

Empire State Manufacturing Survey

Business activity was little changed in New York State, according to firms responding to the December 2019 *Empire State Manufacturing Survey*. The headline general business conditions index held steady at 3.5. New orders were also little changed, while shipments grew modestly. Delivery times were somewhat shorter, and inventories held steady. Employment continued to expand, though the average workweek was unchanged. Input price increases continued to slow, and selling prices increased slightly. Optimism about the six-month outlook picked up, and capital spending plans were notably stronger.

Growth Remains Sluggish

As has been the case for the past several months, manufacturing firms in New York State reported that business activity was

little changed over the month. The general business conditions index remained subdued for the seventh consecutive month, coming in at 3.5 in December. Twenty-eight percent of respondents reported that conditions had improved over the month, while 25 percent reported that conditions had worsened. The new orders index edged down three points to 2.6, indicating little change in orders. The shipments index edged up three points to 11.9, indicating that shipments increased modestly. The unfilled orders index fell six points to -13.8, indicating that unfilled orders continued to decline. Delivery times shortened, and inventories held steady.

Input Price Increases Continue to Slow

The index for number of employees was unchanged at 10.4, indicating that employment expanded for the fourth consec-

utive month. The average workweek index was 0.8, a sign that the average workweek was unchanged. Input price increases continued to decelerate, with the prices paid index moving down five points to 15.2, a multi-year low. The prices received index was little changed at 4.3.

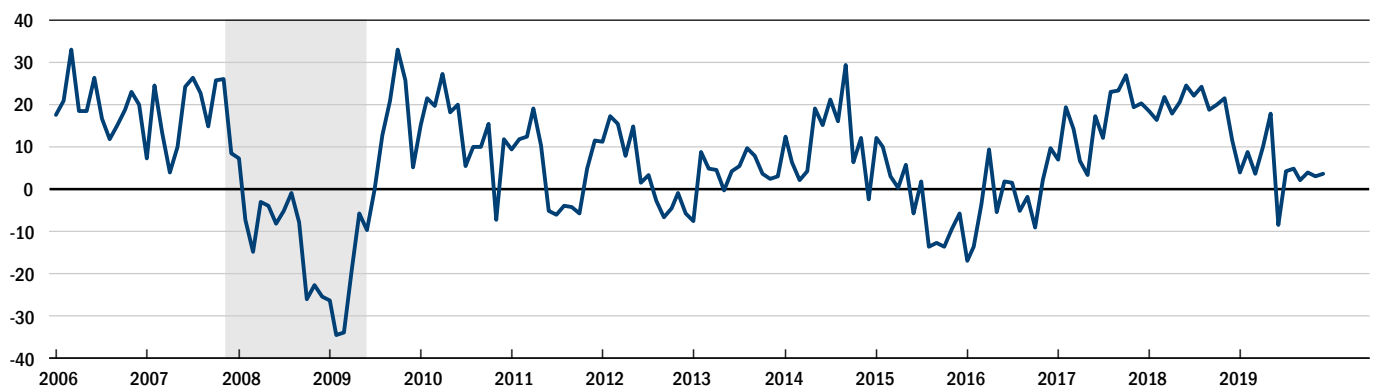
Optimism Improves

Indexes assessing the six-month outlook suggested that optimism about future conditions improved for a second consecutive month. The index for future business conditions climbed ten points to 29.8. Unfilled orders are expected to increase in the months ahead, and delivery times are expected to lengthen. The capital expenditures index climbed seven points to 26.1, and the technology spending index rose twelve points to 27.5. ■

General Business Conditions

Seasonally Adjusted

Diffusion Index

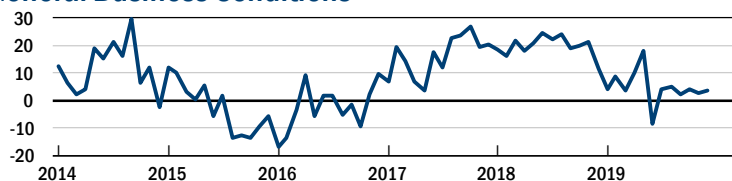


Note: The shaded area indicates a period designated a recession by the National Bureau of Economic Research.

Current Indicators

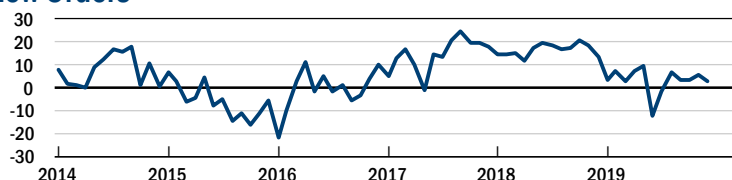
Change from Preceding Month

General Business Conditions



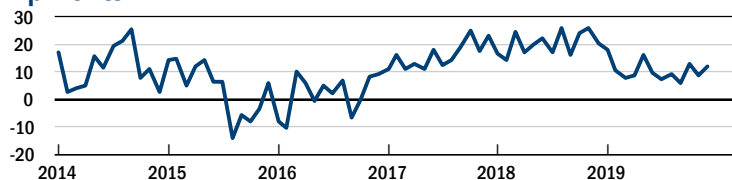
	Percent Reporting		Index
	Higher	Lower	
Nov	28.4	25.5	2.9
Dec	28.4	24.9	3.5
Change			0.6

New Orders



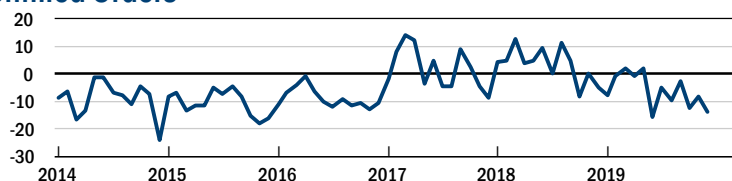
	Percent Reporting		Index
	Higher	Lower	
Nov	32.9	27.5	5.5
Dec	30.2	27.6	2.6
Change			-2.9

Shipments



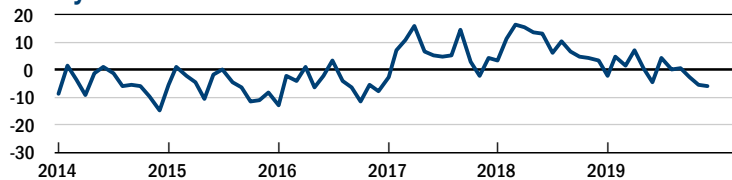
	Percent Reporting		Index
	Higher	Lower	
Nov	34.6	25.8	8.8
Dec	35.5	23.7	11.9
Change			3.1

Unfilled Orders



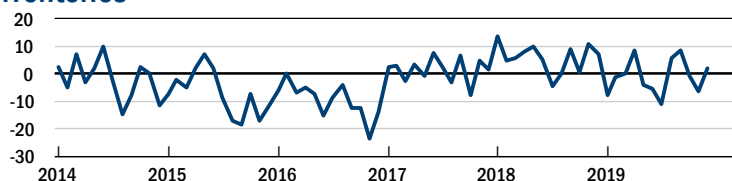
	Percent Reporting		Index
	Higher	Lower	
Nov	12.3	20.5	-8.2
Dec	11.6	25.4	-13.8
Change			-5.6

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Nov	11.0	16.4	-5.5
Dec	10.9	16.7	-5.8
Change			-0.3

Inventories

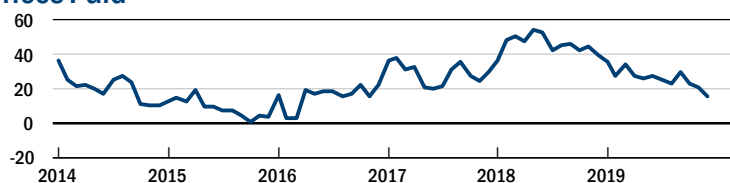


	Percent Reporting		Index
	Higher	Lower	
Nov	21.2	27.4	-6.2
Dec	22.5	20.3	2.2
Change			8.4

Current Indicators, *continued*

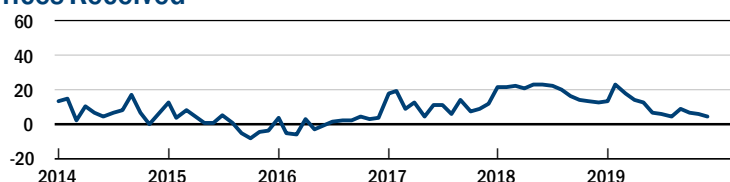
Change from Preceding Month

Prices Paid



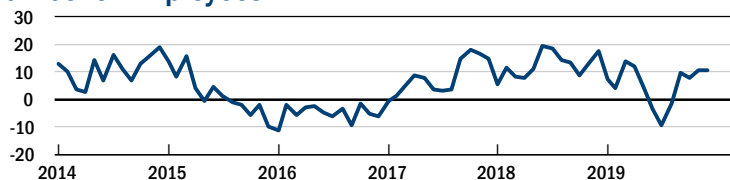
	Percent Reporting		Index
	Higher	Lower	
Nov	24.7	4.1	20.5
Dec	19.6	4.3	15.2
Change			-5.3

Prices Received



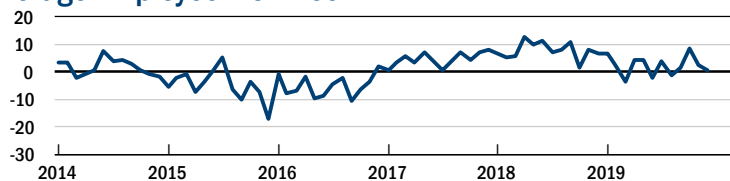
	Percent Reporting		Index
	Higher	Lower	
Nov	11.6	5.5	6.2
Dec	10.1	5.8	4.3
Change			-1.9

Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Nov	22.0	11.6	10.4
Dec	21.2	10.8	10.4
Change			0.0

Average Employee Workweek



	Percent Reporting		Index
	Higher	Lower	
Nov	14.5	12.2	2.3
Dec	12.9	12.2	0.8
Change			-1.5

Note: Data are seasonally adjusted.

Forward-Looking Indicators

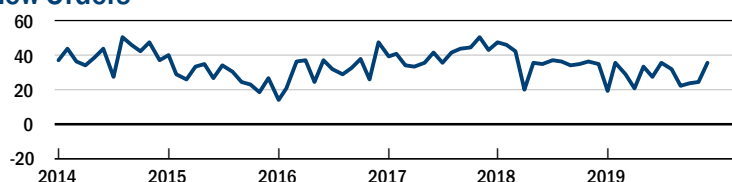
Expectations Six Months Ahead

General Business Conditions



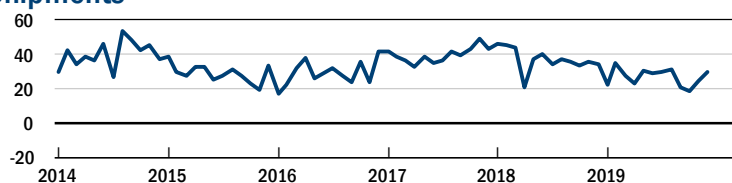
	Percent Reporting		Index
	Higher	Lower	
Nov	43.2	23.8	19.4
Dec	44.1	14.3	29.8
Change			10.4

New Orders



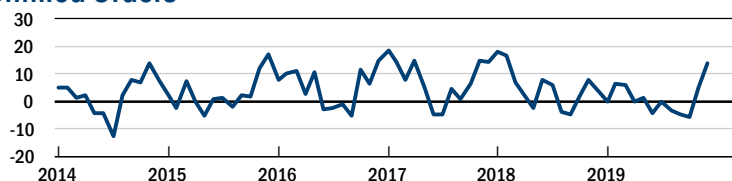
	Percent Reporting		Index
	Higher	Lower	
Nov	44.7	20.5	24.2
Dec	48.4	12.8	35.6
Change			11.4

Shipments



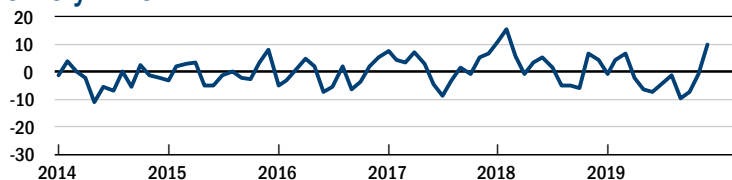
	Percent Reporting		Index
	Higher	Lower	
Nov	44.6	20.2	24.4
Dec	40.5	10.7	29.8
Change			5.4

Unfilled Orders



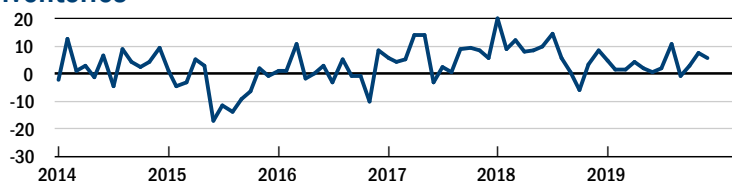
	Percent Reporting		Index
	Higher	Lower	
Nov	17.8	13.0	4.8
Dec	21.7	8.0	13.8
Change			9.0

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Nov	10.3	11.0	-0.7
Dec	18.1	8.0	10.1
Change			10.8

Inventories

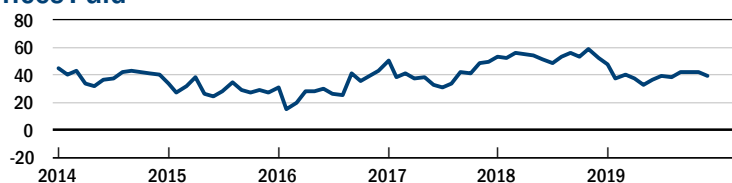


	Percent Reporting		Index
	Higher	Lower	
Nov	27.4	19.9	7.5
Dec	27.5	21.7	5.8
Change			-1.7

Forward-Looking Indicators, *continued*

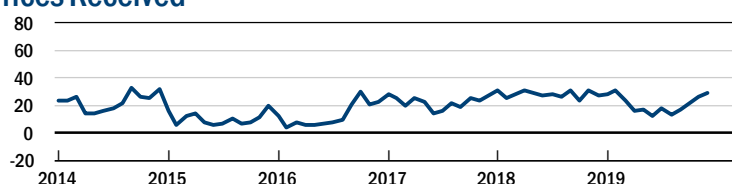
Expectations Six Months Ahead

Prices Paid



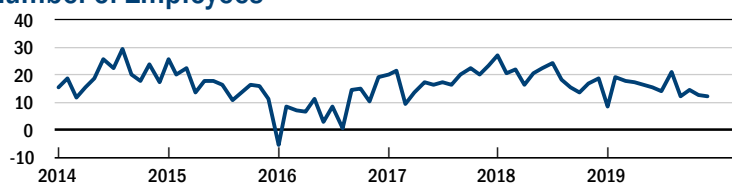
	Percent Reporting		Index
	Higher	Lower	
Nov	45.2	2.7	42.5
Dec	42.8	3.6	39.1
Change			-3.4

Prices Received



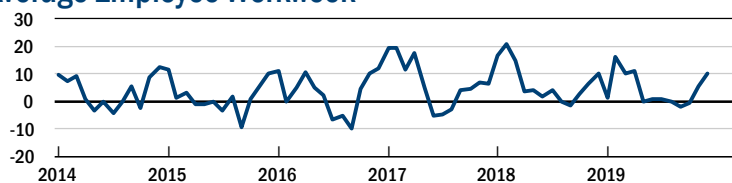
	Percent Reporting		Index
	Higher	Lower	
Nov	29.5	3.4	26.0
Dec	37.0	8.0	29.0
Change			3.0

Number of Employees



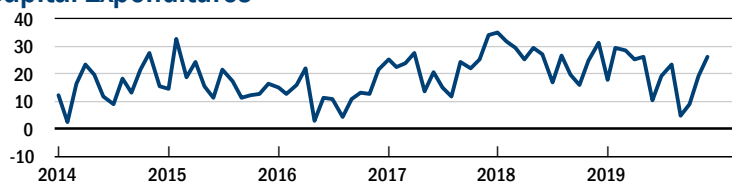
	Percent Reporting		Index
	Higher	Lower	
Nov	27.0	14.5	12.5
Dec	25.0	12.6	12.4
Change			-0.1

Average Employee Workweek



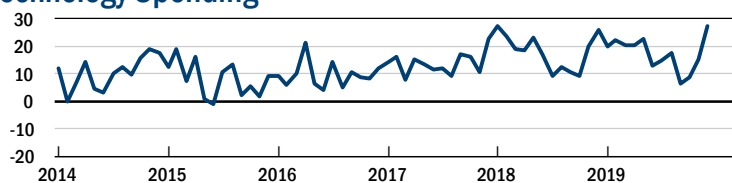
	Percent Reporting		Index
	Higher	Lower	
Nov	17.1	11.6	5.5
Dec	20.3	10.1	10.1
Change			4.6

Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Nov	30.8	11.6	19.2
Dec	35.5	9.4	26.1
Change			6.9

Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Nov	25.3	10.3	15.1
Dec	34.8	7.2	27.5
Change			12.4

Note: Data are seasonally adjusted.