B. Turnbull
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ness Outlook Survey

Research Department

November 1986

Manufacturing activity in the region is posting its fifth consecutive monthly gain, according to the latest Business Outlook Survey. Thirty-five percent of the industrial companies participating in the November survey have stepped up operations from last month's rate, while only 13 percent have cut back. Although this is the most widespread improvement since February, specific measures of industrial activity reflect only moderate growth this month. New orders and order backlogs are edging up, and shipments are rising fractionally. Employment indicators are mixed; the length of the average workweek is increasing slightly, but payrolls are unchanged.

Local manufacturers' expectations remain mostly positive. Looking ahead six months, 42 percent of the November survey respondents predict further improvement, 34 percent foresee steady conditions, and only 15 percent anticipate a slowdown. On balance, companies polled this month expect increases in new orders and shipments and a slight buildup in order backlogs. They also plan greater capital outlays over the next six months. However, most firms plan to hold employment at current levels.

Some upward price movement is noted by this month's survey respondents. Although two-thirds say their input costs are steady,

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22 percent report paying higher prices for materials and supplies. Area firms have held the line on the prices of their own products, however. In their forecasts for the next six months, around half of the respondents predict stable input costs and half expect higher charges. Just over half of the survey participants also plan to maintain current prices for the products they make, but more than one-third are scheduling price increases.

In summary, industrial activity in the region continues to expand in November. Local manufacturers foresee further growth into 1987, but they do not expect commensurate growth in employment.

BUSINESS OUTLOOK SURVEY

SUMMARY OF RETURNS

NOVEMBER 1986

INDICATOR	November vs. October			Six Months from Now vs. November		
	Decrease	No Change	Increase	Decrease	No Change	Increase
GENERAL BUSINESS CONDITIONS						
What is your evaluation of the level of general business activity?	12.8	52.3	34.6	14.6	34.4	41.6
COMPANY BUSINESS INDICATORS						
New Orders	24.8	36.7	34.6	13.9	35.8	47.4
Shipments	14.7	55.1	30.2	17.6	40.5	41.5
Unfilled Orders	19.7	54.1	26.3	14.4	63.4	21.4
Delivery Time	11.6	71.3	15.7	11.4	83.5	5.1
Inventories	37.2	41.9	20.9	34.5	43.8	20.4
Prices Paid	0.6	77.2	21.7	0.0	47.4	52.2
Prices Received	3.4	85.1	10.1	9.0	53.5	37.5
Number of Employees	15.6	68.7	15.4	23.2	56.1	18.9
Average Employee Workweek	7.5	74.2	18.4	18.6	69.9	9.4
Capital Expenditures				17.5	41.1	35.9

Notes: (1) Items may not add to 100 percent because of omission by respondents.
(2) All data seasonally adjusted.