



FEDERAL RESERVE

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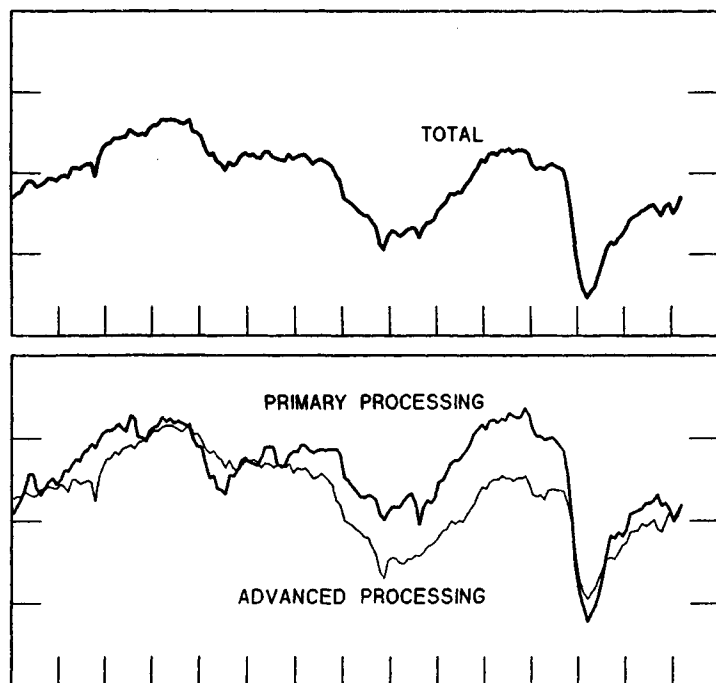
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CAPACITY UTILIZATION--MARCH 1977

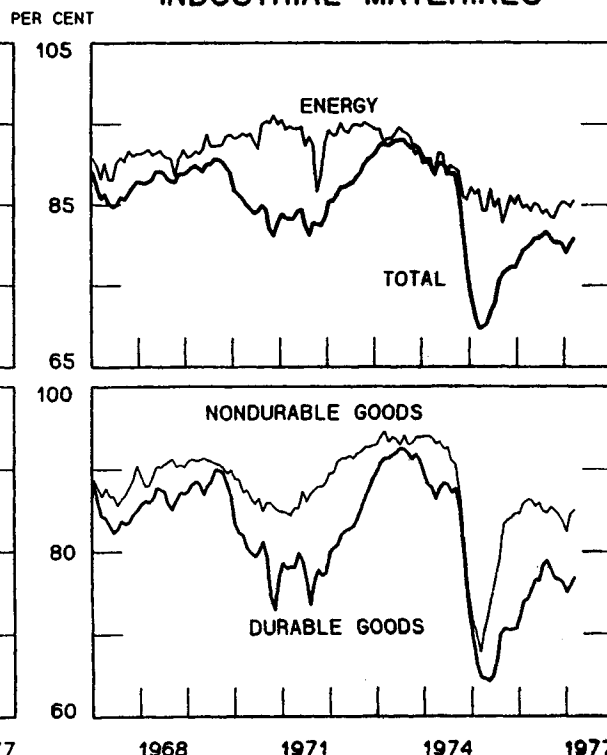
Capacity utilization in manufacturing is estimated to have increased 1 percentage point in March to 82 per cent of estimated capacity, about one percentage point below its average rate for the period 1948-75. The utilization rate for advanced processing industries in March is estimated at 82 per cent, up from 80.5 in February. For primary processing industries, utilization last month is estimated at 81.8 per cent of capacity, up from 80.8 in February. Advanced processing capacity utilization has about reached its long-term average, whereas primary processing capacity utilization still remains about 3 percentage points below its average.

Capacity utilization in production of materials is estimated to have increased 0.7 percentage point in March to 80.8 per cent. Utilization rates for all major components of materials advanced.

MANUFACTURING



INDUSTRIAL MATERIALS



OUTPUT, CAPACITY AND CAPACITY UTILIZATION

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

Manufacturing

SERIES	MONTHLY CAPACITY UTILIZATION												1977		
	1973 HIGH	1975 LOW	1976 MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.
MANUFACTURING, TOTAL	88.0	69.6	79.6	79.8	80.3	80.5	80.9	81.1	80.4	79.7	80.8	81.2	80.0	80.7	82.0
PRIMARY PROCESSING	93.6	67.6	81.0	81.2	81.4	82.1	82.1	82.4	83.1	81.8	82.1	81.3	79.9	81.0	81.8
ADVANCED PROCESSING	85.4	70.5	78.7	78.8	79.6	79.3	79.7	80.1	78.9	78.6	79.9	81.1	80.0	80.5	82.0
	OUTPUT				CAPACITY				UTILIZATION				1977		
	1976 I	II	III	IV	1977 I	1976 I	II	III	IV	1977 I	1976 I	II	III	IV	1977 I
MANUFACTURING, TOTAL	126.7	129.4	131.1	131.5	132.9	160.4	161.3	162.3	163.2	164.3	79.0	80.2	80.8	80.6	80.9
PRIMARY PROCESSING	133.4	136.6	139.3	138.9	138.7	166.2	167.5	168.8	170.1	171.4	80.2	81.5	82.5	81.7	80.9
ADVANCED PROCESSING	122.9	125.2	126.3	127.5	129.9	157.2	158.0	158.8	159.6	160.6	78.2	79.2	79.6	79.9	80.9

Industrial Materials

SERIES	MONTHLY CAPACITY UTILIZATION												1977		
	1973 HIGH	1975 LOW	1976 MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.
MATERIALS, TOTAL	93.1	69.7	79.7	80.1	80.8	80.8	81.2	81.6	81.0	80.3	80.3	80.1	79.0	80.1	80.8
DURABLE GOODS MATERIALS	92.5	64.3	74.3	75.4	76.6	76.5	78.5	78.9	77.8	76.8	76.6	76.3	75.1	76.0	76.9
BASIC METAL MATERIALS	97.7	66.1	72.9	75.5	79.1	77.7	81.9	83.5	79.2	77.7	73.6	72.5	72.4	72.9	
NONDURABLE GOODS MATERIALS	94.6	67.8	86.3	86.2	85.5	86.0	84.9	84.7	85.4	85.0	84.5	83.7	82.4	84.6	85.1
TEX., PAPER, & CHEM. MAT.	94.5	65.5	86.1	85.6	84.6	84.8	83.8	83.6	84.4	84.1	83.1	82.5	81.3	83.4	83.9
TEXTILE MATERIALS	94.4	58.0	83.4	82.2	83.7	83.3	82.2	82.2	81.1	80.2	77.4	80.6	78.4	78.8	
PAPER MATERIALS	100.5	71.8	89.8	90.9	90.1	91.9	90.2	90.4	89.1	89.5	88.6	86.1	85.9	88.9	
CHEMICAL MATERIALS	93.8	64.7	86.0	85.2	83.3	83.4	82.6	82.1	84.0	83.7	83.4	82.2	81.0	83.2	
ENERGY MATERIALS	94.6	82.7	85.0	84.2	85.2	84.9	83.9	84.4	83.5	83.3	84.6	85.3	85.2	84.7	85.5
	OUTPUT				CAPACITY				UTILIZATION				1977		
	1976 I	II	III	IV	1977 I	1976 I	II	III	IV	1977 I	1976 I	II	III	IV	1977 I
MATERIALS, TOTAL	126.9	130.3	132.6	131.8	132.3	160.6	161.7	163.1	164.3	165.5	79.0	80.6	81.3	80.2	80.0
DURABLE GOODS MATERIALS	120.8	126.1	130.7	128.4	128.5	164.4	165.5	166.7	167.8	169.0	73.5	76.2	78.4	76.5	76.0
BASIC METAL MATERIALS	103.7	110.8	117.1	107.7	105.8	142.4	143.1	143.7	144.4	144.8	72.8	77.4	81.5	74.6	
NONDURABLE GOODS MATERIALS	145.0	146.9	146.6	147.0	147.5	169.4	171.0	172.5	174.1	175.6	85.6	85.9	85.0	84.4	84.0
TEX., PAPER, & CHEM. MAT.	150.2	151.6	151.2	151.5	152.2	176.5	178.3	180.1	182.0	183.6	85.1	85.0	84.0	83.2	82.9
TEXTILE MATERIALS	116.5	115.5	114.4	111.7	112.0	138.2	139.0	139.8	140.6	141.4	84.3	83.1	81.8	79.4	
PAPER MATERIALS	128.9	132.5	131.9	130.2	131.7	144.6	145.7	146.7	147.9	148.9	89.1	90.9	89.9	88.1	
CHEMICAL MATERIALS	173.6	175.3	175.1	177.6	178.3	206.2	208.7	211.2	213.7	216.2	84.2	84.0	82.9	83.1	
ENERGY MATERIALS	119.7	120.0	119.9	121.5	122.8	140.3	141.5	142.7	143.9	144.3	85.3	84.8	84.0	84.4	85.1

NOTE: ESTIMATES OF ACTUAL OUTPUT AND CAPACITY OUTPUT ARE BOTH EXPRESSED AS PERCENTAGES OF 1967 ACTUAL OUTPUT. ESTIMATES OF CAPACITY UTILIZATION IN PER CENT ARE CALCULATED AS RATIOS OF (1) THE INDEXES OF INDUSTRIAL PRODUCTION TO (2) THE CORRESPONDING INDEXES OF CAPACITY. INDUSTRIAL MATERIALS ARE THOSE CRUDE AND SEMIFINISHED PRODUCTS THAT ARE BOTH PRODUCED AND USED AS INPUTS BY INDUSTRIAL ESTABLISHMENTS; THE INDUSTRIAL MATERIALS INCLUDE MOST OF THE COMPONENTS OF THE PRIMARY PROCESSING GROUPING OF MANUFACTURING AS WELL AS THE INPUTS SUPPLIED TO THE INDUSTRIAL SECTOR BY MINES AND UTILITIES—SUCH AS IRON ORE, CRUDE OIL, AND INDUSTRIAL ELECTRICITY. THE 1973 HIGHS (AND ALSO 1975 LOWS) IN CAPACITY UTILIZATION, SHOWN IN THE TABLES ABOVE, ARE SPECIFIC TO EACH SERIES AND MAY OCCUR IN DIFFERENT MONTHS.

BUSINESSES USUALLY OPERATE AT CAPACITY UTILIZATION RATES THAT ARE WELL BELOW 100 PER CENT; NONE OF THE BROAD AGGREGATE SERIES HAS EVER INDICATED A 100 PER CENT USE OF CAPACITY. CAPACITY UTILIZATION RATES AVERAGED ABOUT 83 PER CENT FOR MANUFACTURING FROM 1955 THROUGH 1975, AND ABOUT 86 PER CENT FOR INDUSTRIAL MATERIALS FOR 1967 THROUGH 1975. IN MANUFACTURING AS A WHOLE, UTILIZATION RATES AS HIGH AS 90 PER CENT HAVE BEEN EXCEEDED ONLY IN WARTIME. THE PEAK RATES OF UTILIZATION IN 1973 WERE ASSOCIATED WITH SIGNIFICANT UPWARD PRESSURES ON PRICES.

THE CAPACITY UTILIZATION ESTIMATES ARE DESCRIBED, AND HISTORICAL DATA ARE PROVIDED, IN THE NOVEMBER 1976 ISSUE OF THE FEDERAL RESERVE BULLETIN. THE PRODUCTION FIGURES ARE DESCRIBED IN THE JUNE 1976 ISSUE OF THE BULLETIN; CURRENT ESTIMATES ARE PUBLISHED IN THE FEDERAL RESERVE STATISTICAL RELEASE, INDUSTRIAL PRODUCTION, G-12.3.