

# Business Outlook Survey

March 1984

Research Department

Local manufacturing activity is up sharply in March, according to this month's Business Outlook Survey. Even after adjusting for the strong upward seasonal pressures that are typical of March, this month's gains are solid and more widespread than February's. Additionally, the pickup in activity is as robust as that of last March, when the recovery in local manufacturing was really beginning to take hold.

The performance of specific indicators in March also points to the continuing strength of the recovery. According to Business Outlook Survey respondents, new orders and shipments have made strong gains over February levels, and backlogs and delivery times both show increases in March after leveling off last month. March also has been a good month for manufacturing employment. While only fractional gains are reported in payroll size, increases in the length of the average workweek, especially at durables producers, were very widespread.

The outlook for local manufacturing over the next six months remains very positive. Three-quarters of this month's respondents feel that the recovery will continue into September. The March forecast for specific indicators is virtually unchanged from February's, with the exception that slightly fewer manufacturers predict an increase in shipments over the next six months.

Industrial prices have increased again in March. Prices paid by manufacturers have departed from their recent pattern of very steady rises and picked up somewhat more vigorously this month. On the other hand, prices received for finished goods showed a monthly increase equal to that reported in February. Looking ahead, the portion of respondents who expect to pay higher input prices in the future (82%) is about the same as it has been since November, while the percentage of the March respondents who anticipate receiving higher prices six months out (69%) is up somewhat.

Overall, the March survey indicates strong growth in local manufacturing activity and hints at increasing demand for labor and rising raw materials prices. The outlook for the next six months is once again quite optimistic.

### BUSINESS OUTLOOK SURVEY

#### SUMMARY OF RETURNS MARCH 1984

INDICATOR	March vs. February			Six Months from Now vs. March		
	Decrease	No Change	Increase	Decrease	No Change	Increase
<b>GENERAL BUSINESS CONDITIONS</b>						
What is your evaluation of the level of general business activity?	3.7	38.9	57.4	3.7	18.5	74.1
<b>COMPANY BUSINESS INDICATORS</b>						
New Orders	9.3	35.2	55.6	3.7	16.7	75.9
Shipments	7.4	37.0	53.7	7.4	20.4	68.5
Unfilled Orders	9.3	53.7	33.3	1.9	55.6	37.0
Delivery Time	1.9	75.9	16.7	5.6	61.1	25.9
Inventories	22.2	50.0	25.9	16.7	38.9	40.7
Prices Paid	0.0	55.6	44.4	0.0	16.7	81.5
Prices Received	1.9	74.1	22.2	1.9	25.9	68.5
Number of Employees	5.6	68.5	25.9	5.6	40.7	51.9
Average Employee Workweek	1.9	64.8	31.5	5.6	59.3	31.5
Capital Expenditures				7.4	38.9	46.3

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