

Regional Surveys of Business Activity

Fifth District Survey of Manufacturing Activity

December 24, 2024

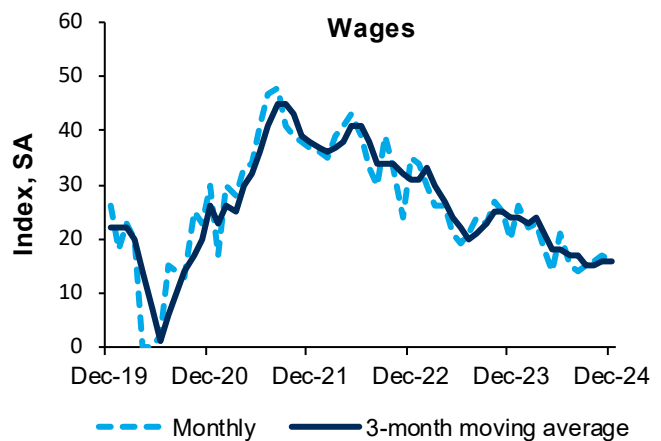
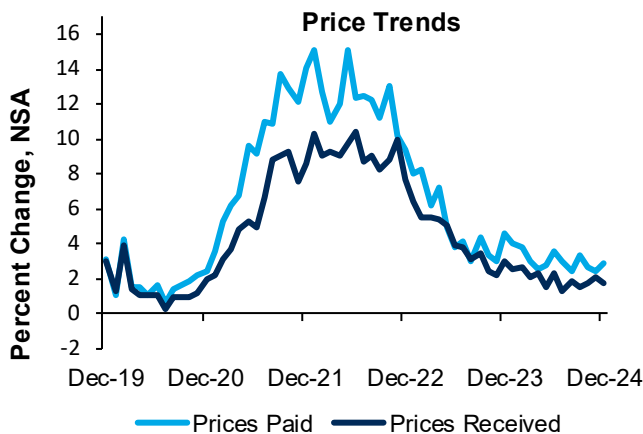
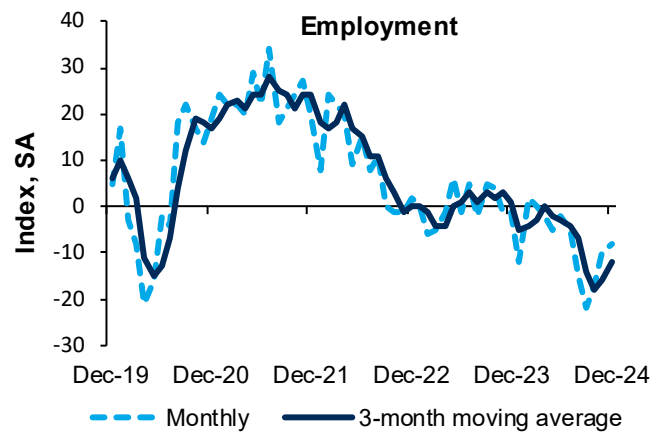
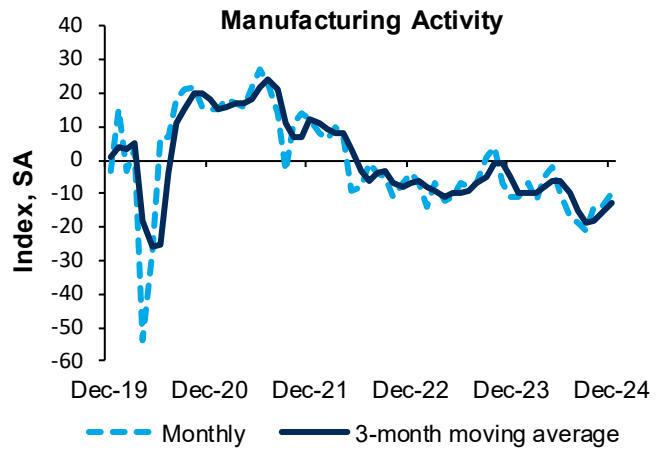
Manufacturing Activity Remained Soft in December

Fifth District manufacturing activity remained in contractionary territory in December, according to the most recent survey from the Federal Reserve Bank of Richmond. The composite manufacturing index ticked up slightly to -10 in December from -14 in November. Of its three component indexes, shipments and employment were relatively flat, while new orders improved to -11 from -19 in November.

The local business conditions index improved to 0 in December from -14, while the index for future local business conditions continued its increase from 31 to 40. The future indexes for shipments and new orders also increased further into positive territory, suggesting that many firms expected improvements in the next six months.

The vendor lead time index also crept up from 4 to 11 in December. Fewer firms reported decreasing backlogs in December as the index improved to -13 from -27 in November.

The average growth rate of prices paid increased slightly in December, while the average growth rate of prices received decreased. Firms expected an increase in growth of both prices paid and received over the next 12 months.



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Business Activity Indexes¹

Business Sector Indicators	Current Conditions			Expectations ²		
	Dec-24	Nov-24	Oct-24	Dec-24	Nov-24	Oct-24
Fifth District Manufacturing Index ³	-10	-14	-14	--	--	--
Shipments	-11	-12	-8	41	33	22
Volume of New Orders	-11	-19	-17	43	37	35
Backlog of Orders	-13	-27	-14	14	10	8
Capacity Utilization	-8	-15	-11	24	25	23
Vendor Lead Time	11	4	6	22	7	9
Local Business Conditions	0	-14	-13	40	31	21
Capital Expenditures	-5	0	-23	0	-12	-6
Finished Goods Inventories	13	29	17	-4	7	4
Raw Materials Inventories	11	13	12	-2	1	5
Equipment & Software Spending	-10	-1	-21	-7	-12	-10
Services Expenditures	-12	-20	-22	-3	-19	-18
Employment						
Number of Employees	-8	-10	-17	9	-3	4
Wages	16	17	16	39	51	47
Availability of Skills Needed	-3	-8	-4	4	-3	1
Price Trends⁴						
Prices Paid	2.86	2.48	2.70	3.78	2.61	2.72
Prices Received	1.71	2.07	1.71	2.91	2.20	1.40

Technical Notes:

- Each index equals the percentage of responding firms reporting increase minus the percentage reporting decrease. Results are based on responses from 66-74 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.
- 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.
- 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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