

# April 2004

## Empire State Manufacturing Survey

For release: April 15, 2004 8:30 a.m.

### Summary

The *Empire State Manufacturing Survey* indicates that conditions for New York manufacturers continued to improve significantly in April. The general business conditions index rose to 36.1 from 25.3 in March. Similarly, the new orders and shipments indexes rose to levels suggesting substantial ongoing improvement. Price indexes continued their upward climb to reach new highs, and employment indexes increased markedly, indicating an expansion in hiring activity. Future indexes remained extremely positive, and the capital expenditures index reflected escalated spending activity. Indexes for prices six months ahead hit record levels.

### Business Conditions Index Rises

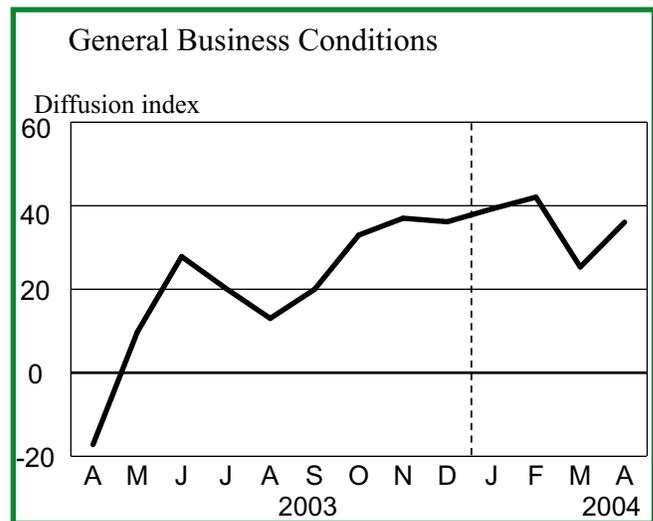
The general business conditions index rose over 10 points in April to 36.1, near the level it had reached in the five months preceding March. Eleven percent of respondents—down from 18 percent last month—reported that conditions had deteriorated; 47 percent, a share similar to that in the past several months, reported that conditions had improved. The new orders index rose to 31.6, with nearly half of respondents indicating a rise in orders. The shipments index jumped 15 points to 41.6; more than half of respondents reported shipments higher in April, while only 11 percent reported them lower. The unfilled orders index remained slightly positive at 6.4.

The delivery time index remained above 10 for a second consecutive month, with 20 percent of respondents reporting longer times. The inventories index fell slightly below zero, declining from its positive readings in February and March.

### Price Indexes Climb to New Records

The prices paid index continued an upward climb that began in January, reaching 56.2, another record high; 57 percent of respondents reported that prices were higher, up from 50 percent last month, while virtually none reported a decline. The prices received index inched up to 12.4, a fourth consecutive positive value and a new high. This month, 22 percent of those surveyed reported charging higher prices for their products, up from 21 percent last month.

Employment indexes rose sharply from last month's levels. The number of employees index rose from 9.7 to 19.8. Thirty percent of respondents indicated an increase in hiring, up from 20 percent last month, while 10 percent reported a



decline. The average workweek index rose over 10 points to 22.2, with 29 percent reporting a longer workweek and 7 percent reporting a shorter workweek.

### Outlook Remains Favorable, but Prices Are Expected to Climb

Future indexes indicated continuing optimism. The future general business conditions index was 48.9, with 59 percent of respondents—a share only slightly below that in March—expecting better conditions in six months. The future new orders and shipments indexes also remained staunchly positive, although somewhat below the levels of late last year. The future prices paid index rose to a record-high 54.3, with more than half of respondents expecting prices to be higher in six months, and only 2 percent expecting prices to be lower. The future prices received index rose to 21.9, also a record; this reading marked the index's fifth consecutive month above 10. The future number of employees index rose to 29.0, with 39 percent expecting to have more workers in six months. The capital expenditures index advanced to 38.1.

#### 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.

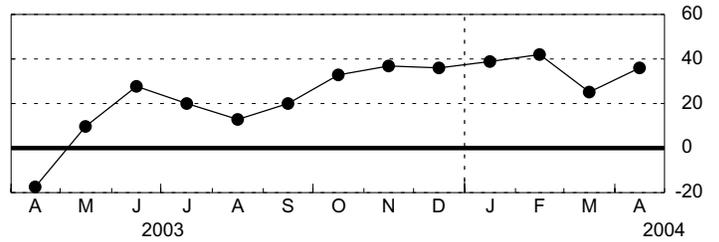
# Empire State Manufacturing Survey, April 2004

## Seasonally Adjusted

### General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	43.00	39.33	17.67	25.33
Apr	47.06	41.93	11.01	36.05

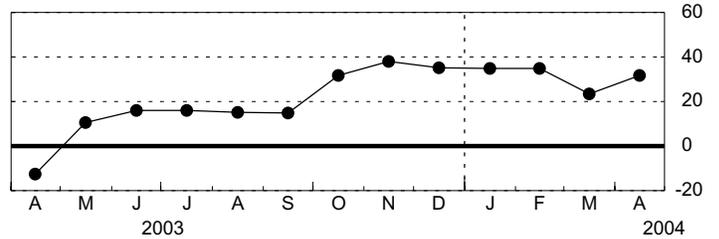
### General Business Conditions - Diffusion Index



### New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	42.88	37.76	19.36	23.52
Apr	48.81	34.00	17.18	31.63

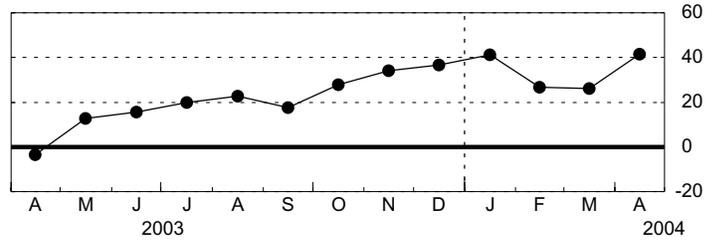
### New Orders - Diffusion Index



### Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	42.67	40.92	16.42	26.25
Apr	52.39	36.81	10.80	41.59

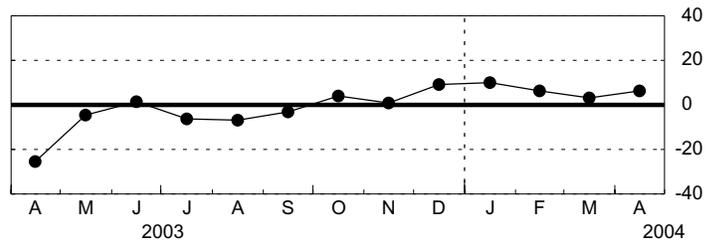
### Shipments - Diffusion Index



### Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	26.65	50.02	23.33	3.32
Apr	22.27	61.90	15.83	6.44

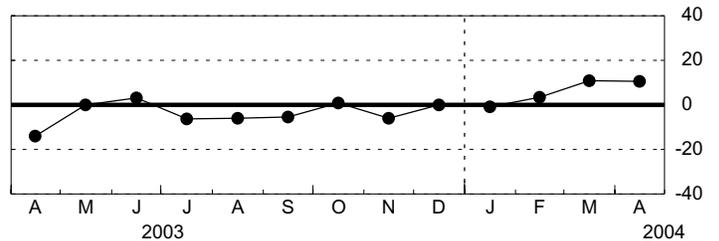
### Unfilled Orders - Diffusion Index



### Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	21.57	67.65	10.78	10.78
Apr	20.00	70.48	9.52	10.48

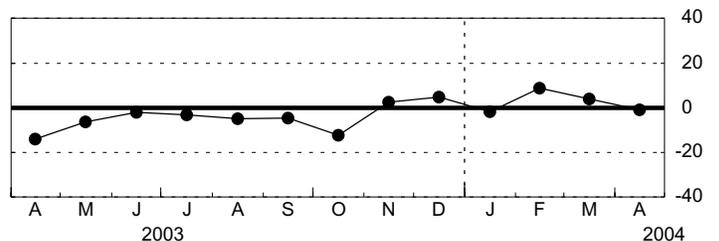
### Delivery Time - Diffusion Index



### Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	30.39	43.14	26.47	3.92
Apr	23.81	51.43	24.76	-0.95

### Inventories - Diffusion Index



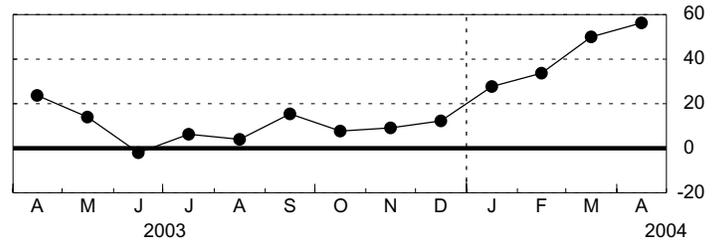
## Empire State Manufacturing Survey, April 2004

### Seasonally Adjusted

#### Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	50.00	50.00	0.00	50.00
Apr	57.14	41.90	0.95	56.19

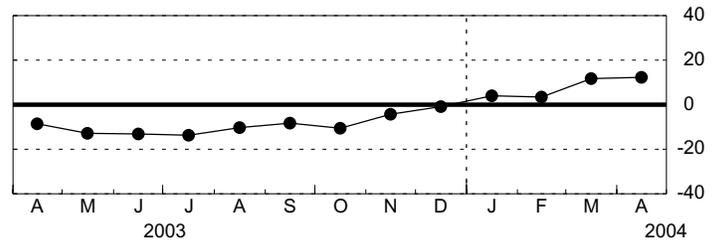
#### Prices Paid - Diffusion Index



#### Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	20.59	70.59	8.82	11.76
Apr	21.90	68.57	9.52	12.38

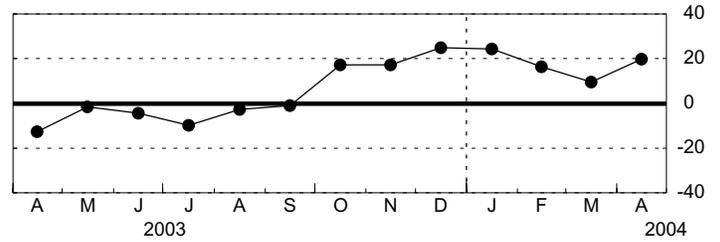
#### Prices Received - Diffusion Index



#### No. of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	19.52	70.68	9.80	9.72
Apr	30.31	59.22	10.48	19.83

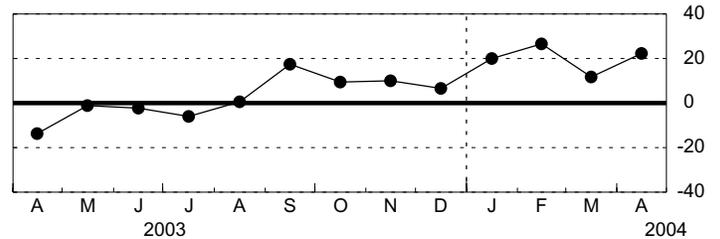
#### No. of Employees - Diffusion Index



#### Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	20.68	70.49	8.82	11.86
Apr	28.90	64.43	6.67	22.24

#### Average Employee Workweek - Diffusion Index



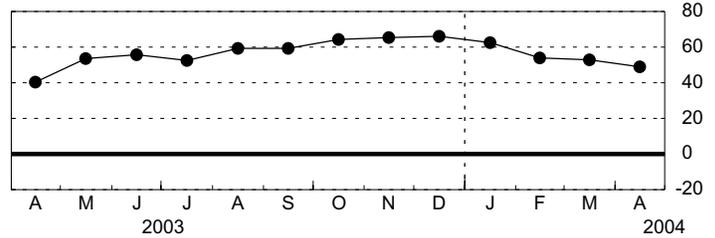
# Empire State Manufacturing Survey, April 2004, Expectations Six Months Ahead

## Seasonally Adjusted

### General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	63.66	25.71	10.63	53.03
Apr	58.89	31.13	9.98	48.91

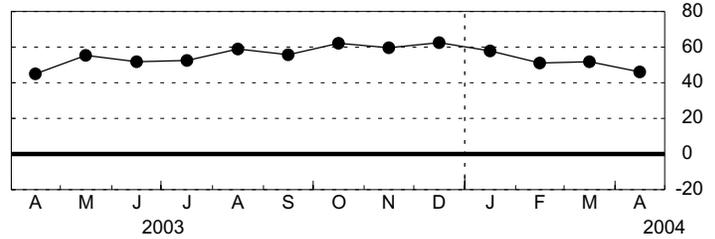
### General Business Conditions - Diffusion Index



### New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	62.10	27.34	10.56	51.55
Apr	57.45	31.09	11.46	45.98

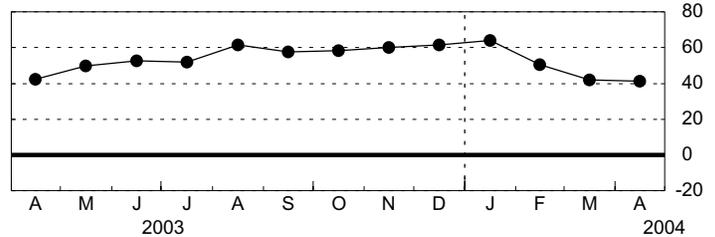
### New Orders - Diffusion Index



### Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	57.15	27.80	15.05	42.10
Apr	55.79	29.62	14.60	41.19

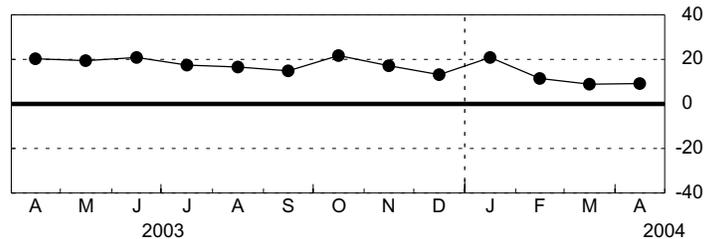
### Shipments - Diffusion Index



### Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	21.46	66.01	12.53	8.92
Apr	26.58	55.96	17.46	9.12

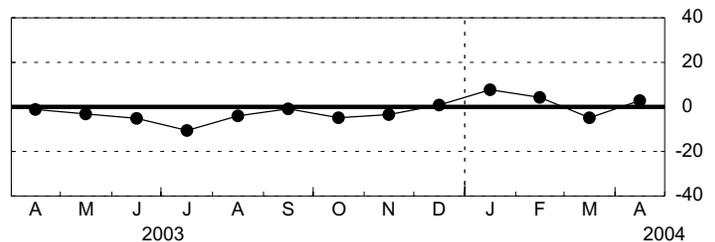
### Unfilled Orders - Diffusion Index



### Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	10.78	73.53	15.69	-4.90
Apr	16.19	70.48	13.33	2.86

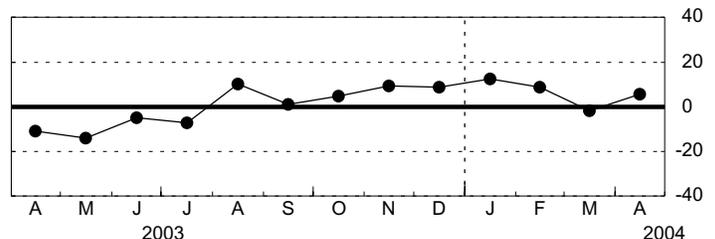
### Delivery Time - Diffusion Index



### Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	27.45	43.14	29.41	-1.96
Apr	31.43	42.86	25.71	5.71

### Inventories - Diffusion Index

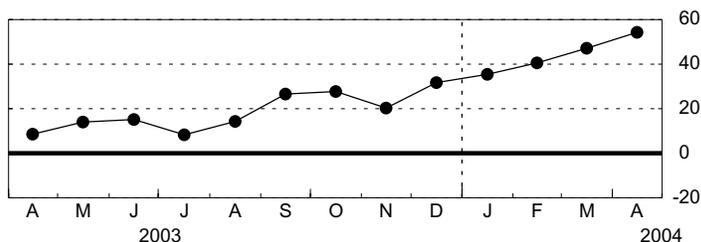


# Empire State Manufacturing Survey, April 2004, Expectations Six Months Ahead Seasonally Adjusted

## Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	48.04	50.98	0.98	47.06
Apr	56.19	41.90	1.90	54.29

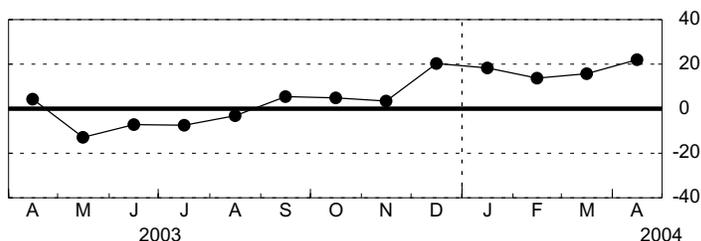
Prices Paid - Diffusion Index



## Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	25.49	64.71	9.80	15.69
Apr	34.29	53.33	12.38	21.90

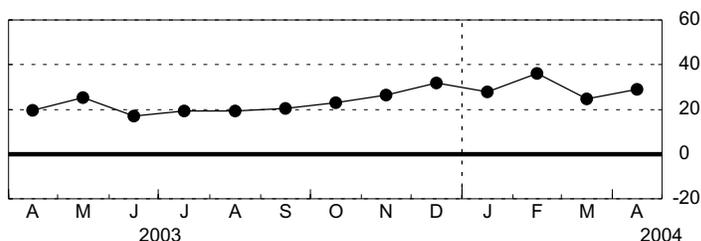
Prices Received - Diffusion Index



## No. of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	36.27	52.12	11.60	24.67
Apr	39.05	50.95	10.01	29.04

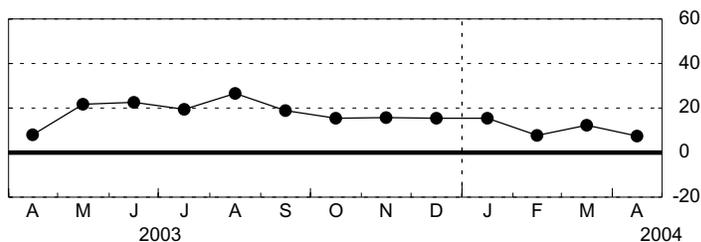
No. of Employees - Diffusion Index



## Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	24.06	64.23	11.71	12.36
Apr	25.41	56.57	18.02	7.39

Average Employee Workweek - Diffusion Index



## Capital Expenditures

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Mar	41.18	51.96	6.86	34.31
Apr	43.81	50.48	5.71	38.10

Capital Expenditures - Diffusion Index

