



# FEDERAL RESERVE

## statistical release

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### CAPACITY UTILIZATION: MANUFACTURING AND MATERIALS April 1979

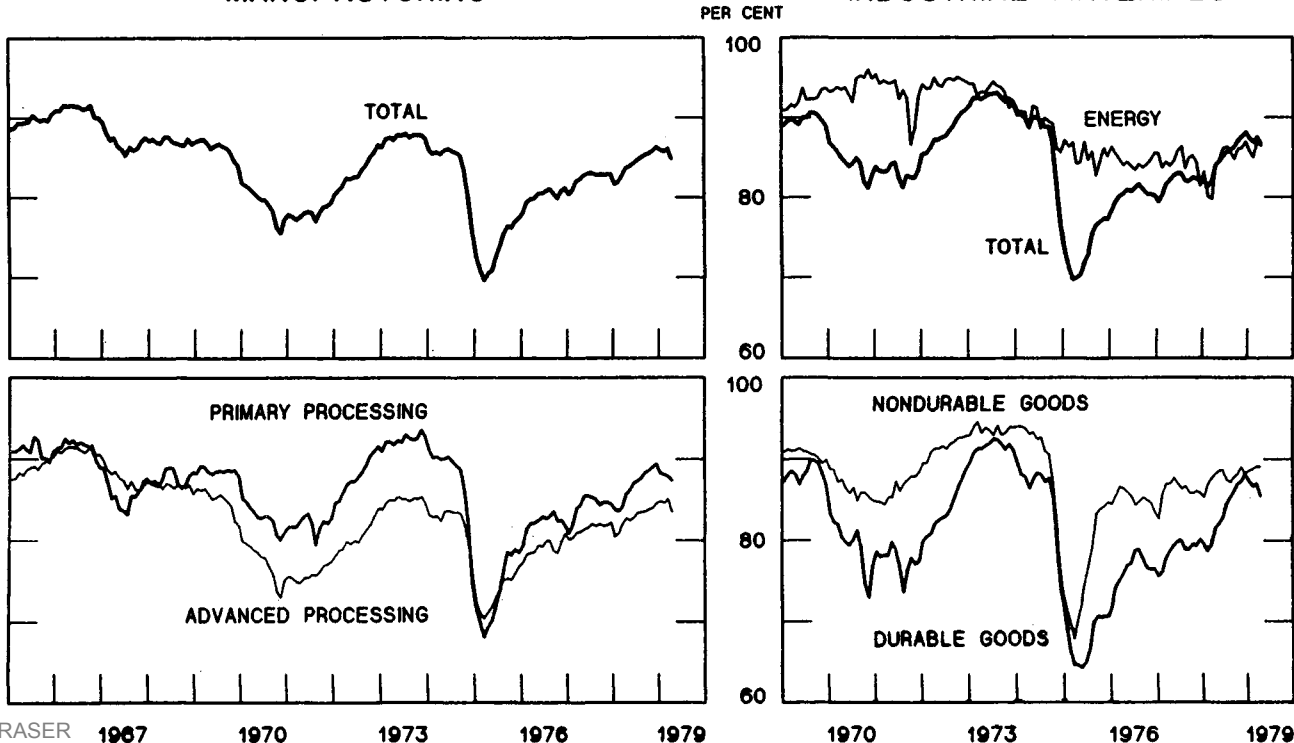
Manufacturers operated at 84.9 per cent of capacity in April down from the relatively high March rate of 86.1 per cent. This drop reflected declines in industrial production caused primarily by the strike and lockout in the trucking industry and the steel-haulers dispute. For the five months prior to the April work stoppages, the manufacturing utilization rate was only about 2 percentage points below its 1973 high.

The capacity utilization rate in advanced processing industries declined by 1.6 percentage points to 83.5 per cent largely because of a nearly 14 per cent drop in motor vehicle production that resulted primarily from a strike-related shortage of parts. In March the utilization rate for the advanced processing industries was close to the 1973 peak. The utilization rate in primary processing industries declined by 0.5 percentage point to 87.4 per cent.

Industrial materials capacity utilization fell by 0.8 percentage point to 86.7 per cent compared to a 1973 high of 93.1 per cent. Capacity utilization for durable goods materials dropped to 85.5 per cent in April from 87.0 per cent in March. This decline also was due largely to the work stoppages in trucking. Capacity utilization for nondurable goods materials was unchanged, and the rate for energy materials declined by 0.5 percentage point due to a cutback in crude oil extraction.

#### MANUFACTURING

#### INDUSTRIAL MATERIALS



# 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												1979			
	1973 HIGH	1975 LOW	1978 APR.	MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	
MANUFACTURING, TOTAL	88.0	69.6	83.7	83.9	84.3	84.7	85.0	85.3	85.5	85.8	86.3	86.0	85.8	86.1	84.9	
PRIMARY PROCESSING	93.6	68.1	85.7	86.2	87.1	87.3	87.7	88.3	89.6	89.0	89.4	88.3	88.1	87.9	87.4	
ADVANCED PROCESSING	85.4	70.4	82.7	82.5	82.8	83.4	83.5	83.6	83.8	84.0	84.6	84.8	84.6	85.1	83.5	
SERIES	OUTPUT				CAPACITY				UTILIZATION							
	1978 I	II	III	IV	1979 I	1978 I	II	III	IV	1979 I	1978 I	II	III	IV	1979 I	
MANUFACTURING, TOTAL	139.8	144.4	147.7	150.6	152.3	170.3	172.0	173.7	175.4	177.1	82.1	84.0	85.0	85.9	86.0	
PRIMARY PROCESSING	148.2	154.1	158.2	161.9	162.0	176.8	178.5	180.2	181.9	183.8	83.8	86.3	87.8	89.0	88.1	
ADVANCED PROCESSING	135.4	139.3	142.1	144.5	147.1	166.9	168.5	170.2	171.8	173.4	81.1	82.7	83.5	84.1	84.8	

## Industrial Materials

SERIES	MONTHLY CAPACITY UTILIZATION												1979			
	1973 HIGH	1975 LOW	1978 APR.	MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	
MATERIALS, TOTAL	93.1	69.7	84.0	84.5	85.1	85.7	85.9	86.3	87.1	87.6	88.1	87.4	86.9	87.5	86.7	
DURABLE GOODS MATERIALS	92.5	64.3	81.6	82.1	82.8	84.5	85.3	86.1	87.0	87.3	88.2	87.3	86.7	87.0	85.5	
BASIC METAL MATERIALS	97.7	66.1	80.0	80.4	80.8	83.1	85.6	86.4	87.4	87.9	89.1	84.8	84.0	84.8		
NONDURABLE GOODS MATERIALS	94.6	67.8	88.2	88.6	88.7	87.5	87.2	87.8	88.2	89.0	88.3	88.6	88.8	89.1	89.1	
TEX., PAPER, & CHEM. MAT.	94.5	65.5	86.5	86.9	87.0	86.5	85.5	86.7	86.9	87.7	86.9	87.3	87.6	87.9	88.1	
TEXTILE MATERIALS	94.4	58.0	81.0	81.0	81.7	81.1	80.2	81.9	81.8	82.9	81.9	81.1	80.2	81.0		
PAPER MATERIALS	100.5	71.8	90.2	90.5	90.2	86.9	84.4	88.2	87.7	87.7	86.8	84.7	87.6	88.5		
CHEMICAL MATERIALS	93.8	64.7	87.2	87.7	87.8	87.8	87.2	87.6	88.1	89.0	88.3	89.6	89.8	89.6		
ENERGY MATERIALS	94.6	82.7	84.0	84.7	86.1	86.3	85.6	84.8	86.0	86.2	86.9	85.8	85.0	86.9	86.4	
SERIES	OUTPUT				CAPACITY				UTILIZATION							
	1978 I	II	III	IV	1979 I	1978 I	II	III	IV	1979 I	1978 I	II	III	IV	1979 I	
MATERIALS, TOTAL	139.2	145.1	148.7	152.6	153.3	170.4	171.7	173.0	174.2	175.6	81.7	84.5	86.0	87.6	87.3	
DURABLE GOODS MATERIALS	137.9	144.0	150.4	155.2	155.1	174.0	175.2	176.3	177.4	178.4	79.3	82.2	85.3	87.5	87.0	
BASIC METAL MATERIALS	110.5	117.5	124.6	129.4	124.3	145.8	146.1	146.5	146.8	147.1	75.8	80.4	85.1	88.1	84.5	
NONDURABLE GOODS MATERIALS	158.0	163.2	163.2	166.9	169.4	182.3	184.4	186.5	188.5	190.7	86.7	88.5	87.5	88.5	88.8	
TEX., PAPER, & CHEM. MAT.	163.1	167.7	168.4	172.2	175.0	190.8	193.1	195.4	197.5	199.8	85.5	86.8	86.2	87.2	87.6	
TEXTILE MATERIALS	115.3	117.1	117.3	119.4	117.8	143.5	144.1	144.7	145.2	145.8	80.3	81.2	81.0	82.2	80.8	
PAPER MATERIALS	136.5	139.7	134.8	137.2	137.4	153.6	154.8	155.8	156.9	158.0	88.9	90.3	86.5	87.4	87.0	
CHEMICAL MATERIALS	194.9	201.4	204.4	209.5	215.3	226.6	230.1	233.5	236.8	240.2	86.0	87.5	87.5	88.5	89.6	
ENERGY MATERIALS	119.1	125.5	127.0	128.7	129.0	147.2	147.8	148.4	148.9	150.2	80.9	84.9	85.6	86.4	85.9	

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.