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MANUFACTURING CAPACITY UTILIZATION
DECLINED IN SEPTEMBER

The utilization of manufacturing capacity was 76 percent in September 1981, 2 points below the rate in June, according to the survey conducted in October and November by the Commerce Department's Bureau of Economic Analysis. The September rate is the same as the June and September 1980 rates associated with last year's recession, and 1 point above the 1975 recession trough.

The drop in the utilization rate in manufacturing from June to September was widespread among the major industries. Motor vehicles reported the largest decline--13 points to 60 percent; this reflected declining auto sales and large inventories. Rubber declined 5 points, to 72 percent. Petroleum and paper declined 4 points, to 72 and 85 percent, respectively. Primary metals declined 3 points, to 74 percent; the decline in this group was attributable to iron and steel producers, largely reflecting declining orders by the auto and construction industries. Chemicals declined 2 points, to 75 percent. Other major industries reported little or no change from their June rates.

The utilization rates for primary- and advanced-processed goods industries were both 76 percent, 2 points lower than in June.

The rate reported by large firms (assets of \$100 million and over) for September declined 3 points, to 76 percent; medium- and small-sized firms each declined 1 point, to 77 and 74 percent, respectively.

Additional discussion will appear in the December issue of Survey of Current Business, a 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 (domestic only): annual subscription \$50.00, single issue \$5.50. Second class mail: annual subscription \$30.00 domestic, \$37.50 foreign; single issue \$4.25 domestic, \$5.35 foreign.

Manufacturers' Capacity Utilization Rates ^{1/}
September 1979 to September 1981
(Seasonally Adjusted)

Industry and asset size	Operating rates (percent)								
	1979		1980				1981		
	Sept.	Dec.	March	June	Sept.	Dec.	March	June	Sept.
All manufacturing.....	82	81	80	76	76	78	78	78	76
Asset size:									
\$100.0 million and over.....	84	82	82	77	77	80	80	79	76
\$10.0 to \$99.9 million.....	81	81	79	77	78	78	78	78	77
Under \$10.0 million.....	75	75	74	70	71	72	74	75	74
Durable goods ^{2/}	82	80	80	74	75	78	77	77	74
Asset size:									
\$100.0 million and over.....	84	81	82	75	76	80	79	79	75
\$10.0 to \$99.9 million.....	79	79	77	73	74	75	75	75	74
Under \$10.0 million.....	75	75	73	70	71	72	72	71	72
Primary metals.....	83	80	82	69	66	77	79	77	74
Electrical machinery.....	82	81	82	78	79	79	78	76	76
Machinery, except electrical.....	91	89	91	89	89	90	89	90	89
Transportation equipment ^{3/}	78	74	74	67	71	74	72	73	65
Motor vehicles.....	78	72	70	60	67	70	69	73	60
Aircraft.....	77	77	79	78	78	80	77	75	75
Stone, clay, and glass.....	79	83	75	71	73	74	74	71	71
Nondurable goods ^{4/}	82	82	81	78	78	78	79	80	78
Asset size:									
\$100.0 million and over.....	85	84	83	80	80	80	81	80	79
\$10.0 to \$99.9 million.....	83	84	82	80	81	81	82	81	80
Under \$10.0 million.....	75	75	75	71	71	72	75	78	75
Food including beverage.....	78	79	77	77	76	75	79	79	78
Textiles.....	83	82	82	79	79	80	80	82	81
Paper.....	92	91	88	86	87	89	89	89	85
Chemicals.....	83	83	82	76	78	78	78	77	75
Petroleum.....	88	86	85	82	76	80	73	76	72
Rubber.....	76	70	72	65	72	70	75	77	72
Primary-processed goods ^{5/}	83	83	81	75	74	78	78	78	76
Advanced-processed goods ^{6/}	81	80	80	76	77	78	78	78	76

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.