



FEDERAL RESERVE

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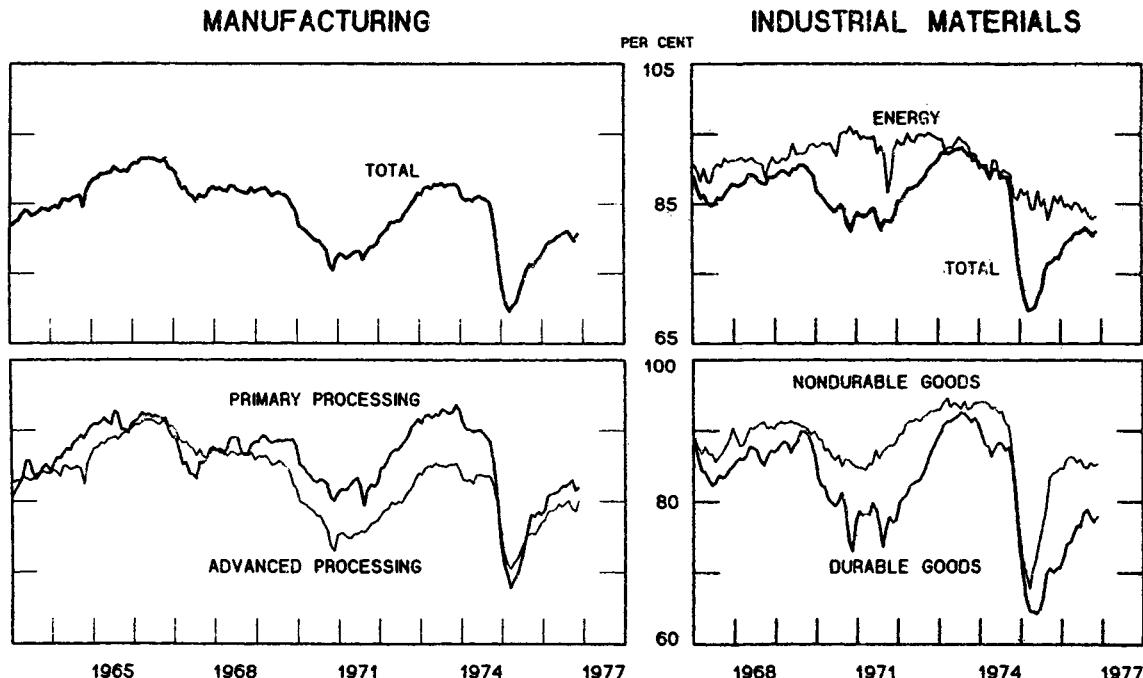
For immediate release
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Capacity utilization in manufacturing increased to an estimated 80.7 per cent in November from 79.7 per cent in October. More than half of the November increase can be traced to the settlement of strikes and the attendant restoration of production levels in the effected industries. Most of the increase in the November capacity utilization rates was in the advanced processing industries, where the post-strike effects were concentrated, but small increases in utilization were fairly widespread throughout manufacturing industries that were little affected by strikes.

Capacity utilization in materials rose to about 81 per cent in November, up from 80.4 per cent in October. The resurgence was most pronounced in durable goods materials; nondurable goods materials and energy materials capacity utilization are estimated to have risen slightly.

Capacity utilization rates both in manufacturing and in materials have not changed appreciably during the second half of 1976 and are below their averages in the 1955 to 1975 and 1967 to 1975 periods, respectively.

Descriptions of these series and tables of historical data appear in the November Federal Reserve BULLETIN.



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	1975 NOV.	1976 DEC.	1976 JAN.	1976 FEB.	1976 MAR.	1976 APR.	1976 MAY	1976 JUNE	1976 JULY	1976 AUG.	1976 SEP.	1976 OCT.	1976 NOV.
MANUFACTURING, TOTAL	88.0	69.6	76.9	77.4	78.2	79.2	79.6	79.8	80.3	80.5	80.9	81.1	80.4	79.7	80.7
PRIMARY PROCESSING	93.6	67.8	78.5	78.1	78.8	80.8	81.0	81.2	81.4	82.1	82.1	82.4	83.0	81.6	82.0
ADVANCED PROCESSING	85.4	70.5	76.1	77.0	77.3	78.6	78.7	78.8	79.6	79.3	79.7	80.1	78.4	78.6	79.9
	OUTPUT				CAPACITY				UTILIZATION						
	1975 III	1976 IV	1975 I	1976 II	1975 III	1976 IV	1975 I	1976 II	1975 III	1976 IV	1975 I	1976 II	1975 III	1976 IV	
MANUFACTURING, TOTAL	119.4	122.5	126.7	129.4	131.1	158.6	159.5	160.4	161.3	162.3	175.3	176.8	179.0	180.2	180.8
PRIMARY PROCESSING	124.3	128.9	133.4	136.6	139.3	163.9	165.0	166.2	167.5	168.8	175.8	178.1	180.2	181.5	182.5
ADVANCED PROCESSING	116.8	119.1	122.9	125.2	126.3	155.7	156.4	157.2	158.0	158.8	175.0	176.1	178.2	179.2	179.6

Industrial Materials

SERIES	MONTHLY CAPACITY UTILIZATION														
	1973 HIGH	1975 LOW	1975 NOV.	1976 DEC.	1976 JAN.	1976 FEB.	1976 MAR.	1976 APR.	1976 MAY	1976 JUNE	1976 JULY	1976 AUG.	1976 SEP.	1976 OCT.	1976 NOV.
MATERIALS, TOTAL	93.1	69.7	77.3	77.2	78.2	79.3	79.7	80.1	80.6	80.8	81.2	81.6	81.0	80.4	81.0
DURABLE GOODS MATERIALS	92.5	64.3	70.6	70.7	72.1	74.0	74.3	75.4	76.6	76.5	78.5	78.9	77.8	77.1	77.9
BASIC METAL MATERIALS	97.7	66.1	70.2	67.7	71.7	73.8	72.9	75.5	79.1	77.7	81.9	83.5	79.2	77.4	
NONDURABLE GOODS MATERIALS	94.6	67.8	84.2	84.7	84.6	85.9	86.3	86.2	85.5	86.0	84.9	84.7	85.5	85.0	85.3
TEX., PAPER, & CHEM. MAT.	96.5	65.5	83.7	84.3	83.8	85.3	86.1	85.6	84.6	84.8	83.8	83.6	84.5	84.2	84.2
TEXTILE MATERIALS	94.4	58.0	86.3	86.4	85.4	84.0	83.4	82.2	83.7	83.3	82.2	82.2	81.9	82.0	
PAPER MATERIALS	100.5	71.8	86.7	87.5	87.7	89.9	89.8	90.9	90.1	91.9	90.2	90.4	89.1	89.0	
CHEMICAL MATERIALS	93.8	64.7	82.1	82.9	82.2	84.3	86.0	85.2	83.3	83.4	82.6	82.1	84.0	83.6	
ENERGY MATERIALS	94.6	82.7	86.1	85.1	86.2	84.6	85.0	84.2	85.2	84.9	83.9	84.4	83.2	82.8	83.2
	OUTPUT				CAPACITY				UTILIZATION						
	1975 III	1976 IV	1975 I	1976 II	1975 III	1976 IV	1975 I	1976 II	1975 III	1976 IV	1975 I	1976 II	1975 III	1976 IV	
MATERIALS, TOTAL	118.2	122.8	126.9	130.3	132.5	157.7	159.2	160.6	161.7	163.1	174.9	177.1	179.0	180.6	181.3
DURABLE GOODS MATERIALS	111.6	115.1	120.8	126.1	130.7	161.6	163.1	164.4	165.5	166.7	169.0	170.6	173.5	176.2	178.4
BASIC METAL MATERIALS	98.7	98.4	103.7	110.8	117.1	140.9	141.7	142.4	143.1	143.7	170.1	169.4	172.8	177.4	181.5
NONDURABLE GOODS MATERIALS	132.5	141.4	145.0	146.9	146.7	166.1	167.8	169.4	171.0	172.5	179.8	184.3	185.6	185.9	185.0
TEX., PAPER, & CHEM. MAT.	135.3	146.3	150.2	151.6	151.3	172.9	174.7	176.5	178.3	180.1	176.2	183.8	185.1	185.0	184.0
TEXTILE MATERIALS	110.7	118.2	116.5	115.5	114.8	135.9	137.2	138.2	139.0	139.8	81.5	86.2	84.3	83.1	82.1
PAPER MATERIALS	115.7	124.0	128.9	132.5	131.9	142.5	143.5	144.6	145.7	146.7	81.2	86.4	89.1	90.9	89.9
CHEMICAL MATERIALS	153.9	167.7	173.6	175.3	175.1	201.3	203.7	206.2	208.7	211.2	76.5	82.3	84.2	84.0	82.9
ENERGY MATERIALS	116.4	118.5	119.7	120.0	119.7	138.0	139.1	140.3	141.5	142.7	84.4	85.2	85.3	84.8	83.9

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, 6.12.3.