

# Regional Surveys of Business Activity

## Fifth District Survey of Manufacturing Activity

November 28, 2023

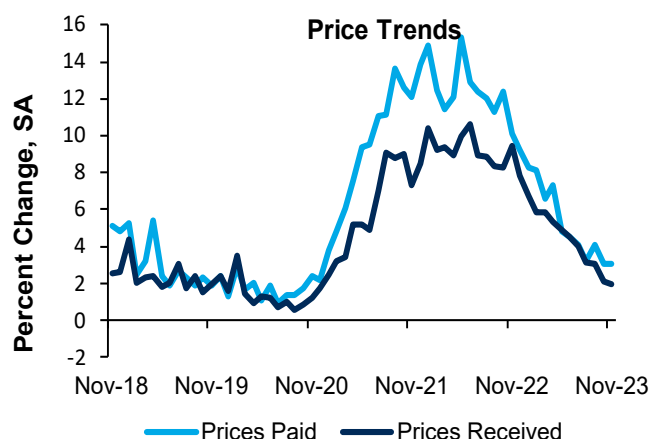
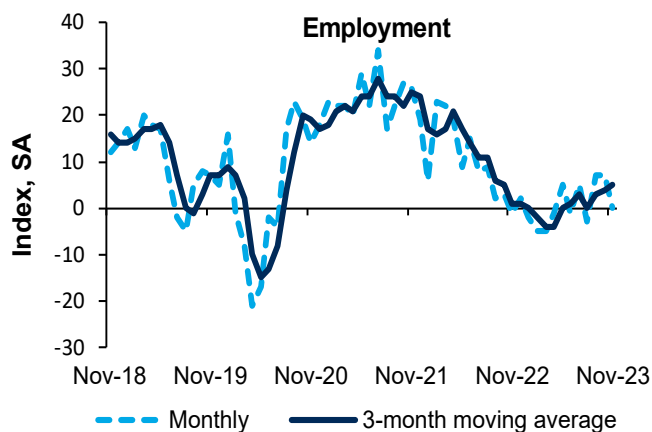
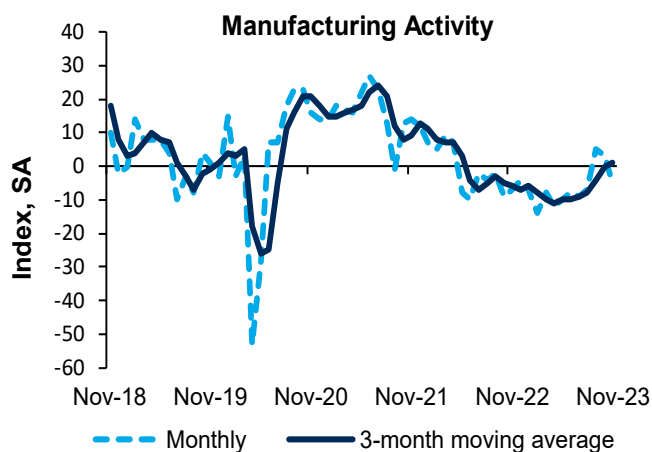
### Manufacturing Activity Slowed in November

Fifth District manufacturing activity slowed in November, according to the most recent survey from the Federal Reserve Bank of Richmond. The composite manufacturing index decreased from 3 in October to -5 in November. Of its three component indexes, shipments fell from 9 to -8, new orders edged down from -4 to -5, and employment decreased from 7 to 0.

Firms were not optimistic about local business conditions, as the index fell from -9 in October to -14 in November. The index for future local business conditions also decreased, edging down from -3 in October to -5 in November.

Most firms continued to report declining backlogs and vendor lead time as these indexes both remained negative.

The average growth rates of prices paid was more or less flat in November, while the average growth rate of prices received edged down slightly. The growth rate of prices received was below firms' expected price growth for the year ahead.



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### Business Activity Indexes<sup>1,4,5</sup>

Business Sector Indicators	Current Conditions			Expectations <sup>2</sup>		
	Nov-23	Oct-23	Sep-23	Nov-23	Oct-23	Sep-23
Fifth District Manufacturing Index <sup>3</sup>	-5	3	5	--	--	--
Shipments	-8	9	7	-1	12	12
Volume of New Orders	-5	-4	3	6	6	17
Backlog of Orders	-23	-17	-7	-16	-13	-13
Capacity Utilization	-5	-6	6	12	8	11
Vendor Lead Time	-4	-12	-26	-12	-13	-15
Local Business Conditions	-14	-9	0	-5	-3	6
Capital Expenditures	5	4	1	10	1	13
Finished Goods Inventories	23	23	14	10	7	4
Raw Materials Inventories	18	23	15	12	11	13
Equipment & Software Spending	-4	-2	4	9	6	9
Services Expenditures	0	-13	-7	-7	-10	-7
<b>Employment</b>						
Number of Employees	0	7	7	16	15	19
Wages	25	29	23	50	46	39
Availability of Skills Needed	6	-1	-10	11	4	-1
<b>Price Trends<sup>4</sup></b>						
Prices Paid	3.08	3.02	4.06	2.91	3.45	2.84
Prices Received	1.97	2.07	3.06	2.07	2.08	2.51

#### Technical Notes:

- Each index equals the percentage of responding firms reporting increase minus the percentage reporting decrease. Data are seasonally adjusted. Results are based on responses from 88-94 firms.
- Expectations refer to the time period six months out from the survey period.
- 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. 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.
- Current price changes are percentage changes over the last 12 months.  
Expected price changes are expected changes over the next 12 months.
- Seasonal adjustment factors are recalculated every July and the entire series is revised to better reflect current economic trends.

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