

FEDERAL RESERVE statistical release



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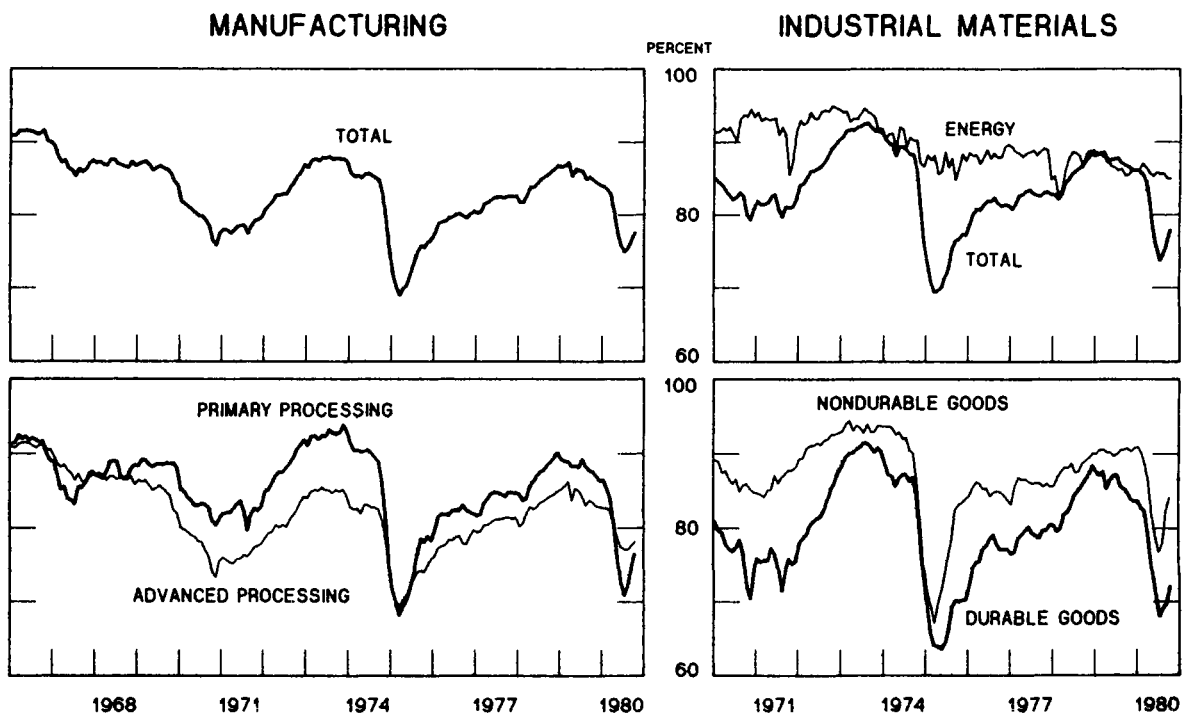
CAPACITY UTILIZATION: MANUFACTURING AND MATERIALS November 1980

Capacity utilization in manufacturing increased 0.9 of a percentage point in November to 78.8 percent. Producers of industrial materials operated at 79.6 percent of capacity, up 1.3 percentage points from the October rate. Despite substantial gains since July, the November operating rates for both manufacturing and materials were almost 9 percentage points below their highs in 1979.

The utilization rate for the primary processing industries rose 1.7 percentage points in November to 79.0 percent, and the rate for the advanced processing industries increased 0.5 of a percentage point to 78.9 percent. Among the primary processing industries, the operating rates for producers of iron and steel and nonferrous metals increased very sharply in November; moderately large increases occurred in the utilization rates of a wide range of industries, including the paper, petroleum, rubber and plastics, fabricated metals, and stone, clay, and glass industries.

Among the advanced processing industries, capacity utilization for producers of motor vehicles and parts rose further in November, but considerably less than during the two preceding months; capacity utilization in this sector remains more than 30 percentage points below its last cyclical high. Operating rates also were higher for producers of electrical machinery and instruments.

Producers of durable goods materials utilized 75.3 percent of their capacity in November, 2.3 percentage points above the October rate, and the operating rate for nondurable goods materials rose 0.4 of a percentage point to 84.8 percent. The utilization rate of energy materials producers edged up 0.2 of a percentage point to 83.9 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 NOV.	1980 DEC.	1980 JAN.	1980 FEB.	1980 MAR.	1980 APR.	1980 MAY	1980 JUNE	1980 JULY	1980 AUG.	1980 SEP.	1980 OCT.	1980 NOV.
MANUFACTURING, TOTAL	88.0	69.0	84.4	84.1	83.9	82.5	82.2	80.3	77.6	75.7	74.9	75.5	76.6	77.3	78.8
PRIMARY PROCESSING	93.8	69.2	86.9	86.3	86.4	85.2	83.8	80.5	75.8	72.7	70.9	72.5	75.1	77.3	79.0
ADVANCED PROCESSING	85.5	69.4	82.9	82.8	82.7	82.6	82.2	80.1	78.6	77.4	77.1	77.1	77.6	78.4	78.9

SERIES	OUTPUT					CAPACITY					UTILIZATION				
	1979 III	1980 IV	1980 I	1980 II	1980 III	1979 III	1980 IV	1980 I	1980 II	1980 III	1979 III	1980 IV	1980 I	1980 II	1980 III
MANUFACTURING, TOTAL	153.7	153.4	152.8	143.9	141.0	180.1	181.7	183.3	184.8	186.3	85.3	84.4	83.4	77.9	75.7
PRIMARY PROCESSING	163.9	162.5	160.5	145.0	139.5	185.6	187.1	188.5	190.0	191.5	88.3	86.9	85.1	76.3	72.9
ADVANCED PROCESSING	148.3	148.5	148.8	143.3	141.8	177.3	178.9	180.5	182.0	183.5	83.7	83.0	82.5	78.7	77.3

Industrial Materials

SERIES	MONTHLY CAPACITY UTILIZATION														
	1973 HIGH	1975 LOW	1979 NOV.	1980 DEC.	1980 JAN.	1980 FEB.	1980 MAR.	1980 APR.	1980 MAY	1980 JUNE	1980 JULY	1980 AUG.	1980 SEP.	1980 OCT.	1980 NOV.
MATERIALS, TOTAL	92.6	69.4	86.2	86.1	86.1	85.6	84.7	82.1	78.3	75.7	73.7	74.6	76.3	78.3	79.6
DURABLE GOODS MATERIALS	91.5	63.6	83.9	83.6	83.6	82.7	82.2	78.8	74.1	70.8	68.0	69.1	70.2	73.0	75.3
METAL MATERIALS	98.3	68.6	85.1	84.8	84.1	82.0	83.6	77.2	70.0	67.0	58.4	62.2	63.7	70.7	
NONDURABLE GOODS MATERIALS	94.5	67.2	90.3	90.8	90.9	90.0	88.3	86.1	81.8	78.7	76.8	78.2	82.7	84.4	84.8
TEX., PAPER, & CHEM. MAT.	95.1	65.3	90.9	91.4	91.2	90.3	88.5	86.0	81.3	77.1	74.5	76.4	81.4	83.8	83.9
TEXTILE MATERIALS	92.6	57.9	89.0	89.3	86.6	87.2	86.8	84.6	84.5	81.8	82.0	79.5	82.0	82.3	
PAPER MATERIALS	99.4	72.4	96.9	97.6	96.0	94.4	93.0	90.7	90.8	91.6	88.1	90.2	93.0	92.6	
CHEMICAL MATERIALS	95.5	64.2	99.8	90.5	91.2	90.1	87.9	85.2	78.3	72.7	69.6	72.5	78.5	82.1	
ENERGY MATERIALS	94.6	84.8	86.1	86.0	86.2	87.0	86.5	85.8	85.3	85.8	85.6	85.2	84.2	83.7	83.9

SERIES	OUTPUT					CAPACITY					UTILIZATION				
	1979 III	1980 IV	1980 I	1980 II	1980 III	1979 III	1980 IV	1980 I	1980 II	1980 III	1979 III	1980 IV	1980 I	1980 II	1980 III
MATERIALS, TOTAL	156.9	156.5	156.3	145.1	139.1	179.8	181.2	182.8	184.3	185.8	87.2	86.3	85.5	78.7	74.9
DURABLE GOODS MATERIALS	158.6	156.3	155.0	140.6	131.3	184.3	185.7	187.2	188.6	190.0	86.0	84.1	82.8	74.6	69.1
METAL MATERIALS	126.3	119.6	117.1	100.6	86.5	140.3	140.6	140.7	140.8	140.9	90.0	85.1	83.2	71.4	61.4
NONDURABLE GOODS MATERIALS	176.8	179.2	179.3	166.0	161.9	195.6	197.6	199.8	202.0	204.3	90.4	90.6	89.7	82.2	79.2
TEX., PAPER, & CHEM. MAT.	185.0	187.9	187.5	171.9	165.4	203.7	205.8	208.3	211.0	213.7	90.8	91.2	90.0	81.5	77.4
TEXTILE MATERIALS	122.7	123.8	120.6	116.4	113.4	137.9	138.4	138.8	139.2	139.6	89.0	89.4	86.9	83.7	81.2
PAPER MATERIALS	146.8	148.9	146.1	142.1	142.4	151.9	153.3	154.7	156.0	157.4	96.7	97.1	94.5	91.0	90.5
CHEMICAL MATERIALS	227.7	231.8	233.6	208.3	197.7	253.6	256.8	260.4	264.6	268.7	89.8	90.2	89.7	78.7	73.5
ENERGY MATERIALS	128.2	129.0	130.8	130.0	129.7	149.2	150.3	151.1	151.9	152.6	85.9	85.9	86.6	85.6	85.0

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