

# FEDERAL RESERVE statistical release



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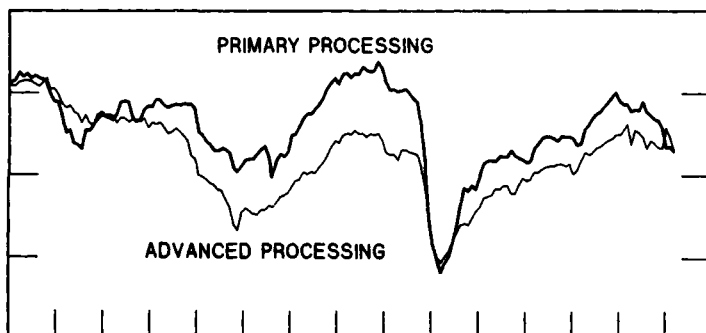
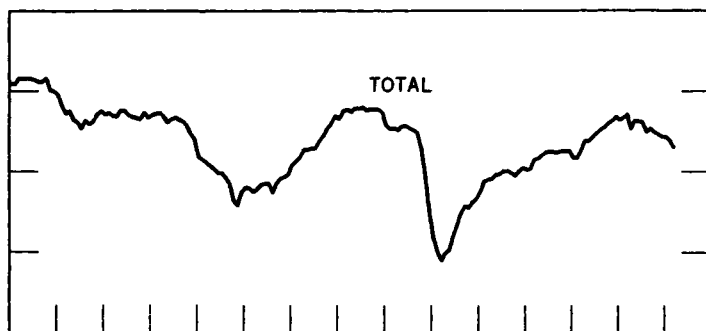
## CAPACITY UTILIZATION: MANUFACTURING AND MATERIALS March 1980

Manufacturers operated at 83.0 percent of capacity in March, 0.9 of a percentage point lower than in the preceding month and 4.1 percentage points below a year earlier. The utilization rate for industrial materials was 84.4 percent in March, down 0.8 of a percentage point from February and 3.9 percentage points from a year earlier. In the first quarter of 1980 the manufacturing and the materials utilization rates were respectively 3.0 and 2.8 percentage points lower than in the first quarter of 1979.

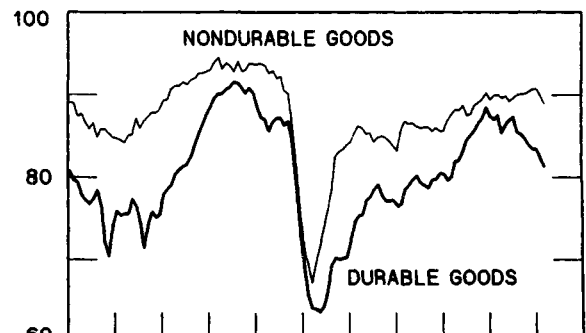
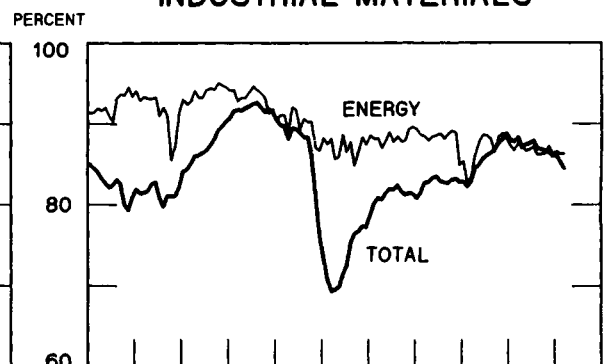
Within manufacturing, the utilization rate for primary processing industries fell 1.5 percentage points, and the rate for advanced processing industries fell 0.6 percentage point, with widespread declines in both groups of industries.

Producers of durable goods materials operated at 81.3 percent of capacity in March, down 1.1 percentage points from the previous month and 6.2 percentage points from a year earlier. The rate of utilization for metals materials has fallen by approximately 11 percentage points over the past year. The utilization rate for nondurable goods materials, which until recently had held fairly steady at a relatively high level, declined 0.9 of a percentage point in March to 88.9 percent; the decline in this rate since the end of 1979 mainly reflects drops in utilization rates for paper and textile materials.

### 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												1980		
	1973 HIGH	1975 LOW	1979 MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.
MANUFACTURING, TOTAL	88.0	69.0	87.1	85.3	86.3	86.2	86.1	84.9	85.3	84.9	84.6	84.3	84.3	83.9	83.0
PRIMARY PROCESSING	93.8	68.2	88.6	87.8	88.0	87.9	88.9	87.7	87.3	86.8	86.7	95.8	85.8	84.6	83.1
ADVANCED PROCESSING	85.5	69.4	86.2	83.8	85.5	85.2	84.6	83.3	84.2	83.9	83.4	83.3	83.4	83.5	81.9

SERIES	OUTPUT				CAPACITY				UTILIZATION				1980		
	1979 I	II	III	IV	1980 I	1979 I	II	III	IV	1980 I	1979 I	II		III	IV
MANUFACTURING, TOTAL	153.4	153.1	153.3	153.0	152.6	176.9	178.2	179.5	180.8	182.3	86.7	85.9	85.4	84.6	83.7
PRIMARY PROCESSING	162.1	161.9	163.4	161.8	159.5	182.7	184.2	185.7	187.2	188.7	88.7	87.9	88.0	86.4	84.5
ADVANCED PROCESSING	148.7	148.5	148.1	148.2	148.9	173.8	175.0	176.2	177.4	178.8	85.6	84.8	84.0	83.6	83.3

## Industrial Materials

SERIES	MONTHLY CAPACITY UTILIZATION												1980		
	1973 HIGH	1975 LOW	1979 MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.
MATERIALS, TOTAL	92.6	69.4	88.3	87.0	87.4	87.6	87.9	86.9	86.8	86.6	86.4	86.0	86.0	85.2	84.4
DURABLE GOODS MATERIALS	91.5	63.6	87.5	85.4	86.3	86.9	87.3	85.5	85.2	84.7	83.9	83.4	83.4	82.4	81.3
METAL MATERIALS	98.2	68.6	90.6	88.2	87.0	90.4	92.4	89.8	88.4	85.1	84.7	84.2	83.0	80.9	
NONDURABLE GOODS MATERIALS	94.5	67.2	90.0	89.6	89.8	89.2	89.6	90.0	90.1	90.1	90.4	90.7	90.7	89.8	88.9
TEX., PAPER, & CHEM. MAT.	95.1	65.3	90.0	90.0	90.2	89.9	90.2	90.7	91.1	91.0	91.0	91.1	90.9	89.8	89.2
TEXTILE MATERIALS	92.6	57.9	86.8	85.3	86.5	89.4	88.8	87.5	90.3	90.0	89.2	89.5	88.8	89.5	
PAPER MATERIALS	99.4	72.4	93.9	94.3	93.6	94.1	97.3	97.4	98.1	98.2	97.9	97.5	95.7	92.7	
CHEMICAL MATERIALS	95.5	64.2	89.8	90.1	90.2	89.1	88.8	89.8	89.7	89.5	89.8	90.1	90.3	89.2	
ENERGY MATERIALS	94.6	84.8	87.5	87.2	86.6	86.8	87.1	86.1	86.2	86.3	87.2	86.2	86.5	86.2	86.3

SERIES	OUTPUT				CAPACITY				UTILIZATION				1980		
	1979 I	II	III	IV	1980 I	1979 I	II	III	IV	1980 I	1979 I	II		III	IV
MATERIALS, TOTAL	155.5	155.6	156.6	156.3	155.6	176.7	178.1	179.5	181.0	182.5	88.0	87.3	87.2	86.3	85.2
DURABLE GOODS MATERIALS	158.4	157.7	158.7	156.3	154.5	181.5	183.0	184.5	186.0	187.7	87.3	86.2	86.0	84.0	82.3
METAL MATERIALS	124.7	124.3	126.9	119.5		139.8	140.3	140.7	141.1		89.2	88.5	90.2	84.7	
NONDURABLE GOODS MATERIALS	172.2	173.4	175.7	178.3	178.9	191.7	193.5	195.3	197.3	199.1	89.8	89.6	89.9	90.4	89.8
TEX., PAPER, & CHEM. MAT.	179.1	181.3	184.3	186.9	186.5	199.4	201.3	203.2	205.3	207.3	89.8	90.0	90.7	91.0	90.9
TEXTILE MATERIALS	118.2	119.6	122.4	123.7		136.9	137.3	137.7	138.1		86.3	87.1	98.9	89.6	
PAPER MATERIALS	136.9	140.7	147.0	148.4		148.6	149.6	150.6	151.6		92.1	94.0	97.6	97.9	
CHEMICAL MATERIALS	222.7	224.8	226.6	230.2		247.2	250.3	253.3	256.3		90.1	89.8	89.5	89.8	
ENERGY MATERIALS	127.9	128.1	128.3	129.1	129.3	146.7	147.5	148.3	149.2	149.8	87.1	86.9	86.5	86.6	86.3

**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