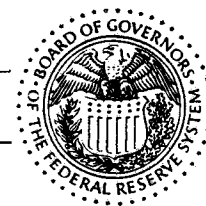


# FEDERAL RESERVE statistical release



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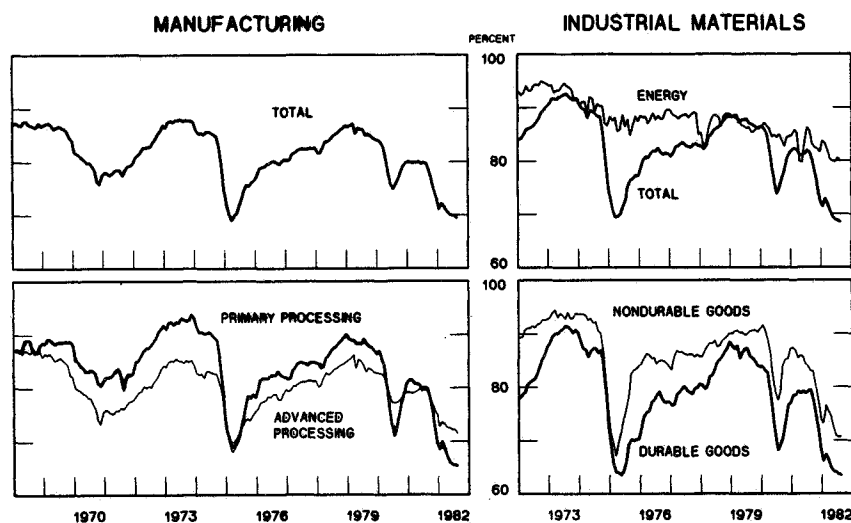
## CAPACITY UTILIZATION: MANUFACTURING AND MATERIALS August 1982

Capacity utilization in manufacturing declined 0.5 percentage point in August to 69.4 percent, its lowest rate since March 1975. Revised estimates indicate that the manufacturing rate was unchanged from June to July at 69.9 percent. Producers of industrial materials operated at 68.5 percent of capacity in August, down 0.2 percentage point from July to a new low; it was the third consecutive month this operating rate has been below its low of 69.4 percent in March 1975.

Within manufacturing, the operating rate for the advanced processing industries fell 0.7 percentage point to 71.5 percent in August, while the rate for the primary processing industries decreased 0.1 percentage point to 65.5 percent. Since July 1981 the utilization rate for the advanced processing industries has declined 8.3 percentage points; the rate for primary processing industries has dropped 14.6 percentage points.

Capacity utilization dropped sharply in August for producers of motor vehicles and parts and petroleum products, and the rate for producers of primary metals also declined. Equipment-producing industries continued to reduce production; the electrical machinery, nonelectrical machinery, and aerospace and miscellaneous transportation equipment industries idled more of their capacity. In contrast, operating rates rose for the textile and paper industries.

The utilization rate for producers of durable goods materials declined 0.2 percentage point in August to 63.5 percent, as production of raw steel, parts for consumer durable goods, and parts for equipment was curtailed. The operating rate for producers of nondurable goods materials increased 0.2 percentage point to 70.8 percent, reflecting the higher output of textile and paper materials. Producers of energy materials utilized 79.9 percent of their capacity in August--down 0.6 percentage point from July.



# 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 AUG.	SEP.	OCT.	NOV.	DEC.	1982 JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	
MANUFACTURING, TOTAL	88.0	69.0	79.6	78.3	76.6	74.8	73.1	71.1	72.2	71.6	70.8	70.2	69.9	69.9	69.4	
PRIMARY PROCESSING	93.8	68.2	79.9	78.2	75.7	72.7	69.6	68.5	70.0	68.6	67.2	66.1	65.7	65.6	65.5	
ADVANCED PROCESSING	85.5	69.4	79.4	78.3	77.0	75.8	75.0	72.8	73.6	73.2	72.6	72.5	72.2	72.2	71.5	
	OUTPUT						CAPACITY				UTILIZATION					
	1981 II	III	IV	1982 I	II		1981 II	III	IV	1982 I	II	1981 II	III	IV	1982 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	132.3		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	1975	1981	1982				1982									
	HIGH	LOW	AUG.	SEP.	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.		
MATERIALS, TOTAL	92.6	69.4	81.6	80.0	77.7	75.5	72.4	71.4	72.9	71.8	70.5	69.4	68.9	68.7	68.5		
DURABLE GOODS MATERIALS	91.5	63.6	79.4	77.3	74.7	72.2	68.5	66.2	67.4	66.4	65.0	64.2	64.1	63.7	63.5		
METAL MATERIALS	98.3	68.6	83.0	79.1	73.9	70.8	65.5	65.8	64.7	61.1	56.2	53.9	52.0	50.8			
NONDURABLE GOODS MATERIALS	94.5	67.2	83.0	82.9	80.3	77.3	74.1	73.2	76.5	75.3	74.4	72.5	70.9	70.6	70.8		
TEX., PAPER, & CHEM. MAT.	95.1	65.3	82.3	82.1	79.1	75.9	72.2	70.7	74.4	73.7	72.5	70.6	68.8	68.4	68.8		
TEXTILE MATERIALS	92.6	57.9	82.3	81.3	78.8	75.5	72.0	68.6	71.9	73.5	73.4	71.5	69.2	69.1			
PAPER MATERIALS	99.4	72.4	93.6	95.7	92.1	92.3	86.5	87.6	90.7	89.4	87.4	86.1	85.6	85.5			
CHEMICAL MATERIALS	95.5	64.2	79.7	79.2	76.2	72.4	69.0	67.4	71.3	70.2	69.0	66.9	65.0	64.5			
ENERGY MATERIALS	94.6	84.8	85.6	83.0	82.5	82.2	81.6	83.7	83.2	81.8	80.2	79.9	79.8	80.5	79.9		
	OUTPUT				CAPACITY				UTILIZATION								
	1981 II	1981 III	1981 IV	1982 I	1981 II	1981 III	1981 IV	1982 I	1981 II	1981 III	1981 IV	1982 I	1981 II	1981 III	1981 IV	1982 I	1982 II
MATERIALS, TOTAL	153.4	154.3	144.0	138.7	134.7	189.0	190.3	191.5	192.6	193.7		81.2	81.1	75.2		72.0	69.6
DURABLE GOODS MATERIALS	152.3	152.8	140.2	130.9	127.1	192.9	194.2	195.3	196.4	197.3		78.9	78.7	71.8		66.7	64.4
METAL MATERIALS	112.8	114.2	99.5	90.9	76.9	141.7	141.9	142.1	142.3	142.4		79.6	80.5	70.1		63.9	54.0
NONDURABLE GOODS MATERIALS	178.4	175.8	164.5	161.0	156.8	209.2	211.2	213.1	214.6	216.1		85.3	83.3	77.2		75.0	72.6
TEX., PAPER, & CHEM. MAT.	185.9	182.8	169.4	164.5	160.5	219.4	221.7	223.9	225.6	227.3		84.8	82.5	75.7		72.9	70.6
TEXTILE MATERIALS	114.5	115.5	106.8	101.3	101.6	180.6	181.0	181.6	182.1	182.4		81.4	81.8	75.4		71.3	71.4
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	86.4
CHEMICAL MATERIALS	231.6	224.9	206.2	200.0	194.0	277.5	281.0	284.4	287.3	289.6		83.5	80.0	72.5		69.6	67.0
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 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