

Empire State Manufacturing Survey

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

Business activity fell sharply in New York State, according to firms responding to the May 2023 *Empire State Manufacturing Survey*. The headline general business conditions index dropped forty-three points to -31.8. New orders and shipments plunged after rising significantly last month. Delivery times shortened somewhat, and inventories contracted. Both employment and hours worked edged lower for a fourth consecutive month. Prices increased at about the same pace as last month. Capital spending plans turned sluggish. Looking ahead, businesses continued to expect little improvement in conditions over the next six months.

Activity Plunges after Last Month's Increase

Manufacturing activity declined significantly in New York State,

according to the May survey. After jumping into positive territory last month, the general business conditions index plunged forty-three points to -31.8. Seventeen percent of respondents reported that conditions had improved over the month, while forty-nine percent reported that conditions had worsened. The new orders index sank fifty-three points to -28.0, and the shipments index dropped forty points to -16.4, indicating that both orders and shipments declined after increasing in April. The unfilled orders index fell to -13.2, a sign that unfilled orders were lower. The delivery times index fell to -5.7, suggesting delivery times shortened somewhat. The inventories index fell to -12.3, indicating that inventories moved lower.

Employment Continues to Contract

The index for number of employees

remained negative for a fourth consecutive month at -3.3, and the average workweek index held below zero at -3.5, pointing to a slight decline in employment and hours worked. The prices paid index was little changed at 34.9, and the prices received index held steady at 23.6, suggesting the pace of price increases was little changed

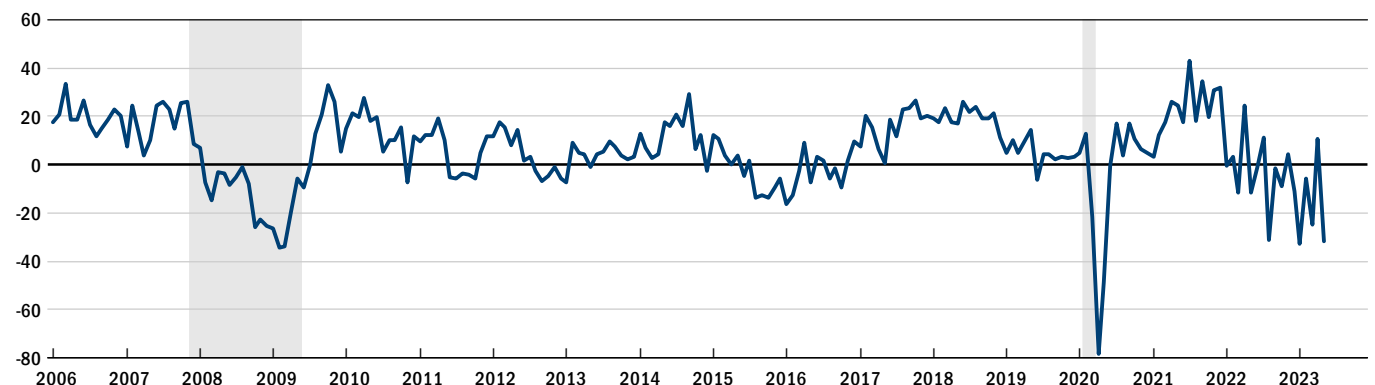
Capital Spending Plans Weaken

The index for future business conditions edged up to 9.8, suggesting that firms do not expect activity to improve much over the next six months. New orders and shipments are expected to increase, and employment and the average workweek are expected to edge somewhat higher. The capital spending index fell to 0.9, its lowest level in three years, suggesting that capital spending plans weakened, and the technology spending index fell to 1.9. ■

General Business Conditions

Seasonally Adjusted

Diffusion Index

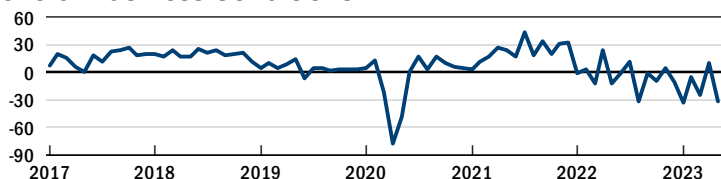


Note: The shaded areas indicate periods designated as recessions by the National Bureau of Economic Research.

Current Indicators

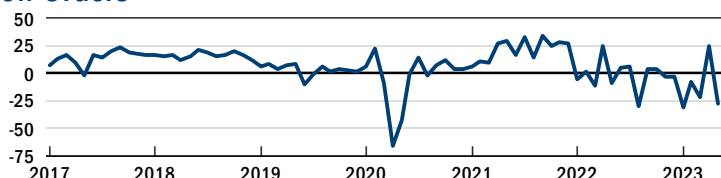
Change from Preceding Month

General Business Conditions



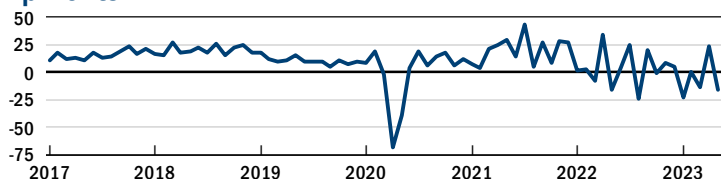
	Percent Reporting		Index
	Higher	Lower	
Apr	34.7	24.0	10.8
May	16.8	48.5	-31.8
Change			-42.6

New Orders



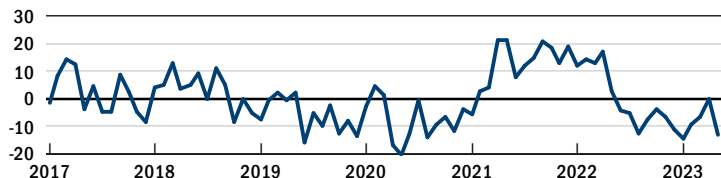
	Percent Reporting		Index
	Higher	Lower	
Apr	45.6	20.5	25.1
May	20.0	48.0	-28.0
Change			-53.1

Shipments



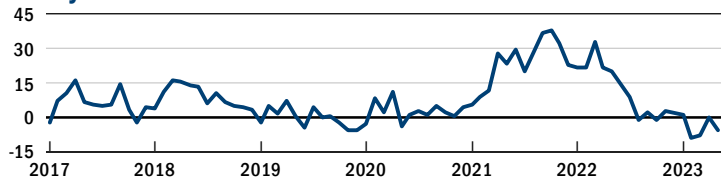
	Percent Reporting		Index
	Higher	Lower	
Apr	42.2	18.3	23.9
May	24.6	40.9	-16.4
Change			-40.3

Unfilled Orders



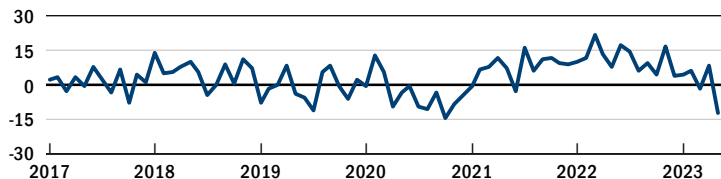
	Percent Reporting		Index
	Higher	Lower	
Apr	20.6	20.6	0.0
May	16.0	29.2	-13.2
Change			-13.2

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Apr	11.3	11.3	0.0
May	13.2	18.9	-5.7
Change			-5.7

Inventories

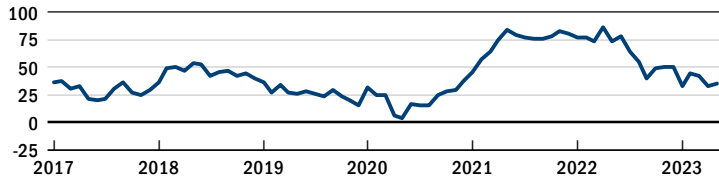


	Percent Reporting		Index
	Higher	Lower	
Apr	24.7	16.5	8.2
May	19.8	32.1	-12.3
Change			-20.5

Current Indicators, *continued*

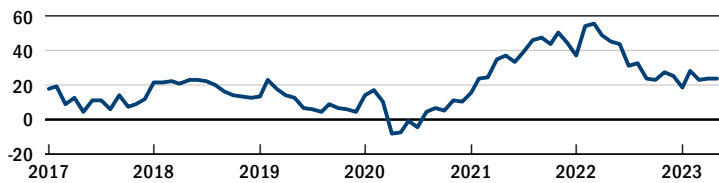
Change from Preceding Month

Prices Paid



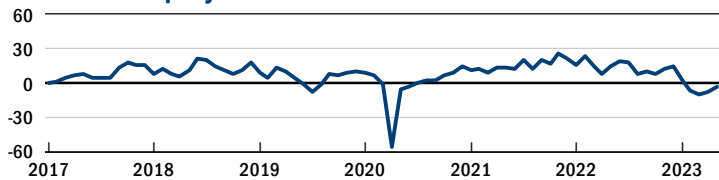
	Percent Reporting		Index
	Higher	Lower	
Apr	36.1	3.1	33.0
May	44.3	9.4	34.9
Change			1.9

Prices Received



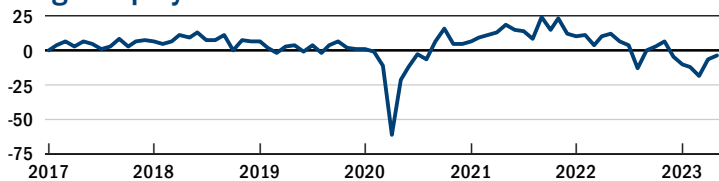
	Percent Reporting		Index
	Higher	Lower	
Apr	28.9	5.2	23.7
May	28.3	4.7	23.6
Change			-0.1

Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Apr	10.8	18.7	-8.0
May	13.4	16.7	-3.3
Change			4.7

Average Employee Workweek



	Percent Reporting		Index
	Higher	Lower	
Apr	7.1	13.5	-6.4
May	11.9	15.5	-3.5
Change			2.9

Note: Data are seasonally adjusted.

Forward-Looking Indicators

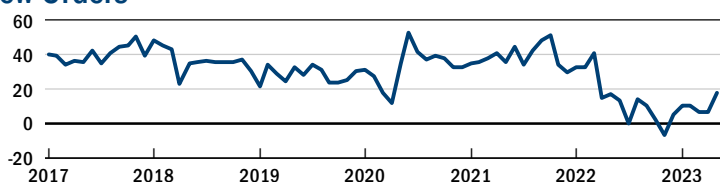
Expectations Six Months Ahead

General Business Conditions



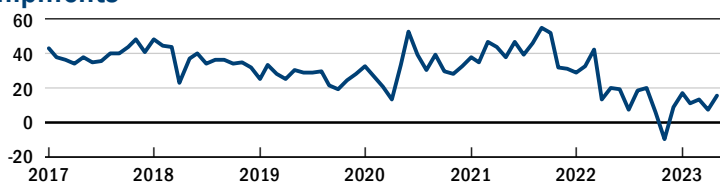
	Percent Reporting		Index
	Higher	Lower	
Apr	33.2	26.6	6.6
May	38.4	28.6	9.8
Change			3.2

New Orders



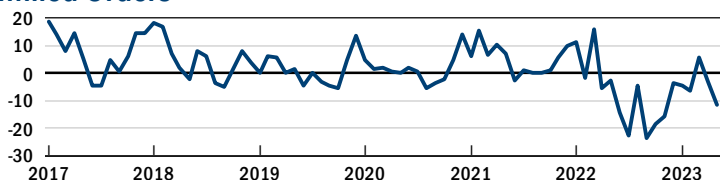
	Percent Reporting		Index
	Higher	Lower	
Apr	36.0	29.5	6.6
May	42.5	24.5	18.0
Change			11.4

Shipments



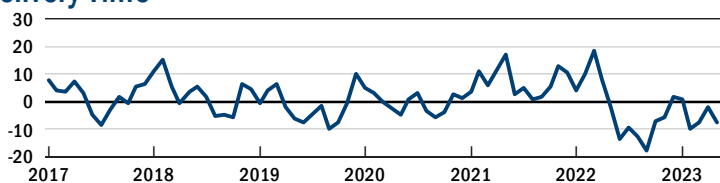
	Percent Reporting		Index
	Higher	Lower	
Apr	35.7	28.1	7.6
May	41.7	25.8	15.8
Change			8.2

Unfilled Orders



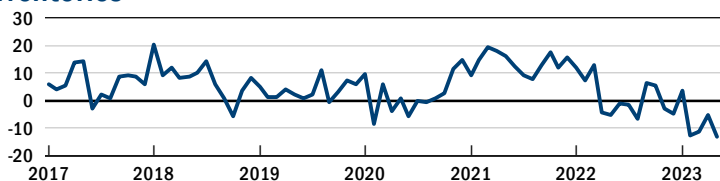
	Percent Reporting		Index
	Higher	Lower	
Apr	18.6	21.6	-3.1
May	11.3	22.6	-11.3
Change			-8.2

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Apr	12.4	14.4	-2.1
May	12.3	19.8	-7.5
Change			-5.4

Inventories

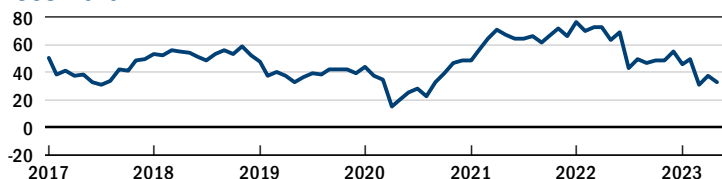


	Percent Reporting		Index
	Higher	Lower	
Apr	19.6	24.7	-5.2
May	16.0	29.2	-13.2
Change			-8.0

Forward-Looking Indicators, *continued*

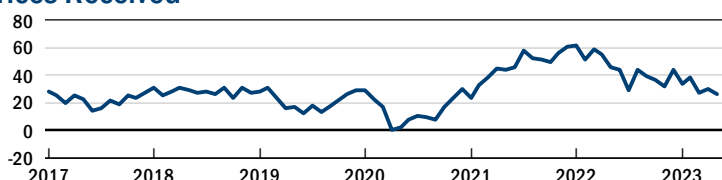
Expectations Six Months Ahead

Prices Paid



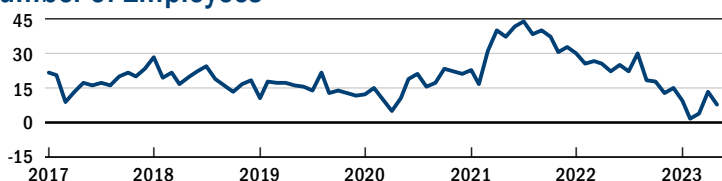
	Percent Reporting		Index
	Higher	Lower	
Apr	44.3	7.2	37.1
May	42.5	9.4	33.0
Change			-4.1

Prices Received



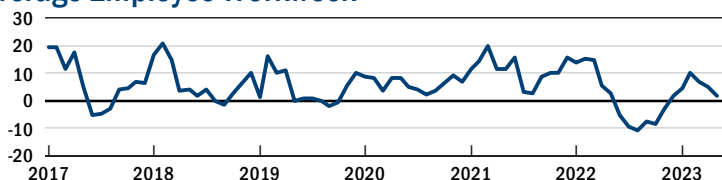
	Percent Reporting		Index
	Higher	Lower	
Apr	37.1	7.2	29.9
May	36.8	10.4	26.4
Change			-3.5

Number of Employees



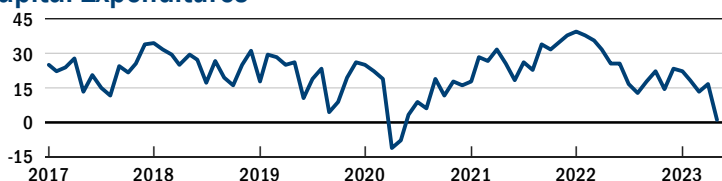
	Percent Reporting		Index
	Higher	Lower	
Apr	26.7	13.4	13.4
May	22.6	15.1	7.5
Change			-5.9

Average Employee Workweek



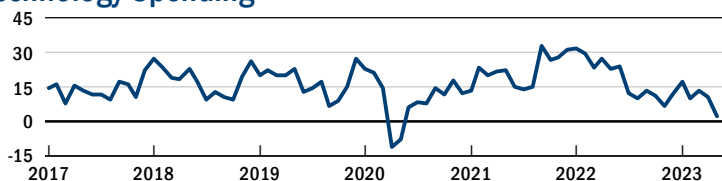
	Percent Reporting		Index
	Higher	Lower	
Apr	16.5	11.3	5.2
May	17.0	15.1	1.9
Change			-3.3

Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Apr	28.9	12.4	16.5
May	19.8	18.9	0.9
Change			-15.6

Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Apr	22.7	12.4	10.3
May	18.9	17.0	1.9
Change			-8.4

Note: Data are seasonally adjusted.