

FEDERAL RESERVE statistical release



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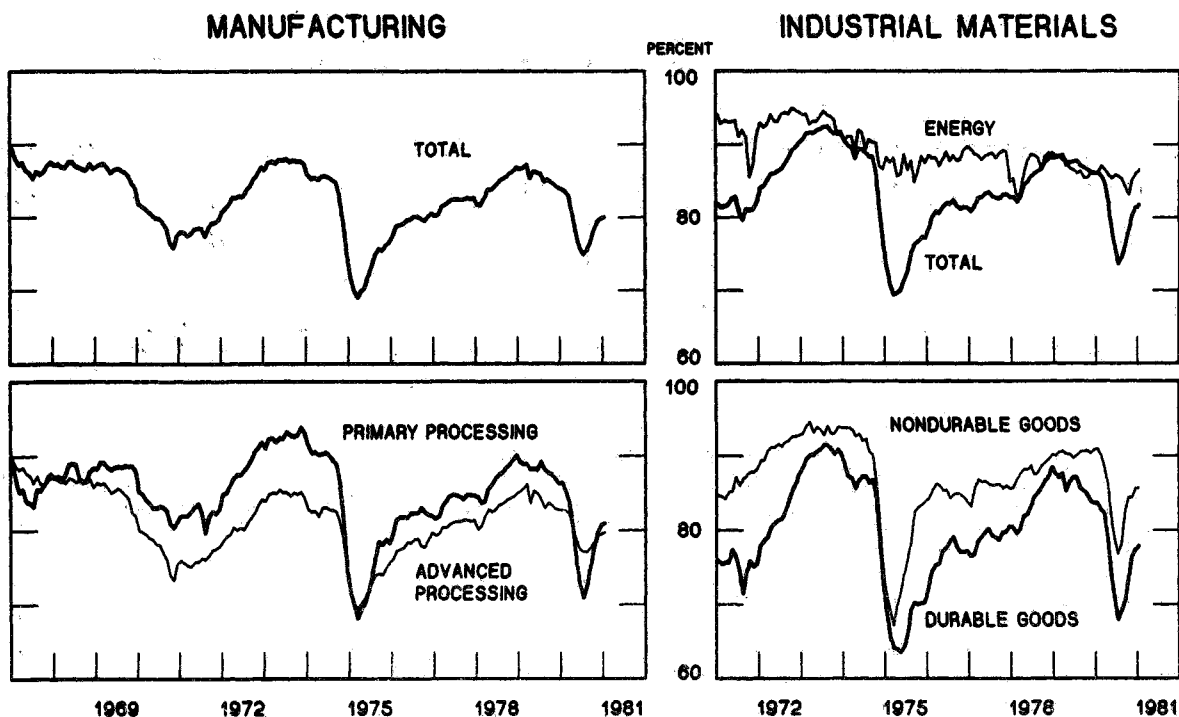
For immediate release
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CAPACITY UTILIZATION: MANUFACTURING AND MATERIALS January 1981

Capacity utilization in manufacturing increased 0.2 of a percentage point in January to 80.0 percent. Producers of industrial materials operated at 81.7 percent of capacity, up 0.4 of a percentage point from the December rate. The increases in January for both groups were smaller than in the preceding month. Since their July 1980 lows, the rate for manufacturing has risen 5.1 percentage points and the rate for materials producers has climbed 8.0 percentage points. Both January utilization rates were about 7 percentage points below their highs in 1979.

The utilization rates for both the primary and advanced processing industries rose 0.2 of a percentage point in January to 80.9 percent and 79.7 percent, respectively. There was a large increase in January in the operating rate for producers of stone, clay, and glass products. Moderate increases were registered for chemicals, textiles, nonferrous metals, and fabricated metal products and for instruments, nonelectrical machinery, electrical machinery, and aerospace and miscellaneous transportation equipment. Sizable decreases occurred in the utilization rates for producers of paper, iron and steel, and motor vehicles and parts.

Operating rates for producers of durable goods materials and energy materials rose 0.5 of a percentage point in January to 77.9 percent and 86.5 percent respectively. The utilization rate for producers of nondurable goods materials edged up 0.1 of a percentage point to 85.7 percent.



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														1981 JAN.
	1973 HIGH	1975 LOW	1980 JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	
MANUFACTURING, TOTAL	88.0	69.0	83.9	83.5	82.8	80.3	77.6	75.7	74.9	75.5	76.7	78.2	79.4	79.8	80.0
PRIMARY PROCESSING	93.8	68.2	86.4	85.2	83.8	80.5	75.8	72.7	70.9	72.5	75.2	77.6	79.7	80.7	80.9
ADVANCED PROCESSING	85.5	69.4	82.7	82.6	82.2	80.1	78.6	77.4	77.1	77.1	77.7	78.5	79.2	79.5	79.7
SERIES	OUTPUT					CAPACITY					UTILIZATION				
	1979 IV	1980 I	II	III	IV	1979 IV	1980 I	II	III	IV	1979 IV	1980 I	II	III	IV
MANUFACTURING, TOTAL	153.4	152.8	143.9	141.0	148.6	181.7	183.3	184.8	186.3	187.8	84.4	83.4	77.9	75.7	79.1
PRIMARY PROCESSING	162.5	160.5	145.0	139.6	153.1	187.1	188.5	190.0	191.5	193.0	86.9	85.1	76.3	72.9	79.3
ADVANCED PROCESSING	148.5	148.8	143.3	141.8	146.4	178.9	180.5	182.0	183.5	185.0	83.0	82.5	78.7	77.3	79.1

Industrial Materials

SERIES	MONTHLY CAPACITY UTILIZATION														1981 JAN.
	1973 HIGH	1975 LOW	1980 JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	
MATERIALS, TOTAL	92.6	69.4	86.1	85.6	84.7	82.1	78.3	75.7	73.7	74.6	76.4	78.4	80.3	81.3	81.7
DURABLE GOODS MATERIALS	91.5	63.6	83.6	82.7	82.2	78.8	74.1	70.8	68.0	69.1	70.4	73.5	76.5	77.4	77.9
METAL MATERIALS	98.3	68.6	84.1	82.0	83.6	77.2	70.0	67.0	58.4	62.2	63.9	71.5	81.2	81.2	
NONDURABLE GOODS MATERIALS	94.5	67.2	90.9	90.0	88.3	86.1	81.8	78.7	76.8	78.2	82.7	84.4	84.4	85.6	85.7
TEX., PAPER, & CHEM. MAT.	95.1	65.3	91.2	90.3	88.5	86.0	81.3	77.1	74.5	76.4	81.6	83.8	83.9	85.5	85.5
TEXTILE MATERIALS	92.6	57.9	86.6	87.2	86.8	84.6	84.5	81.8	82.0	79.5	82.0	82.1	81.4	80.4	
PAPER MATERIALS	99.4	72.4	96.0	94.4	93.0	90.7	90.8	91.6	88.1	90.2	93.9	93.0	93.8	95.1	
CHEMICAL MATERIALS	95.5	64.2	91.2	90.1	87.9	85.2	78.3	72.7	69.6	72.5	78.7	82.1	82.1	84.4	
ENERGY MATERIALS	94.6	84.8	86.2	87.0	86.5	85.8	85.3	85.8	85.6	85.2	84.1	83.1	85.2	86.0	86.5
SERIES	OUTPUT					CAPACITY					UTILIZATION				
	1979 IV	1980 I	II	III	IV	1979 IV	1980 I	II	III	IV	1979 IV	1980 I	II	III	IV
MATERIALS, TOTAL	156.5	156.3	145.1	139.2	149.8	181.2	182.8	184.3	185.8	187.2	86.3	85.5	78.7	74.9	80.0
DURABLE GOODS MATERIALS	156.3	155.0	140.6	131.5	145.1	185.7	187.2	188.6	190.0	191.5	84.1	82.8	74.6	69.2	75.8
METAL MATERIALS	119.6	117.1	100.6	86.6	109.9	140.6	140.7	140.8	140.9	141.0	85.1	83.2	71.4	61.5	77.9
NONDURABLE GOODS MATERIALS	179.2	179.3	166.0	161.9	175.1	197.6	199.8	202.0	204.3	206.5	90.6	89.7	82.2	79.2	84.8
TEX., PAPER, & CHEM. MAT.	187.9	187.5	171.9	165.6	182.4	205.8	208.3	211.0	213.7	216.2	91.2	90.0	81.5	77.5	84.4
TEXTILE MATERIALS	123.8	120.6	116.4	113.4	113.9	138.4	138.8	139.2	139.6	140.0	89.4	86.9	83.7	81.2	81.3
PAPER MATERIALS	148.9	146.1	142.1	142.9	149.3	153.3	154.7	156.0	157.4	158.8	97.1	94.5	91.0	90.7	94.0
CHEMICAL MATERIALS	231.8	233.6	208.3	197.9	226.1	256.8	260.4	264.6	268.7	272.9	90.2	89.7	78.7	73.6	82.9
ENERGY MATERIALS	129.0	130.8	130.0	129.6	129.9	150.3	151.1	151.8	152.6	153.1	85.9	86.6	85.6	85.0	84.8

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