

U.S. Economic Update – Industrial Production

Industrial production continues to grow with a 1.1 percent increase over last month. Capacity utilization moved down 0.1% to 76.6%. This economic measurement is gradually approaching the long-term average of 79.5%. We have added capacity utilization to this chart so that the month to month changes in industrial output can be viewed in concert with capacity utilization.

We are approaching the level where industry must start considering capital investments to expand and/or renew production capabilities. These decisions are critical as we approach 80% because these decisions have a multiple-decade long impact on domestic employment and GDP. Capital investment will be made either domestically or internationally. when the economy is moving slowly, domestic investment can promote economic stability and growth. International investment increases the probability of lower domestic economic growth for many years because industrial capacity capital investment decisions have long term implications.

Industrial production experiences another increase.

