

Empire State Manufacturing Survey

Note: Survey responses were collected between December 2 and December 9.

Business activity declined in New York State, according to firms responding to the December 2022 *Empire State Manufacturing Survey*. The headline general business conditions index fell sixteen points to -11.2. New orders moved slightly lower, while shipments edged higher. Delivery times and inventories were little changed. Labor market indicators pointed to a moderate increase in employment, but a slightly shorter average workweek. Input prices and selling prices increased at about the same pace as last month. Looking ahead, firms expect some improvement in business conditions over the next six months, but optimism was very subdued.

Conditions Deteriorate

Manufacturing activity contracted in New York State, according to the December survey. The general business conditions index fell sixteen points to -11.2. Twenty-

three percent of respondents reported that conditions had improved over the month, and thirty-four percent reported that conditions had worsened. The new orders index held steady at -3.6, pointing to another small decline in orders, while the shipments index slipped three points to 5.3, indicating a small increase in shipments. The unfilled orders index moved down to -11.2, a sign that unfilled orders were lower. The delivery times index came in at 1.9, indicating that delivery times were little changed. After rising sharply last month, the inventories index retreated to 3.7, pointing to a small increase in inventories.

Employment Continues to Grow

Despite the overall decline in activity, the index for number of employees edged up to 14.0, marking another month of employment gains. The average workweek index, however, fell to -4.5, signaling a

small decline in hours worked. The pace of price increases was little changed, with the prices paid index holding steady at 50.5 and the prices received index remaining similar to last month's level at 25.2.

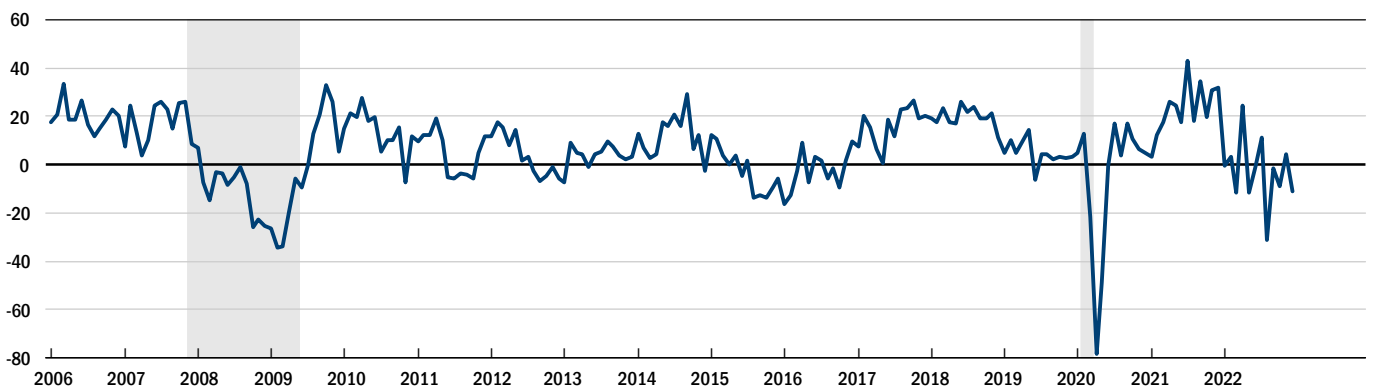
Firms Expect Little Improvement

The index for future business conditions climbed twelve points, but remained subdued at 6.3, suggesting that firms expect little improvement over the next six months. The indexes for future new orders and shipments climbed above zero, indicating that small increases are anticipated, and employment is expected to continue to increase. The capital spending index rose nine points to 23.4. ■

General Business Conditions

Seasonally Adjusted

Diffusion Index

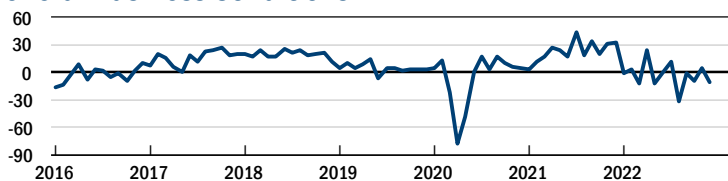


Note: The shaded areas indicate periods designated as recessions by the National Bureau of Economic Research.

Current Indicators

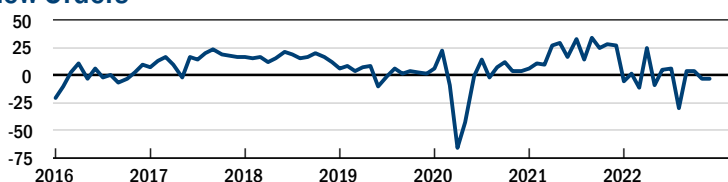
Change from Preceding Month

General Business Conditions



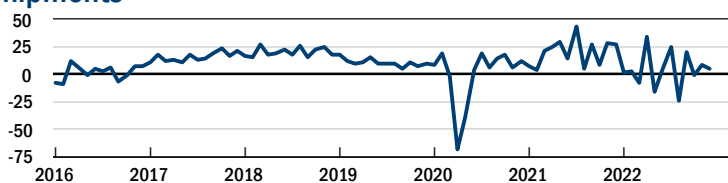
	Percent Reporting		Index
	Higher	Lower	
Nov	33.2	28.7	4.5
Dec	23.1	34.3	-11.2
Change			-15.7

New Orders



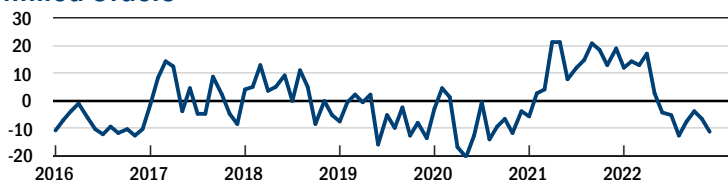
	Percent Reporting		Index
	Higher	Lower	
Nov	29.1	32.4	-3.3
Dec	26.7	30.3	-3.6
Change			-0.3

Shipments



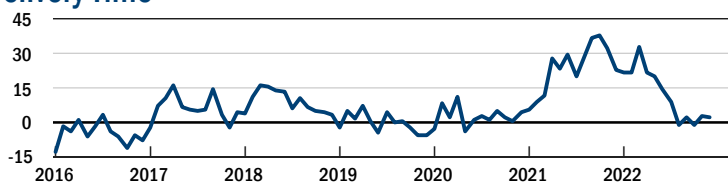
	Percent Reporting		Index
	Higher	Lower	
Nov	36.1	28.0	8.0
Dec	28.7	23.4	5.3
Change			-2.7

Unfilled Orders



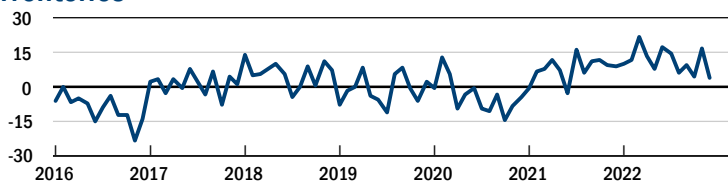
	Percent Reporting		Index
	Higher	Lower	
Nov	18.4	25.2	-6.8
Dec	16.8	28.0	-11.2
Change			-4.4

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Nov	17.5	14.6	2.9
Dec	17.8	15.9	1.9
Change			-1.0

Inventories

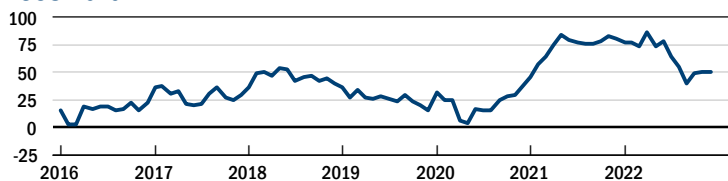


	Percent Reporting		Index
	Higher	Lower	
Nov	28.2	11.7	16.5
Dec	23.4	19.6	3.7
Change			-12.8

Current Indicators, *continued*

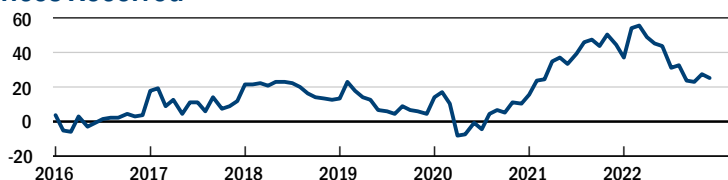
Change from Preceding Month

Prices Paid



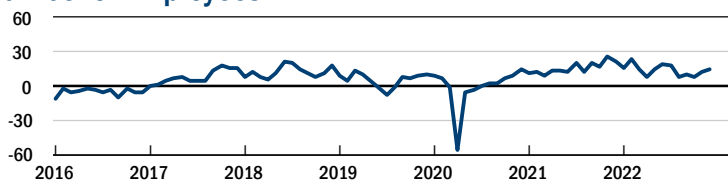
	Percent Reporting		Index
	Higher	Lower	
Nov	54.4	3.9	50.5
Dec	50.5	0.0	50.5
Change			0.0

Prices Received



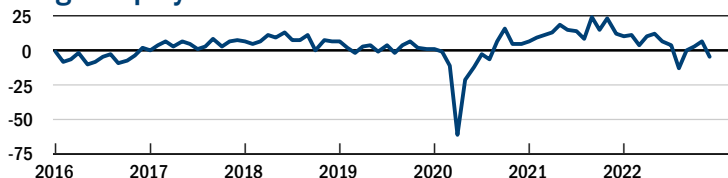
	Percent Reporting		Index
	Higher	Lower	
Nov	30.1	2.9	27.2
Dec	29.0	3.7	25.2
Change			-2.0

Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Nov	21.9	9.7	12.2
Dec	23.9	9.8	14.0
Change			1.8

Average Employee Workweek



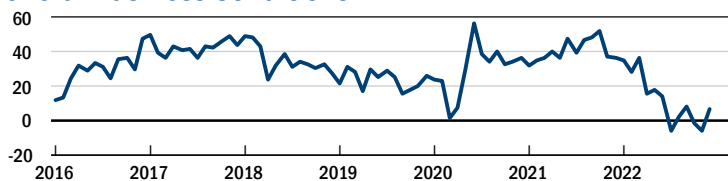
	Percent Reporting		Index
	Higher	Lower	
Nov	14.4	7.5	6.9
Dec	8.5	13.1	-4.5
Change			-11.4

Note: Data are seasonally adjusted.

Forward-Looking Indicators

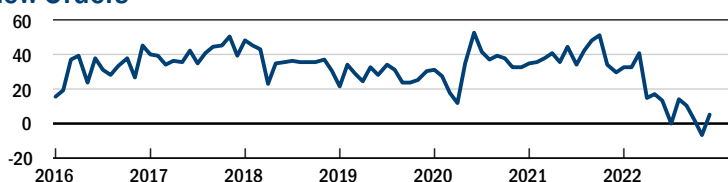
Expectations Six Months Ahead

General Business Conditions



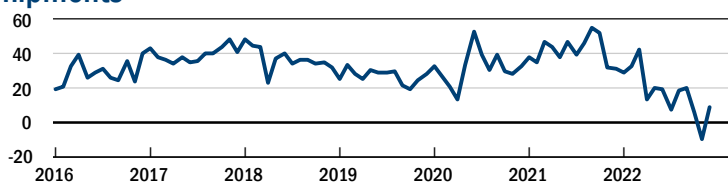
	Percent Reporting		Index
	Higher	Lower	
Nov	30.4	36.5	-6.1
Dec	28.8	22.5	6.3
Change			12.4

New Orders



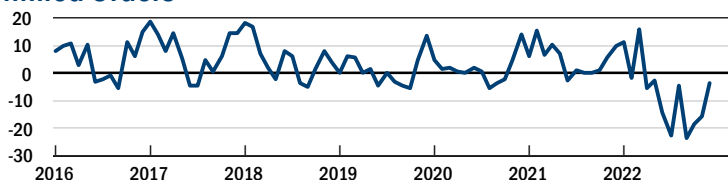
	Percent Reporting		Index
	Higher	Lower	
Nov	32.1	38.5	-6.4
Dec	30.0	25.1	4.9
Change			11.3

Shipments



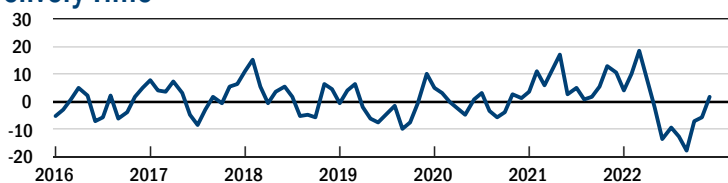
	Percent Reporting		Index
	Higher	Lower	
Nov	30.3	40.3	-10.0
Dec	30.4	21.6	8.8
Change			18.8

Unfilled Orders



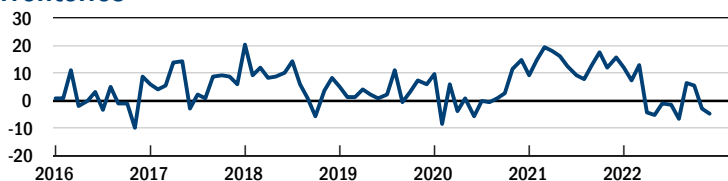
	Percent Reporting		Index
	Higher	Lower	
Nov	10.7	26.2	-15.5
Dec	17.8	21.5	-3.7
Change			11.8

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Nov	13.6	19.4	-5.8
Dec	16.8	15.0	1.9
Change			7.7

Inventories

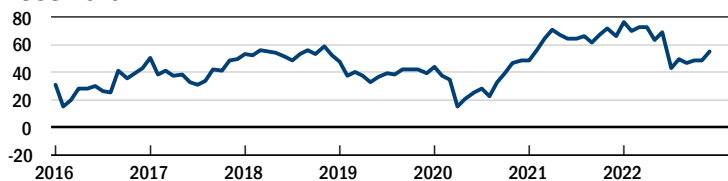


	Percent Reporting		Index
	Higher	Lower	
Nov	20.4	23.3	-2.9
Dec	18.7	23.4	-4.7
Change			-1.8

Forward-Looking Indicators, *continued*

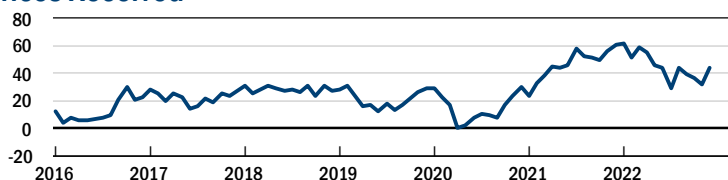
Expectations Six Months Ahead

Prices Paid



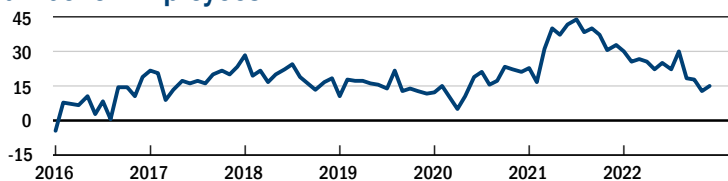
	Percent Reporting		Index
	Higher	Lower	
Nov	56.3	7.8	48.5
Dec	59.8	4.7	55.1
Change			6.6

Prices Received



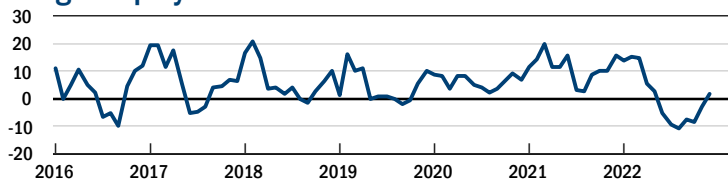
	Percent Reporting		Index
	Higher	Lower	
Nov	42.7	10.7	32.0
Dec	50.5	6.5	43.9
Change			11.9

Number of Employees



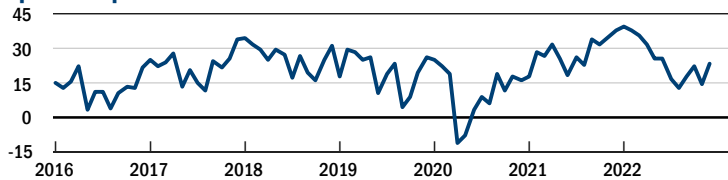
	Percent Reporting		Index
	Higher	Lower	
Nov	26.1	13.1	13.0
Dec	26.1	11.1	15.0
Change			2.0

Average Employee Workweek



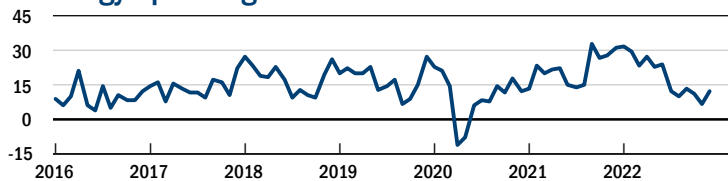
	Percent Reporting		Index
	Higher	Lower	
Nov	9.7	12.6	-2.9
Dec	13.1	11.2	1.9
Change			4.8

Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Nov	32.0	17.5	14.6
Dec	35.5	12.1	23.4
Change			8.8

Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Nov	20.4	13.6	6.8
Dec	23.4	11.2	12.1
Change			5.3

Note: Data are seasonally adjusted.