

# FEDERAL RESERVE statistical release



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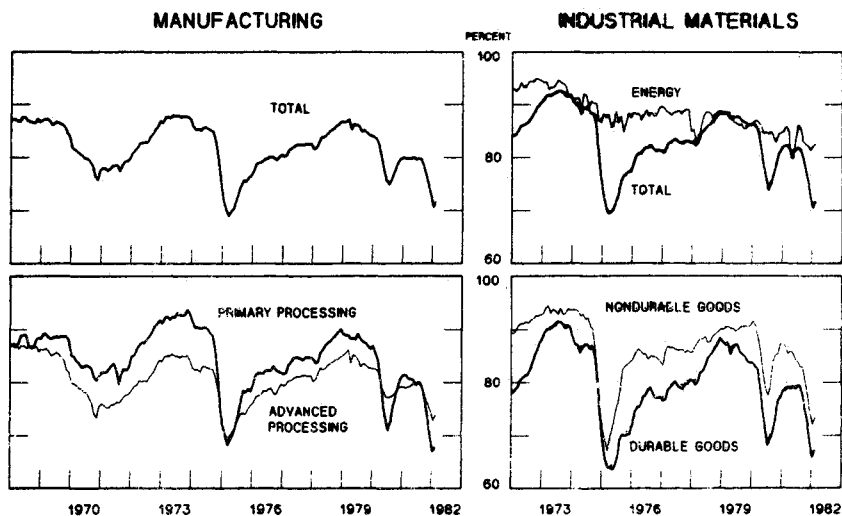
For immediate release  
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## CAPACITY UTILIZATION: MANUFACTURING AND MATERIALS February 1982

Capacity utilization rates for manufacturing and for industrial materials production rose in February, as industrial activity increased from its low level in January that was induced in part by unusually severe weather. The operating rates for both manufacturing and materials producers increased 1.2 percentage points in February to 71.8 percent and 71.7 percent, respectively.

Within manufacturing, the rate for the advanced processing industries increased 1.2 percentage points in February to 73.9 percent, and the rate for the primary processing industries rose 0.9 of a percentage point to 67.9 percent. The utilization rate for motor vehicles and parts production remained under 50 percent despite a 3-1/2 percentage point gain. Operating rates also increased substantially for producers of textiles, and more moderately for producers of paper, chemicals, rubber and plastics, fabricated metals, nonelectrical machinery, electrical machinery, aerospace and miscellaneous transportation equipment, instruments, and stone, clay, and glass products. Production in the primary metals industry continued to weaken in February, as operating rates declined for producers of iron and steel, and of nonferrous metals. The operating rate for producers of petroleum products fell below 70 percent-- its lowest monthly level since the series began in 1948.

Capacity utilization for producers of durable goods materials increased 1.3 percentage points in February to 67.2 percent; utilization rates for producers of metals declined further while they increased for producers of parts for consumer durable goods and equipment. The operating rate for the production of nondurable goods materials rose 1.4 percentage points to 73.4 percent, reflecting sizable increases in production of textile, paper, and chemical materials and of containers. Energy materials producers operated at 82.5 percent of their capacity in February, up 0.5 of a percentage point from the January rate.



# 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	
	1973 HIGH	1975 LOW	1981 FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	JAN.	FEB.	
MANUFACTURING, TOTAL	88.0	69.0	79.8	79.8	79.8	80.0	79.6	79.8	79.6	78.3	76.6	74.8	72.9	70.6	71.8	
PRIMARY PROCESSING	93.8	68.2	81.5	80.8	80.7	80.6	79.5	80.1	79.9	78.2	75.7	72.7	69.6	67.0	67.9	
ADVANCED PROCESSING	85.5	69.4	79.0	79.2	79.4	79.8	79.7	79.8	79.4	78.3	77.0	75.8	74.7	72.7	73.9	
	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	144.9	187.9	189.4	190.9	192.4	193.9	79.1	79.9	79.8	79.3	74.7	
PRIMARY PROCESSING	152.7	157.5	156.5	155.8	143.5	192.5	193.8	195.0	196.3	197.5	79.3	81.3	80.3	79.4	72.7	
ADVANCED PROCESSING	146.2	148.1	150.2	150.7	145.6	185.5	187.1	188.7	190.4	192.0	78.8	79.1	79.6	79.2	75.9	

## Industrial Materials

SERIES	MONTHLY CAPACITY UTILIZATION														1982	
	1973 HIGH	1975 LOW	1981 FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	JAN.	FEB.	
MATERIALS, TOTAL	92.6	69.4	82.3	82.1	81.1	81.1	81.3	81.9	81.6	80.0	77.7	75.5	72.5	70.5	71.7	
DURABLE GOODS MATERIALS	91.5	63.6	78.5	79.2	78.8	79.2	78.8	79.3	79.4	77.3	74.7	72.2	68.5	65.9	67.2	
METAL MATERIALS	98.3	68.6	83.2	83.9	79.9	80.3	78.7	79.5	83.0	79.1	73.9	70.8	65.3	63.9		
NONDURABLE GOODS MATERIALS	94.5	67.2	86.8	85.4	85.9	85.6	84.3	83.9	83.0	82.9	80.3	77.3	74.3	72.0	73.4	
TEX., PAPER, & CHEM. MAT.	95.1	65.3	86.3	85.0	85.5	85.4	83.5	83.2	82.3	82.1	79.1	75.9	72.5	69.7	71.1	
TEXTILE MATERIALS	92.6	57.9	82.2	81.5	81.9	81.7	80.5	82.0	82.3	84.3	78.8	75.5	72.0	68.8		
PAPER MATERIALS	99.4	72.4	94.5	95.3	94.9	93.9	93.0	92.9	93.6	95.7	92.1	92.3	88.6	88.5		
CHEMICAL MATERIALS	95.5	64.2	85.3	83.4	84.1	84.3	82.0	81.2	79.7	79.2	76.2	72.4	69.0	65.8		
ENERGY MATERIALS	94.6	84.8	85.8	85.2	79.9	79.7	83.7	86.2	85.6	83.0	82.5	82.2	81.3	82.0	82.5	
	OUTPUT					CAPACITY					UTILIZATION					
	1980 IV	1981 I	1981 II	1981 III	1981 IV	1980 IV	1981 I	1981 II	1981 III	1981 IV	1980 IV	1981 I	1981 II	1981 III	1981 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	81.4	75.2	
DURABLE GOODS MATERIALS	144.3	150.9	152.3	152.8	140.2	190.6	191.8	192.9	194.2	195.3	75.7	78.7	78.9	78.7	71.8	
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	70.0	
NONDURABLE GOODS MATERIALS	176.3	179.2	178.4	175.8	164.7	205.3	207.3	209.2	211.2	213.1	85.9	86.5	85.3	83.3	77.3	
TEX., PAPER, & CHEM. MAT.	183.7	186.7	185.9	182.8	169.7	214.9	217.1	219.4	221.7	223.9	85.5	86.0	84.8	82.5	75.8	
TEXTILE MATERIALS	113.7	114.8	114.5	115.5	106.8	139.7	140.1	140.6	141.0	141.6	81.4	81.9	81.4	81.8	75.4	
PAPER MATERIALS	149.7	151.4	151.0	152.2	148.1	158.5	159.7	160.7	161.9	162.8	94.5	94.8	93.9	94.1	91.0	
CHEMICAL MATERIALS	228.2	232.7	231.6	224.9	206.2	270.5	274.1	277.5	281.0	284.4	84.3	84.9	83.5	80.0	72.5	
ENERGY MATERIALS	128.2	130.9	125.1	131.6	127.8	152.8	153.5	154.3	155.0	155.8	83.9	85.3	81.1	84.9	82.0	

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