

FEDERAL RESERVE statistical release



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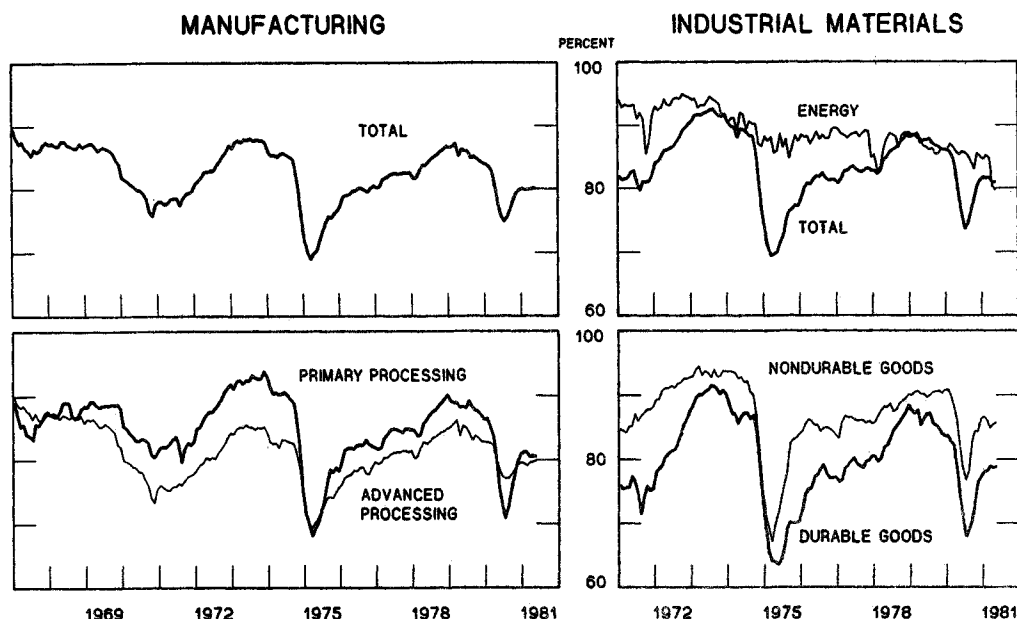
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CAPACITY UTILIZATION: MANUFACTURING AND MATERIALS May 1981

Capacity utilization rates for manufacturers and for producers of industrial materials changed little in May. Both rates rose 0.1 percentage point from April, to 80.1 percent for manufacturing and to 81.0 percent for industrial materials production. In May, the rate for manufacturers was about the same as in January, while the rate for materials producers was somewhat lower because of a sizable decline in April.

Among manufacturers, the rate for primary processing industries declined 0.1 percentage point in May to 80.5 percent, and the rate for advanced processing industries rose 0.2 percentage point to 79.9 percent. For the third consecutive month the utilization rate for the motor vehicles and parts industry increased sharply, although it is still much below its average over the 1976-79 period. More moderate increases occurred in the operating rates for producers of textile mill products and rubber and plastics products. Operating rates declined substantially for producers of primary metals and petroleum products; moderate declines occurred for producers of stone, clay, and glass, and foods. The rate for petroleum refineries has fallen about 6-1/2 percentage points since last December.

Producers of durable goods materials utilized 78.8 percent of their capacity in May -- up 0.1 percentage point from April. Production of parts for consumer durable goods and business and defense equipment increased, while metals mining and raw steel output declined. The nondurable goods materials utilization rate rose 0.3 percentage point to 85.7 percent, reflecting strength in output of some textiles and chemicals. Energy materials utilization dropped 0.6 percentage point to 79.7 percent, largely because 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														
	1973 HIGH	1975 LOW	1980 MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	1981 JAN.	FEB.	MAR.	APR.	MAY
MANUFACTURING, TOTAL	88.0	69.0	77.6	75.7	74.9	75.5	76.7	78.2	79.4	79.9	80.0	79.8	79.9	80.0	80.1
PRIMARY PROCESSING	93.8	68.2	75.8	72.7	70.9	72.5	75.2	77.6	79.6	80.8	81.2	81.2	80.5	80.6	80.5
ADVANCED PROCESSING	85.5	69.4	78.6	77.4	77.1	77.1	77.7	78.5	79.2	79.6	79.5	79.1	79.6	79.7	79.9
SERIES	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	151.3	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	157.3	188.5	190.0	191.5	193.0	194.3	85.1	76.3	72.9	79.4	81.0
ADVANCED PROCESSING	148.8	143.3	141.8	146.4	148.2	180.5	182.0	183.5	185.0	186.6	82.5	78.7	77.3	79.1	79.4

Industrial Materials

SERIES	MONTHLY CAPACITY UTILIZATION														
	1973 HIGH	1975 LOW	1980 MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	1981 JAN.	FEB.	MAR.	APR.	MAY
MATERIALS, TOTAL	92.6	69.4	78.3	75.7	73.7	74.6	76.4	78.4	80.4	81.3	81.7	81.7	81.7	80.9	81.0
DURABLE GOODS MATERIALS	91.5	63.6	74.1	70.8	68.0	69.1	70.4	73.5	76.5	77.3	78.0	78.2	78.9	78.7	78.8
METAL MATERIALS	98.3	68.6	70.0	67.0	58.4	62.2	63.9	71.5	81.4	81.0	82.0	83.2	84.1	81.1	
NONDURABLE GOODS MATERIALS	94.5	67.2	81.8	78.7	76.8	78.2	82.7	84.4	84.3	86.3	86.7	86.1	84.9	85.4	85.7
TEX., PAPER, & CHEM. MAT.	95.1	65.3	81.3	77.1	74.5	76.4	81.6	83.8	83.7	85.9	86.2	85.8	84.5	85.1	85.4
TEXTILE MATERIALS	92.6	57.9	84.5	81.8	82.0	79.5	82.0	82.1	80.7	79.8	79.8	79.2	78.2	79.1	
PAPER MATERIALS	99.4	72.4	90.8	91.6	88.1	90.2	93.9	93.0	94.1	94.2	93.7	94.8	94.9	93.8	
CHEMICAL MATERIALS	95.5	64.2	78.3	72.7	69.6	72.5	78.7	82.1	82.0	85.4	85.9	85.2	83.6	84.4	
ENERGY MATERIALS	94.6	84.8	85.3	85.8	85.6	85.2	84.1	83.1	85.5	85.0	84.6	85.2	84.8	80.3	79.7
SERIES	OUTPUT					CAPACITY					UTILIZATION				
	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	154.1	182.8	184.3	185.8	187.2	188.7	85.5	78.7	74.9	80.0	81.7
DURABLE GOODS MATERIALS	155.0	140.6	131.5	145.1	151.1	187.2	188.6	190.0	191.5	192.8	82.8	74.6	69.2	75.8	78.4
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	179.1	199.8	202.0	204.3	206.5	208.5	89.7	82.2	79.2	85.0	85.9
TEX., PAPER, & CHEM. MAT.	187.5	171.9	165.6	182.7	186.8	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	111.0	138.8	139.2	139.6	140.0	140.3	86.9	83.7	81.2	80.9	79.1
PAPER MATERIALS	146.1	142.1	142.9	148.9	151.2	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	234.6	260.4	264.6	268.7	272.9	276.4	89.7	78.7	73.6	83.2	84.9
ENERGY MATERIALS	130.8	130.0	129.6	129.5	130.8	151.1	151.8	152.6	153.1	154.1	86.6	85.6	85.0	84.6	84.9

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