

B. Turnbull

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# 3 Outlook

## SURVEY

### Research Department

May 1985

Manufacturing activity in the region continues at a steady rate for the second month in a row, according to the May Business Outlook Survey. Half the respondents to this month's survey say there has been no change in the pace of general business activity from April, with the remaining half split about evenly between those reporting gains and those reporting slowdowns.

The rate of both new orders and shipments is up fractionally in May, while the level of unfilled orders and inventories is down. Local manufacturing employment is nearly stable. Although employment decreased at one out of five of the plants covered in this month's survey, most industrial establishments indicate no change in payrolls or working hours.

Despite the apparent leveling off of local manufacturing activity in recent months, survey respondents continue to say prospects for area industry are positive for the balance of the year. Nearly 50 percent of the area manufacturers replying to this month's survey expect a pickup in industrial activity by November, while only 11 percent expect a decline. About half expect new orders and shipments to increase, but most do not foresee gains in employment. One-third anticipate larger outlays for plant and equipment during the next six months.



Prices of industrial goods remain stable in May. Although there are a few indications of increases, nearly 80 percent of the respondents to this month's survey say there have been no changes in the prices of the products they buy or manufacture. Looking to the future, just over half of the respondents expect to pay more for inputs over the next six months, while nearly 60 percent expect to keep the prices of their own products at current levels during the same period.

In summary, manufacturing activity in the region in May continues at the same rate as in April. Area manufacturers expect business activity to increase during the rest of the year, but they do not anticipate much improvement in the employment situation.

### BUSINESS OUTLOOK SURVEY

#### SUMMARY OF RETURNS

MAY 1985

INDICATOR	May vs. April			Six Months from Now vs. May		
	Decrease	No Change	Increase	Decrease	No Change	Increase
<b>GENERAL BUSINESS CONDITIONS</b>						
What is your evaluation of the level of general business activity?	22.6	49.8	27.5	10.7	41.0	45.8
<b>COMPANY BUSINESS INDICATORS</b>						
New Orders	26.6	34.1	39.2	11.1	40.7	48.2
Shipments	23.0	32.7	41.5	14.7	36.6	48.8
Unfilled Orders	25.2	62.1	10.4	13.8	72.1	11.7
Delivery Time	6.4	83.8	8.5	11.9	75.8	8.8
Inventories	39.4	46.5	11.7	50.2	33.1	15.9
Prices Paid	2.5	79.6	17.5	4.3	42.5	52.6
Prices Received	4.8	74.3	20.1	1.1	58.1	38.7
Number of Employees	22.9	60.6	16.5	20.1	57.9	22.0
Average Employee Workweek	11.6	75.9	12.6	7.7	83.0	9.3
Capital Expenditures				12.8	53.9	32.8

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