

# January 2004

## Empire State Manufacturing Survey

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

### Summary

The *Empire State Manufacturing Survey* for January indicates a ninth consecutive month of improvement in New York's manufacturing sector. The general business conditions index rose to a record-high 39.2, up slightly from December's 36.2. The new orders and shipments indexes also indicated substantial ongoing improvement. The prices paid index rose significantly to set a new high of 28.2, while the prices received index crossed into positive territory. Employment indexes were positive for a fourth consecutive month.

Respondents' reports of improved conditions were coupled with continued optimism: nearly all those surveyed expected conditions to be the same or better in six months. Future prices paid and received indexes were positive, as were future employment and capital spending indexes.

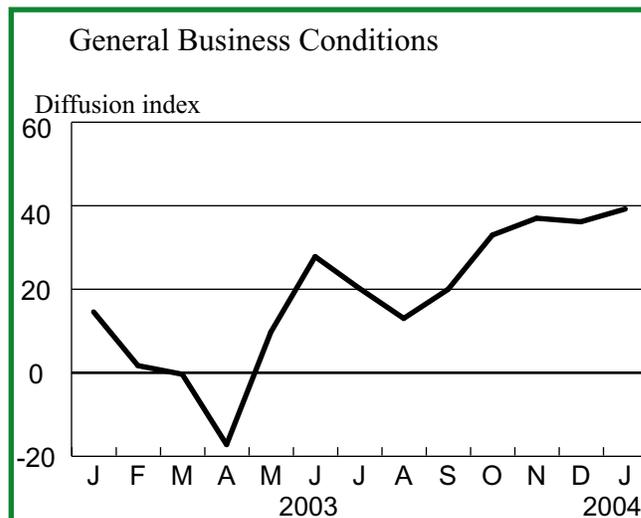
### General Business Conditions Index Hits New Record

The general business conditions index rose to 39.2 in January, a record high, indicating another month of substantial improvement for New York manufacturers. Half of respondents reported that conditions had improved from December, while 11 percent said that conditions had deteriorated. The new orders index, at 36.1, also indicated noteworthy improvement, with half of respondents citing a rise in new orders in January. The shipments index rose to a record-high 41.7, with 55 percent of respondents reporting an increase in shipments since December. The delivery time index remained near zero, as it has for the past several months. The inventories index also hovered near zero, with 22 percent of respondents reporting an increase in inventories and 24 percent reporting a decrease.

### Price Indexes Positive and Rising

Both the prices paid index and the prices received index were positive and higher than last month's levels. The prices paid index rose sharply to a record high of 28.2, with 33 percent of respondents indicating a rise in prices--nearly double the percentage in December--and only 5 percent indicating a decline. The prices received index rose above zero, reaching a record 3.9, with 16 percent of respondents reporting an increase in prices and 12 percent reporting a decrease.

Employment indexes were positive for a fourth consecutive month. The number of employees index was 24.7, with 35 percent of respondents reporting increases in employment and 11 percent reporting a decline. The average workweek index



was 19.0, with 30 percent reporting a longer workweek and 11 percent reporting a shorter workweek.

### Outlook Remains Solidly Optimistic

Future indexes remained very positive. The future general business conditions index maintained a high level at 62.2, with 66 percent of respondents expecting conditions to improve in six months and only 4 percent expecting conditions to deteriorate. The new orders and shipments indexes were similarly positive. The future delivery time index rose from its previously stable level of near or slightly below zero to reach 8.7. The future inventories index climbed to 12.6, with a record 35 percent of respondents expecting inventories to increase. The future prices paid index reached 36.9, with 41 percent of respondents expecting prices to rise, while the future prices received index also remained positive at 18.5. Future employment indexes indicated that higher levels of employment were anticipated. The capital expenditures index retreated somewhat from its record high set last month, but was solidly positive at 26.2, with 38 percent of respondents expecting to increase expenditures.

Note: All seasonally adjusted data have undergone an annual benchmark revision in which seasonal adjustment factors were modified. Thus, historical results in this report may differ from the results cited in previous reports.

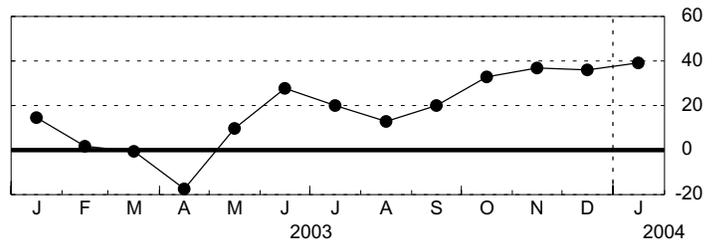
# Empire State Manufacturing Survey, January 2004

## Seasonally Adjusted

### General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	46.84	42.47	10.69	36.16
Jan	50.43	38.36	11.21	39.22

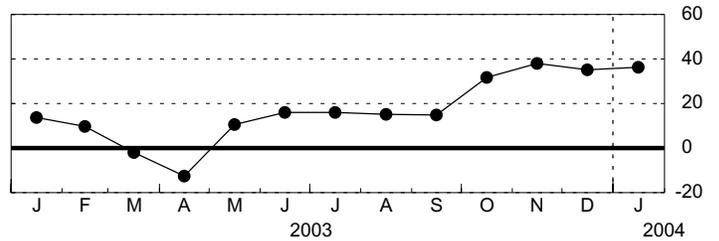
### General Business Conditions - Diffusion Index



### New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	48.90	37.38	13.72	35.19
Jan	49.52	37.09	13.39	36.13

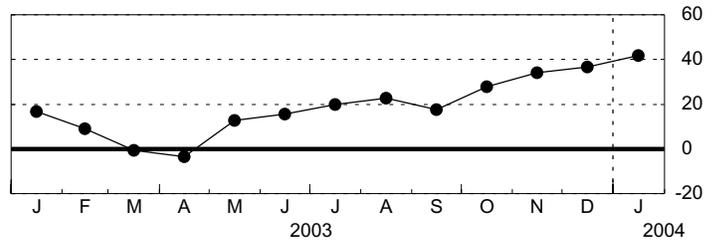
### New Orders - Diffusion Index



### Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	50.29	36.08	13.63	36.66
Jan	55.06	31.62	13.32	41.73

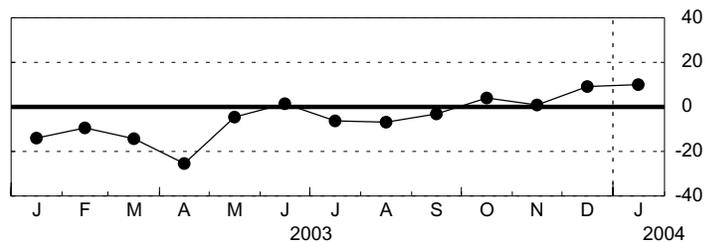
### Shipments - Diffusion Index



### Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	21.77	65.69	12.54	9.23
Jan	26.27	57.53	16.20	10.07

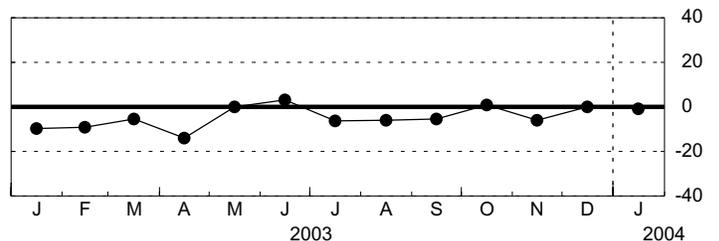
### Unfilled Orders - Diffusion Index



### Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	8.65	82.69	8.65	0.00
Jan	10.68	77.67	11.65	-0.97

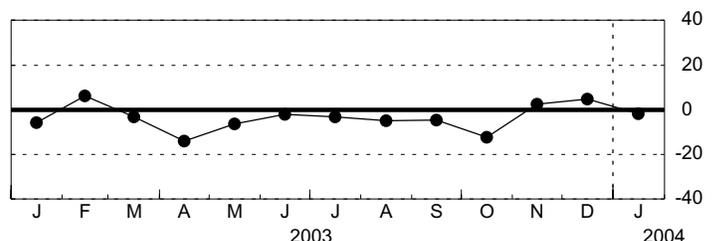
### Delivery Time - Diffusion Index



### Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	25.00	54.81	20.19	4.81
Jan	22.33	53.40	24.27	-1.94

### Inventories - Diffusion Index

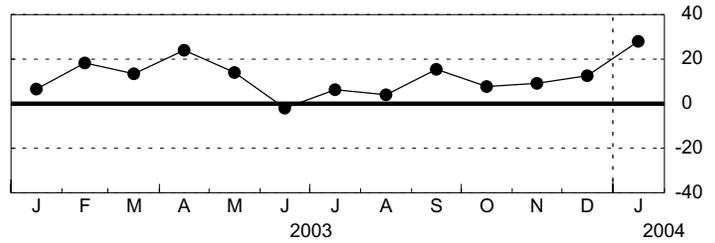


## Empire State Manufacturing Survey, January 2004 Seasonally Adjusted

### Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	16.35	79.81	3.85	12.50
Jan	33.01	62.14	4.85	28.16

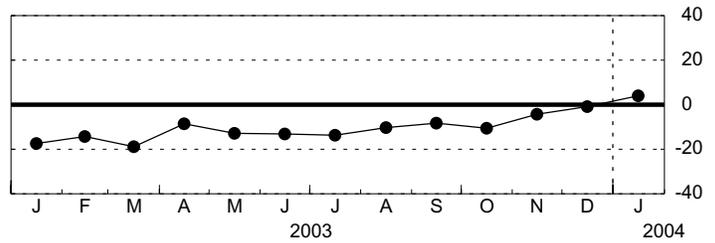
**Prices Paid - Diffusion Index**



### Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	6.73	85.58	7.69	-0.96
Jan	15.53	72.82	11.65	3.88

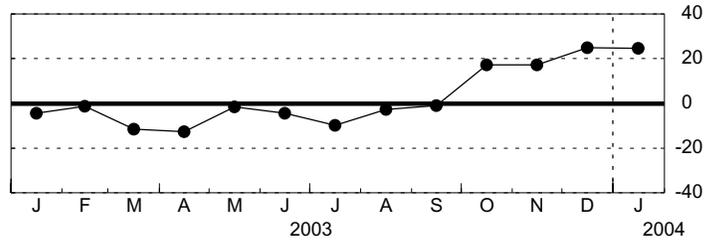
**Prices Received - Diffusion Index**



### No. of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	34.68	55.71	9.62	25.06
Jan	35.39	53.93	10.68	24.71

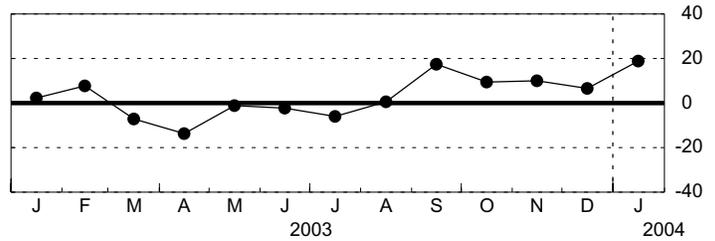
**No. of Employees - Diffusion Index**



### Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	21.03	64.55	14.42	6.60
Jan	29.64	59.68	10.68	18.96

**Average Employee Workweek - Diffusion Index**

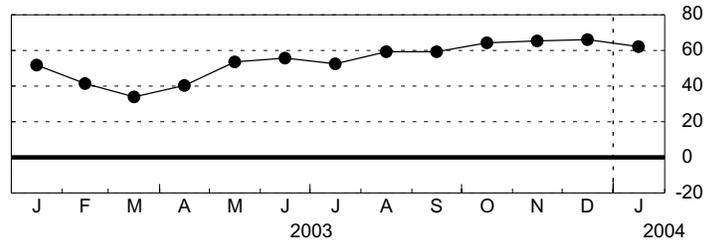


# Empire State Manufacturing Survey, January 2004, Expectations Six Months Ahead Seasonally Adjusted

## General Business Conditions

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	72.89	20.37	6.74	66.15
Jan	66.28	29.59	4.13	62.16

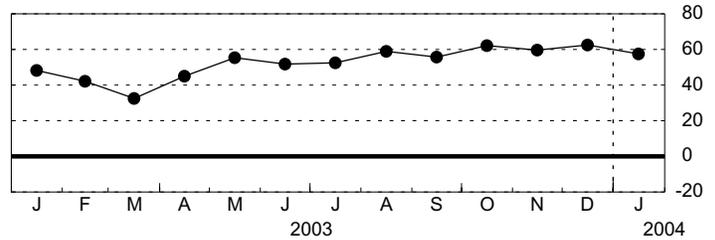
## General Business Conditions - Diffusion Index



## New Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	72.01	18.40	9.59	62.42
Jan	65.19	27.10	7.71	57.48

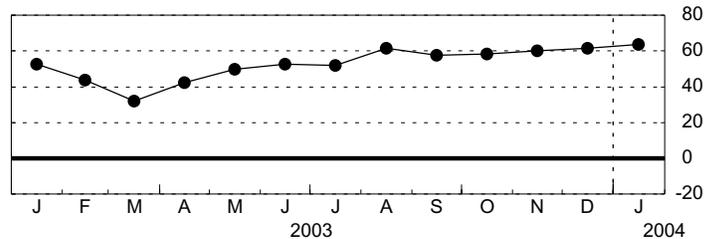
## New Orders - Diffusion Index



## Shipments

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	68.72	24.31	6.97	61.75
Jan	70.54	22.80	6.66	63.89

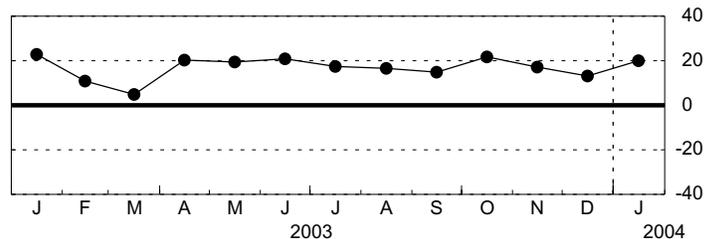
## Shipments - Diffusion Index



## Unfilled Orders

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	22.90	67.26	9.84	13.06
Jan	28.23	63.72	8.06	20.17

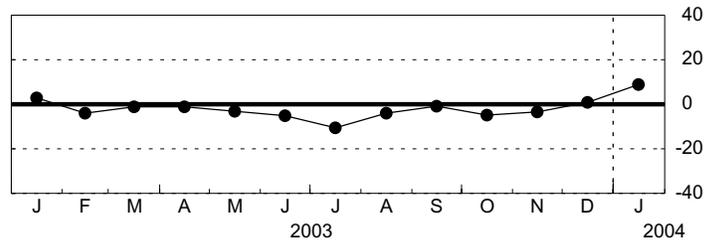
## Unfilled Orders - Diffusion Index



## Delivery Time

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	11.54	77.88	10.58	0.96
Jan	13.59	81.55	4.85	8.74

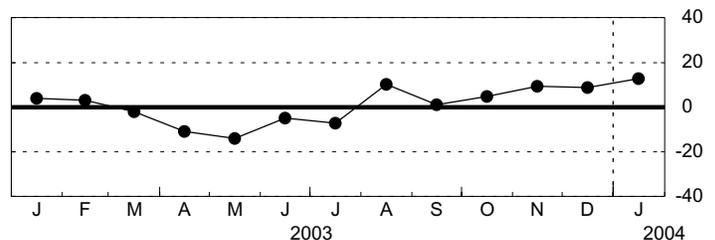
## Delivery Time - Diffusion Index



## Inventories

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	29.81	49.04	21.15	8.65
Jan	34.95	42.72	22.33	12.62

## Inventories - Diffusion Index

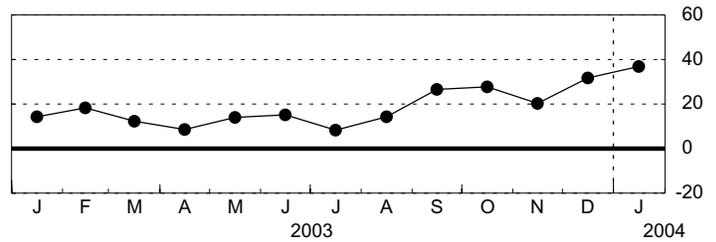


# Empire State Manufacturing Survey, January 2004, Expectations Six Months Ahead Seasonally Adjusted

## Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	37.50	56.73	5.77	31.73
Jan	40.78	55.34	3.88	36.89

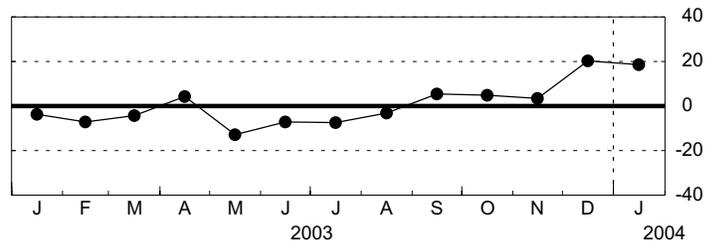
## Prices Paid - Diffusion Index



## Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	29.81	60.58	9.62	20.19
Jan	29.13	60.19	10.68	18.45

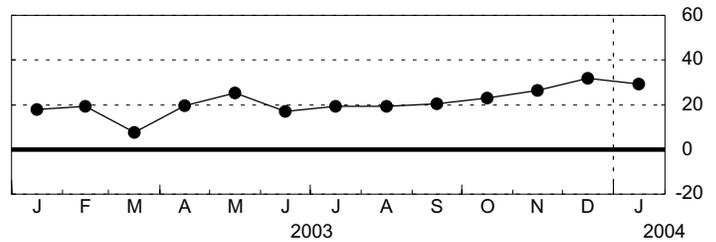
## Prices Received - Diffusion Index



## No. of Employees

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	40.38	51.12	8.50	31.89
Jan	38.83	51.54	9.63	29.21

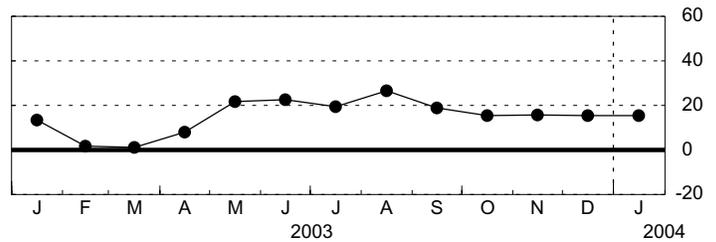
## No. of Employees - Diffusion Index



## Average Employee Workweek

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	23.27	69.02	7.71	15.56
Jan	26.77	62.04	11.19	15.58

## Average Employee Workweek - Diffusion Index



## Capital Expenditures

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Dec	50.00	42.31	7.69	42.31
Jan	37.86	50.49	11.65	26.21

## Capital Expenditures - Diffusion Index

