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MANUFACTURING CAPACITY UTILIZATION DECLINED IN SEPTEMBER 1978

Manufacturers utilized 83 percent of their capacity in September, 1 percentage point less than in June and March, according to the survey conducted in late October and November by the Bureau of Economic Analysis, U.S. Department of Commerce. The September rate was 3 points below the prerecession peak of 86 percent in mid-1973 and 8 points above the June 1975 trough of 75 percent.

The decline in utilization from June to September was in durable goods, which had an overall rate of 83 percent, compared with 85 percent in June. Motor vehicles declined 7 points to 90 percent; there were 1-point declines for electrical machinery to 82 percent, nonelectrical machinery to 90 percent, aircraft to 69 percent, and stone-clay-glass to 80 percent.

Nondurables reported a rate of 82 percent in September, unchanged from June. There were increases of 2 points for textiles to 85 percent, and 1 point for food-beverage to 79 percent, petroleum to 91 percent, and rubber to 85 percent; these increases were offset by declines of 3 points for paper to 87 percent, and 1 point for chemicals to 79 percent.

The utilization rate reported by large-sized firms declined 2 points to 85 percent; medium- and small-sized firms were unchanged at 81 percent and 77 percent, respectively. The overall rate for primary-processed goods industries was 84 percent, unchanged from June; advanced-processed goods declined 2 points to 82 percent.

Additional discussion will appear in the December issue of the *Survey of Current Business*, the monthly journal of the Bureau of Economic Analysis. The *Survey* is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. First class mail: annual subscription $31.00 domestic. Second class mail: annual subscription $19.00 domestic, $23.75 foreign; single issue $1.60 domestic, $2.00 foreign.

Manufacturers' Capacity Utilization Rates 1/
June 1976 to September 1978
(Seasonally Adjusted)

Industry and asset size	Operating rates (percent)									
	1976			1977				1978		
	June	Sept.	Dec.	March	June	Sept.	Dec.	March	June	Sept.
All Manufacturing	82	80	81	83	84	82	82	84	84	83
Asset size:										
$100.0 million and over	85	82	83	86	87	84	84	86	87	85
$10.0 to $99.9 million	79	78	79	80	79	80	80	81	81	81
Under $10.0 million	75	75	76	77	78	77	78	79	77	77
Durable goods 2/	83	79	81	84	86	82	82	84	85	83
Asset size:										
$100.0 million and over	86	81	83	88	89	84	85	87	88	86
$10.0 to $99.9 million	78	76	77	78	78	79	78	80	80	80
Under $10.0 million	72	73	72	76	76	75	73	75	77	76
Primary metals	83	79	74	78	84	79	79	80	86	86
Electrical machinery	81	80	81	81	84	82	82	84	83	82
Machinery, except electrical	86	87	86	87	89	90	90	91	91	90
Transportation equipment 3/	85	74	83	91	90	82	83	85	87	82
Motor vehicles	100	80	95	106	104	93	94	98	97	90
Aircraft	65	64	66	69	71	66	67	67	70	69
Stone, clay, and glass	76	79	75	79	80	78	77	77	81	80
Nondurable goods 4/	81	82	82	82	82	82	82	83	82	82
Asset size:										
$100.0 million and over	83	83	83	84	83	82	83	84	85	84
$10.0 to $99.9 million	81	80	81	81	80	82	83	82	82	82
Under $10.0 million	77	78	80	78	79	78	82	83	77	77
Food including beverage	76	79	77	77	76	78	80	81	78	79
Textiles	85	83	84	85	87	86	87	88	83	85
Paper	88	85	85	87	86	85	87	88	90	87
Chemicals	82	79	78	80	79	77	76	79	80	79
Petroleum	96	90	93	95	91	91	91	90	90	91
Rubber	68	82	85	87	87	84	81	80	84	85
Primary-processed goods 5/	83	82	80	83	84	82	82	83	84	84
Advanced-processed goods 6/	82	79	82	84	84	82	83	84	84	82

1. The survey asks manufacturers to report actual and preferred rates of capacity utilization for the last month of each quarter. Utilization rates for industry and asset-size groups are weighted averages of individual company rates. See "The Utilization of Manufacturing Capacity, 1965-73," SURVEY OF CURRENT BUSINESS, July 1974, p. 47.
2. Also includes lumber, furniture, fabricated metals, instruments, and miscellaneous.
3. Also includes other transportation equipment.
4. Also includes tobacco, apparel, printing-publishing, and leather.
5. Consists of lumber; stone, clay, and glass; primary metals; fabricated metals; textiles; paper; chemicals (at 1/2 weight); petroleum; and rubber.
6. 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.