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Patterns of Output Growth

A newly-prepared analysis of output trends in the postwar period reveals a wide diversity of growth rates among individual products and services - a continuing feature of the U. S. economy - the Department of Commerce reports in the September 1964 issue of its monthly magazine, Survey of Current Business.

Production data for 339 individual products and services, both old and new, were examined over the period 1948-63 by the Department's Office of Business Economics. The analysis discloses that about one-fifth were classified as fast-growing, that is, had growth rates averaging 7-1/2 percent or more per year. More than one-half were moderately-growing (up to 7-1/2 percent per year) and one-fourth had negative growth rates. For all items combined the average growth rate from 1948 to 1963 was 3.7 percent per year, about the same as the expansion in real GNP.

The 70 items in the fast-growing group increased at an average rate of 15 percent per year in the 1948-63 period. Within this group, growth rates for the relatively newer products averaged close to 20 percent per year as compared with about 10 percent for the older lines.

Growth rates within the 15-year period were not uniform over time and in a general way followed the growth pattern of real GNP. Thus, there was a general lowering of growth rates for individual products in the 1957-63 period as compared with the 1948-57 period. Similarly, an acceleration of growth rates for individual products occurred from 1960 to 1963 as compared with 1957-60.

The article points out that, as might be expected, relatively few products that were introduced just before, during or after World War II have continued to grow as fast as they did initially. Growth of these products, such as polyethylene, noncellulosic fibers, and antibiotics, while down substantially from earlier high rates, was still 10 percent or more per year in the 1957-63 period. Some new products, including a number of consumer appliances, have shown little change in output from the peak years of the mid-fifties. A few items which grew rapidly from 1948 to 1957 have since shown negative rates.

(More)

The analysis also points out that the production growth of many new products is often at the expense of older, well-established lines. In a number of instances the net expansion of the new and old products combined has been quite small.

The Survey article, "Patterns of Output Growth," includes a table with production data for 339 products for 1948 and from 1960 through 1963. It also shows average annual rates of growth for the entire period 1948-63, and for the following sub-periods: 1948-53, 1953-57, 1957-60, 1960-63, 1948-57, and 1957-63.

The Survey of Current Business is available from field offices of the Department of Commerce, or from the Superintendent of Documents, U. S. Government Printing Office, Washington, D. C. 20402, at an annual subscription price of \$4.00, including weekly supplements; single copy 30 cents.