

Regional Surveys of Business Activity

Fifth District Survey of Manufacturing Activity

April 23, 2024

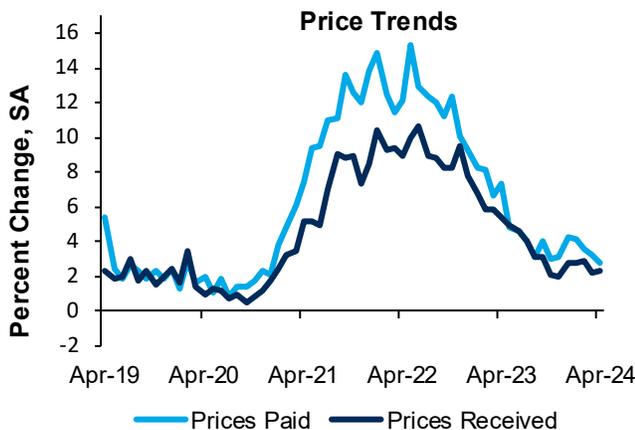
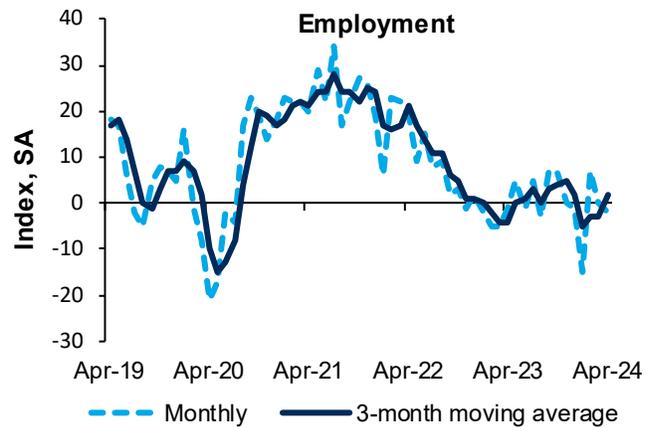
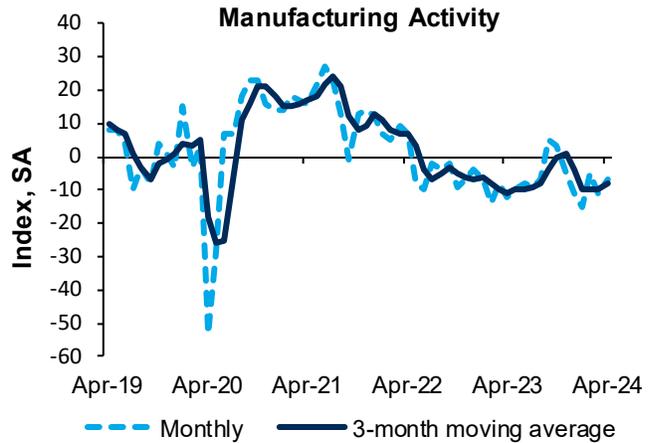
Manufacturing Activity Remained Slow in April

Fifth District manufacturing activity remained slow in April, according to the most recent survey from the Federal Reserve Bank of Richmond. The composite manufacturing index increased from -11 in March to -7 in April. Of its three component indexes, shipments increased from -14 to -10, new orders increased from -17 to -9, and employment fell from 0 to -2.

Firms were more optimistic about local business conditions, as the index increased from -1 to 6. The index for future local business conditions also increased, from 12 in March to 16 in April. The future indexes for shipments and new orders rose notably in April, suggesting that firms expect improvements in these areas over the next six months.

Firms continued to report declining backlogs and vendor lead times in April, as those indexes increased but remained negative. The capacity utilization index rose from -21 to -5.

The average growth rate of prices paid decreased in April, while the average growth rate of prices received edged up slightly. Firms expect little change in these growth rates over the next 12 months.



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Business Activity Indexes¹

Business Sector Indicators	Current Conditions			Expectations ²		
	Apr-24	Mar-24	Feb-24	Apr-24	Mar-24	Feb-24
Fifth District Manufacturing Index ³	-7	-11	-5	--	--	--
Shipments	-10	-14	-15	32	19	22
Volume of New Orders	-9	-17	-5	31	19	22
Backlog of Orders	-17	-25	-15	-2	-1	-1
Capacity Utilization	-5	-21	-4	20	11	15
Vendor Lead Time	-7	-17	4	-6	-18	4
Local Business Conditions	6	-1	1	16	12	3
Capital Expenditures	-1	-9	-7	-1	0	-5
Finished Goods Inventories	10	22	14	1	4	5
Raw Materials Inventories	12	22	16	-2	6	6
Equipment & Software Spending	-2	-6	0	1	0	-3
Services Expenditures	-8	-17	-11	-13	-17	-17
Employment						
Number of Employees	-2	0	7	3	2	12
Wages	16	23	22	43	44	43
Availability of Skills Needed	-6	-3	-6	0	-2	4
Price Trends⁴						
Prices Paid	2.79	3.22	3.52	3.29	2.94	3.03
Prices Received	2.37	2.23	2.85	2.29	2.03	2.08

Technical Notes:

- ¹ Each index equals the percentage of responding firms reporting increase minus the percentage reporting decrease. Results are based on responses from 72-79 firms. All firms surveyed are located within the Fifth Federal Reserve District, which includes the District of Columbia, Maryland, North Carolina, South Carolina, Virginia, and most of West Virginia. Data are seasonally adjusted. Seasonal adjustment factors are recalculated every July and the entire series is revised to better reflect current economic trends.
- ² Expectations refer to the time period six months out from the survey period.
- ³ The manufacturing Index is a gauge of broad activity in the District's manufacturing sector. It is a composite index representing a weighted average of the shipments (33 percent), new orders (40 percent) and employment (27 percent) indexes.
- ⁴ Current price changes are percentage changes over the last 12 months. Expected price changes are expected changes over the next 12 months.

For more information contact Jason Kosakow at 571.287.0448 or Rich.RegionalSurveyTeam@rich.frb.org