
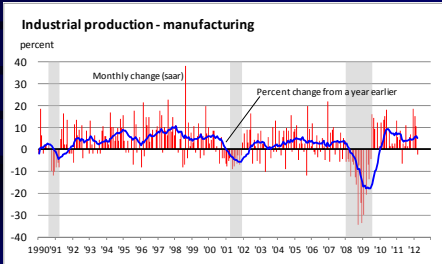



Manufacturing and Automotive Assessment

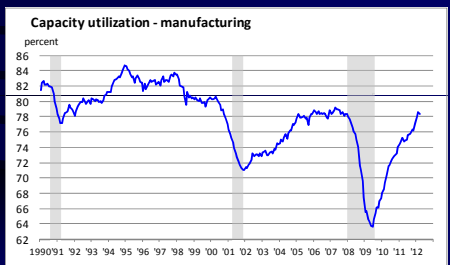
National Business Economics Issues Council William Strauss
 Memphis, TN Senior Economist
 May 9, 2012 and Economic Advisor
 Federal Reserve Bank of Chicago



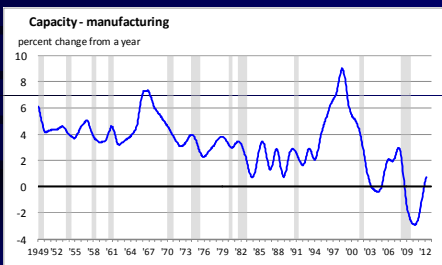

Industrial output in manufacturing fell quite sharply during the recession, but has risen strongly over the past thirty-three months, averaging 6.7% and has recovered 73.8% of the loss during the recession

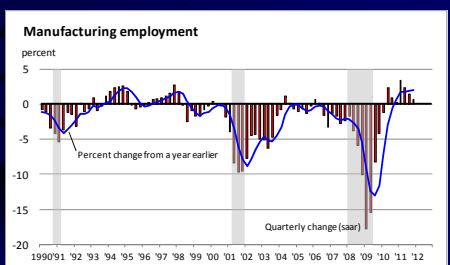

Manufacturing capacity utilization has been rising since June 2009



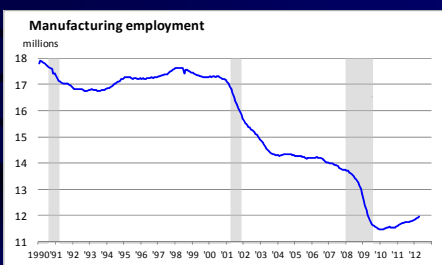


Manufacturing capacity fell by 7.2 percent, but it has begun to rise again

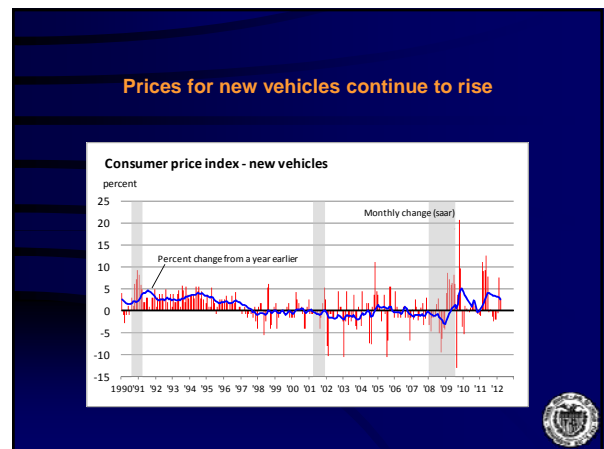
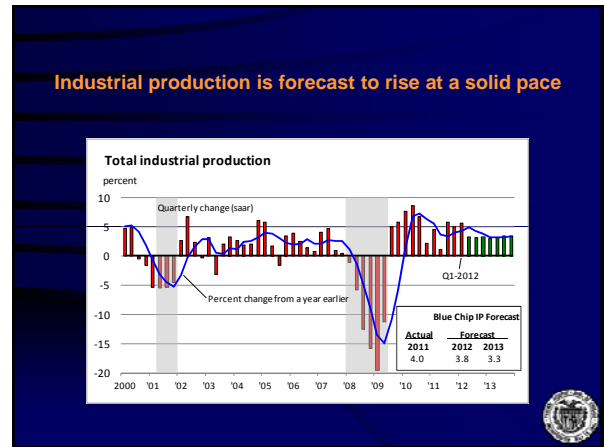
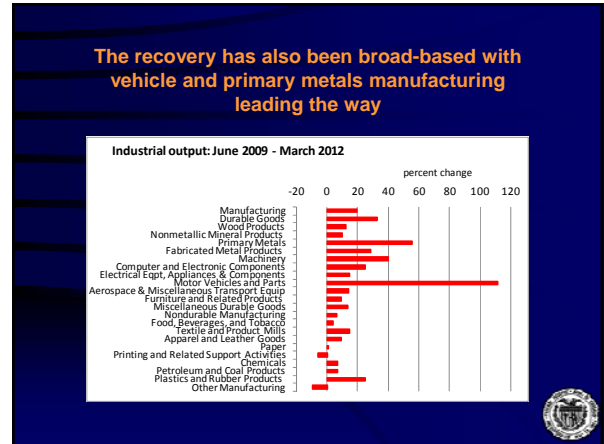
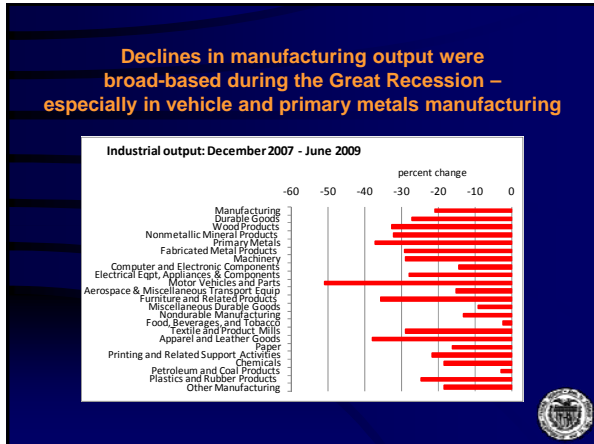



And while manufacturing jobs have been rising, they have only recovered 21.1% of the jobs lost during the downturn

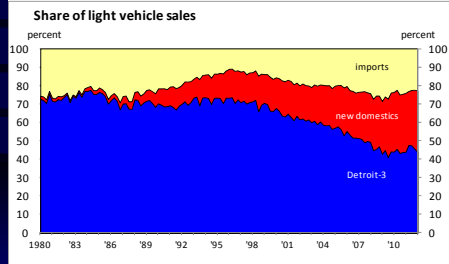



Manufacturing has a long way to go in order to recover job losses

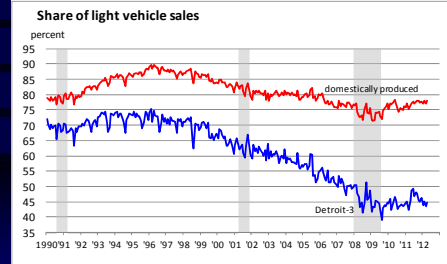





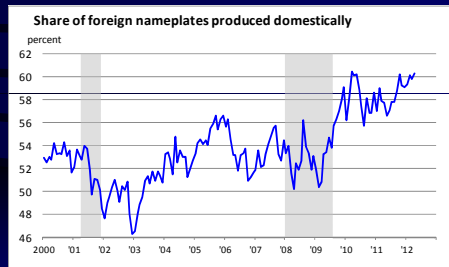
Increases in new domestic production share has offset losses in Detroit-3 market share



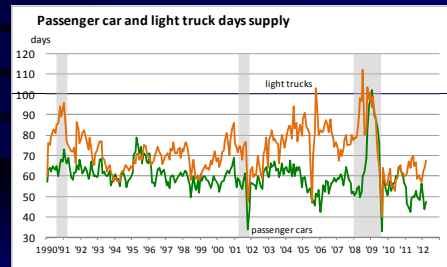
Over the past year Detroit three market share has fallen, while the domestically produced share has been flat



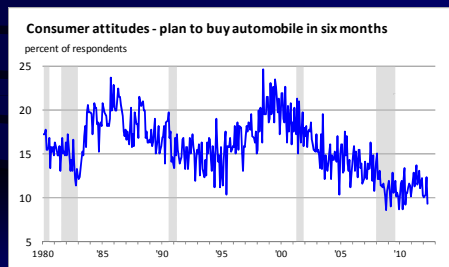
The share of foreign nameplate sales that are produced domestically has been rising



Inventories are below desired levels, especially for passenger cars



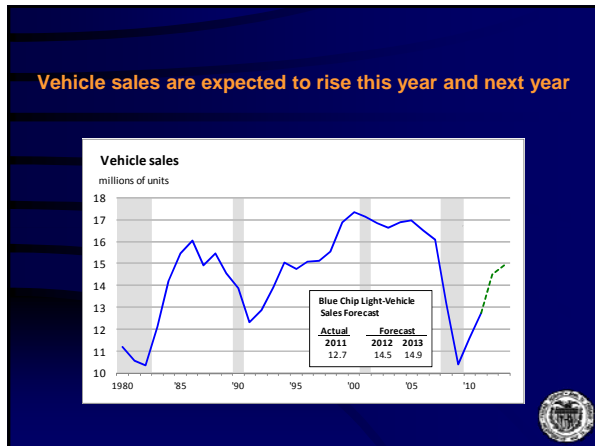
Consumer attitudes to car buying remains low



Economic indicators point to moderate growth for vehicles

Key Economic Indicators for the Automotive Industry	From 1990		Since the end of the	
	through 2007:Q4	Great Recession	Great Recession	Latest Data*
Real GDP Average Q/Q @ AR	2.9	-3.4	2.4	2.2
Real Consumption Average Q/Q @ AR	3.2	-2.2	2.2	2.9
Index of Consumer Sentiment Average Index	91.2 ^F	63.8 ^F	70.3	76.4
Employment Growth Average change in jobs (thous.)	135.1	-415.5	73.1	115.0
Unemployment rate Average %	5.4 ^F	6.8 ^F	9.3	8.1
Corporate Profits Average Q/Q @ AR	9.8	-9.1	36.3	10.8
ISM Manufacturing Index Average Index	51.7 ^F	43.3 ^F	55.5	54.8
New and Existing Home Sales Average, Thousands	5,192	4,659	4,142	4,298
Real Oil Prices - West Texas Intermediate Average \$/barrel (2010 prices)	39.36	87.26	87.83	101.16
PCC Inflation Average %/Y Change	2.4	2.2	1.8	2.1
Fed Funds Rate Average %	4.38 ^F	1.35 ^F	0.14	0.15

Notes:
 * January 2008 through June 2009
^F Beginning in July 2009 for monthly data or 2009:Q3 for quarterly data
 * Latest month or quarter



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