

# FEDERAL RESERVE statistical release



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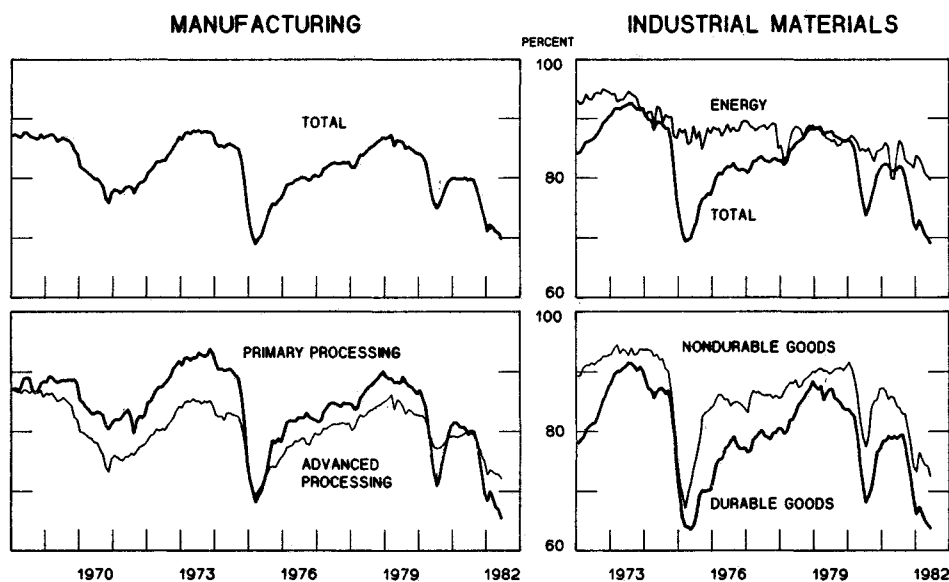
For immediate release  
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## CAPACITY UTILIZATION: MANUFACTURING AND MATERIALS June 1982

Capacity utilization in manufacturing declined 0.6 percentage point in June to 69.8 percent and the operating rate for producers of industrial materials dropped 0.6 percentage point to 69.0 percent. These rates were about 10 and 12 percentage points, respectively, below their year-earlier levels and were close to or below their March 1975 lows.

Within manufacturing, the utilization rate for the advanced processing industries fell 0.5 percentage point in June to 72.1 percent, and the rate for the primary processing industries dropped 0.8 percentage point to 65.5 percent. Operating rates again declined for most major industry groupings; producers of iron and steel, nonferrous metals, fabricated metal products, nonelectrical machinery, chemicals, aerospace and miscellaneous transportation equipment, and stone, clay and glass were operating in June at utilization rates either below or only slightly above their lows during the 1975 recession. Capacity utilization rates rose further for the petroleum products and the motor vehicles and parts industries.

The operating rate for producers of durable goods materials declined 0.4 percentage point in June to 63.7 percent. This decline in June reflected sizable further reductions in utilization rates for producers of basic metals and of equipment parts and a large rise in the rate for producers of parts for consumer durable goods. The utilization rate for nondurable goods materials producers declined 0.8 percentage point to 72.4 percent, as operating rates decreased for producers of textile, paper, and chemical materials. Producers of energy materials operated at 79.5 percent of capacity in June, 0.7 percentage point below the May rate.



# 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 JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	1982					
										JAN.	FEB.	MAR.	APR.	MAY	JUNE
MANUFACTURING, TOTAL	88.0	69.0	79.6	79.8	79.6	78.3	76.6	74.8	73.1	71.1	72.2	71.6	70.7	70.4	69.8
PRIMARY PROCESSING	93.8	68.2	79.5	80.1	79.9	78.2	75.7	72.7	69.6	68.5	70.0	68.6	67.1	66.3	65.5
ADVANCED PROCESSING	85.5	69.4	79.7	79.8	79.4	78.3	77.0	75.8	75.0	72.8	73.6	73.2	72.6	72.6	72.1

SERIES	OUTPUT						CAPACITY						UTILIZATION					
	1981			1982			1981			1982			1981			1982		
	II	III	IV	I	II	III	II	III	IV	I	II	II	III	IV	I	II		
MANUFACTURING, TOTAL	152.4	152.5	145.0	139.8	138.1	190.9	192.4	193.9	195.2	196.4	79.8	79.3	74.8	71.6	70.3			
PRIMARY PROCESSING	156.5	155.8	143.5	137.1	132.0	195.0	196.3	197.5	198.6	199.5	80.3	79.4	72.7	69.1	66.3			
ADVANCED PROCESSING	150.2	150.7	145.8	141.6	141.1	188.7	190.4	192.0	193.5	194.9	79.6	79.2	75.9	73.2	72.4			

## Industrial Materials

SERIES	MONTHLY CAPACITY UTILIZATION														
	1973 HIGH	1975 LOW	1981 JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	1982					
										JAN.	FEB.	MAR.	APR.	MAY	JUNE
MATERIALS, TOTAL	92.6	69.4	81.3	81.9	81.6	80.0	77.7	75.5	72.4	71.4	72.9	71.8	70.4	69.6	69.0
DURABLE GOODS MATERIALS	91.5	63.6	78.8	79.3	79.4	77.3	74.7	72.2	68.5	66.2	67.4	66.4	64.9	64.1	63.7
METAL MATERIALS	98.3	68.6	78.7	79.5	83.0	79.1	73.9	70.8	65.5	65.8	64.7	61.1	56.0	53.3	
NONDURABLE GOODS MATERIALS	94.5	67.2	84.3	83.9	83.0	82.9	80.3	77.3	74.1	73.2	76.5	75.3	74.4	73.2	72.4
TEX., PAPER, & CHEM. MAT.	95.1	65.3	83.5	83.2	82.3	82.1	79.1	75.9	72.2	70.7	74.4	73.7	72.5	71.4	70.5
TEXTILE MATERIALS	92.6	57.9	80.5	82.0	82.3	81.3	78.8	75.5	72.0	68.6	71.9	73.5	73.4	73.4	
PAPER MATERIALS	99.4	72.4	93.0	92.9	93.6	95.7	92.1	92.3	86.5	87.6	90.7	89.4	87.3	86.6	
CHEMICAL MATERIALS	95.5	64.2	82.0	81.2	79.7	79.2	76.2	72.4	69.0	67.4	71.3	70.2	69.0	67.6	
ENERGY MATERIALS	94.6	84.8	83.7	86.2	85.6	83.0	82.5	82.2	81.6	83.7	83.2	81.8	80.4	80.2	79.5

SERIES	OUTPUT						CAPACITY						UTILIZATION					
	1981			1982			1981			1982			1981			1982		
	II	III	IV	I	II	III	II	III	IV	I	II	II	III	IV	I	II		
MATERIALS, TOTAL	153.4	154.3	144.0	138.7	134.9	189.0	190.3	191.5	192.6	193.7	81.2	81.1	75.2	72.0	69.7			
DURABLE GOODS MATERIALS	152.3	152.8	140.2	130.9	126.7	192.9	194.2	195.3	196.4	197.3	78.9	78.7	71.8	66.7	64.2			
METAL MATERIALS	112.8	114.2	99.5	90.9	76.7	141.7	141.9	142.1	142.3	142.4	79.6	80.5	70.1	63.9				
NONDURABLE GOODS MATERIALS	178.4	175.8	164.5	161.0	158.4	209.2	211.2	213.1	214.6	216.1	85.3	83.3	77.2	75.0	73.3			
TEX., PAPER, & CHEM. MAT.	185.9	182.8	169.4	164.5	162.4	219.4	221.7	223.9	225.6	227.3	84.8	82.5	75.7	72.9	71.5			
TEXTILE MATERIALS	114.5	115.5	106.8	101.3	103.6	140.6	141.0	141.6	142.1	142.4	81.4	81.8	75.4	71.3				
PAPER MATERIALS	151.0	152.2	147.0	146.1	142.2	160.7	161.9	162.8	163.8	164.6	93.9	94.1	90.3	89.2				
CHEMICAL MATERIALS	231.6	224.9	206.2	200.0	196.6	277.5	281.0	284.4	287.3	289.6	83.5	80.0	72.5	69.6				
ENERGY MATERIALS	125.1	131.6	127.9	129.8	125.6	154.3	155.0	155.8	156.5	157.0	81.1	84.9	82.1	82.9	80.0			

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 INDICES OF INDUSTRIAL PRODUCTION TO (2) THE CORRESPONDING INDICES 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