

# Regional Surveys of Business Activity

## Fifth District Survey of Manufacturing Activity

October 22, 2024

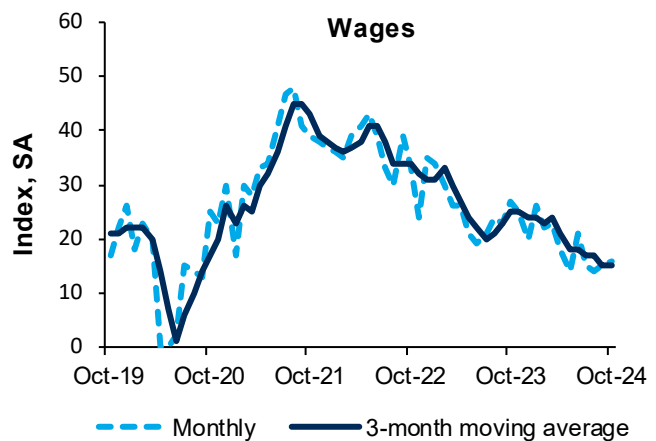
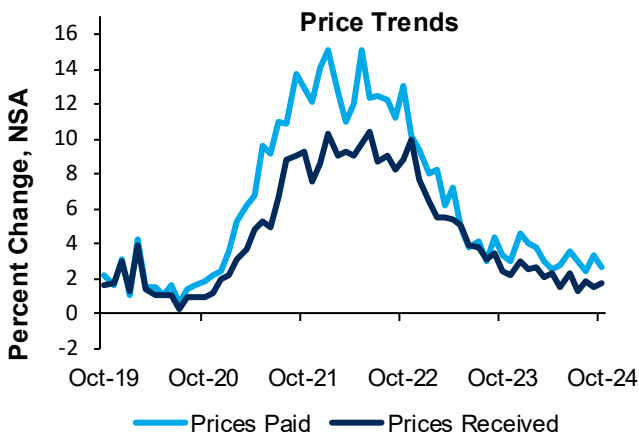
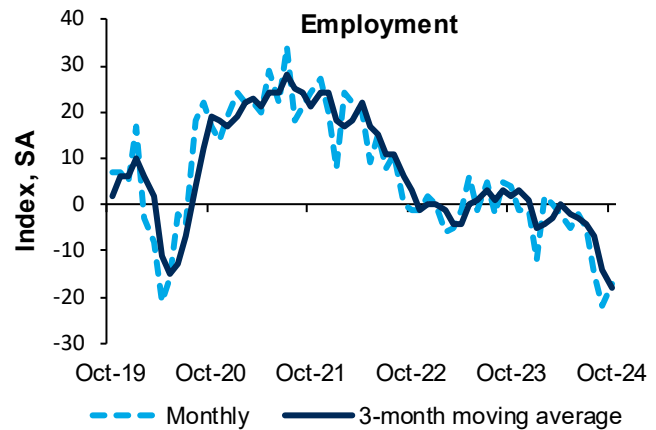
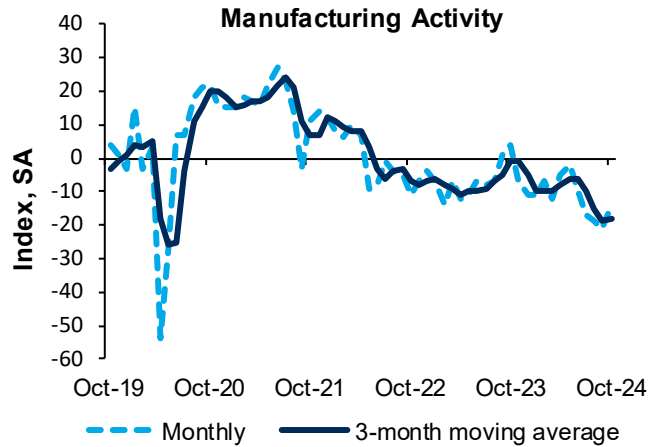
### Manufacturing Activity Remained Slow in October

Fifth District manufacturing activity remained slow in October, according to the most recent survey from the Federal Reserve Bank of Richmond. The composite manufacturing index increased from -21 in September to -14 in October. Of its three component indexes, shipments increased from -18 to -8, new orders rose from -23 to -17, and employment increased from -22 to -17.

The local business conditions index increased modestly but remained in negative territory, while the index for future local business conditions increased notably from -6 to 21 in October. The future indexes for shipments and new orders both increased further into positive territory, suggesting that firms continued to expect improvements in these areas over the next six months.

The vendor lead time index increased from -4 in September to 6 in October. On balance, firms continued to report declining backlogs in October as that index remained negative.

The average growth rate of prices paid decreased in October, while the average growth rate of prices received increased slightly. Firms expected little change in price growth over the next 12 months.



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### Business Activity Indexes<sup>1</sup>

Business Sector Indicators	Current Conditions			Expectations <sup>2</sup>		
	Oct-24	Sep-24	Aug-24	Oct-24	Sep-24	Aug-24
Fifth District Manufacturing Index <sup>3</sup>	-14	-21	-19	--	--	--
Shipments	-8	-18	-15	22	15	23
Volume of New Orders	-17	-23	-26	35	7	14
Backlog of Orders	-14	-16	-27	8	-6	-12
Capacity Utilization	-11	-20	-17	23	2	10
Vendor Lead Time	6	-4	-4	9	0	-2
Local Business Conditions	-13	-18	-24	21	-6	-18
Capital Expenditures	-23	-13	-14	-6	-1	-6
Finished Goods Inventories	17	20	16	4	12	7
Raw Materials Inventories	12	12	18	5	4	6
Equipment & Software Spending	-21	-13	-13	-10	-11	-9
Services Expenditures	-22	-17	-12	-18	-11	-13
<b>Employment</b>						
Number of Employees	-17	-22	-15	4	-12	-7
Wages	16	15	14	47	35	41
Availability of Skills Needed	-4	-2	1	1	-3	9
<b>Price Trends<sup>4</sup></b>						
Prices Paid	2.70	3.36	2.45	2.72	2.89	2.28
Prices Received	1.71	1.57	1.87	1.40	1.96	1.62

#### Technical Notes:

- <sup>1</sup> Each index equals the percentage of responding firms reporting increase minus the percentage reporting decrease. Results are based on responses from 61-68 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, excluding price trends, are seasonally adjusted. Seasonal adjustment factors are recalculated every July and the entire series is revised to better reflect current economic trends.
- <sup>2</sup> Expectations refer to the time period six months out from the survey period.
- <sup>3</sup> 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.
- <sup>4</sup> Current price changes are percentage changes over the last 12 months. Expected price changes are expected changes over the next 12 months.

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