

# FEDERAL RESERVE statistical release



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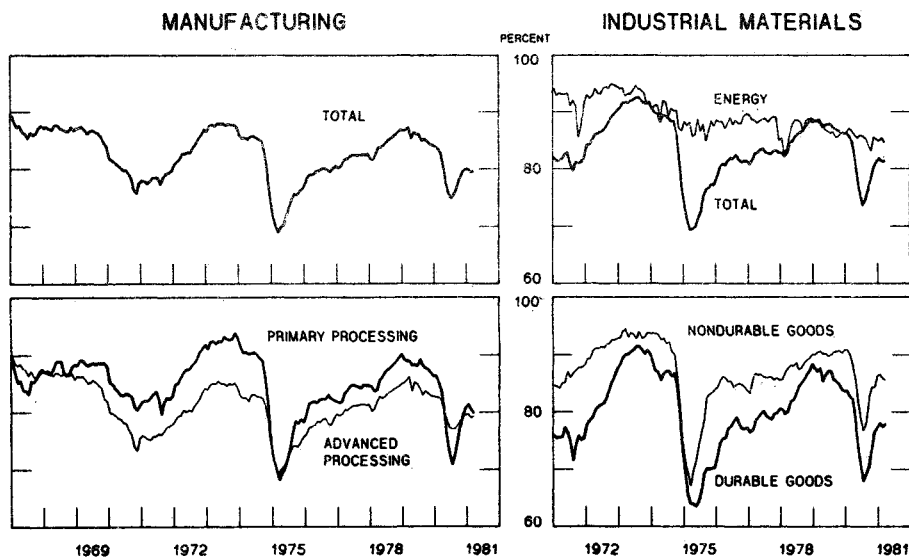
## CAPACITY UTILIZATION: MANUFACTURING AND MATERIALS March 1981

Capacity utilization in manufacturing rose slightly in March, by 0.1 of a percentage point to 79.5 percent. The operating rate for producers of industrial materials was unchanged from February at 81.3 percent. Within manufacturing, the operating rate for primary processing industries declined 0.6 of a percentage point in March to 79.8 percent, while the rate for advanced processing industries increased 0.3 of a percentage point to 79.3 percent.

The higher utilization rate for advanced processing industries and the slight increase for total manufacturing mainly reflect a sizable increase, about 4.4 percentage points, in the operating rate for the motor vehicles and parts industry as output of cars and trucks rose 12.5 percent further from the depressed rate early in the year.

The utilization rate for the petroleum products industry fell substantially in March, reflecting the recent weakness in gasoline and fuel oil markets. Operating rates declined moderately for producers of food, chemicals, paper and products, aerospace and miscellaneous transportation equipment, instruments, and stone, clay, and glass. Utilization rates rose somewhat for the rubber and plastics, iron and steel, and fabricated metal products industries.

Producers of durable goods materials utilized 77.9 percent of their capacity in March, up 0.5 of a percentage point from February, as output of some metals and consumer durable goods parts rose. In contrast, the rate for producers of nondurable goods materials declined 0.3 of a percentage point to 85.6 percent, with declines widespread. Energy materials utilization dropped 0.9 of a percentage point to 84.4 percent, largely as a result of strike-related decreases in coal output.



# 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												1981		
	1973 HIGH	1975 LOW	1980 MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.
MANUFACTURING, TOTAL	88.0	69.0	82.8	80.3	77.6	75.7	74.9	75.5	76.7	78.2	79.4	79.9	80.0	79.4	79.5
PRIMARY PROCESSING	93.8	68.2	83.8	80.5	75.8	72.7	70.9	72.5	75.2	77.6	79.6	80.8	81.3	80.4	79.8
ADVANCED PROCESSING	85.5	69.4	82.2	80.1	78.6	77.4	77.1	77.1	77.7	78.5	79.2	79.6	79.6	79.0	79.3
SERIES	OUTPUT				CAPACITY				1981				1980		
	1980 I	II	III	IV	1981 I	1980 I	II	III	IV	1981 I	1980 I	II	III	IV	1981 I
MANUFACTURING, TOTAL	152.8	143.9	141.0	148.7	150.8	183.3	184.8	186.3	187.8	189.3	83.4	77.9	75.7	79.2	79.7
PRIMARY PROCESSING	160.5	145.0	139.6	153.1	156.4	188.5	190.0	191.5	193.0	194.3	85.1	76.3	72.9	79.4	80.5
ADVANCED PROCESSING	148.8	143.3	141.8	146.8	148.0	180.5	182.0	183.5	185.0	186.6	82.5	78.7	77.3	79.1	79.3

## Industrial Materials

SERIES	MONTHLY CAPACITY UTILIZATION												1981		
	1973 HIGH	1975 LOW	1980 MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.
MATERIALS, TOTAL	92.6	69.4	84.7	82.1	78.3	75.7	73.7	74.6	76.4	78.4	80.4	81.3	81.8	81.3	81.3
DURABLE GOODS MATERIALS	91.5	63.6	82.2	78.8	74.1	70.8	68.0	69.1	70.4	73.5	76.5	77.3	78.1	77.4	77.9
METAL MATERIALS	98.3	68.6	83.6	77.2	70.0	67.0	58.4	62.2	63.9	71.5	81.4	81.0	82.3	82.5	
NONDURABLE GOODS MATERIALS	94.5	67.2	88.3	86.1	81.8	78.7	76.8	78.2	82.7	84.4	84.3	86.3	86.6	85.9	85.6
TEX., PAPER, & CHEM. MAT.	95.1	65.3	88.5	86.0	81.3	77.1	74.5	76.4	81.6	83.8	83.7	85.9	86.0	85.5	85.0
TEXTILE MATERIALS	92.6	57.9	86.8	84.6	84.5	81.8	82.0	79.5	82.0	82.1	80.7	79.8	79.2	78.9	
PAPER MATERIALS	99.4	72.4	93.0	90.7	90.8	91.6	88.1	90.2	93.9	93.0	94.1	94.2	93.7	93.5	
CHEMICAL MATERIALS	95.5	64.2	87.9	85.2	78.3	72.7	69.6	72.5	78.7	82.1	82.0	85.4	85.8	85.1	
ENERGY MATERIALS	94.6	84.8	86.5	85.8	85.3	85.8	85.6	85.2	84.1	83.1	85.5	85.0	84.8	85.3	84.4
SERIES	OUTPUT				CAPACITY				1981				1980		
	1980 I	II	III	IV	1981 I	1980 I	II	III	IV	1981 I	1980 I	II	III	IV	1981 I
MATERIALS, TOTAL	156.3	145.1	139.2	149.8	153.7	182.8	184.3	185.8	187.2	188.7	85.5	78.7	74.9	80.0	81.5
DURABLE GOODS MATERIALS	155.0	140.6	131.5	145.1	150.0	187.2	188.6	190.0	191.5	192.8	82.8	74.6	69.2	75.8	77.8
METAL MATERIALS	117.1	100.6	86.6	109.9		140.7	140.8	140.9	141.0		83.2	71.4	61.5	78.0	
NONDURABLE GOODS MATERIALS	179.3	166.0	161.9	175.5	179.4	199.8	202.0	204.3	206.5	208.5	89.7	82.2	79.2	85.0	86.0
TEX., PAPER, & CHEM. MAT.	187.5	171.9	165.6	182.7	186.9	208.3	211.0	213.7	216.2	218.5	90.0	81.5	77.5	84.5	85.5
TEXTILE MATERIALS	120.6	116.4	113.4	113.2		138.8	139.2	139.6	140.0		86.9	83.7	81.2	80.9	
PAPER MATERIALS	146.1	142.1	142.9	148.9		154.7	156.0	157.4	158.8		94.5	91.0	90.7	93.8	
CHEMICAL MATERIALS	233.6	208.3	197.9	226.9		260.4	264.6	268.7	272.9		89.7	78.7	73.6	83.2	
ENERGY MATERIALS	130.8	130.0	129.6	129.5	130.7	151.1	151.8	152.6	153.1	154.1	86.6	85.6	85.0	84.6	84.8

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 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