



Jonathan Basile, Business Survey Chair, NAPM-New York and Vice President/Economist, Credit Suisse, (212) 538-1436, jonathan.basile@credit-suisse.com

Peter Oppenheimer, C.P.M., Executive Director, NAPM-New York, (516) 466-9822

**April 30, 2008**

**NEW YORK CITY REPORT ON BUSINESS**

*Bad Now, Good Later*

The current downturn deepened in April as business activity fell at the fastest rate in nine months, according to the survey taken by the National Association of Purchasing Management-New York (NAPM-NY). The Current Business Conditions index came in at 37.6 in April.

However, purchasing managers' future optimism returned. The Six-Month Outlook index rose to 59.6 in April, the highest level since November of last year.

Input costs remained elevated. The Prices Paid index rose to 66.3 in April.

Purchasing volume stayed subdued, but is off the lows. The Quantity of Purchases index came in at 45.7 in April.

**Business Impediments:** There were three standouts – skilled labor shortages, working capital shortages and security concerns. The first two are fundamental reasons for limiting activity, while the latter is a technical factor. Overall, April marked the highest percentages so far this year for these three impediments.

	Apr	Mar	Feb
Skilled labor shortage:	28%	16%	15%
Unskilled labor shortage:	4%	3%	0%
Working capital shortage:	26%	19%	20%
Raw material shortage:	9%	3%	5%
Security concerns:	17%	10%	5%
Abnormal weather:	4%	3%	5%
“Other” difficulties:	11%	16%	15%
No difficulties:	19%	26%	40%

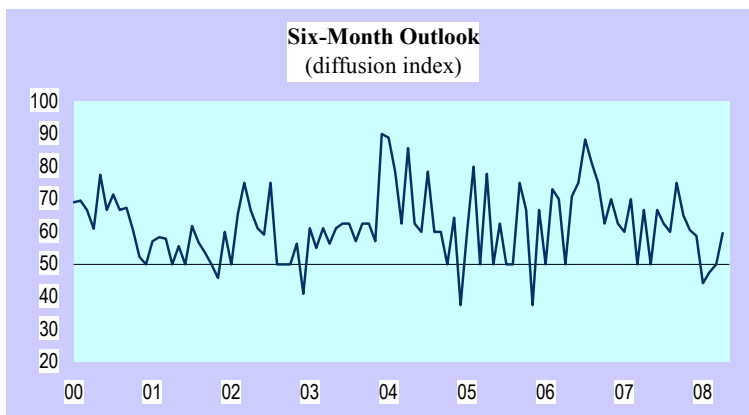
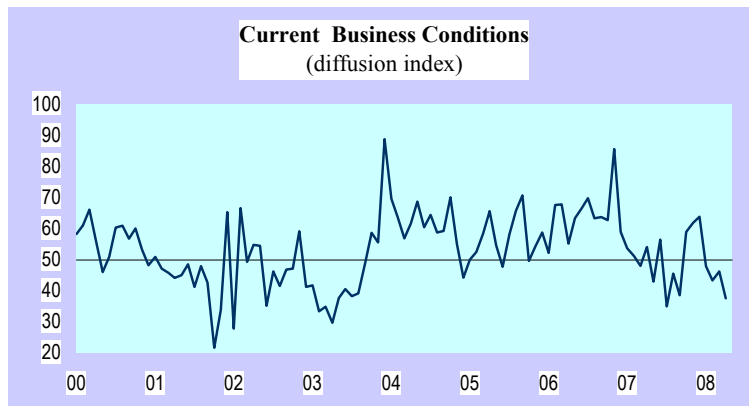
\* \* \*

April's special question: In terms of employment, your organization is in what mode – Hiring, Hiring Freeze or Layoff? Choose all that apply.

More firms said that they were not hiring than hiring.

Hiring	60%
Not Hiring	72%
<i>Of which:</i>	
Hiring Freeze	46%
Layoff	26%

(Numbers do not add to 100% because of multiple responses.)



**Business Conditions in New York City**

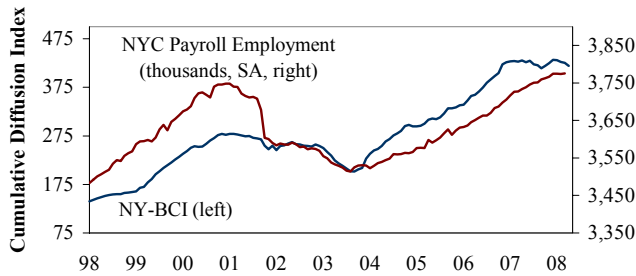
*(Seasonally Adjusted, Except Where Noted)*

	<b>Current Business Conditions</b>	<b>Six-Month Outlook (NSA)</b>	<b>NY-BCI*</b>
April 2007	54.1	66.7	430.3
May	43.0	50.0	426.8
June	56.5	66.7	430.1
July	35.0	62.5	422.6
August	45.6	60.0	420.4
September	38.6	75.0	414.7
October	59.0	65.0	419.1
November	61.9	60.5	425.1
December	63.9	58.7	432.1
January 2008	47.9	44.2	431.0
February	43.4	47.5	427.7
March	46.3	50.0	425.8
<b>April</b>	<b>37.6</b>	<b>59.6</b>	<b>419.6</b>

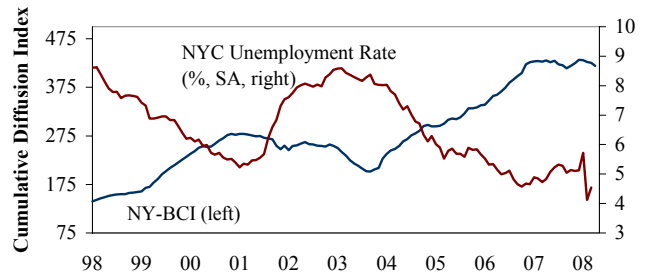
NSA = not seasonally adjusted. \*The NY-BCI is a cumulative diffusion index constructed from the diffusion index of Current Business Conditions for non-manufacturing businesses in the New York City area.

## New York Business Conditions Index and the New York City Labor Market

### NY-BCI vs. NYC Employment



### NY-BCI vs. NYC Unemployment



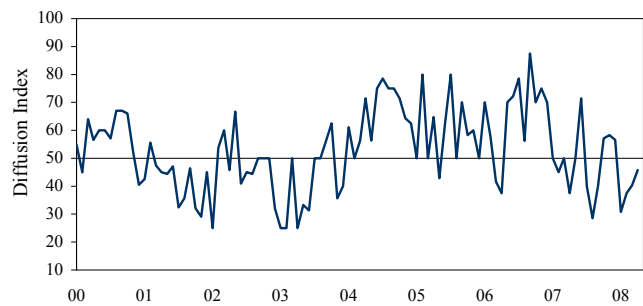
NYC Employment/Unemployment data from the Bureau of Labor Statistics. SA = seasonally adjusted. The NY-BCI often precedes local employment trends. Moreover, the NY-BCI offers advance information about forthcoming local labor market conditions because the count of local jobs is not available for one or two months.

### Quantity of Purchases

The overall quantity (units, not dollars) of purchases, including raw materials, MRO, components, intermediates, and services compared to the previous month.

	Apr	Mar	Feb	Jan	Dec	Year ago Apr
Diffusion Index	45.7	40.3	37.5	30.8	56.5	37.5

### Quantity of Purchases

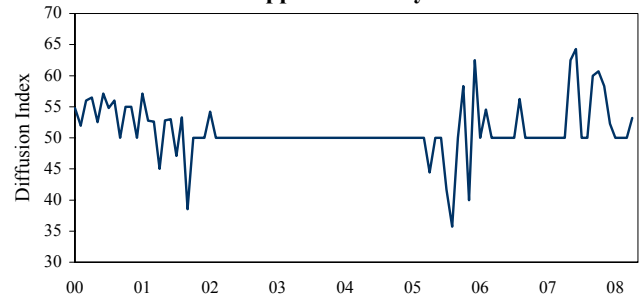


### Supplier Delivery Time

An aggregate evaluation of the current month's delivery performance (lead time) compared to the prior month.

	Apr	Mar	Feb	Jan	Dec	Year ago Apr
Diffusion Index	53.2	50.0	50.0	50.0	52.3	50.0

### Supplier Delivery Time

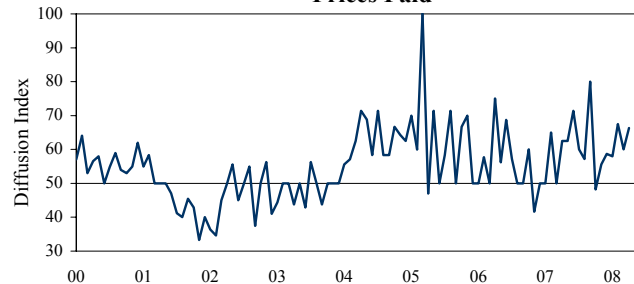


### Prices Paid

The change from the prior month in prices paid for goods and services.

	Apr	Mar	Feb	Jan	Dec	Year ago Apr
Diffusion Index	66.3	60.0	67.5	58.0	58.7	62.5

### Prices Paid



### About the Survey

The purpose of the survey is to quickly assess business conditions among non-manufacturing firms/organizations in the New York City area. The survey results are compiled as diffusion indices - the percent of positive responses plus one-half of those responding the same (considered positive). A reading of 50% means no change from the prior month, greater than 50% indicates a faster pace of activity, and less than 50% a slower rate. The Current Conditions Index and NY-BCI are both seasonally adjusted. All other measures are not seasonally adjusted.