

CONGRESS OF THE UNITED STATES

JOINT ECONOMIC COMMITTEE

VICE CHAIRMAN JIM SAXTON

PRESS RELEASE

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ECONOMIC ACCELERATION REFLECTED IN NEW DATA

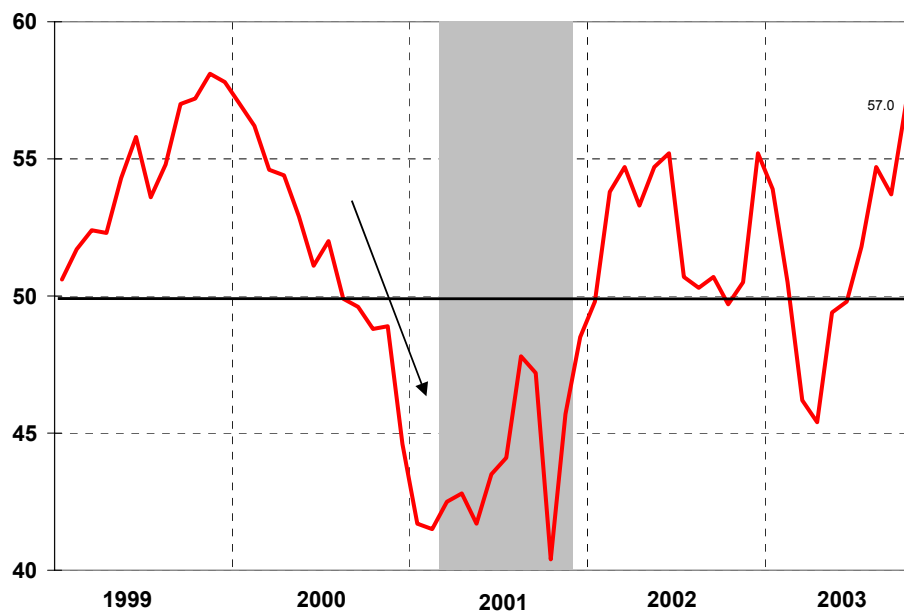
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Contact: Christopher Frenze
Chief Economist to the V.C.
(202) 225-3923
Stephen Thompson
Radio & T.V.
(202) 226-3228

WASHINGTON, D.C. – Newly released manufacturing and construction data are consistent with the robust 7.2 percent GDP growth rate posted in the third quarter of 2003, Vice Chairman Jim Saxton said today. The Institute for Supply Management (ISM) index of manufacturing activity climbed to a level of 57.0 in October, while the Commerce Department reported that construction spending jumped to a new record high in September. The ISM index has been above 50 for four months, denoting expansion of manufacturing activity.

“The new figures on manufacturing and construction activity released today provide further evidence that the economic expansion is strong,” Saxton said. “The continued improvement in manufacturing activity into the fourth quarter is especially welcome news. The level of the ISM index reached last month was the highest since January of 2000.

“Unfortunately, in January 2000, the ISM index was beginning a nosedive that would continue through the end of that year and into 2001. As these data show, the manufacturing sector has had a very difficult time since 2000, but lately is emerging from its prolonged slump. With even the weakest sectors of the economy showing improvement, the consensus forecasts of healthy growth over the next several quarters appear to be quite reasonable,” Saxton concluded.

ISM Mfg: PMI Composite Index
SA, 50+ = Economic Expansion



Source: Institute for Supply Management/ Haver Analytics

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