The Ohio Plastics & Rubber Products Industry

Ohio's Standing

- Ohio ranks first among the fifty states in the production of rubber and plastic products (SIC 30) and leads all states in total industry employment.
  - Some 1,200 rubber and plastic establishments are located in Ohio. They contributed $5 billion to the state's gross state product in 1999.
  - The industry currently employs 96.5 thousand Ohio workers—23 thousand more than second place California.
- The state's relative strength is the manufacture of rubber products. Ohio's rubber products industry is twice as large as the industry in second place Illinois.

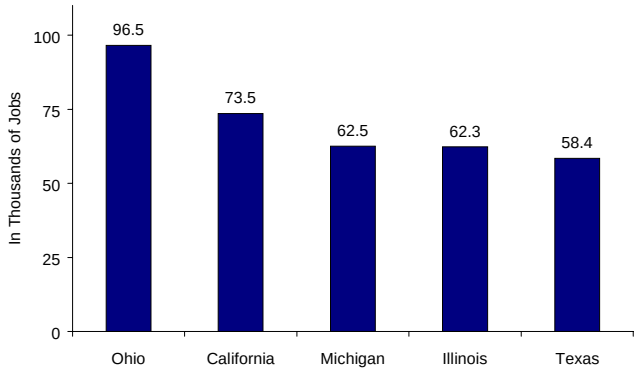
Leading industries

- Ohio is a leading state in the production of a variety of specific plastics & rubber products.
- The table to the right shows that Ohio, in 1997, was third in the large "all other plastic products" sector. Within this sector, Ohio ranked second to Michigan in the manufacture of transportation fabricated plastic products with 15.2 percent of the nation's total shipments. Ohio also ranked second in building and construction plastics and second in consumer, institutional, and commercial plastics.
- Although the plastics and rubber industry machinery sector (NAICS 33322) technically is not part of the plastics and rubber industry, it is worth noting that Ohio is the dominant state in this industry, accounting for more than one-third of the nation's output. The three largest Ohio companies in this industry are HPM, Milacron, and Van Dorn Demag.

Fortune 1000 Companies

- Goodyear Tire & Rubber and Cooper Tire & Rubber are the two largest employers in Ohio's rubber and plastic products industry. These two Ohio-based companies also rank one and two respectively on Fortune magazine's list of rubber and plastic products corporations.
- Along with PolyOne (recently formed by the merger of Geon and M.A. Hanna), these Ohio companies account for 64 percent of the total revenues in Fortune's rubber and plastic products category.

Rubber & Plastics Employment, 2001



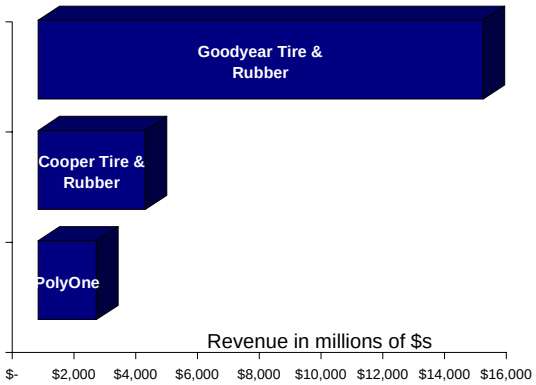
Source: U.S. Bureau of Labor Statistics

Top-Ranked Industries

NAICS Code	Industry Title	Value Added	Apparent U.S. Rank	Percent of U.S.
325212	Synthetic Rubber	$463	2nd	17%
325991	Custom Compounding	$398	1st	13%
326121	Unsupported Plastic Profile Shapes	$187	2nd	8%
326130	Laminated Plastics	$222	2nd	14%
326160	Plastic Bottles	$366	2nd	12%
326199	All Other Plastic Products	$3,107	3rd	9%
326212	Tire Retreading	$30	1st	7%
326220	Rubber & Plastic Hoses & Belting	$244	1st	11%
326291	Rubber for Mechanical Use	$891	1st	24%
326299	All Other Rubber Products	$420	1st	10%
333220	Plastics & Rubber Ind Machinery	$654	1st	34%

Source: U.S. Bureau of the Census, 1997 Economic Census

Ohio-Based Fortune 1000 Firms



Source: Fortune, April 16, 2001

Key Trends

Share of the Economy

- During the 20-year period from 1977 to 1997, the Ohio rubber and plastics industry (SIC 30) steadily increased its share of the state's gross state product (GSP). By comparison, manufacturing's share of the overall economy, after adjustments for inflation, remained unchanged—starting at 28.5 percent and ending at 28.4 percent.

- The chart to the right documents the growth of the Ohio rubber and plastics industry, but also shows that the U.S industry has been growing at an even faster rate. Ohio accounted for 14.7 percent of the nation's rubber and plastics GSP in 1977—compared to 8.9 percent in 1997.

Value Added

- The transition to the new NAICS industry classification system from the old SIC classification system limits efforts to compare recent economic activity with earlier years. Under NAICS (North American Industrial Classification System), the plastics and rubber products "sub-sector" gained tire re-treading establishments as well as plastic bag and plastic packaging manufacturers. However, the sector lost several 4-digit industries and several specific products.

- NAICS-based data are first available for 1997. From 1997 to 1999, plastics & rubber value added grew 15% in Ohio—led by the smaller rubber industry which experienced a 27% increase. At the national level, plastics & rubber grew 12%. The Ohio rubber industry performed much better than its national counterpart, while the Ohio plastics industry grew somewhat slower.

Employment

- The latest employment projections from the state's Bureau of Labor Market Information cover the period from 1998 to 2008 and are based on the SIC system. Rubber and Plastics (SIC 30) is expected to add 9,000 workers, growing 9.4 percent. By comparison, manufacturing is expected to experience a slight decline in total employment.

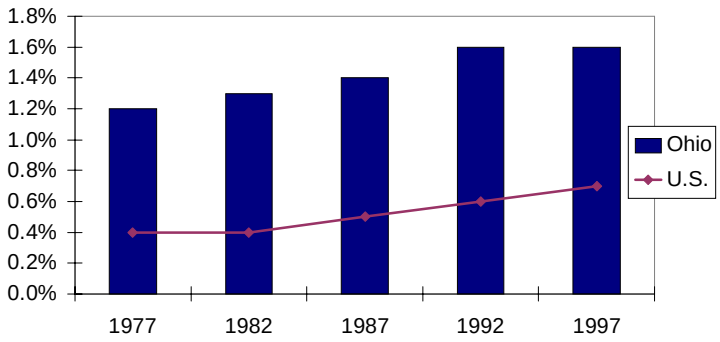
- The tire industry (SIC 301) is expected to lose 1.5 thousand workers, declining 16 percent, while miscellaneous plastics products (SIC 308) is projected to gain almost 10,000 workers, increasing 16 percent.

Exports

- Export shipments of plastics and rubber products from Ohio to foreign countries grew steadily from 1996 to 2000. Shipments dipped slightly from 1998 to 1999, but growth resumed in 2000.

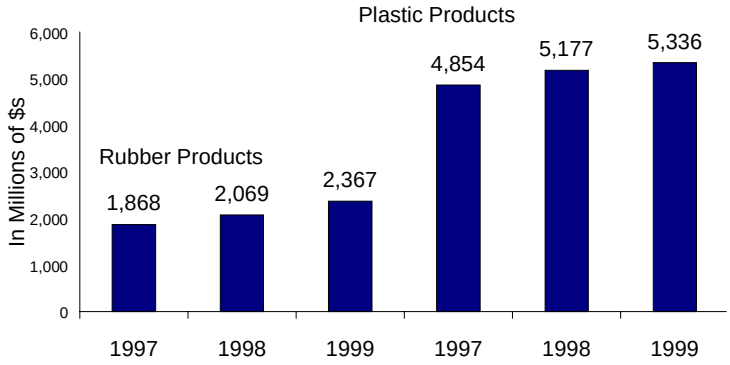
- Canada is Ohio's single largest customer, accounting for 47 percent the industry's export shipments in 2000.

Share of the Economy



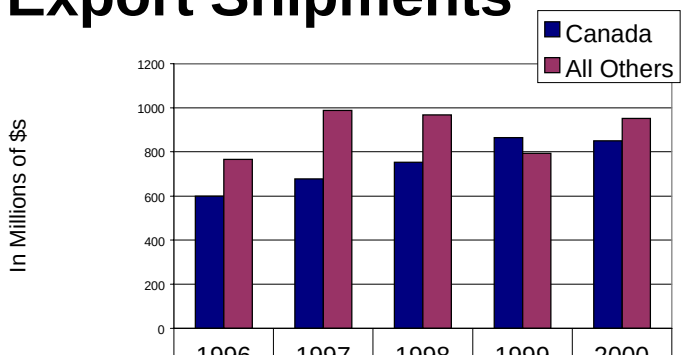
Source: U.S. Bureau of Economic Analysis

Value Added



Source: U.S. Census Bureau

Export Shipments



	1996	1997	1998	1999	2000
Canada	599.6	677.7	752.5	864.9	850.7
All Others	766.6	987.1	967.8	793.7	950.7

Source : U.S. Census Bureau

Investment Trends

Capital Expenditures

- Ohio ranked first among the 50 states in new capital expenditures for each of the three years (97 - 99) NAICS data on the plastics and rubber products industry are available.
- Ohio ranked first in rubber products investment—all three years; California was first in plastic products investment; and Texas led the nation in resins and synthetic rubber.
- Ohio's share of U.S. investment exceeded its share of U.S. plastics and rubber production each of these three years.

Announced Projects

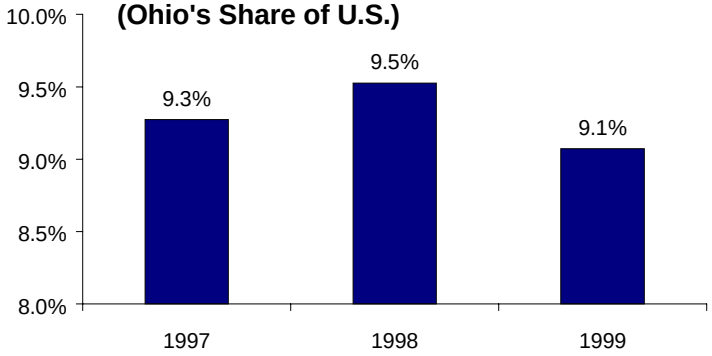
- Since government investment data are several years behind the current year and lack specific details on location and company name, the Ohio Department of Development tracks major investment announcements in the manufacturing sector. "Major" is defined as a project involving at least $1 million, 50 new jobs, or 20,000 square feet. Major investments are often phased in over a multi-year cycle.
- For the five-year period from 1997 - 2001, the Ohio Department of Development identified 305 rubber and plastics industry projects. These projects are associated with 10.7 thousand new jobs and just under $1.8 billion in new investment.
- In 2001, six of the top ten projects, based on dollars invested, involved a foreign-owned corporation.

Recent Projects

- **DuPont**, the largest chemical company in the U.S., is spending $90 million to expand Kapton production at its Circleville plant. Kapton is a temperature-resistant film used mainly in flexible circuits for wireless, digital, and computer products. Kapton was invented at the Circleville facility.

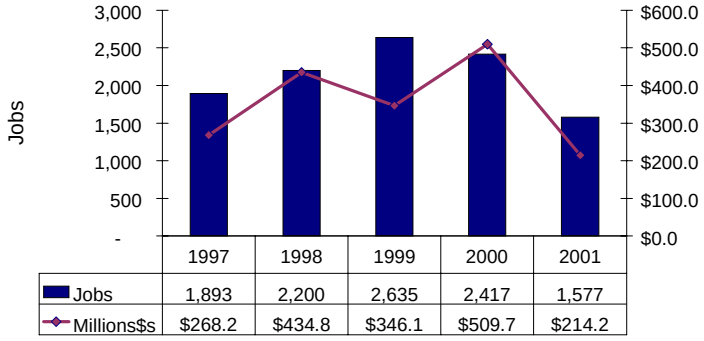
  The plant employs approximately 650 workers and will add 40 jobs when the project is completed in 2002.
- In late 2000, **Delphi Automotive** announced that it is planning the construction of a molding center to be located in the Youngstown-Warren area. The plant would house 180 molding machines, which would be used to make plastic parts for wiring harnesses.
- In April 2001, **Silver Line Building Products** announced plans to construct a vinyl replacement window factory in Marion County. The plant is expected to create 606 jobs within the first three years of operation.

Capital Expenditures



Source: U.S. Census Bureau

Announced Projects



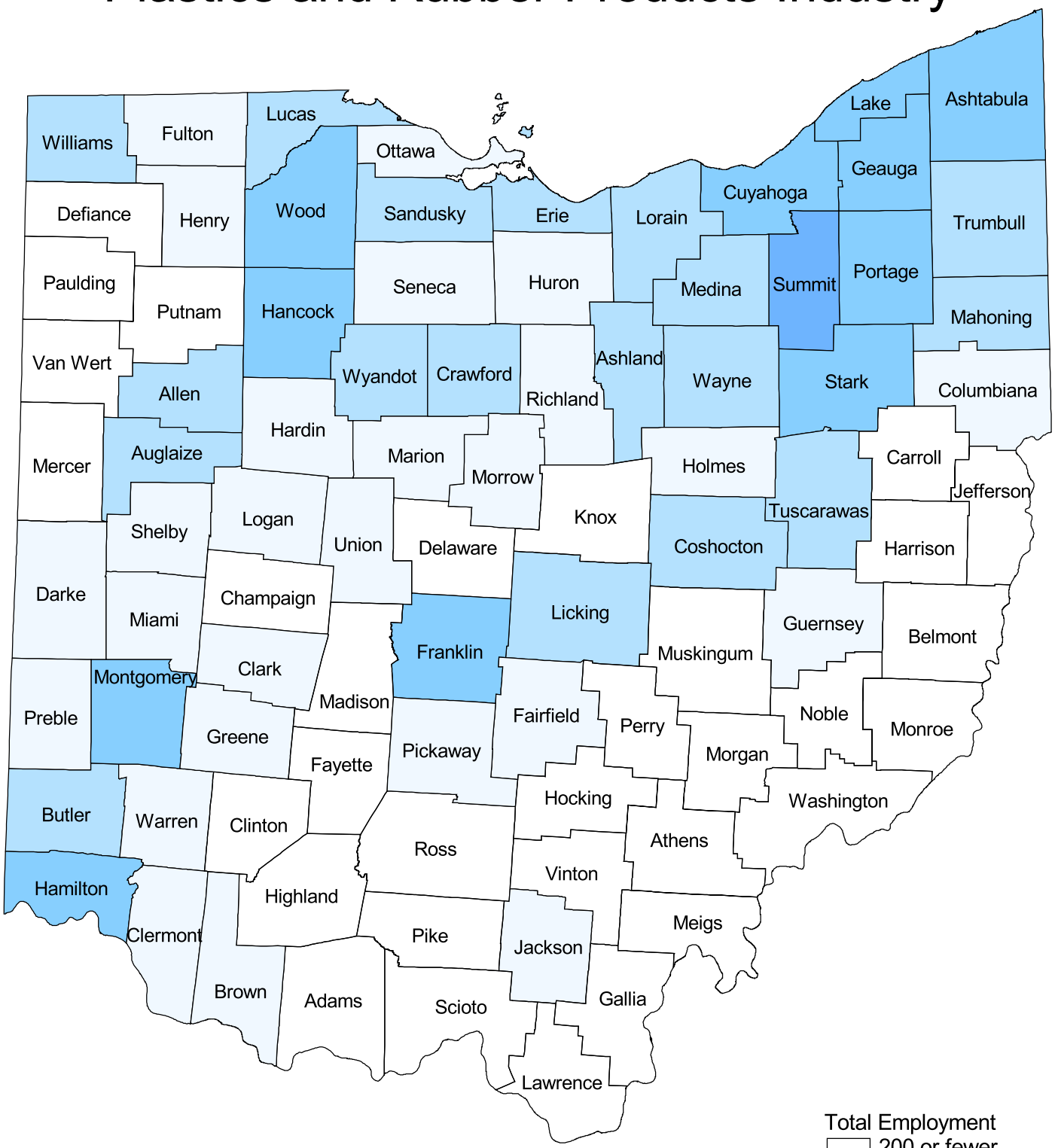
Source: Ohio Department of Development

Top 5 Announced Investments, 2001

Company	County	Product	Investment (Millions $s)
Owens Corning	Licking	Fiberglass	$56
Silver Line	Marion	Vinyl windows	$17
BP Amoco	Washington	Polymers	$14
YUSA	Fayette	Auto parts	$13
Jay Industries	Richland	Plastics	$12

Source: Ohio Department of Development

Employment in Ohio's Plastics and Rubber Products Industry



Total Employment
- 200 or fewer
- 201 to 1,000
- 1,001 to 2,500
- 2,501 to 5,000
- More than 5,000

Source: Harris InfoSource 2001

Prepared by: Ohio Department of Development, Office of Strategic Research (April 2001)

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