

Empire State Manufacturing Survey

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

Business activity increased modestly in New York State, according to firms responding to the June 2023 *Empire State Manufacturing Survey*. The headline general business conditions index climbed thirty-eight points to 6.6. New orders inched up, while shipments grew strongly. Delivery times held steady, and inventories moved lower. Both employment and hours worked continued to contract, and input and selling price increases slowed considerably. Planned increases in capital spending remained weak. Looking ahead, firms became more optimistic about the six-month outlook.

Activity Moves Somewhat Higher

After falling sharply last month, manufacturing activity increased modestly in New York State, according to the June survey. The general business conditions index rose thirty-eight points to 6.6.

Thirty-one percent of respondents reported that conditions had improved over the month, while twenty-four percent reported that conditions had worsened. The new orders index climbed thirty-one points to 3.1, indicating that orders edged higher, and the shipments index shot up thirty-eight points to 22.0, pointing to a substantial increase in shipments. The unfilled orders index remained negative at -8.0, a sign that unfilled orders continued to decline. The inventories index also remained negative at -6.0, indicating that inventories moved lower. The delivery times index came in at -1.0, suggesting delivery times were little changed.

Price Increases Slow

At -3.6, the index for number of employees remained negative for a fifth consecutive month, and the average workweek index also held below zero

at -5.8, pointing to another monthly decline in employment and hours worked. Price increases moderated significantly: the prices paid index fell thirteen points to 22.0, and the prices received index fell fifteen points to 9.0. Both price indexes are now at levels not materially different than what prevailed just before the pandemic.

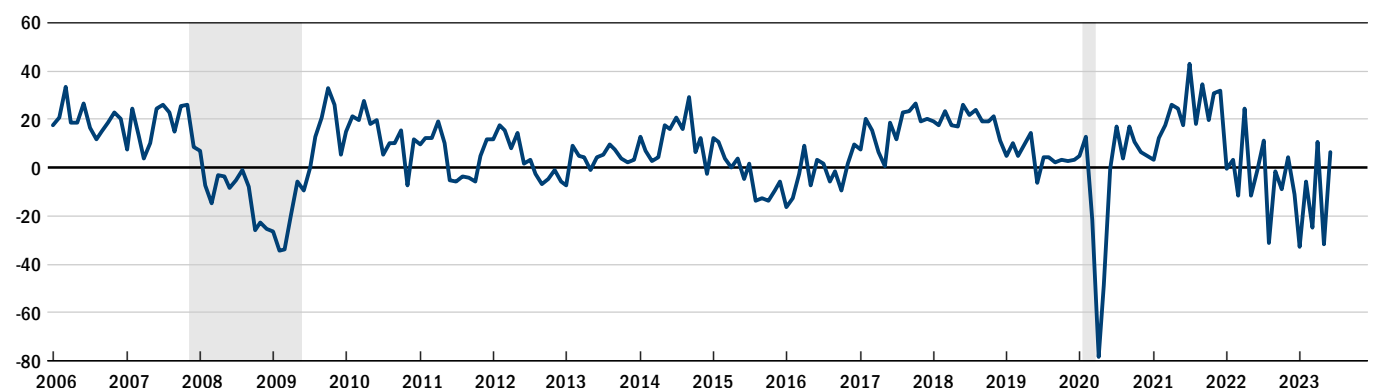
Optimism Improves

The index for future business conditions increased nine points to 18.9, its second consecutive monthly increase, suggesting firms have become more optimistic that conditions will improve over the next six months. New orders and shipments are expected to increase modestly, and employment is expected to expand. After falling close to zero last month, the capital spending index increased only seven points to 8.0, suggesting that capital spending plans remained soft. ■

General Business Conditions

Seasonally Adjusted

Diffusion Index

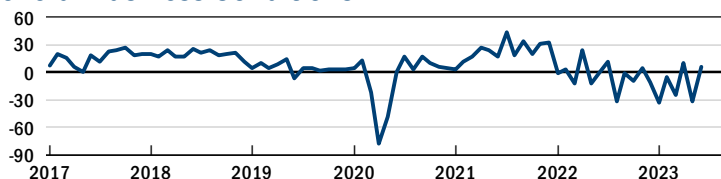


Note: The shaded areas indicate periods designated as recessions by the National Bureau of Economic Research.

Current Indicators

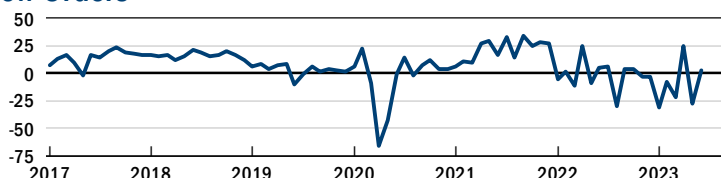
Change from Preceding Month

General Business Conditions



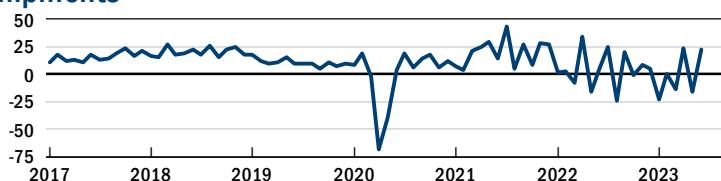
	Percent Reporting		Index
	Higher	Lower	
May	16.8	48.5	-31.8
Jun	30.6	24.0	6.6
Change			38.4

New Orders



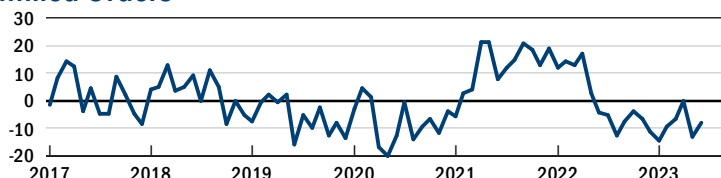
	Percent Reporting		Index
	Higher	Lower	
May	20.0	48.0	-28.0
Jun	31.0	27.9	3.1
Change			31.1

Shipments



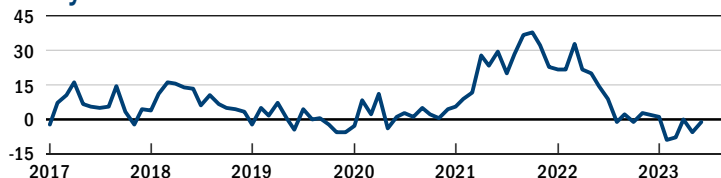
	Percent Reporting		Index
	Higher	Lower	
May	24.6	40.9	-16.4
Jun	42.0	19.9	22.0
Change			38.4

Unfilled Orders



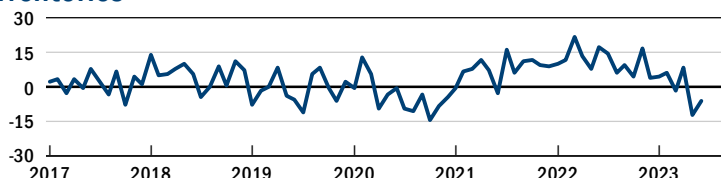
	Percent Reporting		Index
	Higher	Lower	
May	16.0	29.2	-13.2
Jun	17.0	25.0	-8.0
Change			5.2

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
May	13.2	18.9	-5.7
Jun	15.0	16.0	-1.0
Change			4.7

Inventories

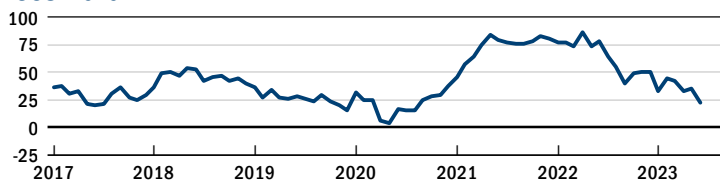


	Percent Reporting		Index
	Higher	Lower	
May	19.8	32.1	-12.3
Jun	20.0	26.0	-6.0
Change			6.3

Current Indicators, *continued*

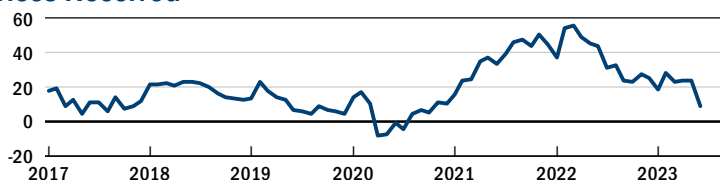
Change from Preceding Month

Prices Paid



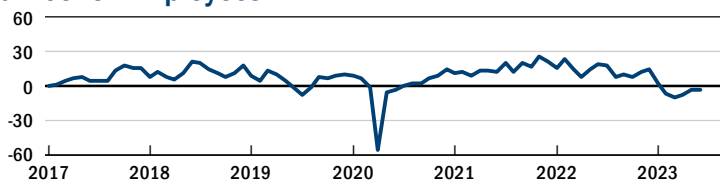
	Percent Reporting		Index
	Higher	Lower	
May	44.3	9.4	34.9
Jun	32.0	10.0	22.0
Change			-12.9

Prices Received



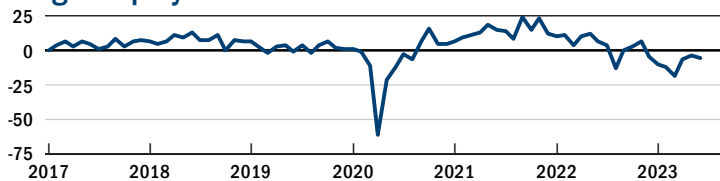
	Percent Reporting		Index
	Higher	Lower	
May	28.3	4.7	23.6
Jun	16.0	7.0	9.0
Change			-14.6

Number of Employees



	Percent Reporting		Index
	Higher	Lower	
May	13.4	16.7	-3.3
Jun	16.5	20.2	-3.6
Change			-0.3

Average Employee Workweek



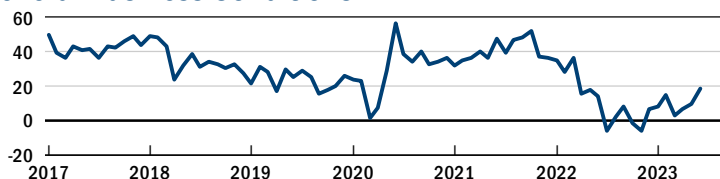
	Percent Reporting		Index
	Higher	Lower	
May	11.9	15.5	-3.5
Jun	11.5	17.2	-5.8
Change			-2.3

Note: Data are seasonally adjusted.

Forward-Looking Indicators

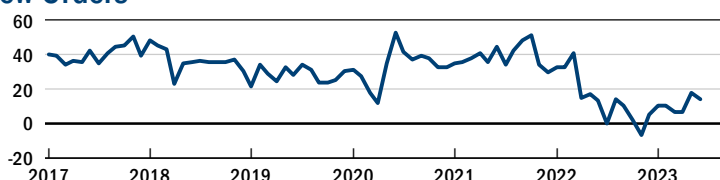
Expectations Six Months Ahead

General Business Conditions



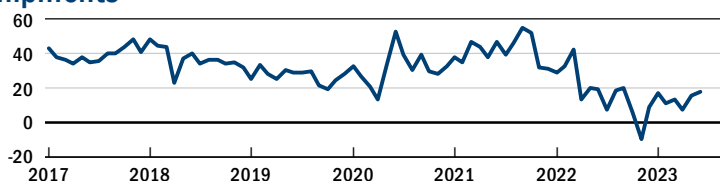
	Percent Reporting		Index
	Higher	Lower	
May	38.4	28.6	9.8
Jun	43.1	24.2	18.9
Change			9.1

New Orders



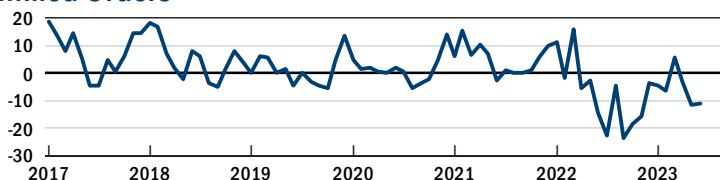
	Percent Reporting		Index
	Higher	Lower	
May	42.5	24.5	18.0
Jun	38.1	24.3	13.8
Change			-4.2

Shipments



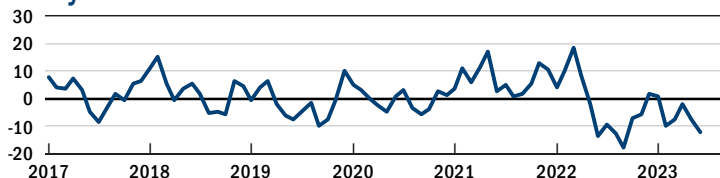
	Percent Reporting		Index
	Higher	Lower	
May	41.7	25.8	15.8
Jun	40.3	22.4	17.9
Change			2.1

Unfilled Orders



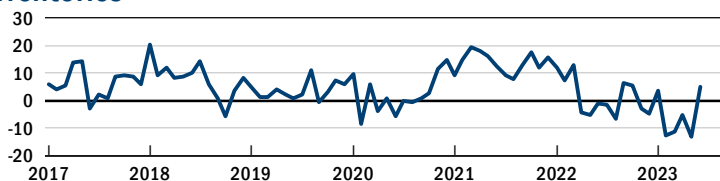
	Percent Reporting		Index
	Higher	Lower	
May	11.3	22.6	-11.3
Jun	11.0	22.0	-11.0
Change			0.3

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
May	12.3	19.8	-7.5
Jun	10.0	22.0	-12.0
Change			-4.5

Inventories

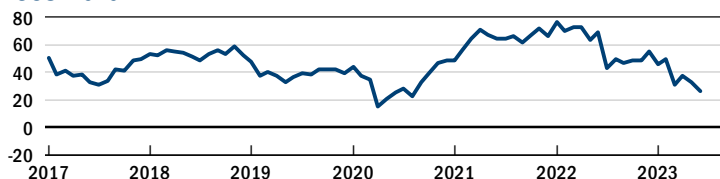


	Percent Reporting		Index
	Higher	Lower	
May	16.0	29.2	-13.2
Jun	29.0	24.0	5.0
Change			18.2

Forward-Looking Indicators, *continued*

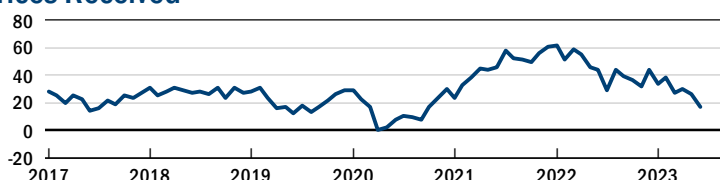
Expectations Six Months Ahead

Prices Paid



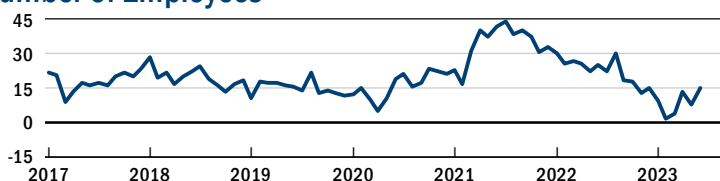
	Percent Reporting		Index
	Higher	Lower	
May	42.5	9.4	33.0
Jun	39.0	13.0	26.0
Change			-7.0

Prices Received



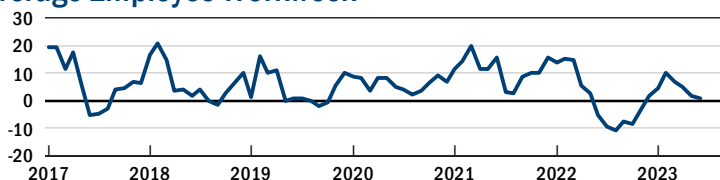
	Percent Reporting		Index
	Higher	Lower	
May	36.8	10.4	26.4
Jun	29.0	12.0	17.0
Change			-9.4

Number of Employees



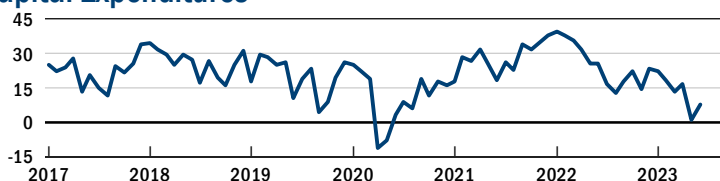
	Percent Reporting		Index
	Higher	Lower	
May	22.6	15.1	7.5
Jun	25.6	10.5	15.1
Change			7.6

Average Employee Workweek



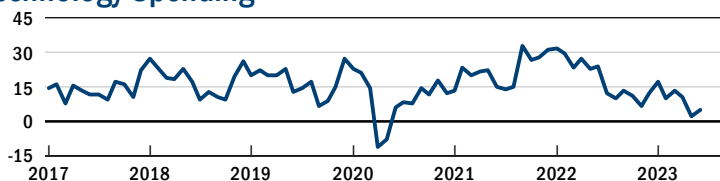
	Percent Reporting		Index
	Higher	Lower	
May	17.0	15.1	1.9
Jun	14.0	13.0	1.0
Change			-0.9

Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
May	19.8	18.9	0.9
Jun	25.0	17.0	8.0
Change			7.1

Technology Spending



	Percent Reporting		Index
	Higher	Lower	
May	18.9	17.0	1.9
Jun	19.0	14.0	5.0
Change			3.1

Note: Data are seasonally adjusted.