

FEDERAL RESERVE statistical release



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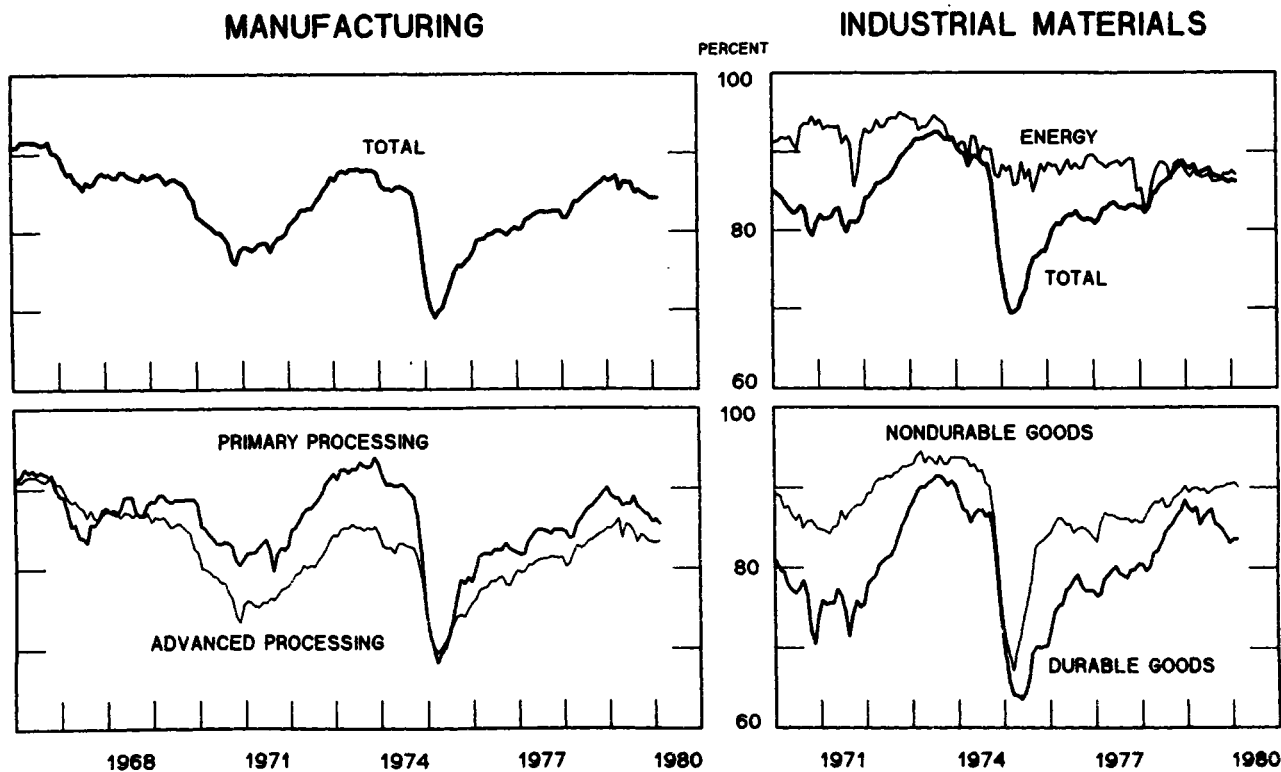
For immediate release
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CAPACITY UTILIZATION: MANUFACTURING AND MATERIALS February 1980

Manufacturers operated at 84.2 percent of capacity in February, the same as in the preceding two months and 2-1/2 percentage points below the rate a year earlier. Producers of industrial materials operated at 86.1 percent of capacity last month, down 0.2 of a percentage point from the rate in January and 1.7 percentage points from a year earlier.

Within manufacturing, the utilization rate for primary processing industries declined 0.6 of a percentage point in February, and the rate for advanced processing industries rose 0.2 percentage point. The increase in the operating rate for advanced processing industries was accounted for by a partial rebound in the rate for the motor vehicles and parts industry. Operating rates for most other manufacturing industries either declined or changed little in February.

There were widespread declines in the utilization rates for producers of industrial materials. The operating rate for producers of durable goods materials remained at 83.6 percent in February due to a further decline in the output of steel and an increase in the output of parts used to produce consumer durable goods such as automobiles. The rates for nondurable goods materials and energy materials declined by about 0.5 percentage point to 90.0 percent and 87.0 percent of capacity, respectively.



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														
	1973 HIGH	1975 LOW	1979 FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	1980 JAN.	FEB.
MANUFACTURING, TOTAL	88.0	69.0	86.7	87.1	85.3	86.3	86.2	86.1	84.9	85.3	84.9	84.6	84.2	84.2	84.2
PRIMARY PROCESSING	93.8	68.2	88.6	88.6	87.8	88.0	87.9	88.9	87.7	87.3	86.8	86.7	85.9	86.1	85.5
ADVANCED PROCESSING	85.5	69.4	85.5	86.2	83.8	85.5	85.2	84.6	83.3	84.2	83.9	83.4	83.2	83.2	83.4
	OUTPUT						CAPACITY				UTILIZATION				
	1978 IV	1979 I	1979 II	1979 III	1979 IV	1978 IV	1979 I	1979 II	1979 III	1979 IV	1978 IV	1979 I	1979 II	1979 III	1979 IV
MANUFACTURING, TOTAL	151.7	153.4	153.1	153.3	152.9	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	161.8	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	148.1	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														
	1973 HIGH	1975 LOW	1979 FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	1980 JAN.	FEB.
MATERIALS, TOTAL	92.6	69.4	87.8	88.3	87.0	87.4	87.6	87.9	86.9	86.8	86.6	86.4	86.0	86.3	86.1
DURABLE GOODS MATERIALS	91.5	63.6	87.0	87.5	85.4	86.3	86.9	87.3	85.5	85.2	84.7	83.9	83.1	83.6	83.6
METAL MATERIALS	98.2	68.6	88.2	90.6	88.2	87.0	90.4	92.4	89.8	88.4	85.1	84.7	84.2	83.2	
NONDURABLE GOODS MATERIALS	94.5	67.2	89.9	90.0	89.6	89.8	89.2	89.6	90.0	90.1	90.1	90.4	90.5	90.6	90.0
TEX., PAPER, & CHEM. MAT.	95.1	65.3	90.1	90.0	90.0	90.2	89.9	90.2	90.7	91.1	91.0	91.0	91.3	91.0	90.4
TEXTILE MATERIALS	92.6	57.9	85.8	86.8	85.3	86.5	89.4	88.8	87.5	90.3	90.0	89.2	89.5	88.8	
PAPER MATERIALS	99.4	72.4	92.5	93.9	94.3	93.6	94.1	97.3	97.4	98.1	98.2	97.9	97.5	96.0	
CHEMICAL MATERIALS	95.5	64.2	90.6	89.8	90.1	90.2	89.1	88.8	89.8	89.7	89.5	89.8	90.3	90.3	
ENERGY MATERIALS	94.6	84.8	86.7	87.5	87.2	86.6	86.8	87.1	86.1	86.2	86.3	87.2	87.0	87.5	87.0
	OUTPUT						CAPACITY				UTILIZATION				
	1978 IV	1979 I	1979 II	1979 III	1979 IV	1978 IV	1979 I	1979 II	1979 III	1979 IV	1978 IV	1979 I	1979 II	1979 III	1979 IV
MATERIALS, TOTAL	154.6	155.5	155.6	156.6	156.3	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	156.1	180.1	181.5	183.0	184.5	186.0	87.4	87.3	86.2	86.0	83.9
METAL MATERIALS	132.2	124.7	124.3	126.9	119.5	139.6	139.8	140.3	140.7	141.1	94.7	89.2	88.5	90.2	84.7
NONDURABLE GOODS MATERIALS	170.3	172.2	173.4	175.7	178.2	190.2	191.7	193.5	195.3	197.3	89.6	89.8	89.6	89.9	90.3
TEX., PAPER, & CHEM. MAT.	177.1	179.1	181.3	184.3	187.0	197.9	199.4	201.3	203.2	205.3	89.5	89.8	90.0	90.7	91.1
TEXTILE MATERIALS	119.5	118.2	119.6	122.4	123.7	136.6	136.9	137.3	137.7	138.1	87.5	86.3	87.1	88.9	89.6
PAPER MATERIALS	138.1	136.9	140.7	147.0	148.4	147.8	148.6	149.6	150.6	151.6	93.5	92.1	94.0	97.6	97.9
CHEMICAL MATERIALS	218.0	222.7	224.8	226.6	230.4	244.6	247.2	250.3	253.3	256.3	89.1	90.1	89.8	89.5	89.9
ENERGY MATERIALS	128.9	127.9	128.1	128.3	129.5	145.7	146.7	147.5	148.3	149.2	88.5	87.1	86.9	86.5	86.8

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 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