

# Chicago Fed Midwest Manufacturing Index

## Midwest Manufacturing Output Growth Continues in July

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The Chicago Fed Midwest Manufacturing Index (CFMMI) rose 0.4% from June to July, reaching a seasonally adjusted level of 168.2 (1992=100). Revised data show the index was at 167.5 in June, and had risen 0.8% from May. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) increased 0.5% in July, after rising 0.4% in June. July output in the region was 8.2% higher than a year earlier, while output in the nation was 6.8% higher.

Output in two of the four CFMMI sub-sectors increased in July. The Midwest machinery sector experienced the largest gain, as output rose 1.9% in July, following a revised 1.3% increase in June. Output in the regional resource sector rose 0.2% in July, following a 0.8% increase the month before. Midwest steel sector output decreased 0.4% in July, compared with a 0.2% decrease in June. The regional auto sector had the largest sectoral decline, falling 2.1% in July, following an increase of 0.7% the previous month.

While showing the strongest growth of the four subsectors, Midwest machinery output growth continued to lag the nation's. Midwest machinery output increased 1.9% from June to July, while national machinery output rose 2.3%. For the region, growth in the electric equipment and instrument segment was much stronger than growth in the industrial machinery segment. Relative to a year ago, the machinery sector continued to outperform other sectors in both the region and the nation, with regional output 20.3% higher and national output up 26.8%.

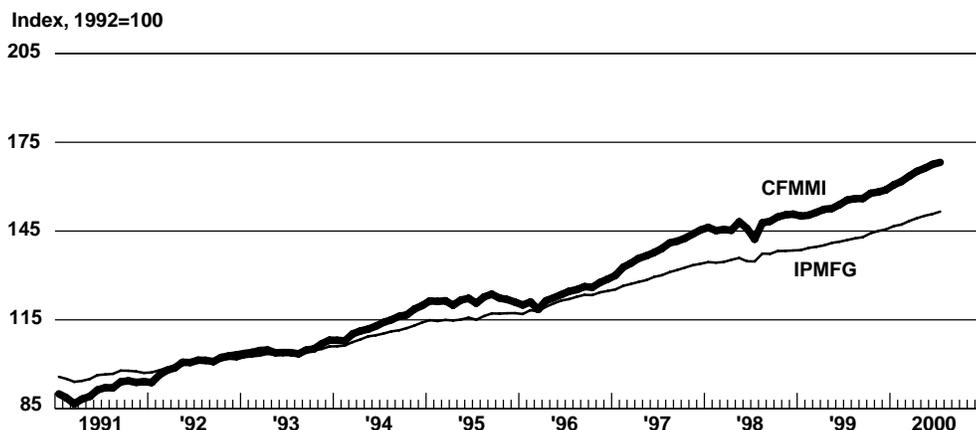
The Midwest resource sector's output increased 0.2% in July, while the nation's resource sector rose by 0.3%. Regional gains in the resource sector were largely due to increases in petroleum and lumber production. Compared with a year ago, Midwest resource output was 3.3% higher in July and national resource output was 2.4% higher.

Regional steel output decreased by 0.4% in July, while the nation's steel sector output rose by a very modest 0.1%. July marked the third consecutive month that Midwest steel production has fallen. Regional steel output was 2.1% above its July 1999 level, a bit less than the 2.9% increase experienced by the nation.

The 2.1% loss in Midwest automotive output in July was more than the 1.7% decline seen nationally. This was the largest one-month regional auto output drop since the 1998 General Motors strike. Midwest automotive output was 2.3% below last year's level while national output was 1.8% below its July 1999 level.

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

**Chicago Fed Midwest Manufacturing Index**



**The next CFMMI will be released:  
October 11, 2000  
Noon Eastern Time  
11:00 am Central Time**

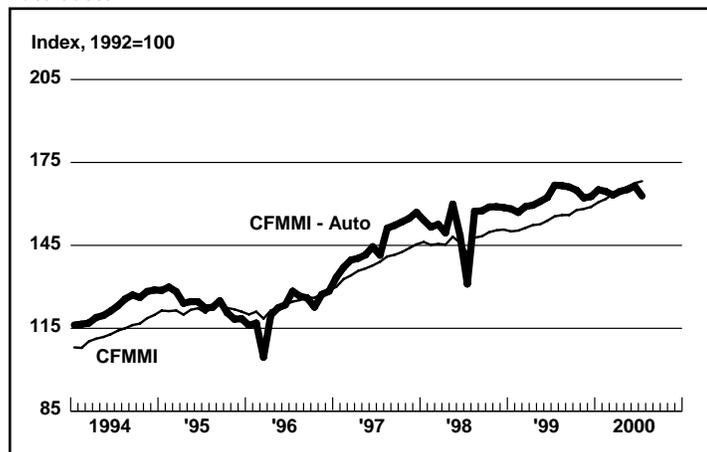
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**Manufacturing output indexes – July 2000**

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	0.4	1.8	8.2
US Industrial Production-Manufacturing (IPMFG)	0.5	1.5	6.8

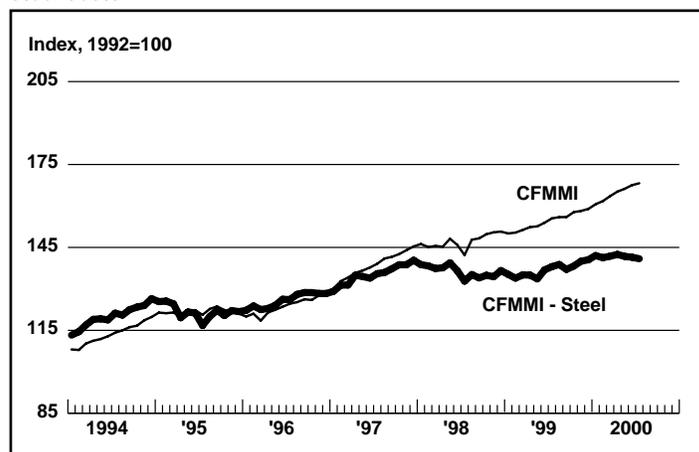
# Tracking Midwest Manufacturing Activity by Sectors — July 2000

## Auto Sector



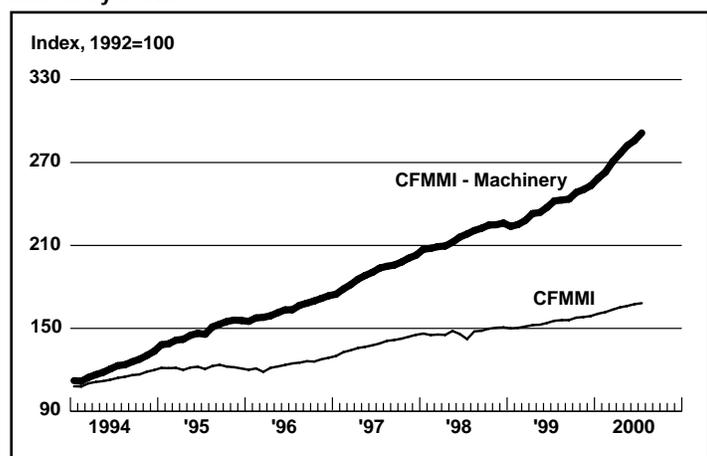
Auto Sector CFMMI Components:  
Rubber and Miscellaneous Plastics Products; Transportation Equipment

## Steel Sector



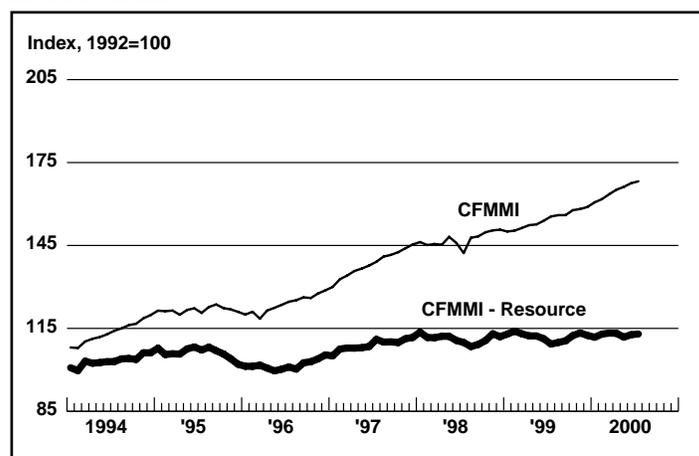
Steel Sector CFMMI Components:  
Primary Metal Industries; Fabricated Metal Products

## 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			
	May 00	Jun 00	Jul 00	Monthly			Annual Jul 99–Jul 00
				May 00	Jun 00	Jul 00	
CFMMI	166.2	167.5	168.2	0.6	0.8	0.4	8.2
CFMMI - Auto	165.2	166.4	162.9	0.4	0.7	-2.1	-2.3
CFMMI - Steel	141.8	141.4	140.9	-0.5	-0.2	-0.4	2.1
CFMMI - Machinery	282.2	285.9	291.4	2.1	1.3	1.9	20.3
CFMMI - Resource	111.8	112.7	113.0	-1.2	0.8	0.2	3.3
IPMFG	150.2	150.7	151.6	0.5	0.4	0.5	6.8

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.frbchi.org>