

Empire State Manufacturing Survey

Note: Survey responses were collected between December 4 and December 11.

Business activity declined in New York State, according to firms responding to the December 2023 *Empire State Manufacturing Survey*. The headline general business conditions index fell twenty-four points to -14.5. New orders fell for a third consecutive month, and shipments also declined. Unfilled orders continued to shrink significantly, and delivery times shortened at the fastest pace since well before the pandemic. Inventories moved lower. Employment declined modestly, and the average workweek edged down. The pace of input price increases moderated, while the pace of selling price increases held steady. After reporting a steep drop in the outlook last month, firms were a little more positive in December, but their optimism remained quite subdued.

Headline Index Continues to See-Saw

Manufacturing activity declined in New York State, according to the December survey. The general business conditions index fell

twenty-four points to -14.5, continuing to oscillate around -8.6—the average observed over the past year. Eighteen percent of respondents reported that conditions had improved over the month, while thirty-two percent reported that conditions had worsened. The new orders index fell six points to -11.3, pointing to a decline in orders for a third consecutive month, and the shipments index fell sixteen points to -6.4, indicating that shipments fell. The unfilled orders index held steady at -24.0, a sign that unfilled orders continued to fall significantly. After rising into positive territory last month, the inventories index retreated fourteen points to -5.2, suggesting that inventories moved lower. The delivery times index dropped ten points to -15.6, its lowest reading in several years, a sign that delivery times shortened.

Labor Market Indicators Remain Soft

The index for number of employees fell four points to -8.4, its lowest level in

several months, pointing to a modest decline in employment levels. The average workweek index was little changed at -2.4, indicating a slight decline in hours worked. The prices paid index moved down six points to 16.7, suggesting an ongoing moderation in input price increases, while the prices received index held steady at 11.5, a sign that selling price increases remained modest.

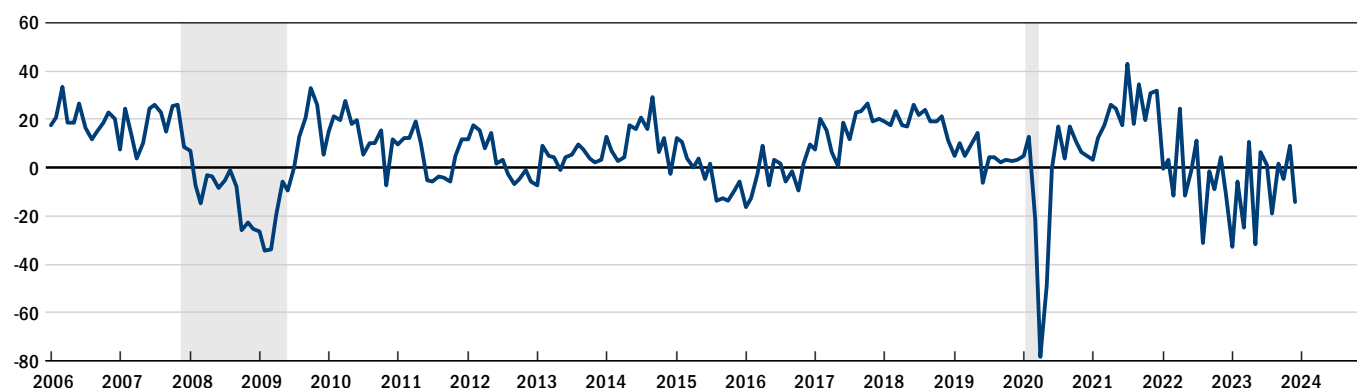
Optimism Still Subdued

After plunging last month, the index for future business conditions climbed thirteen points to 12.1, a reading that suggests firms were still not very optimistic that conditions would improve in the months ahead. New orders and shipments, as well as employment, are expected to increase only modestly over the next six months. The capital spending index remained depressed at 4.2, and the technology spending index came in at 8.3, suggesting that firms' investment plans remained weak. ■

General Business Conditions

Seasonally Adjusted

Diffusion Index

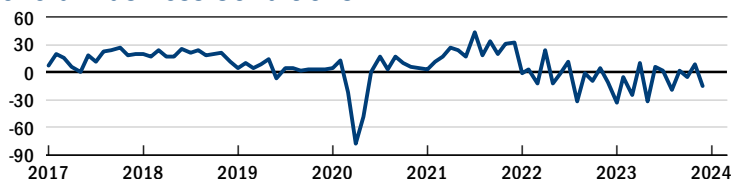


Note: The shaded areas indicate periods designated as recessions by the National Bureau of Economic Research.

Current Indicators

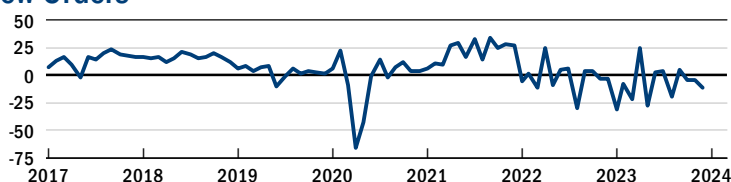
Change from Preceding Month

General Business Conditions



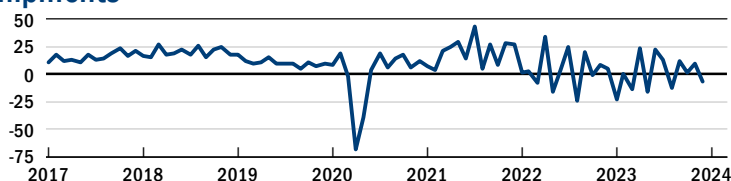
	Percent Reporting		Index
	Higher	Lower	
Nov	33.2	24.1	9.1
Dec	17.9	32.4	-14.5
Change			-23.6

New Orders



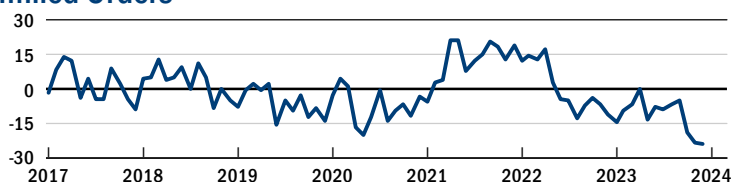
	Percent Reporting		Index
	Higher	Lower	
Nov	24.5	29.4	-4.9
Dec	20.7	32.0	-11.3
Change			-6.4

Shipments



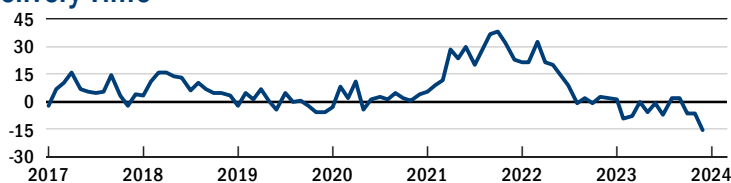
	Percent Reporting		Index
	Higher	Lower	
Nov	34.0	24.0	10.0
Dec	23.8	30.2	-6.4
Change			-16.4

Unfilled Orders



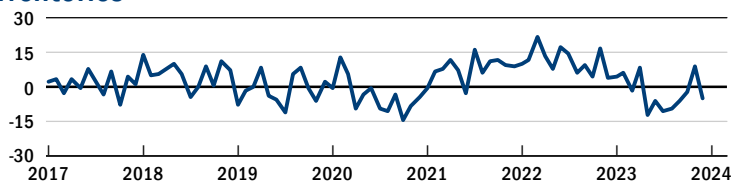
	Percent Reporting		Index
	Higher	Lower	
Nov	8.1	31.3	-23.2
Dec	8.3	32.3	-24.0
Change			-0.8

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Nov	11.1	17.2	-6.1
Dec	5.2	20.8	-15.6
Change			-9.5

Inventories

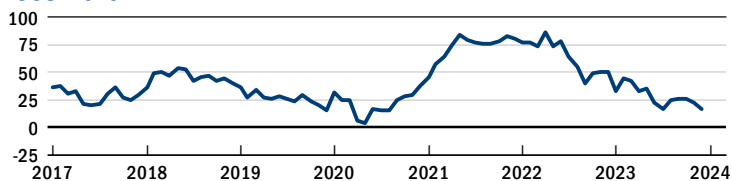


	Percent Reporting		Index
	Higher	Lower	
Nov	24.2	15.2	9.1
Dec	22.9	28.1	-5.2
Change			-14.3

Current Indicators, *continued*

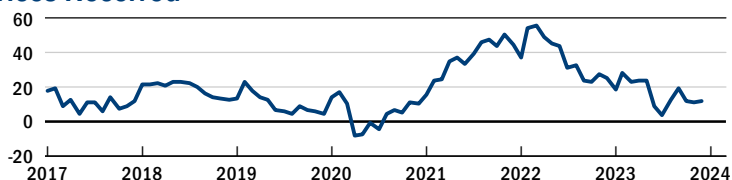
Change from Preceding Month

Prices Paid



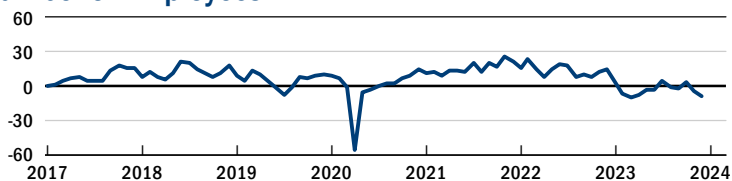
	Percent Reporting		Index
	Higher	Lower	
Nov	30.3	8.1	22.2
Dec	26.0	9.4	16.7
Change			-5.5

Prices Received



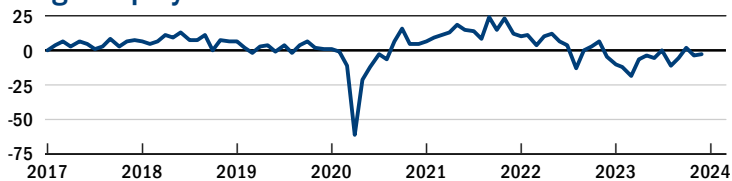
	Percent Reporting		Index
	Higher	Lower	
Nov	19.2	8.1	11.1
Dec	15.6	4.2	11.5
Change			0.4

Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Nov	8.9	13.4	-4.5
Dec	7.9	16.3	-8.4
Change			-3.9

Average Employee Workweek



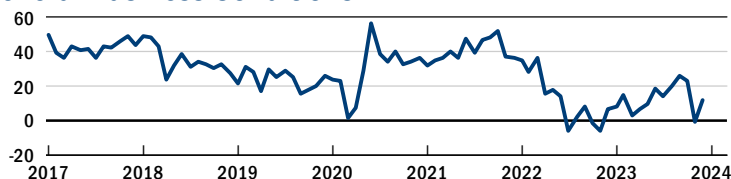
	Percent Reporting		Index
	Higher	Lower	
Nov	9.3	13.0	-3.8
Dec	7.1	9.5	-2.4
Change			1.4

Note: Data are seasonally adjusted.

Forward-Looking Indicators

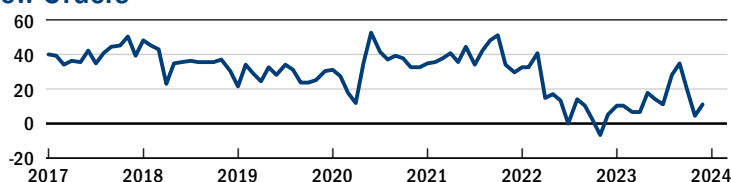
Expectations Six Months Ahead

General Business Conditions



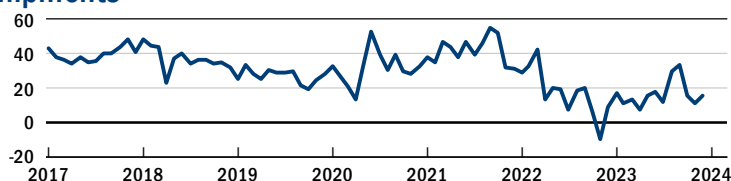
	Percent Reporting		Index
	Higher	Lower	
Nov	28.8	29.7	-0.9
Dec	32.6	20.5	12.1
Change			13.0

New Orders



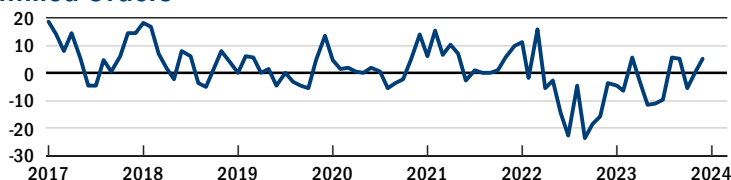
	Percent Reporting		Index
	Higher	Lower	
Nov	35.4	30.8	4.6
Dec	34.1	22.8	11.3
Change			6.7

Shipments



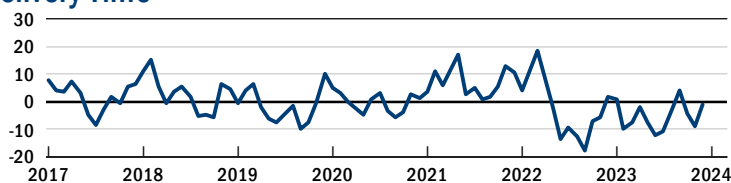
	Percent Reporting		Index
	Higher	Lower	
Nov	37.4	26.6	10.8
Dec	32.7	16.9	15.8
Change			5.0

Unfilled Orders



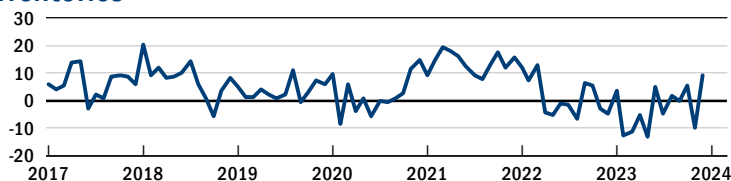
	Percent Reporting		Index
	Higher	Lower	
Nov	16.2	16.2	0.0
Dec	16.7	11.5	5.2
Change			5.2

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Nov	9.1	18.2	-9.1
Dec	9.4	10.4	-1.0
Change			8.1

Inventories

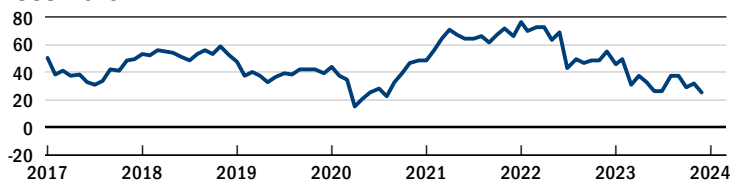


	Percent Reporting		Index
	Higher	Lower	
Nov	16.2	26.3	-10.1
Dec	25.0	15.6	9.4
Change			19.5

Forward-Looking Indicators, *continued*

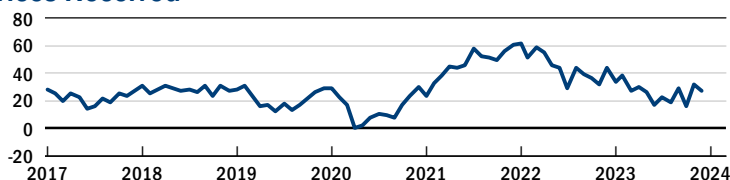
Expectations Six Months Ahead

Prices Paid



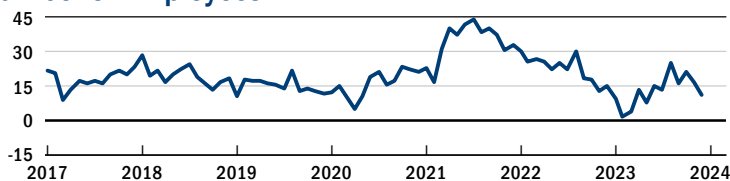
	Percent Reporting		Index
	Higher	Lower	
Nov	41.4	9.1	32.3
Dec	32.3	7.3	25.0
Change			-7.3

Prices Received



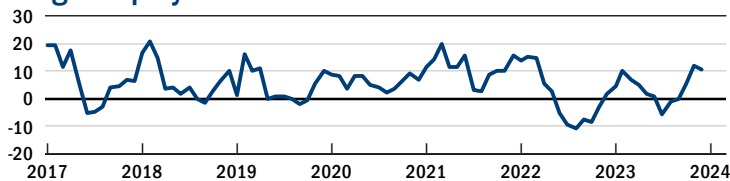
	Percent Reporting		Index
	Higher	Lower	
Nov	40.4	8.1	32.3
Dec	33.3	6.3	27.1
Change			-5.2

Number of Employees



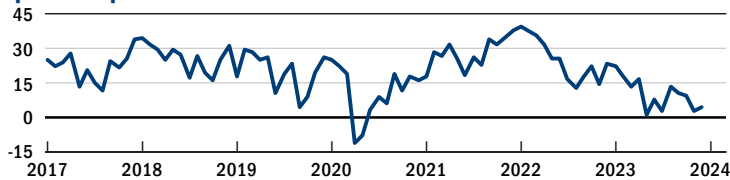
	Percent Reporting		Index
	Higher	Lower	
Nov	27.2	10.7	16.5
Dec	21.1	10.1	10.9
Change			-5.6

Average Employee Workweek



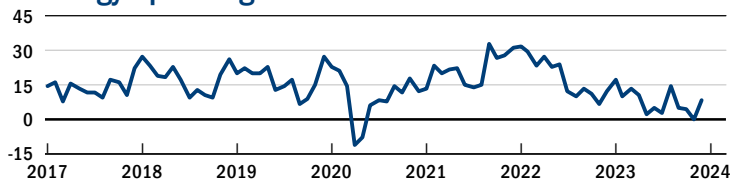
	Percent Reporting		Index
	Higher	Lower	
Nov	19.2	7.1	12.1
Dec	15.6	5.2	10.4
Change			-1.7

Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Nov	22.2	19.2	3.0
Dec	22.9	18.8	4.2
Change			1.2

Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Nov	17.2	17.2	0.0
Dec	18.8	10.4	8.3
Change			8.3

Note: Data are seasonally adjusted.