

FEDERAL RESERVE statistical release



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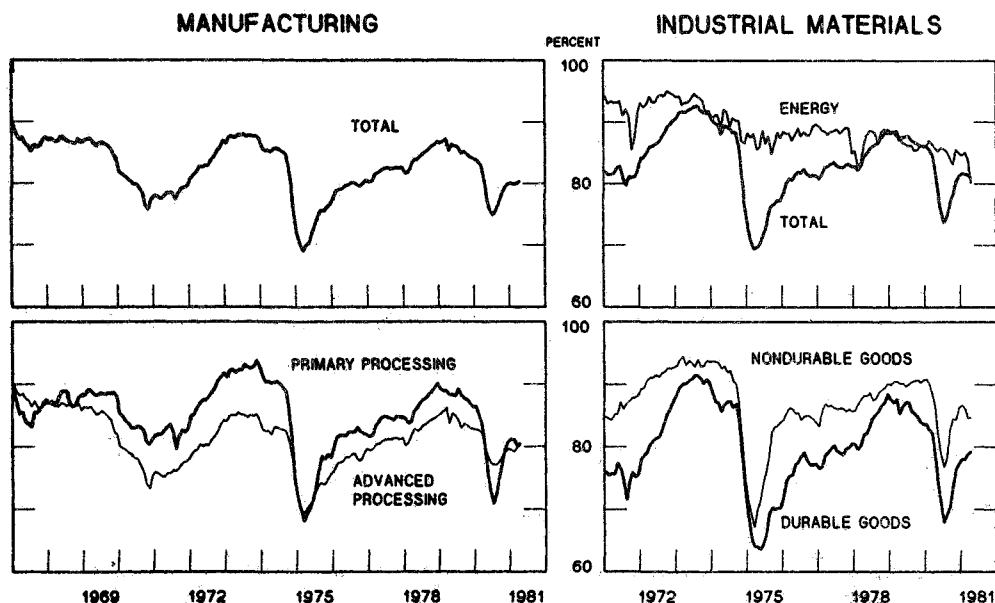
For immediate release
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CAPACITY UTILIZATION: MANUFACTURING AND MATERIALS April 1981

Manufacturers operated at 80.3 percent of capacity in April, up 0.3 percentage point from the March rate. Capacity utilization for both the primary processing and advanced processing industries also rose 0.3 percentage point in April, to 80.5 percent and 80.2 percent, respectively. In contrast, the operating rate for producers of industrial materials dropped 0.4 percentage point in April to 81.0 percent, largely as a result of strike-related cutbacks in coal production.

Within manufacturing, the operating rate for the motor vehicles and parts industry increased sharply, although it remains far below its average over the 1976-79 period. Substantial increases occurred in the utilization rates for the paper and fabricated metal products industries, and there were smaller gains in the operating rates for most other industries. However, operating rates declined substantially in April for the chemicals and petroleum refining industries, and the rate for the instruments and stone, clay, and glass industries decreased slightly. Petroleum refinery utilization has been falling since December 1980 in response to the build-up of gasoline and fuel oil inventories. Utilization rates for the instruments and stone, clay, and glass industries have been dropping since January.

Producers of durable goods materials utilized 79.2 percent of their capacity in April, up 0.4 percentage point, but utilization rates for producers of raw steel declined somewhat. The operating rate for nondurable goods materials producers was unchanged from March at 84.6 percent. Energy materials utilization dropped very sharply--by 3.9 percentage points to 80.1 percent--reflecting the reduction 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 APR. | MAY | JUNE | JULY | AUG. | SEP. | OCT. | NOV. | DEC. | JAN. | FEB. | MAR. | APR. | |
| MANUFACTURING, TOTAL | 88.0 | 69.0 | 80.3 | 77.6 | 75.7 | 74.9 | 75.5 | 76.7 | 78.2 | 79.4 | 79.9 | 80.0 | 79.8 | 80.0 | 80.3 | |
| PRIMARY PROCESSING | 93.8 | 68.2 | 80.5 | 75.8 | 72.7 | 70.9 | 72.5 | 75.2 | 77.6 | 79.6 | 80.8 | 81.2 | 81.1 | 80.2 | 80.5 | |
| ADVANCED PROCESSING | 85.5 | 69.4 | 80.1 | 78.6 | 77.4 | 77.1 | 77.1 | 77.7 | 78.5 | 79.2 | 79.6 | 79.5 | 79.2 | 79.9 | 80.2 | |
| | OUTPUT | | | | CAPACITY | | | | UTILIZATION | | | | | | | |
| | 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 | 151.4 | 183.3 | 184.8 | 186.3 | 187.8 | 189.3 | 83.4 | 77.9 | 75.7 | 79.2 | 79.9 | |
| PRIMARY PROCESSING | 160.5 | 145.0 | 139.6 | 153.1 | 157.0 | 188.5 | 190.0 | 191.5 | 193.0 | 194.3 | 85.1 | 76.3 | 72.9 | 79.4 | 80.8 | |
| ADVANCED PROCESSING | 148.8 | 143.3 | 141.8 | 146.4 | 148.4 | 180.5 | 182.0 | 183.5 | 185.0 | 186.6 | 82.5 | 78.7 | 77.3 | 79.1 | 79.5 | |

Industrial Materials

| SERIES | MONTHLY CAPACITY UTILIZATION | | | | | | | | | | | | | | | | | | | |
|----------------------------|------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|------|------|------|------|---|------|--|--|--|
| | 1973 | 1975 | 1980 | | | | | | | | | 1981 | | | | | | | | |
| | HIGH | LOW | APR. | MAY | JUNE | JULY | AUG. | SEP. | OCT. | NOV. | DEC. | JAN. | FEB. | MAR. | APR. | | | | | |
| MATERIALS, TOTAL | 92.6 | 69.4 | 82.1 | 78.3 | 75.7 | 73.7 | 74.6 | 76.4 | 78.4 | 80.4 | 81.3 | 81.7 | 81.6 | 81.4 | 81.0 | | | | | |
| DURABLE GOODS MATERIALS | 91.5 | 63.6 | 78.8 | 74.1 | 70.8 | 68.0 | 69.1 | 70.4 | 73.5 | 76.5 | 77.3 | 78.0 | 78.0 | 78.8 | 79.2 | | | | | |
| METAL MATERIALS | 98.3 | 68.6 | 77.2 | 70.0 | 67.0 | 58.4 | 62.2 | 63.9 | 71.5 | 81.4 | 81.0 | 82.0 | 83.0 | 84.2 | | | | | | |
| NONDURABLE GOODS MATERIALS | 94.5 | 67.2 | 86.1 | 81.8 | 78.7 | 76.8 | 78.2 | 82.7 | 84.4 | 84.3 | 86.3 | 86.7 | 86.1 | 84.6 | 84.6 | | | | | |
| TEX., PAPER, & CHEM. MAT. | 85.1 | 65.3 | 86.0 | 81.3 | 77.1 | 74.5 | 76.4 | 81.6 | 83.8 | 83.7 | 85.9 | 86.2 | 85.8 | 84.2 | 84.0 | | | | | |
| TEXTILE MATERIALS | 92.6 | 57.9 | 84.6 | 84.5 | 81.8 | 82.0 | 79.5 | 82.0 | 82.1 | 80.7 | 79.8 | 79.8 | 79.2 | 78.6 | | | | | | |
| PAPER MATERIALS | 99.4 | 72.4 | 90.7 | 90.8 | 91.6 | 88.1 | 90.2 | 93.9 | 93.0 | 94.1 | 94.2 | 93.7 | 94.8 | 94.8 | | | | | | |
| CHEMICAL MATERIALS | 95.5 | 64.2 | 85.2 | 78.3 | 72.7 | 69.6 | 72.5 | 78.7 | 82.1 | 82.0 | 85.4 | 85.9 | 85.2 | 83.1 | | | | | | |
| ENERGY MATERIALS | 94.6 | 84.8 | 85.8 | 85.3 | 85.8 | 85.6 | 85.2 | 84.1 | 83.1 | 85.5 | 85.0 | 84.6 | 85.1 | 84.0 | 80.1 | | | | | |
| | OUTPUTCAPACITYUTILIZATION | | | | | | | | | | | | | | | | | | | |
| | 1980 | | | | 1981 | | | | 1981 | | | | 1980 | | | | 1981 | | | |
| | I | II | III | IV | I | I | II | III | IV | I | II | I | II | III | IV | I | | | | |
| MATERIALS, TOTAL | 156.3 | 145.1 | 139.2 | 149.8 | 153.9 | 182.8 | 184.3 | 185.8 | 187.2 | 188.7 | 85.5 | 78.7 | 74.9 | 80.0 | 81.6 | | | | | |
| DURABLE GOODS MATERIALS | 155.0 | 140.6 | 131.5 | 145.1 | 150.9 | 187.2 | 188.6 | 190.0 | 191.5 | 192.8 | 82.8 | 74.6 | 69.2 | 75.8 | 78.3 | | | | | |
| METAL MATERIALS | 117.1 | 100.6 | 86.6 | 109.9 | 117.2 | 140.7 | 140.8 | 140.9 | 141.0 | 141.1 | 83.2 | 71.4 | 61.5 | 78.0 | 83.1 | | | | | |
| NONDURABLE GOODS MATERIALS | 179.3 | 166.0 | 161.9 | 175.5 | 178.9 | 199.8 | 202.0 | 204.3 | 206.5 | 208.5 | 89.7 | 82.2 | 79.2 | 85.0 | 85.8 | | | | | |
| TEX., PAPER, & CHEM. MAT. | 187.5 | 171.9 | 165.6 | 182.7 | 186.6 | 208.3 | 211.0 | 213.7 | 216.2 | 218.5 | 90.0 | 81.5 | 77.5 | 84.5 | 85.4 | | | | | |
| TEXTILE MATERIALS | 120.6 | 116.4 | 113.4 | 113.2 | 111.2 | 138.8 | 139.2 | 139.6 | 140.0 | 140.3 | 86.9 | 83.7 | 81.2 | 80.9 | 79.2 | | | | | |
| PAPER MATERIALS | 146.1 | 142.1 | 142.9 | 148.9 | 151.1 | 154.7 | 156.0 | 157.4 | 158.8 | 160.0 | 94.5 | 91.0 | 90.7 | 93.8 | 94.5 | | | | | |
| CHEMICAL MATERIALS | 233.6 | 208.3 | 197.9 | 226.9 | 234.1 | 260.4 | 264.6 | 268.7 | 272.9 | 276.4 | 89.7 | 78.7 | 73.6 | 83.2 | 84.7 | | | | | |
| ENERGY MATERIALS | 130.8 | 130.0 | 129.6 | 129.5 | 130.3 | 151.1 | 151.8 | 152.6 | 153.1 | 154.1 | 86.6 | 85.6 | 85.0 | 84.6 | 84.6 | | | | | |

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