

# Empire State Manufacturing Survey

Business activity continued to grow at a solid clip in New York State, according to firms responding to the December 2017 *Empire State Manufacturing Survey*. The headline general business conditions index, at 18.0, remained close to last month's level. The new orders index and the shipments index both showed sustained strong gains, with the former holding steady at 19.5 and the latter edging up to 22.4. Delivery times were slightly longer than last month, and inventory levels were stable. Labor market indicators pointed to a small increase in employment but no change in hours worked. Both input prices and selling prices rose at a somewhat faster pace than last month. Indexes assessing the six-month outlook suggested that firms remained optimistic about future business conditions.

## Growth Continues

Manufacturing firms in New York State reported that business activity

continued to expand strongly. The general business conditions index was little changed at 18.0. Thirty-seven percent of respondents reported that conditions had improved over the month, while 19 percent reported that conditions had worsened. The new orders index held steady at 19.5, and the shipments index rose four points to 22.4—readings that indicated ongoing solid growth in orders and shipments. The unfilled orders index moved down four points to -8.7, reflecting a decline in unfilled orders. The delivery time index climbed into positive territory, indicating that delivery times lengthened, and the inventories index fell to 1.4, a sign that inventory levels were steady.

## Price Increases Pick Up

The index for number of employees fell six points to 5.1, a level suggesting a small increase in employment levels.

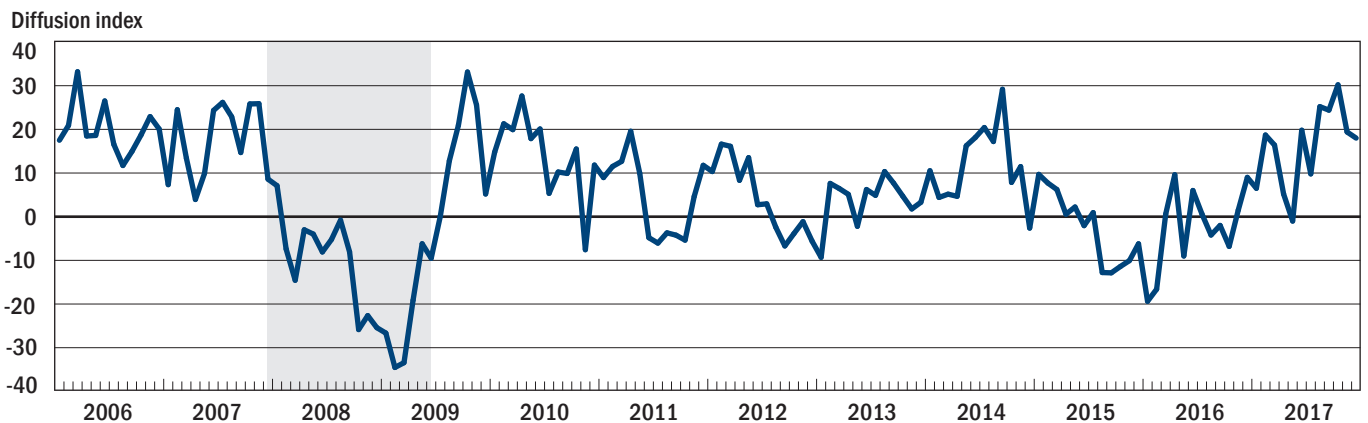
The average workweek index was zero, indicating that hours worked were unchanged. Prices increased at a faster pace than last month: the prices paid index climbed five points to 29.7, and the prices received index edged up two points to 11.6.

## Firms Remain Optimistic about Future Conditions

Looking ahead, firms remained optimistic about the six-month outlook, though to a somewhat lesser extent than in November. The index for future business conditions fell three points to 46.6. After advancing to its highest level in several years last month, the index for future new orders declined thirteen points to 41.1. The index for future number of employees rose eight points to 29.0, its highest level in nearly a year, and the capital expenditures index climbed nine points to 34.1, a multiyear high. ■

## General Business Conditions

Seasonally Adjusted

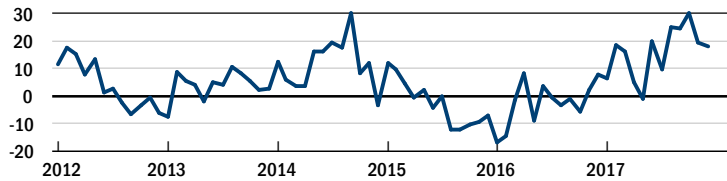


Note: The shaded area indicates a period designated a recession by the National Bureau of Economic Research.

# Current Indicators

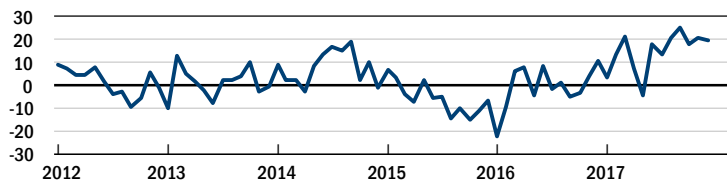
Change from Preceding Month

## General Business Conditions



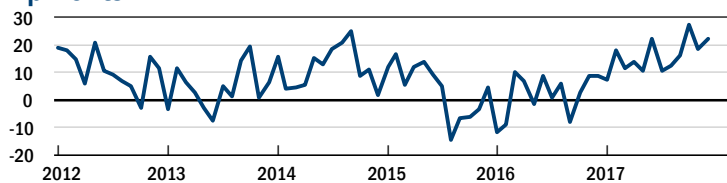
	Percent Reporting		Index
	Higher	Lower	
Nov	36.6	17.2	19.4
Dec	36.7	18.7	18.0
Change			-1.4

## New Orders



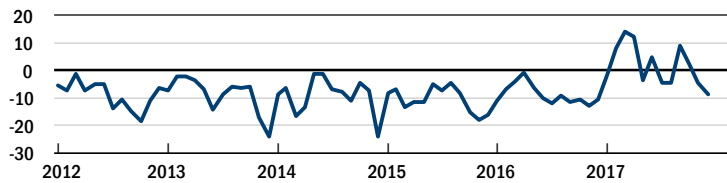
	Percent Reporting		Index
	Higher	Lower	
Nov	40.7	20.0	20.7
Dec	42.6	23.1	19.5
Change			-1.2

## Shipments



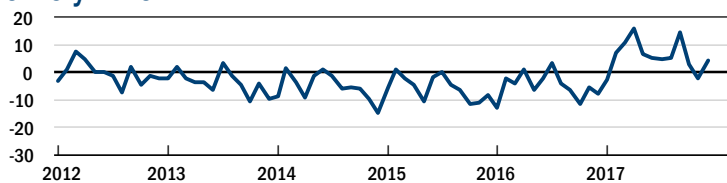
	Percent Reporting		Index
	Higher	Lower	
Nov	36.5	18.2	18.4
Dec	40.9	18.5	22.4
Change			4.0

## Unfilled Orders



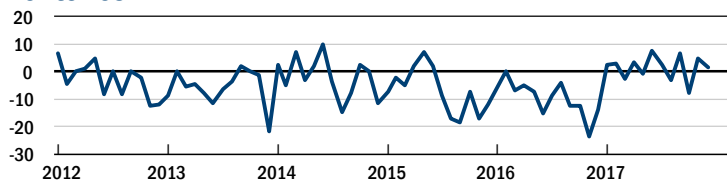
	Percent Reporting		Index
	Higher	Lower	
Nov	14.6	19.2	-4.6
Dec	13.8	22.5	-8.7
Change			-4.1

## Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Nov	12.3	14.6	-2.3
Dec	15.9	11.6	4.3
Change			6.6

## Inventories

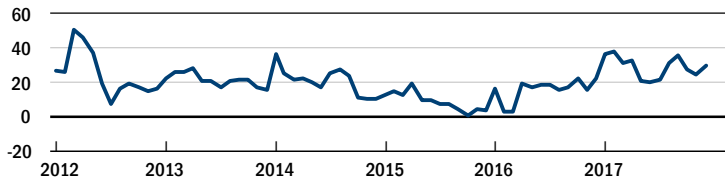


	Percent Reporting		Index
	Higher	Lower	
Nov	23.1	18.5	4.6
Dec	23.2	21.7	1.4
Change			-3.2

# Current Indicators, *continued*

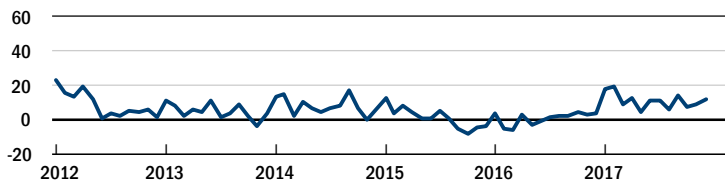
Change from Preceding Month

## Prices Paid



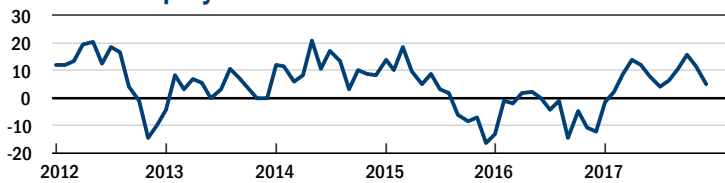
	Percent Reporting		Index
	Higher	Lower	
Nov	28.5	3.8	24.6
Dec	31.2	1.4	29.7
Change			5.1

## Prices Received



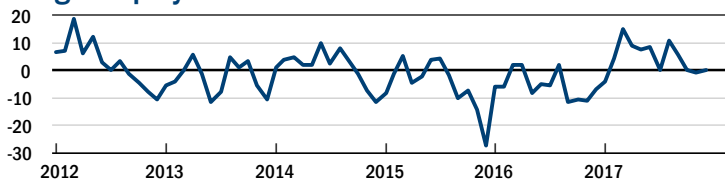
	Percent Reporting		Index
	Higher	Lower	
Nov	14.6	5.4	9.2
Dec	17.4	5.8	11.6
Change			2.4

## Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Nov	23.8	12.3	11.5
Dec	17.4	12.3	5.1
Change			-6.4

## Average Employee Workweek



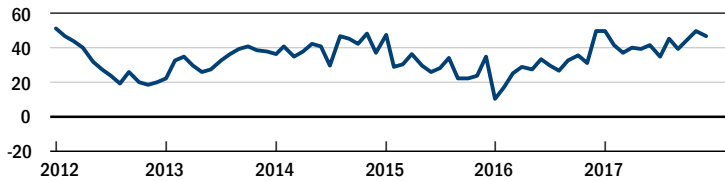
	Percent Reporting		Index
	Higher	Lower	
Nov	16.9	17.7	-0.8
Dec	15.9	15.9	0.0
Change			0.8

Note: Data are seasonally adjusted.

# Forward-Looking Indicators

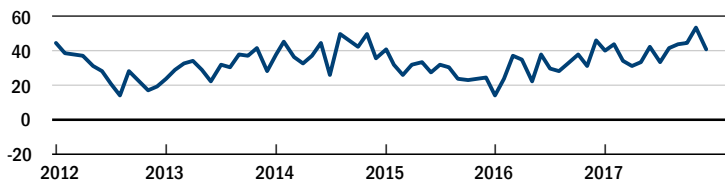
Expectations Six Months Ahead

## General Business Conditions



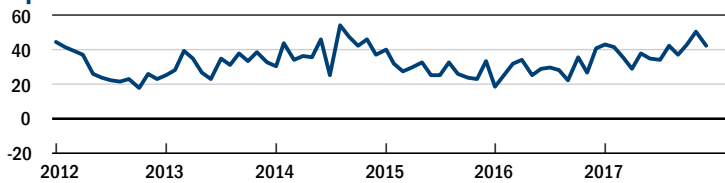
	Percent Reporting		Index
	Higher	Lower	
Nov	55.2	5.3	49.9
Dec	58.1	11.4	46.6
Change			-3.3

## New Orders



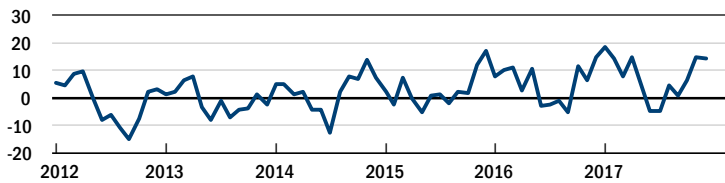
	Percent Reporting		Index
	Higher	Lower	
Nov	59.4	5.7	53.7
Dec	56.6	15.5	41.1
Change			-12.6

## Shipments



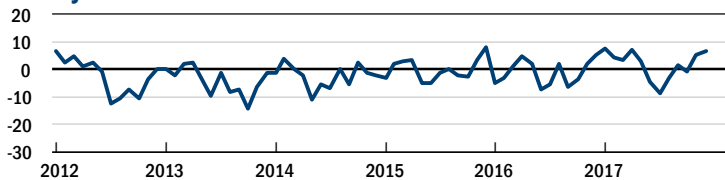
	Percent Reporting		Index
	Higher	Lower	
Nov	57.6	6.8	50.8
Dec	56.7	14.2	42.5
Change			-8.3

## Unfilled Orders



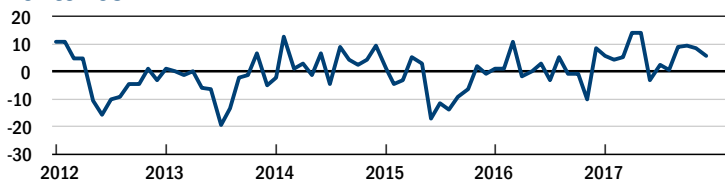
	Percent Reporting		Index
	Higher	Lower	
Nov	20.0	5.4	14.6
Dec	23.9	9.4	14.5
Change			-0.1

## Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Nov	13.8	8.5	5.4
Dec	16.7	10.1	6.5
Change			1.1

## Inventories

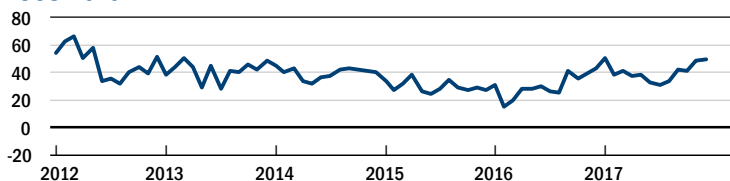


	Percent Reporting		Index
	Higher	Lower	
Nov	29.2	20.8	8.5
Dec	26.1	20.3	5.8
Change			-2.7

# Forward-Looking Indicators, *continued*

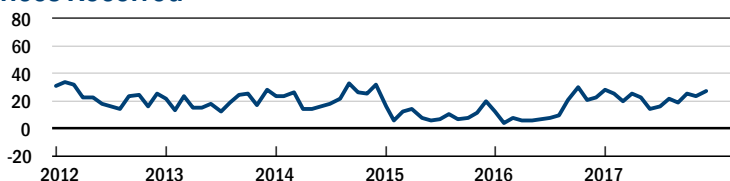
Expectations Six Months Ahead

## Prices Paid



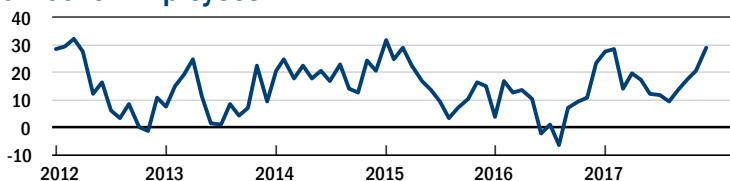
	Percent Reporting		Index
	Higher	Lower	
Nov	53.1	4.6	48.5
Dec	55.1	5.1	50.0
Change			1.5

## Prices Received



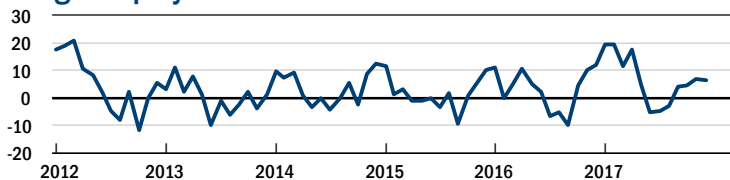
	Percent Reporting		Index
	Higher	Lower	
Nov	30.8	6.9	23.8
Dec	38.4	10.9	27.5
Change			3.7

## Number of Employees



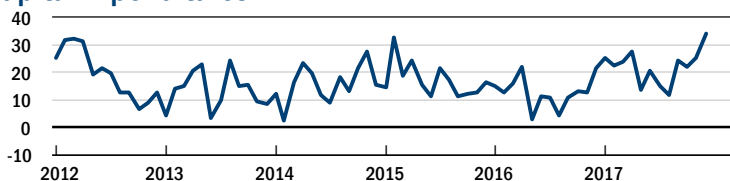
	Percent Reporting		Index
	Higher	Lower	
Nov	33.1	12.3	20.8
Dec	39.1	10.1	29.0
Change			8.2

## Average Employee Workweek



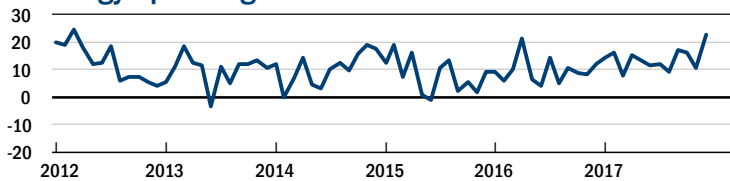
	Percent Reporting		Index
	Higher	Lower	
Nov	18.5	11.5	6.9
Dec	19.6	13.0	6.5
Change			-0.4

## Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Nov	35.4	10.0	25.4
Dec	42.8	8.7	34.1
Change			8.7

## Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Nov	20.0	9.2	10.8
Dec	31.2	8.7	22.5
Change			11.7

Note: Data are seasonally adjusted.