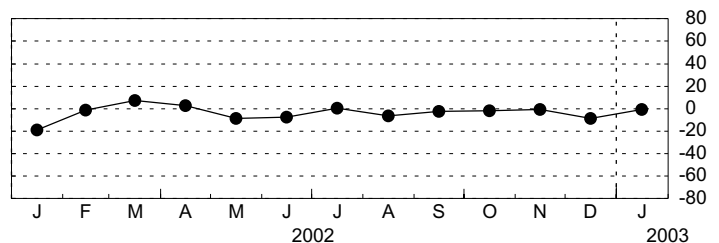
## Delivery Time - Diffusion Index



## Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	20.47	50.18	29.34	-8.87
Jan	22.78	53.76	23.46	-0.68

## Inventories - Diffusion Index

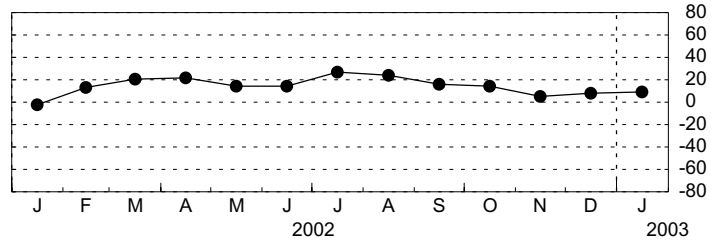


# Empire State Manufacturing Survey, January 2003, Expectations Six Months Ahead Seasonally Adjusted

## Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	22.33	63.21	14.46	7.87
Jan	18.12	72.75	9.13	8.98

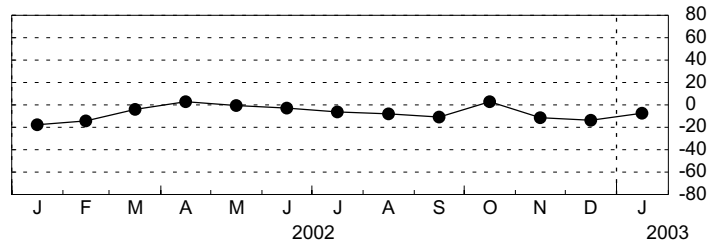
## Prices Paid - Diffusion Index



## Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	11.27	63.98	24.75	-13.48
Jan	6.13	80.41	13.46	-7.34

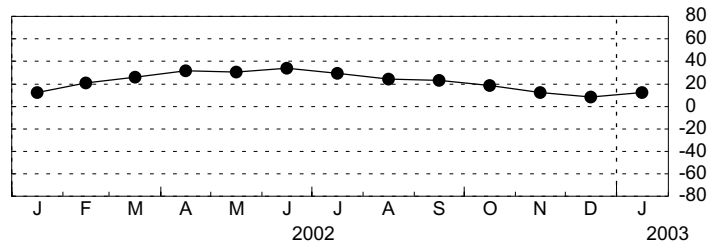
## Prices Received - Diffusion Index



## No. of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	28.80	50.82	20.37	8.43
Jan	26.54	59.04	14.42	12.11

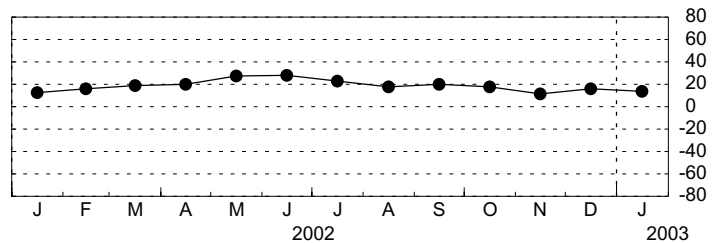
## No. of Employees - Diffusion Index



## Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	27.43	61.07	11.50	15.93
Jan	24.45	64.87	10.68	13.78

## Average Employee Workweek - Diffusion Index



## Capital Expenditures

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	31.23	57.29	11.48	19.75
Jan	27.46	62.00	10.55	16.91

## Capital Expenditures - Diffusion Index

