

# Chicago Fed Midwest Manufacturing Index

## Midwest Manufacturing Output Falls in March

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The Chicago Fed Midwest Manufacturing Index (CFMMI) fell 0.6% from February to March, reaching a seasonally adjusted level of 161.7 (1992=100). Revised data show the index was at 162.7 in February and had fallen 1.1% from January. March was the sixth consecutive month that the CFMMI declined. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) rose 0.3% in March after falling 0.3% in February. March output in the region was 2.9% lower than a year earlier, while output in the nation was 0.4% higher. This was the largest decline from a year-earlier period since October 1991.

Output in three of the four CFMMI sub-sectors fell in March; only auto sector output increased. Regional steel sector output experienced the largest decline, falling 2.0% in March after output dropped by 2.4% the previous month. The Midwest resource sector's output was down 1.1% in March after rising 0.1% the prior month. Output in the regional machinery sector decreased 0.2% in March, following a 1.7% loss the month before. Midwest auto sector output rose 0.7% in March after increasing 1.1% in February.

Regional steel output decreased by 2.0% in March, while steel sector output was unchanged nationally. The Midwest steel sector's output has fallen in ten of the past eleven months. Both primary and fabricated metals posted large output declines in March. Regional steel output was 12.3% below its March 2000 level, compared with a 6.1% decrease in the nation.

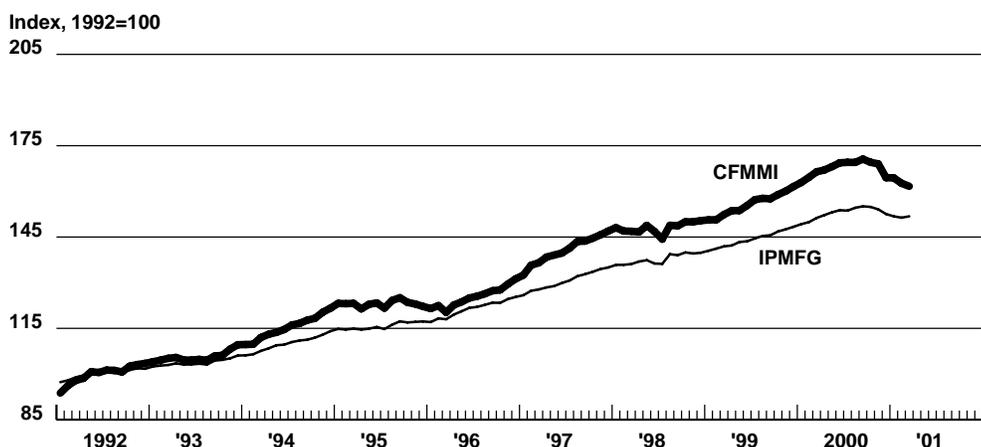
The Midwest resource sector's output decreased 1.1% in March, while output in the nation's resource sector fell 0.1%. The weakness in the region was concentrated in the stone, clay, glass and concrete; food; and petroleum industries. Compared with a year ago, Midwest resource output was 5.6% lower in March and national output was down 2.1%.

Midwest machinery output fell 0.2% in March, while the nation's output increased 0.4% from the prior month. Relative to a year ago, the machinery sector continued to outperform other sectors in both the region and the nation, with regional output 4.3% higher and national output up 15.8%. These growth rates however are substantially slower than those registered in mid-2000.

Midwest automotive output rose 0.7% in March while the nation's auto output increased 3.2%. This was the second consecutive month of increased output for the regional auto sector. Midwest automotive output was 12.1% below last year's level while national output was 5.9% lower.

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

**Chicago Fed Midwest Manufacturing Index**



The next CFMMI will be released:  
 June 11, 2001  
 Noon Eastern Time  
 11:00 am Central Time

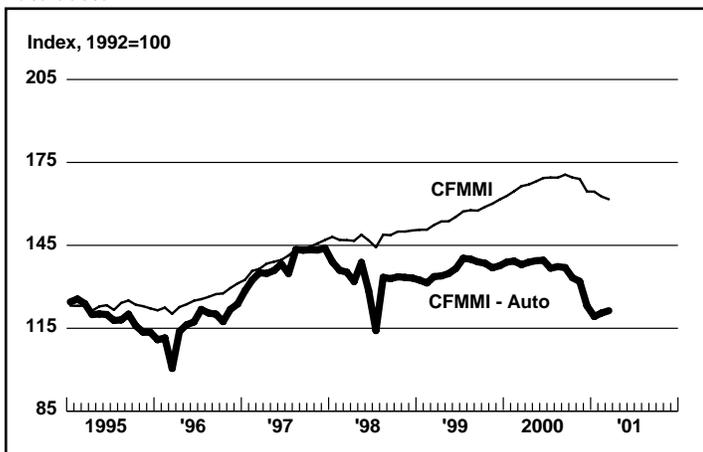
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**Manufacturing output indexes – March 2001**

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	-0.6	-1.7	-2.9
US Industrial Production-Manufacturing (IPMFG)	0.3	-0.5	0.4

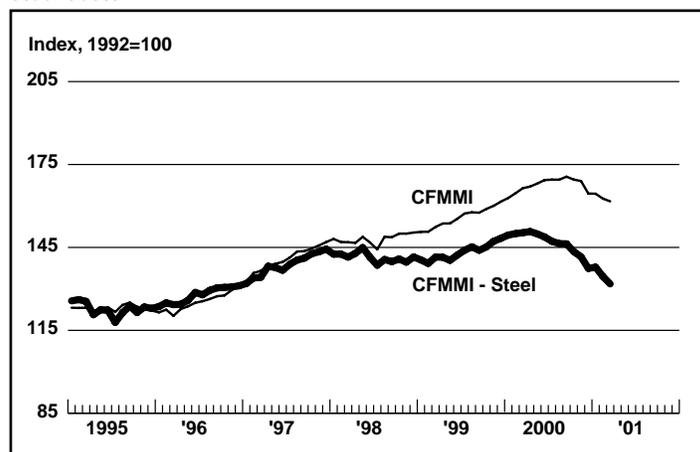
# Tracking Midwest Manufacturing Activity by Sectors — March 2001

## Auto Sector



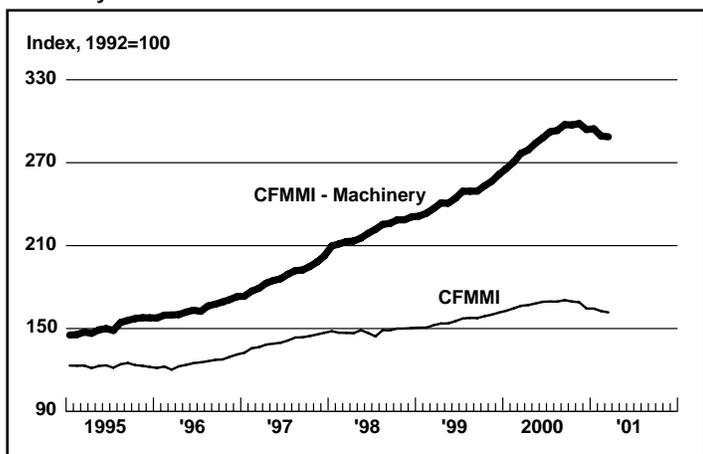
Auto Sector CFMMI Components:  
Rubber and Miscellaneous Plastics Products; Transportation Equipment

## Steel Sector



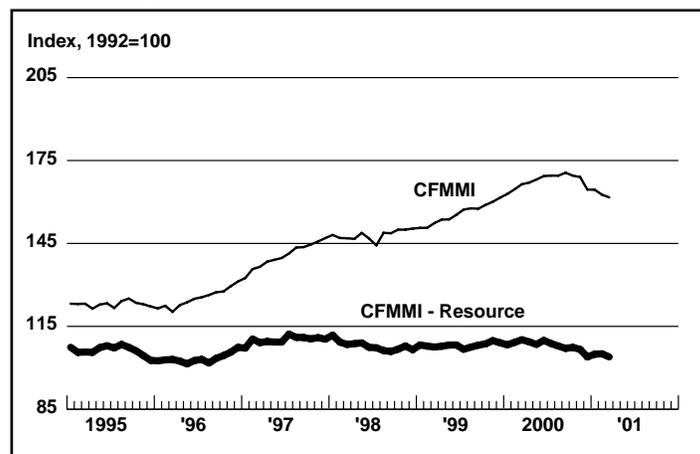
Steel Sector CFMMI Components:  
Primary Metal Industries; Fabricated Metal Products

## Machinery Sector



Machinery Sector CFMMI Components:  
Industrial Machinery and Equipment; Electronic and Other Electric Equipment;  
Instruments and Related Products

## Resource Sector



Resource Sector CFMMI Components:  
Food and Kindred Products; Lumber and Wood Products, Paper and Allied Products,  
Chemicals and Allied Products; Petroleum and Coal Products; Stone, Clay, and Glass  
Products

### Manufacturing Activity: Summary Table

	Index, 1992=100			Percent change			
	Jan 01	Feb 01	Mar 01	Monthly			Annual Mar 00-Mar 01
				Jan 01	Feb 01	Mar 01	
CFMMI	164.4	162.7	161.7	-0.0	-1.1	-0.6	-2.9
CFMMI - Auto	119.3	120.5	121.4	-3.1	1.1	0.7	-12.1
CFMMI - Steel	137.8	134.5	131.8	0.3	-2.4	-2.0	-12.3
CFMMI - Machinery	294.5	289.4	288.7	0.2	-1.7	-0.2	4.3
CFMMI - Resource	104.9	105.1	104.0	0.9	0.1	-1.1	-5.6
IPMFG	151.8	151.3	151.8	-0.5	-0.3	0.3	0.4

Note: Three of the sixteen industries in the CFMMI are not included in any of the four sectors above. These are Furniture and Fixtures, Printing and Publishing, and Miscellaneous Manufacturing Industries.

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 16 manufacturing industries (identified by 2-digit SIC 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>