

Review of the U.S. Economy

Long-Range Focus

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STANDARD
& POOR'S

Projection Detail

**TABLE 10
Producer Prices**

INDEXES

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Producer Price Indexes - Stage of Processing													
(Percent change, SAAR)													
Finished Goods	0.3	1.0	1.5	1.0	1.0	2.1	2.2	2.2	2.3	2.3	2.4	2.5	2.6
Excl. Food & Energy	0.5	1.5	1.5	2.0	2.0	2.1	2.1	2.1	2.2	2.3	2.3	2.4	2.5
Consumer Finished Goods	0.3	0.9	1.5	2.0	2.0	2.2	2.2	2.2	2.3	2.4	2.5	2.6	2.7
Food	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.1	2.1	2.2	2.3
Energy	-0.5	-1.0	0.2	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.1	2.4	2.7
Other	0.7	1.7	1.0	2.2	2.1	2.2	2.2	2.2	2.3	2.4	2.5	2.5	2.6
Producers' Finished Goods	0.2	1.2	1.5	1.5	1.5	1.9	1.9	1.9	2.0	2.1	2.1	2.2	2.2
Intermediate Materials, Supplies, and Components	0.1	1.0	1.0	1.0	1.0	1.7	1.7	1.9	2.1	2.1	2.1	2.2	2.3
Crude Materials for Further Processing	-0.2	-1.0	0.0	2.1	2.1	2.0	2.0	2.1	2.1	2.0	2.0	2.0	2.7
Producer Price Indexes - Commodity Groupings													
(Percent change, SAAR)													
Total	-0.3	0.0	1.0	1.0	1.0	2.0	2.1	2.2	2.3	2.3	2.4	2.5	2.6
Industrial Commodities	0.0	0.0	1.0	1.0	1.0	2.0	2.1	2.2	2.3	2.4	2.4	2.5	2.7
Fuels, Related Prod., Power	-2.1	-2.2	-0.1	1.7	1.0	2.0	2.0	2.4	3.2	3.1	3.0	4.0	4.2
Coal	2.2	-0.0	0.5	1.5	1.2	2.0	2.0	1.5	1.5	1.0	1.3	1.0	2.0
Natural Gas	-2.1	-11.0	1.0	2.0	2.0	4.0	3.0	0.2	4.0	3.5	0.1	7.0	0.0
Electricity	0.2	0.0	0.0	1.0	1.1	1.7	1.0	1.0	1.0	1.4	1.0	1.7	2.0
Utility Natural Gas	1.0	-0.0	1.0	2.0	2.0	3.0	4.1	4.4	3.0	2.0	4.0	4.0	4.0
Domestic Crude Oil (BBL)	-7.0	-2.1	-0.1	1.0	2.0	2.7	4.4	4.7	5.0	5.2	5.2	5.4	5.0
Petroleum Products	-0.0	-1.0	-1.0	1.0	2.2	2.0	4.1	4.0	4.0	4.0	4.7	4.0	5.1
Refined Fuels	-7.0	2.0	-0.0	0.0	1.0	4.0	0.0	0.2	0.4	0.4	0.3	0.1	0.0
Non-Energy Indust. Commodities	0.5	1.0	1.5	1.0	1.0	1.0	1.0	2.0	2.2	2.2	2.2	2.3	2.3
Textile Products and Apparel	0.1	0.1	0.5	1.0	0.0	0.0	1.0	1.0	1.0	1.1	1.1	1.1	1.2
Chemicals and Allied Products	1.4	1.7	1.5	2.0	2.0	2.1	2.1	2.4	2.0	2.0	2.0	2.7	2.0
Rubber and Plastic Products	-0.4	0.5	0.5	1.2	1.1	1.1	1.1	1.2	1.4	1.4	1.4	1.5	1.5
Leather and Wood Products	4.0	0.0	1.0	1.0	1.0	1.0	1.0	2.1	2.1	2.1	2.2	2.2	2.1
Pulp, Paper, and Products	-1.1	0.4	0.0	2.1	0.0	0.0	0.0	2.0	2.4	2.5	2.5	2.5	2.0
Metal and Metal Products	1.1	1.4	1.1	1.0	1.4	1.4	1.5	1.0	2.1	2.0	1.0	2.0	2.1
Machinery and Equipment	-0.5	0.1	0.0	0.7	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.1	1.1
Furniture & Household Equip.	0.0	0.0	1.1	1.5	1.5	1.5	1.5	1.0	1.0	1.7	1.7	1.7	1.0
Transportation Equipment	0.0	1.0	2.0	2.0	2.4	2.4	2.4	2.5	2.5	2.0	2.0	2.7	2.7
Passenger Cars	-0.7	1.0	1.0	0.0	1.0	1.0	1.0	2.0	2.1	2.1	2.1	2.2	2.2
Other Industrial Commodities	2.2	2.1	2.5	0.0	2.0	2.7	2.7	2.7	2.0	2.0	2.0	2.0	3.0
Agricultural Commodities and Food													
Farm Products	-7.0	0.0	2.1	2.2	2.0	2.4	2.0	2.5	2.4	2.4	2.5	2.5	2.0
Processed Foods	0.0	1.2	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.1	2.1	2.2	2.2
Factors Affecting Producer Prices													
Unit Labor Costs - Nonfarm (% change)	2.0	2.0	2.4	2.2	2.0	2.4	2.4	2.5	2.0	2.7	2.7	2.7	2.0
Social Insurance Contributions as Percent of Wages and Salaries	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
U.S. Dollar Exch. Rate - OECD (a)	1.000	1.071	1.000	0.990	0.970	0.990	0.990	0.990	0.994	0.994	0.994	0.994	0.994
Annual Percent Change	0.0	7.0	-0.0	-0.0	-1.0	-1.0	-1.1	-0.4	0.0	0.0	0.0	0.0	0.0
WPI - OECD U.S. Trading Partners (a)	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.001	1.001	1.000	1.000	1.000
Annual Percent Change	1.2	0.0	1.0	2.0	2.1	2.1	2.1	2.2	2.3	2.4	2.5	2.6	2.0
Manufacturing Capacity Utilization (%)	62.0	62.0	61.0	61.7	61.0	61.0	61.2	61.0	61.0	62.1	62.2	62.4	62.4
Vendor Performance (a)	62.7	60.0	60.0	61.0	61.0	60.7	61.2	62.0	62.1	61.0	61.7	61.0	61.0

a. 1989=1000.

b. Percent of purchasing agents reporting slower deliveries.

TABLE 16
(Continued)

THRESHOLD	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Producer Price Indexes - Stage of Processing (Percent change, 2000)													
Finished Goods	2.7	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.1	2.1	2.2	2.2
Encl. Food & Energy	2.5	2.5	2.7	2.5	2.7	2.7	2.5	2.5	2.5	2.0	2.0	2.0	2.1
Consumer Finished Goods	2.5	2.5	2.5	2.5	2.5	2.5	2.1	2.1	2.1	2.2	2.2	2.3	2.3
Food	2.5	2.4	2.4	2.4	2.5	2.5	2.5	2.5	2.7	2.7	2.7	2.7	2.8
Energy	2.5	2.5	2.5	2.5	2.5	2.5	2.1	2.1	2.1	2.2	2.2	2.3	2.3
Other	2.7	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.1	2.1	2.1	2.2
Producers' Finished Goods	2.5	2.4	2.4	2.4	2.4	2.5	2.5	2.5	2.7	2.7	2.7	2.8	2.8
Intermediate Materials, Supplies, and Components	2.8	2.8	2.8	2.4	2.4	2.4	2.6	2.6	2.7	2.7	2.7	2.8	2.8
Crude Materials for Further Processing	2.7	2.7	2.6	2.6	2.7	2.6	2.6	2.6	2.6	2.0	2.0	2.1	2.1
Producer Price Indexes - Commodity Groupings (Percent change, 2000)													
Total	2.7	2.6	2.6	2.7	2.7	2.6	2.6	2.6	2.6	2.1	2.1	2.1	2.2
Industrial Commodity	2.7	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.1	2.1	2.1	2.2
Food, Related Prod., Power	4.5	4.4	4.5	4.2	4.5	4.4	4.4	4.4	4.4	4.4	4.5	4.5	4.6
Coal	2.5	2.5	2.4	2.5	2.5	2.7	2.5	2.5	2.5	2.0	2.0	2.0	2.0
Natural Gas	2.5	2.5	2.4	2.5	2.5	2.5	2.5	2.5	2.5	2.7	2.7	2.8	2.8
Electricity	2.5	2.1	2.5	2.5	2.1	2.5	2.1	2.1	2.0	2.1	2.1	2.1	2.1
Utility Natural Gas	2.1	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Bauxite Crude Oil (BBO)	2.0	2.0	2.0	2.0	2.0	2.0	2.1	2.1	2.1	2.2	2.2	2.3	2.3
Petroleum Products	2.1	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.3	2.3	2.3	2.3
Nonmetallic Feeds	2.7	2.6	2.6	2.6	2.6	2.7	2.7	2.7	2.7	2.0	2.0	2.0	2.0
Non-Energy Indust. Commodity	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.7	2.7	2.8	2.8
Textile Products and Apparel	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.7
Chemicals and Allied Products	2.5	2.5	2.5	2.5	2.7	2.7	2.5	2.5	2.5	2.1	2.1	2.1	2.2
Rubber and Plastic Products	1.5	1.7	1.7	1.5	1.5	1.5	1.7	1.7	1.7	1.5	1.5	1.5	1.5
Lumber and Wood Products	2.5	2.4	2.5	2.1	2.2	2.1	2.2	2.2	2.2	2.2	2.2	2.4	2.4
Pulp, Paper, and Printing	2.5	2.7	2.7	2.5	2.5	2.5	2.7	2.7	2.5	2.5	2.5	2.5	2.5
Glass and Metal Products	2.1	2.2	2.1	2.2	1.5	1.5	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Machinery and Equipment	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.7	1.7	1.5	1.5
Furniture & Household Equip.	1.5	1.5	2.0	1.5	1.5	1.5	2.0	2.0	2.0	2.1	2.1	2.1	2.2
Transportation Equipment	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.1	2.1	2.1	2.2
Passenger Cars	2.5	2.5	2.4	2.5	2.2	2.5	2.4	2.4	2.4	2.5	2.5	2.5	2.5
Other Industrial Commodity	2.1	2.0	2.2	2.1	2.2	2.2	2.2	2.2	2.2	2.4	2.4	2.4	2.3
Agricultural Commodity and Food	2.5	2.7	2.7	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Farm Products	2.5	2.4	2.4	2.4	2.4	2.4	2.5	2.5	2.5	2.7	2.7	2.7	2.8
Processed Foods	2.5	2.4	2.4	2.4	2.4	2.4	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Factors Affecting Producer Prices													
Unit Labor Costs - Nonfarm (% change)	2.1	2.1	2.0	2.2	2.2	2.0	2.2	2.2	2.0	2.4	2.3	2.5	2.5
Real Income Contribution as Percent of Wages and Salaries	12.1	12.1	12.1	12.2	12.2	12.0	12.2	12.2	12.4	12.4	12.5	12.5	12.6
U.S. Dollar Exch. Rate - OECD (a)	0.204	0.204	0.204	0.207	0.207	0.207	0.207	0.207	0.207	0.209	0.209	0.209	0.209
Annual Percent Change	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
WPI - OECD U.S. Trading Partners (a)	1.222	1.222	1.222	1.222	1.222	1.222	1.222	1.222	1.222	1.222	1.222	1.224	1.224
Annual Percent Change	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Manufacturing Capacity Utilization (b)	82.5	82.5	82.5	82.5	82.2	82.1	82.0	82.0	82.0	82.1	82.2	82.1	82.2
Yearly Performance (b)	21.5	21.5	21.4	21.1	20.5	21.0	21.1	21.5	21.5	21.5	21.5	21.5	21.7

a. 1995=100.

b. Percent of purchasing agents reporting slower orders.