

# Regional Surveys of Business Activity

## Fifth District Survey of Manufacturing Activity

January 28, 2025

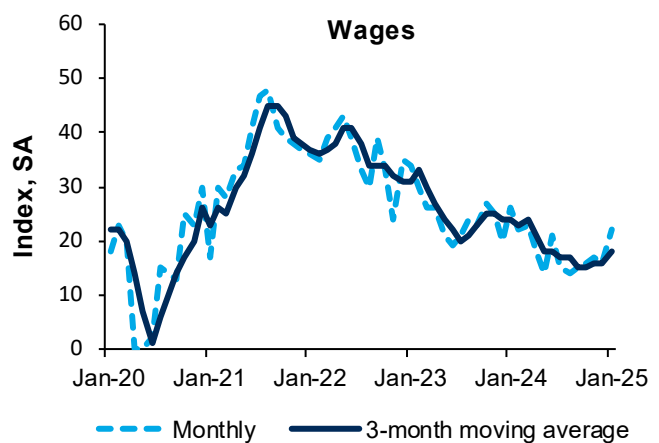
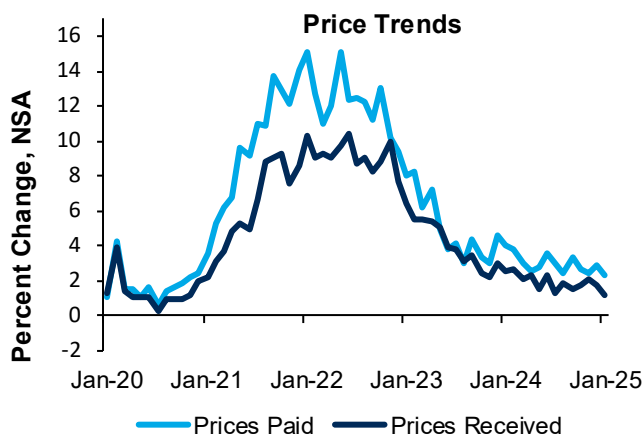
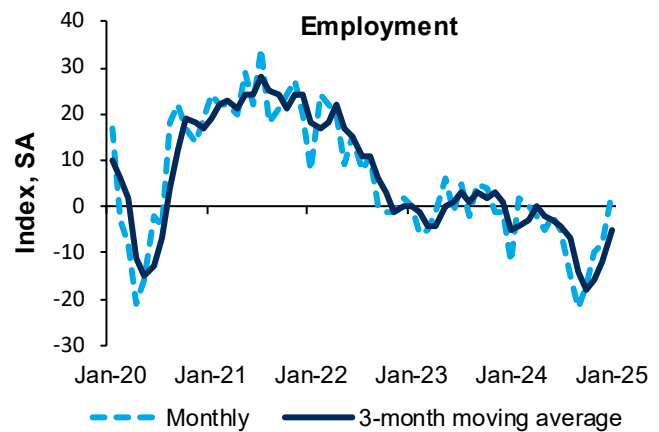
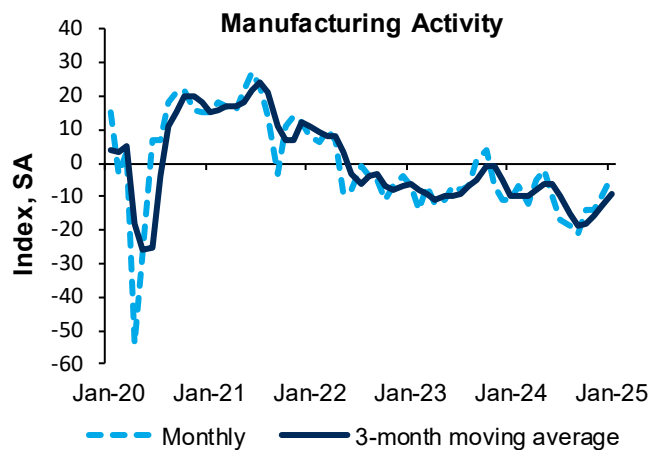
### Manufacturing Activity Remained Soft in January

Fifth District manufacturing activity remained soft in January, according to the most recent survey from the Federal Reserve Bank of Richmond. The composite manufacturing index increased to -4 in January from -10 in December. Of its three component indexes, shipments edged up to -9, new orders increased to -4, and employment rose to 3 from -8.

The local business conditions index fell to -5 in January from 0, while the index for future local business conditions decreased from 40 to 32. The future indexes for shipments and new orders also decreased but remained solidly in positive territory, suggesting that many firms expected improvements in the next six months.

The vendor lead time index was nearly unchanged at 10 in January. A smaller share of firms reported decreasing backlogs in January as the index increased to -5 from -13.

The average growth rates of prices paid and prices received decreased somewhat in January. Firms expected growth in both prices paid and prices received to increase over the next 12 months.



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

Business Sector Indicators	Current Conditions			Expectations <sup>2</sup>		
	Jan-25	Dec-24	Nov-24	Jan-25	Dec-24	Nov-24
Fifth District Manufacturing Index <sup>3</sup>	-4	-10	-14	--	--	--
Shipments	-9	-11	-12	32	41	33
Volume of New Orders	-4	-11	-19	31	43	37
Backlog of Orders	-5	-13	-27	17	14	10
Capacity Utilization	-6	-8	-15	15	24	25
Vendor Lead Time	10	11	4	11	22	7
Local Business Conditions	-5	0	-14	32	40	31
Capital Expenditures	2	-5	0	3	0	-12
Finished Goods Inventories	7	13	29	-9	-4	7
Raw Materials Inventories	9	11	13	2	-2	1
Equipment & Software Spending	2	-10	-1	3	-7	-12
Services Expenditures	-7	-12	-20	-3	-3	-19
<b>Employment</b>						
Number of Employees	3	-8	-10	12	9	-3
Wages	22	16	17	42	39	51
Availability of Skills Needed	-7	-3	-8	-3	4	-3
<b>Price Trends<sup>4</sup></b>						
Prices Paid	2.37	2.86	2.48	4.08	3.78	2.61
Prices Received	1.21	1.71	2.07	3.06	2.91	2.20

#### 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 63-72 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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