

# Manufacturers' Utilization of Plant Capacity: 2000

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The Census Bureau reports U.S. domestic manufacturing plants used an estimated 71 percent ( $\pm 1$  percentage point) of their full production capacity for the fourth quarter of 2000 compared to 74 percent ( $\pm 1$  percentage point) for the fourth quarter of 1999.

Durable goods industries in the fourth quarter of 2000 operated at a 4 percent lower rate ( $\pm 1$  percentage point) than non-durable goods industries with a full production utilization rate of 69 percent compared to 73 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 2000 operated at a 3 percent lower rate ( $\pm 1$  percentage point) than primary processing industries with a full production utilization rate of 70 percent compared with 73 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 2000 were leather and allied product manufacturing (NAICS 316) at 65 percent and machinery manufacturing (NAICS 333) at 66 percent. Among the industries with the highest utilization rates for 2000 were petroleum and coal products manufacturing (NAICS

324) at 83 percent and paper manufacturing (NAICS 322) at 79 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 2000 were leather and allied product manufacturing (NAICS 316) at 35 percent, and wood product manufacturing (NAICS 321) and furniture and related product manufacturing (NAICS 337), both at 41 percent. Among the industries with the highest utilization for 2000 were petroleum and coal products manufacturing (NAICS 324) at 72 percent and paper manufacturing (NAICS 322) at 71 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.

Since 1999, the industry classifications have been based on the 1997 edition of the North American Industry Classification System (NAICS) manual published by the Office of Management and Budget.

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

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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 17,000

manufacturing establishments. Estimates in this release are based on response from approximately 75 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.

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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 2000 and 1999**

NAICS code	Industry	Utilization rate (percent)				Standard errors			
		Full production		National emergency production		Full production		National emergency production	
		2000 <sup>P</sup>	1999	2000 <sup>P</sup>	1999	2000 <sup>P</sup>	1999	2000 <sup>P</sup>	1999
—	All manufacturing .....	71	74	52	56	1	1	1	1
—	Durable goods .....	69	72	49	52	1	1	1	1
—	Nondurable goods .....	73	76	59	62	1	1	1	1
—	Advance processing .....	70	72	51	54	1	1	1	1
—	Primary processing .....	73	77	57	62	1	1	1	1
311	Food manufacturing.....	73	74	57	61	1	1	2	2
312	Beverage and tobacco product manufacturing.....	71	75	56	62	1	2	2	2
313	Textile mills .....	77	80	68	70	2	1	2	2
314	Textile product mills.....	71	76	51	53	3	3	3	2
315	Apparel manufacturing .....	75	77	45	47	2	1	3	1
316	Leather and allied product manufacturing.....	65	72	35	41	2	2	2	2
321	Wood product manufacturing.....	69	75	41	48	2	2	2	2
322	Paper manufacturing.....	79	83	71	74	2	2	2	2
323	Printing and related support activities ..	75	76	54	58	2	2	2	2
324	Petroleum and coal products manufacturing.....	83	81	72	68	2	2	2	2
325	Chemicals manufacturing .....	72	76	59	62	2	1	2	2
326	Plastics and rubber products manufacturing.....	71	76	59	65	3	2	2	2
327	Nonmetallic mineral product manufacturing.....	70	76	48	57	2	2	3	3
331	Primary metal manufacturing.....	76	81	62	70	1	1	3	1
332	Fabricated metal product manufacturing.....	68	70	48	50	1	1	1	1
333	Machinery manufacturing .....	66	66	45	46	1	1	1	1
334	Computer and electronic product manufacturing .....	73	73	52	56	1	1	3	1
335	Electrical equipment, appliance, and component manufacturing .....	70	72	53	56	1	1	1	1
336	Transportation equipment manufacturing.....	68	73	48	54	1	1	1	1
337	Furniture and related product manufacturing.....	68	73	41	46	2	2	2	2
339	Miscellaneous manufacturing .....	69	70	47	44	2	1	2	2

<sup>P</sup>Preliminary.

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