

# Chicago Fed Midwest Manufacturing Index

## Midwest Manufacturing Output Decline Continued in May

Embargoed for release:  
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2003 Release Dates:  
August 11  
September 11  
October 9  
November 10  
December 11

The Chicago Fed Midwest Manufacturing Index (CFMMI) fell 0.5% from April to May, reaching a seasonally adjusted level of 97.3 (1997=100). Revised data show the index was at 97.9 in April, down 1.0% from March. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) rose 0.2% in May, after falling 0.7% in April. May output in the region was 4.3% below a year earlier, while output in the nation was 1.3% lower.

Output in all four CFMMI sub-sectors was down in May. The resource sector had the largest decline, with output down 0.7%, following a 1.1% drop in April. The auto sector registered a 0.6% decline in May, after output fell 0.3% in the previous month. Machinery output was down 0.5%, following a 1.0% decline. Production in the steel sector decreased 0.4% in May, after falling 1.3% in April.

Midwest resource output fell 0.7% in May, while resource output for the nation inched down only 0.1%. In the Midwest, paper, food, and chemical production all declined. Midwest resource output was 3.7% lower than in May 2002 and national resource output was 0.9% lower.

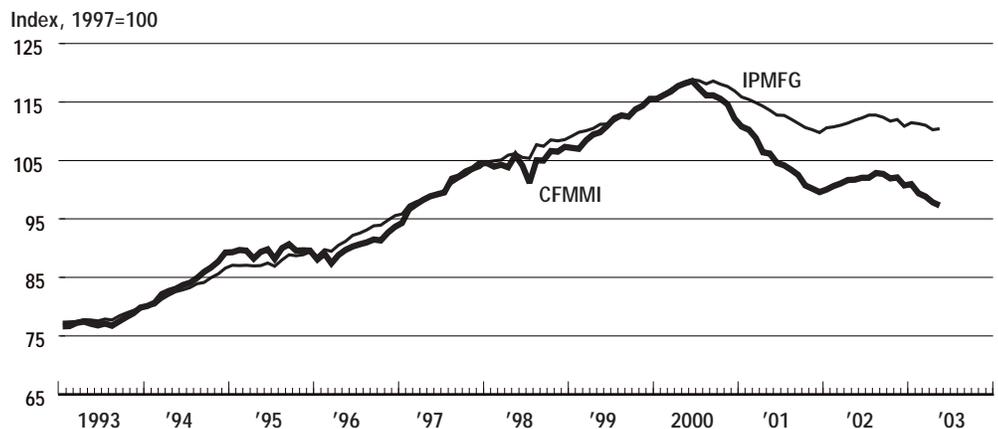
May auto output fell 0.6% in the Midwest, compared to the 0.1% decrease for the nation. Both transportation equipment production and rubber and plastic output declined in the region. Auto output in Midwest was down 4.8% from a year earlier, while output for the nation was down 0.8%.

Midwest machinery output declined 0.5% from April to May, while national output was up 0.8%. Regional machinery output was 3.2% lower than a year earlier, while national machinery production was 1.9% higher.

Regional steel output decreased 0.4% in May, compared to the 0.4% increase in national steel output. In the region, the decline in primary metal output was double the decrease in fabricated metal production. Regional steel output was 6.0% below a year ago and national steel output was down 3.9%.

— Michael Munley • Associate Economist • 312-322-6401

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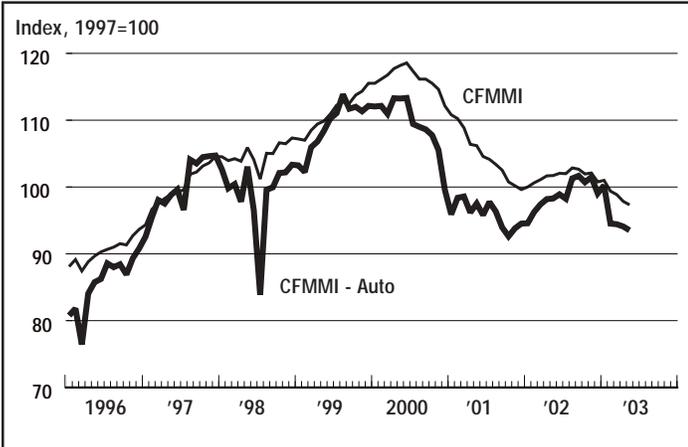
FEDERAL RESERVE BANK  
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### Manufacturing output indexes—May 2003

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	-0.5	-2.1	-4.3
US Industrial Production-Manufacturing (IPMFG)	0.2	-0.8	-1.3

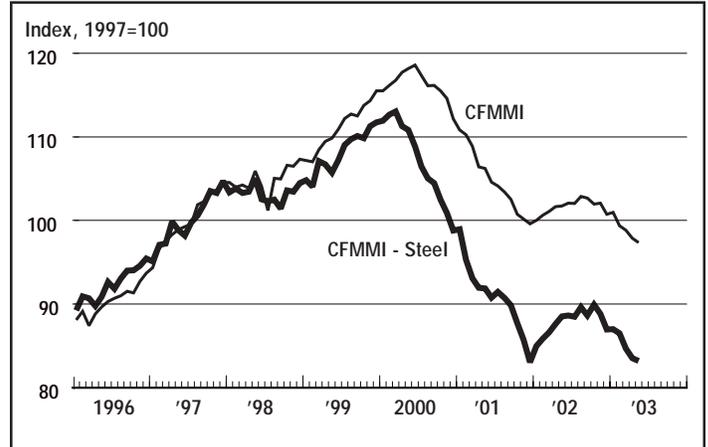
# Tracking Midwest Manufacturing Activity by Sectors — May 2003

## Auto Sector



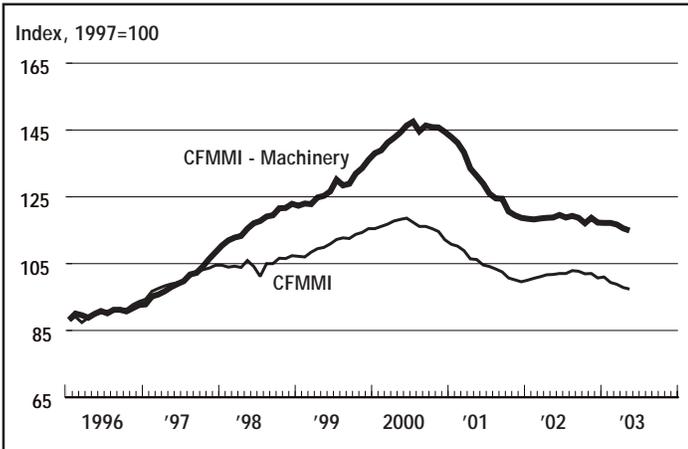
Auto Sector CFMMI Components:  
Plastics and Rubber Products; Transportation Equipment

## Steel Sector



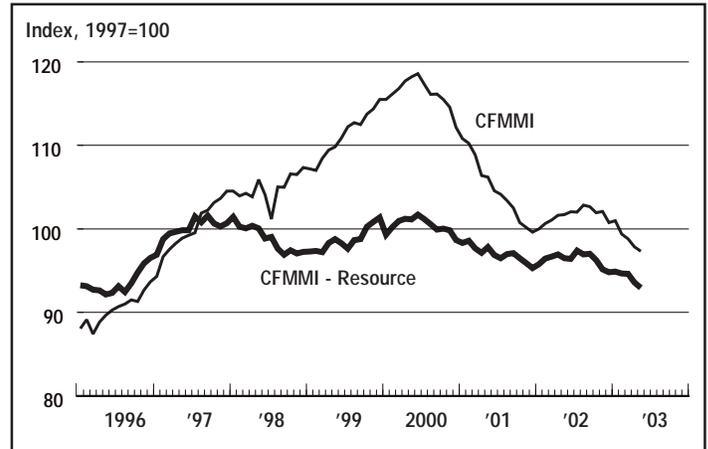
Steel Sector CFMMI Components:  
Primary Metal Industries; Fabricated Metal Products

## 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			
	Mar 03	Apr 03	May 03	Monthly			Annual May 02-May 03
				Mar 03	Apr 03	May 03	
CFMMI	98.8	97.9	97.3	-0.5	-1.0	-0.5	-4.3
CFMMI - Auto	94.4	94.1	93.5	-0.1	-0.3	-0.6	-4.8
CFMMI - Steel	84.7	83.5	83.2	-2.1	-1.3	-0.4	-6.0
CFMMI - Machinery	116.7	115.6	114.9	-0.4	-1.0	-0.5	-3.2
CFMMI - Resource	94.6	93.6	92.9	0.0	-1.1	-0.7	-3.7
IPMFG	111.0	110.2	110.4	-0.3	-0.7	0.2	-1.3

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>