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MANUFACTURING CAPACITY UTILIZATION ROSE IN MARCH 1977

Manufacturers utilized 83 percent of their productive capacity in March 1977, 2 percentage points more than last December, according to a survey conducted in late April and May by the Bureau of Economic Analysis of the U.S. Department of Commerce.

The March rate is 8 points above the trough of 75 percent in March and June 1975, but 3 points below the peak of 86 percent in March and June 1973. The motor vehicle, nonelectrical machinery, and petroleum industries were within 2 points of their 1973-74 pre-recession peaks. Industries well below their previous peaks were: textiles, 6 points; paper, 7 points; chemicals, 8 points; and primary metals, 12 points.

The March rise in capacity utilization reflected an 11-point advance for motor vehicles, to 106 percent; many plants were operating on an overtime basis in response to strong demand for large- and intermediate-sized autos and for trucks. Among other durable goods industries, primary metals and stone-clay-glass reported 4-point increases to 78 and 79 percent, respectively. Both industries had reported declines from September to December last year. Aircraft increased 3 points, to 69 percent. Among nondurables, paper, chemicals, petroleum, and rubber reported 2-point increases.

Primary-processed goods industries reported a utilization rate of 83 percent, a 3-point increase from December; advanced-processed goods industries reported 84 percent, a 2-point increase. Large firms (assets of \$100 million and over) reported a rate of 86 percent, a 3-point increase; medium- and small-sized firms reported 1-point increases, to 80 percent and 77 percent, respectively.

Capacity utilization rates have been adjusted for seasonal variation.

The capacity utilization survey--conducted quarterly--asks manufacturers for actual and preferred rates of capacity utilization for the last month of each quarter.

Additional information will appear in the June issue of the Survey of Current Business, published monthly by the Bureau of Economic Analysis.

The Survey is available from most District Offices of the Department of Commerce, and from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, at an annual subscription price of \$19.00; single copy \$1.60.

NOTE: The conceptual basis and methodology of the program to measure the utilization of manufacturing capacity is described in "The Utilization of Manufacturing Capacity, 1965-73," Survey of Current Business, July 1974, pp. 47-57.

Manufacturers' Capacity Utilization Rates
June 1975 to March 1977
(Seasonally Adjusted)

Industry and asset size	Operating rates (percent)							
	1975			1976				1977
	June	Sept.	Dec.	March	June	Sept.	Dec.	March
All manufacturing.....	75	79	79	82	82	80	81	83
Asset size:								
\$100.0 million and over.....	76	80	80	84	85	82	83	86
\$10.0 to \$99.9 million.....	75	77	76	78	79	78	79	80
Under \$10.0 million.....	72	73	74	76	75	75	76	77
Durable goods <u>1/</u>	73	78	77	81	83	79	81	84
Asset size:								
\$100.0 million and over.....	75	80	78	84	86	81	83	88
\$10.0 to \$99.9 million.....	71	74	73	76	78	76	77	78
Under \$10.0 million.....	67	70	70	74	72	73	72	76
Primary metals.....	69	74	69	78	83	79	74	78
Electrical machinery.....	71	73	75	78	81	80	81	81
Machinery, except electrical.....	82	84	81	84	86	87	86	87
Transportation equipment <u>2/</u>	73	81	78	85	85	74	83	91
Motor vehicles.....	80	93	87	98	100	80	95	106
Aircraft.....	64	65	64	66	65	64	66	69
Stone, clay, and glass.....	67	74	72	78	76	79	75	79
Nondurable goods <u>3/</u>	78	80	81	82	81	82	82	82
Asset size:								
\$100.0 million and over.....	79	81	83	84	83	83	83	84
\$10.0 to \$99.9 million.....	78	80	79	81	81	80	81	81
Under \$10.0 million.....	77	76	77	78	77	78	80	78
Food including beverage.....	79	77	76	77	76	79	77	77
Textiles.....	76	83	85	89	85	83	84	85
Paper.....	76	81	85	89	88	85	85	87
Chemicals.....	72	75	78	80	82	79	78	80
Petroleum.....	87	91	91	94	96	90	93	95
Rubber.....	74	78	81	86	68	82	85	87
Primary-processed goods <u>4/</u>	73	78	78	83	83	82	80	83
Advanced-processed goods <u>5/</u>	76	79	79	81	82	79	82	84

1. Also includes lumber, furniture, fabricated metals, instruments, and miscellaneous.

2. Also includes other transportation equipment.

3. Also includes tobacco, apparel, printing-publishing, and leather.

4. Consists of lumber; stone, clay, and glass; primary metals; fabricated metals; textiles; paper; chemicals (at 1/2 weight); petroleum; and rubber.

5. Consists of furniture, electrical machinery, machinery except electrical, motor vehicles, aircraft, other transportation equipment, instruments, food including beverage, tobacco, apparel, printing-publishing, chemicals (at 1/2 weight), leather, and miscellaneous.

