

# FEDERAL RESERVE statistical release



G.3 (402)

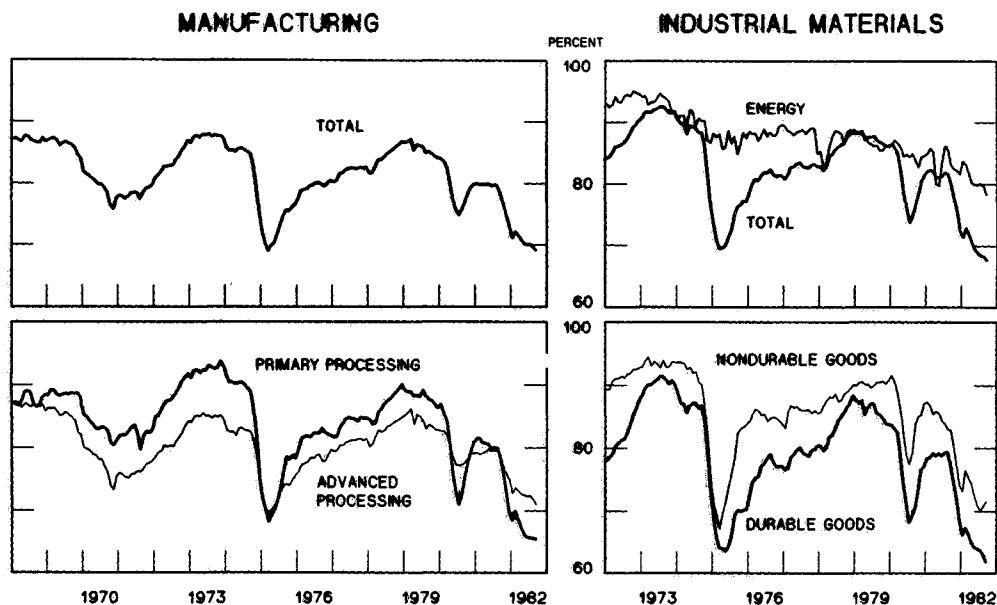
For immediate release  
October 18, 1982

## CAPACITY UTILIZATION: MANUFACTURING AND MATERIALS September 1982

Capacity utilization in manufacturing declined 0.5 of a percentage point in September to 69.1 percent, close to its postwar low in March 1975. The operating rate for producers of industrial materials dropped 0.7 of a percentage point to a new series low of 67.6 percent of capacity.

Within manufacturing, the operating rate for the advanced processing industries fell 0.8 of a percentage point in September to 71.0 percent, while the rate for the primary processing industries was unchanged at 65.5 percent. Industries that produce equipment used less of their capacity in September; operating rates dropped for producers of electrical machinery, nonelectrical machinery, instruments, and aerospace and miscellaneous transportation equipment. The utilization rates for the motor vehicles and parts industry and for the primary and fabricated metals industries declined again in September. Capacity utilization was higher for some nondurable goods industries.

The operating rate for producers of durable goods materials dropped 1.3 percentage points in September to a new low of 61.8 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 rose 0.9 of a percentage point to 71.7 percent, reflecting the increased use of capacity by producers of textile, paper, and chemical materials. The operating rate for energy materials production fell 1.3 percentage points to 78.3 percent, partly as a result of reduced coal mining during the railroad strike.



# 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 SEP.	OCT.	NOV.	DEC.	1982 JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.
MANUFACTURING, TOTAL	88.0	69.0	78.3	76.6	74.8	73.1	71.1	72.2	71.6	70.8	70.2	70.0	70.1	69.6	69.1
PRIMARY PROCESSING	93.8	68.2	78.2	75.7	72.7	69.6	68.5	70.0	68.6	67.2	66.1	65.7	65.7	65.5	65.5
ADVANCED PROCESSING	85.5	69.4	78.3	77.0	75.8	75.0	72.8	73.6	73.2	72.6	72.5	72.3	72.4	71.8	71.0
SERIES	OUTPUT						CAPACITY						UTILIZATION		
	1981 III	1982 IV	1982 I	II	III	1981 III	1982 IV	1982 I	II	III	1981 III	1982 IV	1982 I	II	III
MANUFACTURING, TOTAL	152.5	145.0	139.8	138.1	137.6	192.4	193.9	195.2	196.4	197.7	79.3	74.8	71.6	70.3	69.6
PRIMARY PROCESSING	155.8	143.5	137.1	132.3	131.5	196.3	197.5	198.6	199.5	200.4	79.4	72.7	69.1	66.3	65.6
ADVANCED PROCESSING	150.7	145.8	141.6	141.2	140.7	190.4	192.0	193.5	194.9	196.2	79.2	75.9	73.2	72.5	71.7

## Industrial Materials

SERIES	MONTHLY CAPACITY UTILIZATION														
	1973 HIGH	1975 LOW	1981 SEP.	OCT.	NOV.	DEC.	1982 JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.
MATERIALS, TOTAL	92.6	69.4	80.0	77.7	75.5	72.4	71.4	72.9	71.8	70.5	69.4	68.8	68.4	68.3	67.6
DURABLE GOODS MATERIALS	91.5	63.6	77.3	74.7	72.2	68.5	66.2	67.4	66.4	65.0	64.2	64.0	63.7	63.1	61.8
METAL MATERIALS	98.3	68.6	79.1	73.9	70.8	65.5	65.8	64.7	61.1	56.2	53.9	52.2	50.8	51.4	
NONDURABLE GOODS MATERIALS	94.5	67.2	82.9	80.3	77.3	74.1	73.2	76.5	75.3	74.4	72.5	70.9	70.1	70.8	71.7
TEX., PAPER, & CHEM. MAT.	95.1	65.3	82.1	79.1	75.9	72.2	70.7	74.4	73.7	72.5	70.6	68.8	67.8	68.4	69.6
TEXTILE MATERIALS	92.6	57.9	81.3	78.8	75.5	72.0	68.6	71.9	73.5	73.4	71.5	69.6	69.6	71.5	
PAPER MATERIALS	99.4	72.4	95.7	92.1	92.3	86.5	87.6	90.7	89.4	87.4	86.1	85.3	85.3	87.7	
CHEMICAL MATERIALS	95.5	64.2	79.2	76.2	72.4	69.0	67.4	71.3	70.2	69.0	66.9	65.0	63.7	63.6	
ENERGY MATERIALS	94.6	84.8	83.0	82.5	82.2	81.6	83.7	83.2	81.8	80.2	79.9	79.8	80.1	79.6	78.3
SERIES	OUTPUT						CAPACITY						UTILIZATION		
	1981 III	1982 IV	1982 I	II	III	1981 III	1982 IV	1982 I	II	III	1981 III	1982 IV	1982 I	II	III
MATERIALS, TOTAL	154.3	144.0	138.7	134.7	132.5	190.3	191.5	192.6	193.7	194.6	81.1	75.2	72.0	69.6	68.1
DURABLE GOODS MATERIALS	152.8	140.2	130.9	127.1	124.6	194.2	195.3	196.4	197.3	198.3	78.7	71.8	66.7	64.4	62.9
METAL MATERIALS	114.2	99.5	90.9	77.0	72.6	141.9	142.1	142.3	142.4	142.3	80.5	70.1	63.9	54.1	
NONDURABLE GOODS MATERIALS	175.8	164.5	161.0	156.8	154.0	211.2	213.1	214.6	216.1	217.4	83.3	77.2	75.0	72.6	70.8
TEX., PAPER, & CHEM. MAT.	182.8	169.4	164.5	160.5	157.1	221.7	223.9	225.6	227.3	228.8	82.5	75.7	72.9	70.6	68.6
TEXTILE MATERIALS	115.5	106.8	101.3	101.8	101.3	141.0	141.6	142.1	142.4	142.8	81.8	75.4	71.3	71.5	
PAPER MATERIALS	152.2	147.0	146.1	142.0	145.2	161.9	162.8	163.8	164.6	165.4	94.1	90.3	89.2	86.3	
CHEMICAL MATERIALS	224.9	206.2	200.0	194.0	186.6	281.0	284.4	287.3	289.6	291.9	80.0	72.5	69.6	67.0	
ENERGY MATERIALS	131.6	127.9	129.8	125.5	125.1	155.0	155.8	156.5	157.0	157.6	84.9	82.1	82.9	79.9	79.3

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