

Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output Falls in July

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2003 Release Dates:
October 9
November 10
December 11

The Chicago Fed Midwest Manufacturing Index (CFMMI) fell 0.3% in July, to a seasonally adjusted level of 107.5 (1997=100). Revised data show the index declined 0.1%, to 107.8 in June. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) rose 0.3% in July. While July marked the third consecutive monthly increase in factory output for the nation, it was the sixth consecutive monthly decline in Midwest manufacturing production. July output in the region was 5.1% lower than a year earlier, while output in the nation was 1.6% below year-ago levels.

Output in two of the four CFMMI sub-sectors fell in July. Midwest machinery sector output posted the largest decline, falling 1.6% in July. Regional resource sector output decreased 0.8% in July. Output in both the Midwest steel and auto sectors rose 0.6% in July.

Midwest machinery output fell 1.6% in July while the nation's output increased 0.9%. While the nation expanded its computer and electronic product manufacturing 1.3% in July, regional production of these products fell 3.5%. Regional machinery output in July was 5.4% below year-earlier levels while national machinery output was up 2.9%.

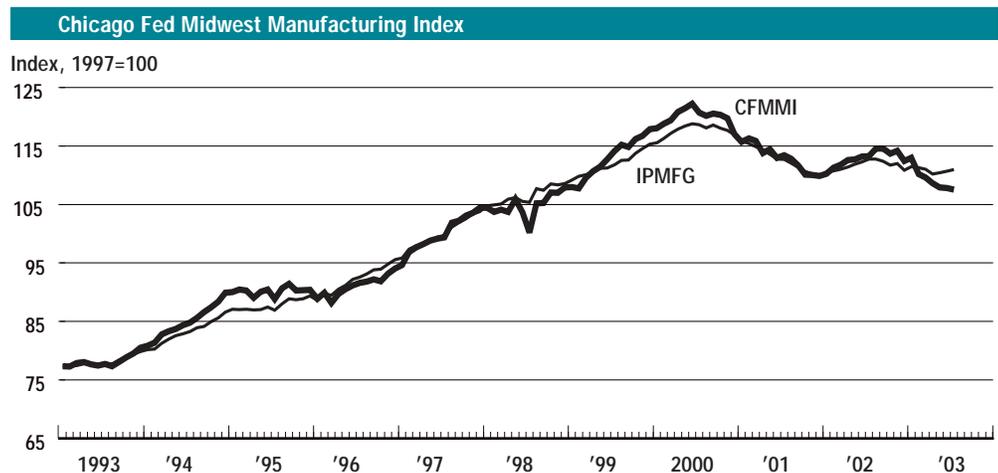
The Midwest resource sector's output decreased 0.8% in July in line with the nation's 0.7% decline. July losses in regional food and paper production were tempered somewhat by gains in wood product, chemical, and nonmetallic mineral production. Compared with a year ago, regional resource output was 5.4% lower in July while the nation's output was down 1.8%.

The region's steel sector output increased 0.6% in July while the nation's steel output rose 0.3%. Regional steel output was 7.3% below its July 2002 level compared with a 4.4% decrease in the nation.

Midwest automotive output rose 0.6% in July, less than the nation's 1.5% increase. Compared with a year earlier, Midwest automotive output was 3.3% lower in July while national output was down 1.0%.

* The current release of the CFMMI was rebenchmarked to incorporate information from the 2001 Annual Survey of Manufacturers.

— William A. Strauss • Senior Economist and Economic Advisor • 312-322-8151



The next CFMMI will be released:
October 9, 2003
Noon Eastern Time
11:00 am Central Time

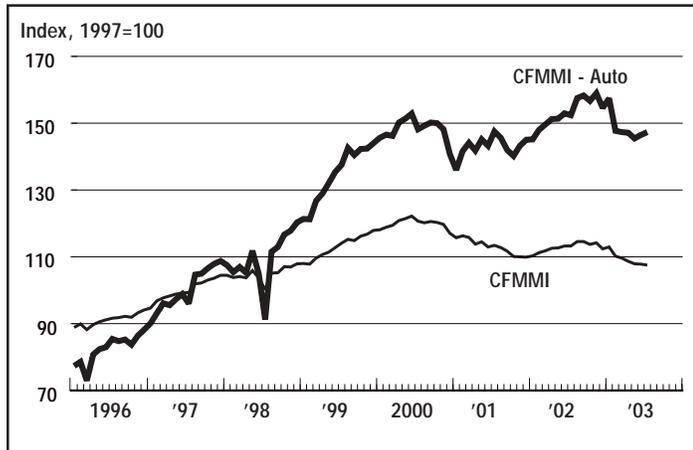
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Manufacturing output indexes—July 2003

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	-0.3	-1.0	-5.1
US Industrial Production-Manufacturing (IPMFG)	0.3	0.7	-1.6

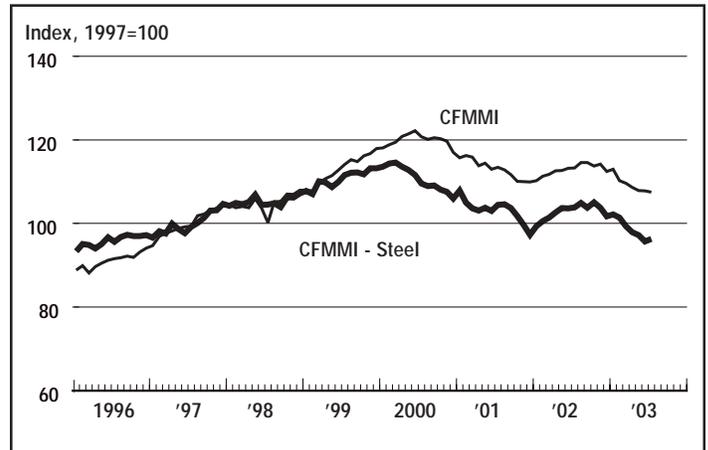
Tracking Midwest Manufacturing Activity by Sectors — July 2003

Auto Sector



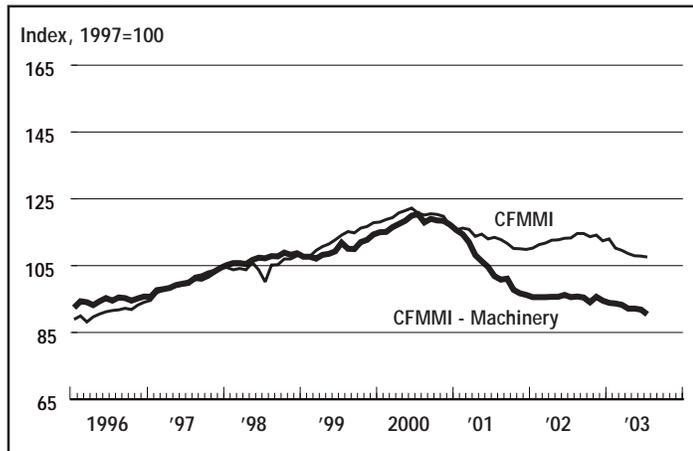
Auto Sector CFMMI Components:
Plastics and Rubber Products; Transportation Equipment

Steel Sector



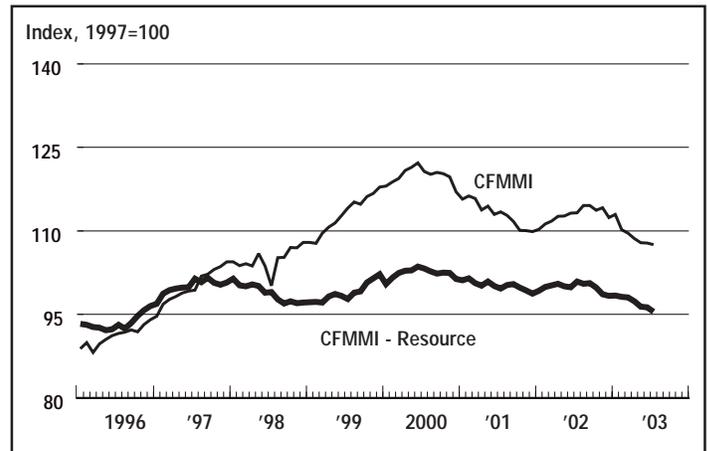
Steel Sector CFMMI Components:
Primary Metal Industries; Fabricated Metal Products

Machinery Sector



Machinery Sector CFMMI Components:
Machinery; Computer and Electronic Product; Electrical Equipment, Appliance, and Components Manufacturing

Resource Sector



Resource Sector CFMMI Components:
Food; Wood Product; Paper; Chemicals; Nonmetallic Mineral Products

Manufacturing Activity: Summary Table

	Index, 1997=100			Percent change			
	May 03	Jun 03	Jul 03	Monthly			Annual Jul 02-Jul 03
				May 03	Jun 03	Jul 03	
CFMMI	107.9	107.8	107.5	-0.7	-0.1	-0.3	-5.1
CFMMI - Auto	145.5	146.4	147.3	-1.1	-0.7	0.6	-3.3
CFMMI - Steel	97.2	95.7	96.3	-0.7	-1.5	0.6	-7.3
CFMMI - Machinery	92.2	91.9	90.4	0.0	-0.3	-1.6	-5.4
CFMMI - Resource	96.4	96.3	95.5	-1.0	-0.1	-0.8	-5.4
IPMFG	110.4	110.7	111.0	0.2	0.2	0.3	-1.6

Note: Three of the seventeen industries in the CFMMI are not included in any of the four sectors above. These are Furniture and Related Products; Printing and Related Support Activities; Miscellaneous Manufacturing.

The Chicago Fed Midwest Manufacturing Index (CFMMI) is a monthly estimate of manufacturing output in the region by major industry. The Midwest is defined as the five states comprising the Seventh Federal Reserve District: Illinois, Indiana, Iowa, Michigan, and Wisconsin. The CFMMI is a composite index of 15 manufacturing industries (identified by 3-digit NAICS codes) that uses electrical power and hours worked data to measure monthly changes in regional activity. The CFMMI provides a regional comparison with the manufacturing component of the Industrial Production Index (IPMFG) compiled by the Federal Reserve Board. Although the IPMFG is constructed differently than the CFMMI, it also uses electrical power and hours worked data as measures of industry output for about 60 percent of its total production index.

CFMMI and IPMFG historical data are available on the Federal Reserve Bank of Chicago's Web site at <http://www.chicagofed.org>