



FEDERAL RESERVE

statistical release

G-3

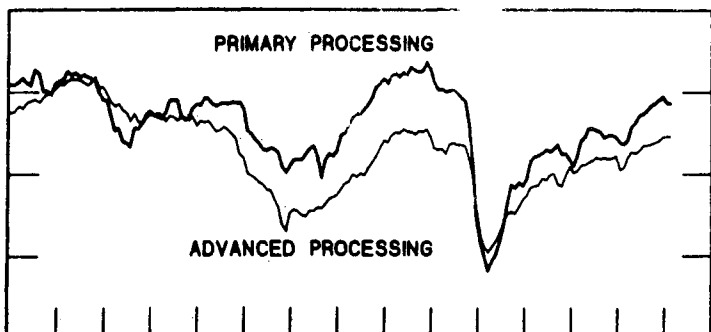
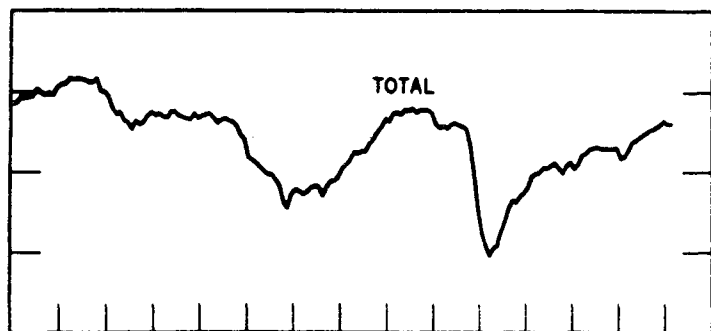
For immediate release
March 19, 1979

CAPACITY UTILIZATION: MANUFACTURING AND MATERIALS February 1979

Capacity utilization in manufacturing in February was unchanged from the 86.0 per cent in January, when it declined 0.3 percentage point. The utilization rate for advanced processing industries in February was unchanged at 84.6 per cent, while the rate for primary processing industries edged down 0.1 percentage point to 88.6 per cent. The operating rate for primary processing producers was lower in January and February than in the preceding two months largely because of a lower level of steel production.

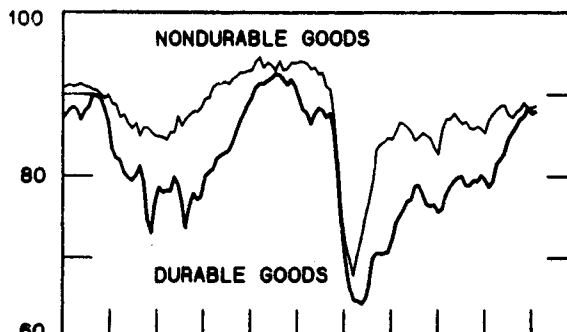
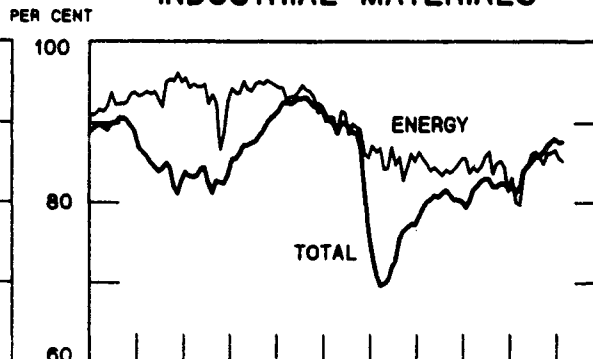
Industrial materials capacity utilization edged up 0.1 percentage point in February to 87.6 per cent, but remained below the December level of 88.0 per cent. Capacity utilization for both durable and nondurable goods materials rose by 0.2 percentage point in February, while the rate for energy materials dropped by 0.4 percentage point—largely because of a further decline in coal production.

MANUFACTURING



1967 1970 1973 1976 1979

INDUSTRIAL MATERIALS



1970 1973 1976 1979

OUTPUT, CAPACITY AND CAPACITY UTILIZATION

Output and Capacity are Percentages of 1967 Output; Capacity Utilization is a Per Cent of Capacity.
Seasonally Adjusted

Manufacturing

SERIES	MONTHLY CAPACITY UTILIZATION														
	1973 HIGH	1975 LOW	1978 FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	1979 JAN.	FEB.
MANUFACTURING, TOTAL	88.0	69.6	81.9	82.7	83.7	83.9	84.3	84.7	85.0	85.3	85.5	85.8	86.3	86.0	86.0
PRIMARY PROCESSING	93.6	68.1	83.6	84.1	85.7	86.2	87.1	87.3	87.7	88.3	88.6	89.0	89.4	88.7	88.6
ADVANCED PROCESSING	85.4	70.4	80.8	82.0	82.7	82.5	82.8	83.4	83.5	83.6	83.8	84.0	84.5	84.6	84.6
SERIES	OUTPUT						CAPACITY				UTILIZATION				
	1977 IV	1978 I	II	III	IV	1977 IV	1978 I	II	III	IV	1977 IV	1978 I	II	III	IV
MANUFACTURING, TOTAL	139.9	139.8	144.4	147.7	150.6	168.7	170.3	172.0	173.7	175.4	82.9	82.1	84.0	85.0	85.9
PRIMARY PROCESSING	148.2	148.2	154.1	158.2	162.0	175.1	176.8	178.5	180.2	181.9	84.6	83.8	86.3	87.8	89.0
ADVANCED PROCESSING	135.6	135.4	139.3	142.1	144.5	165.3	166.9	168.5	170.2	171.8	82.0	81.1	82.7	83.5	84.1

Industrial Materials

SERIES	MONTHLY CAPACITY UTILIZATION														
	1973 HIGH	1975 LOW	1978 FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	1979 JAN.	FEB.
MATERIALS, TOTAL	93.1	69.7	81.3	81.9	84.0	84.5	85.1	85.7	85.9	86.3	87.1	87.6	88.0	87.5	87.6
DURABLE GOODS MATERIALS	92.5	64.3	78.7	79.4	81.6	82.1	82.8	84.5	85.3	86.1	87.0	87.3	88.3	87.7	87.9
BASIC METAL MATERIALS	97.7	66.1	76.1	75.7	80.0	80.4	80.8	83.1	85.6	86.4	87.4	87.9	89.3	86.5	
NONDURABLE GOODS MATERIALS	94.6	67.8	86.9	87.7	88.2	88.6	88.7	87.5	87.2	87.8	88.2	89.0	88.3	88.4	88.6
TEX., PAPER, & CHEM. MAT.	94.5	65.5	85.3	86.5	86.5	86.9	87.0	86.5	85.5	86.7	86.9	87.7	86.8	87.1	87.2
TEXTILE MATERIALS	94.4	58.0	80.7	80.1	81.0	81.0	81.7	81.1	80.2	81.9	81.8	82.9	81.9	81.6	
PAPER MATERIALS	100.5	71.8	89.0	89.5	90.2	90.5	90.2	86.9	84.4	88.2	87.7	87.7	86.3	84.8	
CHEMICAL MATERIALS	93.8	64.7	85.7	87.4	87.2	87.7	87.8	87.8	87.2	87.6	88.1	89.0	88.3	89.2	
ENERGY MATERIALS	94.6	82.7	80.0	79.7	84.0	84.7	86.1	86.3	85.6	84.8	86.0	86.2	86.5	85.5	85.1
SERIES	OUTPUT						CAPACITY				UTILIZATION				
	1977 IV	1978 I	II	III	IV	1977 IV	1978 I	II	III	IV	1977 IV	1978 I	II	III	IV
MATERIALS, TOTAL	138.9	139.2	145.1	148.7	152.6	168.9	170.4	171.7	173.0	174.2	82.2	81.7	84.5	86.0	87.6
DURABLE GOODS MATERIALS	137.7	137.9	144.0	150.4	155.3	172.8	174.0	175.2	176.3	177.4	79.7	79.3	82.2	85.3	87.5
BASIC METAL MATERIALS	109.4	110.5	117.5	124.6	129.5	145.5	145.8	146.1	146.5	146.8	75.2	75.8	80.4	85.1	88.2
NONDURABLE GOODS MATERIALS	155.0	158.0	163.2	163.2	166.8	180.4	182.3	184.4	186.5	188.5	85.9	86.7	88.5	87.5	88.5
TEX., PAPER, & CHEM. MAT.	159.5	163.1	167.7	168.4	172.1	188.9	190.8	193.1	195.4	197.5	84.5	85.5	86.8	86.2	87.2
TEXTILE MATERIALS	117.9	115.3	117.1	117.3	119.4	143.0	143.5	144.1	144.7	145.2	82.4	80.3	81.2	81.0	82.2
PAPER MATERIALS	132.3	136.5	139.7	134.8	136.9	152.5	153.6	154.8	155.8	156.9	86.7	88.9	90.3	86.5	87.2
CHEMICAL MATERIALS	188.9	194.9	201.4	204.4	209.5	223.6	226.6	230.1	233.5	236.8	84.5	86.0	87.5	87.5	88.5
ENERGY MATERIALS	121.9	119.1	125.5	127.0	128.5	145.7	147.2	147.8	148.4	148.9	83.7	80.9	84.9	85.6	86.3

NOTE: ESTIMATES OF ACTUAL OUTPUT AND CAPACITY OUTPUT ARE BOTH EXPRESSED AS PERCENTAGES OF 1967 ACTUAL OUTPUT. ESTIMATES OF CAPACITY UTILIZATION IN PERCENT ARE CALCULATED AS RATIOS OF (1) THE FEDERAL RESERVE'S SEASONALLY ADJUSTED INDEXES OF INDUSTRIAL PRODUCTION TO (2) THE CORRESPONDING INDEXES OF CAPACITY. INDUSTRIAL MATERIALS ARE ITEMS BOTH PRODUCED AND USED AS INPUTS BY MANUFACTURING PLANTS, MINES AND UTILITIES; INDUSTRIAL MATERIALS COVER MANY OF THE ITEMS REPRESENTED IN THE PRIMARY PROCESSING GROUPING OF MANUFACTURING AS WELL AS SOME OF THE OUTPUT OF MINES AND UTILITIES -- SUCH AS IRON ORE, CRUDE OIL, AND ELECTRICITY SOLD TO INDUSTRY.

THE 1973 HIGHS AND 1975 LOWS IN CAPACITY UTILIZATION, SHOWN IN THE TABLES ABOVE, ARE SPECIFIC TO EACH SERIES AND MAY OCCUR IN DIFFERENT MONTHS. INDUSTRIAL PLANTS USUALLY OPERATE AT CAPACITY UTILIZATION RATES THAT ARE WELL BELOW 100 PERCENT; NONE OF THE BROAD AGGREGATE SERIES HAS EVER INDICATED A 100 PERCENT USE OF CAPACITY. CAPACITY UTILIZATION RATES AVERAGED ABOUT 83 PERCENT FOR MANUFACTURING FROM 1955 THROUGH 1977, AND ABOUT 85 PERCENT FOR INDUSTRIAL MATERIALS FOR 1967 THROUGH 1977. IN MANUFACTURING AS A WHOLE, UTILIZATION RATES AS HIGH AS 90 PERCENT HAVE BEEN EXCEEDED ONLY IN WARTIME. THE PEAK RATES OF UTILIZATION IN 1973 WERE ASSOCIATED WITH SIGNIFICANT UPWARD PRESSURE ON PRICES.

THE CAPACITY UTILIZATION ESTIMATES ARE DESCRIBED, AND HISTORICAL DATA ARE PROVIDED, IN FEDERAL RESERVE MEASURES OF CAPACITY AND CAPACITY UTILIZATION. THIS PUBLICATION MAY BE OBTAINED FROM PUBLICATION SERVICES, BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, WASHINGTON, D.C. 20551. THE PRICE IS \$1.75 PER COPY; FOR TEN OR MORE, \$1.50 EACH.