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MANUFACTURING CAPACITY UTILIZATION DECLINED IN SEPTEMBER 1977

Manufacturers utilized 82 percent of their capacity in September, 2 percentage points less than in June, according to the survey conducted in late October and November by the Bureau of Economic Analysis of the U.S. Department of Commerce. The September rate is 4 points below the 1973 pre-recession peak, but 7 points above the trough in June 1975.

The September decline--the first since September 1976--reflects a 4-point drop by durable goods producers. All durable goods industries reported declines from June to September except nonelectrical machinery, which reported a 1-point increase. Sharp declines occurred in motor vehicles (11 points), primary metals (5 points), and aircraft (5 points). Electrical machinery and stone-clay-glass reported 2-point declines, to 82 percent and 78 percent, respectively.

Nondurables as a group showed no change from June to September, but rubber declined 3 points, to 84 percent, and chemicals declined 2 points, to 77 percent. Food-beverage increased 2 points, to 78 percent. The rate for petroleum was unchanged at 91 percent.

The utilization rates in September for primary- and advanced-processed goods industries were both 82 percent, 2 points below their June rates.

The rate reported by large-sized firms declined 3 points, to 84 percent, and that for small-sized firms declined 1 point, to 77 percent. The rate for medium-sized firms increased 1 point, to 80 percent.

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

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

The Survey of Current Business is available from most District 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 \$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  
September 1975 to September 1977  
(Seasonally Adjusted)

Industry and asset size	Operating rates (percent)								
	1975		1976				1977		
	Sept.	Dec.	March	June	Sept.	Dec.	March	June	Sept.
All manufacturing.....	79	79	82	82	80	81	83	84	82
Asset size:									
\$100.0 million and over.....	80	80	84	85	82	83	86	87	84
\$10.0 to \$99.9 million.....	77	76	78	79	78	79	80	79	80
Under \$10.0 million.....	73	74	76	75	75	76	77	78	77
Durable goods <u>1/</u> .....	78	77	81	83	79	81	84	86	82
Asset size:									
\$100.0 million and over.....	80	78	84	86	81	83	88	89	84
\$10.0 to \$99.9 million.....	74	73	76	78	76	77	78	78	79
Under \$10.0 million.....	70	70	74	72	73	72	76	76	75
Primary metals.....	74	69	78	83	79	74	78	84	79
Electrical machinery.....	73	75	78	81	80	81	81	84	82
Machinery, except electrical.....	84	81	84	86	87	86	87	89	90
Transportation equipment <u>2/</u> .....	81	78	85	85	74	83	91	90	82
Motor vehicles.....	93	87	98	100	80	95	106	104	93
Aircraft.....	65	64	66	65	64	66	69	71	66
Aircraft.....	65	64	66	65	64	66	69	71	66
Aircraft.....	74	72	78	76	79	75	79	80	78
Stone, clay, and glass.....	74	72	78	76	79	75	79	80	78
Nondurable goods <u>3/</u> .....	80	81	82	81	82	82	82	82	82
Asset size:									
\$100.0 million and over.....	81	83	84	83	83	83	84	83	82
\$10.0 to \$99.9 million	80	79	81	81	80	81	81	80	82
Under \$10.0 million	76	77	78	77	78	80	78	79	78
Food including beverage.....	77	76	77	76	79	77	77	76	78
Textiles.....	83	85	89	85	83	84	85	87	86
Paper.....	81	85	89	88	85	85	87	86	85
Chemicals.....	75	78	80	82	79	78	80	79	77
Petroleum.....	91	91	94	96	90	93	95	91	91
Rubber.....	78	81	86	68	82	85	87	87	84
Primary-processed goods <u>4/</u> .....	78	78	83	83	82	80	83	84	82
Advanced-processed goods <u>5/</u> .....	79	79	81	82	79	82	84	84	82

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.