

# April 2005

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## Empire State Manufacturing Survey



### Summary

The Empire State Manufacturing Survey indicates that conditions for New York manufacturers improved very slightly in April. The general business conditions index dropped sharply to 3.1; while still positive, this reading was the lowest recorded in the past two years. The new orders and shipments indexes fell to a level near zero. The unfilled orders index remained negative for a third consecutive month. Current and future price indexes were elevated and near levels of much of the past year. Employment indexes were mixed: while the index for number of employees remained positive, the average workweek index dropped below zero. Future indexes reflected sustained optimism but generally continued a drift downward that began in October.

### Business Indexes Drop Sharply

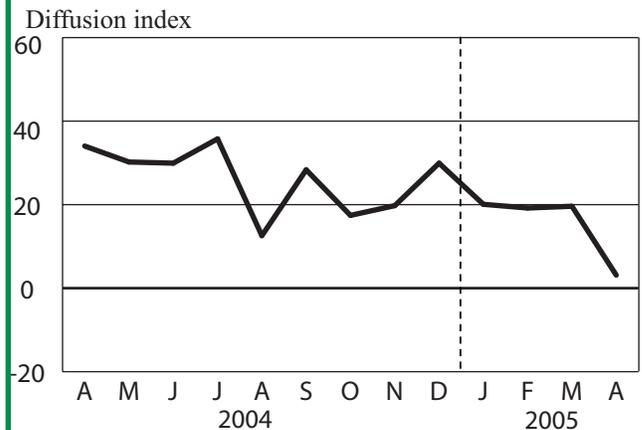
The general business conditions index dropped sharply in April to 3.1, its lowest level in two years. Improved conditions were reported by 25 percent of respondents, down from 34 percent in March, while 22 percent—up from 13 percent last month—said that conditions had deteriorated. The new orders index continued a decline that began in January, falling to -0.2, with 27 percent reporting an increase in new orders and 27 percent reporting a decline. The shipments index posted a sharp decline, falling more than 20 points from 21.9 in March to 0.0. The unfilled orders index, at -8.3, remained negative for a third consecutive month, with 15 percent of respondents reporting a rise in unfilled orders and 23 percent reporting a decline. The delivery time index fell several points to -2.5. The inventories index was slightly negative -1.6.

### Higher Prices Linger

Price indexes remained elevated. The prices paid index moderated from March, falling 10 points to 43.4. The percentage of respondents reporting higher prices paid fell from 55 to 46 percent. The prices received index, at 13.9, was near its average level of the past several months. While nearly 70 percent of respondents reported no change in prices received, 22 percent charged higher prices this month, and 8 percent charged lower prices.

Employment indexes were mixed. The number of employees index, while remaining positive, fell from 11.3 to 8.6, a reading indicative of a very modest increase in employment. The average workweek index dropped to -4.4, its first negative reading in considerably more than a year.

### General Business Conditions



### Outlook Remains Favorable

Future indexes continued to be optimistic, although some indexes fell from March levels. The future general business conditions index fell several points, to 36.8. A little more than 50 percent of respondents expected conditions to improve over the next six months, while 14 percent expected conditions to worsen. The future new orders and shipments indexes posted similar drops, but still conveyed an expectation of improvement. The future unfilled orders index rose into positive territory after slightly negative readings for the prior two months. Higher prices are expected to continue. The future prices paid index remained above 50, with a slight increase—to 6 percent—in the share of respondents expecting prices to fall. The future prices received index fell to 23.8. Future employment indexes remained positive. The capital expenditures index, at 30.3, was close to levels of the past year.

#### 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.

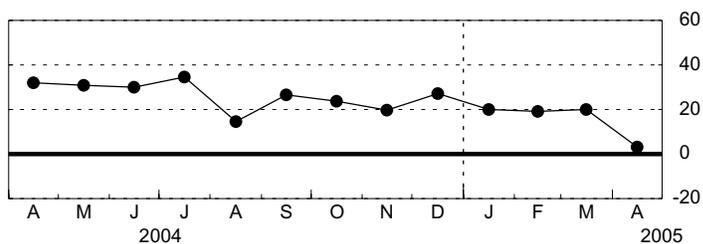
# Empire State Manufacturing Survey, April 2005

## Seasonally Adjusted

### General Business Conditions

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Mar | 33.63         | 52.93       | 13.45        | 20.18        |
| Apr | 25.24         | 52.63       | 22.13        | 3.12         |

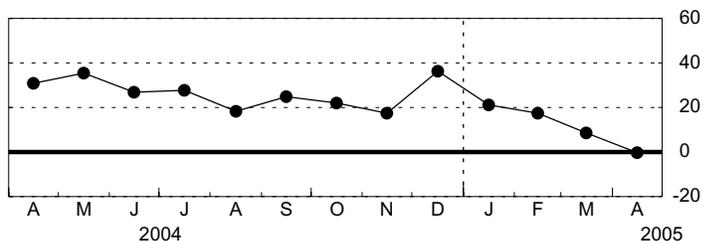
### General Business Conditions - Diffusion Index



### New Orders

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Mar | 32.05         | 44.47       | 23.48        | 8.57         |
| Apr | 26.55         | 46.68       | 26.77        | -0.22        |

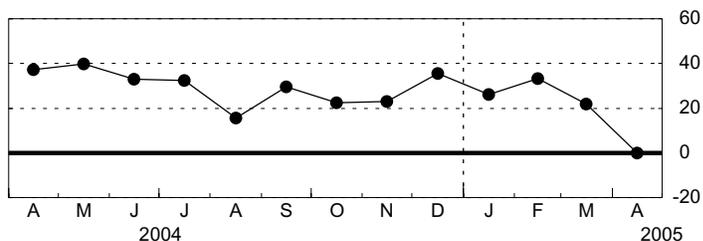
### New Orders - Diffusion Index



### Shipments

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Mar | 38.32         | 45.26       | 16.43        | 21.89        |
| Apr | 25.58         | 48.86       | 25.55        | 0.03         |

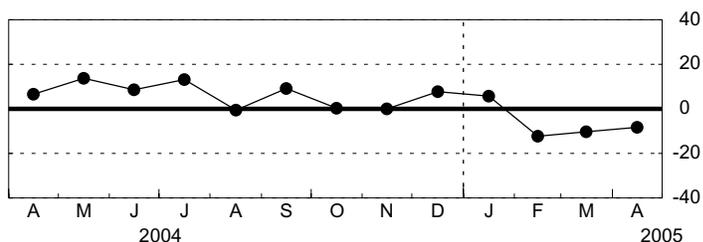
### Shipments - Diffusion Index



### Unfilled Orders

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Mar | 12.15         | 65.61       | 22.24        | -10.09       |
| Apr | 14.88         | 61.98       | 23.14        | -8.26        |

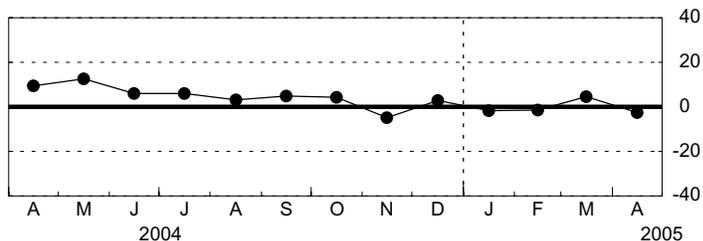
### Unfilled Orders - Diffusion Index



### Delivery Time

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Mar | 11.82         | 80.91       | 7.27         | 4.55         |
| Apr | 9.84          | 77.87       | 12.30        | -2.46        |

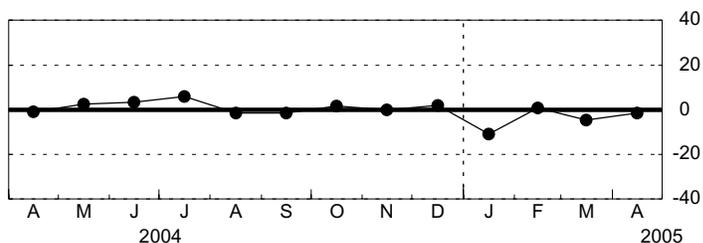
### Delivery Time - Diffusion Index



### Inventories

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Mar | 24.55         | 46.36       | 29.09        | -4.55        |
| Apr | 21.31         | 55.74       | 22.95        | -1.64        |

### Inventories - Diffusion Index



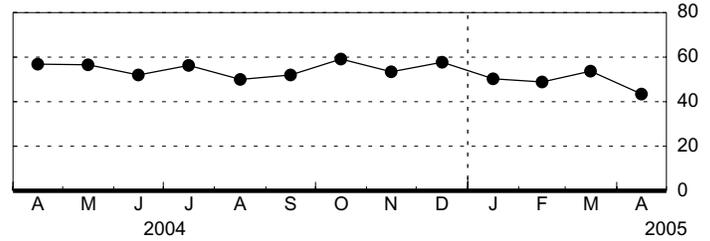
# Empire State Manufacturing Survey, April 2005

## Seasonally Adjusted

### Prices Paid

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Mar | 54.55         | 44.55       | 0.91         | 53.64        |
| Apr | 45.90         | 51.64       | 2.46         | 43.44        |

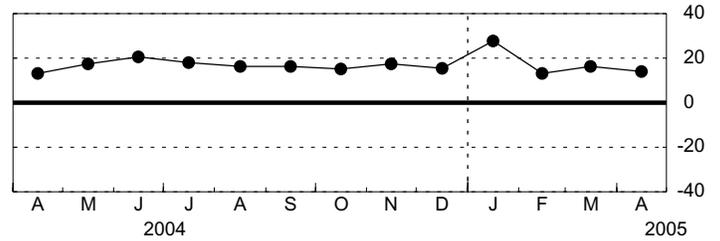
### Prices Paid - Diffusion Index



### Prices Received

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Mar | 24.55         | 67.27       | 8.18         | 16.36        |
| Apr | 22.13         | 69.67       | 8.20         | 13.93        |

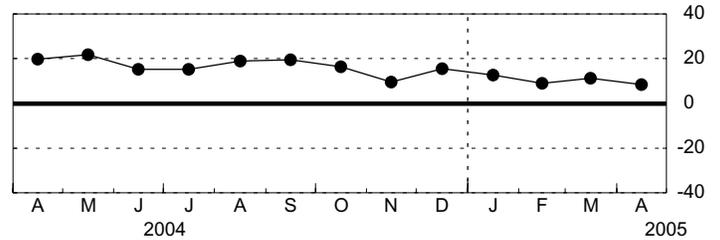
### Prices Received - Diffusion Index



### Number of Employees

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Mar | 18.53         | 74.19       | 7.27         | 11.26        |
| Apr | 17.59         | 73.40       | 9.02         | 8.57         |

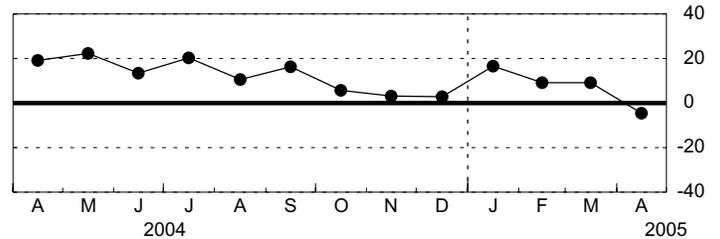
### Number of Employees - Diffusion Index



### Average Employee Workweek

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Mar | 14.60         | 79.95       | 5.45         | 9.14         |
| Apr | 9.56          | 76.51       | 13.93        | -4.38        |

### Average Employee Workweek - Diffusion Index

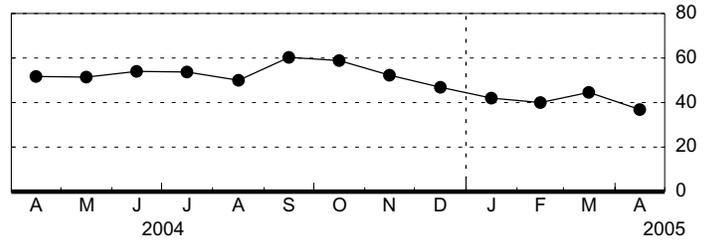


# Empire State Manufacturing Survey, April 2005, Expectations Six Months Ahead Seasonally Adjusted

## General Business Conditions

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Mar | 53.37         | 37.80       | 8.83         | 44.54        |
| Apr | 50.82         | 35.16       | 14.02        | 36.81        |

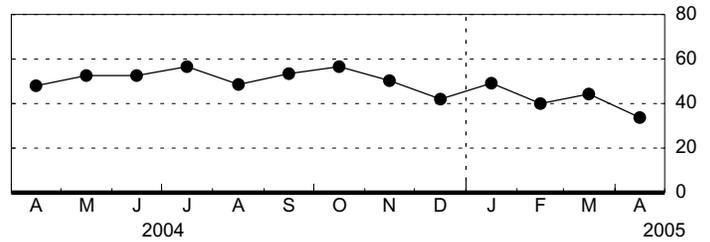
## General Business Conditions - Diffusion Index



## New Orders

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Mar | 56.54         | 31.24       | 12.22        | 44.32        |
| Apr | 49.91         | 33.92       | 16.17        | 33.75        |

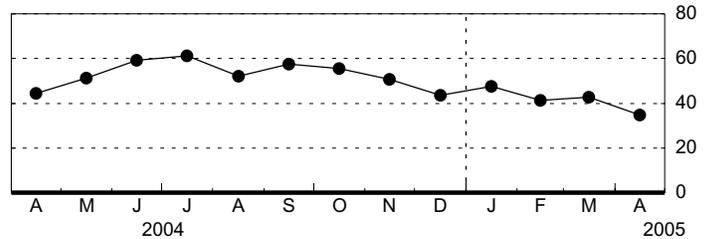
## New Orders - Diffusion Index



## Shipments

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Mar | 54.03         | 34.64       | 11.32        | 42.71        |
| Apr | 49.86         | 34.89       | 15.25        | 34.62        |

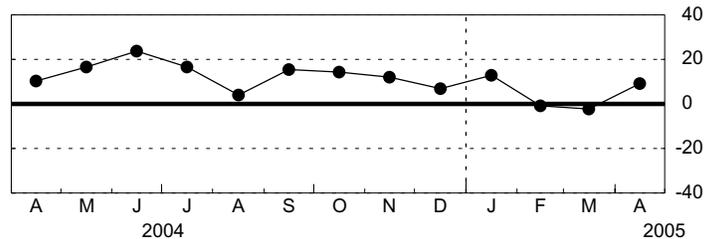
## Shipments - Diffusion Index



## Unfilled Orders

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Mar | 17.94         | 61.95       | 20.11        | -2.17        |
| Apr | 21.35         | 66.56       | 12.09        | 9.26         |

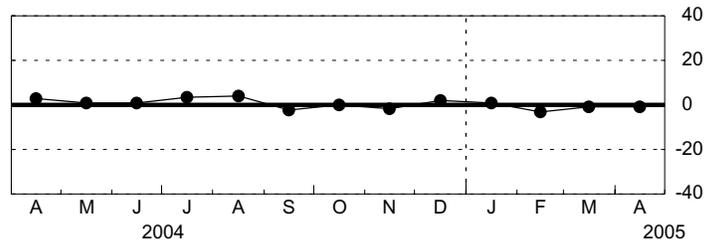
## Unfilled Orders - Diffusion Index



## Delivery Time

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Mar | 13.64         | 71.82       | 14.55        | -0.91        |
| Apr | 13.11         | 72.95       | 13.93        | -0.82        |

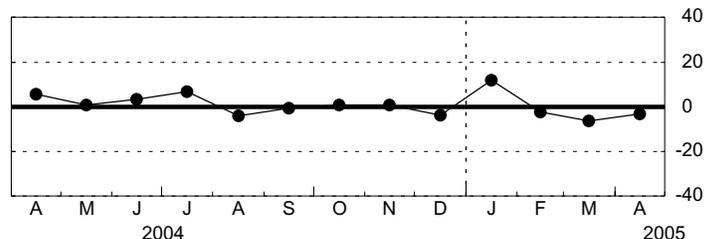
## Delivery Time - Diffusion Index



## Inventories

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Mar | 20.91         | 51.82       | 27.27        | -6.36        |
| Apr | 18.85         | 59.02       | 22.13        | -3.28        |

## Inventories - Diffusion Index

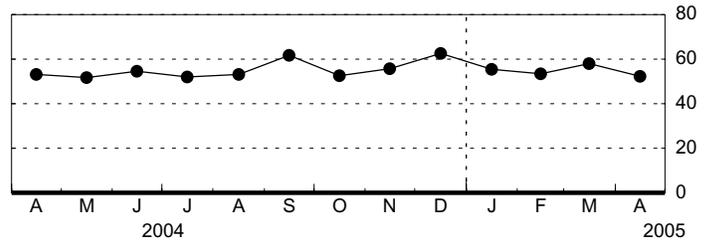


# Empire State Manufacturing Survey, April 2005, Expectations Six Months Ahead Seasonally Adjusted

## Prices Paid

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Mar | 60.00         | 38.18       | 1.82         | 58.18        |
| Apr | 58.20         | 36.07       | 5.74         | 52.46        |

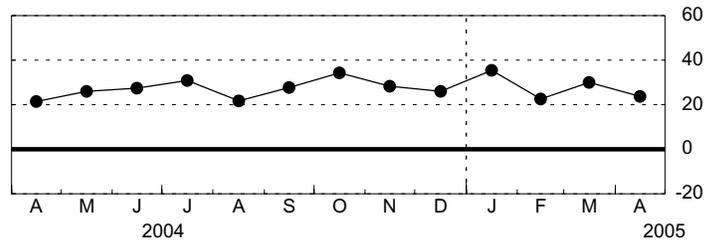
**Prices Paid - Diffusion Index**



## Prices Received

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Mar | 40.91         | 48.18       | 10.91        | 30.00        |
| Apr | 31.15         | 61.48       | 7.38         | 23.77        |

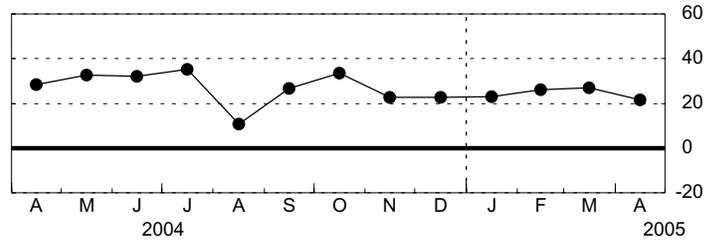
**Prices Received - Diffusion Index**



## Number of Employees

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Mar | 40.00         | 47.12       | 12.88        | 27.12        |
| Apr | 34.43         | 52.80       | 12.78        | 21.65        |

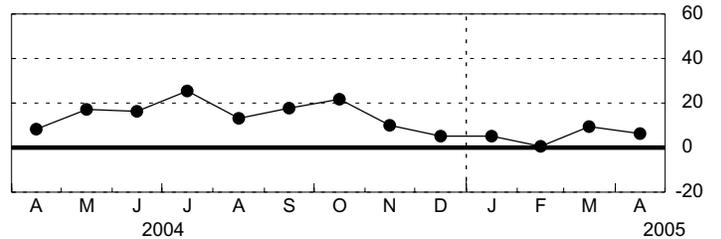
**Number of Employees - Diffusion Index**



## Average Employee Workweek

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Mar | 20.14         | 69.21       | 10.65        | 9.50         |
| Apr | 19.66         | 66.98       | 13.36        | 6.31         |

**Average Employee Workweek - Diffusion Index**



## Capital Expenditures

|     | <u>Higher</u> | <u>Same</u> | <u>Lower</u> | <u>Index</u> |
|-----|---------------|-------------|--------------|--------------|
| Mar | 40.91         | 50.91       | 8.18         | 32.73        |
| Apr | 36.89         | 56.56       | 6.56         | 30.33        |

**Capital Expenditures - Diffusion Index**

