

Business Outlook Survey

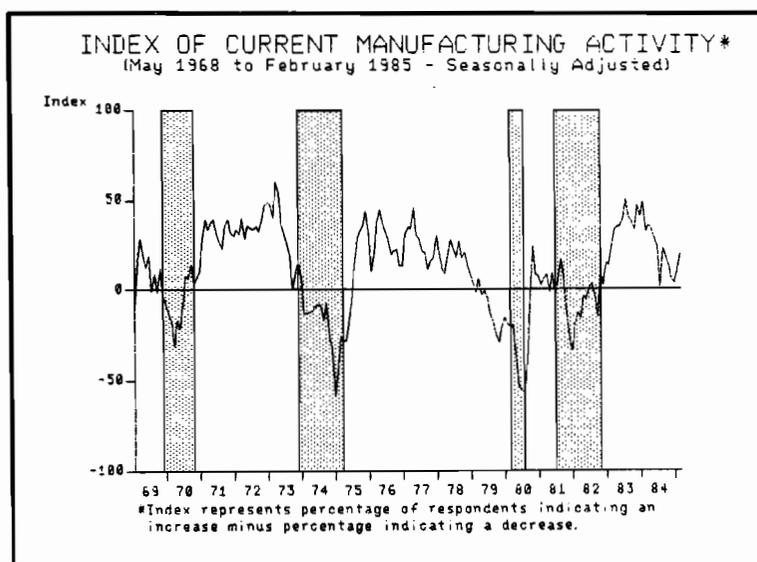
Research Department

February 1985

Local manufacturers responding to this month's Business Outlook Survey say business is rebounding slightly after spending several months in the doldrums (see chart). February's results show a definite improvement in industrial activity; a pickup in production is noted in both the durable and nondurable sectors.

Both new orders and shipments are making strong showings this month, although inventories have held steady at January levels. No change in either producers' backlogs or delivery times is noted. Employment appears to be falling off slightly, as manufacturers report some trimming of employee payrolls and no change in working hours.

The six-month outlook for the industrial sector remains bright. Over 60 percent of the executives polled anticipate stepping up production by August, while only 10 percent foresee a cooling down in activity. Manufacturers' optimism is reflected in their projections for both new orders and shipments which are expected to grow further. Industry executives also anticipate needing



to expand employee ranks and to lengthen the workweek in six months. Over 40 percent of the survey respondents plan to boost capital expenditures by August.

Current industrial prices are stable again this month. Three out of four manufacturers surveyed say there has been no change in either prices paid for raw materials or prices received for finished goods. Price hikes are expected in the future, however, as almost three quarters of those polled anticipate paying more for inputs and over half plan to charge more for their final products.

In summary, February's survey shows an upswing in general activity—the most positive since early autumn. The future outlook continues to be optimistic, although many manufacturers see price increases on the horizon.

BUSINESS OUTLOOK SURVEY

SUMMARY OF RETURNS

FEBRUARY 1985

INDICATOR	February vs. January			Six Months from Now vs. February		
	Decrease	No Change	Increase	Decrease	No Change	Increase
GENERAL BUSINESS CONDITIONS						
What is your evaluation of the level of general business activity?	13.8	53.5	32.7	10.0	24.8	61.3
COMPANY BUSINESS INDICATORS						
New Orders	18.7	43.4	37.0	10.6	17.2	68.5
Shipments	15.2	45.3	39.5	10.8	23.8	58.3
Unfilled Orders	16.2	57.6	20.4	15.0	53.5	25.9
Delivery Time	6.8	83.6	7.1	5.9	70.3	19.7
Inventories	31.9	32.0	32.4	35.9	38.2	22.4
Prices Paid	1.8	75.1	22.1	3.7	20.8	72.6
Prices Received	10.3	74.2	15.5	5.7	39.7	51.6
Number of Employees	18.0	70.1	10.7	7.5	52.9	38.6
Average Employee Workweek	6.9	80.3	10.0	0.0	72.6	25.2
Capital Expenditures				4.2	49.6	40.5

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