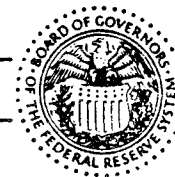


# FEDERAL RESERVE statistical release



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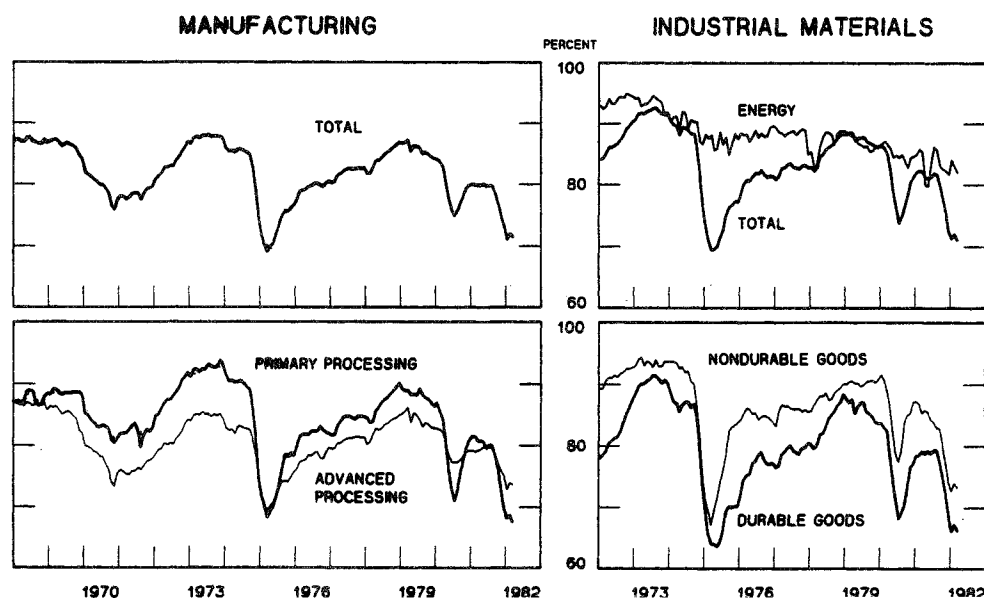
For immediate release  
April 16, 1982

## CAPACITY UTILIZATION: MANUFACTURING AND MATERIALS March 1982

Capacity utilization in manufacturing declined 0.6 of a percentage point in March to 71.4 percent, following an increase of 1.0 percentage point in February when production by manufacturers rebounded from the sharp, partially weather-related drop the preceding month. The operating rate for producers of industrial materials fell 1.0 percentage point to 71.0 percent in March, after rising 0.7 of a percentage point in February. Despite its decline in March, the manufacturing operating rate remained somewhat above its January low of 71.0 percent, but the March rate for materials was lower than it has been since May 1975.

Within manufacturing, declines in utilization rates were widespread. The rate for the advanced processing industries decreased 0.3 of a percentage point to 73.6 percent, and the rate for the primary processing industries dropped 1.1 percentage points to 67.5 percent. Operating rates declined substantially for producers of primary metals, aerospace and miscellaneous transportation equipment, nonelectrical machinery, and instruments. Capacity utilization rates rose in March for producers of petroleum products and of motor vehicles and parts, although both of those industries still were operating at sharply curtailed levels.

The utilization rate for producers of durable goods materials dropped 1.0 percentage point in March to 66.2 percent, reflecting sizable declines in the output of basic metals and the production of parts for equipment. Producers of nondurable goods materials utilized 73.2 percent of their capacity in March, down 0.8 of a percentage point from the February rate; this cutback was associated with reductions in textile and chemical materials production. The operating rate for energy materials producers dropped 0.9 of a percentage point in March to 81.9 percent, as crude petroleum extraction was curtailed.



# 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	1981 MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	1982 JAN.	FEB.	MAR.
MANUFACTURING, TOTAL	88.0	69.0	79.8	79.8	80.0	79.6	79.8	79.6	78.3	76.6	74.8	73.1	71.0	72.0	71.4
PRIMARY PROCESSING	93.8	68.2	80.8	80.7	80.6	79.5	80.1	79.9	78.2	75.7	72.7	69.6	68.1	68.6	67.5
ADVANCED PROCESSING	85.5	69.4	79.2	79.4	79.8	79.7	79.8	79.4	78.3	77.0	75.8	75.0	72.8	73.9	73.6
SERIES	OUTPUT					CAPACITY					UTILIZATION				
	1981 I	II	III	IV	1982 I	1981 I	II	III	IV	1982 I	1981 I	II	III	IV	1982 I
MANUFACTURING, TOTAL	151.3	152.4	152.5	145.0	139.5	189.4	190.9	192.4	193.9	195.2	79.9	79.8	79.3	74.8	71.5
PRIMARY PROCESSING	157.5	156.5	155.8	143.5	135.2	193.8	195.0	196.3	197.5	198.6	81.3	80.3	79.4	72.7	68.1
ADVANCED PROCESSING	148.1	150.2	150.7	145.8	142.1	187.1	188.7	190.4	192.0	193.5	79.1	79.6	79.2	75.9	73.4

## Industrial Materials

SERIES	MONTHLY CAPACITY UTILIZATION														
	1973 HIGH	1975 LOW	1981 MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	1982 JAN.	FEB.	MAR.
MATERIALS, TOTAL	92.6	69.4	82.1	81.1	81.1	81.3	81.9	81.6	80.0	77.7	75.5	72.4	71.3	72.0	71.0
DURABLE GOODS MATERIALS	91.5	63.6	79.2	78.8	79.2	78.8	79.3	79.4	77.3	74.7	72.2	68.5	66.1	67.2	66.2
METAL MATERIALS	98.3	68.6	83.9	79.9	80.3	78.7	79.5	83.0	79.1	73.9	70.8	65.5	65.6	64.8	
NONDURABLE GOODS MATERIALS	94.5	67.2	85.4	85.9	85.6	84.3	83.9	83.0	82.9	80.3	77.3	74.8	72.7	74.0	73.2
TEX., PAPER, & CHEM. MAT.	95.1	65.3	85.0	85.5	85.4	83.5	83.2	82.3	82.1	79.1	75.9	72.2	70.1	71.3	70.8
TEXTILE MATERIALS	92.6	57.9	81.5	81.9	81.7	80.5	82.0	82.3	81.3	78.8	75.5	72.0	68.6	71.7	
PAPER MATERIALS	89.4	72.4	95.3	94.9	93.9	93.0	92.9	93.6	95.7	92.1	92.3	86.5	87.5	87.9	
CHEMICAL MATERIALS	95.5	64.2	83.4	84.1	84.3	82.0	81.2	79.7	79.2	76.2	72.4	69.0	66.6	67.5	
ENERGY MATERIALS	94.6	84.8	85.2	79.9	79.7	83.7	86.2	85.6	83.0	82.5	82.2	81.6	84.0	82.8	81.9
SERIES	OUTPUT					CAPACITY					UTILIZATION				
	1981 I	II	III	IV	1982 I	1981 I	II	III	IV	1982 I	1981 I	II	III	IV	1982 I
MATERIALS, TOTAL	154.2	153.4	154.3	144.0	137.6	187.6	189.0	190.3	191.5	192.6	82.2	81.2	81.1	75.2	71.4
DURABLE GOODS MATERIALS	150.9	152.3	152.8	140.2	130.6	191.8	192.9	194.2	195.3	196.4	78.7	78.9	78.7	71.8	66.5
METAL MATERIALS	117.5	112.8	114.2	99.5		141.5	141.7	141.9	142.1		83.0	79.6	80.5	70.1	
NONDURABLE GOODS MATERIALS	179.2	178.4	175.8	164.5	157.4	207.3	209.2	211.2	213.1	214.6	86.5	85.3	83.3	77.2	73.3
TEX., PAPER, & CHEM. MAT.	186.7	185.9	182.8	169.4	159.6	217.1	219.4	221.7	223.9	225.6	86.0	84.8	82.5	75.7	70.7
TEXTILE MATERIALS	114.8	114.5	115.5	106.8		140.1	140.6	141.0	141.6		81.9	81.4	81.8	75.4	
PAPER MATERIALS	151.4	151.0	152.2	147.0		159.7	160.7	161.9	162.8		94.8	93.9	94.1	90.3	
CHEMICAL MATERIALS	232.7	231.6	224.9	206.2		274.1	277.5	281.0	284.4		84.9	83.5	80.0	72.5	
ENERGY MATERIALS	130.9	125.1	131.6	127.9	129.7	153.5	154.3	155.0	155.8	156.5	85.3	81.1	84.9	82.1	82.9

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