



# BUSINESS OUTLOOK SURVEY

APRIL 1983

Department of Research  
Federal Reserve Bank of Philadelphia

Respondents to the most recent Business Outlook Survey indicate that activity in the local industrial sector continues to pick up steam. Area manufacturers report a substantial improvement in overall business conditions again in April. This month's gains, in fact, are on a par with the vigorous growth recorded a month ago, providing further evidence that a sustained recovery is underway.

Specific indications of the healthy pick-up in manufacturing activity include booming new orders and shipments. Producer backlogs have also increased, for the first time since mid-1979, and delivery times have lengthened. Inventory liquidation continues to decelerate and, as activity levels climb, employers are adding to payrolls and extending working hours. An end to the one-and-a-half-year employment slump finally seems to be in sight.

Similar gains are projected for the next six months. Survey respondents are confident that industrial rebuilding will carry on, resulting in significant overall improvement in manufacturing activity by October. Forecasts of expanding new orders and shipments are especially widespread through the month and businessmen are planning to hire additional workers and lengthen the average workweek by early fall. In addition, increased outlays for capital equipment are in the works.

The movements of industrial prices are mixed again in April, according to survey results. Input costs have inched upward while prices charged for final products remain steady. Respondents forecast further escalation in raw material prices through the summer and, to a lesser extent, are planning to boost their own prices over that time, as well.

In summary, local manufacturing activity has picked up its pace again in April and brought some relief to a beleaguered labor scene. Industry spokesmen predict more of the same growth for the near future.

d, reflect

steady again

turn to higher

70s.

the industrial

but even more

Now  
increase

31.8

78.8

59.7

54.5

19.7

40.9

62.1

43.9

50.0

34.8

24.2

# BUSINESS OUTLOOK SURVEY

## SUMMARY OF RETURNS

April 1983

### INDICATOR

April vs. March			Six Months from New vs. April		
Decrease	No Change	Increase	Decrease	No Change	Increase

### GENERAL BUSINESS CONDITIONS

What is your evaluation of the level of general business activity?	7.7	33.8	56.9	3.1	7.7	83.1
--	-----	------	------	-----	-----	------

### COMPANY BUSINESS INDICATORS

New Orders	12.3	38.5	49.2	3.1	9.2	87.7
Shipments	12.3	38.5	47.7	6.2	9.2	81.5
Unfilled Orders	15.4	53.8	27.7	7.7	35.4	52.3
Delivery Time	3.1	84.6	9.2	4.6	64.6	26.2
Inventories	27.7	53.8	16.9	26.2	36.9	35.4
Prices Paid	4.6	80.0	15.4	1.5	29.2	69.2
Prices Received	10.8	76.9	10.8	1.5	44.6	50.8
Number of Employees	10.8	69.2	20.0	9.2	40.0	50.8
Average Employee Workweek	7.7	76.9	15.4	3.1	70.8	24.6
Capital Expenditures				3.1	56.9	29.2

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