

FEDERAL RESERVE statistical release



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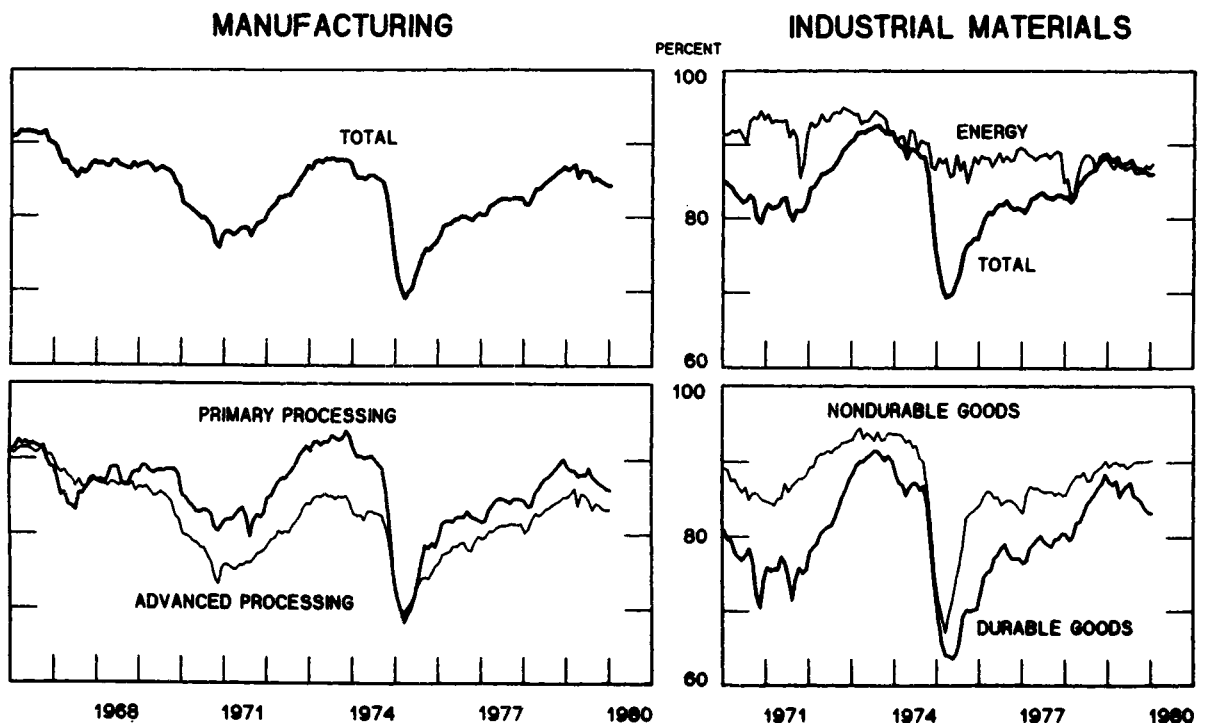
CAPACITY UTILIZATION: MANUFACTURING AND MATERIALS January 1980

Manufacturers operated at 84.3 percent of capacity in January, the same as in December and nearly 2-1/2 percentage points below the rate in the first quarter of 1979. Producers of industrial materials operated at 86.0 percent of capacity last month, just above the December rate and 2.0 percentage points below the rate in the first quarter of last year. Peak utilization rates in 1973 were 88.0 percent of capacity for manufacturing and 92.6 percent for industrial materials.

Within manufacturing, the utilization rate for primary processing industries edged off 0.1 percentage point in January while the rate for advanced processing industries rose by a similar amount. Operating rates for both of these groupings of industries remained more than 2 percentage points below the first quarter of 1979. The declines in manufacturing utilization rates during 1979 were largely attributable to sharp cutbacks in production of motor vehicles and steel. Utilization rates for these industries declined further in January, while rates for industries producing nondurable goods and equipment (other than motor vehicles) generally rose.

Producers of durable goods materials operated at 83.2 percent of capacity in January, down 0.1 of a percentage point from December and 4.2 percentage points from a year earlier. The utilization rate for nondurable goods materials edged up in January to 90.3 percent, 0.9 of a percentage point higher than 12 months earlier. The utilization rate for energy materials rose 0.6 of a percentage point in January to 87.4 percent of capacity, about the same as a year earlier.

Small revisions have been made in 1979 capacity indexes and utilization rates for some materials series; they have been incorporated in the series shown in this release.



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														1980 JAN.
	1973 HIGH	1975 LOW	1979 JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	
MANUFACTURING, TOTAL	88.0	69.0	86.4	86.7	87.1	85.3	86.3	86.2	86.1	84.9	85.3	84.9	84.6	84.3	84.3
PRIMARY PROCESSING	93.8	68.2	89.0	88.6	88.6	87.8	88.0	87.9	88.9	87.7	87.3	86.8	84.5	86.1	86.0
ADVANCED PROCESSING	85.5	69.4	85.0	85.5	86.2	83.8	85.5	85.2	84.6	83.3	84.2	83.9	83.4	83.3	83.4
SERIES	OUTPUT					CAPACITY					UTILIZATION				
	1978 IV	1979 I	II	III	IV	1978 IV	1979 I	II	III	IV	1978 IV	1979 I	II	III	IV
MANUFACTURING, TOTAL	151.7	153.4	153.1	153.3	153.0	175.6	176.9	178.2	179.5	180.8	86.4	86.7	85.9	85.4	84.6
PRIMARY PROCESSING	162.2	162.1	161.9	163.4	161.9	181.2	182.7	184.2	185.7	187.2	89.5	88.7	87.9	88.0	86.5
ADVANCED PROCESSING	146.1	148.7	148.5	148.1	148.2	172.7	173.8	175.0	176.2	177.4	84.6	85.6	84.8	84.0	83.5

Industrial Materials

SERIES	MONTHLY CAPACITY UTILIZATION														1980 JAN.
	1973 HIGH	1975 LOW	1979 (REVISED) JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	
MATERIALS, TOTAL	92.6	69.4	88.0	87.8	88.3	87.0	87.4	87.6	87.9	86.9	86.8	86.6	86.3	85.9	86.0
DURABLE GOODS MATERIALS	91.5	63.6	87.4	87.0	87.5	85.4	86.3	86.9	87.3	85.5	85.2	84.7	83.8	83.3	83.2
METAL MATERIALS	98.2	68.6	88.7	88.2	90.6	88.2	87.0	90.4	92.4	89.8	88.4	85.1	84.7	84.6	
NONDURABLE GOODS MATERIALS	94.5	67.2	89.4	89.9	90.0	89.6	89.8	89.2	89.6	90.0	90.1	90.1	90.1	90.2	90.3
TEX., PAPER, & CHEM. MAT.	95.1	65.3	89.3	90.1	90.0	90.0	90.2	89.9	90.2	90.7	91.1	91.0	90.5	90.9	91.1
TEXTILE MATERIALS	92.6	57.9	86.4	85.8	86.8	85.3	86.5	89.4	88.8	87.5	90.3	90.0	89.2	89.2	
PAPER MATERIALS	99.4	72.4	89.9	92.5	93.9	94.3	93.6	94.1	97.3	97.4	98.1	98.2	97.9	96.8	
CHEMICAL MATERIALS	95.5	64.2	89.8	90.6	89.8	90.1	90.2	89.1	88.8	89.8	89.7	89.5	89.2	89.9	
ENERGY MATERIALS	94.6	84.8	87.3	86.7	87.5	87.2	86.6	86.8	87.1	86.1	86.2	86.3	87.2	86.8	87.4
SERIES	OUTPUT					CAPACITY					UTILIZATION				
	1978 IV	1979 I	II	III	IV	1978 IV	1979 (REVISED) I	II	III	IV	1978 IV	1979 (REVISED) I	II	III	IV
MATERIALS, TOTAL	154.6	155.5	155.6	156.6	156.2	175.4	176.7	178.1	179.5	181.0	88.2	88.0	87.3	87.2	86.3
DURABLE GOODS MATERIALS	157.3	158.4	157.7	158.7	156.2	180.1	181.5	183.0	184.5	186.0	87.4	87.3	86.2	86.0	84.0
METAL MATERIALS	132.2	124.7	124.3	126.9	119.6	139.6	139.8	140.3	140.7	141.1	94.7	89.2	88.5	90.2	84.8
NONDURABLE GOODS MATERIALS	170.3	172.2	173.4	175.7	177.8	190.2	191.7	193.5	195.3	197.3	89.6	89.8	89.6	89.9	90.1
TEX., PAPER, & CHEM. MAT.	177.1	179.1	181.3	184.3	186.4	197.9	199.4	201.3	203.2	205.3	89.5	89.8	90.0	90.7	90.8
TEXTILE MATERIALS	119.5	118.2	119.6	122.4	123.6	136.6	136.9	137.3	137.7	138.1	87.5	86.3	87.1	88.9	89.5
PAPER MATERIALS	138.1	136.9	140.7	147.0	148.1	147.8	148.6	149.6	150.6	151.6	93.5	92.1	94.0	97.6	97.6
CHEMICAL MATERIALS	218.0	222.7	224.8	226.6	229.5	244.6	247.2	250.3	253.3	256.3	89.1	90.1	89.8	89.5	89.5
ENERGY MATERIALS	128.9	127.9	128.1	128.3	129.4	145.7	146.7	147.5	148.3	149.2	88.5	87.1	86.9	86.5	86.7

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 1978, AND ABOUT 85 PERCENT FOR INDUSTRIAL MATERIALS FOR 1967 THROUGH 1978. 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 METHODOLOGY AND THE SERIES ARE DESCRIBED IN FEDERAL RESERVE MEASURES OF CAPACITY AND CAPACITY UTILIZATION. REVISED DATA ARE FOUND IN "CAPACITY UTILIZATION: MANUFACTURING AND MATERIALS, JANUARY 1967--DECEMBER 1978." BOTH PUBLICATIONS MAY BE OBTAINED FROM PUBLICATIONS SERVICES, BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, WASHINGTON, D.C. 20551