

FEDERAL RESERVE statistical release



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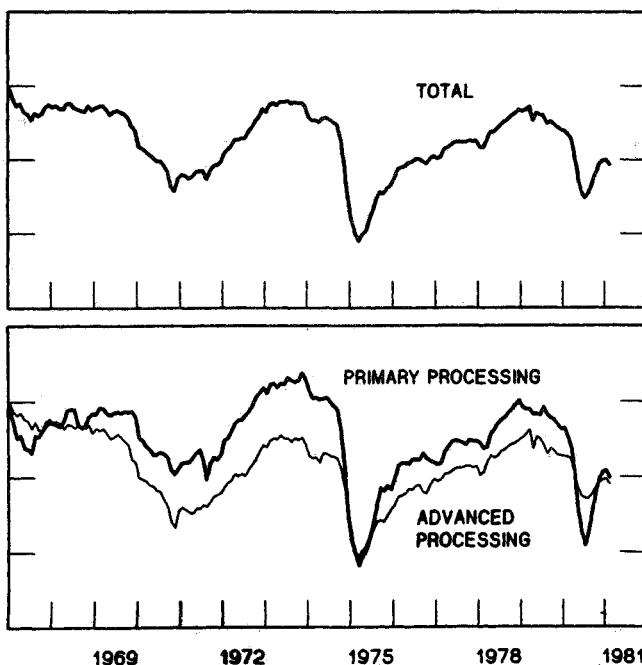
CAPACITY UTILIZATION: MANUFACTURING AND MATERIALS February 1981

Capacity utilization rates for manufacturers and for producers of industrial materials declined in February. The rate for manufacturing fell 0.7 of a percentage point to 79.3 percent of capacity, and the rate for industrial materials producers decreased 0.5 of a percentage point to 81.2 percent. Although these rates had increased for six consecutive months prior to February, they still were below their levels in early 1980.

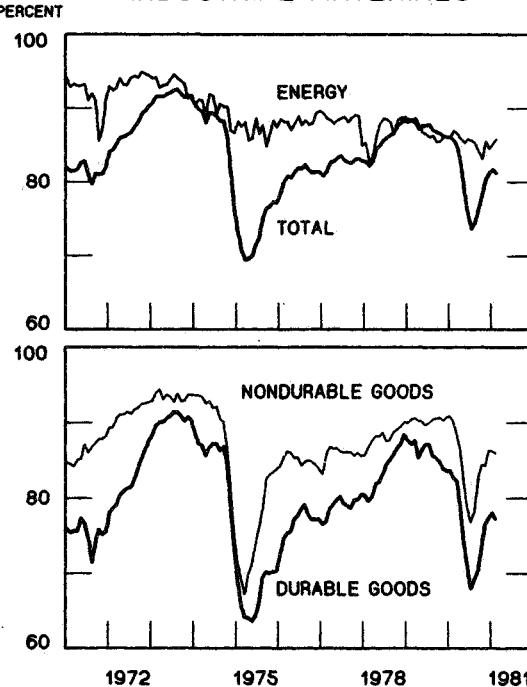
Within manufacturing, declines in utilization rates were widespread in February. The operating rate for the primary processing industries dropped 1.0 percentage point to 79.8 percent, and the advanced processing industries rate decreased 0.7 of a percentage point to 79.0 percent. Utilization rates fell by 1.0 to 1.4 percentage points for the electrical machinery, iron and steel, aerospace and miscellaneous transportation equipment, instruments, and paper industries. More moderate declines occurred for producers of non-electrical machinery, nonferrous metals, textiles, petroleum products, and stone, clay, and glass. The operating rate for the motor vehicles and parts industry also declined moderately, to about 57 percent of capacity, a rate far below its historical norm.

Producers of durable goods materials utilized 77.2 percent of their capacity in February, down 0.8 of a percentage point from January, while the rate for nondurable goods materials producers eased 0.3 of a percentage point to 85.9 percent. In contrast, the operating rate for energy materials producers increased 0.6 of a percentage point to 85.8 percent.

MANUFACTURING



INDUSTRIAL MATERIALS



OUTPUT, CAPACITY AND CAPACITY UTILIZATION

Output and Capacity are Percentages of 1967 Output; Capacity Utilization is a Per Cent of Capacity.
Seasonally Adjusted

Manufacturing

SERIES	MONTHLY CAPACITY UTILIZATION												1981		
	1973 HIGH	1975 LOW	1980 FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.		
MANUFACTURING, TOTAL	88.0	69.0	83.5	82.8	80.3	77.6	75.7	74.9	75.5	76.7	78.2	79.4	79.9	80.0	79.3
PRIMARY PROCESSING	93.8	68.2	85.2	83.8	80.5	75.8	72.7	70.9	72.5	75.2	77.6	79.6	80.7	80.8	79.8
ADVANCED PROCESSING	85.5	69.4	82.6	82.2	80.1	78.6	77.4	77.1	77.1	77.7	78.5	79.2	79.6	79.7	79.0
	OUTPUT				CAPACITY				UTILIZATION						
	1979	1980	IV	I	II	III	IV	IV	I	II	III	IV	IV	I	IV
MANUFACTURING, TOTAL	153.4	152.8	143.9	141.0	148.7	181.7	183.3	184.8	186.3	187.8	84.4	83.4	77.9	75.7	79.2
PRIMARY PROCESSING	162.5	160.5	145.0	139.6	153.0	187.1	188.5	190.0	191.5	193.0	86.9	85.1	76.3	72.9	79.3
ADVANCED PROCESSING	148.5	148.8	143.3	141.8	146.4	178.9	180.5	182.0	183.5	185.0	83.0	82.5	78.7	77.3	79.1

Industrial Materials

SERIES	MONTHLY CAPACITY UTILIZATION												1981		
	1973 HIGH	1975 LOW	1980 FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	JAN.	FEB.
MATERIALS, TOTAL	92.6	69.4	85.6	84.7	82.1	78.3	75.7	73.7	74.6	76.8	78.4	80.4	81.2	81.7	81.2
DURABLE GOODS MATERIALS	91.5	63.6	82.7	82.2	78.8	74.1	70.8	68.0	69.1	70.4	73.5	76.5	77.3	78.0	77.2
METAL MATERIALS	98.3	68.6	82.0	83.6	77.2	70.0	67.0	58.4	62.2	63.9	71.5	81.4	81.0	81.5	
NONDURABLE GOODS MATERIALS	94.5	67.2	90.0	88.3	86.1	81.8	78.7	76.8	78.2	82.7	84.4	84.3	86.3	86.2	85.9
TEX., PAPER, & CHEM. MATER.	95.1	65.3	90.3	88.5	86.0	81.3	77.1	74.5	76.4	81.6	83.8	83.7	85.9	85.6	85.3
TEXTILE MATERIALS	92.6	57.9	87.2	86.8	84.6	84.5	81.8	82.0	79.5	82.0	82.1	80.7	79.5	80.0	
PAPER MATERIALS	99.4	72.4	94.4	93.0	90.7	90.8	91.6	88.1	90.2	93.9	93.0	98.1	94.9	92.5	
CHEMICAL MATERIALS	95.5	64.2	90.1	87.9	85.2	78.3	72.7	69.6	72.5	78.7	82.1	82.0	85.2	85.3	
ENERGY MATERIALS	94.6	88.8	87.0	86.5	85.8	85.3	85.8	85.6	85.2	84.1	83.1	85.5	84.5	85.2	85.8
	OUTPUT				CAPACITY				UTILIZATION						
	1979	1980	IV	I	II	III	IV	IV	I	II	III	IV	IV	I	IV
MATERIALS, TOTAL	156.5	156.3	145.1	139.2	149.8	181.2	182.8	184.3	185.8	187.2	86.3	85.5	78.7	74.9	80.0
DURABLE GOODS MATERIALS	156.3	155.0	140.6	131.5	145.1	185.7	187.2	188.6	190.0	191.5	84.1	82.8	74.6	69.2	75.8
METAL MATERIALS	119.6	117.1	100.6	86.6	109.9	140.6	140.7	140.8	140.9	141.0	85.1	83.2	71.4	61.5	78.0
NONDURABLE GOODS MATERIALS	179.2	179.3	166.0	161.9	175.5	197.6	199.8	202.0	204.3	206.5	90.6	89.7	82.2	79.2	85.0
TEX., PAPER, & CHEM. MATER.	187.9	187.5	171.9	165.6	182.6	205.8	208.3	211.0	213.7	216.2	91.2	90.0	81.5	77.5	84.5
TEXTILE MATERIALS	123.8	120.6	116.4	113.4	113.1	138.4	138.8	139.2	139.6	140.0	89.4	86.9	83.7	81.2	80.8
PAPER MATERIALS	148.9	146.1	142.1	142.9	149.4	153.3	154.7	156.0	157.4	158.8	97.1	94.5	91.0	90.7	94.0
CHEMICAL MATERIALS	231.8	233.6	208.3	197.9	226.8	256.8	260.4	264.6	268.7	272.9	90.2	89.7	78.7	73.6	83.1
ENERGY MATERIALS	129.0	130.8	130.0	129.6	129.2	150.3	151.1	151.8	152.6	153.1	85.9	86.6	85.6	85.0	84.4

NOTE: ESTIMATES OF ACTUAL OUTPUT AND CAPACITY OUTPUT ARE BOTH EXPRESSED AS PERCENTAGES OF 1967 ACTUAL OUTPUT. ESTIMATES OF CAPACITY UTILIZATION IN PERCENT ARE CALCULATED AS RATIOS OF (1) THE FEDERAL RESERVE'S SEASONALLY ADJUSTED INDEXES OF INDUSTRIAL PRODUCTION TO (2) THE CORRESPONDING INDEXES OF CAPACITY. INDUSTRIAL MATERIALS ARE ITEMS BOTH PRODUCED AND USED AS INPUTS BY MANUFACTURING PLANTS, MINES AND UTILITIES; INDUSTRIAL MATERIALS COVER MANY OF THE ITEMS REPRESENTED IN THE PRIMARY PROCESSING GROUPING OF MANUFACTURING AS WELL AS SOME OF THE OUTPUT OF MINES AND UTILITIES -- SUCH AS IRON ORE, CRUDE OIL, AND ELECTRICITY SOLD TO INDUSTRY.

THE 1973 HIGHS AND 1975 LOWS IN CAPACITY UTILIZATION, SHOWN IN THE TABLES ABOVE, ARE SPECIFIC TO EACH SERIES AND MAY OCCUR IN DIFFERENT MONTHS. INDUSTRIAL PLANTS USUALLY OPERATE AT CAPACITY UTILIZATION RATES THAT ARE WELL BELOW 100 PERCENT; NONE OF THE BROAD AGGREGATE SERIES HAS EVER INDICATED A 100 PERCENT USE OF CAPACITY. CAPACITY UTILIZATION RATES AVERAGED ABOUT 83 PERCENT FOR MANUFACTURING FROM 1955 THROUGH 1979, AND ABOUT 85 PERCENT FOR INDUSTRIAL MATERIALS FOR 1967 THROUGH 1979. IN MANUFACTURING AS A WHOLE, UTILIZATION RATES AS HIGH AS 90 PERCENT HAVE BEEN EXCEEDED ONLY IN WARTIME. THE PEAK RATES OF UTILIZATION IN 1973 WERE ASSOCIATED WITH SIGNIFICANT UPWARD PRESSURE ON PRICES.

THE METHODOLOGY AND THE SERIES ARE DESCRIBED IN FEDERAL RESERVE MEASURES OF CAPACITY AND CAPACITY UTILIZATION. REVISED DATA ARE FOUND IN "CAPACITY UTILIZATION: MANUFACTURING AND MATERIALS, JANUARY 1967--DECEMBER 1978." BOTH PUBLICATIONS MAY BE OBTAINED FROM PUBLICATIONS SERVICES, BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, WASHINGTON, D.C. 20551