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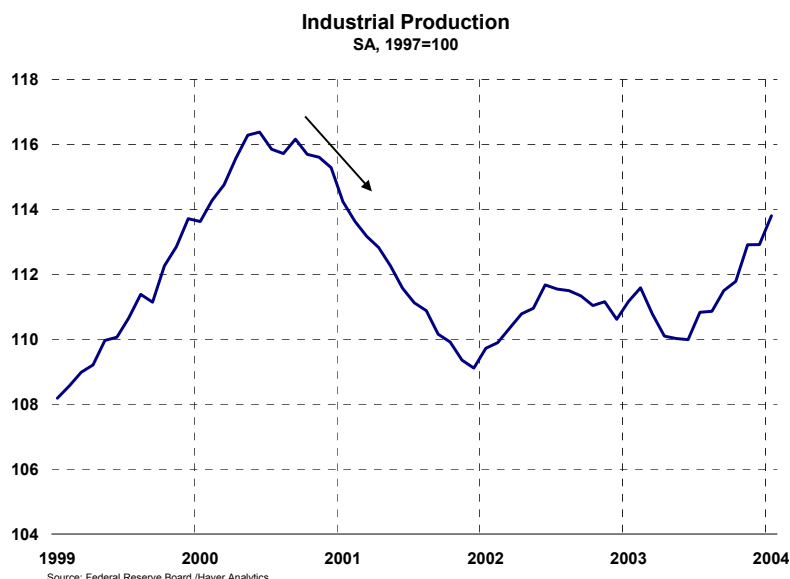
INDUSTRIAL PRODUCTION INCREASE SIGNALS CONTINUED EXPANSION

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WASHINGTON, D.C. – Newly released figures on industrial production provide more hard evidence that the expansion continues into 2004, Vice Chairman Jim Saxton said today. A new Federal Reserve release shows that industrial production increased in January, and that its manufacturing component was up 0.3 percent. Since January 2003 manufacturing production has increased 2.3 percent.

“The figures released today show that the expansion in the manufacturing sector remains on track,” Saxton said. “With the Blue Chip consensus of economic forecasters predicting growth of about 4 percent through the year, there is every reason to expect a sustained pick-up in manufacturing.

“This rebound in manufacturing is welcome, given its decline that began in the middle of 2000 under the influence of unfavorable economic conditions. The plunge in the stock market in the first quarter of 2000 had led to a fall-off in investment. This investment decline hit manufacturing industries especially hard since much of this lost investment was in the form of machinery and equipment produced by manufacturing companies. With investment now growing strongly, manufacturing output is again on the rise,” Saxton concluded.



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