

# ECONOMIC CONDITIONS IN MANUFACTURING

February 2, 2024

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FEDERAL RESERVE BANK  
OF MINNEAPOLIS

# DISCLAIMER

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## TODAY'S PRESENTATION

- Manufacturing sector
- Survey results
  - Activity declined in 2023
  - Outlook for rebound in 2024
- Credit conditions constraining activity



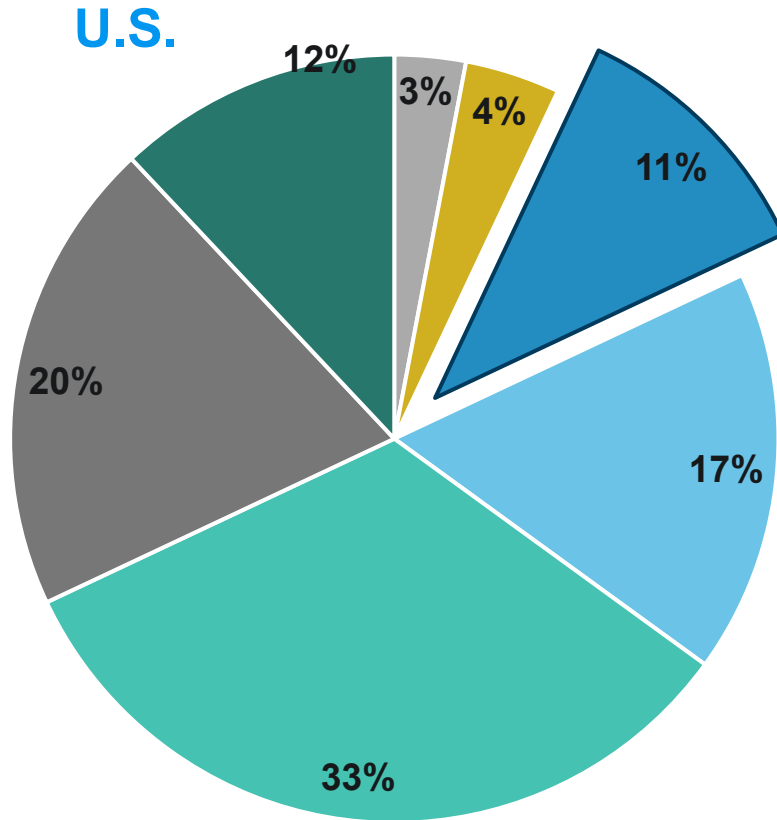


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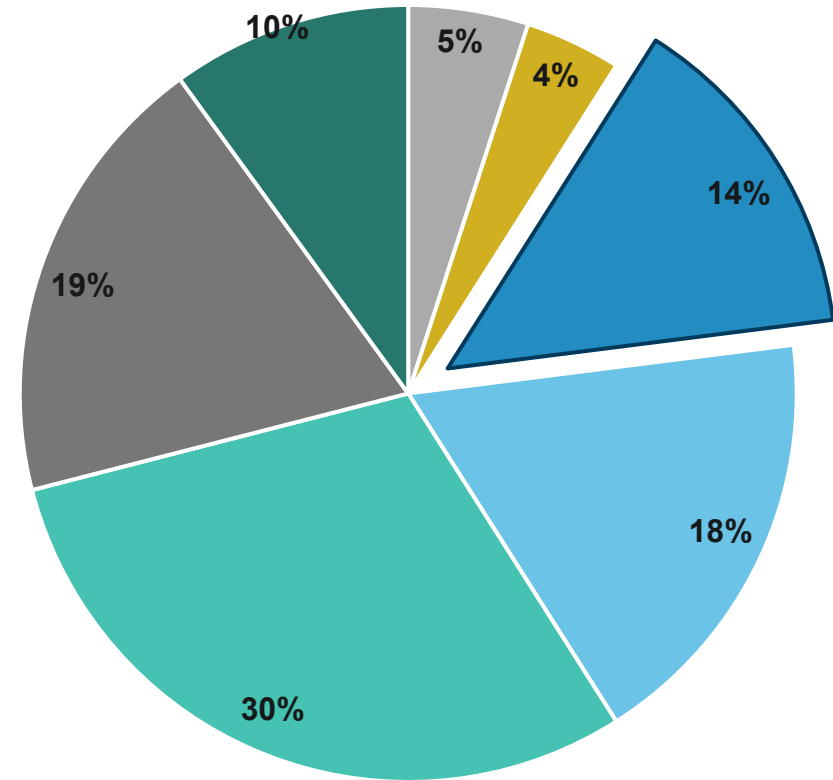
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# OUTPUT BY INDUSTRY, 2022, U.S. & NINTH DISTRICT



### Ninth District



- Natural resources
- Construction
- Trade, Transportation & Utilities
- Services
- Government

- Manufacturing
- Finance, Insurance & Real Estate

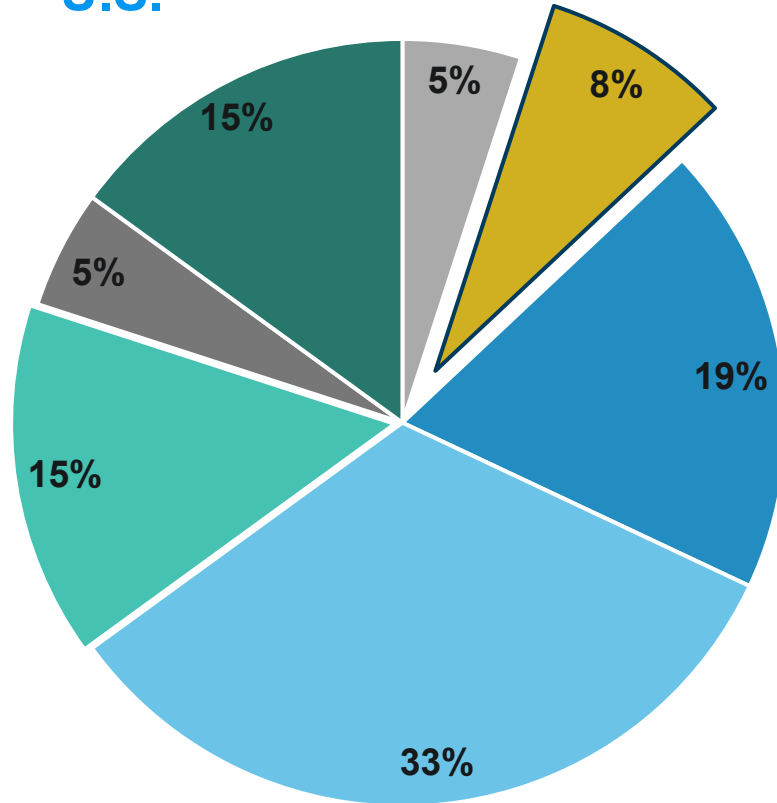
Source: Bureau of Economic Analysis



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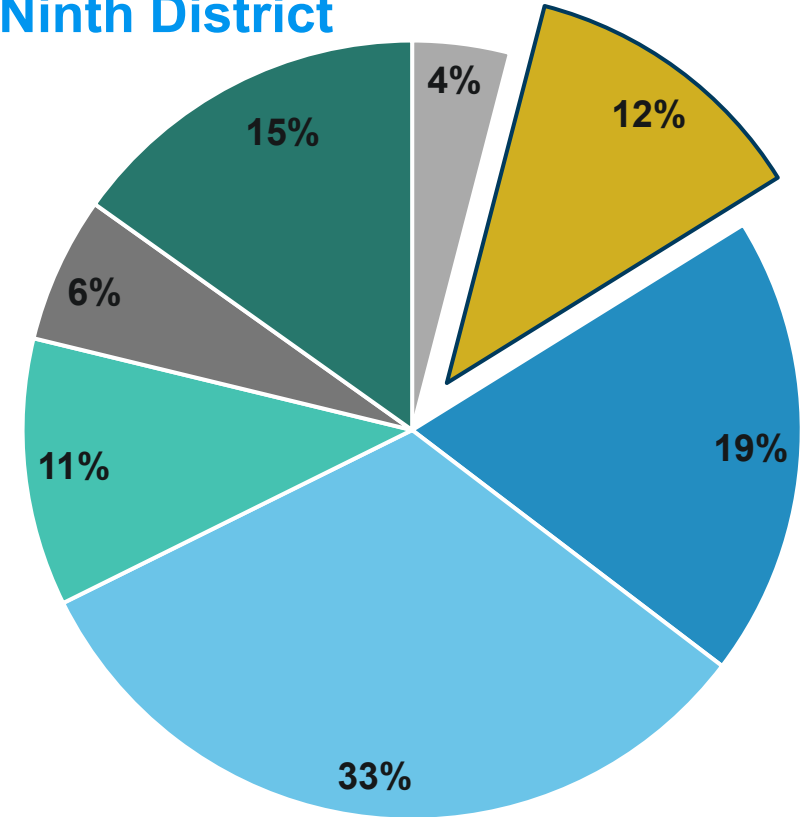
# EMPLOYMENT BY INDUSTRY, DEC. 2023, U.S. & DISTRICT

## U.S.



- Construction
- Trade, Transportation and Utilities
- Professional and Business Services
- Government

## Ninth District



- Manufacturing
- Other Services
- Financial Services

Source: Bureau of Labor Statistics



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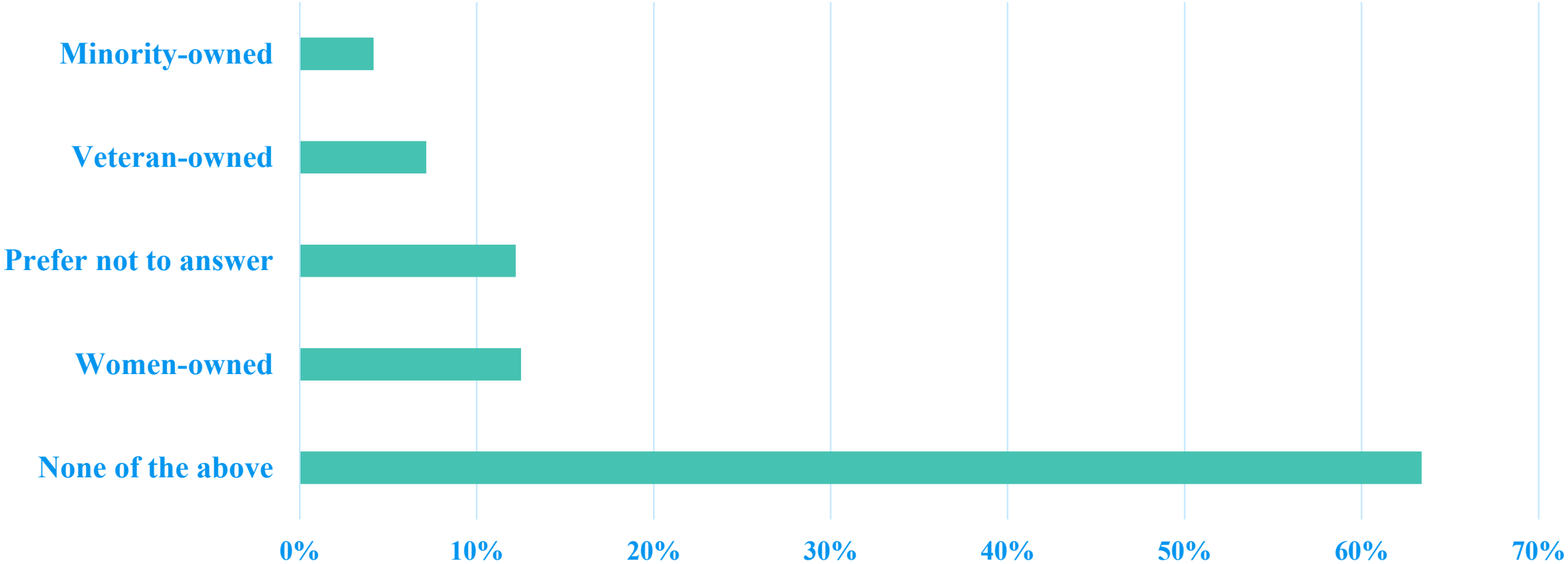
## MANUFACTURING DOWN, REBOUNDED

- **Ninth District survey**
  - **Conducted November and December, looking backward and forward one year**
  - **Random sample of manufacturers, polled via mail**
  - **Stratified by state and firm size**
  - **All states, 426 respondents**
- **Conducted in partnership with Minnesota DEED**

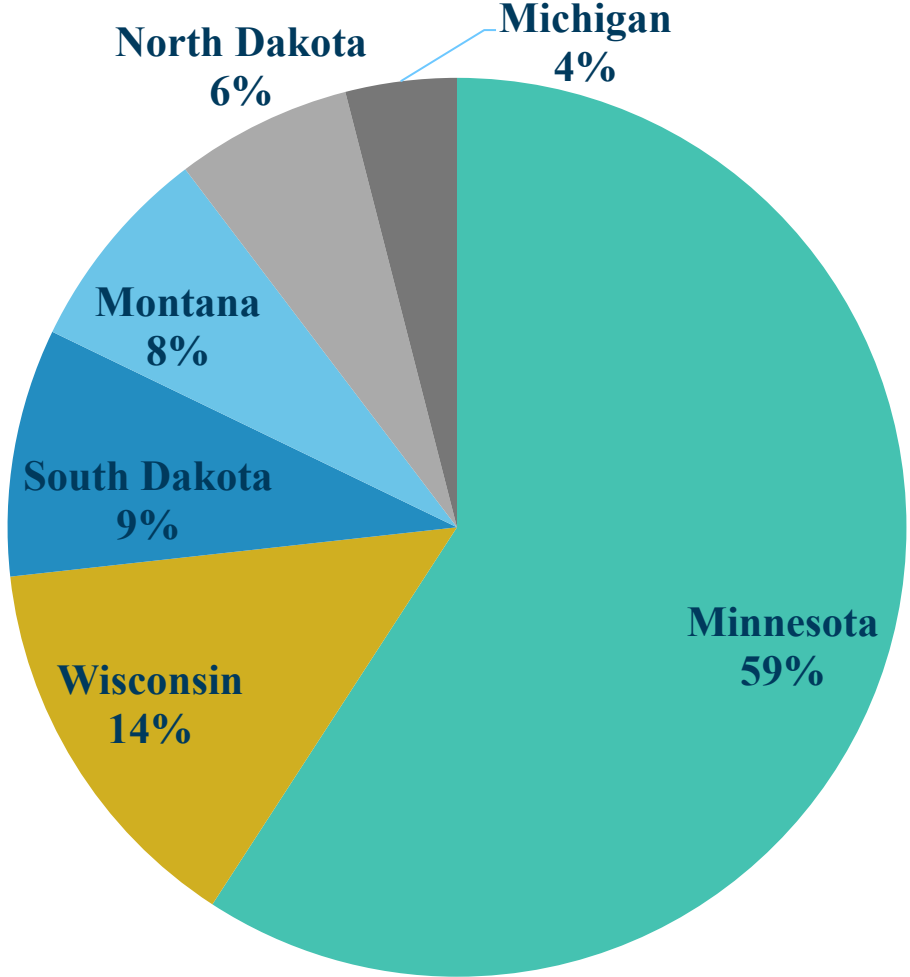




# SURVEY RESULTS



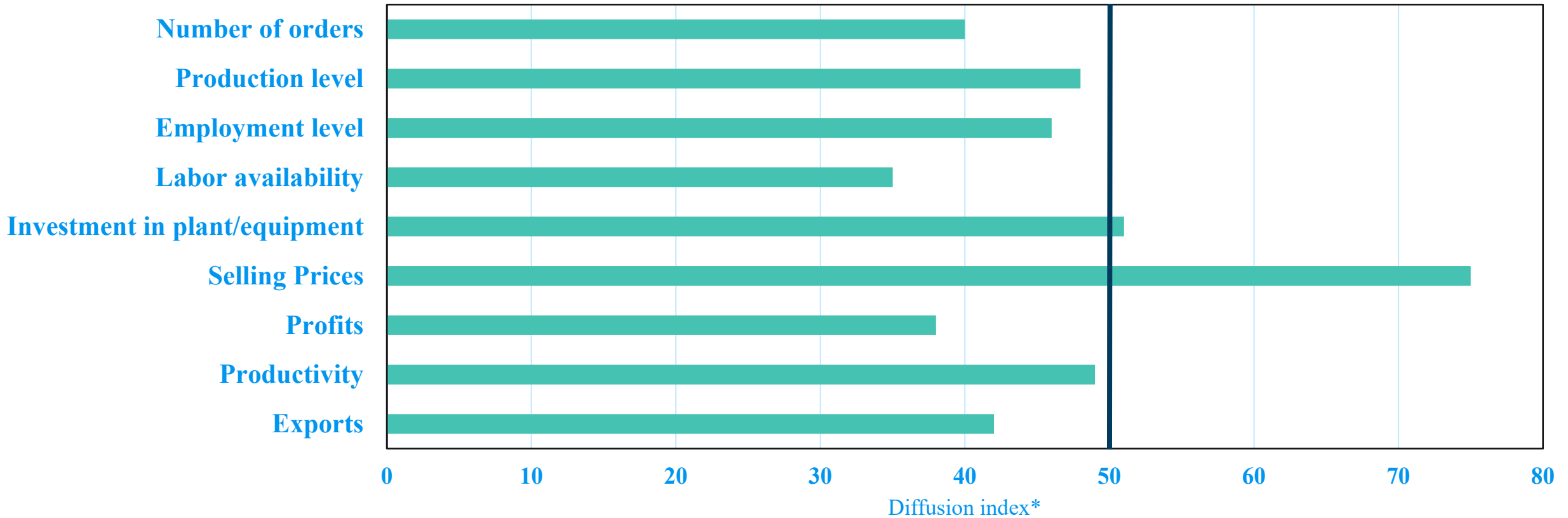
# SURVEY RESULTS



# SURVEY RESULTS

## ACTIVITY DECREASED IN 2023

### 2023 Performance

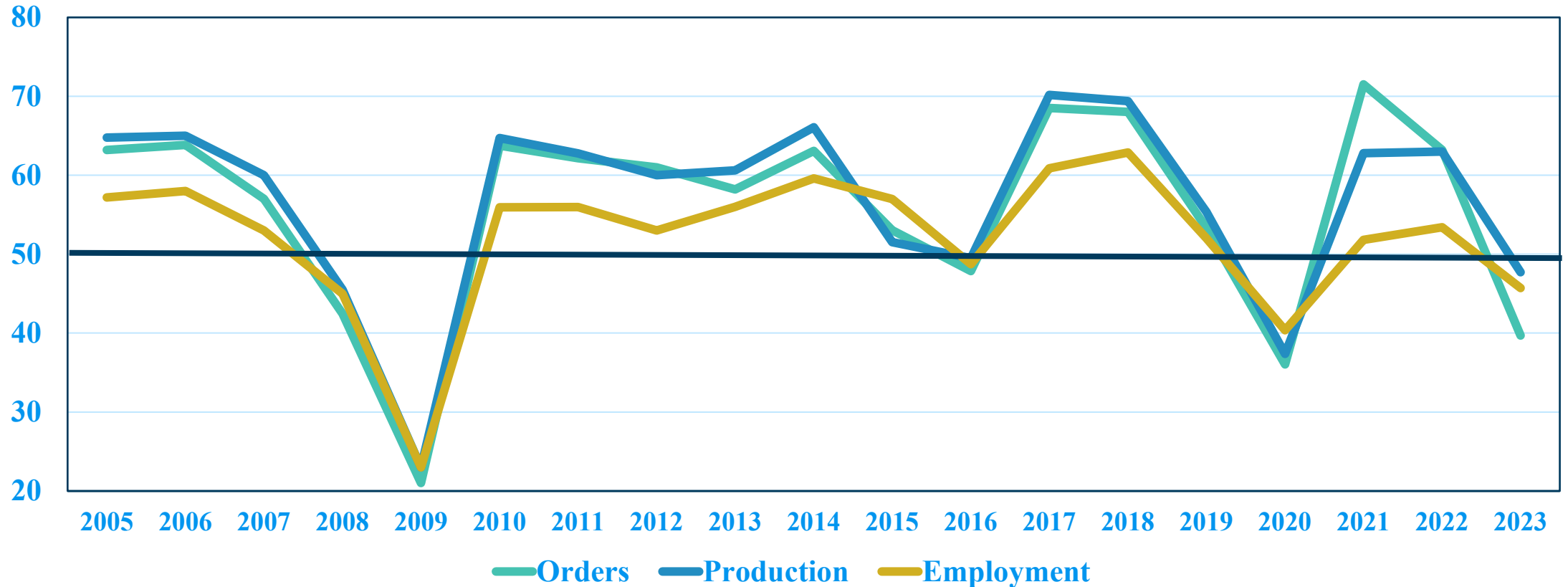


\*Index number above 50 indicates expansion.  
Index number below 50 indicates contraction.



# SURVEY RESULTS

## CONTRACTION AFTER TWO YEARS OF GROWTH



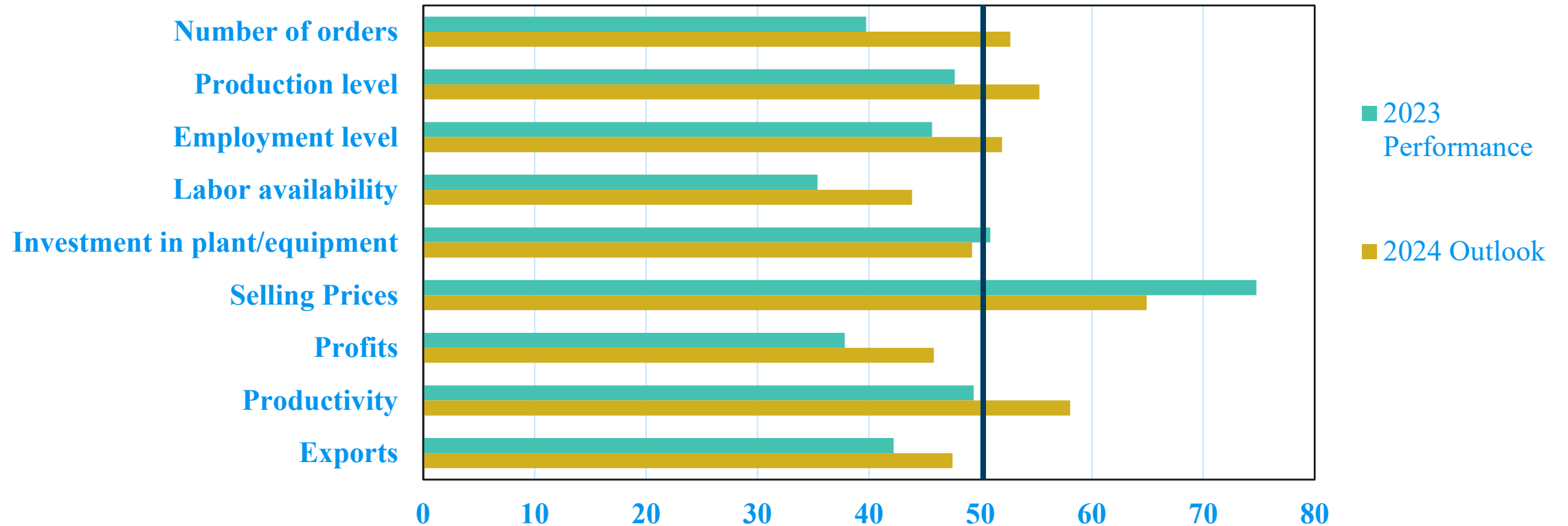
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# SURVEY RESULTS

## 2024 EXPECTATIONS CALL FOR REBOUND

### 2024 Expectations

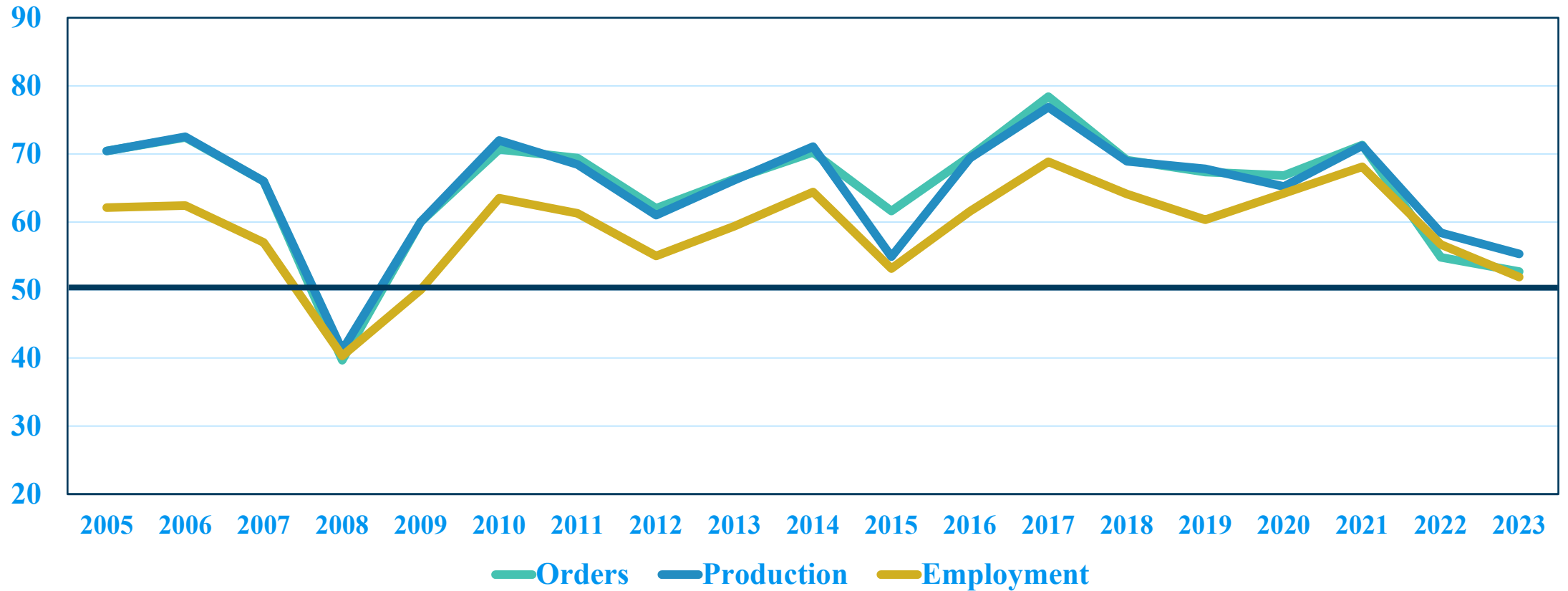


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# SURVEY RESULTS

## OVERALL OPTIMISM, BUT DOWN FROM LAST YEAR



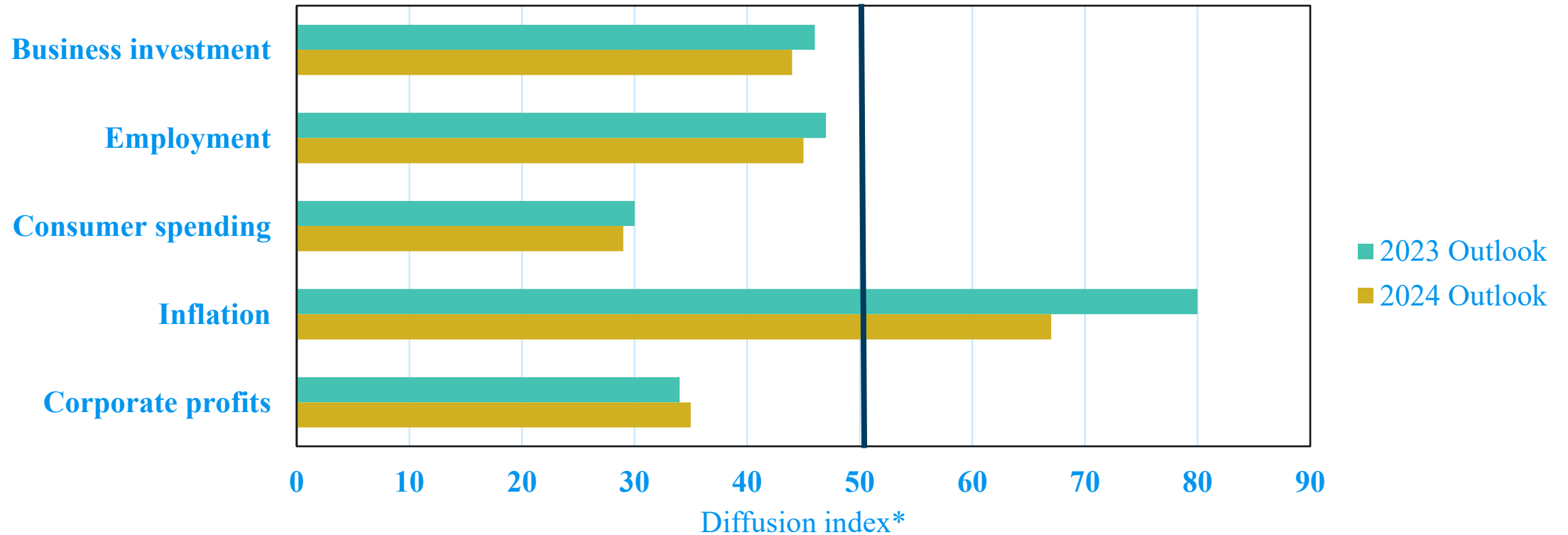
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# SURVEY RESULTS

## STATE ECONOMIC OUTLOOKS MORE PESSIMISTIC

### 2024 Outlook



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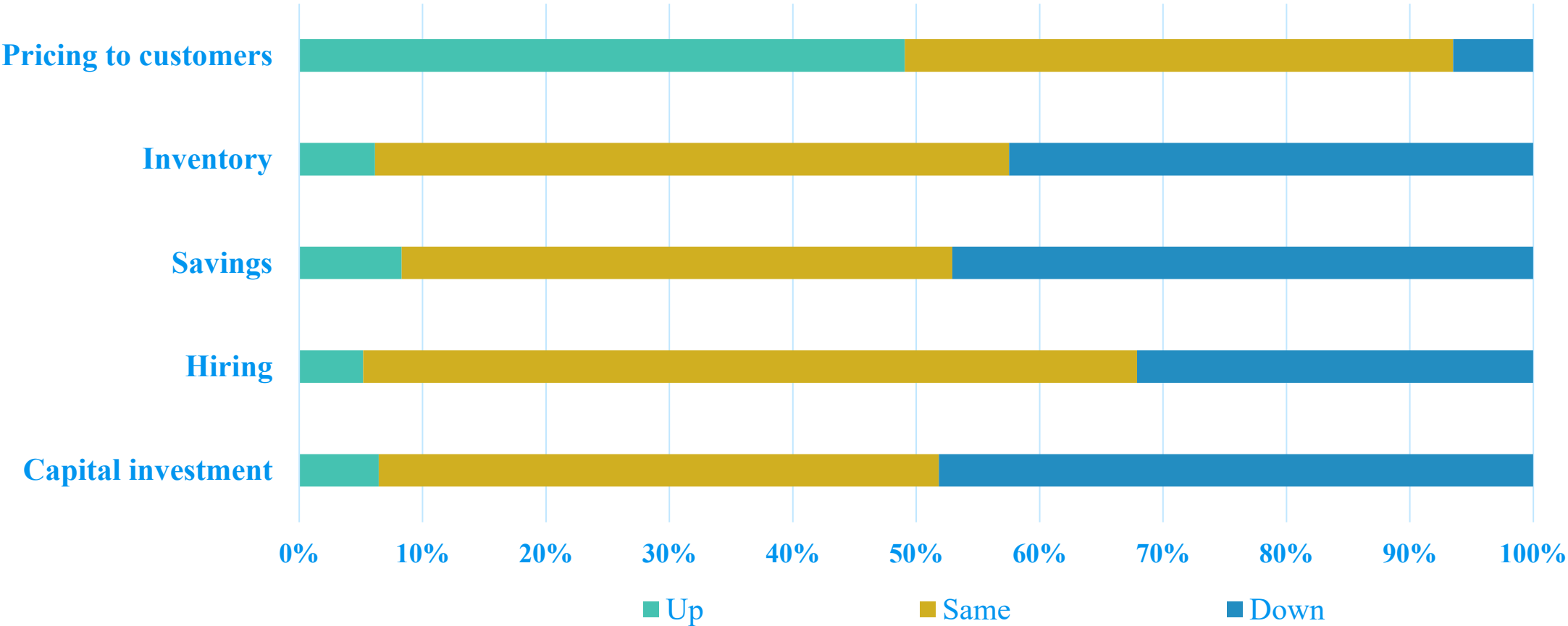
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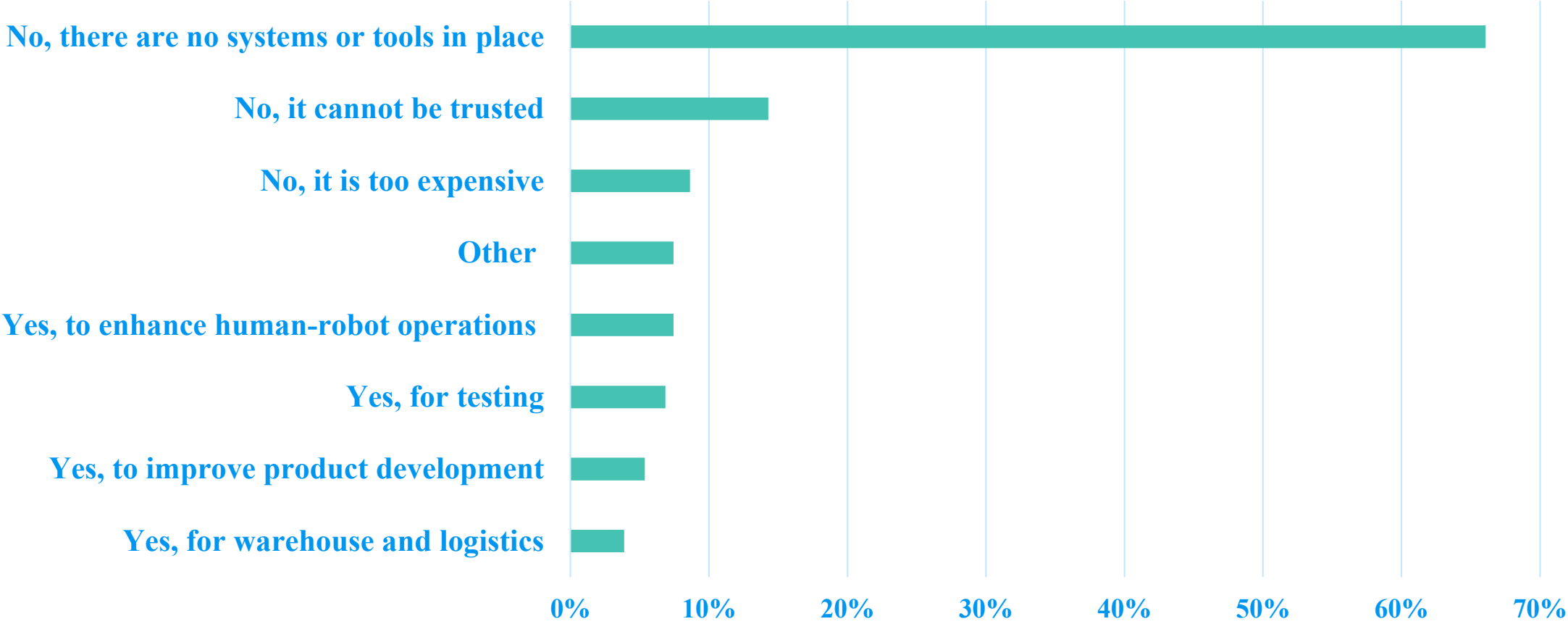
# CREDIT CONDITIONS

WHAT IMPACT DO YOU EXPECT CURRENT INTEREST RATES TO HAVE ON THE FOLLOWING ASPECTS OF YOUR BUSINESS IN 2024?



# ARTIFICIAL INTELLIGENCE

## DOES YOUR COMPANY USE OR PLAN TO USE A.I.?





**THANK YOU!**

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**OR CONNECT ON LINKEDIN**