

Manufacturers' Utilization of Plant Capacity: 2001

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The Census Bureau reports U.S. domestic manufacturing plants used an estimated 64 percent (± 1 percentage point) of their full production capacity for the fourth quarter of 2001 compared to 71 percent (± 1 percentage point) for the fourth quarter of 2000.

Durable goods industries in the fourth quarter of 2001 operated at a 9 percent lower rate (± 1 percentage point) than non-durable goods industries with a full production utilization rate of 61 percent compared to 70 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 2001 operated at a 3 percent lower rate (± 1 percentage point) than primary processing industries with a full production utilization rate of 63 percent compared with 66 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 2001 were machinery manufacturing (NAICS 333) at 54 percent and leather and allied products manufacturing (NAICS 316) at 56 percent. Among the industries with the highest utilization rates for 2001 were petroleum and coal products manufacturing (NAICS 324) at 80

percent and paper manufacturing (NAICS 322) at 76 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 2001 were leather and allied product manufacturing (NAICS 316) at 27 percent and machinery manufacturing (NAICS 333) at 30 percent. Among the industries with the highest utilization for 2001 were paper manufacturing (NAICS 322) at 70 percent and petroleum and coal products manufacturing (NAICS 324) at 67 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 industrial plants due to factors such as

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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 non-sampling 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, 301-763-4667.

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Manufacturers' Utilization Rates of Plant Capacity by Major Industry Group: Fourth Quarters 2001 and 2000

NAICS code	Industry	Utilization rate (percent)				Standard errors			
		Full production		National emergency production		Full production		National emergency production	
		2001 ^P	2000	2001 ^P	2000	2001 ^P	2000	2001 ^P	2000
	All manufacturing	64	71	46	52	1	1	1	1
—	Durable goods	61	70	41	49	1	1	1	1
—	Nondurable goods	70	73	56	58	1	1	1	1
—	Advance processing	63	70	44	51	1	1	1	1
—	Primary processing	66	73	53	57	1	1	1	1
311	Food manufacturing	72	73	56	57	2	1	2	2
312	Beverage and tobacco product manufacturing	68	71	58	56	1	1	1	2
313	Textile mills	68	77	59	68	2	2	2	2
314	Textile product mills	70	71	50	51	2	3	2	3
315	Apparel manufacturing	69	75	37	45	2	2	2	3
316	Leather and allied product manufacturing	56	65	27	35	2	2	2	2
321	Wood product manufacturing	66	69	42	41	2	2	2	2
322	Paper manufacturing	76	79	70	71	2	2	2	2
323	Printing and related support activities	71	75	51	54	2	2	2	2
324	Petroleum and coal products manufacturing	80	83	67	71	2	2	3	2
325	Chemicals manufacturing	68	71	55	58	2	2	2	2
326	Plastics and rubber products manufacturing	66	71	54	59	2	3	3	2
327	Nonmetallic mineral product manufacturing	66	70	47	48	2	2	2	3
331	Primary metal manufacturing	70	74	59	61	1	2	2	3
332	Fabricated metal product manufacturing	60	68	42	48	1	1	1	1
333	Machinery manufacturing	54	66	30	45	1	1	3	1
334	Computer and electronic product manufacturing	57	73	41	53	2	1	3	2
335	Electrical equipment, appliance, and component manufacturing	62	70	46	53	1	1	1	1
336	Transportation equipment manufacturing	64	68	46	48	1	1	1	1
337	Furniture and related product manufacturing	61	68	37	41	2	2	2	2
339	Miscellaneous manufacturing	65	69	44	47	2	2	2	2

^PPreliminary.

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