

FEDERAL RESERVE statistical release



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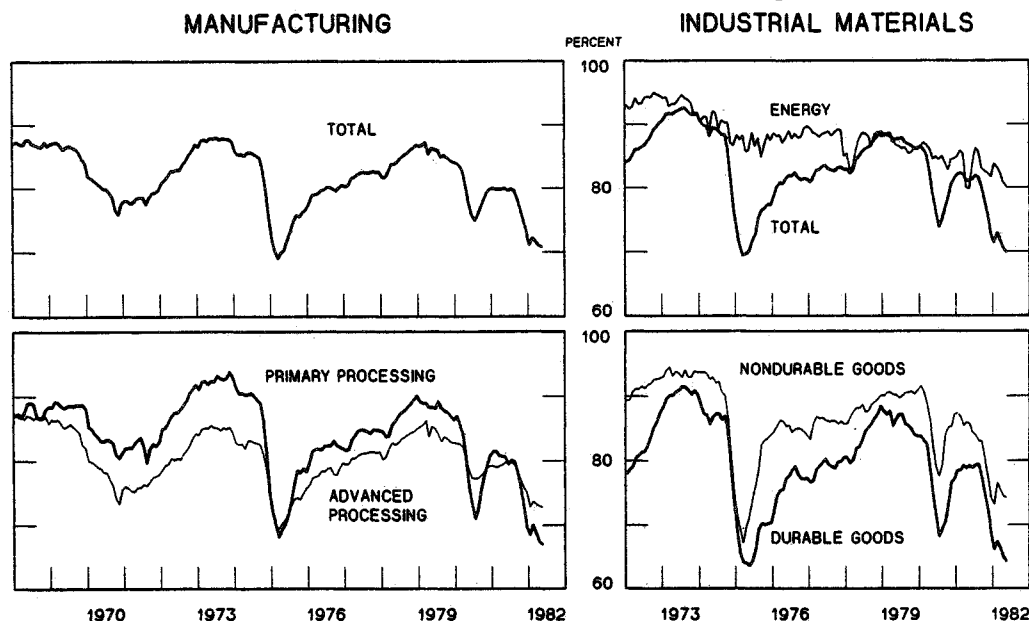
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CAPACITY UTILIZATION: MANUFACTURING AND MATERIALS May 1982

Capacity utilization in manufacturing decreased 0.2 percentage point in May, following declines of 0.7 percentage point in April and 0.5 percentage point in March. At 70.8 percent in May, the manufacturing operating rate was lower than it has been since May 1975. The operating rate for producers of industrial materials fell 0.6 percentage point in May to 69.9 percent, after declining 1.3 and 1.1 percentage points, respectively, in April and March. The rate for materials in May was 0.5 percentage point above its March 1975 low of 69.4 percent.

Within manufacturing, the utilization rate for the primary processing industries declined 0.4 percentage point to 67.0 percent in May, while the rate for the advanced processing industries edged down 0.1 percentage point to 72.8 percent. The operating rate for producers of primary metals continued to drop sharply; the utilization rate for the iron and steel industry fell to a preliminarily estimated level of about 46.9 percent, the lowest since the prolonged steel strike of 1959. Another large decline occurred in the operating rate for producers of nonelectrical machinery. The capacity utilization rate for the motor vehicles and parts industry rose substantially in May for the fourth consecutive month, but the industry still was operating at less than sixty percent of capacity.

The operating rate for producers of durable goods materials fell 0.7 percentage point in May to 64.3 percent, largely because of continuing reductions in the production of basic metals and equipment parts. Capacity utilization by producers of nondurable goods materials decreased 0.2 percentage point in May to 74.2 percent, and the operating rate for energy materials production declined 0.6 percentage point to 80.1 percent.



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 MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	1982 JAN.	FEB.	MAR.	APR.	MAY
MANUFACTURING, TOTAL	88.0	69.0	80.0	79.6	79.8	79.6	78.3	76.6	74.8	73.1	71.1	72.2	71.7	71.0	70.8
PRIMARY PROCESSING	93.8	68.2	80.6	79.5	80.1	79.9	78.2	75.7	72.7	69.6	68.5	70.0	68.7	67.4	67.0
ADVANCED PROCESSING	85.5	69.4	79.8	79.7	79.8	79.4	78.3	77.0	75.8	75.0	72.8	73.6	73.2	72.9	72.8
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	139.9	189.4	190.9	192.4	193.9	195.2	79.9	79.8	79.3	74.8	71.7
PRIMARY PROCESSING	157.5	156.5	155.8	143.5	137.1	193.8	195.0	196.3	197.5	198.6	81.3	80.3	79.4	72.7	69.1
ADVANCED PROCESSING	148.1	150.2	150.7	145.8	141.7	187.1	188.7	190.4	192.0	193.5	79.1	79.6	79.2	75.9	73.2

Industrial Materials

SERIES	MONTHLY CAPACITY UTILIZATION														
	1973 HIGH	1975 LOW	1981 MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	1982 JAN.	FEB.	MAR.	APR.	MAY
MATERIALS, TOTAL	92.6	69.4	81.1	81.3	81.9	81.6	80.0	77.7	75.5	72.4	71.4	72.9	71.8	70.5	69.9
DURABLE GOODS MATERIALS	91.5	63.6	79.2	78.8	79.3	79.4	77.3	74.7	72.2	68.5	66.2	67.4	66.4	65.0	64.3
METAL MATERIALS	98.3	68.6	80.3	78.7	79.5	83.0	79.1	73.9	70.8	65.5	65.8	64.7	61.0	55.7	
NONDURABLE GOODS MATERIALS	94.5	67.2	85.6	84.3	83.9	83.0	82.9	80.3	77.3	74.1	73.2	76.5	75.4	74.4	74.2
TEX., PAPER, & CHEM. MAT.	95.1	65.3	85.4	83.5	83.2	82.3	82.1	79.1	75.9	72.2	70.7	74.4	73.7	72.6	72.4
TEXTILE MATERIALS	92.6	57.9	81.7	80.5	82.0	82.3	81.3	78.8	75.5	72.0	68.6	71.9	73.3	73.5	
PAPER MATERIALS	99.4	72.4	93.9	93.0	92.9	93.6	95.7	92.1	92.3	86.5	87.6	90.7	89.8	87.6	
CHEMICAL MATERIALS	95.5	64.2	84.3	82.0	81.2	79.7	79.2	76.2	72.4	69.0	67.4	71.3	70.2	69.1	
ENERGY MATERIALS	94.6	84.8	79.7	83.7	86.2	85.6	83.0	82.5	82.2	81.6	83.7	83.2	82.2	80.7	80.1
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	138.7	187.6	189.0	190.3	191.5	192.6	82.2	81.2	81.1	75.2	72.0
DURABLE GOODS MATERIALS	150.9	152.3	152.8	140.2	130.9	191.8	192.9	194.2	195.3	196.4	78.7	78.9	78.7	71.8	66.6
METAL MATERIALS	117.5	112.8	114.2	99.5	90.8	141.5	141.7	141.9	142.1	142.3	83.0	79.6	80.5	70.1	63.8
NONDURABLE GOODS MATERIALS	179.2	178.4	175.8	164.5	161.1	207.3	209.2	211.2	213.1	214.6	86.5	85.3	83.3	77.2	75.0
TEX., PAPER, & CHEM. MAT.	186.7	185.9	182.8	169.4	164.6	217.1	219.4	221.7	223.9	225.6	86.0	84.8	82.5	75.7	73.0
TEXTILE MATERIALS	114.8	114.5	115.5	106.8	101.2	140.1	140.6	141.0	141.6	142.1	81.9	81.4	81.8	75.4	71.2
PAPER MATERIALS	151.4	151.0	152.2	147.0	146.4	159.7	160.7	161.9	162.8	163.8	94.8	93.9	94.1	90.3	89.4
CHEMICAL MATERIALS	232.7	231.6	224.9	206.2	200.0	274.1	277.5	281.0	284.4	287.3	84.9	83.5	80.0	72.5	69.6
ENERGY MATERIALS	130.9	125.1	131.6	127.9	130.0	153.5	154.3	155.0	155.8	156.5	85.3	81.1	84.9	82.1	83.0

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