

FEDERAL RESERVE statistical release



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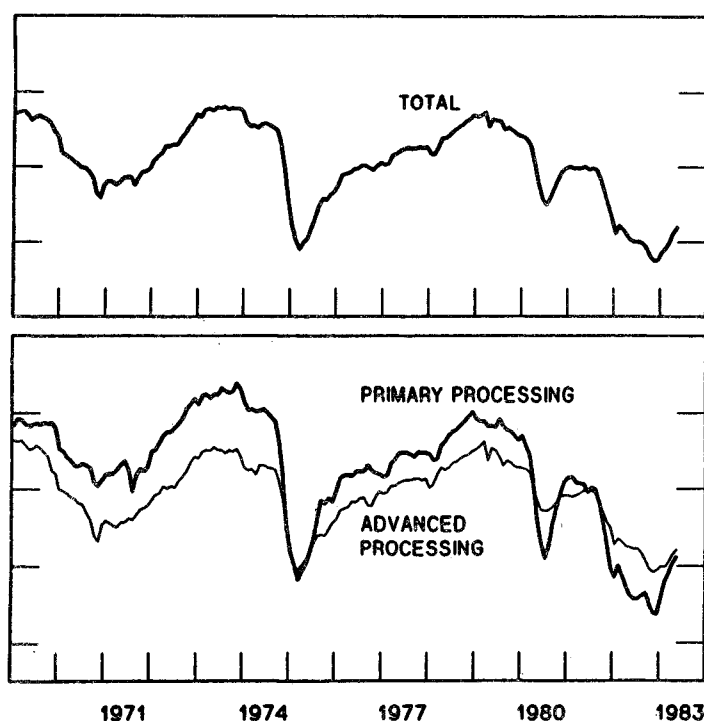
CAPACITY UTILIZATION: MANUFACTURING AND MATERIALS May 1983

Capacity utilization rates for manufacturing and for industrial materials production each advanced 0.7 percentage point in May, to 72.0 percent for manufacturing and to 71.7 percent for materials. Over the five months since year-end the manufacturing rate has risen an average of 0.9 percentage point per month, while the increase in the materials rate averaged 1.3 percentage points per month.

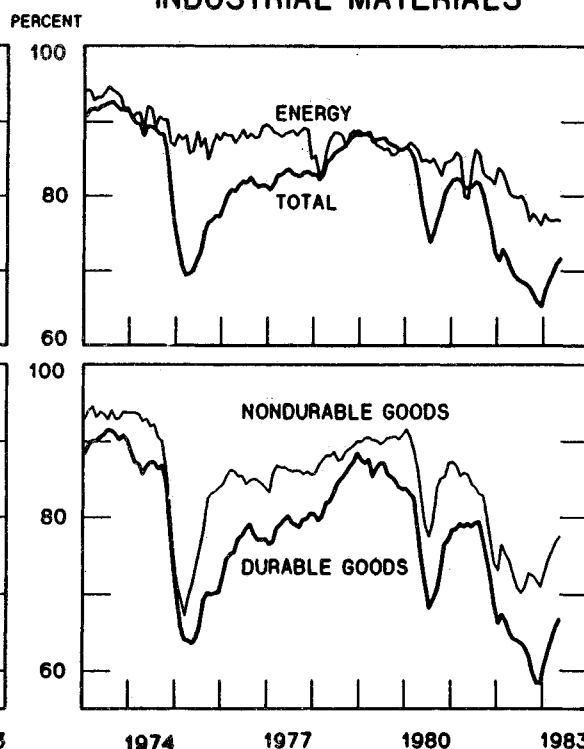
Within manufacturing, further gains in operating rates were widespread. Capacity utilization has risen particularly rapidly since December for the textile, rubber and plastics, primary metals, and motor vehicles and parts industries. Operating rates also were up substantially by May for some industries that started their recoveries later: rates have risen steadily beginning in March for petroleum refining and for both electrical and nonelectrical machinery.

Producers of durable goods materials operated at 66.7 percent of capacity in May, up 0.9 percentage point from the April rate. The operating rate for raw steel was about 15 percentage points above its December low, although there was little change from April to May. Producers of other primary metals continued to reactivate capacity in May. In addition, operating rates rose again for producers of parts both for equipment and for consumer durables. The operating rate for nondurable goods materials production climbed 0.8 percentage point to 77.6 percent, as rates increased for producers of textile materials, paper materials, and chemical materials. Capacity utilization by producers of energy materials remained about unchanged.

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														
	1973 HIGH	1975 LOW	1982 MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	1983 JAN.	FEB.	MAR.	APR.	MAY
MANUFACTURING, TOTAL	88.0	69.0	70.2	70.0	70.0	69.8	69.2	68.0	67.4	67.5	68.5	69.1	69.9	71.3	72.0
PRIMARY PROCESSING	93.8	68.2	66.1	65.7	65.7	66.1	66.4	65.0	63.9	63.7	66.0	67.7	68.8	70.6	71.2
ADVANCED PROCESSING	85.5	69.4	72.5	72.3	72.3	71.7	70.7	69.6	69.2	69.5	70.0	69.9	70.5	71.6	72.4
SERIES	OUTPUT					CAPACITY					UTILIZATION				
	1982 I	1982 II	1982 III	1983 IV	1983 I	1982 I	1982 II	1982 III	1982 IV	1983 I	1982 I	1982 II	1982 III	1982 IV	1983 I
MANUFACTURING, TOTAL	139.8	138.1	137.7	134.5	138.4	195.2	196.4	197.7	198.9	200.1	71.6	70.3	69.7	67.6	69.2
PRIMARY PROCESSING	137.1	132.3	132.4	129.3	136.9	198.6	199.5	200.4	201.3	202.3	69.1	66.3	66.1	64.2	67.7
ADVANCED PROCESSING	141.6	141.2	140.5	137.3	139.7	193.5	194.9	196.2	197.6	199.0	73.2	72.5	71.6	69.5	70.2

Industrial Materials

SERIES	MONTHLY CAPACITY UTILIZATION														
	1973 HIGH	1975 LOW	1982 MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	1983 JAN.	FEB.	MAR.	APR.	MAY
MATERIALS, TOTAL	92.6	69.4	69.4	68.8	68.5	68.2	67.7	66.6	65.7	65.2	67.3	68.6	69.7	71.0	71.7
DURABLE GOODS MATERIALS	91.5	63.6	64.2	64.0	63.7	63.1	61.9	59.6	58.4	58.4	60.8	62.6	64.1	65.8	66.7
METAL MATERIALS	98.3	68.6	53.9	52.2	50.7	51.2	51.9	48.6	45.5	46.0	52.4	55.2	57.2	58.0	
NONDURABLE GOODS MATERIALS	94.5	67.2	72.5	70.9	70.2	71.0	72.8	72.5	71.9	71.0	72.7	74.5	75.6	76.8	77.6
TEX., PAPER, & CHEM. MAT.	95.1	65.3	70.6	68.8	68.0	68.9	70.7	70.3	69.9	69.3	70.8	73.3	74.7	76.2	77.2
TEXTILE MATERIALS	92.6	57.9	71.5	69.6	69.8	72.3	72.3	73.0	71.6	71.3	73.0	74.1	77.0	78.3	
PAPER MATERIALS	99.4	72.4	86.1	85.3	86.0	88.6	89.8	89.7	90.0	86.5	89.9	89.9	89.1	89.4	
CHEMICAL MATERIALS	95.5	64.2	66.9	65.0	63.7	63.9	66.2	65.4	65.1	65.1	66.0	69.5	71.0	72.8	
ENERGY MATERIALS	94.6	84.8	79.9	79.8	80.0	79.0	76.6	77.6	76.8	76.0	77.5	76.7	76.6	76.8	76.6
SERIES	OUTPUT					CAPACITY					UTILIZATION				
	1982 I	1982 II	1982 III	1983 IV	1983 I	1982 I	1982 II	1982 III	1982 IV	1983 I	1982 I	1982 II	1982 III	1982 IV	1983 I
MATERIALS, TOTAL	138.7	134.7	132.6	128.7	134.7	192.6	193.7	194.6	195.5	196.6	72.0	69.6	68.1	65.8	68.5
DURABLE GOODS MATERIALS	130.9	127.1	124.7	117.1	125.1	196.4	197.3	198.3	199.2	200.2	66.7	64.4	62.9	58.8	62.5
METAL MATERIALS	90.9	77.0	73.0	66.5	78.3	142.3	142.4	142.3	142.4	142.6	63.9	54.1	51.3	46.7	
NONDURABLE GOODS MATERIALS	161.0	156.8	155.1	157.0	163.5	214.6	216.1	217.4	218.9	220.2	75.0	72.6	71.3	71.8	74.3
TEX., PAPER, & CHEM. MAT.	164.5	160.5	158.4	160.8	169.1	225.6	227.3	228.8	230.5	231.9	72.9	70.6	69.2	69.8	72.9
TEXTILE MATERIALS	101.3	101.8	102.0	103.0	107.2	142.1	142.4	142.8	143.1	143.6	71.3	71.5	71.5	72.0	
PAPER MATERIALS	146.1	142.0	145.9	147.6	149.7	163.8	164.6	165.4	166.3	167.0	89.2	86.3	88.2	88.7	
CHEMICAL MATERIALS	200.0	194.0	188.5	191.9	204.3	287.3	289.6	291.9	294.3	296.7	69.6	67.0	64.6	65.2	
ENERGY MATERIALS	129.8	125.5	123.8	121.5	122.2	156.5	157.0	157.6	158.2	158.8	82.9	79.9	78.5	76.8	76.9

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