

FEDERAL RESERVE statistical release



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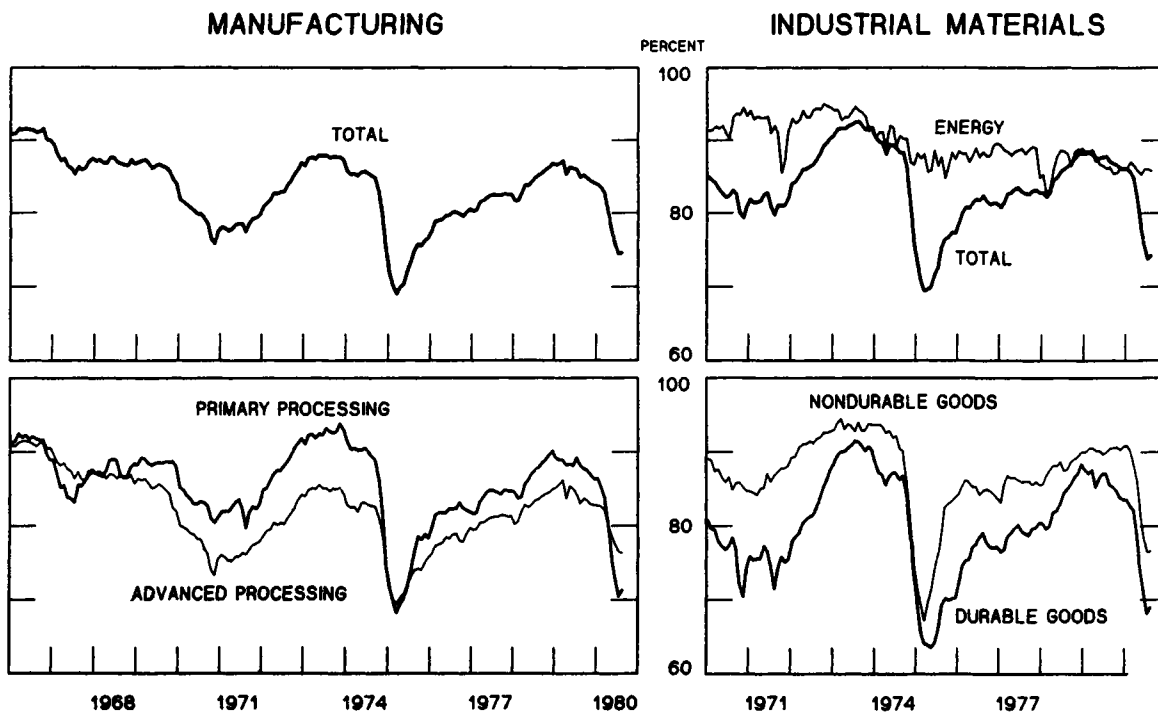
CAPACITY UTILIZATION: MANUFACTURING AND MATERIALS August 1980

Capacity utilization in manufacturing edged up by 0.1 of a percentage point in August to 74.5 percent, and the utilization rate for producers of industrial materials increased by 0.5 of a percentage point to 74.2 percent. The August rate for manufacturing was 12.7 percentage points below its last cyclical high in March 1979, and the materials rate was 13.6 percentage points below its July 1979 high.

For the primary processing industries, utilization increased by 0.8 of a percentage point to 71.3 percent, and the rate for the advanced processing industries declined slightly to 76.3 percent. The rates for the iron and steel and fabricated metals industries rose substantially in August, while the increases in the operating rates of the textile, paper, rubber and plastics, electrical machinery, and instruments industries were more moderate. Only slight changes occurred in utilization rates for industries producing food, chemicals, nonferrous metals, nonelectrical machinery, aerospace and miscellaneous transportation equipment, and clay, glass, and stone. There were sizable drops in the utilization rates for producers of petroleum products and motor vehicles and parts. For the latter, the August rate was below the previous cyclical low in February 1975.

Producers of durable goods materials operated in August at 69.0 percent of capacity, 0.9 of a percentage point above the July rate. However, the utilization rates for nondurable goods materials and energy materials were almost unchanged at 76.6 percent and 85.8 percent, respectively.

(This release incorporates revised data for 1979 and 1980, based on slightly revised capacity indexes and industrial production indexes.)



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	1979 AUG.	SEP.	OCT.	NOV.	DEC.	1980 JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.
MANUFACTURING, TOTAL	88.0	69.0	84.9	85.2	84.8	84.4	84.1	83.9	83.5	82.8	80.3	77.6	75.7	74.4	74.5
PRIMARY PROCESSING	93.8	68.2	88.2	87.7	87.5	86.9	86.3	86.4	85.2	83.8	80.5	75.8	72.7	70.5	71.3
ADVANCED PROCESSING	85.5	69.4	83.0	83.7	83.4	82.9	82.8	82.7	82.6	82.2	80.1	78.6	77.4	76.5	76.3
SERIES	OUTPUT					CAPACITY					UTILIZATION				
	1979 II	III	IV	1980 I	II	1979 II	III	IV	1980 I	II	1979 II	III	IV	1980 I	II
MANUFACTURING, TOTAL	153.4	153.7	153.4	152.8	143.9	178.6	180.1	181.7	183.3	184.8	85.9	85.3	84.4	83.4	77.9
PRIMARY PROCESSING	162.4	163.9	162.5	160.5	145.0	184.1	185.6	187.1	188.5	190.0	88.2	88.3	86.9	85.1	76.3
ADVANCED PROCESSING	148.7	148.3	148.5	148.8	143.3	175.6	177.3	178.9	180.5	182.0	84.7	83.7	83.0	82.5	78.7

Industrial Materials

SERIES	MONTHLY CAPACITY UTILIZATION														
	1973 HIGH	1975 LOW	1979 AUG.	SEP.	OCT.	NOV.	DEC.	1980 JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.
MATERIALS, TOTAL	92.6	69.4	87.1	86.8	86.6	86.2	86.1	86.1	85.6	84.7	82.1	78.3	75.7	73.7	74.2
DURABLE GOODS MATERIALS	91.5	63.6	85.6	85.3	84.8	83.9	83.6	83.6	82.7	82.2	78.8	74.1	70.7	68.1	69.0
METAL MATERIALS	98.2	68.6	89.7	88.3	85.4	85.1	84.8	84.1	82.0	83.6	77.2	70.0	67.0	58.6	
NONDURABLE GOODS MATERIALS	94.5	67.2	90.5	90.6	90.7	90.3	90.8	90.9	90.0	88.3	86.1	81.8	78.4	76.5	76.6
TEX., PAPER, & CHEM. MAT.	95.1	65.3	91.0	91.1	91.4	90.9	91.4	91.2	90.3	88.5	86.0	81.3	77.0	74.6	74.8
TEXTILE MATERIALS	92.6	57.9	88.2	90.1	90.0	89.0	89.3	86.6	87.2	86.8	84.6	84.5	81.8	79.2	
PAPER MATERIALS	99.4	72.4	96.2	97.2	96.9	96.9	97.6	96.0	94.4	93.0	90.7	90.8	91.0	87.5	
CHEMICAL MATERIALS	95.5	64.2	90.4	89.9	90.4	89.8	90.5	91.2	90.1	87.9	85.2	78.3	72.7	70.5	
ENERGY MATERIALS	94.6	84.8	86.3	85.4	85.5	86.1	86.0	86.2	87.0	86.5	85.8	85.3	86.0	86.0	85.8
SERIES	OUTPUT					CAPACITY					UTILIZATION				
	1979 II	III	IV	1980 I	II	1979 II	III	IV	1980 I	II	1979 II	III	IV	1980 I	II
MATERIALS, TOTAL	155.9	156.9	156.5	156.3	145.0	178.2	179.8	181.2	182.8	184.3	87.5	87.2	86.3	85.5	78.7
DURABLE GOODS MATERIALS	157.8	158.6	156.3	155.0	140.6	182.9	184.3	185.7	187.2	188.6	86.3	86.0	84.1	82.8	74.5
METAL MATERIALS	124.5	126.3	119.6	117.1	100.6	140.1	140.3	140.6	140.7	140.8	88.9	90.0	85.1	83.2	71.4
NONDURABLE GOODS MATERIALS	174.4	176.8	179.2	179.3	165.8	193.7	195.6	197.6	199.8	202.0	90.0	90.4	90.6	89.7	82.1
TEX., PAPER, & CHEM. MAT.	182.1	185.0	187.9	187.5	171.8	201.6	203.7	205.8	208.3	211.0	90.3	90.8	91.2	90.0	81.4
TEXTILE MATERIALS	119.4	122.7	123.8	120.6	116.4	137.4	137.9	138.4	138.8	139.2	86.9	89.0	89.4	86.9	83.7
PAPER MATERIALS	141.6	146.8	148.9	146.1	141.8	158.4	151.9	153.3	154.7	156.0	94.2	96.7	97.1	94.5	90.9
CHEMICAL MATERIALS	225.9	227.7	231.8	233.6	208.3	250.5	253.6	256.8	260.4	264.6	90.2	89.8	90.2	89.7	78.7
ENERGY MATERIALS	128.8	128.2	129.0	130.8	130.2	148.0	149.2	150.3	151.1	151.8	87.0	85.9	85.9	86.6	85.7

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 1978, AND ABOUT 85 PERCENT FOR INDUSTRIAL MATERIALS FOR 1967 THROUGH 1978. 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

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														1980 JAN.
	1973 HIGH	1975 LOW	1979 JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	
MANUFACTURING, TOTAL	88.0	69.0	86.6	86.8	87.2	85.3	86.3	86.1	86.0	84.9	85.2	84.8	84.4	84.1	83.9
PRIMARY PROCESSING	93.8	68.2	89.2	88.9	88.9	88.2	88.3	88.1	89.2	88.2	87.7	87.5	86.9	86.3	86.4
ADVANCED PROCESSING	85.5	69.4	85.2	85.6	86.2	83.7	85.3	85.0	84.2	83.0	83.7	83.4	82.9	82.8	82.7
SERIES	OUTPUT				CAPACITY				UTILIZATION						
	1978 IV	1979 I	1979 II	1979 III	1978 IV	1979 I	1979 II	1979 III	1978 IV	1979 I	1979 II	1979 III	1978 IV	1979 I	1979 II
MANUFACTURING, TOTAL	151.7	153.8	153.4	153.7	153.4	175.6	177.0	178.6	180.1	181.7	86.4	86.9	85.9	85.3	84.4
PRIMARY PROCESSING	162.2	162.6	162.4	163.9	162.5	181.2	182.6	184.1	185.6	187.1	89.5	89.0	88.2	88.3	86.9
ADVANCED PROCESSING	146.1	149.1	148.7	148.3	148.5	172.7	174.0	175.6	177.3	178.9	84.6	85.7	84.7	83.7	83.0

Industrial Materials

SERIES	MONTHLY CAPACITY UTILIZATION														1980 JAN.
	1973 HIGH	1975 LOW	1979 JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV.	DEC.	
MATERIALS, TOTAL	92.6	69.4	88.4	88.4	88.6	87.2	87.6	87.7	87.8	87.1	86.8	86.6	86.2	86.1	86.1
DURABLE GOODS MATERIALS	91.5	63.6	87.6	87.1	87.6	85.3	86.4	87.1	87.1	85.6	85.3	84.8	83.9	83.6	83.6
METAL MATERIALS	98.2	68.6	88.9	88.3	90.7	88.4	87.8	90.5	92.1	89.7	88.3	85.4	85.1	84.8	84.1
NONDURABLE GOODS MATERIALS	94.5	67.2	90.0	90.5	90.6	90.2	90.2	89.7	90.0	90.5	90.6	90.7	90.3	90.8	90.9
TEX., PAPER, & CHEM. MAT.	95.1	65.3	89.5	90.3	90.4	90.4	90.3	90.0	90.1	91.0	91.1	91.4	90.9	91.4	91.2
TEXTILE MATERIALS	92.6	57.9	86.2	85.7	86.7	85.7	86.4	88.5	88.7	88.2	90.1	90.0	89.0	89.3	86.6
PAPER MATERIALS	99.4	72.4	89.8	92.3	93.7	94.5	93.8	94.2	96.6	96.2	97.2	96.9	96.9	97.6	96.0
CHEMICAL MATERIALS	95.5	64.2	90.2	90.9	90.5	90.7	90.4	89.5	89.0	90.4	89.9	90.4	89.8	90.5	91.2
ENERGY MATERIALS	94.6	84.8	88.1	88.3	87.9	87.8	86.7	86.5	86.1	86.3	85.4	85.5	86.1	86.0	86.2
SERIES	OUTPUT				CAPACITY				UTILIZATION						
	1978 IV	1979 I	1979 II	1979 III	1978 IV	1979 I	1979 II	1979 III	1978 IV	1979 I	1979 II	1979 III	1978 IV	1979 I	1979 II
MATERIALS, TOTAL	154.6	156.2	155.9	156.9	156.5	175.4	176.7	178.2	179.8	181.2	88.2	88.4	87.5	87.2	86.3
DURABLE GOODS MATERIALS	157.3	158.6	157.8	158.6	156.3	180.1	181.5	182.9	184.3	185.7	87.4	87.4	86.3	86.0	84.1
METAL MATERIALS	132.2	124.9	124.5	126.3	119.6	139.6	139.9	140.1	140.3	140.6	94.7	89.3	88.9	90.0	85.1
NONDURABLE GOODS MATERIALS	170.3	173.3	174.4	176.8	179.2	190.2	191.8	193.7	195.6	197.6	89.6	90.4	90.0	90.4	90.6
TEX., PAPER, & CHEM. MAT.	177.1	179.7	182.1	185.0	187.9	197.9	199.5	201.6	203.7	205.8	89.5	90.1	90.3	90.8	91.2
TEXTILE MATERIALS	119.5	118.1	119.4	122.7	123.8	136.6	137.0	137.4	137.9	138.4	87.5	86.2	86.9	89.0	89.4
PAPER MATERIALS	138.1	136.9	141.6	146.8	148.9	147.8	148.9	150.4	151.9	153.3	93.4	91.9	94.2	96.7	97.1
CHEMICAL MATERIALS	218.0	224.0	225.9	227.7	231.8	244.6	247.3	250.5	253.6	256.8	89.1	90.5	90.2	89.8	90.2
ENERGY MATERIALS	128.9	129.4	128.8	128.2	129.0	145.7	146.9	148.0	149.2	150.3	88.4	88.1	87.0	85.9	85.9

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