

FEDERAL RESERVE statistical release



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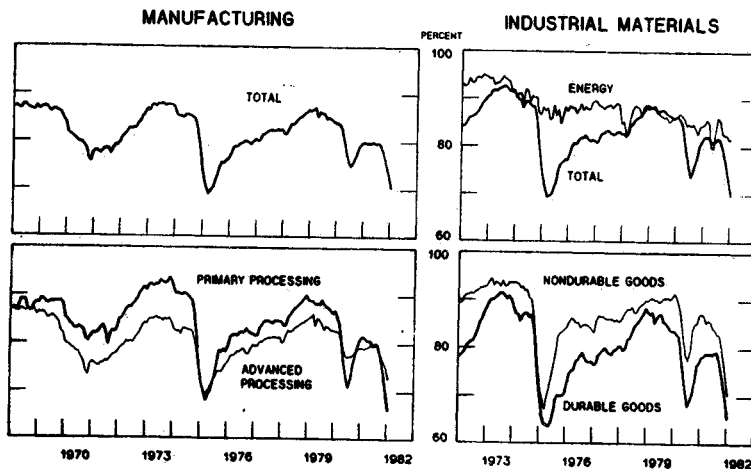
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CAPACITY UTILIZATION: MANUFACTURING AND MATERIALS January 1982

Capacity utilization rates for manufacturing and for industrial materials production declined further in January, reflecting both continued economic weakness and sizable cutbacks in work schedules prompted by the severe January weather. Operating rates for manufacturing dropped 2.6 percentage points, following declines of 1.9 percentage points in December and 1.7 percentage points in both November and October. At 70.4 percent, the manufacturing operating rate in January reached its lowest level since May 1975. The operating rate for producers of industrial materials fell 2.8 percentage points, after declining 2.9 and 2.2 percentage points, respectively, in December and November. At 69.8 percent, the materials rate in January was only a little above its March 1975 low of 69.4 percent.

Within manufacturing, large declines in utilization rates were widespread again in January. The rate for the primary processing industries dropped 3.2 percentage points to 66.3 percent, and the rate for the advanced processing industries decreased 2.2 percentage points to 72.7 percent. Utilization rates declined sharply for producers of motor vehicles and parts, primary metals, rubber and plastics, and textiles. The operating rates for the motor vehicles and parts and the stone, clay, and glass industries were lower than in any month since the beginning of the series in 1948, and the utilization rate for producers of petroleum products was the lowest since May 1952, at the time of a strike.

The operating rate for producers of durable goods materials dropped 3.5 percentage points in January to 65.5 percent, reflecting particularly large declines for raw steel production and for the production of parts for consumer durable goods, as well as sizable cutbacks for aluminum production and for the production of parts for equipment. Capacity utilization by producers of non-durable goods materials decreased 3.5 percentage points to 70.3 percent, with reductions for producers of textile and chemical materials and containers. The utilization rate for energy materials production edged up 0.1 of a percentage point in January to 81.6 percent, reflecting increased consumer demand during the unusually cold weather.



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														1982 JAN.
	1973 HIGH	1975 LOW	1981 JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	
MANUFACTURING, TOTAL	88.0	69.0	80.0	79.8	79.8	79.8	80.0	79.6	79.8	79.6	78.3	76.6	74.9	73.0	70.4
PRIMARY PROCESSING	93.8	68.2	81.5	81.5	80.8	80.7	80.6	79.5	80.1	79.9	78.2	75.7	72.8	69.5	66.3
ADVANCED PROCESSING	85.5	69.4	79.2	79.0	79.2	79.4	79.8	79.7	79.8	79.4	78.3	77.0	76.0	74.9	72.7
SERIES	OUTPUT					CAPACITY					UTILIZATION				
	1980 IV	1981 I	II	III	IV	1980 IV	1981 I	II	III	IV	1980 IV	1981 I	II	III	IV
MANUFACTURING, TOTAL	148.6	151.3	152.4	152.5	145.0	187.9	189.4	190.9	192.4	193.9	79.1	79.9	79.8	79.3	74.8
PRIMARY PROCESSING	152.7	157.5	156.5	155.8	143.4	192.5	193.8	195.0	196.3	197.5	79.3	81.3	80.3	79.4	72.6
ADVANCED PROCESSING	146.2	148.1	150.2	150.7	145.8	185.5	187.1	188.7	190.4	192.0	78.8	79.1	79.6	79.2	76.0

Industrial Materials

SERIES	MONTHLY CAPACITY UTILIZATION														1982 JAN.
	1973 HIGH	1975 LOW	1981 JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	
MATERIALS, TOTAL	92.6	69.4	82.1	82.3	82.1	81.1	81.1	81.3	81.9	81.6	80.0	77.7	75.5	72.6	69.8
DURABLE GOODS MATERIALS	91.5	63.6	78.4	78.5	79.2	78.8	79.2	78.8	79.3	79.4	77.3	74.7	72.1	69.0	65.5
METAL MATERIALS	98.3	68.6	81.9	83.2	83.9	79.9	80.3	78.7	79.5	83.0	79.1	73.9	70.8	65.3	
NONDURABLE GOODS MATERIALS	94.5	67.2	87.3	86.8	85.4	85.9	85.6	84.3	83.9	83.0	82.9	80.3	77.5	73.8	70.3
TEX., PAPER, & CHEM. MAT.	95.1	65.3	86.7	86.3	85.0	85.5	85.4	83.5	83.2	82.3	82.1	79.1	76.1	71.6	68.2
TEXTILE MATERIALS	92.6	57.9	82.0	82.2	81.5	81.9	81.7	80.5	82.0	82.3	81.3	78.8	75.7	71.9	
PAPER MATERIALS	99.4	72.4	94.5	94.5	95.3	94.9	93.9	93.0	92.9	93.6	95.7	92.1	91.9	87.8	
CHEMICAL MATERIALS	95.5	64.2	86.0	85.3	83.4	84.1	84.3	82.0	81.2	79.7	79.2	76.2	72.7	67.9	
ENERGY MATERIALS	94.6	84.8	84.9	85.8	85.2	79.9	79.7	83.7	86.2	85.6	83.0	82.5	82.5	81.5	81.6
SERIES	OUTPUT					CAPACITY					UTILIZATION				
	1980 IV	1981 I	II	III	IV	1980 IV	1981 I	II	III	IV	1980 IV	1981 I	II	III	IV
MATERIALS, TOTAL	149.4	154.2	153.4	154.3	144.1	186.4	187.6	189.0	190.3	191.5	80.1	82.2	81.2	81.1	75.3
DURABLE GOODS MATERIALS	144.3	150.9	152.3	152.8	140.4	190.6	191.8	192.9	194.2	195.3	75.7	78.7	78.9	78.7	71.9
METAL MATERIALS	109.4	117.5	112.8	114.2	99.5	141.3	141.5	141.7	141.9	142.1	77.4	83.0	79.6	80.5	
NONDURABLE GOODS MATERIALS	176.3	179.2	178.4	175.8	164.4	205.3	207.3	209.2	211.2	213.1	85.9	86.5	85.3	83.3	77.2
TEX., PAPER, & CHEM. MAT.	183.7	186.7	185.9	182.8	169.1	214.9	217.1	219.4	221.7	223.9	85.5	86.0	84.8	82.5	75.6
TEXTILE MATERIALS	113.7	114.8	114.5	115.5	106.9	139.7	140.1	140.6	141.0	141.6	81.4	81.9	81.4	81.8	
PAPER MATERIALS	149.7	151.4	151.0	152.2	147.5	158.5	159.7	160.7	161.9	162.8	94.5	94.8	93.9	94.1	
CHEMICAL MATERIALS	228.2	232.7	231.6	224.9	205.4	270.5	274.1	277.5	281.0	284.4	84.3	84.9	83.5	80.0	
ENERGY MATERIALS	128.2	130.9	125.1	131.6	128.0	152.8	153.5	154.3	155.0	155.8	83.9	85.3	81.1	84.9	82.2

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