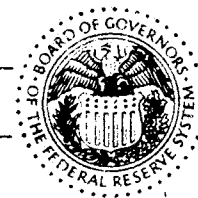


# FEDERAL RESERVE



G.3 (402)

For immediate release  
March 16, 1983

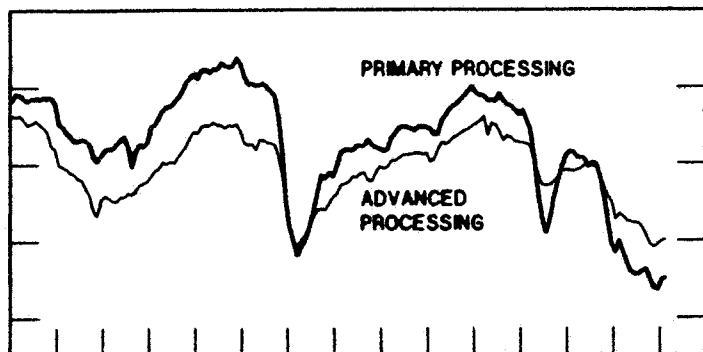
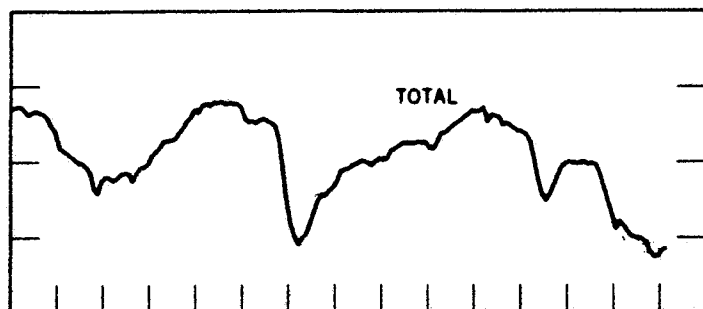
## CAPACITY UTILIZATION: MANUFACTURING AND MATERIALS February 1983

Capacity utilization in manufacturing increased 0.2 percentage point in February, following a more sizable January gain. Since year-end manufacturing utilization has risen about 1.0 percentage point, to a February rate of 68.5 percent. Producers of industrial materials operated at 66.9 percent of capacity in February--up 0.3 of a percentage point from January and about 1.7 percentage points above their operating rate in December.

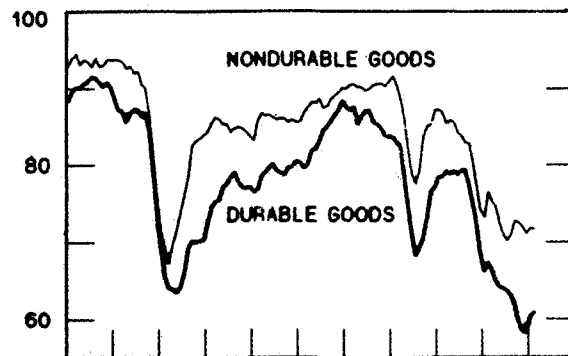
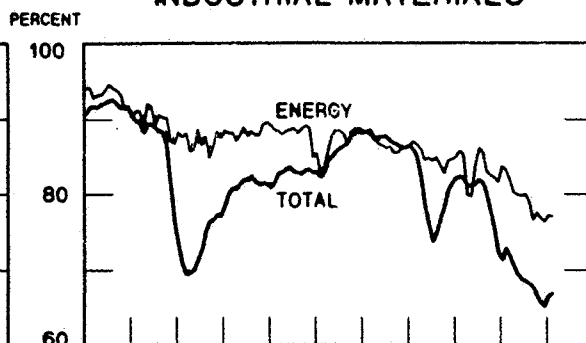
Within manufacturing, producers of primary metals and motor vehicles and parts have posted sharp increases in operating rates in recent months. In contrast, rates have continued to decline for petroleum refining and for some capital goods producing industries--nonelectrical machinery and aerospace and miscellaneous transportation equipment.

Largely as a result of the strong advances in metals production, the operating rate for producers of durable goods materials rose 0.6 of a percentage point in February to 60.9 percent, following an increase of 2.1 percentage points in January. The operating rates for nondurable goods materials production and for energy materials production were about unchanged in February at 71.7 percent and 77.1 percent, respectively.

### MANUFACTURING



### INDUSTRIAL MATERIALS



# 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
	1973 HIGH	1975 LOW	1982 FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	JAN.	FEB.
MANUFACTURING, TOTAL	88.0	69.0	72.2	71.6	70.8	70.2	70.0	70.0	69.8	69.2	68.0	67.4	67.5	68.3	68.5
PRIMARY PROCESSING	93.8	68.2	70.0	68.6	67.2	66.1	65.7	65.7	66.1	66.4	65.0	63.9	63.7	65.0	65.2
ADVANCED PROCESSING	85.5	69.4	73.6	73.2	72.6	72.5	72.3	72.3	71.7	70.7	69.6	69.2	69.6	70.0	70.2
SERIES	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	134.5	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	66.2
ADVANCED PROCESSING	145.8	141.6	141.2	140.5	137.3	192.0	193.5	194.9	196.2	197.6	75.9	73.2	72.5	71.6	69.5

## Industrial Materials

SERIES	MONTHLY CAPACITY UTILIZATION														1983
	1973 HIGH	1975 LOW	1982 FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	JAN.	FEB.
MATERIALS, TOTAL	92.6	69.4	72.9	71.8	70.5	69.4	68.8	68.5	68.2	67.7	66.6	65.7	65.2	66.6	66.9
DURABLE GOODS MATERIALS	91.5	63.6	67.4	66.4	65.0	64.2	64.0	63.7	63.1	61.9	59.6	58.4	58.2	60.3	60.9
METAL MATERIALS	98.3	68.6	64.7	61.1	56.2	53.9	52.2	50.7	51.2	51.9	48.6	45.5	45.6	51.0	52.4
NONDURABLE GOODS MATERIALS	94.5	67.2	76.5	75.3	74.4	72.5	70.9	70.2	71.0	72.8	72.5	71.9	71.1	71.8	71.7
TEX., PAPER, & CHEM. MAT.	95.1	65.3	74.4	73.7	72.5	70.6	68.8	68.0	68.9	70.7	70.3	69.9	69.5	69.9	69.9
TEXTILE MATERIALS	92.6	57.9	71.9	73.5	73.4	71.5	69.6	69.8	72.3	72.3	73.0	71.6	71.3	70.2	70.7
PAPER MATERIALS	99.4	72.4	90.7	89.4	87.4	86.1	85.3	86.0	88.6	89.8	89.7	90.0	86.9	88.4	88.0
CHEMICAL MATERIALS	95.5	64.2	71.3	70.2	69.0	66.9	65.0	63.7	63.9	66.2	65.4	65.1	65.3	65.7	65.7
ENERGY MATERIALS	94.6	84.8	83.2	81.8	80.2	79.9	79.8	80.0	79.0	76.6	77.6	76.8	76.4	77.2	77.1
SERIES	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	117.0	195.3	196.4	197.3	198.3	199.2	71.8	66.7	64.4	62.9	58.8
METAL MATERIALS	99.5	90.9	77.0	73.0	66.3	142.1	142.3	142.4	142.3	142.4	70.1	63.9	54.1	51.3	46.6
NONDURABLE GOODS MATERIALS	164.5	161.0	156.8	155.1	157.1	213.1	214.6	216.1	217.4	218.9	77.2	75.0	72.6	71.3	71.8
TEX., PAPER, & CHEM. MAT.	169.4	164.5	160.5	158.4	161.0	223.9	225.6	227.3	228.8	230.5	75.7	72.9	70.6	69.2	69.9
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	72.0
PAPER MATERIALS	147.0	146.1	142.0	145.9	147.4	162.8	163.8	164.6	165.4	166.3	90.3	89.2	86.3	88.2	88.9
CHEMICAL MATERIALS	206.2	200.0	194.0	188.5	192.1	284.4	287.3	289.6	291.9	294.3	72.5	69.6	67.0	64.6	65.3
ENERGY MATERIALS	127.9	129.8	125.5	123.8	121.7	155.8	156.5	157.0	157.6	158.2	82.1	82.9	79.9	78.5	76.9

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