

Manufacturers' Utilization of Plant Capacity

1999

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Current Industrial Reports

The Census Bureau reports U.S. domestic manufacturing plants used an estimated 73 percent (± 1 percentage point) of their full production capacity for the fourth quarter of 1999 compared to 74 percent (± 1 percentage point) for the fourth quarter of 1998.

Durable goods industries in the fourth quarter of 1999 operated at a 4 percent lower rate (± 1 percentage point) than non-durable goods industries with a full production utilization rate of 71 percent compared to 75 percent for nondurable goods industries. Durable goods industries are manufacturing industries in which items have a normal life expectancy of 3 years or more. Nondurable goods industries are manufacturing industries in which items generally have a life expectancy of less than 3 years.

Advance processing industries for 1999 operated at a 6 percent lower rate (± 1 percentage point) than primary processing industries with a full production utilization rate of 71 percent compared with 77 percent for primary processing industries. Primary processing industries are industries in which products are generally the first processed output of raw materials in the manufacturing process. Advanced processing industries are industries in which products are considered finished manufactured items.

Industries with the lowest utilization rates of their full production capacity in the fourth quarter of 1999 were leather and allied product manufacturing (NAICS 316) and machinery manufacturing (NAICS 333), both at 66 percent. Among the industries with the highest utilization rates for 1999 were paper manufacturing (NAICS 322) and petroleum and coal product manufacturing (NAICS 324), both at

82 percent. Full production capacity is broadly defined as the maximum level of production an establishment could attain under normal operating conditions.

Industries with the lowest utilization rates of their national emergency production capacity in the fourth quarter of 1999 were leather and allied product manufacturing (NAICS 316) at 37 percent and miscellaneous manufacturing (NAICS 339) at 43 percent. Among the industries with the highest utilization for 1999 were paper manufacturing (NAICS 322) at 73 percent and primary metal manufacturing (NAICS 331) and textile mills (NAICS 313), both at 69 percent. National emergency production is broadly defined as the greatest level of production an establishment can expect to sustain for 1 year or more under national emergency conditions. Both full production and national emergency production rates are shown in the accompanying table.

The 1999 survey is the first to be sampled on a North American Industry Classification System (NAICS) basis. Manufacturing plants in prior surveys were selected to represent Standard Industrial Classification (SIC) industries. Both classification systems (NAICS and SIC) were published by the Office of Management and Budget. Plants in the 1997 and 1998 survey panels were originally selected to represent SIC industries and then reclassified on a NAICS basis for comparison purposes for this publication only. As a result, caution should be exercised when comparing these 1997 and 1998 rates with 1999 rates.

Data are obtained from manufacturing establishments by means of a mailed questionnaire. Respondents are asked to

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report their actual production, full production, and national emergency levels of operation for the fourth quarter of the year in terms of value of production. From these reported dollar values, utilization rates for full production and national emergency production are derived. Year-to-year changes in these rates are affected by changes in the estimated capacity of industrial plants due to factors such as

capital expenditures, capital retirements, changes in the workforce, changes in prices, changes in product mix, and changes in respondents' estimates of productivity.

Final estimates are based on information collected from a sample of approximately 16,500 manufacturing establishments. Estimates in this release are based on response from approximately 80 percent of the survey panel. These estimates are preliminary

and subject to change as a result of additional review of the data. The estimates are subject to sampling and nonsampling error. The range indicated in this report is at the 90 percent confidence level.

The final publication will contain more detailed estimates at the six-digit NAICS level, a detailed discussion about the definitions of capacity levels, the limitations of the data, industry classification, and survey methods.

Address inquiries concerning these figures to U.S. Department of Commerce, U.S. Census Bureau, Manufacturing and Construction Division, Washington, DC 20233, or call Micah Hartman, 301-457-4667.

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Manufacturers' Utilization Rates of Plant Capacity by Major Industry Group: Fourth Quarters 1997 to 1999

NAICS code	Industry	Utilization rate (percent)						Standard errors					
		Full production			National emergency production			Full production			National emergency production		
		1999 ^P	1998	1997	1999 ^P	1998	1997	1999 ^P	1998	1997	1999 ^P	1998	1997
—	All manufacturing	73	74	77	55	57	59	1	1	1	1	1	1
—	Durable goods	71	73	76	51	54	57	1	1	1	1	1	1
—	Nondurable goods	75	76	78	60	60	63	1	1	1	1	1	1
—	Advance processing	71	72	75	52	54	56	1	1	1	1	1	1
—	Primary processing	77	78	81	61	63	65	1	1	1	1	1	1
311	Food manufacturing.....	71	76	76	58	63	64	2	1	1	3	1	1
312	Beverage and tobacco product manufacturing.....	74	71	71	62	60	51	2	1	1	2	1	2
313	Textile mills	78	78	84	69	69	75	2	1	1	2	1	1
314	Textile product mills.....	74	76	80	51	55	56	5	2	1	3	2	2
315	Apparel manufacturing	78	69	76	46	28	36	2	1	1	3	1	1
316	Leather and allied product manufacturing.....	66	71	72	37	39	38	3	1	1	3	1	1
321	Wood product manufacturing... ..	73	76	78	47	51	51	2	1	1	2	1	2
322	Paper manufacturing.....	82	84	88	73	77	79	2	1	1	2	1	1
323	Printing and related support activities.....	75	77	77	55	65	64	3	2	2	2	2	2
324	Petroleum and coal products manufacturing.....	82	79	84	67	64	72	2	2	1	3	2	1
325	Chemicals manufacturing.....	75	73	78	61	61	66	2	1	1	2	1	1
326	Plastics and rubber products manufacturing.....	76	77	78	63	65	64	3	1	1	3	2	2
327	Nonmetallic mineral product manufacturing.....	76	78	79	56	53	52	2	1	1	3	2	2
331	Primary metal manufacturing... ..	81	81	87	69	72	79	2	1	1	2	1	1
332	Fabricated metal product manufacturing.....	70	73	75	49	53	56	1	1	1	1	1	1
333	Machinery manufacturing	66	69	74	45	50	53	1	1	1	1	1	1
334	Computer and electronic product manufacturing	72	71	75	54	55	61	1	1	1	1	1	1
335	Electrical equipmeint, appliance, and component manufacturing.....	72	73	76	55	57	58	1	1	1	1	1	1
336	Transportation equipment manufacturing.....	72	75	77	54	55	56	1	1	1	1	1	1
337	Furniture and related product manufacturing.....	71	74	75	44	48	46	2	1	1	2	1	1
339	Miscellaneous manufacturing ..	69	69	75	43	48	51	2	1	1	2	1	1

^PPreliminary.

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