

FEDERAL RESERVE statistical release



G.3 (402)

For Immediate release

CAPACITY UTILIZATION

Manufacturing, Mining, Utilities, and Industrial Materials

June 17, 1985

Overall capacity utilization in manufacturing, mining, and utilities fell 0.4 percentage point to 80.3 percent in May. The cumulative drop since July 1984 has been 2.4 percentage points. Both manufacturing and mining have shown a decline in utilization since July while the utilities operating rate has shown little trend on balance.

Utilization in manufacturing fell 0.3 percentage point in May, with similar declines in both durable and nondurable goods manufacturing. Electrical machinery showed the largest utilization decrease among the manufacturing industries in May. Its operating rate has fallen 7.9 percentage points since July 1984, though the rate of 85.2 percent in May remains relatively high. The largest gain among the major manufacturing industries in May was 0.4 percentage point in motor vehicles and parts. The increase in motor vehicles halted a string of declines that began in February.

Capacity utilization in materials production fell 0.4 percentage point in May to 79.7 percent. Both nondurable and durable goods materials utilization rates declined while energy materials utilization rose. The utilization rate for total materials production has fallen over 3 percentage points since mid-1984.

Capacity Utilization: Summary

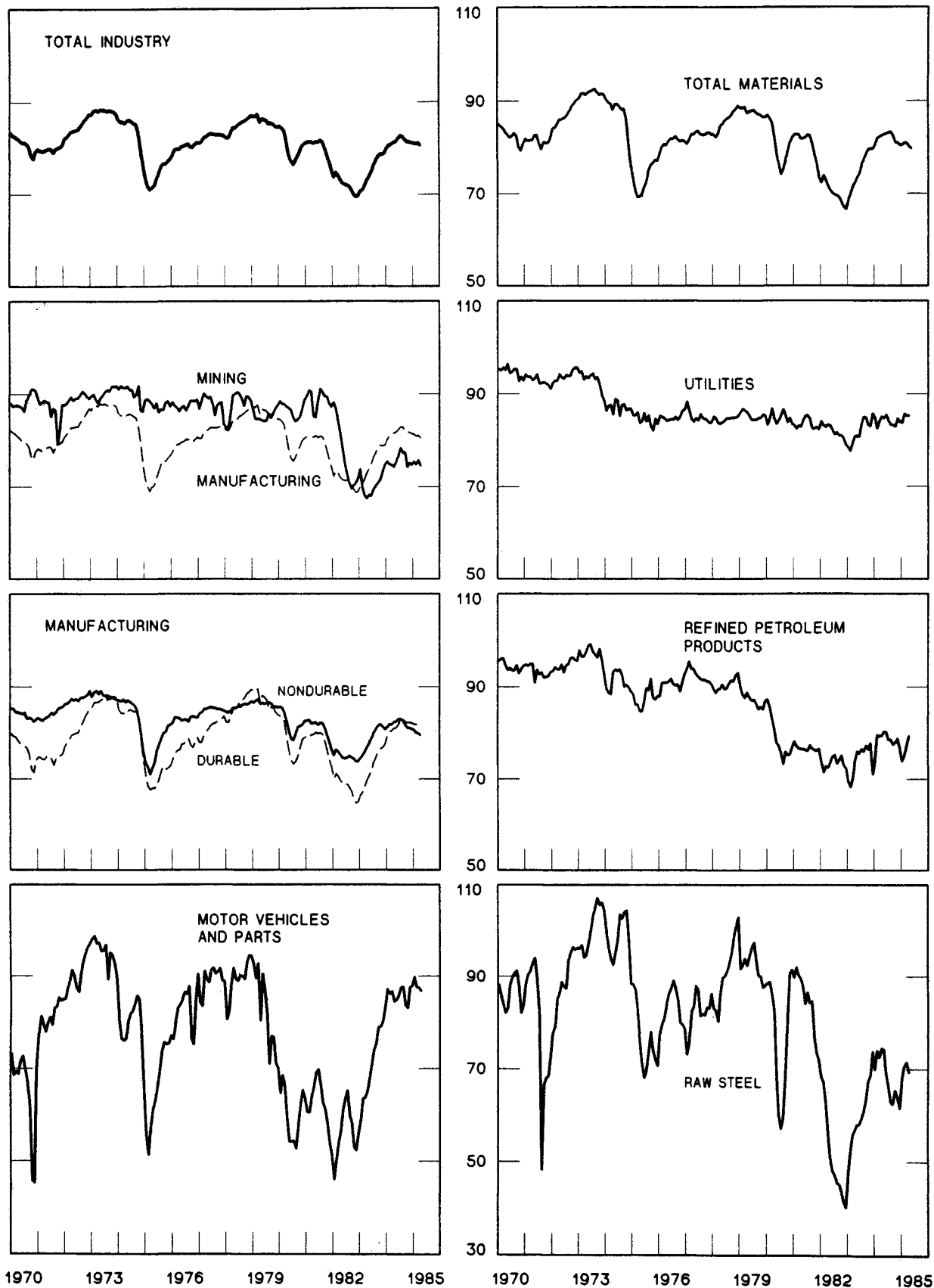
Percent of capacity, seasonally adjusted

Series	1973 HIGH	1975 LOW	1978 -80 HIGH	1982 LOW	1987 -82 AVER.	1985			
						FEB	MAR	APR	MAY
Total Industry	88.4	71.1	87.3	69.6	82.4.	81.1	81.1	80.7	80.3
Manufacturing	87.9	69.0	87.5	68.8	81.8.	81.0	81.1	80.7	80.4
Durable	87.9	67.6	89.4	64.8	80.5.	81.7	81.9	81.3	80.9
Nondurable	89.1	71.0	87.2	73.8	83.9.	80.1	80.0	80.0	79.7
Mining	91.8	86.0	90.4	69.6	86.5.	75.4	76.4	74.2	73.7
Utilities	94.9	82.0	86.8	79.0	88.6.	85.6	85.0	85.2	85.6
Industrial Materials	92.6	69.3	88.9	66.6	83.3.	80.9	80.8	80.1	79.7

CAPACITY UTILIZATION

MAY DATA

SEASONALLY ADJUSTED, PERCENT



MANUFACTURING, MINING AND UTILITIES

Table 1
Capacity Utilization
Monthly, seasonally adjusted, percent of capacity

Series	1973 HIGH	1975 LOW	1978 -80 HIGH	1982 LOW	1987 -82 AVEE.	YEAR AGO MONTH	1984					1985				
							SEP	OCT	NOV	DEC		JAN	FEB	MAR	APR	MAY
Total Industry	88.4	71.1	87.3	69.6	82.4	81.5	81.9	81.4	81.4	81.2		81.1	81.1	81.1	80.7	80.3
Manufacturing	87.9	69.0	87.5	68.8	81.8	81.7	82.0	81.7	81.6	81.4		81.2	81.0	81.1	80.7	80.4
Primary processing	93.7	68.2	91.4	66.2	84.0	82.4	81.5	81.2	80.6	79.5		80.1	80.7	80.7	80.3	79.9
Advanced processing	85.5	69.4	85.9	70.0	80.6	81.2	82.4	81.8	82.0	82.2		82.0	81.4	81.4	80.8	80.5
Durable manufacturing	87.9	67.6	89.4	64.8	80.5	81.0	82.3	82.1	82.2	82.0		81.8	81.7	81.9	81.3	80.9
Stone, clay and glass products	88.0	64.0	90.4	63.0	78.4	78.6	76.6	77.4	76.7	76.5		76.5	76.8	77.0	77.0	
Iron and steel, subtotal	103.3	69.2	97.5	38.8	82.3	71.5	68.1	66.0	65.9	64.5		64.8	67.2	73.2	70.5	
Nonferrous metals, subtotal	99.0	60.8	98.2	62.1	83.8	83.8	83.3	84.2	82.8	78.0		81.5	83.4	30.8	81.7	
Fabricated metal products	86.3	65.7	90.0	60.7	79.6	75.6	76.8	77.4	76.3	76.8		76.3	77.4	77.5	77.1	76.7
Nonelectrical machinery	88.3	71.8	83.1	61.6	79.8	76.9	80.5	80.4	80.8	80.4		80.7	80.3	80.1	80.2	80.0
Electrical machinery	88.7	62.3	90.6	74.7	80.0	91.3	92.5	91.7	91.3	91.5		89.2	88.5	88.4	86.5	85.2
Motor vehicles and parts	98.7	51.3	94.5	46.1	78.6	84.7	83.6	83.0	87.5	87.8		89.8	87.5	87.2	86.4	86.8
Autos	NA	NA	91.6	35.8	NA	77.9	70.0	71.2	79.8	81.6		86.5	82.5	83.4	81.0	79.9
Aerospace and misc. trans. eqp.	76.0	68.0	93.9	69.1	78.1	73.3	76.5	76.3	75.8	77.5		77.9	78.6	79.3	79.0	79.1
Instruments	89.6	73.7	92.3	73.1	83.5	78.8	81.5	80.5	80.8	82.0		81.4	81.1	81.5	80.9	80.6
Nondurable manufacturing	89.1	71.0	87.2	73.8	83.9	82.4	81.7	81.1	81.0	80.8		80.6	80.1	80.0	80.0	79.7
Foods	85.7	77.2	85.2	76.5	83.3	80.2	79.5	79.2	78.5	78.8		79.1	78.2	78.1		
Textile mill products	95.4	61.3	91.3	73.0	86.2	85.1	81.0	79.5	78.5	78.3		77.9	77.7	77.4	76.3	
Paper and products	96.7	69.1	95.1	84.2	89.6	96.7	97.4	95.0	94.4	94.5		94.6	95.4	94.9	92.1	
Chemicals and products	86.2	65.9	83.6	64.0	78.7	72.3	72.9	71.9	72.5	71.7		71.5	71.3	71.3	71.4	
Petroleum products	99.1	84.6	93.0	71.5	89.6	80.2	77.5	77.9	78.7	76.5		73.9	75.1	76.2	78.8	78.9
Rubber and plastics products	97.4	62.1	91.5	74.0	88.3	95.7	94.5	94.0	91.6	90.8		91.2	90.6	90.0	91.7	
Mining	91.8	86.0	90.4	69.6	86.5	75.4	77.4	74.3	75.1	74.8		75.4	75.4	76.4	74.2	73.7
Utilities	94.9	82.0	86.8	79.0	88.6	84.7	83.2	82.9	84.6	83.9		83.7	85.6	85.0	85.2	85.6
Electric utilities	97.6	82.1	87.0	77.9	89.8	83.1	81.2	80.8	82.7	80.9		81.3	83.8	82.8	83.2	83.7

Table 2
Output, Capacity, and Capacity Utilization
Quarterly, seasonally adjusted

Series	OUTPUT*					CAPACITY					UTILIZATION				
	1984 I	II	III	IV	1985 I	1984 I	II	III	IV	1985 I	1984 I	II	III	IV	1985 I
Total Industry	159.8	163.1	165.6	164.7	165.5	198.4	199.7	201.1	202.4	204.0	80.5	81.7	82.4	81.3	81.1
Manufacturing	161.0	164.4	167.2	166.5	166.8	199.5	201.0	202.5	204.0	205.7	80.7	81.8	82.5	81.6	81.1
Primary processing	160.5	162.5	162.2	159.8	160.8	196.5	197.2	198.0	198.7	199.7	81.7	82.4	81.9	80.4	80.5
Advanced processing	161.7	165.2	169.7	169.6	170.4	201.1	203.0	204.9	206.8	208.9	80.3	81.4	82.8	82.0	81.6
Durable manufacturing	150.2	153.6	157.4	157.4	158.2	187.8	189.1	190.4	191.7	193.4	79.9	81.2	82.6	82.1	81.8
Stone, clay and glass products	159.5	160.1	159.6	159.3	160.3	203.0	204.4	205.9	207.3	208.7	78.5	78.3	77.5	76.9	76.8
Iron and steel, subtotal	83.7	83.7	77.2	73.5	76.0	119.0	116.7	114.5	112.2	111.0	70.4	71.7	67.5	65.5	68.4
Nonferrous metals, subtotal	119.0	124.9	124.7	121.2	121.6	148.4	148.4	148.4	148.4	148.4	80.2	84.2	84.0	81.7	81.9
Fabricated metal products	133.1	136.9	140.0	140.0	141.0	179.8	180.6	181.4	182.2	183.1	74.0	75.8	77.2	76.8	77.0
Nonelectrical machinery	170.8	178.6	188.0	188.3	188.8	232.0	232.6	233.1	233.7	234.9	73.6	76.8	80.6	80.5	80.3
Electrical machinery	209.4	215.0	221.9	223.1	220.4	230.4	234.9	239.3	243.8	248.5	90.8	91.5	92.7	91.5	88.7
Motor vehicles and parts	165.5	163.4	167.0	168.1	173.6	190.9	192.3	193.8	195.2	196.8	86.6	84.9	86.2	86.1	88.2
Autos	141.2	134.5	131.4	135.0	147.8	168.7	170.5	172.3	174.1	175.6	83.6	78.9	76.2	77.5	84.1
Aerospace and misc. trans. eqp.	106.8	109.4	114.0	114.7	118.6	187.2	148.1	149.0	149.9	150.8	72.6	73.8	76.5	76.5	78.6
Instruments	168.7	172.4	177.5	178.1	179.5	217.1	217.9	218.8	219.6	220.6	77.7	79.1	81.2	81.1	81.3
Nondurable manufacturing	176.7	180.1	181.3	179.5	179.4	216.5	218.2	220.0	221.7	223.5	81.6	82.5	82.4	81.0	80.2
Foods	160.2	164.1	164.6	163.7	164.0	203.1	204.6	206.1	207.6	209.0	78.9	80.2	79.9	78.8	78.5
Textile mill products	143.2	140.4	138.5	132.4	131.3	163.7	165.2	166.7	168.2	169.1	87.5	85.0	83.1	78.8	77.7
Paper and products	174.2	173.7	177.0	173.4	175.4	178.5	180.1	181.6	183.2	184.7	97.6	96.5	97.4	94.6	95.0
Chemicals and products	223.8	229.1	231.5	228.8	227.8	314.0	315.1	316.3	317.4	319.0	71.3	72.7	73.2	72.1	71.4
Petroleum products	124.5	127.4	123.9	122.4	117.7	160.4	159.4	158.5	157.5	156.8	77.6	79.9	78.2	77.7	75.1
Rubber and plastics products	319.8	334.4	340.4	334.0	334.2	342.3	349.1	355.8	362.6	369.0	93.4	95.8	95.7	92.1	90.6
Mining	124.2	125.1	129.0	124.3	126.1	165.7	165.9	166.1	166.3	166.5	75.0	75.4	77.7	74.7	75.7
Utilities	179.2	183.1	181.1	183.0	186.4	213.8	215.3	216.8	218.3	219.8	83.8	85.0	83.5	83.8	84.8
Electric utilities	203.8	208.0	204.8	206.1	210.7	246.9	248.9	251.0	253.0	255.0	82.5	83.6	81.6	81.4	82.6

INDUSTRIAL MATERIALS

Table 3
Capacity Utilization
Monthly, seasonally adjusted, percent of capacity

Series	1973 HIGH	1975 LOW	1978 -80 HIGH	1982 LOW	1987 -82 AVE.	YEAR AGO MONTH	1984				1985				
							SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY
Industrial Materials	92.6	69.3	88.9	66.6	83.3	82.7	82.4	81.0	80.9	80.4	80.5	80.9	80.8	80.1	79.7
Durable goods materials	91.4	63.5	88.4	59.8	79.7	81.5	82.2	81.3	80.8	80.0	80.0	79.9	79.9	79.3	78.5
Metal materials	97.8	68.0	95.4	46.2	82.2	72.2	69.8	67.6	66.7	64.5	65.2	67.8	69.8	70.1	69.6
Raw steel	107.1	68.0	102.9	40.2	84.8	74.2	62.5	65.4	64.0	61.6	68.2	70.7	71.5	69.3	
Aluminum	96.8	73.4	97.9	57.9	90.6	87.0	81.0	79.4	77.9	77.4	76.6	75.7	75.4	73.0	
Nondurable goods materials	94.4	67.4	91.7	70.7	86.5	83.9	81.5	80.5	80.2	79.4	79.2	79.6	79.6	79.0	78.6
Textile, paper, and chemical materials	95.1	65.4	92.3	68.6	86.5	83.3	80.5	79.7	79.1	78.0	78.0	78.3	78.4	77.3	76.8
Paper materials	99.4	72.4	97.9	86.3	93.4	99.8	99.7	98.7	97.2	98.5	98.2	96.3	95.5	93.0	
Chemical materials	95.5	64.2	91.3	64.0	85.1	79.0	76.1	75.7	75.7	73.9	74.3	75.0	75.5	74.6	
Energy materials	94.5	84.4	88.9	78.5	88.5	84.3	84.3	81.0	82.1	83.2	84.2	86.1	85.7	84.6	85.1

Table 4
Output, Capacity, and Capacity Utilization
Quarterly, seasonally adjusted

Series	OUTPUT					CAPACITY					UTILIZATION				
	1984 I	II	III	IV	1985 I	1984 I	II	III	IV	1985 I	1984 I	II	III	IV	1985 I
Industrial Materials	158.8	162.1	163.4	160.2	161.3	194.7	195.9	197.2	198.4	199.7	81.6	82.7	82.9	80.7	80.7
Durable goods materials	157.6	162.0	164.6	162.1	161.8	197.1	198.3	199.5	200.8	202.4	79.9	81.7	82.5	80.7	79.9
Metal materials	97.3	100.3	97.2	91.0	92.5	139.1	138.5	137.9	137.3	136.8	70.0	72.4	70.5	66.3	67.6
Raw steel	84.5	83.1	71.6	69.9	76.1	117.1	114.6	112.2	109.7	108.3	72.2	72.5	63.8	63.7	70.2
Aluminum	137.5	144.9	138.1	131.2	127.1	167.7	167.7	167.7	167.7	167.5	82.0	86.4	82.3	78.2	75.9
Nondurable goods materials	183.7	186.6	185.7	181.5	181.5	221.8	223.4	225.2	226.9	228.4	82.8	83.5	82.5	80.0	79.5
Textile, paper and chemical materials	193.2	195.9	194.9	189.6	189.3	234.2	236.2	238.2	240.3	242.0	82.5	82.9	81.8	79.0	78.2
Paper materials	165.8	168.5	171.0	168.3	166.7	168.5	169.5	170.5	171.5	172.5	98.4	99.4	100.3	98.1	96.7
Chemical materials	236.7	240.4	238.4	233.5	234.7	302.3	305.2	308.0	310.9	313.5	78.3	78.8	77.4	75.1	74.9
Energy materials	131.2	132.4	133.1	129.4	135.2	155.8	156.4	157.0	157.6	158.4	84.2	84.6	84.8	82.1	85.4

Definition. This release contains estimates of output, capacity, and capacity utilization for the nation's factories, mines, and electric and gas utilities. Estimates of actual output and capacity output are expressed as percentages of 1987 actual output. Estimates of capacity utilization are calculated as ratios, in percent, of the Federal Reserve's seasonally adjusted indexes of industrial production to the indexes of capacity. The capacity indexes are based on a variety of data, including capacity data in physical units, surveys of capacity growth and utilization rates, and estimates of capital stock growth. Instead of a formal definition of capacity the concept of practical capacity is applied, which is the greatest level of output that a plant can maintain within the framework of a realistic work pattern, taking account of normal downtime, and assuming sufficient availability of inputs to operate machinery and equipment in place. When the capacity indexes for individual industries are aggregated—for example to total manufacturing—no explicit account is taken of possible general equilibrium constraints such as emerging industry bottlenecks.

Groupings. Estimates of capacity and industrial production for manufacturing industries are aggregated to primary processing and advanced processing industries, to durable and non-durable manufacturing industries, and to total manufacturing. The mining, manufacturing, and utilities estimates aggregate to the total index. Industrial materials are items produced and used as inputs by manufacturing plants, mines, and utilities. Industrial materials include many of the items included in the primary processing grouping of manufacturing, as well as some of the output of the advanced processing industries, mines, and utilities—such as iron ore, crude oil, semiconductors, and electricity sold to industry.

Perspective. The historical highs and lows in capacity utilization shown in the tables above are specific to each series and did not all occur in the same month. Industrial plants usually operate at capacity utilization rates that are well below 100 percent: none of the broad aggregates has ever reached 100 percent. For mining, manufacturing, and utilities as a whole, and for total manufacturing, utilization rates as high as 90 percent have been exceeded only in wartime.

Revisions. The first estimates for a month are published about the 17th of the following month. These estimates may revise in each of the next three months as new data become available. After the fourth month no further revisions are undertaken until an annual or benchmark revision. The median of the revisions in the total manufacturing utilization rate between the first and fourth estimate is 0.3 of a percentage point; that is, in about half of the cases, the absolute value of the revision from the first to the fourth estimate is less than 0.3 of a percentage point.

Sources. The methodology used to estimate the series is discussed in *New Federal Reserve Measures of Capacity and Capacity Utilization*, Federal Reserve Bulletin, July 1983. Revised data from 1967-82 are included in the statistical supplement to the July 1983 capacity utilization release, which may be obtained from Publications Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Rounding. The rounding algorithms applied to the capacity, output, and utilization rate series are independent. Aggregates are derived from unrounded detailed components.

Release schedule for 1985. Approximately 11 a.m. on January 16, February 19, March 18, April 17, May 16, June 17, July 19, August 16, September 16, October 17, November 18, and December 16.