

Empire State Manufacturing Survey

Note: Survey responses were collected between January 3 and January 10.

Business activity contracted sharply in New York State, according to firms responding to the January 2023 *Empire State Manufacturing Survey*. The headline general business conditions index fell twenty-two points to -32.9. New orders and shipments declined substantially. Delivery times held steady, and inventories edged higher. Employment growth stalled, and the average workweek shortened. Input price increases slowed considerably, and selling price increases also moderated. Looking ahead, firms expect little improvement in business conditions over the next six months.

Activity Tumbles

Manufacturing activity fell steeply in New York State, according to the January survey. The general business conditions index fell twenty-two points to -32.9,

its lowest level since mid-2020 and the fifth worst reading in the survey's history. Eleven percent of respondents reported that conditions had improved over the month, and forty-four percent reported that conditions had worsened. The new orders index dropped twenty-eight points to -31.1, and the shipments index also declined twenty-eight points to -22.4, pointing to a steep decline in both orders and shipments. The unfilled orders index edged down to -14.3, a sign that unfilled orders were lower. The delivery times index came in at 0.0, indicating that delivery times were unchanged. The inventories index held steady at 4.5, pointing to a small increase in inventories.

Employment Growth Stalls

The index for number of employees fell eleven points to 2.8, its lowest level

in more than two years, signaling that employment growth stalled. The average workweek index remained negative at -10.4, indicating a decline in hours worked. Input price increases slowed considerably, with the prices paid index dropping eighteen points to 33.0. Selling price increases also moderated, with the prices received index falling six points to 18.8.

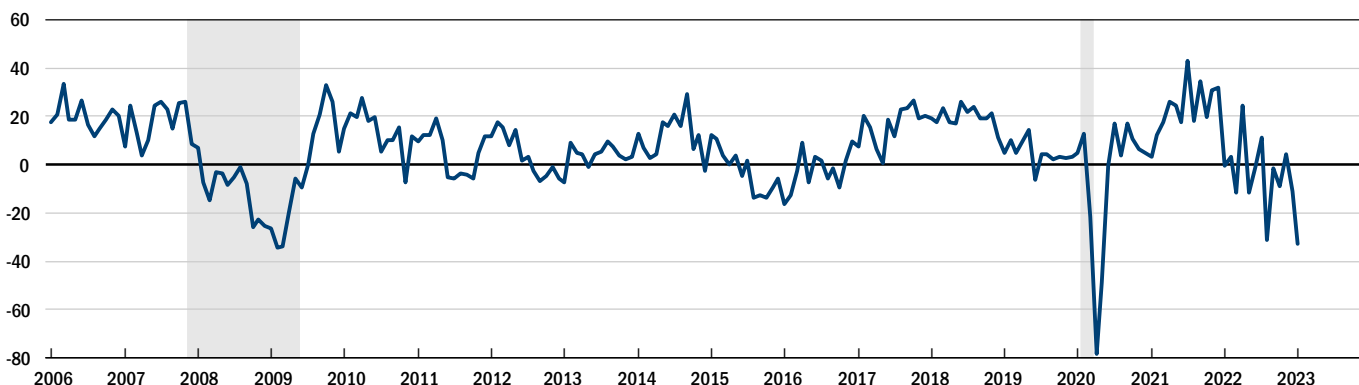
Firms Expect Conditions to Remain Weak

The index for future business conditions held steady at 8.0, suggesting that firms expect little improvement over the next six months. New orders and shipments are expected to rise somewhat, while employment is expected to increase only modestly. The capital spending index held steady at 22.3, and the technology spending index rose to 17.0. ■

General Business Conditions

Seasonally Adjusted

Diffusion Index

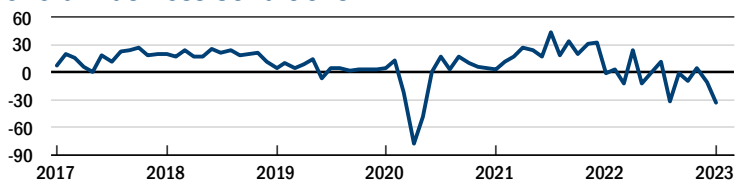


Note: The shaded areas indicate periods designated as recessions by the National Bureau of Economic Research.

Current Indicators

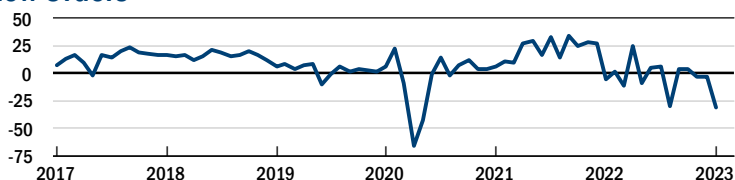
Change from Preceding Month

General Business Conditions



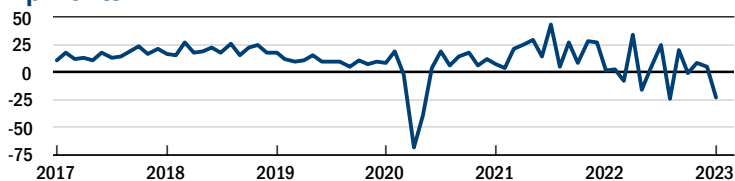
	Percent Reporting		Index
	Higher	Lower	
Dec	23.1	34.3	-11.2
Jan	11.3	44.2	-32.9
Change			-21.7

New Orders



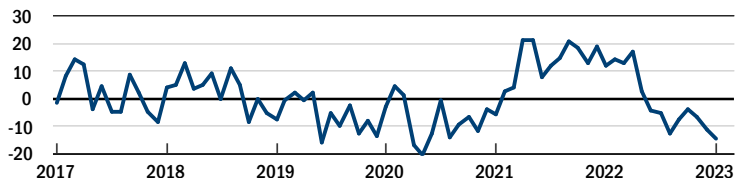
	Percent Reporting		Index
	Higher	Lower	
Dec	26.7	30.3	-3.6
Jan	15.5	46.6	-31.1
Change			-27.5

Shipments



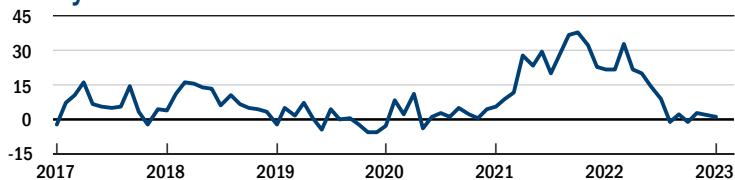
	Percent Reporting		Index
	Higher	Lower	
Dec	28.7	23.4	5.3
Jan	20.7	43.2	-22.4
Change			-27.7

Unfilled Orders



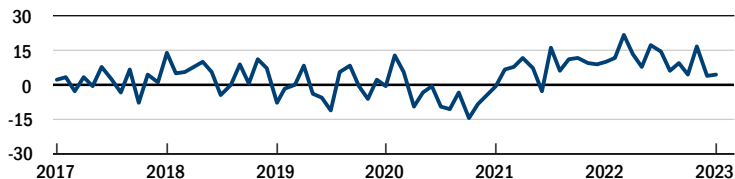
	Percent Reporting		Index
	Higher	Lower	
Dec	16.8	28.0	-11.2
Jan	14.3	28.6	-14.3
Change			-3.1

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Dec	17.8	15.9	1.9
Jan	16.1	15.2	0.9
Change			-1.0

Inventories

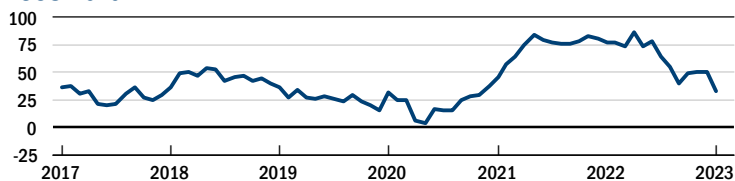


	Percent Reporting		Index
	Higher	Lower	
Dec	23.4	19.6	3.7
Jan	25.9	21.4	4.5
Change			0.8

Current Indicators, *continued*

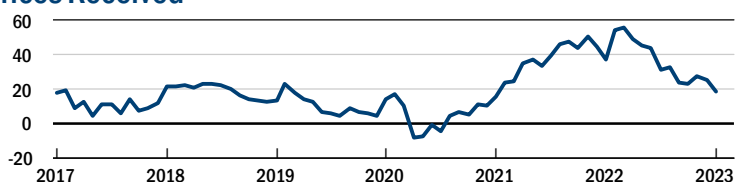
Change from Preceding Month

Prices Paid



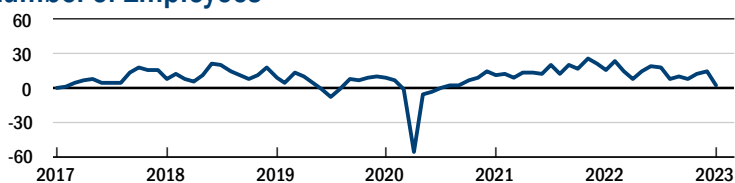
	Percent Reporting		Index
	Higher	Lower	
Dec	50.5	0.0	50.5
Jan	39.3	6.3	33.0
Change			-17.5

Prices Received



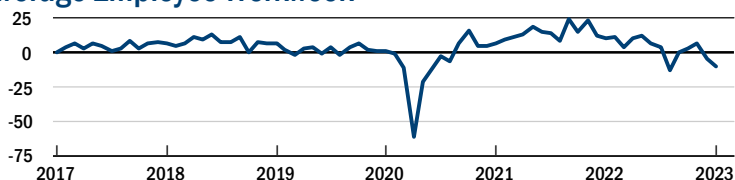
	Percent Reporting		Index
	Higher	Lower	
Dec	29.0	3.7	25.2
Jan	23.2	4.5	18.8
Change			-6.4

Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Dec	23.9	9.8	14.0
Jan	16.7	13.9	2.8
Change			-11.2

Average Employee Workweek



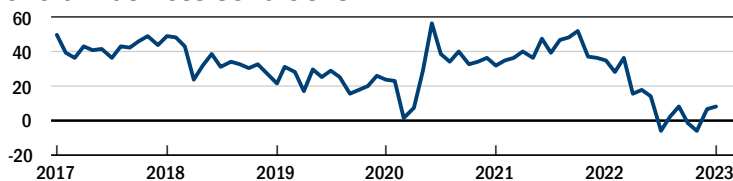
	Percent Reporting		Index
	Higher	Lower	
Dec	8.5	13.1	-4.5
Jan	7.4	17.8	-10.4
Change			-5.9

Note: Data are seasonally adjusted.

Forward-Looking Indicators

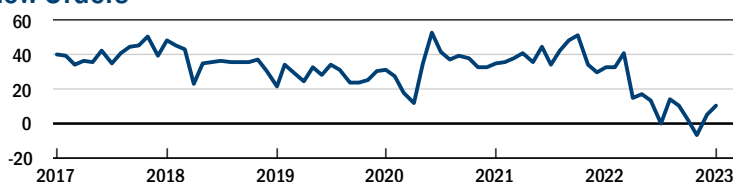
Expectations Six Months Ahead

General Business Conditions



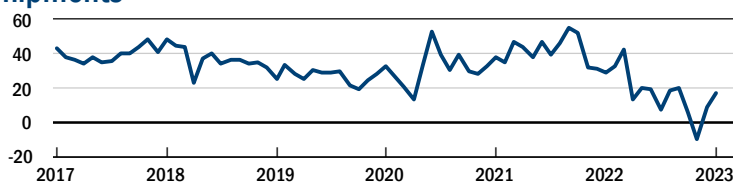
	Percent Reporting		Index
	Higher	Lower	
Dec	28.8	22.5	6.3
Jan	35.5	27.4	8.0
Change			1.7

New Orders



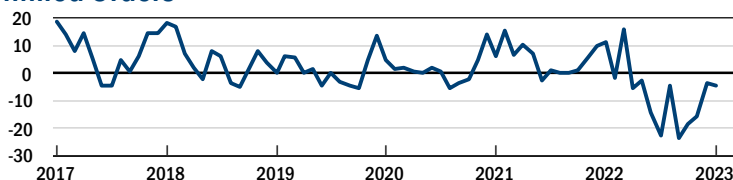
	Percent Reporting		Index
	Higher	Lower	
Dec	30.0	25.1	4.9
Jan	34.5	24.1	10.4
Change			5.5

Shipments



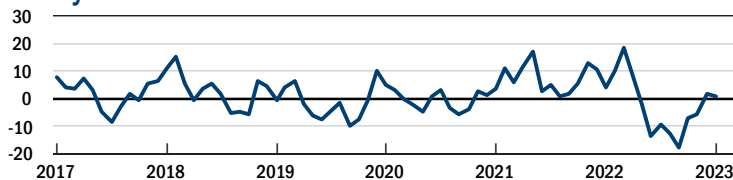
	Percent Reporting		Index
	Higher	Lower	
Dec	30.4	21.6	8.8
Jan	39.3	22.4	16.9
Change			8.1

Unfilled Orders



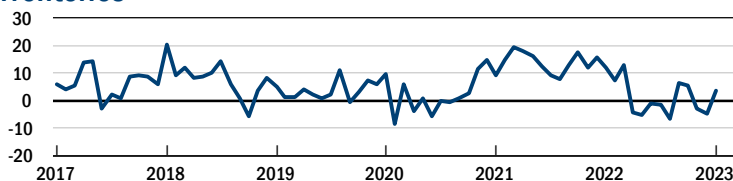
	Percent Reporting		Index
	Higher	Lower	
Dec	17.8	21.5	-3.7
Jan	18.8	23.2	-4.5
Change			-0.8

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Dec	16.8	15.0	1.9
Jan	17.9	17.0	0.9
Change			-1.0

Inventories

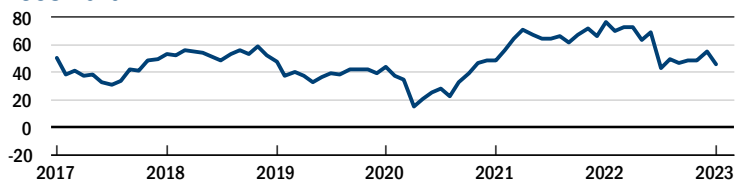


	Percent Reporting		Index
	Higher	Lower	
Dec	18.7	23.4	-4.7
Jan	25.0	21.4	3.6
Change			8.3

Forward-Looking Indicators, *continued*

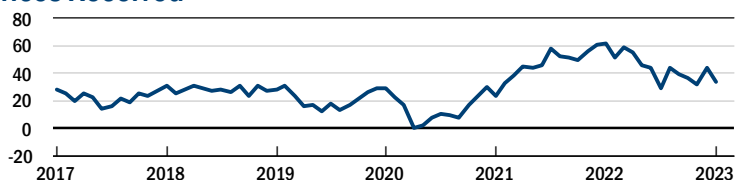
Expectations Six Months Ahead

Prices Paid



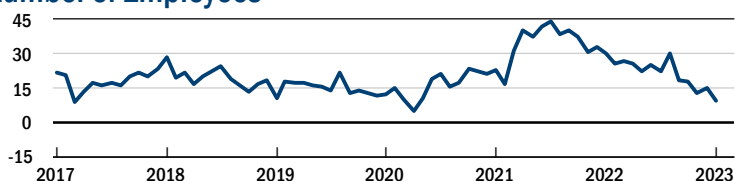
	Percent Reporting		Index
	Higher	Lower	
Dec	59.8	4.7	55.1
Jan	54.5	8.9	45.5
Change			-9.6

Prices Received



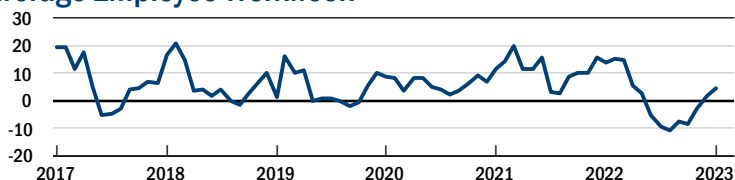
	Percent Reporting		Index
	Higher	Lower	
Dec	50.5	6.5	43.9
Jan	45.5	11.6	33.9
Change			-10.0

Number of Employees



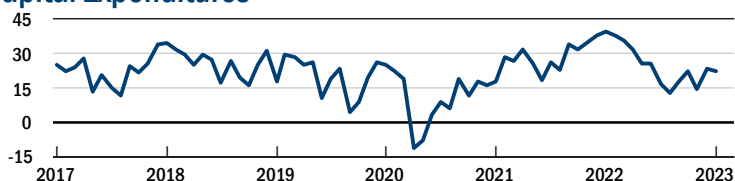
	Percent Reporting		Index
	Higher	Lower	
Dec	26.1	11.1	15.0
Jan	27.6	17.9	9.7
Change			-5.3

Average Employee Workweek



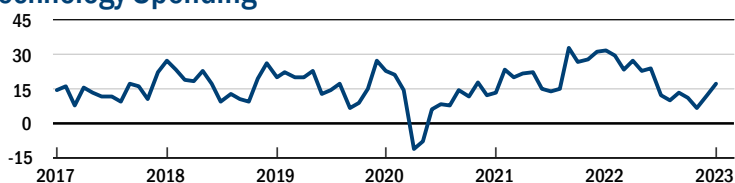
	Percent Reporting		Index
	Higher	Lower	
Dec	13.1	11.2	1.9
Jan	17.0	12.5	4.5
Change			2.6

Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Dec	35.5	12.1	23.4
Jan	33.9	11.6	22.3
Change			-1.1

Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Dec	23.4	11.2	12.1
Jan	25.9	8.9	17.0
Change			4.9

Note: Data are seasonally adjusted.