

FEDERAL RESERVE statistical release



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INDUSTRIAL PRODUCTION AND CAPACITY UTILIZATION

The index of industrial production edged down 0.1 percent in August, and the index for manufacturing output decreased 0.4 percent; the declines were the first for each since January. The gains in July for both indexes were revised down. The declines in total industrial production and in manufacturing output in August reflected a

(over)

Industrial Production and Capacity Utilization: Summary

Seasonally adjusted

Industrial production	2007=100						Percent change						Aug. '13 to Aug. '14
	2014 Mar. ^r	Apr. ^r	May ^r	June ^r	July ^r	Aug. ^p	2014 Mar. ^r	Apr. ^r	May ^r	June ^r	July ^r	Aug. ^p	
Total index	103.1	103.2	103.7	104.0	104.2	104.1	.8	.1	.5	.3	.2	-.1	4.1
<i>Previous estimates</i>	103.1	103.2	103.5	103.9	104.4		.9	.1	.3	.4	.4		
<u>Major market groups</u>													
Final Products	100.4	100.2	100.1	99.9	100.8	100.2	.8	-.2	-.1	-.2	.8	-.6	3.5
Consumer goods	97.9	97.4	97.0	96.7	97.5	96.7	.7	-.6	-.4	-.2	.7	-.8	2.8
Business equipment	105.8	106.3	107.2	106.9	108.2	108.2	.9	.4	.8	-.3	1.2	.0	5.7
Nonindustrial supplies	90.7	90.4	91.0	91.0	91.2	91.5	.1	-.4	.7	.0	.2	.4	3.2
Construction	83.6	82.9	84.0	84.5	85.6	85.7	.7	-.8	1.3	.6	1.3	.1	5.4
Materials	109.9	110.4	111.3	112.2	112.0	112.1	1.1	.4	.8	.9	-.3	.1	4.9
<u>Major industry groups</u>													
Manufacturing (see note below)	98.8	99.1	99.5	99.8	100.6	100.2	.8	.3	.4	.3	.7	-.4	3.6
<i>Previous estimates</i>	98.8	99.1	99.5	99.8	100.7		.9	.3	.3	.3	1.0		
Mining	125.1	127.6	128.8	130.8	130.5	131.2	1.7	2.0	.9	1.6	-.3	.5	8.7
Utilities	106.5	101.0	101.2	99.3	96.5	97.6	-.5	-5.1	.2	-2.0	-2.7	1.0	.0
<u>Capacity utilization</u>													
Capacity utilization	Percent of capacity												Capacity growth
	Average 1972-2013	1988-89 high	1990-91 low	1994-95 high	2009 low	2013 Aug.	2014 Mar. ^r	Apr. ^r	May ^r	June ^r	July ^r	Aug. ^p	Aug. '13 to Aug. '14
Total industry	80.1	85.3	78.7	85.0	66.9	77.8	79.1	78.9	79.1	79.1	79.1	78.8	2.8
<i>Previous estimates</i>							79.1	79.0	79.0	79.1	79.2		
Manufacturing (see note below)	78.7	85.6	77.3	84.6	63.9	76.1	76.8	77.0	77.1	77.2	77.6	77.2	2.1
<i>Previous estimates</i>							76.9	77.0	77.1	77.2	77.8		
Mining	87.3	86.3	83.8	88.5	78.8	88.4	88.3	89.5	89.6	90.3	89.4	89.1	7.8
Utilities	86.1	92.9	84.3	93.3	78.5	77.1	83.7	79.4	79.5	77.8	75.6	76.4	.9
<u>Stage-of-process groups</u>													
Crude	86.3	87.7	84.4	89.6	76.8	86.9	86.4	87.4	87.5	87.7	87.1	86.8	6.2
Primary and semifinished	80.8	86.5	77.9	87.7	64.2	75.8	77.9	77.1	77.3	77.4	77.0	76.9	1.7
Finished	77.1	83.4	77.4	80.6	66.8	76.0	77.0	77.0	77.1	77.0	77.6	77.0	2.5

r Revised. p Preliminary.

Note. The statistics in this release cover output, capacity, and capacity utilization in the U.S. industrial sector, which is defined by the Federal Reserve to comprise manufacturing, mining, and electric and gas utilities. Mining is defined as all industries in sector 21 of the North American Industry Classification System (NAICS); electric and gas utilities are those in NAICS sectors 2211 and 2212. Manufacturing comprises NAICS manufacturing industries (sector 31-33) plus the logging industry and the newspaper, periodical, book, and directory publishing industries. Logging and publishing are classified elsewhere in NAICS (under agriculture and information, respectively), but historically they were considered to be manufacturing and were included in the industrial sector under the Standard Industrial Classification (SIC) system. In December 2002 the Federal Reserve reclassified all its industrial output data from the SIC system to NAICS.

decrease of 7.6 percent in the production of motor vehicles and parts, which had jumped more than 9 percent in July. Excluding motor vehicles and parts, factory output rose 0.1 percent in both July and August. The production at mines moved up 0.5 percent in August, and the output of utilities rose 1.0 percent. At 104.1 percent of its 2007 average, total industrial production in August was 4.1 percent above its year-earlier level. Capacity utilization for total industry decreased 0.3 percentage point in August to 78.8 percent, a rate 1.0 percentage point above its level of a year earlier and 1.3 percentage points below its long-run (1972–2013) average.

Market Groups

The production of consumer goods decreased 0.8 percent in August after having risen a similar amount in July. In August, the index stood 2.8 percent above its year-earlier level. The output of durable consumer goods declined 4.4 percent in August mainly because of a drop of 7.0 percent in the production of automotive products. Among the other components of consumer durables, the index for home electronics rose, while the indexes for miscellaneous goods and for appliances, furniture, and carpeting fell. Following four months of declines, the index for nondurable consumer goods rose 0.3 percent. The production of non-energy nondurables increased 0.5 percent, with gains in foods and tobacco and in chemical products. The output of consumer energy products moved down 0.2 percent after having increased in July for the first time in five months.

In August, the production of business equipment was unchanged, as increases in the indexes for information processing and for industrial and other equipment offset a decrease in the index for transit equipment.

The production of defense and space equipment declined 0.7 percent in August for its first decrease since January. In August, the index was 0.8 percent above its level of a year earlier.

Among nonindustrial supplies, the production of construction supplies edged up 0.1 percent in August following an increase of 1.3 percent in July. Despite steady gains over the past several years, the output of construction supplies in August was still about 15 percent below its pre-recession peak. The index for business supplies rose 0.6 percent in August.

The output of materials to be processed further in the industrial sector rose 0.1 percent in August and was 4.9 percent above its year-earlier level. A sharp drop in the production of consumer parts led to a decrease of 0.5 percent in the index for durable materials in August. The output of nondurable materials increased 0.2 percent, as gains for paper materials and chemical materials outweighed a loss for textile materials. The index for energy materials rose 0.6 percent in August for its fifth increase in the past six months.

Industry Groups

Manufacturing production decreased 0.4 percent in August after having gained 0.7 percent in July. The factory operating rate dropped 0.4 percentage point in August to 77.2 percent, a rate 1.5 percentage points below its long-run average.

The production of durable goods declined 0.9 percent in August but was 5.6 percent higher than its year-earlier level. In August, the decrease in durables largely reflected the drop in the index for motor vehicles and parts. After being elevated in July, the level of motor vehicle assemblies in August was roughly the same as in May and June. Overall production for the other durable goods industries was unchanged, with the largest loss among major industries, 1.3 percent, registered by fabricated metal products and the largest gain, also 1.3 percent, posted by computer and electronics products. Capacity utilization for durable goods manufacturing fell 1.0 percentage point to 77.5 percent, a rate 0.5 percentage point above its long-run average.

The production of nondurables increased 0.2 percent in August and has moved up 2.2 percent over the past 12 months. Among the major components of nondurables, the index for apparel and leather posted a loss of 2.3 percent, while the indexes for textile and product mills and for printing and support activities posted losses of less than 1.0 percent. The indexes for other major categories of nondurables were either unchanged or recorded small gains: The largest increases were for food, beverage, and tobacco products and for chemicals. Capacity utilization for nondurable goods manufacturing edged up 0.1 percentage point to 78.5 percent, a rate 2.2 percentage points below its long-run average.

Production for non-NAICS manufacturing industries (publishing and logging) fell 0.2 percent in August and was 7.8 percent less than it was a year earlier.

The output of mines increased 0.5 percent in August and has advanced 8.7 percent over the past 12 months. Capacity utilization at mines decreased 0.3 percentage point in August to 89.1 percent, a rate 1.8 percentage points above its long-run average. The output of utilities increased 1.0 percent; the operating rate for utilities rose 0.8 percentage point to 76.4 percent, a rate 9.7 percentage points below its long-run average.

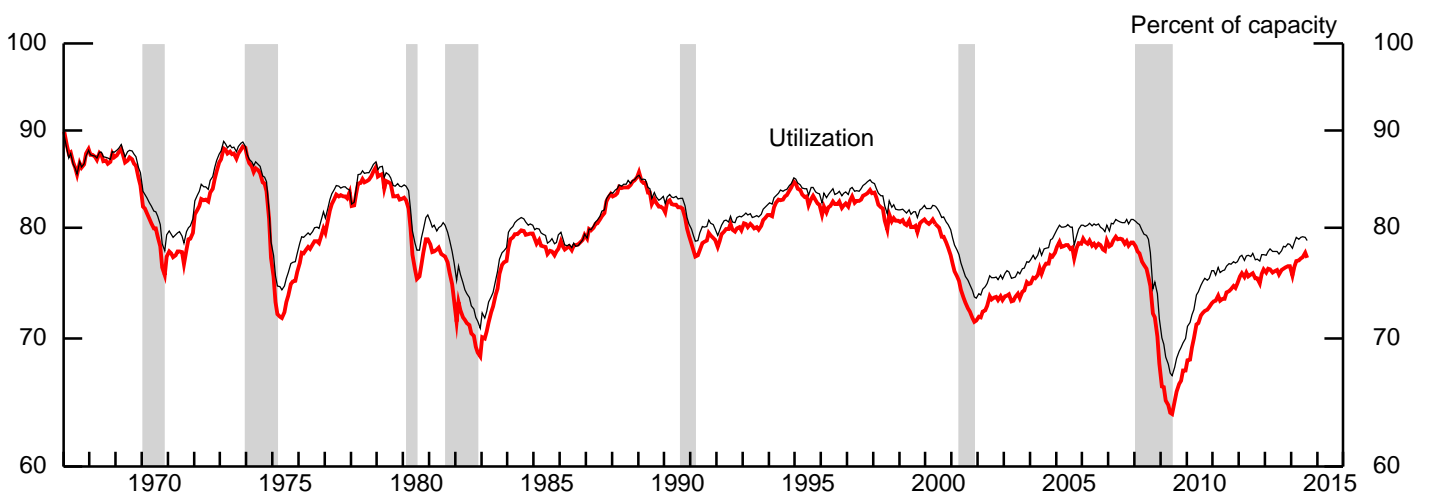
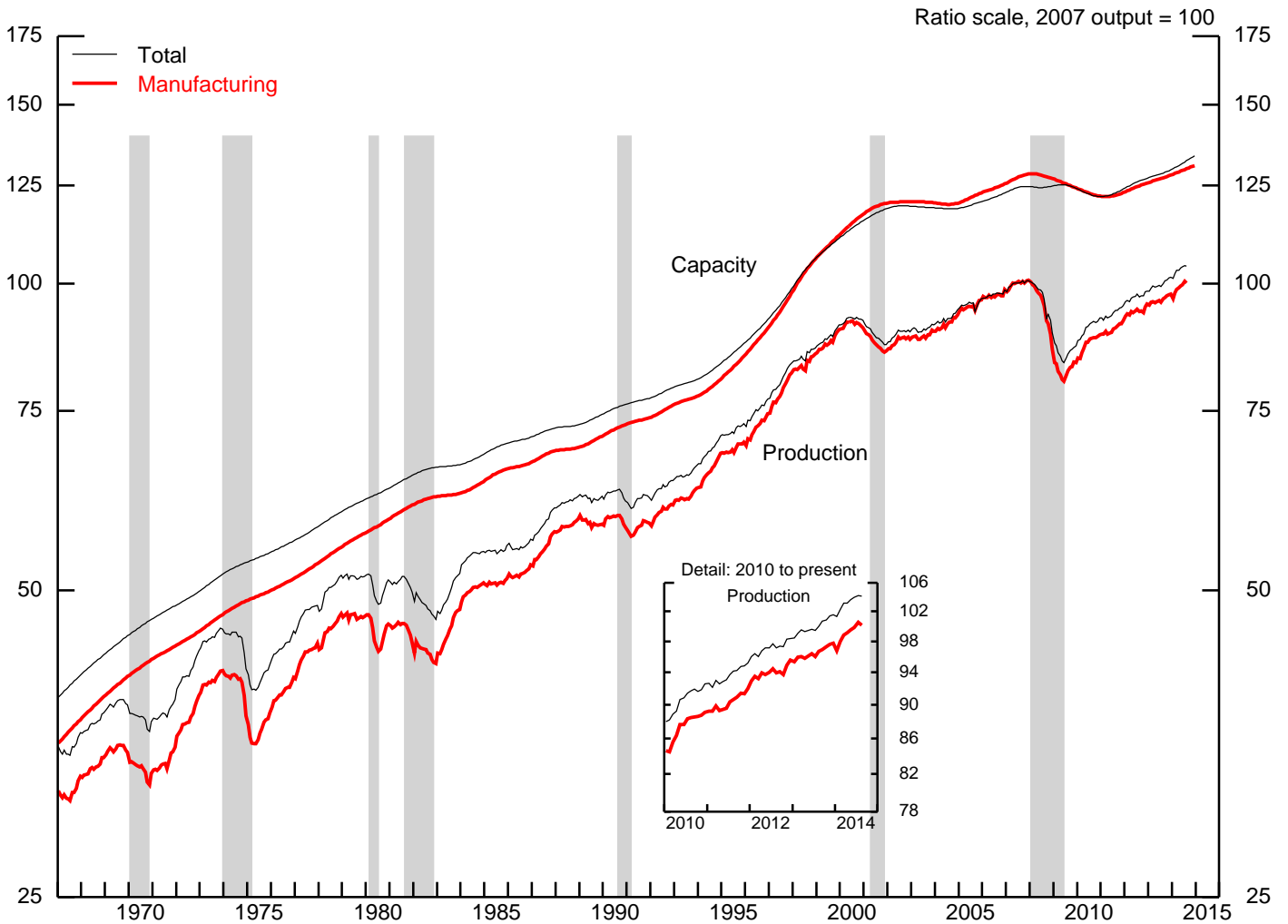
Capacity utilization rates in August for industries grouped by stage of process were as follows: At the crude stage, utilization decreased 0.3 percentage point to 86.8 percent, a rate 0.5 percentage point above its long-run average; at the primary and semifinished stages, utilization declined 0.1 percentage point to 76.9 percent, a rate 3.9 percentage points below its long-run average; and at the finished stage, utilization moved down 0.6 percentage point to 77.0 percent, a rate just 0.1 percentage point below its long-run average.

Tables

1. Industrial Production: Market and Industry Group Summary; percent change
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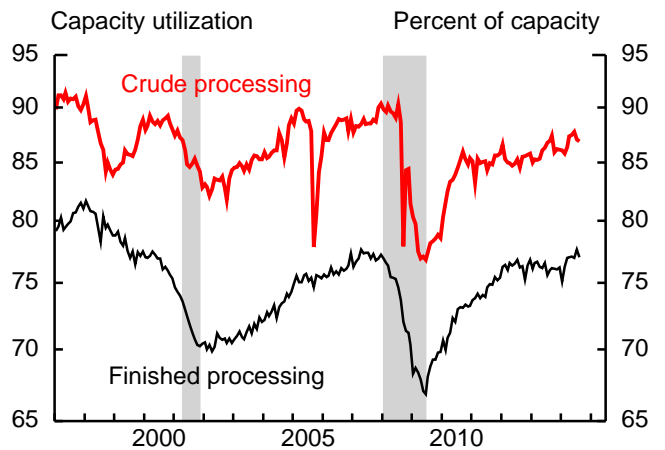
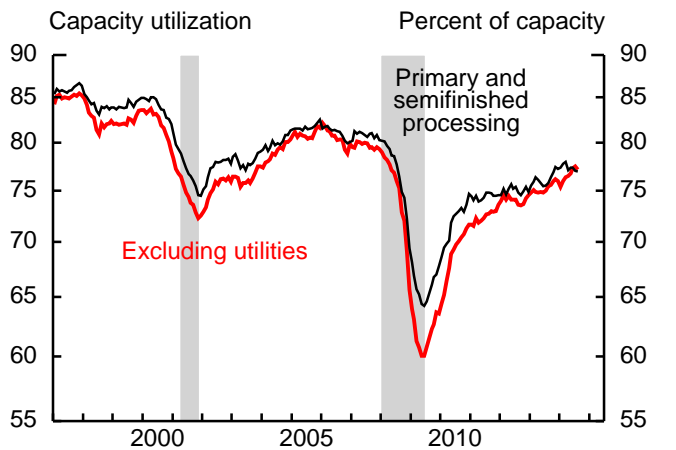
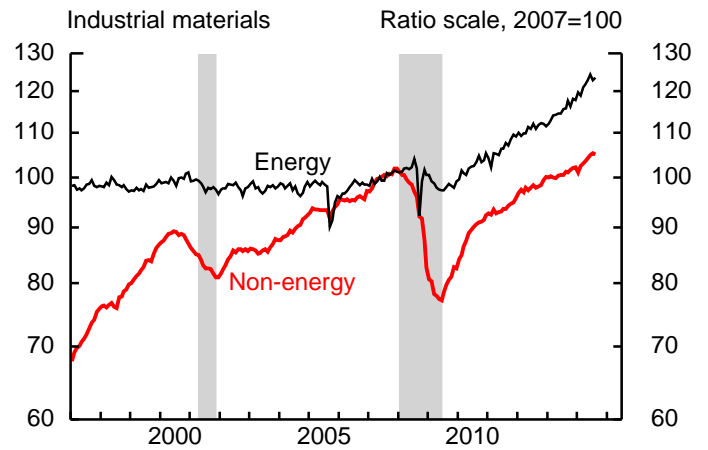
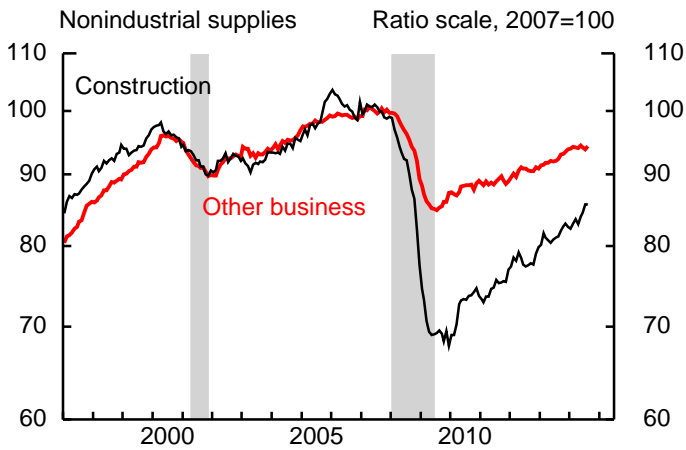
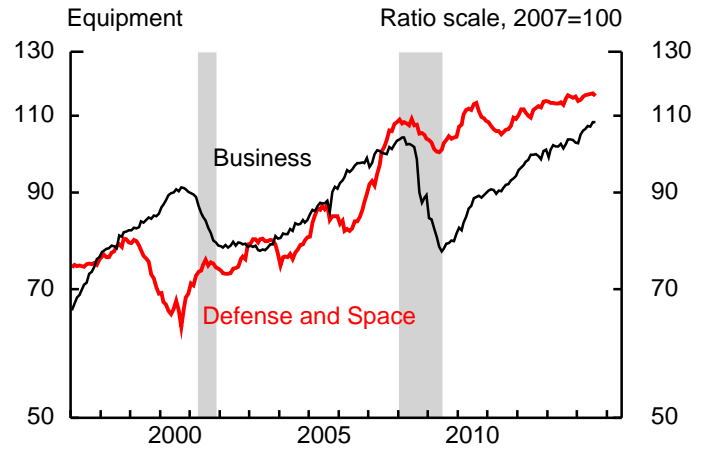
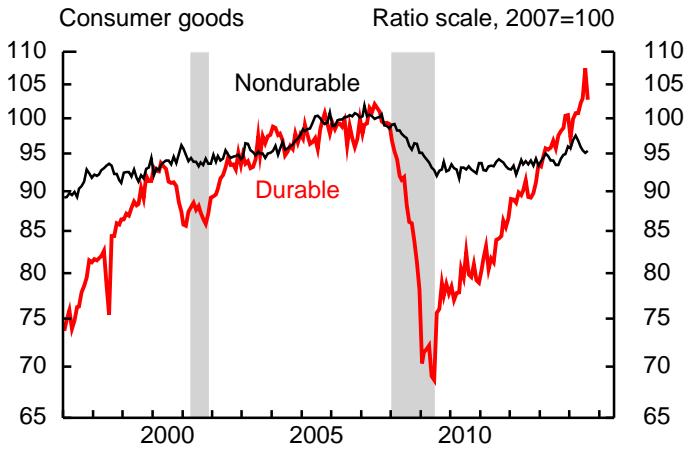
Further detail is available on the Board's website (www.federalreserve.gov/releases/G17/).

1. Industrial production, capacity, and utilization



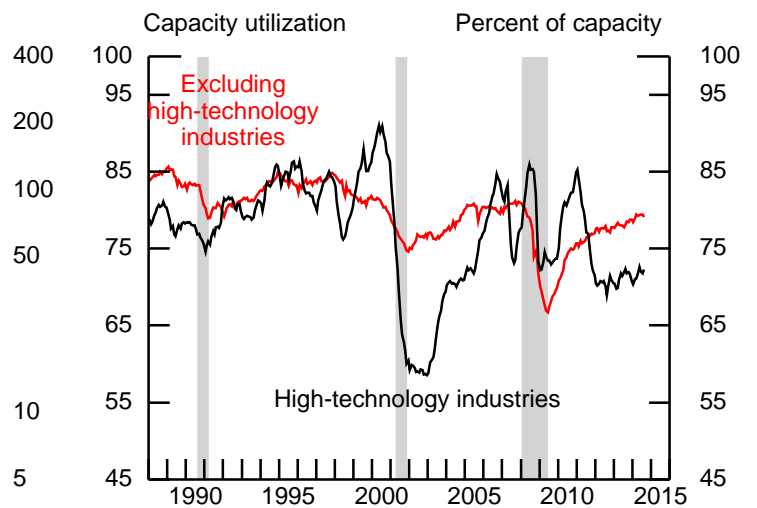
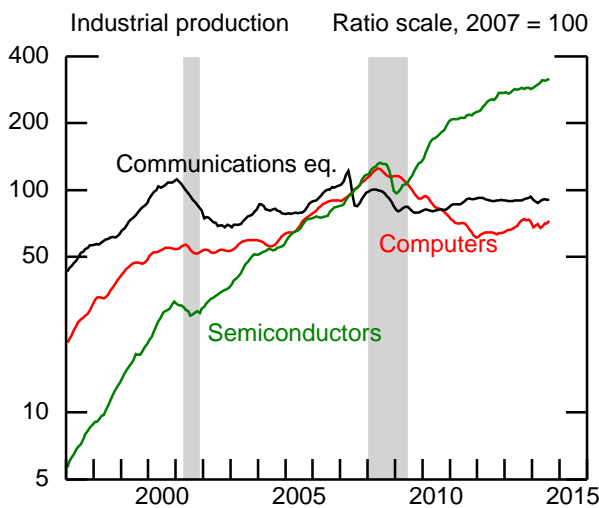
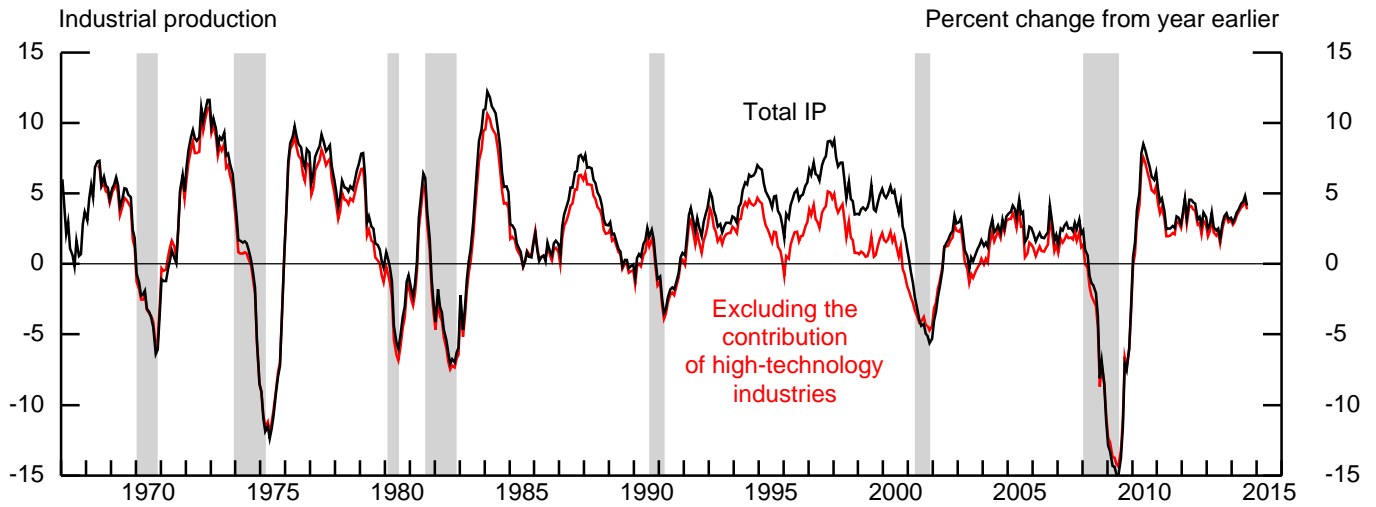
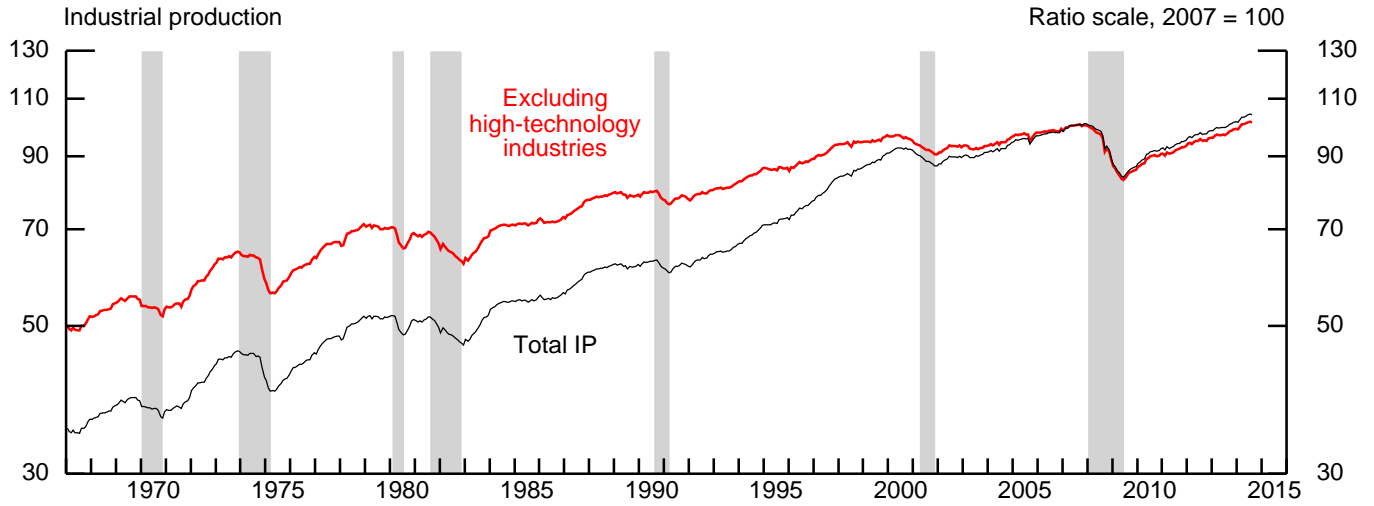
Note: The shaded areas are periods of business recession as defined by the National Bureau of Economic Research (NBER).

2. Industrial production and capacity utilization



Note: The shaded areas are periods of business recession as defined by the National Bureau of Economic Research (NBER).

3. Industrial production and capacity utilization, high-technology industries



Notes: High-technology industries are defined as semiconductors and related electronic components (NAICS 334412-9), computers (NAICS 3341), and communications equipment (NAICS 3342). The shaded areas are periods of business recession as defined by the NBER.

Table 2
INDUSTRIAL PRODUCTION: SPECIAL AGGREGATES AND SELECTED DETAIL

Percent change, seasonally adjusted

Item	2013 proportion	Fourth quarter to fourth quarter			Annual rate			Monthly rate						Aug. '13 to Aug. '14
		2011	2012	2013	2013 Q4	2014 Q1 ^r	Q2 ^r	2014 Mar. ^r	Apr. ^r	May ^r	June ^r	July ^r	Aug. ^p	
Total industry	100.00	3.2	3.2	3.3	4.9	3.9	5.5	.8	.1	.5	.3	.2	-.1	4.1
Energy	27.74	3.3	1.8	4.8	7.5	10.5	1.9	.9	-.4	.4	.1	-.9	.6	5.5
Consumer products	5.27	-1.2	1.0	5.7	21.5	20.8	-20.4	-.6	-4.1	-1.2	-3.6	.2	-.2	2.3
Commercial products	2.92	-.2	1.4	4.0	10.0	6.2	-11.1	-1.7	-.9	-.2	-1.1	-.5	1.3	1.4
Oil and gas well drilling	213111	.73	21.3	-7.5	-1.2	-1.3	3.4	14.0	1.9	1.3	.9	.4	.5	1.8
Converted fuel	3.88	-1.3	.3	1.0	14.8	15.5	-14.8	1.5	-4.7	.7	-.5	-2.2	1.1	2.9
Primary energy	14.92	6.6	3.3	6.1	1.0	7.0	18.0	1.8	2.0	1.0	1.6	-1.0	.5	7.6
Non-energy	72.26	3.1	3.7	2.8	3.9	1.4	7.0	.8	.3	.5	.4	.7	-.4	3.6
Selected high-technology industries	3.27	8.8	16.9	5.4	2.0	2.6	16.5	.7	1.4	2.2	-.1	.5	1.5	7.4
Computers and peripheral equipment	3341	.35	-20.0	2.6	13.6	.7	-19.1	-1.4	1.3	-4.0	1.8	3.2	-.3	2.7
Communications equipment	3342	.49	11.2	-1.5	2.5	9.5	-14.4	6.1	-1.3	2.0	1.2	.5	-.2	.6
Semiconductors and related electronic components	334412-9	2.42	13.7	23.9	5.0	.8	9.9	21.2	1.0	2.1	2.5	-.6	.8	1.6
Excluding selected high-technology industries	68.99	2.8	3.1	2.7	4.0	1.4	6.6	.8	.2	.4	.4	.7	-.5	3.5
Motor vehicles and parts	3361-3	4.52	11.3	11.5	8.9	14.5	-2.5	17.5	.3	.2	2.2	.0	9.3	-7.6
Motor vehicles	3361	2.22	18.0	12.7	11.7	19.9	-7.7	22.3	-.1	.2	2.5	.4	14.5	-12.0
Motor vehicle parts	3363	2.00	4.8	9.7	5.9	6.7	1.4	13.9	.7	.2	2.3	.0	4.6	-3.8
Excluding motor vehicles and parts	64.47	2.3	2.5	2.3	3.3	1.6	5.8	.8	.2	.3	.5	.1	.1	3.1
Consumer goods	18.91	1.4	1.1	1.3	2.7	1.3	5.0	1.2	.4	-.5	.7	-.4	.2	2.3
Business equipment	8.20	5.4	6.0	3.8	2.8	7.7	9.2	1.1	.4	.9	-.4	.5	.6	5.8
Construction supplies	4.13	2.4	3.9	5.0	6.4	1.2	4.1	.7	-.8	1.3	.6	1.3	.1	5.5
Business supplies	6.05	.2	1.5	2.3	2.0	.8	5.3	.6	.0	.7	.1	-.3	.2	2.1
Materials	24.90	2.8	2.4	2.0	3.7	.6	5.9	.5	.2	.5	.7	.1	-.1	3.0
Measures excluding selected high-technology industries														
Total industry	96.73	2.9	2.7	3.3	5.0	3.9	5.2	.8	.0	.4	.3	.2	-.2	4.0
Manufacturing ¹	71.04	2.8	2.8	2.8	4.3	1.3	6.4	.8	.3	.3	.3	.7	-.5	3.4
Durable	34.84	5.7	5.1	4.9	7.4	1.7	9.2	.8	.1	1.1	.5	1.6	-1.2	5.4
Measures excluding motor vehicles and parts														
Total industry	95.48	2.8	2.8	3.1	4.4	4.2	5.0	.9	.1	.4	.3	-.2	.3	3.9
Manufacturing ¹	69.79	2.7	3.0	2.6	3.6	1.6	6.2	.9	.3	.3	.3	.1	.1	3.3
Durable	33.59	5.4	5.5	4.4	5.9	2.4	8.8	.8	.3	1.0	.5	.4	.0	5.3
Measures excluding selected high-technology industries and motor vehicles and parts														
Total industry	92.21	2.6	2.3	3.0	4.5	4.3	4.6	.9	.0	.3	.4	-.2	.3	3.8
Manufacturing ¹	66.52	2.3	2.3	2.4	3.6	1.6	5.7	.9	.3	.2	.4	.1	.1	3.1
Stage-of-process components of non-energy materials, measures of the input to														
Finished processors	11.17	7.3	6.0	3.8	4.8	1.9	9.3	.8	.3	1.1	.6	1.0	-.4	4.7
Primary and semifinished processors	17.32	1.4	3.5	1.8	3.1	.8	6.6	.5	.3	.5	.6	.1	-.1	3.1

r Revised. p Preliminary.

1. Refer to note on cover page.

Table 3
MOTOR VEHICLE ASSEMBLIES

Millions of units, seasonally adjusted annual rate

Item	2013 average	2013 Q3	Q4	2014 Q1	Q2	2014 Mar.	Apr.	May	June	July	Aug.
Total	11.07	10.97	11.41	11.18	11.66	11.48	11.49	11.77	11.73	13.24	11.69
Autos	4.37	4.22	4.41	4.20	4.15	4.13	4.04	3.97	4.43	4.81	4.20
Trucks	6.70	6.75	7.00	6.98	7.52	7.35	7.45	7.80	7.30	8.42	7.49
Light	6.45	6.48	6.75	6.71	7.22	7.08	7.16	7.51	7.01	8.09	7.16
Medium and heavy	.25	.27	.25	.27	.29	.27	.29	.29	.29	.33	.32
Memo											
Autos and light trucks	10.82	10.70	11.16	10.91	11.37	11.21	11.20	11.47	11.44	12.91	11.36

NOTE. Seasonal factors and underlying data for auto, light truck, and medium and heavy truck production are available on the Board's website, www.federalreserve.gov/releases/G17/mvsv.htm

Table 4
INDUSTRIAL PRODUCTION INDEXES: MARKET AND INDUSTRY GROUP SUMMARY

2007 = 100, seasonally adjusted

Item		2013 proportion	2013 Dec.	2014 Jan.	Feb.	Mar. ^r	Apr. ^r	May ^r	June ^r	July ^r	Aug. ^p
Total IP		100.00	101.6	101.3	102.3	103.1	103.2	103.7	104.0	104.2	104.1
MARKET GROUPS											
Final products and nonindustrial supplies		52.70	96.4	95.8	97.2	97.8	97.5	97.6	97.5	98.1	97.8
Consumer goods		26.78	96.6	95.8	97.3	97.9	97.4	97.0	96.7	97.5	96.7
Durable		5.88	100.4	97.2	99.9	100.7	100.7	102.2	102.9	107.4	102.6
Automotive products		3.01	115.0	108.4	115.1	115.9	115.2	117.8	118.4	127.4	118.5
Home electronics		.13	61.8	60.2	60.9	60.5	61.7	63.2	64.5	63.0	64.5
Appliances, furniture, carpeting		.78	74.1	73.1	70.8	73.0	74.7	75.6	76.4	78.8	76.8
Miscellaneous goods		1.97	95.5	95.7	95.6	96.0	95.9	96.1	96.7	97.0	95.7
Nondurable		20.90	96.0	95.7	96.9	97.6	96.8	95.9	95.5	95.1	95.4
Non-energy		15.62	92.4	91.3	92.0	93.1	93.5	92.7	93.2	92.8	93.2
Foods and tobacco		9.00	101.2	100.0	101.2	102.3	103.0	101.7	101.5	100.9	101.4
Clothing		.19	62.0	61.4	60.9	62.4	62.2	61.7	61.2	62.1	60.7
Chemical products		4.65	83.5	82.5	82.8	84.6	84.6	84.2	85.8	85.8	86.4
Paper products		1.29	74.7	74.9	74.1	72.3	72.4	72.5	73.3	71.6	71.4
Energy		5.27	108.2	110.7	113.6	112.9	108.3	107.0	103.2	103.3	103.1
Business equipment		9.47	102.6	102.4	104.9	105.8	106.3	107.2	106.9	108.2	108.2
Transit		2.25	107.4	104.1	107.6	109.1	110.6	111.7	112.7	116.5	113.8
Information processing		2.02	101.4	101.1	100.6	101.7	101.0	101.1	101.0	101.1	102.1
Industrial and other		5.20	100.4	101.5	104.7	105.3	105.8	106.8	105.9	106.7	107.4
Defense and space equipment		2.26	115.6	114.4	114.8	115.7	116.1	116.2	116.5	116.7	115.9
Construction supplies		4.14	82.6	82.3	83.0	83.6	82.9	84.0	84.5	85.6	85.7
Business supplies		9.27	93.8	93.9	94.3	94.2	94.0	94.4	94.1	93.8	94.4
Materials		47.30	108.1	108.3	108.7	109.9	110.4	111.3	112.2	112.0	112.1
Non-energy		28.50	102.1	101.1	102.5	103.1	103.4	104.2	104.8	105.3	105.0
Durable		17.33	110.8	110.0	112.1	112.9	113.3	114.7	115.9	116.7	116.2
Consumer parts		2.49	97.1	94.9	96.9	97.8	97.8	99.6	101.2	104.7	101.1
Equipment parts		6.40	142.3	142.6	145.8	146.5	146.5	149.2	149.4	150.1	151.1
Other		8.45	95.0	94.0	95.6	96.2	97.0	97.7	99.2	99.2	98.8
Nondurable		11.16	90.3	89.1	89.4	89.8	90.0	89.9	89.8	89.8	90.0
Textile		.41	77.6	76.3	73.3	78.8	78.9	76.4	77.7	79.0	78.0
Paper		1.88	82.2	81.7	80.3	80.6	82.2	81.0	81.5	80.6	81.1
Chemical		5.68	91.2	89.8	90.3	90.6	90.5	90.9	90.8	91.3	91.5
Energy		18.81	117.8	119.8	118.9	121.0	121.7	122.8	124.3	122.8	123.6
INDUSTRY GROUPS											
Manufacturing		74.32	97.7	96.8	98.0	98.8	99.1	99.5	99.8	100.6	100.2
Manufacturing (NAICS)	31-33	71.79	99.3	98.2	99.5	100.4	100.8	101.2	101.5	102.4	102.0
Durable manufacturing		37.96	106.2	105.2	107.3	108.1	108.4	109.7	110.2	111.8	110.8
Wood products	321	.91	80.2	78.0	78.1	79.3	80.4	81.0	81.1	81.9	82.0
Nonmetallic mineral products	327	1.51	74.2	75.5	75.0	76.0	76.6	77.4	78.5	79.8	80.1
Primary metals	331	3.12	102.5	100.1	103.1	102.5	104.4	105.2	107.2	108.4	108.7
Fabricated metal products	332	5.61	96.6	96.1	97.1	97.4	97.7	98.3	99.6	99.8	98.5
Machinery	333	5.60	102.9	105.3	108.5	108.8	108.0	109.5	109.0	109.9	110.1
Computer and electronic products	334	6.07	146.0	146.7	147.4	149.0	149.7	151.2	150.7	151.1	153.0
Electrical equip., appliances, and components	335	1.81	89.8	89.3	90.1	90.8	90.1	91.2	91.9	91.9	91.8
Motor vehicles and parts	3361-3	4.52	109.7	103.2	110.1	110.5	110.7	113.2	113.2	123.7	114.2
Aerospace and miscellaneous transportation equipment	3364-9	4.61	106.1	105.1	106.2	107.9	108.2	109.6	110.5	110.3	110.2
Furniture and related products	337	1.00	72.9	72.0	71.3	74.2	74.6	74.8	75.6	76.4	75.6
Miscellaneous	339	3.20	112.9	110.5	111.9	113.3	113.4	114.9	115.3	115.3	115.2
Nondurable manufacturing		33.82	92.2	91.1	91.7	92.7	93.0	92.6	92.8	92.8	93.1
Food, beverage, and tobacco products	311,2	10.94	102.7	101.3	102.7	103.6	104.1	103.3	102.8	102.2	102.7
Textile and product mills	313,4	.66	74.0	72.5	70.4	73.6	74.0	73.1	73.9	75.1	74.4
Apparel and leather	315,6	.25	60.6	59.9	59.2	60.8	60.7	60.2	59.7	60.6	59.2
Paper	322	2.32	83.5	83.4	81.8	81.8	84.3	82.7	82.8	82.4	82.6
Printing and support	323	1.30	78.3	76.8	76.9	77.7	76.6	76.8	77.5	77.6	77.1
Petroleum and coal products	324	3.81	96.8	96.7	97.7	98.8	99.9	98.0	96.7	98.2	98.2
Chemicals	325	11.59	88.5	87.1	87.6	88.4	88.4	88.4	89.0	89.4	89.7
Plastics and rubber products	326	2.95	92.5	92.2	93.3	95.1	94.4	96.7	98.5	97.8	97.8
Other manufacturing (non-NAICS)	1133,5111	2.53	67.7	67.4	67.5	66.7	66.7	66.2	66.3	64.3	64.2
Mining	21	15.88	121.6	122.9	123.0	125.1	127.6	128.8	130.8	130.5	131.2
Utilities	2211,2	9.81	103.8	107.3	107.0	106.5	101.0	101.2	99.3	96.5	97.6
Electric	2211	8.52	102.0	105.3	105.4	104.3	99.9	100.1	98.7	95.0	96.4
Natural gas	2212	1.28	116.6	120.7	118.1	121.8	108.4	108.7	103.1	107.1	105.2

r Revised, p Preliminary.

NOTE. Refer to notes on table 1.

Table 5
INDUSTRIAL PRODUCTION INDEXES: SPECIAL AGGREGATES
 2007 = 100, seasonally adjusted

Item	2013 proportion	2013 Dec.	2014 Jan.	Feb.	Mar. ^r	Apr. ^r	May ^r	June ^r	July ^r	Aug. ^p	
Total industry	100.00	101.6	101.3	102.3	103.1	103.2	103.7	104.0	104.2	104.1	
Energy	27.74	113.8	115.9	115.7	116.8	116.3	116.8	116.9	115.9	116.5	
Consumer products	5.27	108.2	110.7	113.6	112.9	108.3	107.0	103.2	103.3	103.1	
Commercial products	2.92	106.0	108.4	107.1	105.3	104.4	104.2	103.0	102.4	103.8	
Oil and gas well drilling	213111	.73	98.1	97.9	97.7	99.6	100.9	101.9	102.3	102.8	104.6
Converted fuel	3.88	99.6	102.7	101.3	102.8	97.9	98.6	98.1	96.0	97.1	
Primary energy	14.92	123.8	125.5	124.7	127.0	129.5	130.8	132.9	131.6	132.2	
Non-energy	72.26	97.5	96.5	97.8	98.6	98.8	99.3	99.7	100.4	100.0	
Selected high-technology industries	3.27	183.2	182.9	185.6	186.9	189.6	193.8	193.6	194.6	197.5	
Computers and peripheral equipment	3341	.35	72.2	68.0	69.3	70.2	67.4	68.6	70.8	70.6	72.5
Communications equipment	3342	.49	93.2	90.3	88.6	87.5	89.2	90.3	90.7	90.6	90.6
Semiconductors and related electronic components	334412-9	2.42	285.0	288.7	294.6	297.6	303.8	311.3	309.3	311.6	316.5
Excluding selected high-technology industries	68.99	94.0	93.0	94.3	95.0	95.2	95.6	96.0	96.6	96.2	
Motor vehicles and parts	3361-3	4.52	109.7	103.2	110.1	110.5	110.7	113.2	113.2	123.7	114.2
Motor vehicles	3361	2.22	117.7	106.5	117.2	117.1	117.4	120.3	120.8	138.2	121.7
Motor vehicle parts	3363	2.00	104.5	101.9	105.2	105.9	106.2	108.6	108.6	113.6	109.3
Excluding motor vehicles and parts	64.47	93.0	92.3	93.2	94.0	94.2	94.4	94.9	94.9	95.0	
Consumer goods	18.91	91.3	90.4	90.9	91.9	92.3	91.8	92.4	92.1	92.3	
Business equipment	8.20	104.4	105.1	107.3	108.5	108.9	109.8	109.3	109.8	110.5	
Construction supplies	4.13	82.5	82.2	82.9	83.5	82.8	83.9	84.4	85.6	85.6	
Business supplies	6.05	85.3	84.3	85.3	85.8	85.8	86.4	86.5	86.2	86.4	
Materials	24.90	93.6	92.7	93.6	94.1	94.3	94.7	95.4	95.5	95.4	
Measures excluding selected high-technology industries											
Total industry	96.73	99.1	98.8	99.7	100.6	100.6	101.0	101.3	101.6	101.4	
Manufacturing ¹	71.04	94.3	93.3	94.5	95.3	95.6	95.9	96.2	96.9	96.4	
Durable	34.84	99.5	98.5	100.4	101.2	101.3	102.4	103.0	104.6	103.4	
Measures excluding motor vehicles and parts											
Total industry	95.48	101.1	101.2	101.9	102.7	102.8	103.2	103.5	103.3	103.6	
Manufacturing ¹	69.79	97.0	96.3	97.2	98.1	98.4	98.7	99.0	99.2	99.3	
Durable	33.59	105.6	105.3	106.7	107.6	107.9	109.0	109.6	110.1	110.1	
Measures excluding selected high-technology industries and motor vehicles and parts											
Total industry	92.21	98.5	98.6	99.2	100.1	100.1	100.4	100.8	100.5	100.8	
Manufacturing ¹	66.52	93.4	92.7	93.6	94.4	94.6	94.8	95.1	95.3	95.3	
Stage-of-process components of non-energy materials, measures of the input to											
Finished processors	11.17	115.4	114.8	116.4	117.3	117.7	119.0	119.7	120.8	120.4	
Primary and semifinished processors	17.32	94.0	92.8	94.0	94.5	94.8	95.3	95.8	95.9	95.8	

^r Revised. ^p Preliminary.

1. Refer to note on cover page.

Table 6
DIFUSION INDEXES OF INDUSTRIAL PRODUCTION
 Percent

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
One month earlier												
2012	62.8	62.8	46.5	67.3	51.3	57.1	52.2	43.6	53.5	53.2	67.3	62.2
2013	55.1	62.2	50.6	51.6	54.5	62.2	50.6	63.5	57.4	53.8	58.7	53.5
2014	36.2	63.1	67.0	49.4	59.0	53.8	58.3					
Three months earlier												
2012	63.8	71.9	63.0	59.9	53.8	62.8	56.7	51.9	48.1	41.7	60.9	66.3
2013	67.6	63.5	55.4	53.8	51.6	56.1	55.1	64.1	58.7	61.2	61.9	56.4
2014	49.4	55.1	60.3	68.3	66.3	61.5	63.1					
Six months earlier												
2012	67.0	72.9	64.7	65.3	66.3	61.4	62.5	55.8	59.6	53.2	56.7	62.2
2013	58.3	63.8	65.1	67.6	57.7	56.7	57.4	56.7	57.4	66.3	66.2	64.1
2014	57.4	59.0	65.4	62.8	63.1	60.3	70.5					

NOTE. The diffusion indexes are calculated as the percentage of series that increased over the indicated span (one, three, or six months) plus one-half the percentage that were unchanged.

Table 7
CAPACITY UTILIZATION
Percent of capacity, seasonally adjusted

Item	2013 proportion	1972- 2013 ave.	1994- 95 high	2009 low	2013 Q4	2014 Q1 ^r	Q2 ^f	2014 Mar. ^r	Apr. ^f	May ^f	June ^f	July ^f	Aug. ^p
Total industry	100.00	80.1	85.0	66.9	78.4	78.6	79.1	79.1	78.9	79.1	79.1	79.1	78.8
Manufacturing¹	76.91	78.7	84.6	63.9	76.4	76.2	77.1	76.8	77.0	77.1	77.2	77.6	77.2
Manufacturing (NAICS) 31-33	73.68	78.5	84.7	63.7	77.0	76.9	77.8	77.6	77.7	77.9	78.0	78.5	78.0
Durable manufacturing	39.65	77.0	83.6	58.5	76.3	76.0	77.2	76.7	76.7	77.4	77.6	78.5	77.5
Wood products 321	1.03	76.7	86.5	50.1	72.7	70.0	71.4	70.6	71.3	71.5	71.3	71.7	71.5
Nonmetallic mineral products 327	2.03	74.5	82.6	44.1	59.9	60.8	62.6	61.3	61.8	62.5	63.4	64.6	64.9
Primary metals 331	3.18	79.0	94.1	48.7	77.4	76.3	78.9	76.7	78.1	78.6	80.0	80.9	81.1
Fabricated metal products 332	5.48	77.5	84.8	61.9	80.8	80.4	81.1	80.6	80.6	80.9	81.7	81.6	80.3
Machinery 333	5.61	78.1	87.6	59.3	78.8	80.3	80.6	81.0	80.3	81.1	80.5	81.0	81.0
Computer and electronic products 334	6.67	78.0	84.3	70.6	73.2	72.7	72.7	72.9	72.8	73.0	72.4	72.0	72.5
Electrical equip., appliances, and components 335	1.72	82.6	92.5	66.0	83.4	83.6	84.1	84.2	83.3	84.3	84.8	84.6	84.4
Motor vehicles and parts 3361-3	4.76	75.0	87.8	35.1	78.1	77.4	80.3	79.2	79.3	80.9	80.8	88.2	81.4
Aerospace and miscellaneous transportation equipment 3364-9	4.77	73.4	70.3	72.0	75.5	75.3	77.1	76.2	76.3	77.2	77.8	77.5	77.3
Furniture and related products 337	1.09	76.5	82.6	57.2	73.9	74.4	76.8	76.1	76.4	76.6	77.4	78.2	77.3
Miscellaneous 339	3.30	76.0	80.5	68.1	75.8	74.4	75.3	74.9	74.7	75.5	75.5	75.3	75.0
Nondurable manufacturing	34.03	80.7	86.0	69.1	77.9	77.9	78.5	78.6	78.8	78.4	78.4	78.4	78.5
Food, beverage, and tobacco products 311,2	10.68	81.0	85.4	75.1	80.1	80.4	80.7	81.1	81.4	80.6	80.1	79.5	79.7
Textile and product mills 313,4	.75	79.6	91.8	53.4	70.4	69.0	70.7	70.5	70.9	70.1	71.0	72.2	71.7
Apparel and leather 315,6	.27	77.5	87.2	56.9	75.0	75.2	76.0	76.4	76.5	76.0	75.5	76.7	75.1
Paper 322	2.19	86.7	92.6	72.4	82.4	81.3	82.7	80.9	83.6	82.2	82.5	82.2	82.6
Printing and support 323	1.50	80.7	85.0	59.8	70.8	71.4	71.5	71.9	71.1	71.3	72.0	72.3	71.9
Petroleum and coal products 324	3.62	85.5	91.1	75.8	83.1	84.0	84.3	84.9	85.8	84.1	82.9	84.2	84.2
Chemicals 325	11.97	77.6	82.0	65.2	75.2	75.0	75.5	75.5	75.4	75.4	75.8	76.0	76.2
Plastics and rubber products 326	3.04	82.0	93.2	58.5	76.5	76.9	78.4	77.9	77.0	78.6	79.7	78.8	78.5
Other manufacturing (non-NAICS) 1133,5111	3.24	81.7	83.2	68.6	61.2	60.5	60.0	60.1	60.2	59.8	59.9	58.1	58.1
Mining 21	13.48	87.3	88.5	78.8	87.6	87.9	89.8	88.3	89.5	89.6	90.3	89.4	89.1
Utilities 2211,2	9.61	86.1	93.3	78.5	81.3	84.1	78.9	83.7	79.4	79.5	77.8	75.6	76.4
Selected high-technology industries	3.77	77.9	86.3	72.2	71.5	70.8	72.1	71.1	71.6	72.6	72.0	71.8	72.3
Computers and peripheral equipment 3341	.42	78.2	87.7	83.5	69.0	64.7	64.7	65.6	63.0	64.4	66.7	66.7	68.8
Communications equipment 3342	.53	76.7	84.1	77.3	78.2	74.7	75.4	73.4	74.8	75.6	75.8	75.5	75.4
Semiconductors and related electronic components 334412-9	2.82	79.7	90.8	63.3	70.6	71.0	72.5	71.4	72.2	73.3	72.0	71.8	72.1
Measures excluding selected high-technology industries													
Total industry	96.23	80.3	84.9	66.7	78.6	78.9	79.4	79.4	79.2	79.4	79.4	79.4	79.1
Manufacturing ¹	73.15	78.7	84.5	63.5	76.6	76.5	77.4	77.2	77.3	77.4	77.5	78.0	77.5
STAGE-OF-PROCESS GROUPS													
Crude	17.66	86.3	89.6	76.8	86.1	86.1	87.5	86.4	87.4	87.5	87.7	87.1	86.8
Primary and semifinished	44.85	80.8	87.7	64.2	77.2	77.7	77.3	77.9	77.1	77.3	77.4	77.0	76.9
Finished	37.49	77.1	80.6	66.8	76.1	76.1	77.0	77.0	77.0	77.1	77.0	77.6	77.0

^r Revised. ^p Preliminary.

1. Refer to note on cover page.

Table 8
INDUSTRIAL CAPACITY
Percent change

Item	Average annual rate				Fourth quarter to fourth quarter				Annual rate				Monthly rate
	1972-79	1980-88	1989-94	1995-2014	2011	2012	2013	2014	2013 Q4	2014 Q1	Q2	Q3	2014 Aug.
Total industry	3.1	1.9	2.3	2.4	1.4	2.6	1.9	3.1	2.3	2.7	3.1	3.3	.3
Manufacturing ¹	3.3	2.2	2.6	2.5	.5	2.2	1.8	2.2	2.0	2.0	2.2	2.2	.2
Mining	.7	.1	-.6	1.2	5.9	4.8	4.0	9.2	4.8	7.5	9.0	10.0	.8
Utilities	4.2	2.1	1.8	1.9	1.8	1.3	.4	1.0	.6	.9	1.1	1.1	.1
Selected high-technology industries													
Manufacturing ¹ ex. selected high-technology industries	19.6	17.3	15.7	20.2	25.9	19.0	4.7	8.6	5.2	6.5	8.5	9.8	.8
	2.6	1.3	1.6	1.0	-.6	1.4	1.7	1.8	1.8	1.8	1.8	1.8	.1
STAGE-OF-PROCESS GROUPS													
Crude	1.6	.4	-.5	1.1	4.6	3.5	3.1	7.3	3.9	5.9	7.1	8.0	.7
Primary and semifinished	3.0	1.3	2.6	2.7	1.0	2.0	.7	1.9	1.1	1.5	1.9	2.2	.2
Finished	3.9	3.3	2.7	2.3	.5	2.6	2.9	2.3	3.0	2.6	2.4	2.2	.2

1. Refer to note on cover page.

Table 9
GROSS VALUE OF FINAL PRODUCTS AND NONINDUSTRIAL SUPPLIES
Billions of 2009 dollars at annual rate, seasonally adjusted

Item	2009	2013	2013 Q4	2014 Q1 ^r	Q2 ^r	2014 Mar. ^r	Apr. ^r	May ^r	June ^r	July ^r	Aug. ^p
Final products and nonindustrial supplies	3,212.1	3,626.4	3,683.0	3,715.1	3,743.3	3,749.0	3,751.3	3,747.5	3,731.0	3,785.1	3,757.0
Final products	2,410.8	2,746.7	2,789.5	2,820.8	2,847.9	2,856.1	2,858.3	2,849.9	2,835.7	2,882.9	2,849.8
Consumer goods	1,811.4	1,984.3	2,018.6	2,043.4	2,053.6	2,068.7	2,066.3	2,053.7	2,040.8	2,072.7	2,044.5
Durable	381.7	523.5	541.9	538.3	555.2	548.2	547.6	557.1	560.8	594.8	560.3
Automotive products	225.1	346.9	361.7	359.1	372.5	368.2	366.2	374.6	376.7	409.4	376.9
Other durable goods	156.5	176.6	180.3	179.3	183.0	180.2	181.6	182.9	184.4	186.4	183.7
Nondurable	1,429.8	1,474.1	1,492.2	1,518.6	1,515.0	1,534.9	1,533.1	1,513.6	1,498.4	1,502.1	1,502.3
Equipment, total	599.4	769.0	777.1	783.3	801.8	793.4	798.7	803.8	802.9	818.6	814.4
Business and defense	583.2	745.1	753.0	759.0	776.8	768.9	773.7	778.7	778.0	792.9	788.6
Business	477.2	627.3	634.3	641.1	657.6	650.3	654.7	659.7	658.5	673.5	669.9
Defense and space	106.0	118.2	119.1	118.4	119.8	119.2	119.6	119.7	120.1	120.1	119.4
Nonindustrial supplies	801.3	879.4	893.2	893.9	894.9	892.5	892.5	897.2	894.9	901.8	906.8
Construction supplies	221.8	260.6	264.2	264.6	266.7	266.7	263.5	267.6	269.0	272.8	273.1
Business supplies	579.5	619.4	629.6	629.9	628.9	626.5	629.6	630.4	626.7	629.9	634.6
Commercial energy products	233.3	241.7	247.4	246.5	240.8	240.4	243.1	241.0	238.2	240.2	243.8

^r Revised. ^p Preliminary.

Table 10
GROSS-VALUE-WEIGHTED INDUSTRIAL PRODUCTION: STAGE-OF-PROCESS GROUPS
Percent change, seasonally adjusted

Item	2013 gross value ¹	Fourth quarter to fourth quarter			Annual rate			Monthly rate						Aug. '13 to Aug. '14
		2011	2012	2013	2013 Q4	2014 Q1 ^r	Q2 ^r	2014 Mar. ^r	Apr. ^r	May ^r	June ^r	July ^r	Aug. ^p	
Finished	2,191.3	4.6	4.3	3.6	5.0	1.1	8.6	.8	.6	.3	.2	1.9	-1.2	4.4
Semifinished	1,907.4	2.7	3.7	3.3	7.1	5.4	1.4	.1	-.9	1.1	.2	-.1	-.1	4.0
Primary	1,418.8	1.3	.4	3.7	8.5	2.5	-1.4	1.2	-.5	-.8	-.8	.6	.0	2.6
Crude	674.7	2.9	2.1	2.6	-.3	3.1	11.7	.8	1.6	.4	.5	-.2	.3	4.0

^r Revised. ^p Preliminary.

1. Billions of 2009 dollars.

The **Industrial Production and Capacity Utilization** statistical release, which is published around the middle of the month, reports measures of output, capacity, and capacity utilization in manufacturing, mining, and the electric and gas utilities industries. More detailed descriptions of industrial production and capacity utilization are available on the Board's website at www.federalreserve.gov/releases/G17/About.htm. In addition, files containing data shown in the release, more detailed series that were published in the G.17 prior to December 2000, and historical data are available from the Data Download Program on the Board's website. Instructions for searching for and downloading specific series are provided as well.

INDUSTRIAL PRODUCTION

Coverage. The industrial production (IP) index measures the real output of all manufacturing, mining, and electric and gas utility establishments located in the United States, regardless of their ownership, but not those located in U.S. territories; the reference period for the index is 2007. Manufacturing consists of those industries included in the North American Industry Classification System (NAICS) definition of manufacturing *plus* those industries—newspaper, periodical, book, and directory publishing plus logging—that have traditionally been considered to be manufacturing. For the period since 1997, the total IP index has been constructed from 312 individual series based on the 2007 NAICS codes. These individual series are classified in two ways: (1) market groups, and (2) industry groups. Market groups consist of products and materials. Total products are the aggregate of final products, such as consumer goods and equipment, and nonindustrial supplies (which are inputs to nonindustrial sectors). Materials are inputs in the manufacture of products. Major industry groups include three-digit NAICS industries and aggregates of these industries—for example, durable and nondurable manufacturing, mining, and utilities. A complete description of the market and industry structures, including details regarding series classification, relative importance weights, and data sources, is available on the Board's website (www.federalreserve.gov/releases/G17/About.htm).

Source Data. On a monthly basis, the individual indexes of industrial production are constructed from two main types of source data: (1) output measured in physical units and (2) data on inputs to the production process, from which output is inferred. Data on physical products, such as tons of steel or barrels of oil, are obtained from private trade associations and from government agencies; data of this type are used to estimate monthly IP wherever possible and appropriate. Production indexes for a few industries are derived by dividing estimated nominal output (calculated using unit production and unit values or sales) by a corresponding Fisher price index; the most notable of these fall within the high-technology grouping and include computers, communications equipment, and semiconductors. When suitable direct measures of product are not available, estimates of output are based on production-worker hours by industry. Data on hours worked by production workers are collected in the monthly establishment survey conducted by the Bureau of Labor Statistics. The factors used to convert inputs into estimates of production are based on historical relationships between the inputs and the comprehensive annual data used to benchmark the IP indexes; these factors also may be influenced by technological or cyclical developments. The annual data used in benchmarking the individual IP indexes are constructed from a variety of source data, such as the quinquennial *Censuses of Manufactures and Mineral Industries* and the *Annual Survey of Manufactures*, prepared by the Bureau of the Census; the *Minerals Yearbook*, prepared by the United States Geological Survey of the Department of the Interior; and publications of the Department of Energy.

Aggregation Methodology and Weights. The aggregation method for the IP index is a version of the Fisher-ideal index formula. (For a detailed discussion of the aggregation method, see the *Federal Reserve Bulletins* of February 1997 and March 2001.) In the IP index, series that measure the output of an individual industry are combined using weights derived from their proportion in the total value-added output of all industries. The IP index, which extends back to 1919, is built as a chain-type index since 1972. The current formula for the growth in monthly IP (or any of the sub-aggregates) since 1972 is

shown below. An output index for month m is denoted by I_m^A for aggregate A and I_m for each of its components. The monthly price measure in the formula (p_m) is interpolated from an annual series of value added divided by the average annual IP index.

$$\frac{I_m^A}{I_{m-1}^A} = \sqrt{\frac{\sum I_m p_{m-1}}{\sum I_{m-1} p_{m-1}} \times \frac{\sum I_m p_m}{\sum I_{m-1} p_m}}$$

The IP proportions (typically shown in the first column of the relevant tables in the G.17 release) are estimates of the industries' relative contributions to overall growth in the following year. For example, the relative importance weight of the motor vehicles and parts industry is about 6 percent. If output in this industry increased 10 percent in a month, then this gain would boost growth in total IP by 6/10 percentage point ($0.06 \times 10\% = 0.6\%$). To assist users with calculations, the Federal Reserve's website provides supplemental monthly statistics that represent the exact proportionate contribution of a monthly change in a component index to the monthly change in the total index (www.federalreserve.gov/releases/G17/ipdisk/ipweightssa.txt).

Timing. The first estimate of output for a month is published around the 15th of the following month. The estimate is preliminary (denoted by the superscript "p" in tables) and subject to revision in each of the subsequent five months as new source data become available. (Revised estimates are denoted by the superscript "r" in tables.) For the first estimate of output for a given month, about 72 percent of the source data (in value-added terms) are available; the fraction of available source data increases to 84 percent for estimates in the second month that the estimate is published, 94 percent in the third month, 95 percent in the fourth month, 97 percent in the fifth month, and 97 percent in the sixth month. Data availability by data type in early 2014 is summarized in the table below:

Availability of Monthly IP Data in Publication Window
(Percent of value added in 2011)

Type of data	Month of estimate					
	1st	2nd	3rd	4th	5th	6th
Physical product	32	44	54	55	57	58
Production-worker hours	40	40	40	40	40	40
IP data received	72	84	94	95	97	97
IP data estimated	28	16	6	5	3	3

The physical product group includes series based on either monthly or quarterly data. As can be seen in the first row of the table, in the first month, a physical product indicator is available for about half of the series (in terms of value added) that ultimately are based on physical product data (32 percent out of a total of 58 percent). Of the 32 percent, about two-thirds (19 percent of total IP) include series that are derived from weekly physical product data and for which actual monthly data may lag up to several months. On average, quarterly product data are received for the fourth estimate of industrial production. Specifically, quarterly data are available for the third estimate of the last month of a quarter, the fourth estimate of the second month of a quarter, and the fifth estimate of the first month of a quarter.

Seasonal Adjustment. Individual series are seasonally adjusted using Census X-12 ARIMA. For series based on production-worker hours, the current seasonal factors were estimated with data through January 2013; for other series, the factors were estimated with data through at least December 2012. Series are pre-adjusted for the effects of holidays or business cycles when appropriate. For the data since 1972, all seasonally adjusted aggregate indexes are calculated by aggregating the seasonally adjusted indexes of the individual series.

Reliability. The average revision to the *level* of the total IP index, without regard to sign, between the first and the fourth estimates was

0.27 percent during the 1987–2013 period. The average revision to the *percent change* in total IP, without regard to sign, from the first to the fourth estimates was 0.21 percentage point during the 1987–2013 period. In most cases (about 85 percent), the direction of the change in output indicated by the first estimate for a given month is the same as that shown by the fourth estimate.

Rounding. The published percent changes are calculated from unrounded indexes, and may not be the same as percent changes calculated from the rounded indexes shown in the release.

CAPACITY UTILIZATION

Overview. The Federal Reserve Board constructs estimates of capacity and capacity utilization for industries in manufacturing, mining, and electric and gas utilities. For a given industry, the capacity utilization rate is equal to an output index (seasonally adjusted) divided by a capacity index. The Federal Reserve Board's capacity indexes attempt to capture the concept of *sustainable maximum output*—the greatest level of output a plant can maintain within the framework of a realistic work schedule, after factoring in normal downtime and assuming sufficient availability of inputs to operate the capital in place.

Coverage. The capacity indexes cover all facilities located in the United States, regardless of their ownership, but not those located in U.S. territories. Capacity indexes are constructed for 89 detailed industries (71 in manufacturing, 16 in mining, and 2 in utilities), which mostly correspond to industries at the three- and four-digit North American Industry Classification System (NAICS) level. Estimates of capacity and utilization are available for a variety of groups, including durable and nondurable manufacturing, total manufacturing, mining, utilities, and total industry. Manufacturing consists of those industries included in the NAICS definition of manufacturing *plus* those industries—newspaper, periodical, book, and directory publishing plus logging—that have traditionally been considered to be manufacturing. Also, special aggregates are available, such as high-technology industries and manufacturing excluding high-technology industries.

Source Data. The monthly rates of capacity utilization are designed to be consistent with both the monthly data on production and the periodically available data on capacity and utilization. Because there is no direct monthly information on overall industrial capacity or utilization rates, the Federal Reserve first estimates annual capacity indexes from the source data. Capacity data reported in physical units from government sources (primarily from the U.S. Geological Survey and the Department of Energy's Energy Information Administration) and trade sources are available for portions of several industries in manufacturing (*e.g.*, paper, industrial chemicals, petroleum refining, motor vehicles), as well as for electric utilities and mining; these industries represent about 25 percent of total industrial capacity. When physical product data are unavailable for manufacturing industries, capacity indexes are based on responses to the Bureau of the Census's *Quarterly Survey of Plant Capacity* (QSPC); these industries account for a bit less than 70 percent of total industry capacity. In the absence of utilization data for a few mining and petroleum series, capacity is based on trends through peaks in production (roughly 5 percent of total industry capacity). A detailed description of the methodology used to construct the capacity indexes is available on the Board's website (www.federalreserve.gov/releases/G17/Meth/MethCap.htm).

Aggregation Methodology. Monthly capacity aggregates are calculated in three steps: (1) utilization aggregates are calculated on an annual basis through the most recent full year as capacity-weighted aggregates of individual utilization rates; (2) the annual aggregate capacity is derived from the corresponding production and utilization aggregates; (3) the monthly capacity aggregate is obtained by interpolating the annual capacity aggregate with a Fisher index of its constituent monthly capacity series. Utilization rates for the individual series and aggregates are calculated by dividing the pertinent monthly production index by the related capacity index.

Consistency. A major aim is that the Federal Reserve utilization rates be consistent over time so that, for example, a rate of 85 percent means about the same degree of tightness that it meant in the past. A major task for the Federal Reserve in developing reasonable and

consistent time series of capacity and utilization is dealing with inconsistencies between the movements of the industrial production index and the survey-based utilization rates. The McGraw-Hill/DRI Survey, now discontinued, was the primary source of manufacturing utilization rates for many years. This was a survey of large companies that reported, on average, higher utilization rates than those reported by establishments covered by the Census Bureau's annual *Survey of Plant Capacity* (the predecessor to the QSPC) for the fourteen years they overlapped. Adjustments have been made to keep the industry utilization rates currently reported by the Federal Reserve roughly in line with rates formerly reported by McGraw-Hill. As a consequence, the rates reported by the Federal Reserve tend to be higher than the rates reported in the QSPC.

Perspective. Over the 1972–2013 period, the average total industry utilization rate is 80.1 percent; for manufacturing, the average factory operating rate has been 78.7 percent. Industrial plants usually operate at capacity utilization rates that are well below 100 percent: none of the broad aggregates has ever reached 100 percent. For total industry and total manufacturing, utilization rates have exceeded 90 percent only in wartime. The highs and lows in capacity utilization are specific to each series and do not all occur in the same month.

REFERENCES AND RELEASE DATES

References. The release for the annual revision that was published on March 28, 2014, is available on the Board's website (www.federalreserve.gov/releases/g17/revisions/Current/DefaultRev.htm). A summary of the annual revision that incorporated back to 1972 production and capacity indexes reclassified according to the North American Industry Classification System is available in an article in the *Federal Reserve Bulletin*, vol. 89 (April 2003), pp. 151–176. A description of the aggregation methods for industrial production and capacity utilization is included in an article in the *Federal Reserve Bulletin*, vol. 83 (February 1997), pp. 67–92. The Federal Reserve methodology for constructing industry-level measures of capital is detailed in "Capital Stock Estimates for Manufacturing Industries: Methods and Data" by Mike Mohr and Charles Gilbert (1996), which can be obtained at: www.federalreserve.gov/releases/g17/CapitalStockDocLatest.pdf.

Industrial Production—1986 Edition contains a more detailed description of the other methods used to compile the industrial production index, plus a history of its development, a glossary of terms, and a bibliography. The major revisions to the IP indexes and capacity utilization since 1990 have been described in the *Federal Reserve Bulletin* (April 1990, June 1990, June 1993, March 1994, January 1995, January 1996, February 1997, February 1998, January 1999, March 2000, March 2001, March 2002, April 2003, Winter 2004, Winter 2005, March 2006, May 2007, August 2008, August 2009) or in online staff studies (www.federalreserve.gov/releases/g17/articles/rev2010/industrial10.pdf, www.federalreserve.gov/releases/g17/articles/rev2012/industrial12.pdf, www.federalreserve.gov/releases/g17/articles/rev2013/industrial13.pdf).

Release Schedule

At 9:15 a.m. on

2014: January 17, February 14, March 17, April 16, May 15, June 16, July 16, August 15, September 15, October 16, November 17, and December 15.

2015: January 16, February 18, March 16, April 15, May 15, June 15, July 15, August 14, September 15, October 16, November 17, and December 16.