



identification number was assigned to an establishment regardless of various changes in its status over time (such as those in name, ownership, location, or industrial classification), it has been possible to analyze entries and exits separately.

Entries to a particular manufacturing industry are of essentially two types: establishments new to the manufacturing sector and those reclassified from another manufacturing industry. The former category is, in turn, composed of two types: newly created manufacturing facilities (plants or establishments) and establishments previously classified to some other industrial sector such as construction, transportation or trade but which have changed the predominant nature of their economic activity to manufacturing.

The second type of entry, the reclassification of an existing manufacturing establishment from one manufacturing industry to another, results from a change in its product mix. For example, if an establishment formerly manufacturing major appliances (SIC 322) changes its operations to concentrate on small electrical appliances (SIC 331), it would be considered as an entry to the latter industry; its data would disappear from one industry and appear in the other.

Each of these two categories of entries has its corresponding type of exit: establishments disappearing from the manufacturing sector and those reclassified to another manufacturing industry. The most obvious reason for the disappearance of an establishment is its physical destruction, such as by fire or demolition. Or it may result from abandonment for various reasons, such as bankruptcy, death of owner, etc. Analogous to the entries to manufacturing from other industrial sectors are the exits to those sectors because the predominant nature of their economic activity is no longer manufacturing. Within the manufacturing sector, an entry by reclassification, e.g. to the manufacturers of small electrical appliances, as mentioned in the previous paragraph, is obviously offset by an accompanying exit by reclassification, in this example, from the manufacturers of major appliances.

**Rates of appearance and disappearance.** It is interesting to note the industry groups which show the greatest or the least incidence of new establishments or of the disappearance of