

FEDERAL RESERVE statistical release



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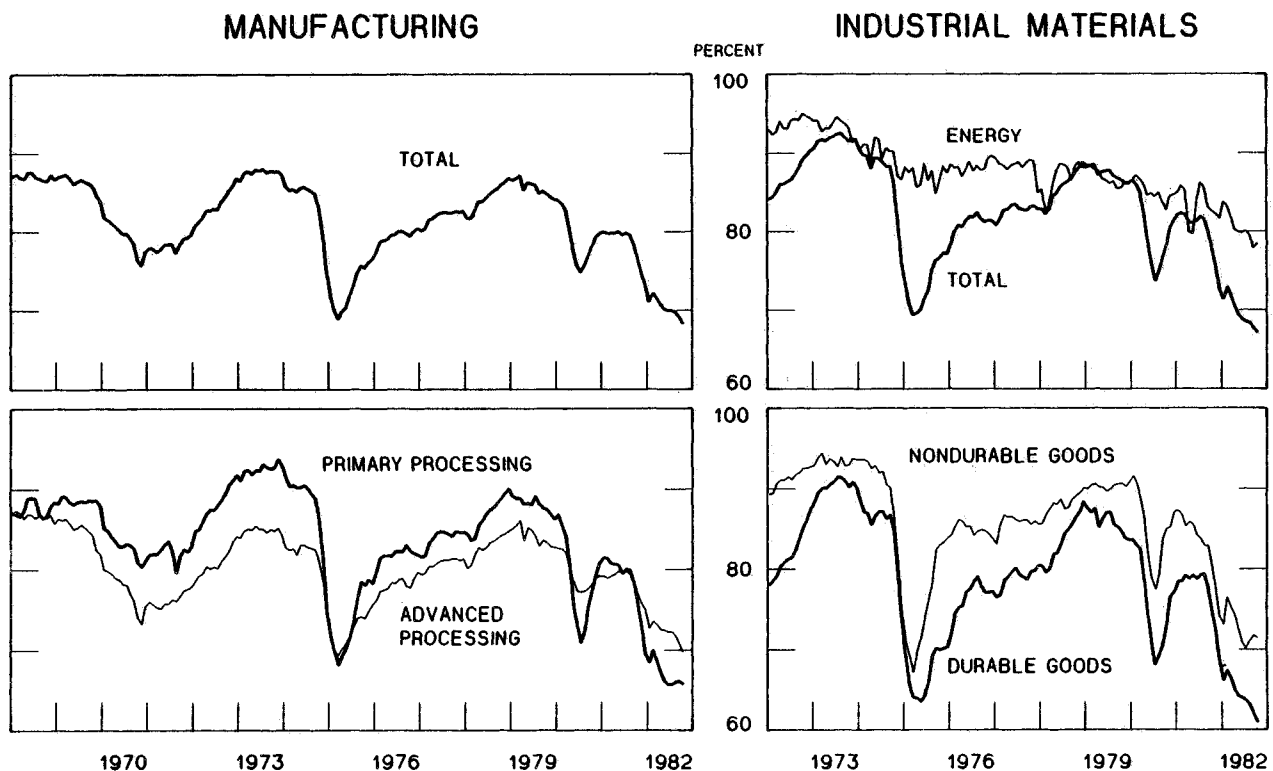
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CAPACITY UTILIZATION: MANUFACTURING AND MATERIALS October 1982

Capacity utilization in manufacturing fell 0.8 of a percentage point further in October to 68.4 percent, slightly under the previous low of 69.0 percent which occurred in March 1975. The operating rate for producers of industrial materials declined 0.5 of a percentage point in October to 67.2 percent; the materials rate dropped below its March 1975 low last June.

Within manufacturing, the operating rate for the advanced processing industries fell 1.1 percentage points to 69.8 percent, while the rate for the primary processing industries decreased 0.3 of a percentage point to 65.8 percent. The operating rate declined sharply for producers of motor vehicles and parts, and rates also decreased in industries producing nonelectrical machinery, instruments, iron and steel, fabricated metals, paper, and other products.

The utilization rate for producers of durable goods materials dropped 1.0 percentage point in October to 61.0 percent, as producers of raw steel, aluminum, parts for consumer durable goods, and parts for equipment curtailed operations. Producers of nondurable goods materials operated 71.5 percent of their capacity in October, down 0.3 of a percentage point since September. The operating rate for energy materials production rose 0.6 of a percentage point to 78.5 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	1981 OCT.	NOV.	DEC.	1982 JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.	OCT.
MANUFACTURING, TOTAL	88.0	69.0	76.6	74.8	73.1	71.1	72.2	71.6	70.8	70.2	70.0	70.0	69.8	69.2	68.4
PRIMARY PROCESSING	93.8	68.2	75.7	72.7	69.6	68.5	70.0	68.6	67.2	66.1	65.7	65.7	66.0	66.1	65.8
ADVANCED PROCESSING	85.5	69.4	77.0	75.8	75.0	72.8	73.6	73.2	72.6	72.5	72.3	72.3	71.8	70.9	69.8
	OUTPUT					CAPACITY					UTILIZATION				
	1981 III	1981 IV	1982 I	1982 II	1982 III	1981 III	1981 IV	1982 I	1982 II	1982 III	1981 III	1981 IV	1982 I	1982 II	1982 III
MANUFACTURING, TOTAL	152.5	145.0	139.8	138.1	137.8	192.4	193.9	195.2	196.4	197.7	79.3	74.8	71.6	70.3	69.7
PRIMARY PROCESSING	155.8	143.5	137.1	132.3	132.2	196.3	197.5	198.6	199.5	200.4	79.4	72.7	69.1	66.3	65.9
ADVANCED PROCESSING	150.7	145.8	141.6	141.2	140.6	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 OCT.	NOV.	DEC.	1982 JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.	OCT.
MATERIALS, TOTAL	92.6	69.4	77.7	75.5	72.4	71.4	72.9	71.8	70.5	69.4	68.8	68.5	68.4	67.7	67.2
DURABLE GOODS MATERIALS	91.5	63.6	74.7	72.2	68.5	66.2	67.4	66.4	65.0	64.2	64.0	63.7	63.1	62.0	61.0
METAL MATERIALS	98.3	68.6	73.9	70.8	65.5	65.8	64.7	61.1	56.2	53.9	52.2	50.7	51.4	51.1	
NONDURABLE GOODS MATERIALS	94.5	67.2	80.3	77.3	74.1	73.2	76.5	75.3	74.4	72.5	70.9	70.2	71.1	71.8	71.5
TEX., PAPER, & CHEM. MAT.	95.1	65.3	79.1	75.9	72.2	70.7	74.4	73.7	72.5	70.6	68.8	68.0	68.8	69.5	69.6
TEXTILE MATERIALS	92.6	57.9	78.8	75.5	72.0	68.6	71.9	73.5	73.4	71.5	69.6	69.8	71.9	72.4	
PAPER MATERIALS	99.4	72.4	92.1	92.3	86.5	87.6	90.7	89.4	87.4	86.1	85.3	86.0	88.0	88.9	
CHEMICAL MATERIALS	95.5	64.2	76.2	72.4	69.0	67.4	71.3	70.2	69.0	66.9	65.0	63.7	63.9	64.6	
ENERGY MATERIALS	94.6	84.8	82.5	82.2	81.6	83.7	83.2	81.8	80.2	79.9	79.8	80.0	79.5	77.9	78.5
	OUTPUT					CAPACITY					UTILIZATION				
	1981 III	1981 IV	1982 I	1982 II	1982 III	1981 III	1981 IV	1982 I	1982 II	1982 III	1981 III	1981 IV	1982 I	1982 II	1982 III
MATERIALS, TOTAL	154.3	144.0	138.7	134.7	132.7	190.3	191.5	192.6	193.7	194.6	81.1	75.2	72.0	69.6	68.2
DURABLE GOODS MATERIALS	152.8	140.2	130.9	127.1	124.8	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	72.7	141.9	142.1	142.3	142.4	142.3	80.5	70.1	63.9	54.1	51.1
NONDURABLE GOODS MATERIALS	175.8	164.5	161.0	156.8	154.5	211.2	213.1	214.6	216.1	217.4	83.3	77.2	75.0	72.6	71.0
TEX., PAPER, & CHEM. MAT.	182.8	169.4	164.5	160.5	157.4	221.7	223.9	225.6	227.3	228.8	82.5	75.7	72.9	70.6	68.8
TEXTILE MATERIALS	115.5	106.8	101.3	101.8	101.9	141.0	141.6	142.1	142.4	142.8	81.8	75.4	71.3	71.5	71.4
PAPER MATERIALS	152.2	147.0	146.1	142.0	145.0	161.9	162.8	163.8	164.6	165.4	94.1	90.3	89.2	86.3	87.6
CHEMICAL MATERIALS	224.9	206.2	200.0	194.0	187.1	281.0	284.4	287.3	289.6	291.9	80.0	72.5	69.6	67.0	64.1
ENERGY MATERIALS	131.6	127.9	129.8	125.5	124.8	155.0	155.8	156.5	157.0	157.6	84.9	82.1	82.9	79.9	79.2

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