

# Chicago Fed Midwest Manufacturing Index

## Midwest Manufacturing Output Falls in February and March

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2003 Release Dates:  
June 11  
July 10  
August 11  
September 11  
October 9  
November 10  
December 11

The Chicago Fed Midwest Manufacturing Index (CFMMI) fell 1.4% in February and declined 0.8% in March, to a seasonally adjusted level of 98.8 (1997=100). Revised data show the index rose 0.3% to 101.0 in January. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) was down 0.4% in February and fell 0.2% in March. March output in the region was 2.2% lower than a year earlier, while output in the nation was unchanged from year ago levels.

Output in all four CFMMI sub-sectors fell in February and three of the four declined in March. Midwest auto sector output posted the largest declines in the two months, falling 3.5% in February and another 2.0% in March. Output in the Midwest steel sector fell 0.5% in February and declined 0.9% in March. The machinery sector's output fell 0.4% in February and moved down 0.6% in March. Regional resource sector output decreased 1.3% in February but edged up 0.1% in March.

Midwest automotive output fell 2.0% in March, a larger decline than the 0.9% loss in the nation. Compared with a year earlier, Midwest automotive output was 3.0% lower in March while national output was up 1.0%.

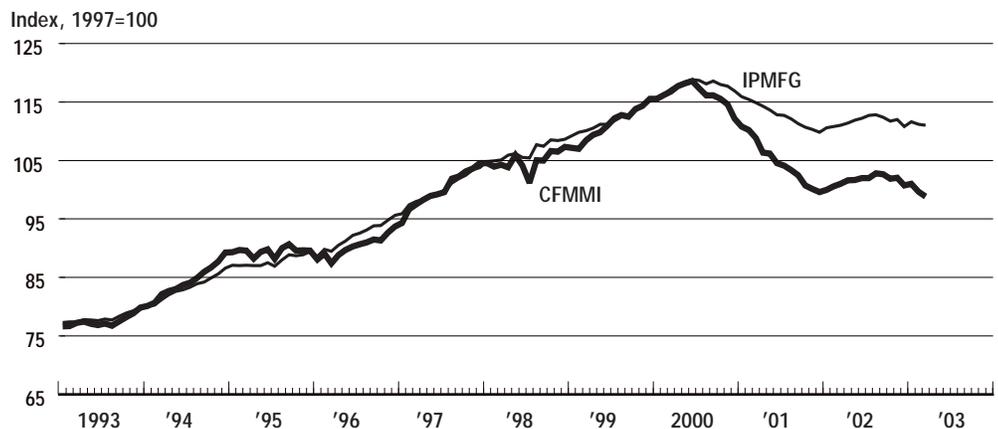
The region's steel sector output decreased 0.9% in March while the nation's steel output was down 0.5%. Regional steel output was 0.4% below its March 2002 level, compared with a 0.9% decrease in the nation.

Midwest machinery output fell 0.6% in March while the nation's output increased 0.4%. Although computer and electronic production in the region rose in March, this was more than offset by losses in machinery production; and in electrical equipment, appliance and component production. Regional machinery output in March was 2.1% below year earlier levels while national machinery output was up 1.5%.

The Midwest resource sector's output edged up 0.1% in March while the nation's output rose 0.4%. March gains in regional food production were largely offset by declines in wood, paper and chemical production. Compared with a year ago, regional resource output was 2.9% lower in March, compared with a 0.5% loss for the nation.

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

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The next CFMMI will be released:  
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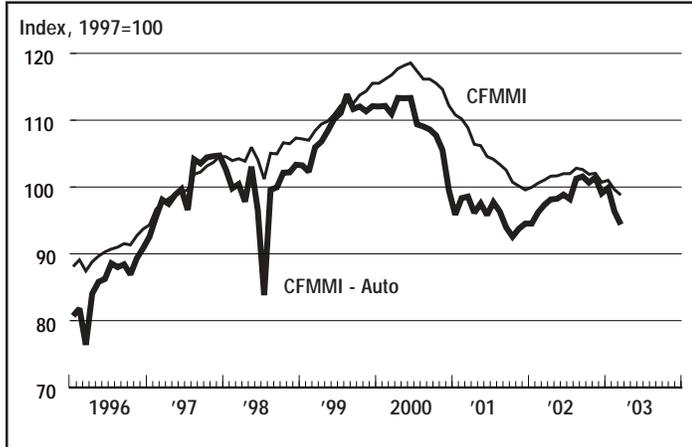
FEDERAL RESERVE BANK  
OF CHICAGO

Manufacturing output indexes—March 2003

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	-0.8	-1.9	-2.2
US Industrial Production-Manufacturing (IPMFG)	-0.2	0.2	0.0

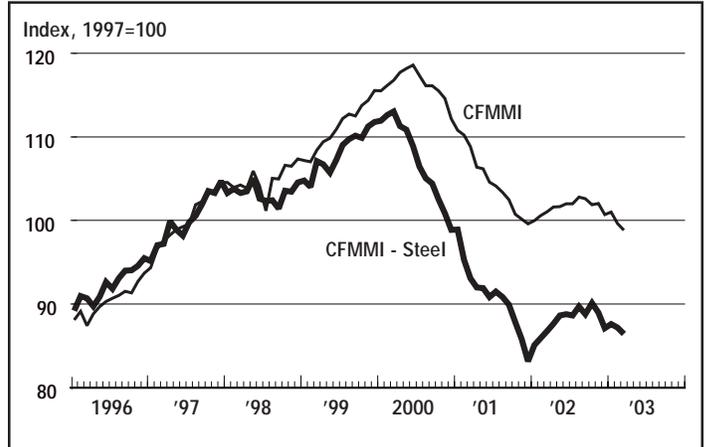
# Tracking Midwest Manufacturing Activity by Sectors — March 2003

## Auto Sector



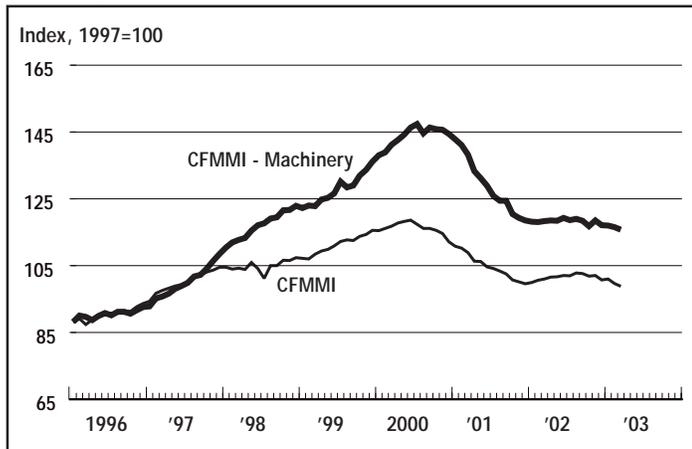
Auto Sector CFMMI Components:  
Plastics and Rubber Products; Transportation Equipment

## Steel Sector



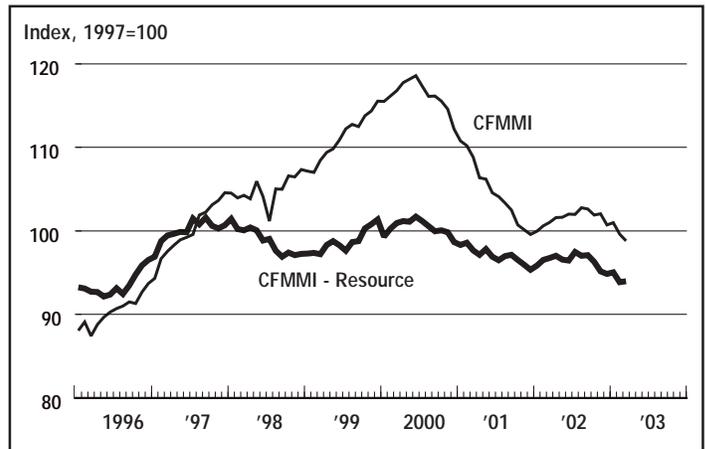
Steel Sector CFMMI Components:  
Primary Metal Industries; Fabricated Metal Products

## 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			
	Jan 03	Feb 03	Mar 03	Monthly			Annual Mar 02–Mar 03
				Jan 03	Feb 03	Mar 03	
CFMMI	101.0	99.6	98.8	0.3	-1.4	-0.8	-2.2
CFMMI - Auto	99.9	96.3	94.4	0.8	-3.5	-2.0	-3.0
CFMMI - Steel	87.6	87.2	86.4	0.6	-0.5	-0.9	-0.4
CFMMI - Machinery	117.0	116.5	115.7	-0.1	-0.4	-0.6	-2.1
CFMMI - Resource	95.1	93.9	94.0	0.2	-1.3	0.1	-2.9
IPMFG	111.6	111.2	111.0	0.7	-0.4	-0.2	0.0

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>