

FEDERAL RESERVE statistical release



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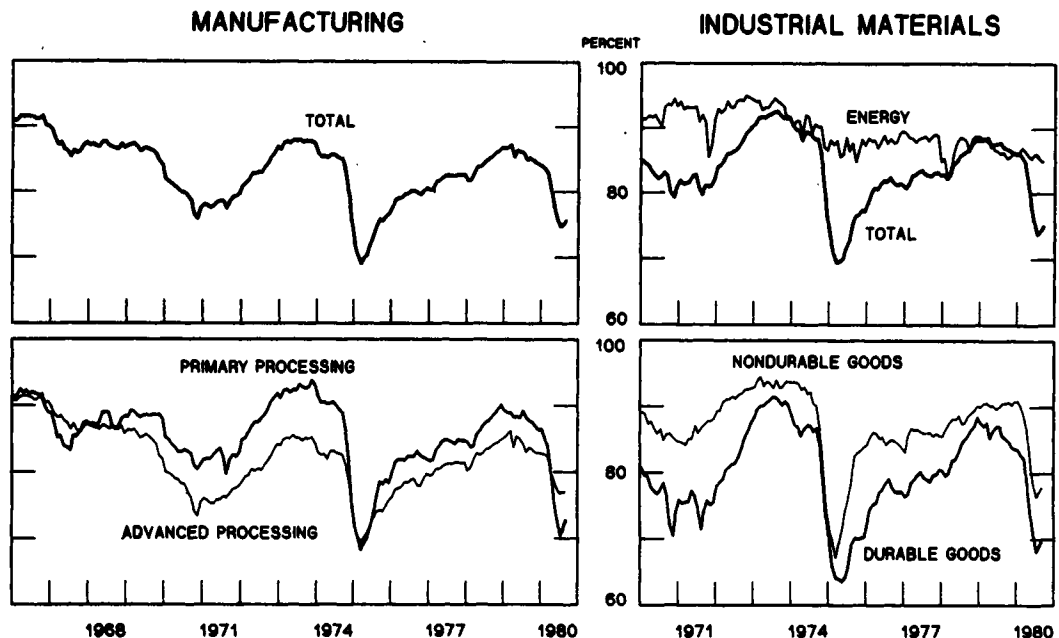
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CAPACITY UTILIZATION: MANUFACTURING AND MATERIALS September 1980

Capacity utilization in manufacturing increased 0.6 of a percentage point in September to 75.6 percent. The utilization rate for producers of industrial materials was 74.9 percent in September, up 0.7 of a percentage point from August. Both rates have risen in the last two months from their recent lows in July 1980. The September rate for manufacturing was almost 12 percentage points below its last high in March 1979, and the materials rate was almost 13 percentage points below its July 1979 high.

The operating rate of the primary processing industries rose 1.2 percentage points in September to 72.8 percent. The rate for the advanced processing industries edged up 0.1 of a percentage point to 77.0 percent. Among primary processing industries, a large increase occurred in September in the utilization rate for the iron and steel industry, which had been operating only slightly above fifty percent of capacity in July. There also were increases in the operating rates of producers of textiles, paper, petroleum, rubber, nonferrous metals, fabricated metals, and clay, glass and stone. Among the advanced processing industries, capacity utilization increased sharply in September for motor vehicles and parts, which had been operating since April at very low rates of utilization. Operating rates declined for four advanced processing industries: food, nonelectrical machinery, electrical machinery, and aerospace and miscellaneous transportation equipment.

Producers of durable goods materials utilized 69.9 percent of their capacity in September, 0.9 of a percentage point above the August rate, and the operating rate for nondurable goods materials rose 0.8 of a percentage point to 77.9 percent. The utilization rate for energy materials producers declined 0.4 of a percentage point to 84.8 percent.



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 SEP.	OCT.	NOV.	DEC.	1980								
							JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.
MANUFACTURING, TOTAL	88.0	69.0	85.2	84.8	84.4	84.1	83.9	83.5	82.8	80.3	77.6	75.7	74.7	75.0	75.6
PRIMARY PROCESSING	93.8	69.2	87.7	87.5	86.9	86.3	86.4	85.2	83.8	80.5	75.8	72.7	70.7	71.6	72.8
ADVANCED PROCESSING	85.5	69.4	83.7	83.4	82.9	82.8	82.7	82.6	82.2	80.1	78.6	77.4	76.9	76.9	77.0
	OUTPUT						CAPACITY						UTILIZATION		
	1979 III	IV	1980 I	II	III	III	IV	I	II	III	III	IV	1980 I	II	III
MANUFACTURING, TOTAL	153.7	153.4	152.8	143.9	139.9	180.1	181.7	183.3	184.8	186.3	85.3	84.4	83.4	77.9	75.1
PRIMARY PROCESSING	163.9	162.5	160.5	145.0	137.3	185.6	187.1	188.5	190.0	191.5	88.3	86.9	85.1	76.3	71.7
ADVANCED PROCESSING	148.3	148.5	148.8	143.3	141.2	177.3	178.9	180.5	182.0	183.5	83.7	83.0	82.5	78.7	76.9

Industrial Materials

SERIES	MONTHLY CAPACITY UTILIZATION														
	1973 HIGH	1975 LOW	1979 SEP.	OCT.	NOV.	DEC.	1980								
							JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.
MATERIALS, TOTAL	92.6	69.4	86.8	86.6	86.2	86.1	86.1	85.6	84.7	82.1	78.3	75.7	73.6	74.2	74.9
DURABLE GOODS MATERIALS	91.5	63.6	85.3	84.8	83.9	83.6	83.6	82.7	82.2	78.8	74.1	70.8	68.0	69.0	69.9
METAL MATERIALS	98.2	68.6	88.3	85.4	85.1	84.8	84.1	82.0	83.6	77.2	70.0	67.0	58.3	62.0	
NONDURABLE GOODS MATERIALS	94.5	67.2	90.6	90.7	90.3	90.8	90.9	90.0	88.3	86.1	81.8	78.7	76.4	77.1	77.9
TEX., PAPER, & CHEM. MAT.	95.1	65.3	91.1	91.4	90.9	91.4	91.2	90.3	88.5	86.0	81.3	77.1	74.0	75.0	76.2
TEXTILE MATERIALS	92.6	57.9	90.1	90.0	89.0	89.3	86.6	87.2	86.8	84.6	84.5	81.8	79.1	79.0	
PAPER MATERIALS	99.4	72.4	97.2	96.9	96.9	97.6	96.0	94.4	93.0	90.7	90.8	91.6	88.3	89.2	
CHEMICAL MATERIALS	95.5	64.2	89.9	90.4	89.8	90.5	91.2	90.1	87.9	85.2	78.3	77.7	69.5	70.9	
ENERGY MATERIALS	94.6	84.8	85.4	85.5	86.1	86.0	86.2	87.0	86.5	85.8	85.3	85.8	85.7	85.2	84.8
	OUTPUT						CAPACITY						UTILIZATION		
	1979 III	IV	1980 I	II	III	III	IV	I	II	III	III	IV	1980 I	II	III
MATERIALS, TOTAL	156.9	156.5	156.3	145.1	137.9	179.8	181.2	182.8	184.3	185.8	87.2	86.3	85.5	78.7	74.2
DURABLE GOODS MATERIALS	158.6	156.3	155.0	140.6	131.0	184.3	185.7	187.2	188.6	190.0	86.0	84.1	82.8	74.6	69.0
METAL MATERIALS	126.3	119.6	117.1	100.6		140.3	140.6	140.7	140.8		90.0	85.1	83.2	71.4	
NONDURABLE GOODS MATERIALS	176.8	179.2	179.3	166.0	157.6	195.6	197.6	199.8	202.0	204.3	90.4	90.6	89.7	82.2	77.1
TEX., PAPER, & CHEM. MAT.	185.0	187.9	187.5	171.9	160.4	203.7	205.8	208.3	211.0	213.7	90.8	91.2	90.0	81.5	75.1
TEXTILE MATERIALS	122.7	123.8	120.6	116.4		137.9	138.4	138.8	139.2		89.0	89.4	86.9	83.7	
PAPER MATERIALS	146.8	148.9	146.1	142.1		151.9	153.3	154.7	156.0		96.7	97.1	94.5	91.0	
CHEMICAL MATERIALS	227.7	231.8	233.6	208.3		253.6	256.8	260.4	264.6		89.8	90.2	89.7	78.7	
ENERGY MATERIALS	128.2	129.0	130.8	130.0	130.0	149.2	150.3	151.1	151.8	152.6	85.9	85.9	86.6	85.6	85.2

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