

# FEDERAL RESERVE statistical release



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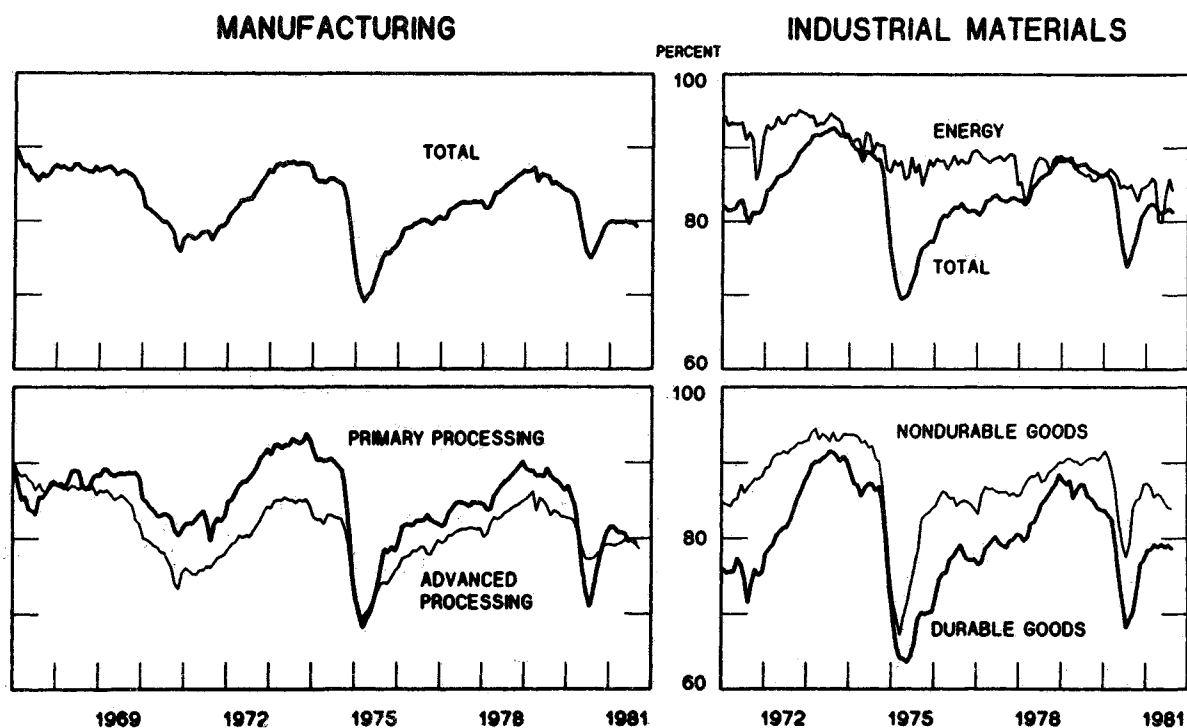
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## CAPACITY UTILIZATION: MANUFACTURING AND MATERIALS September 1981

The capacity utilization rate for manufacturers fell 0.8 of a percentage point in September to 78.5 percent, and the operating rate for materials producers declined 1.0 percentage point to 80.4 percent. These declines followed smaller reductions in August. Both rates were lower in September than they have been since October 1980.

Within manufacturing, the rate for the primary processing industries dropped 1.5 percentage points to 78.2 percent, while the rate for advanced processing industries fell 0.5 of a percentage point to 78.6 percent. Capacity utilization declined quite sharply for producers of iron and steel, following a large rise in August. Utilization rates also declined substantially in September--generally for the second consecutive month--for a wide range of industries. A major exception was producers of paper and products, which utilized somewhat more of their capacity in September than in the preceding three months.

Producers of durable goods materials operated at 77.4 percent of capacity in September, down from 79.0 percent in August. The utilization rate for producers of raw steel dropped almost 3-1/2 percentage points in September, and the operating rate for producers of aluminum fell markedly for the sixth consecutive month. The rate for producers of nondurable goods materials was about unchanged, edging down 0.1 of a percentage point to 83.4 percent, while the operating rate for energy materials producers declined 1.1 percentage points to 83.9 percent in September.



# 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	1980 SEP.	OCT.	NOV.	DEC.	1981 JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.
MANUFACTURING, TOTAL	88.0	69.0	77.0	78.2	79.3	79.8	80.0	79.8	79.8	79.8	80.0	79.6	79.8	79.3	78.5
PRIMARY PROCESSING	93.8	68.2	75.6	77.6	79.5	80.9	81.5	81.5	80.8	80.7	80.6	79.5	80.1	79.7	78.2
ADVANCED PROCESSING	85.5	69.4	77.7	78.3	79.0	79.2	79.2	79.0	79.2	79.4	79.8	79.7	79.7	79.1	78.6
SERIES	OUTPUT					CAPACITY					UTILIZATION				
	1980 III	1981 IV	1981 I	1981 II	1981 III	1980 III	1981 IV	1981 I	1981 II	1981 III	1980 III	1981 IV	1981 I	1981 II	1981 III
MANUFACTURING, TOTAL	141.5	148.6	151.3	152.4	152.4	186.4	187.9	189.4	190.9	192.4	75.9	79.1	79.9	79.8	79.2
PRIMARY PROCESSING	139.7	152.7	157.5	156.5	155.7	191.2	192.5	193.8	195.0	196.3	73.1	79.3	81.3	80.3	79.3
ADVANCED PROCESSING	142.3	146.2	148.1	150.2	150.5	183.8	185.5	187.1	188.7	190.4	77.4	78.8	79.1	79.6	79.0

## Industrial Materials

SERIES	MONTHLY CAPACITY UTILIZATION														
	1973 HIGH	1975 LOW	1980 SEP.	OCT.	NOV.	DEC.	1981 JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.
MATERIALS, TOTAL	92.6	69.4	76.8	78.4	80.5	81.4	82.1	82.3	82.1	81.1	81.2	81.3	81.9	81.4	80.4
DURABLE GOODS MATERIALS	91.5	63.6	70.5	73.3	76.6	77.1	78.4	78.5	79.2	78.8	79.2	78.9	79.3	79.0	77.4
METAL MATERIALS	98.3	68.6	63.6	70.5	81.4	80.3	81.9	83.2	83.9	79.9	80.3	78.7	79.5	81.9	
NONDURABLE GOODS MATERIALS	94.5	67.2	83.9	85.1	85.3	87.2	87.3	86.8	85.4	85.9	85.6	84.3	84.1	83.5	83.4
TEX., PAPER, & CHEM. MAT.	95.1	65.3	82.6	84.5	84.9	87.1	86.7	86.3	85.0	85.5	85.4	83.5	83.4	82.9	82.9
TEXTILE MATERIALS	92.6	57.9	82.0	81.4	82.4	80.2	82.0	82.2	81.5	81.9	81.7	80.5	82.6	81.9	
PAPER MATERIALS	99.4	72.4	93.8	94.1	94.3	95.0	94.5	94.5	95.3	94.9	93.9	93.0	92.4	92.5	
CHEMICAL MATERIALS	95.5	64.2	80.3	82.9	83.3	86.8	86.0	85.3	83.4	84.1	84.3	82.0	81.5	81.0	
ENERGY MATERIALS	94.6	84.8	83.8	82.7	84.4	84.6	84.9	85.8	85.2	79.9	79.8	83.7	86.3	85.0	83.9
SERIES	OUTPUT					CAPACITY					UTILIZATION				
	1980 III	1981 IV	1981 I	1981 II	1981 III	1980 III	1981 IV	1981 I	1981 II	1981 III	1980 III	1981 IV	1981 I	1981 II	1981 III
MATERIALS, TOTAL	139.2	149.4	154.2	153.4	154.4	185.1	186.4	187.6	188.9	190.1	75.2	80.1	82.2	81.2	81.2
DURABLE GOODS MATERIALS	131.4	144.3	150.9	152.3	152.4	189.5	190.6	191.8	192.9	194.0	69.3	75.7	78.7	79.0	78.6
METAL MATERIALS	87.3	109.4	117.5	112.8	113.2	141.2	141.3	141.5	141.7	141.9	61.8	77.4	83.0	79.6	79.8
NONDURABLE GOODS MATERIALS	163.2	176.3	179.2	178.4	176.6	203.4	205.3	207.3	209.2	211.2	80.2	85.9	86.5	85.3	83.7
TEX., PAPER, & CHEM. MAT.	167.0	183.7	186.7	185.9	184.1	212.6	214.9	217.1	219.4	221.7	78.5	85.5	86.0	84.8	83.1
TEXTILE MATERIALS	113.2	113.7	114.8	114.5	115.3	139.4	139.7	140.1	140.6	141.0	81.2	81.4	81.9	81.4	81.7
PAPER MATERIALS	143.6	149.7	151.4	151.0	150.1	157.2	158.5	159.7	160.7	161.9	91.3	94.5	94.8	93.9	92.7
CHEMICAL MATERIALS	200.0	228.2	232.7	231.6	228.1	267.1	270.5	274.1	277.5	281.0	74.9	84.3	84.9	83.5	81.2
ENERGY MATERIALS	128.4	128.2	130.9	125.1	131.8	152.3	152.8	153.5	154.2	155.0	84.4	83.9	85.3	81.1	85.1

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