



# FEDERAL RESERVE

## statistical release

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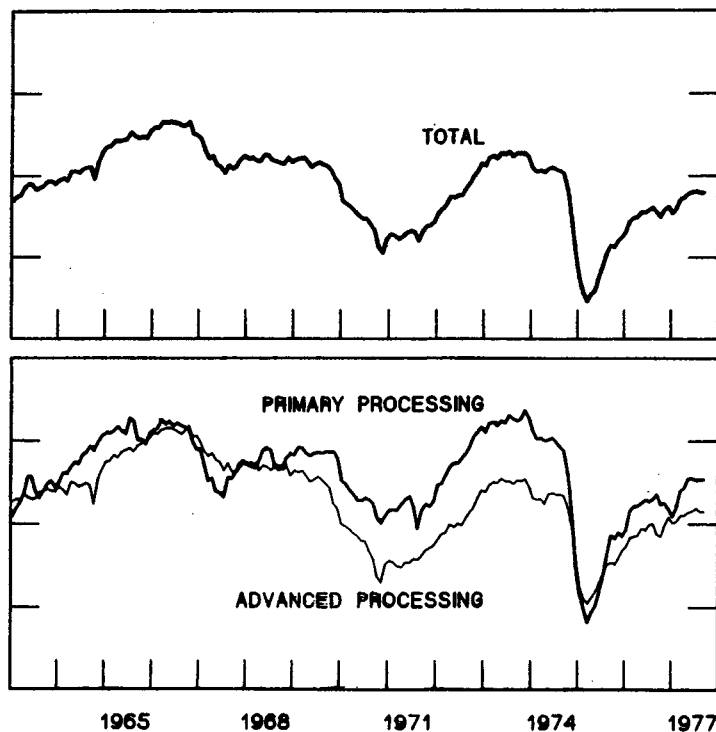
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### CAPACITY UTILIZATION: MANUFACTURING AND MATERIALS September 1977

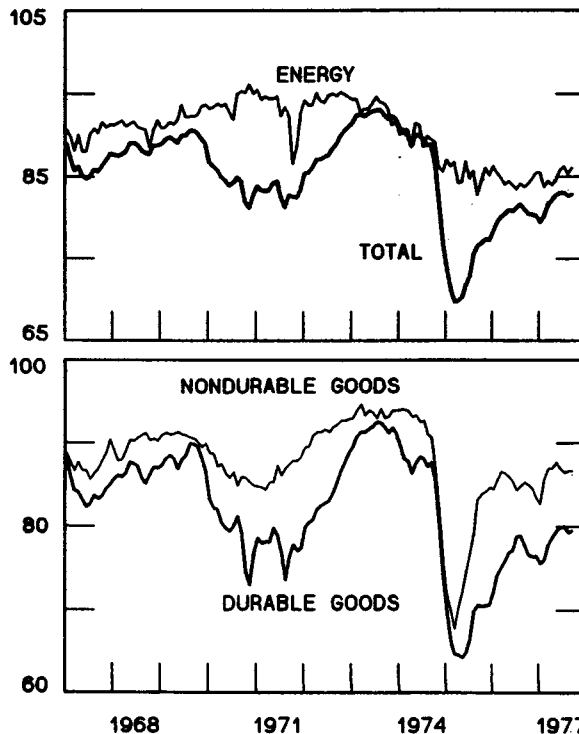
Capacity utilization in manufacturing was unchanged in September at 82.9 per cent. Since May factories have operated within two-tenths of a percentage point of this rate, as both estimated output and capacity have grown at a similar pace. Utilization rates in both the advanced and primary processing sectors were also unchanged -- at 81.5 and 85.4 per cent, respectively. For the third quarter, the manufacturing utilization rate was 83.0 per cent, up from 82.7 per cent in the second quarter and 80.8 per cent in the third quarter of 1976.

The materials capacity utilization rate rose fractionally to 82.8 per cent. Increases in durable materials and energy materials were largely due to the end of the copper and coal strikes and increased Alaskan crude oil production. For the third quarter, the materials utilization rate was 82.8 per cent, up from 82.6 in the second quarter and 81.2 in the third quarter of 1976.

#### 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															
	1973 HIGH	1975 LOW	1976 SEP.	OCT.	NOV.	DEC.	1977 JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.	
MANUFACTURING, TOTAL	68.0	69.6	80.5	79.9	80.8	81.2	80.4	80.9	82.1	82.3	82.8	83.0	83.1	82.9	82.9	
PRIMARY PROCESSING	93.6	68.1	83.6	82.4	82.5	81.8	80.9	82.0	84.0	84.4	85.5	85.5	85.3	85.4	85.4	
ADVANCED PROCESSING	85.4	70.4	78.7	78.5	79.8	80.8	80.1	80.3	81.0	81.1	81.4	81.6	81.9	81.5	81.5	
	OUTPUT						CAPACITY						UTILIZATION			
	1976 III	IV	1977 I	II	III	IV	1976 III	IV	I	II	III	1976 III	IV	1977 I	II	III
MANUFACTURING, TOTAL	130.8	131.2	133.1	136.9	138.7	161.9	162.8	164.0	165.6	167.1	80.8	80.6	81.2	82.7	83.0	
PRIMARY PROCESSING	139.3	138.8	140.1	146.3	148.1	167.6	168.8	170.2	171.8	173.5	83.1	82.2	82.3	85.1	85.4	
ADVANCED PROCESSING	126.3	127.2	129.3	132.0	133.7	158.9	159.6	160.7	162.2	163.8	79.5	79.7	80.5	81.4	81.7	

## Industrial Materials

SERIES	MONTHLY CAPACITY UTILIZATION														
	1973 HIGH	1975 LOW	1976 SEP.	OCT.	NOV.	DEC.	1977 JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.
MATERIALS, TOTAL	93.1	69.7	81.0	80.4	80.3	80.2	79.4	80.2	81.6	82.1	82.7	83.0	83.0	82.6	82.8
DURABLE GOODS MATERIALS	92.5	64.3	77.8	76.6	76.4	76.5	75.6	76.0	77.8	78.7	79.4	79.9	80.0	79.3	79.5
BASIC METAL MATERIALS	97.7	66.1	79.0	77.7	73.1	72.5	73.7	72.9	78.4	79.3	81.2	80.2	77.6	75.9	
NONDURABLE GOODS MATERIALS	94.6	67.8	85.3	85.0	84.6	83.5	82.7	85.7	87.0	87.0	87.7	87.0	86.5	86.7	86.7
TEX., PAPER, & CHEM. MAT.	94.5	65.5	84.3	84.1	83.2	82.4	81.5	83.8	85.9	86.0	86.7	86.1	85.3	85.5	85.4
TEXTILE MATERIALS	94.4	58.0	81.8	80.2	78.2	80.6	78.7	77.7	79.9	78.8	78.8	76.7	77.5	78.6	
PAPER MATERIALS	100.5	71.8	89.2	89.5	88.6	86.1	85.9	89.6	89.7	88.3	90.7	89.2	89.0	89.8	
CHEMICAL MATERIALS	93.8	64.7	83.8	83.7	83.3	81.8	81.3	84.0	86.6	87.5	87.9	87.8	86.7	86.4	
ENERGY MATERIALS	94.6	82.7	83.7	84.1	84.7	85.5	85.5	83.7	84.4	83.9	84.5	85.8	86.3	85.3	86.1
	OUTPUT					CAPACITY					UTILIZATION				
	1976 III	IV	1977 I	II	III	1976 III	IV	1977 I	II	III	1976 III	IV	1977 I	II	III
MATERIALS, TOTAL	132.5	131.9	133.1	137.7	138.9	163.1	164.3	165.5	166.6	167.8	81.2	80.3	80.4	82.6	82.8
DURABLE GOODS MATERIALS	130.8	128.4	129.2	135.1	136.6	166.7	167.8	169.0	170.3	171.6	76.4	76.5	76.5	79.4	79.6
BASIC METAL MATERIALS	117.4	107.4	108.6	116.4		143.7	144.4	144.8	145.1		81.7	74.4	75.0	80.2	
NONDURABLE GOODS MATERIALS	146.3	146.9	149.5	154.6	154.9	172.5	174.1	175.6	177.2	178.8	84.8	84.4	85.1	87.2	86.7
TEX., PAPER, & CHEM. MAT.	150.8	151.4	153.9	159.9	159.8	180.1	182.0	183.6	185.4	187.1	83.7	83.2	83.8	86.3	85.4
TEXTILE MATERIALS	115.1	112.1	111.3	110.9		139.8	140.6	141.4	141.9		82.4	79.7	78.7	78.1	
PAPER MATERIALS	130.8	130.2	131.7	134.3		146.7	147.9	148.9	150.1		89.2	88.1	88.4	89.5	
CHEMICAL MATERIALS	174.4	177.3	181.6	191.8		211.2	213.7	216.2	218.7		82.6	83.0	84.0	87.7	
ENERGY MATERIALS	119.6	122.0	122.0	122.6	124.7	142.7	143.9	144.3	144.7	145.2	83.8	84.8	84.5	84.8	85.9

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.