The paper refers to capacity utilisation, applying a short-cut used in business cycle research to yearly GDP and investment data from 1960 to the present for 22 countries. The basic idea is that the empirical short-run fluctuations of the capital output ratio $v$ are mainly due to cyclical changes in capital utilisation. Accepting this, the individual HP filtered long-run trend estimate $v_t$ for country $i$ can be used to identify the actual deviation of any respective $v_t$ from its 'equilibrium' level, which in turn allows to quantify capital utilisation. This method is easy to implement and gives an internationally perfectly comparable measure. Comparisons of these capacity utilisation time series with conventional measures (survey data, output gaps) show high correlations, supporting the view that our measure is a useful proxy for a country's position in the business cycle. Next, principal component analysis is used to extract the common variance of these series for our 22 countries in the sample, resulting in a small number of orthogonal factors with eigenvalues $> 1$. These can readily be interpreted as distinct international business cycle country groups. The same time series are then submitted to a hierarchical cluster analysis, which reveals a 4-cluster-solution. These clusters are suggested as a starting point for further explorations into the regularities as well as the causes of international cyclical co-movement (or the lack of it).

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