

Business Outlook Survey

Research Department

April 1985

After expanding at increasingly faster rates for three consecutive months, manufacturing activity in the region appears to be leveling off in April, according to the most recent Business Outlook Survey. About 60 percent of this month's respondents say there has been no change from March in the pace of their operations. The rate of both new orders and shipments also remains steady in April, and inventory levels are stable as well. As for employment, industrial plants surveyed report marginal net decreases in both payrolls and working hours in early April.

The outlook for local manufacturing through the summer remains fairly positive. Half of this month's respondents expect there will be increases in production, new orders, and shipments between now and October. A quarter of the companies polled in April plan to hire more workers, and almost one-fifth expect to lengthen the workweek. About 30 percent of those responding to the survey have scheduled greater expenditures on new plant and equipment during the next six months.

Prices of industrial goods have remained stable again this month. Although there is evidence of some minor upward pressure in the prices of inputs, more than 80 percent of the survey respondents say there has been no change in prices of the products they buy, and an equal number have held the line on prices of the products they sell. Overall expectations of future price increases are



down slightly from last month's survey. Two out of three of the respondents anticipate paying more for raw materials within the next six months, and about one out of three expect the prices of their own products to increase during the same period.

In summary, local manufacturing activity in April continues at substantially the same pace as in March, although employment is falling marginally. Area manufacturers are optimistic about future business activity. They plan further capital investment and look forward to improvement in the employment situation.

BUSINESS OUTLOOK SURVEY

SUMMARY OF RETURNS

APRIL 1985

INDICATOR	April vs. March			Six Months from Now vs. April		
	Decrease	No Change	Increase	Decrease	No Change	Increase
GENERAL BUSINESS CONDITIONS						
What is your evaluation of the level of general business activity?	17.0	59.7	22.3	5.9	42.6	50.8
COMPANY BUSINESS INDICATORS						
New Orders	24.1	46.7	29.0	3.9	37.4	55.7
Shipments	23.5	40.7	30.3	2.2	42.8	48.8
Unfilled Orders	28.8	68.9	0.1	11.4	68.4	17.0
Delivery Time	4.3	89.2	5.4	6.8	84.2	6.6
Inventories	23.9	53.6	21.2	40.7	40.5	17.7
Prices Paid	0.0	82.7	17.3	0.0	30.0	68.3
Prices Received	2.6	84.3	8.6	1.7	61.5	31.1
Number of Employees	17.1	74.6	7.3	10.2	64.4	24.0
Average Employee Workweek	12.3	81.0	3.6	6.1	73.8	18.7
Capital Expenditures				7.5	62.8	29.7

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