



Randy Wolken
President & CEO

We Have an Opportunity to Discuss Ways to Grow Manufacturing

The United States is still the leading developed country for manufacturing and as the “go to” developed nation for manufacturing, it needs to be embraced by local, state, and national leaders. We must do everything we can to encourage the growth of all forms of manufacturing in our country. We have seen the impact of the loss of manufacturing to our communities here in New York and throughout the nation. It is time to develop our local, state, and national policies in all areas so that our nation smartly supports manufacturing investment and job growth.

Trade policy is, and needs to be, one of the critical discussions we have this year. We need to create a policy that provides for fair trade and advances the needs of our domestic manufacturers that operate in global markets. We need to know what specific efforts will be employed to assist manufacturers in growing their ability to compete fairly with other manufacturers in global markets, sell their products in foreign markets, and grow their operations and production here in the United States.

We also need to take a comprehensive look at our tax policies for manufacturers. Our current tax system encourages companies to locate operations abroad and to domicile in other countries. We need to have a tax policy that is going to incent investment and job creation in this country. Our corporate tax rates are some of the highest in the world. We have small manufacturers that are paying at individual rates—some of the highest rates in the history of our country. Taxes are certainly draining the ability of our businesses to invest in this country. Let’s create a comprehensive approach to fix our tax policies so as to encourage and facilitate manufacturing investment and job growth in our nation instead of creating a barrier for growth.

We need our political leaders to both understand and support public-private efforts such as the Ex-Im Bank. The Ex-Im Bank has been in existence for over 80 years. It has expanded export markets for U.S. products around the world. If we are to compete with 70 other countries that have export credit agencies of their own, we need the Ex-Im Bank. For manufacturers, trade is an opportunity to access the 95 percent of customers who live outside the United States, and we need every tool available, such as the Ex-Im Bank, to compete on a level playing field.

And finally, we need to reduce the cost of doing business here New York State and in our country. The cost of doing business is continually rising, the regulatory burden is growing, and health care prices are increasing. This is a negative drain on manufacturers and their ability to compete globally, thrive here in the U.S., and grow our local and national economy.

Let’s use this year to continue to promote manufacturing and business growth and prompt our political leaders to lay out their plans for robust growth in manufacturing here in the U.S. Doing so will enhance our current and future economic growth and sustainability.

Business Activity Grew at a More Subdued Pace in New York State

Business activity grew at a more subdued pace in New York State, according to firms responding to the April 2017 Empire State Manufacturing Survey. The headline general business conditions index fell eleven points to 5.2. The new orders index, which had climbed to a multiyear high in March, retreated sharply to 7.0 in April, suggesting more modest growth. The shipments index edged up to 13.7, indicating that shipments continued to increase moderately. The unfilled orders index edged down to 12.4, after reaching its highest level in more than a decade in March; however, delivery times lengthened further, with that index climbing to a record high of 16.1. Labor market indicators pointed to further sturdy increases in both employment and hours worked. Input prices and selling prices rose at a modest pace again this month. Indexes assessing the six-month outlook continued to convey a fairly high degree of optimism about future conditions. For more information visit www.newyorkfed.org.