

# Business Outlook Survey

December 1983

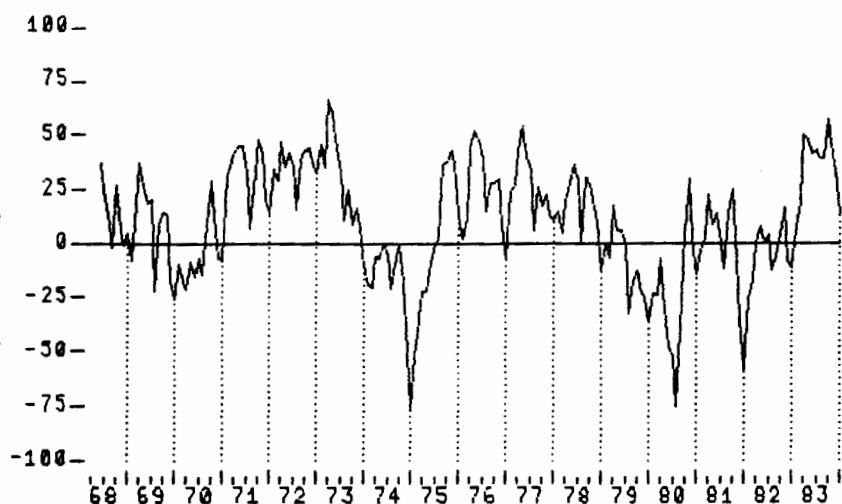
## Research Department

Respondents to the December BOS report fractional gains in local manufacturing activity this month. Historically, December has been characterized by downward seasonal forces on the local manufacturing industry, and this year is no exception (see chart). This month, only 32 percent of the executives surveyed report a pickup in activity, compared with 40 percent a month ago.

Specific indicators, also held down by seasonal forces, have remained unchanged from November. After notching strong advances in every month since May, both new orders and shipments have held steady this month. Also unchanged from November levels are inventories. The employment picture is mixed, with payrolls holding steady at November levels, while the length of the average workweek has been increased slightly.

The outlook for manufacturing activity into the Spring is quite positive; 75 percent of survey respondents expect to see higher levels of activity in six months. Projections for specific indicators, led by new orders and shipments, are

INDEX OF CURRENT MANUFACTURING ACTIVITY\*  
MAY 1968 - DECEMBER 1983



\*Index represents the percentage of respondents reporting an increase in activity from the previous month minus the percentage reporting a decrease. Vertical lines denote December results.

very optimistic, and employment prospects are equally bright. Highlighting December's 6-month outlook is the second consecutive 2-year high in the percentage of respondents who plan to increase capital expenditures in the near future.

Industrial prices have risen again in December. Increases in both input and final goods prices are reported to be about as widespread as they have been since May. Looking ahead, over 80 percent of businessmen polled foresee higher input prices by Spring and 62 percent anticipate receiving higher prices for finished goods.

Overall, the manufacturing industry appears to have withstood December's strong seasonal forces. The outlook for June is encouraging, as inventories are projected to remain steady and capital spending plans have surpassed November's 2-year high.

### BUSINESS OUTLOOK SURVEY

#### SUMMARY OF RETURNS December 1983

INDICATOR	December vs. November			Six Months from Now vs. December		
	Decrease	No Change	Increase	Decrease	No Change	Increase

#### GENERAL BUSINESS CONDITIONS

What is your evaluation of the level of general business activity?	18.3	48.3	31.7	11.7	11.7	75.0
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#### COMPANY BUSINESS INDICATORS

New Orders	28.3	43.3	28.3	8.3	11.7	80.0
Shipments	23.3	50.0	25.0	8.3	15.0	75.0
Unfilled Orders	23.3	53.3	20.0	6.7	48.3	41.7
Delivery Time	8.3	81.7	5.0	5.0	78.3	11.7
Inventories	30.0	40.0	30.0	28.3	38.3	33.3
Prices Paid	1.7	68.3	30.0	0.0	18.3	81.7
Prices Received	3.3	78.3	16.7	3.3	30.0	65.0
Number of Employees	6.7	83.3	8.3	5.0	56.7	38.3
Average Employee Workweek	6.7	76.7	11.7	1.7	70.0	25.0
Capital Expenditures				5.0	43.3	46.7

Note: Items may not add to 100 per cent because of omission by respondents.