

Around the Industry

The debate on online purchasing platforms at the NAED Western

Alex Moazed, the founding CEO of Aplico and the keynote speaker at the recent Western Conference in Palm Desert, CA, ruffled a few feathers at the meeting with comments during his presentation that Schneider Electric's investments in several new technology companies offering online purchasing platforms in the construction marketplace through SE Ventures, its venture capital unit, may indicate the company is interested in selling direct to contractors.

One of Moazed's presentation slides was titled "Schneider Electric's Investments in Distributor Disruption" and highlighted Renorun, KOJO and Enable. Renorun and KOJO are developing online procurement platforms that focus on direct-to-contractors transactions, while in contrast Enable works with NAED and IDEA to help distributors manage their rebates more efficiently and profitably.

Schneider Electric and Enable were both sponsors of the NAED Western Conference, and it's unclear why the speaker grouped Schneider and Enable with new companies from outside the electrical channel that rely on the direct business model, or didn't mention that in addition to exploring alternative market channels, Schneider has supported electrical distributors and NAED for more than 100 years.

Amazon to invest \$35 billion in Virginia data centers by 2040

Amazon's cloud business unit made big news last week with its announcement that it would spend \$35 billion on sev-

Continued on page 3

Inside

- 50 largest metros..... p. 2
- 2022 construction analysis..... p. 3
- Electrical prices rise again..... p. 4
- NEMRA's new board members... p. 6

An Endeavor Business Media publication.
Publishers of *Electrical Wholesaling* and *EC&M* magazines.

Top 50 Metros Continue to Dominate Electrical Market Sales Volume in 4Q 2022

When you factor in price inflation, 4Q 2022 total revenues in the electrical industry were flat, according to *EM* sales estimates. The estimated increase in electrical sales through Nov. 2022 of +3.5% to \$143.5 billion in total sales through electrical distributors was easily erased by the increase in electrical prices, judging from information in *EM*'s Electrical Price Index (see page 4) and the 4Q 2022 *Electrical Wholesaling*/Vertical Research Partners survey (see article below).

Several of the largest local market areas easily outpaced the national revenue increase (see chart on page 2). The two largest market areas in Texas had some impressive increases. The Dallas-Fort Worth-Arlington, TX, MSA saw total revenues increase to over \$4 billion, based on a +7.5% increase in contractor business and a +6.1% increase in its industrial market revenues. The Houston-Woodlands-Sugarland, TX, MSA enjoyed a +11.5% increase in business from electrical

contractors and a +6.4% increase in business from industrial customers. The Los Angeles-Long Beach-Anaheim, CA, MSA saw a +6.3% increase in contractor business and a +3.7% increase in industrial revenues. *EM* estimates that distributors in the Los Angeles metro sold \$5 billion in electrical supplies.

The nation's electrical sales are much more consolidated than you might think. With \$34.5 billion, the 10 largest market areas account for 24% of all sales, and the 50 largest MSAs account for 55% of revenues, with a combined sales volume of \$78.3 billion.

EM develops these market estimates with *Electrical Wholesaling* magazine's sales-per-employee multipliers from the 2023 Market Planning Guide, with \$88,775 per electrical contractor and \$2,650 for each industrial employee. The employee data is sourced from the U.S. Bureau of Labor Statistics at www.bls.gov.

— Jim Lucy

EW/VRP Survey Points to Steady Growth in 4Q 2022, But a More Cautious 2023 Outlook

Although price inflation accounted for roughly half of distributors' revenue increases 4Q 2022, business remained solid for the 30-plus wholesaler respondents to the most recent Vertical Research Partners (VRP)/*Electrical Wholesaling* survey.

Nick Lipinski, a VRP analyst, said Q4 distributor sales were up +6.7% on +3.5% volume growth and +3.2% price growth. "While pricing continued to moderate from the record seen in Q2, the +3.2% result was still among the highest reported increases in our survey's history back to 2006," he said. "As in each quarter of 2022, electrical equipment sales were higher than revenues for automation equipment or utility products, with +8.9% growth, including price up +3.2%.

He noted some signs of a slowdown in the 4Q 2022 survey results. "While some distributors continued to see strong underlying momentum and an active quoting environ-

ment, signs of a slowdown are mounting. Interest rates are clearly having an impact on commercial construction projects. We also heard of some customer pushback on price after an extended period of increases. Backlogs remain at record levels.

"Cancellations were not widely reported but have begun to creep in. Stimulus around infrastructure and energy efficiency are bolstering results as a pocket of strength. Overall distributors are not expecting any major declines, although some reported 'small domino effects.' But the tone continues to sound cautious. We heard the first rumblings of bankruptcies with some large electrical contractors in the New York metro area going out of business."

While respondents' experiences on product and labor availability were mixed, lead times for some products continue to be exceptionally long.

Continued on page 6

Top 50 Markets in Electrical Sales Potential (\$ Millions)

Rank	Metropolitan Statistical Area (MSA)	Total Electrical Market Estimated Sales Potential	Electrical Contractor Estimated Sales Potential	% Change YOY	# Change YOY	Industrial Estimated Sales Potential	% Change YOY	# Change YOY
	UNITED STATES	143,472.3	80,546.9	3.4	2,673	34,331	3.5	1,157
1	New York-Newark-Jersey City, NY-NJ-PA	6,262.1	4,101.8	1.0	40	908	1.8	16
2	Los Angeles-Long Beach-Anaheim, CA	5,000.5	2,735.3	6.3	163	1,265	3.7	45
3	Dallas-Fort Worth-Arlington, TX	4,018.0	2,409.0	7.5	168	805	6.1	46
4	Chicago-Naperville-Elgin, IL	3,833.6	1,965.9	4.4	84	1,101	4.2	45
5	Houston-The Woodlands-Sugar Land, TX	3,798.3	2,435.3	11.5	251	603	6.4	36
6	Phoenix-Mesa-Scottsdale, AZ	2,393.8	1,516.3	5.7	82	399	8.1	30
7	Seattle-Tacoma-Bellevue, WA	2,362.1	1,451.8	7.8	105	438	5.7	23
8	Boston-Cambridge-Nashua, MA	2,347.8	1,386.3	5.8	75	492	3.3	16
9	Atlanta-Sandy Springs-Roswell, GA	2,278.6	1,354.9	-0.9	(12)	468	3.5	16
10	Miami-Fort Lauderdale-West Palm Beach, FL	2,181.9	1,488.7	3.2	46	257	7.4	18
11	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	2,179.6	1,265.4	0.5	6	478	3.7	17
12	San Francisco-Oakland-Hayward, CA	2,166.1	1,315.6	5.2	66	417	6.2	24
13	Detroit-Warren-Dearborn, MI	1,939.7	874.2	3.9	33	678	4.2	27
14	Minneapolis-St. Paul-Bloomington, MN	1,888.5	951.7	1.5	14	559	6.7	35
15	Washington-Arlington-Alexandria, DC-VA-MD-WV, DC	1,835.0	1,370.2	3.7	49	98	1.9	2
16	Denver-Aurora-Lakewood, CO	1,712.1	1,178.7	5.3	59	191	2.6	5
17	Portland-Vancouver-Hillsboro, OR	1,528.4	870.8	9.1	72	352	7.0	23
18	San Diego-Carlsbad, CA	1,500.1	900.5	3.3	29	300	-1.6	(5)
19	St. Louis, MO	1,396.1	803.9	9.9	73	313	3.1	9
20	Tampa-St. Petersburg-Clearwater, FL	1,383.1	916.5	3.1	28	190	3.0	5
21	San Jose-Sunnyvale-Santa Clara, CA	1,319.5	588.5	9.7	52	467	3.0	14
22	Charlotte-Concord-Gastonia, NC	1,312.9	762.9	4.7	34	287	1.8	5
23	Baltimore-Columbia-Towson, MD	1,295.7	867.7	5.3	44	169	7.5	12
24	Austin-Round Rock, TX	1,169.2	747.6	-2.1	(16)	188	8.0	14
25	Orlando-Kissimmee-Sanford, FL	1,164.8	784.8	-8.5	(73)	147	11.1	15
26	Indianapolis-Carmel-Anderson, IN	1,134.6	654.7	9.5	57	253	2.9	7
27	Sacramento-Roseville-Arden-Arcade, CA	1,113.9	787.5	1.7	13	104	1.7	2
28	Las Vegas-Henderson-Paradise, NV	1,065.8	774.9	9.3	66	78	12.7	9
29	Pittsburgh, PA	1,064.1	629.1	-1.3	(9)	222	4.3	9
30	Cincinnati, OH	1,063.5	535.6	3.3	17	315	3.7	11
31	Kansas City, MO	1,055.6	629.5	10.3	59	215	2.9	6
32	Nashville-Davidson-Murfreesboro-Franklin, TN	1,028.8	598.7	8.1	45	224	3.7	8
33	Salt Lake City, UT	971.2	610.3	9.4	52	167	2.6	4
34	Cleveland-Elyria, OH	915.6	415.8	3.1	13	317	2.9	9
35	San Antonio-New Braunfels, TX	899.4	574.5	-3.3	(20)	145	4.7	6
36	Columbus, OH	869.1	499.7	5.1	24	196	2.7	5
37	Milwaukee-Waukesha-West Allis, WI	853.5	382.7	5.5	20	300	1.0	3
38	Jacksonville, FL	743.8	506.2	0.7	4	89	2.8	2
39	Grand Rapids-Wyoming, MI	731.5	283.3	2.9	8	302	3.1	9
40	Raleigh, NC	720.7	489.2	9.0	40	87	3.5	3
41	Virginia Beach-Norfolk-Newport News, VA	715.8	420.6	4.8	19	152	2.2	3
42	Louisville/Jefferson County, KY-IN	677.2	320.9	4.2	13	221	4.3	9
43	Baton Rouge, LA	611.3	409.3	-5.4	(23)	80	7.1	5
44	Richmond, VA	595.6	392.6	-7.2	(30)	84	1.3	1
45	Providence-Warwick, RI	553.0	308.2	11.5	32	134	1.5	2
46	Omaha-Council Bluffs, NE	542.3	343.1	9.4	29	91	1.3	1
47	Birmingham-Hoover, AL	539.7	326.3	11.3	33	105	4.1	4
48	Boise City, ID	516.4	335.6	6.2	19	78	1.4	1
49	Oklahoma City, OK	510.0	316.1	1.0	3	92	4.7	4
50	Tulsa, OK	508.6	276.2	11.0	27	131	5.8	7

Notes. Electrical sales potential developed using *Electrical Wholesaling's* sales-per-employee multipliers from the 2023 Market Planning Guide, with \$88,775 per electrical contractor and \$2,650 per industrial employee. Employee data sourced from the U.S. Bureau of Labor Statistics at www.bls.gov. Employment data is a three-month average of the construction and industrial employment data from Sept. 2022 - Nov. 2022. Electrical contractors account for an estimated 13% of total construction employment, and this estimate is used in the sales potential data in this chart.

Around the Industry

Continued from page 1

eral new large data campuses in Virginia. Amazon is a big employer in the state, and in 2006 opened its first data center there. In 2018, it announced that it would build its second headquarters (HQ2) in Arlington, VA. A press release from the office of Virginia Governor Glenn Youngkin said the data center investment will create at least 1,000 total new jobs across Virginia.

Construction Market Ends 2022 On a High Note

Total construction starts jumped +27% in December to a seasonally adjusted annual rate of \$1.2 trillion, according to Dodge Construction Network. During the month, nonresidential building starts increased +51%, nonbuilding starts increased +30% and residential starts rose less than one percent.

Across 2022, total construction starts were +15% higher than in 2021. Nonresidential building starts rose +38% over the year, nonbuilding starts were up +19% and residential starts were down -3%.

“December starts revealed where the current strength in the construction lies — manufacturing and infrastructure,” said Richard Branch, chief economist for Dodge Construction Network, in the press release. “It’s those segments that will provide insulation for the sector as the economy softens in 2023. Recession or not, higher interest rates will weigh on the economy and restrain construction starts in 2023. However, it’s encouraging to know that the new year is starting with a great deal of positive momentum.”

Nonresidential building starts gained +51% in December to a seasonally adjusted annual rate of \$549.6 billion due to numerous large manufacturing projects getting underway. In December, manufacturing starts rose +596% from November to December. Institutional starts gained +11% with all subcategories improving. Commercial starts, however, fell -10% in December due to a pullback in office and hotel starts. For the full year, nonresidential construction rose +38% from 2021.

Manufacturing construction activity led all gains, rising +185% over the year. Commercial starts were +25% higher in 2022, led by office and hotel activity, while warehouse and retail starts increased at a modest pace. Institutional starts were +19% higher in 2022, led by improvements in healthcare and education starts.

Fastenal hits \$1 billion in offshore sales

In Sept. 1994, Fastenal opened a sales branch in Stoney Creek, Ontario. It had just two employees and about \$1,800 in first-month sales, but it was exceptional in one important regard: It was the company’s first branch outside the United States. Since then, Fastenal’s international (non-United States) business has grown to

include sales, service and support teams in 25 countries spanning the Americas, Europe and Asia. In 2022, these teams achieved an impressive milestone — \$1 billion in annual sales.

From 2012 to 2022, Fastenal’s international revenues more than tripled. During this same time period, the number of international employees grew from approximately 1,800 to approximately 4,500 employees.

The largest nonresidential building projects to break ground in December were the \$8.5-billion Golden Triangle Ethylene Cracker in Orange, TX; the \$2-billion AltAir/World Energy renewable fuels facility in Paramount, CA; and the \$1.4-billion Stellantis electric vehicle plant in Kokomo, IN.

Residential building starts remained flat in December at a seasonally adjusted annual rate of \$353.8 billion. Single family starts lost -5%, while multi-family starts gained +8%. Residential starts were -3% lower in 2022 when compared to 2021. Multi-family starts were up +25%, while single family housing slipped -13%.

The largest multi-family structures to break ground in December were the \$350-million first phase of the Hamilton Green complex in White Plains, NY; a \$240-million mixed-use project on Dekalb Ave. in Brooklyn, NY; and the \$230-million 54 Crown St. building in Crown Heights, NY.

Nonbuilding construction starts rose +30% in December to a seasonally adjusted annual rate of \$281.4 billion. The utility/gas category was the main driver of the growth due to the start of a transmission line project. Miscellaneous nonbuilding starts rose +19% and highway and bridge starts were up +10%. However, environmental public works fell -4%. For the full year, total nonbuilding starts were up +19% from 2021. Starts activity in all sectors gained in 2022, led by utility/gas plants, which rose +26%.

The largest nonbuilding projects to break ground in December were the \$2.2-billion Champlain Hudson Power Express transmission line across several counties in New York state, the \$1.2-billion New Fortress Energy Louisiana LNG terminal in Grande Isle, LA, and the \$535-million Black Diamond solar project in Morgan and Sangamon counties, IL.

Orbit moves into new SoCal HQ

Orbit Industries recently moved into a new corporate headquarters in Bell Gardens, CA. The new facility sits on over four acres of land and is also home to Orbit’s West Coast warehouse and distribution center. Orbit consolidated the two facilities to streamline its warehouse and back-office operations.

According to the press release, Orbit executives are optimistic about the decades ahead, and they anticipate a successful 2023. Thanks to calculated purchases of raw material during the supply chain bottleneck of 2020 to 2021, the company is excited to report that its quantity of warehouse stock is back to pre-Covid levels. Concurrently, its R&D timelines have also returned to pre-Covid levels, and the company plans to launch several new products in the near future.

City Electric Supply opens 19th location in Colorado

City Electric Supply recently completed a six-month renovation on a branch in Loveland, CO, that’s now the largest CES store in the state. Just shy of 8,000 sq ft, the building underwent a complete transformation with the removal of a partial wall, the addition of a full pipe yard on the side, and the installation of customized racking for the best organization possible inside the branch.

In the northern region of Colorado, this CES store will provide easier access to materials for customers. CES Loveland is nestled between three other CES branches located within a half-hour drive of this new branch.

City Electric Supply was ranked #7 on *EW’s* 2022 Top 150 Electrical Distributors ranking with 4,259 employees and more than 600 locations in North America.

Industry Events

January 30 - February 2, 2023

NEMRA Conference

Las Vegas, NV; National Electrical Manufacturers Representatives Association; www.nemra.org

January 31 - February 2, 2023

NAW Executive Summit

Washington, DC; National Association of Wholesaler-Distributors (NAW) www.naw.org

February 27 - March 1, 2023

NAED South Central Conference

Orlando, FL; www.naed.org

March 7-8, 2023

LEDucation

New York, Designers Lighting Forum of New York; www.leducation.org

May 21-23, 2023

LightFair Trade Show & Conference

New York; www.lightfair.com

May 23-25, 2023

NAED Annual Conference

Marco Island, FL; www.naed.org

June 12-14, 2023

NAED Women in Industry Forum

Salt Lake City, UT www.naed.org

June 14-16, 2023

NAED Adventure

Salt Lake City, UT www.naed.org

September 18-20, 2023

IDEA eBiz

Nashville, TN; IDEA www.idea4industry.com

September 30-October 2, 2023

NECA Show

Philadelphia; National Electrical Contractor Association (NECA) www.necashow.org

November 6-8, 2023

NAED Eastern Conference

Marco Island, FL; www.naed.org

November 8-9, 2023

NEMA Annual Meeting

Manalapan, FL; www.nema.org

December's Single-Family Housing Starts Decline Sharply -25% YOY to 909,000 Units

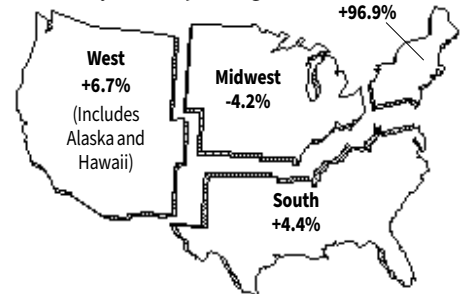
Privately-owned housing starts in December were at a seasonally adjusted annual rate of 1,382,000, -1.4% below the revised November estimate of 1,401,000 and +21.8% below the Dec. 2021 rate of 1,768,000. According to U.S. Census Bureau data, single-family housing starts in December were at a rate of 909,000, +11.3% above the revised November figure of 817,000.

“Even though single-family starts are up on a monthly basis, permits indicate that the housing market will slow down further in 2023,” said Jerry Konter, chairman of the National Association of Home Builders (NAHB) in the press release. “We expect a

sustainable decline for mortgage rates in the second half of this year, which should lead to a housing recovery in 2024.”

Housing Starts by Region

(% of monthly change)



New Privately Owned Housing Units Started

(Thousands of units, seasonally adjusted annual rate)

Period	Total	1 Unit	5 Units or more	Northeast	Midwest	South	West
Dec. 2022 ¹	1,382	909	463	128	92	497	192
Nov. 2022 ²	1,401	817	571	65	96	476	180
Oct. 2022 ²	1,426	859	553	52	130	515	162
Sept. 2022	1,465	893	555	61	123	515	194
Aug. 2022	1,508	923	565	60	127	517	219
July 22	1,377	900	462	73	105	513	209
Dec. 2021	1,768	1,212	553	69	212	670	261

1-Preliminary; 2-Revised; Note: Detail may not add to total because of rounding.

Source: U.S. Bureau of the Census

December's EPI Data Comes Higher

Maybe the market hasn't seen the end of inflation. EM's Electrical Price Index (EPI) came in higher on both a month-to-month (+1.2%) and year-over-year (+10.4%) basis, with its highest YOY reading since Aug. 2022 and its highest monthly increase since April 2022. Circuit breakers (+11.3%) had biggest monthly and YOY (+24%) increases. Pole-line hardware (+22.2%); and Switchgear (+21.6%); also had huge annual increases.

Note: All EPI series represent IHS Markit aggregates of Bureau of Labor Statistics' (BLS) producer price indices (PPIs). The revised data partly reflect redefinitions of specific PPIs by the BLS, but mostly reflect the rebenchmarking of all EPI price series to a 2012 base year. The four following EPI series have been affected by BLS redefinitions: boxes, conduit (fittings), nonmetallic conduit, and generators. Sources: U.S. Bureau of Labor Statistics; IHS Markit

Electrical Price Index — December 2022

2012=100	Dec. 2022	Nov. 2022	Dec. 2021	% Change	
				1 Mo.	1 Yr.
Building Wire & Cable	269.7	267.0	254.1	1.0	6.1
Power Wire & Cable	413.8	400.4	343.2	3.4	20.6
Telephone	235.1	234.1	224.0	0.4	5.0
Hand & Power Tools	165.2	165.0	155.0	0.1	6.6
Elec. Heating Equip.	177.9	177.5	160.0	0.2	11.2
Residential Lighting	177.4	177.4	172.9	0.0	2.6
Industrial Fixtures	169.3	168.7	158.1	0.4	7.1
Fans & Blowers	203.7	203.6	184.1	0.0	10.6
Wiring Devices & Connectors	161.3	161.3	150.9	0.0	6.9
Pole Line Hardware	287.3	287.9	235.1	-0.2	22.2
Boxes	303.1	304.4	265.0	-0.4	14.4
Conduit Fittings	260.6	257.0	233.0	1.4	11.9
Metal Conduit	241.5	241.4	222.8	0.0	8.4
Nonmetallic Conduit	263.5	260.3	231.8	1.2	13.7
Motors	206.2	206.2	184.3	0.0	11.8
Generators	191.6	191.2	169.6	0.2	13.0
Ballasts	224.8	224.8	206.5	0.0	8.9
Elect. Meas. & Integ. Inst.	134.8	134.8	128.0	0.0	5.3
Transformers	163.3	163.2	152.3	0.1	7.2
Panelboards & Switches	224.1	211.8	186.4	5.8	20.3
Circuit Breakers	245.2	220.3	197.7	11.3	24.0
Switchgear	236.2	233.7	194.3	1.0	21.6
Fuses	215.5	209.7	177.8	2.8	21.2
Industrial Controls	212.2	201.1	176.2	5.5	20.5
Lamps	192.5	192.5	177.7	0.0	8.3
Appliances	138.0	136.2	124.7	1.4	10.7
Air Conditioners	197.8	194.0	170.8	2.0	15.9
Fasteners	207.8	207.7	185.7	0.1	11.9
Total Index	202.7	200.3	183.7	1.2	10.4

Electrical Marketing's Leading Economic Indicators

Single-family building permits sag in December. Privately-owned housing units authorized by building permits in December were at a seasonally adjusted annual rate of 1,330,000, -1.6% percent below the revised November rate of 1,351,000 and -29.9% below the Dec. 2021 rate of 1,896,000. According to U.S. Census Bureau data, single-family authorizations in December were at a rate of 730,000, -6.5% below the revised November figure of 781,000.

Conference Board's leading indicators slip again in December. The Conference Board Leading Economic Index (LEI) for the U.S. decreased by -1% in Dec. 2022 to 110.5 (2016=100), following a decline of -1.1% in November. The LEI is now down -4.2% over the six-month period between June and Dec. 2022.

"The U.S. LEI fell sharply again in December, continuing to signal recession for the US economy in the near term," said Ataman Ozyildirim, senior director-Economics, at the Conference Board. Overall economic activity is likely to turn negative in the coming quarters before picking up again in the final quarter of 2023."

AIA sees a bigger slowdown in nonresidential construction in 2024. While spending on non-residential construction picked up momentum toward the end of 2022, construction spending will moderate in 2023 and slow significantly in 2024, according to a new report from the American Institute of Architects (AIA).

Despite macroeconomic headwinds such as inflation, rising interest rates and weak consumer sentiment scores, the AIA's Consensus Construction Forecast panel — comprising of leading economic forecasters — is projecting non-residential construction spending to grow +5.8% in 2023 but slow to under +1% in 2024. Similar to 2022, growth in construction spending in 2023 will be uneven with a projected +2.6% increase in the commercial sector, +15.1% for

industrial facilities, and +4.1% for institutional buildings. "The U.S. economy will continue to face serious challenges as we move through 2023, dampening the construction outlook," said AIA

Chief Economist Kermit Baker in the press release. "However healthy architect and contractor project backlogs should ease the negative impact of an economic slowdown."

The Marketplace : Key Figures

	Month	Latest month	Previous month	Month-over-month %change	Year ago	Year-over-year %change	2021 annual
CONSTRUCTION							
New Construction Put in Place (billions of dollars, SAAR) ²							
Total	NOV	1807.51	1803.21	0.2	1627.99	11.0	1626.21
Offices	NOV	75.20	75.26	-0.1	74.98	0.3	74.89
Industrial	NOV	125.13	117.46	6.5	76.78	63.0	78.32
Housing Starts (Thousands of units, SAAR) ²							
Total	DEC	1382	1401	-1.4	1664	-16.9	1605
Single-unit	DEC	909	817	11.3	1165	-22.0	1131
Mobile Home Shipments ³ (thousands of units, SAAR)							
	NOV	98	104	-5.8	105	-6.7	106
Employment, Construction Workers (thousands) ⁴	DEC	7691	7822	-1.7	7557	1.8	7413
Employment, Electrical Contractors (thousands) ⁴	NOV	1003.6	1009.3	-0.6	962.2	4.3	961.1
Hourly Wage, Electrical Contractors ⁴	NOV	34.42	34.86	-1.3	32.09	7.3	31.91
PRODUCTION							
Industrial Production Index (1967=100) ⁵	DEC	103.4	104.2	-0.7	100.2	3.2	100.0
Construction Supplies Production Index ⁵ (1977=100-SA)	DEC	102.7	104.2	-1.4	99.1	3.7	101.0
Employment in Electrical Equipment & Supplies Mfg. Production workers (Thousands) ⁴	NOV	144.3	143.8	0.3	139.5	3.4	138.5
Weekly hours	NOV	42.2	42.1	0.2	41.7	1.2	42.0
Hourly wage	NOV	26.11	26.20	-0.3	22.68	15.1	23.21
Electric Power Output Index (1967=100) ⁵	DEC	108.0	104.9	2.9	104.9	3.0	102.1
Machine Tool Orders* (millions of dollars) ⁶	NOV	425.28	449.37	-5.4	476.95	-10.8	480.78
Industrial Capacity Utilization (percent, SA) ¹	DEC	77.47	78.54	-1.4	76.98	0.6	77.13
TRADE							
Electrical Mfrs' Shipments	NOV	4,014	3,839	4.6	3,452	16.3	3,505
Electrical Mfrs' Inventories (millions of dollars, SA) ²	NOV	8,170	8,063	1.3	6,646	22.9	6,724
Electrical Mfrs' Inventory-to-Shipments Ratio	NOV	2.035	2.100	-3.1	1.925	5.7	1.919
Electrical Mfrs' New Orders (millions of dollars, SA) ²	NOV	3,800	3,823	-0.6	3,405	11.6	3,526
Electrical Mfrs' Unfilled Orders (millions of dollars, SA) ²	NOV	16,647	16,877	-1.4	14,144	17.7	14,296
Exports, Electrical Machinery (f.a.s. value in millions of dollars) ²	NOV	7,305	7,429	-1.7	7,026	4.0	83,120
U.S. Dollar vs. Other Major Currencies (1973=100) ⁵	DEC	116.39	118.82	-2.0	105.24	10.6	106.31
PRICES & INTEREST RATES							
Industrial Commodities Wholesale Price Index (Bureau of Labor Statistics, 1967=100)	DEC	257.1	262.9	-2.2	228.9	12.3	228.4
Electrical Price Index (Electrical Marketing, 1997=100)	DEC	202.7	200.3	1.2	172.9	17.3	173.1
Construction Materials Wholesale Price Index (Bureau of Labor Statistics, 1982=100)	DEC	347.6	348.7	-0.3	306.0	13.6	299.0
Copper Prices (Metals Week, cents per pound)	DEC	381.68	367.69	3.8	439.80	-13.2	424.28
Prime Rate ⁵	DEC	7.27	6.95	4.6	3.25	123.7	3.25
Federal Funds Rate ⁵	DEC	4.10	3.78	8.5	0.08	5025.0	0.08
Mortgage Rate ⁷	DEC	6.36	6.75	-5.6	3.04	109.2	2.95
*Several series related to employment are now being reported on a NAICS basis. Because of this change, some numbers are not directly comparable to previously reported data, but are consistent in year-over-year comparisons and comparisons shown in the table.							

Sources: ¹McGraw-Hill Construction/Dodge; ²Dept. of Commerce; ³Manufactured Housing Institute; ⁴Dept. of Labor; ⁵Federal Reserve Board; ⁶The Association for Manufacturing Technology; ⁷Federal Home Loan Bank Board.
 Note: Some figures shown—prime rate, for example—are averaged for month. NYA—not yet available SA—seasonally adjusted. SAAR—seasonally adjusted annual rate. Source for chart: Global Insight.
 For further information about construction starts, please contact Dodge Analytics at 1-800-591-4462

People

Crescent Electric Supply (East Dubuque, IL): **Tom Fechter** was hired as senior director – Industrial Sales. In this newly created role, Fechter is responsible for industrial sales growth and will enhance the company's subject matter expertise in key markets nationwide, such as conveyance and material handling. He will also focus on the continued development and reinforcement of Crescent's standardized sales process,

4Q EW/VRP Survey Analysis

Continued from page 1

“Lead times appeared to improve in Q4 though we suspect to some degree this reflects distributors becoming accustomed to the “new normal,” said Lipinski. “We are still clearly years away from returning to pre-pandemic service levels and some distributors express doubt that we ever will. Switchgear lead times remain eye-popping (100-plus weeks in some cases). PLCs and metering products also continue to be very tight. We continue to hear about availability issues with nearly all of the major OEMs including ABB, Eaton, Rockwell, Siemens and Schneider.”

Respondents' verbatim comments added some interesting color to the data. When asked about lead times, one respondent said, “I don't even count things in weeks anymore, it's months.” Said another, “OEMs can't even give us a ship date, and if they do it's a guess.”

Distributors were not seeing any sudden slowdown in economic activity, but some are seeing a few project cancellations because of higher interest rates, and one respondent said because interest rates have a lagging effect, the market won't see their true impact until six to nine months down the road. One distributor said he was seeing “bumps and hiccups,” but no massive slowdown, while another summed up market conditions succinctly by saying, “Not a cliff but definitely heading down.” Respondents also reported a slowdown in data center investment; steady growth in healthcare/education projects; the positive impact infrastructure spending and an electric-vehicle market that's set to take off but is “more smoke than fire right now.”

EM subscribers can download the full analysis of survey results at www.electrical-marketing.com. For any questions about the results or to participate in future surveys, contact Nick Lipinski at nl@verticalresearchpartners.com or 203-276-5661.

designed to help create more meaningful business outcomes and greater productivity for customers. Prior to joining Crescent, Fechter was VP of Industrial Sales at Werner Electric Supply. He earned a BA in Communications and Business from the University of Wisconsin-Milwaukee.

Eaton (Cleveland): **Mike Yelton** will succeed **Brian Brickhouse** as president, Americas Region, Electrical Sector, and **Pete Denk** will succeed **Joao Faria** as president, Vehicle Group, effective April 1. Brickhouse and Faria will be retiring. Yelton will report to Heath Monesmith, president and chief operating officer, Electrical Sector. Denk will report to Paulo Ruiz, president and chief operating officer, Industrial Sector. Both Yelton and Denk will join Eaton's senior leadership team.

Yelton, who currently holds the role of president, Assemblies and Residential Solutions, Electrical Sector, Americas Region, has been with Eaton for 29 years. During this time, he's served as vice president and general manager of Electrical Engineering Services, senior vice president and general manager of Commercial Distribution Products and Assemblies, and president, Commercial and Residential Distribution Solutions.

Denk, who joined Eaton in 2018, is currently serving as president, North America, Vehicle Group. Denk has run the North American Vehicle business for four years, following nearly two decades at Bosch.

Winsupply (Dayton, OH): **John McKenzie**, president, will retire effective Feb. 28, after 27 years with the company.

McKenzie began his career at Winsupply in 1996. He helped the company grow through his work in the company's support services companies and Sourcing Services unit, and as president of Winsupply beginning in March 2020. Under his leadership, the number of local company entrepreneurs increased from 609 to 652 and three new regional distribution centers were added.

Rep News

Effective Jan. 5, **Pfeiffer Sales**, Louisville, KY, was awarded the Atkore line for the entire state of Michigan. With this addition, the company has expanded into a three-state operation including Kentucky and Indiana.

National Electrical Manufacturers Representatives Association (NEMRA) (Carmel, IN): The association announced the appointment of four officers to its board of directors

and four executive committee members to the NEMRA Manufacturers Group (NMG). The NMG is an allied group of manufacturers who go to market principally with independent manufacturer's representatives. Effective Feb. 8, new appointments to NEMRA's board of directors include **Scott Lessing**, Ewing-Foley, Inc. Cupertino, CA; **Christopher Bogie**, United Electrical Sales, Atlanta; **Larry Benner**, Rouzer Group, Minneapolis; and **Christy Tilton**, Signify, Bridgewater Township, NJ.

New appointments to the NMG Executive Committee include **Stu Serota**, VP of US Electrical Distribution Sales, Leviton; **Molly Jenks**, VP of Sales, Bussmann at Eaton; **Kevin Heffernan**, VP - Sales and Marketing, Encore Wire; and **Chris Greene**, president, Underground Devices.

Electrical Marketing

Subscriptions: 877-382-9187

(8 a.m. - 4 p.m. Central Time)

or ElectricalMarketing@omeda.com

Subscription rates: \$99 per year. Group subscription discount rates are also available.

Electrical Marketing is published semi-monthly by Endeavor Business Media, LLC, 1233 Janesville Ave., Fort Atkinson, WI 53538. POSTMASTER: Send address changes to Electrical Marketing, PO Box 3257, Northbrook, IL 60065-3257. Subscription prices: U.S. (\$99.00); Canada/Mexico (\$99.00/year); All other countries (\$99.00). All subscriptions are payable in U.S. funds. Send subscription inquiries to Electrical Marketing, PO Box 3257, Northbrook, IL 60065-3257. Customer service can be reached toll-free at 877-382-9187 or at ElectricalMarketing@omeda.com for newsletter subscription assistance or questions.

Printed in the USA. Copyright 2023 Endeavor Business Media, LLC. All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopies, recordings, or any information storage or retrieval system without permission from the publisher. Endeavor Business Media, LLC does not assume and hereby disclaims any liability to any person or company for any loss or damage caused by errors or omissions in the material herein, regardless of whether such errors result from negligence, accident, or any other cause whatsoever. The views and opinions in the articles herein are not to be taken as official expressions of the publishers, unless so stated. The publishers do not warrant either expressly or by implication, the factual accuracy of the articles herein, nor do they so warrant any views or opinions by the authors of said articles.

Editorial questions: Jim Lucy, Editor-in-Chief — (913) 461-7679; **Questions on group subscription or online access to Electrical Marketing:** James Marinaccio, Audience Marketing Manager — jmarinaccio@endeavorb2b.com; **Inquiries about advertising in Electrical Wholesaling, Electrical Construction & Maintenance (EC&M) or Electrical Marketing:** Mike Hellmann, Vice President — mhellmann@endeavorb2b.com