

CONGRESS OF THE UNITED STATES

JOINT ECONOMIC COMMITTEE

VICE CHAIRMAN JIM SAXTON

PRESS RELEASE

For Immediate Release
June 16, 2004

INDUSTRIAL PRODUCTION POSTS NEW GAINS

Press Release #108-133
Contact: Christopher Frenze
Chief Economist to the V.C.
(202) 225-3923
Television & Radio
Contact: Stephen Thompson
Public Affairs Officer
(202) 329-6288

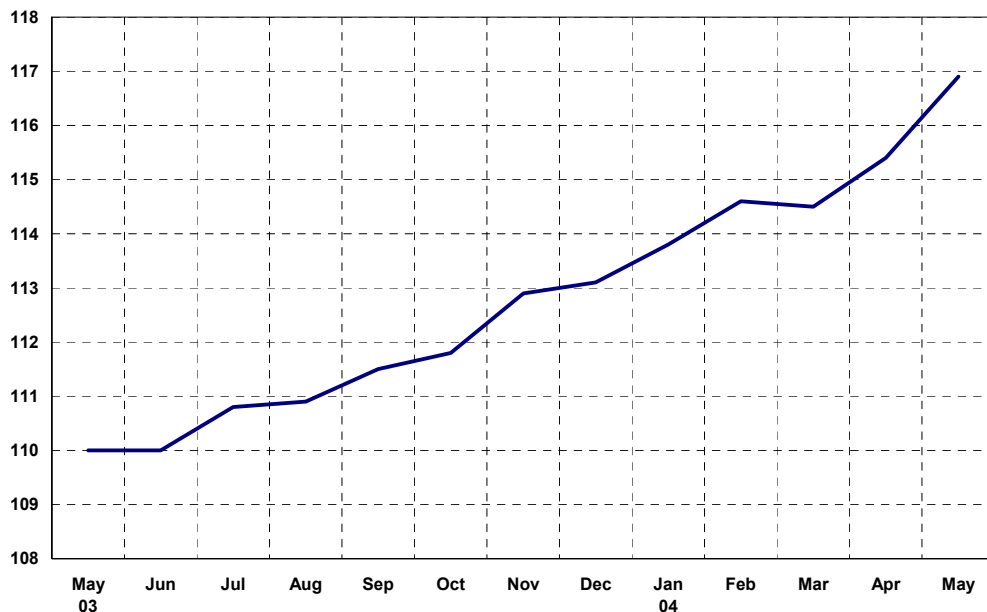
WASHINGTON, D.C. – The May rise in industrial production provides yet more evidence of strong economic performance, Vice Chairman Jim Saxton said today. According to new Federal Reserve data released today, industrial production -- the output of manufacturing, mining, and electric and gas utilities -- increased by 1.1 percent last month. Meanwhile, manufacturing output advanced by 0.9 percent, nearly reaching its peak of June 2000.

“The Fed data released today show that the manufacturing expansion is on track, as output in this sector nears all-time highs,” Saxton said. “The manufacturing sector has had some hard times since it peaked in the middle of 2000, but more recently has expanded vigorously.

“Industrial production has also been robust over the last year, reflecting the overall strength in the economy. Over the last four quarters, the economy has expanded at a rate of 5 percent, after adjustment for inflation.

“A key factor in this acceleration of economic growth has been the recovery in business investment, which has also boosted manufacturing. Just as the bursting of the investment bubble in the first quarter of 2000 undermined the economy and the manufacturing sector in particular, the more recent turnaround of investment has led to a booming economy,” Saxton concluded.

Industrial Production
SA, 1997=100



Source: Federal Reserve Board /Haver Analytics

For more information on recent economic trends, please see the JEC study, *Macroeconomic Performance Since 2000*, available on our website at www.house.gov/jec.

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