

FEDERAL RESERVE statistical release



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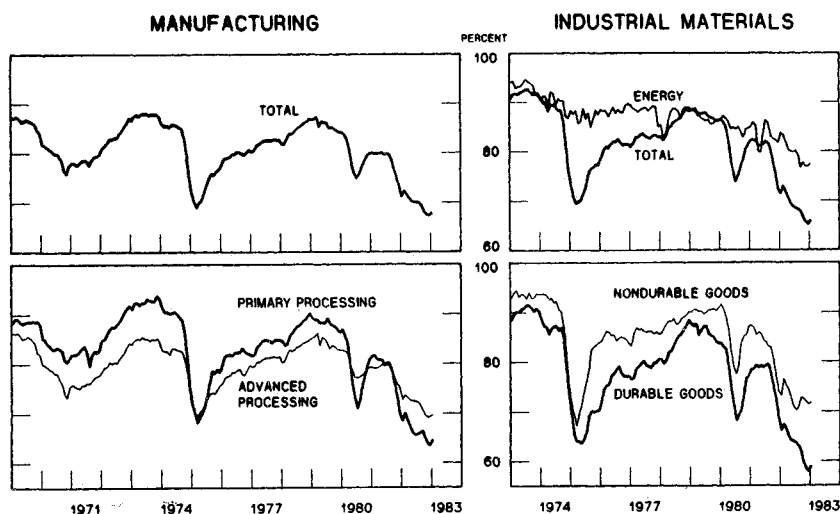
For immediate release
February 17, 1983

CAPACITY UTILIZATION: MANUFACTURING AND MATERIALS January 1983

Capacity utilization rates increased in January for manufacturing and for industrial materials production, after declining in 15 of the last 17 months starting in August 1981. The manufacturing operating rate rose 0.5 percentage point to 67.8 percent, and the materials rate increased 0.7 percentage point to 65.9 percent.

Within manufacturing, gains in capacity utilization were widespread. The rate for the primary processing industries rose 1.1 percentage points to 64.6 percent, while the rate for the advanced processing industries grew more moderately, by 0.3 percentage point to 69.7 percent. Capacity-use by producers of iron and steel escalated more than 3.5 percentage points, but remained under 40 percent. The operating rate for the motor vehicles and parts industry also posted a sharp increase--1.5 percentage points--but the industry still operated at less than 54 percent of capacity. Producers of refined petroleum products continued to cut back operations in January; their operating rate declined 1.0 percentage point to 66.1 percent--the lowest rate since the series began in 1948. Among the industries that produce equipment, the January results were mixed: operating rates were up for producers of electrical machinery and instruments, but they were down for producers of nonelectrical machinery, and aerospace and miscellaneous transportation equipment.

The utilization rate for producers of durable goods materials increased 1.1 percentage points in January to 58.9 percent, largely as a result of gains in the production of basic metals and of parts for consumer durables. Producers of nondurable goods materials utilized 71.8 percent of their capacity, up 0.4 percentage point as the production of textile and chemical materials rose, while the output of paper materials declined. The operating rate for producers of energy materials rose 0.5 percentage point to 77.4 percent, reflecting gains in coal and crude oil output.



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 | | | | | | | | | | | | | | | 1983 JAN. |
|----------------------|------------------------------|-------------|--------------|-------|-------|------------|-----------|-------|-------|-------|-------------|-----------|------|------|------|--------------|
| | 1973 HIGH | 1975 LOW | 1982 JAN. | FEB. | MAR. | APR. | MAY | JUNE | JULY | AUG. | SEP. | OCT. | NOV. | DEC. | | |
| MANUFACTURING, TOTAL | 88.0 | 69.0 | 71.1 | 72.2 | 71.6 | 70.8 | 70.2 | 70.0 | 70.0 | 69.8 | 69.2 | 68.0 | 67.4 | 67.3 | 67.8 | |
| PRIMARY PROCESSING | 93.8 | 68.2 | 68.5 | 70.0 | 68.6 | 67.2 | 66.1 | 65.7 | 65.7 | 66.1 | 66.4 | 65.0 | 63.9 | 63.5 | 64.6 | |
| ADVANCED PROCESSING | 85.5 | 69.4 | 72.8 | 73.6 | 73.2 | 72.6 | 72.5 | 72.3 | 72.3 | 71.7 | 70.7 | 69.6 | 69.2 | 69.4 | 69.7 | |
| | OUTPUT | | | | | CAPACITY | | | | | UTILIZATION | | | | | |
| | 1981 IV | 1982 I | II | III | IV | 1981 IV | 1982 I | II | III | IV | 1981 IV | 1982 I | II | III | IV | |
| MANUFACTURING, TOTAL | 145.0 | 139.8 | 138.1 | 137.7 | 134.4 | 193.9 | 195.2 | 196.4 | 197.7 | 198.9 | 74.8 | 71.6 | 70.3 | 69.7 | 67.6 | |
| PRIMARY PROCESSING | 143.5 | 137.1 | 132.3 | 132.4 | 129.3 | 197.5 | 198.6 | 199.5 | 200.4 | 201.3 | 72.7 | 69.1 | 66.3 | 66.1 | 64.1 | |
| ADVANCED PROCESSING | 145.8 | 141.6 | 141.2 | 140.5 | 137.1 | 192.0 | 193.5 | 194.9 | 196.2 | 197.6 | 75.9 | 73.2 | 72.5 | 71.6 | 69.4 | |

Industrial Materials

| SERIES | MONTHLY CAPACITY UTILIZATION | | | | | | | | | | | | | | | 1983 JAN. |
|----------------------------|------------------------------|-------------|--------------|-------|-------|------------|-----------|-------|-------|-------|-------------|-----------|------|------|------|--------------|
| | 1973 HIGH | 1975 LOW | 1982 JAN. | FEB. | MAR. | APR. | MAY | JUNE | JULY | AUG. | SEP. | OCT. | NOV. | DEC. | | |
| MATERIALS, TOTAL | 92.6 | 69.4 | 71.4 | 72.9 | 71.8 | 70.5 | 69.4 | 68.8 | 68.5 | 68.2 | 67.7 | 66.6 | 65.7 | 65.2 | 65.9 | |
| DURABLE GOODS MATERIALS | 91.5 | 63.6 | 66.2 | 67.4 | 66.4 | 65.0 | 64.2 | 64.0 | 63.7 | 63.1 | 61.9 | 59.6 | 58.4 | 57.8 | 58.9 | |
| METAL MATERIALS | 98.3 | 68.6 | 65.8 | 64.7 | 61.1 | 56.2 | 53.9 | 52.2 | 50.7 | 51.2 | 51.9 | 48.6 | 45.5 | 45.1 | | |
| NONDURABLE GOODS MATERIALS | 94.5 | 67.2 | 73.2 | 76.5 | 75.3 | 74.4 | 72.5 | 70.9 | 70.2 | 71.0 | 72.8 | 72.5 | 71.9 | 71.4 | 71.8 | |
| TEX., PAPER, & CHEM. MAT. | 95.1 | 65.3 | 70.7 | 74.4 | 73.7 | 72.5 | 70.6 | 68.8 | 68.0 | 68.9 | 70.7 | 70.3 | 69.9 | 69.9 | 70.1 | |
| TEXTILE MATERIALS | 92.6 | 57.9 | 68.6 | 71.9 | 73.5 | 73.4 | 71.5 | 69.6 | 69.8 | 72.3 | 72.3 | 73.0 | 71.6 | 71.2 | | |
| PAPER MATERIALS | 99.4 | 72.4 | 87.6 | 90.7 | 89.4 | 87.4 | 86.1 | 85.3 | 86.0 | 88.6 | 89.8 | 89.7 | 89.8 | 87.8 | | |
| CHEMICAL MATERIALS | 95.5 | 64.2 | 67.4 | 71.3 | 70.2 | 69.0 | 66.9 | 65.0 | 63.7 | 63.9 | 66.2 | 65.4 | 65.3 | 65.7 | | |
| ENERGY MATERIALS | 94.6 | 84.8 | 83.7 | 83.2 | 81.8 | 80.2 | 79.9 | 79.8 | 80.0 | 79.0 | 76.6 | 77.6 | 76.9 | 76.9 | 77.4 | |
| | OUTPUT | | | | | CAPACITY | | | | | UTILIZATION | | | | | |
| | 1981 IV | 1982 I | II | III | IV | 1981 IV | 1982 I | II | III | IV | 1981 IV | 1982 I | II | III | IV | |
| MATERIALS, TOTAL | 144.0 | 138.7 | 134.7 | 132.6 | 128.7 | 191.5 | 192.6 | 193.7 | 194.6 | 195.5 | 75.2 | 72.0 | 69.6 | 68.1 | 65.8 | |
| DURABLE GOODS MATERIALS | 140.2 | 130.9 | 127.1 | 124.7 | 116.8 | 195.3 | 196.4 | 197.3 | 198.3 | 199.2 | 71.8 | 66.7 | 64.4 | 62.9 | 58.6 | |
| METAL MATERIALS | 99.5 | 90.9 | 77.0 | 73.0 | 66.1 | 142.1 | 142.3 | 142.4 | 142.3 | 142.4 | 70.1 | 63.9 | 54.1 | 51.3 | 46.4 | |
| NONDURABLE GOODS MATERIALS | 164.5 | 161.0 | 156.8 | 155.1 | 157.3 | 213.1 | 214.6 | 216.1 | 217.4 | 218.9 | 77.2 | 75.0 | 72.6 | 71.3 | 71.9 | |
| TEX., PAPER, & CHEM. MAT. | 169.4 | 164.5 | 160.5 | 158.4 | 161.4 | 223.9 | 225.6 | 227.3 | 228.8 | 230.5 | 75.7 | 72.9 | 70.6 | 69.2 | 70.1 | |
| TEXTILE MATERIALS | 106.8 | 101.3 | 101.8 | 102.0 | 103.0 | 141.6 | 142.1 | 142.4 | 142.8 | 143.1 | 75.4 | 71.3 | 71.5 | 71.5 | 71.9 | |
| PAPER MATERIALS | 147.0 | 146.1 | 142.0 | 145.9 | 148.2 | 162.8 | 163.8 | 164.6 | 165.4 | 166.3 | 90.3 | 89.2 | 86.3 | 88.2 | 89.1 | |
| CHEMICAL MATERIALS | 206.2 | 200.0 | 194.0 | 188.5 | 192.7 | 284.4 | 287.3 | 289.6 | 291.9 | 294.3 | 72.5 | 69.6 | 67.0 | 64.6 | 65.5 | |
| ENERGY MATERIALS | 127.9 | 129.8 | 125.5 | 123.8 | 122.0 | 155.8 | 156.5 | 157.0 | 157.6 | 158.2 | 82.1 | 82.9 | 79.9 | 78.5 | 77.1 | |

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 1979, AND ABOUT 85 PERCENT FOR INDUSTRIAL MATERIALS FOR 1967 THROUGH 1979. 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