

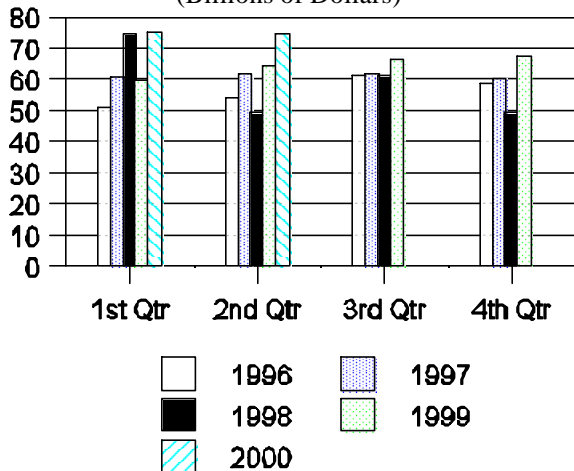
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**ADVANCE DATA FROM THE QUARTERLY FINANCIAL REPORT FOR MANUFACTURING,  
MINING, AND TRADE CORPORATIONS—SECOND QUARTER 2000**

*Sales and after-tax profits data for all manufacturing are presented in Table 1 on both a seasonally adjusted and an unadjusted basis. Seasonally adjusted historical data for this series, as well as for total durable and total nondurable manufacturing, are presented in Table 3. Data for individual manufacturing industries are not seasonally adjusted.*

**Manufacturers' After-Tax Profit  
Seasonally Adjusted  
(Billions of Dollars)**



**After-Tax Profits and Sales**

Manufacturing corporations' seasonally adjusted after-tax profits for the second quarter of 2000 were \$74.5 billion, virtually unchanged from the first quarter, the Commerce Department's Census Bureau reported. Manufacturers' sales, seasonally adjusted, at \$1,126.4 billion, also showed little change from first quarter. Profits averaged 6.6 cents per dollar of sales for the quarter. Decreases in profits and sales of durable goods manufacturers were offset by increases by nondurable goods corporations. Durable goods manufacturers had after-tax profits of \$34.3 billion, a decrease of \$4.0 billion or 10.5 percent ( $\pm 3.0\%$ ) from the first quarter. Sales of durable goods were \$607.2 billion, down \$5.0 billion or 0.8 percent ( $\pm 1.4\%$ ) from last quarter. Profits per dollar of sales averaged 5.7 cents, down 0.6 ( $\pm 0.2$ ) cents from the prior quarter. After-tax profits for nondurable goods manufacturers, seasonally adjusted, were \$40.2 billion, up \$3.4 billion or 9.2 percent ( $\pm 2.3\%$ ) from the first quarter of 2000. Seasonally adjusted sales

for nondurable manufacturers totaled \$519.2 billion, giving an average profit per dollar of sales of 7.7 cents, up 0.5 ( $\pm 0.2$ ) cents from last quarter.

On an unadjusted basis, manufacturers' after-tax profits in the second quarter of 2000 were up \$10.3 billion or 14.7 percent ( $\pm 2.2\%$ ) from the second quarter of 1999 to \$80.1 billion. Unadjusted sales at \$1,147.5 billion were up \$102.6 billion or 9.8 percent ( $\pm 1.1\%$ ) from the same quarter a year ago. Profits averaged 7.0 cents per dollar of sales for the second quarter, up 0.3 ( $\pm 0.1$ ) cents from the same quarter a year ago. After-tax profits for durable goods manufacturers, not seasonally adjusted, were \$39.3 billion, about the same as second quarter 1999. Unadjusted sales at \$623.3 billion were up \$37.3 billion or 6.4 percent ( $\pm 1.4\%$ ) from the same quarter a year ago. Profits averaged 6.3 cents per dollars of sales for the second quarter, down 0.5 ( $\pm 0.2$ ) cents from the same quarter a year ago. Nondurable goods manufacturers reported after-tax profits of \$40.8 billion on a not seasonally adjusted basis, 36.0 percent ( $\pm 3.2\%$ ) above the same quarter last year, and sales of \$524.3 billion, up \$65.3 billion or 14.2 percent ( $\pm 1.5\%$ ) from second quarter of 1999. Their profits averaged 7.8 cents per dollars of sales compared with 6.5 ( $\pm 0.2$ ) cents in the same quarter a year ago.

**Industry Detail - Not Seasonally Adjusted**

Unadjusted durable manufacturers' after-tax profits for the second quarter of 2000 were virtually unchanged from the second quarter of 1999, with underlying industry categories showing mixed and offsetting results. Electrical machinery's \$2.8 ( $\pm 0.6$ ) billion improvement was due to higher operating and nonoperating earnings this quarter. Aircraft's \$0.7 ( $\pm 0.1$ ) billion decline was due to the absence of gains in asset sales reported in the second quarter of 1999. Stone, clay and glass, lumber, motor vehicles and furniture and fixtures all showed a

slight decline from the second quarter of 1999, due mainly to lower operating profits.

When compared to the first quarter of 2000, unadjusted durable manufacturers' after-tax profits show virtually no change, with underlying industry categories showing mixed results. Machinery's \$1.8 (0.7) billion gain and increases in stone, clay and glass, and aircraft were all primarily due to higher operating profits during the quarter. Electrical machinery's profits were down \$1.0 ( $\pm 0.6$ ) billion due to decreased nonoperating income that more than offset the improved operating profits this quarter. Motor vehicles and miscellaneous manufacturing reduction in profits were due to generally declining operating and nonoperating earnings.

Unadjusted nondurable manufacturers' after-tax profits for the second quarter of 2000 were up \$10.8 billion or 36.0 percent ( $\pm 3.2\%$ ) from the second quarter of 1999, with most underlying industry categories up. Petroleum's \$6.6 ( $\pm 0.1$ ) billion increase, the largest of the group, was due to improvements in operating and nonoperating profits as well as equity earnings. Drugs' increase of \$4.3 ( $\pm 0.2$ ) billion from a year ago was mainly due to the absence of significant nonrecurring charges taken in the second quarter of last year. Paper's \$0.7 ( $\pm 0.2$ ) billion increase was the result of higher operating profits more than offsetting the nonrecurring charges taken this quarter. Industrial chemicals and apparel reported improved operating profits this quarter. Printing and food both showed declines that were due to the absence of nonrecurring gains reported last year. Residual of chemicals reported a decrease in operating profits that was partly offset by an increase in equity income.

When compared to the first quarter of 2000, unadjusted nondurable manufacturers' after-tax profits were up \$4.0 billion or 10.9 percent ( $\pm 2.3\%$ ), with underlying industry categories showing mixed results. Petroleum's \$2.5 ( $\pm 0.1$ ) billion increase accounted for more than one-half of the increase in the durable industry; this was due to higher operating profits and dividend income. Drugs' \$1.7 ( $\pm 0.2$ ) billion increase was due to improved equity earnings and an absence of significant nonoperating expenses this quarter. Residual of chemicals also showed improvement this quarter. Printing and publishing's operating profits were more than offset by the absence of nonoperating

gains which were recorded last quarter.

Also included in this release are second quarter 2000 data for large mining and wholesale trade corporations.

These advance data, based on quarterly financial reports from about 8,200 corporations, were released today from the Quarterly Financial Report for Manufacturing, Mining, and Trade Corporations—Second quarter 2000 (QFR-00-2). The publication includes statements of income and retained earnings, balance sheets, and related financial and operating ratios. The aggregated data are classified by industry and asset size.

The publication becomes available for sale approximately two weeks from the date of this release from the Superintendent of Documents, P.O. Box 371954, Pittsburgh, PA 15250-7954 (202-512-1800). The cost for an annual subscription is \$34 domestic and \$42.50 foreign. Remittances from foreign countries must be by international money order or by draft on a U.S. bank.

Files are also available on 3.5 inch flexible diskettes from U.S. Department of Commerce, Census Bureau (MS1921), P.O. Box 277943, Atlanta, GA 30384-7943 (301-457-4100). The annual subscription cost is \$80; \$50 for the programs and documentation. Third quarter 2000 advance data are scheduled for release on December 12, 2000.

#### **EXPLANATORY NOTES:**

This quarter's publication contains data revised due to the reclassification of corporations by industry, and revisions that reflect respondents' corrections of submitted data subsequent to original publication.

The data presented in this report are estimated from a sample survey and therefore are subject to sampling variability as well as nonsampling variability such as response error, nonreporting, and coverage errors. Estimates of sampling variability are presented in the publication. A statement such as "up 2.5 ( $\pm 0.15$ ) cents," appearing in the text, indicates the range (+2.35 to +2.65 cents) in which the actual change is likely to have occurred. The range given for the change is a 90 percent confidence interval that accounts only for sampling variability. If the range had contained zero (0), it would have been uncertain whether there was an increase or decrease; that is, the change would not have been statistically significant. For any comparison cited without a confidence interval, the change is statistically significant. The quarterly publication includes more detailed explanations of confidence intervals and sampling variability, along with additional measures of sampling variability.

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**This press release is available on the day of issue through the Department of Commerce's on-line Economic Bulletin Board (202-482-1986) and on the Internet (<http://www.census.gov/csd/qfr>).**

TABLE 1. QUARTERLY FINANCIAL REPORT FOR MANUFACTURING CORPORATIONS

Item	Seasonally Adjusted			Unadjusted		
	2Q 2000	1Q 2000 <sup>1</sup>	2Q 1999 <sup>1</sup>	2Q 2000	1Q 2000 <sup>1</sup>	2Q 1999 <sup>1</sup>
Rate of return (after taxes):						
Cents per dollar of sales . . . . .	6.6	6.7	6.3	7.0	6.9	6.7
Percent on equity (annual rate) . . . . .	NA	NA	NA	17.7	17.6	18.2
	(million dollars)					
Sales . . . . .	1,126,412	1,121,618	1,026,856	1,147,548	1,087,835	1,044,995
Income after income taxes . . . . .	74,534	75,154	64,498	80,125	75,527	69,831
Dividends paid (cash) . . . . .	NA	NA	NA	28,786	29,602	27,049

TABLE 2. SALES AND PROFITS OF CORPORATIONS ENGAGED IN MANUFACTURING, MINING, AND TRADE--NOT SEASONALLY ADJUSTED

Industry Group	Sales			Operating Profits*			After-Tax Profits		
	2Q 2000	1Q 2000 <sup>1</sup>	2Q 1999 <sup>1</sup>	2Q 2000	1Q 2000 <sup>1</sup>	2Q 1999 <sup>1</sup>	2Q 2000	1Q 2000 <sup>1</sup>	2Q 1999 <sup>1</sup>
	(million dollars)								
All manufacturing corporations . . . . .	1,147,548	1,087,835	1,044,995	98,912	86,906	89,050	80,125	75,527	69,831
Nondurable goods . . . . .	524,277	494,025	458,988	50,679	44,474	41,256	40,780	36,772	29,976
Food and tobacco . . . . .	127,882	122,514	121,433	12,036	11,438	11,315	7,810	7,659	8,544
Textiles . . . . .	15,219	14,177	15,378	789	773	718	150	270	140
Apparel <sup>2</sup> . . . . .	18,107	17,731	17,409	1,304	1,187	875	752	736	386
Paper . . . . .	47,838	45,970	41,281	4,847	4,451	3,466	2,419	2,570	1,710
Printing . . . . .	49,727	47,410	47,210	6,014	4,984	5,682	3,433	4,010	4,217
Chemicals . . . . .	124,512	119,884	119,085	12,825	12,486	13,031	14,167	12,041	9,595
Industrial chemicals and synthetics <sup>3</sup>	44,239	41,553	39,960	3,847	3,199	3,394	3,019	2,936	2,429
Drugs <sup>3</sup> . . . . .	42,744	42,348	39,068	5,361	5,574	4,966	7,530	5,819	3,200
Residual of chemicals <sup>3</sup> . . . . .	37,529	35,983	40,057	3,617	3,713	4,671	3,617	3,287	3,966
Petroleum . . . . .	108,731	95,826	67,090	10,140	7,058	3,941	10,584	8,079	3,981
Rubber . . . . .	32,261	30,512	30,101	2,725	2,096	2,227	1,466	1,406	1,401
Durable goods . . . . .	623,270	593,810	586,006	48,233	42,432	47,795	39,345	38,755	39,856
Stone, clay, and glass . . . . .	24,123	19,770	20,715	2,970	1,659	2,811	1,319	774	1,950
Primary metals . . . . .	41,234	40,584	37,664	2,628	2,347	2,287	1,424	1,533	1,277
Iron and steel <sup>3</sup> . . . . .	22,139	21,296	18,988	1,192	977	904	445	451	360
Nonferrous metals <sup>3</sup> . . . . .	19,095	19,288	18,676	1,435	1,370	1,383	979	1,082	917
Fabricated metals . . . . .	48,487	47,017	46,211	4,730	4,653	4,609	2,893	3,136	3,101
Machinery . . . . .	118,622	110,776	112,759	7,512	6,096	8,195	8,185	6,344	8,656
Electrical machinery . . . . .	133,980	127,281	119,556	12,362	10,371	10,434	10,729	11,737	7,964
Transportation equipment . . . . .	178,544	173,950	171,105	10,974	10,881	11,761	9,991	10,182	11,345
Motor vehicles and equipment <sup>3</sup> . .	125,499	126,558	120,880	6,165	6,662	7,590	6,825	7,322	7,343
Aircraft, guided missiles, and parts <sup>3</sup>	40,544	35,194	39,864	3,408	3,041	3,091	2,433	2,120	3,128
Instruments . . . . .	32,871	30,648	30,257	3,738	3,318	3,473	3,024	3,216	2,779
Other durable goods . . . . .	45,409	43,784	47,740	3,320	3,107	4,225	1,781	1,833	2,783
Lumber and wood products <sup>3</sup> . . . .	17,915	16,950	19,527	1,179	945	1,911	811	610	1,383
Furniture and fixtures <sup>3</sup> . . . . .	18,638	17,680	18,469	1,430	1,213	1,567	697	554	877
Miscellaneous manufacturing <sup>3</sup> . . .	8,856	9,154	9,744	710	949	747	273	669	523
Mining <sup>4</sup> . . . . .	20,166	18,855	16,214	2,725	2,030	855	1,928	1,193	118
Wholesale trade <sup>4</sup> . . . . .	315,862	305,114	281,787	10,196	8,416	7,988	4,824	4,985	4,151
Retail trade <sup>4</sup> . . . . .	NA	314,042	296,860	NA	13,897	14,872	NA	6,953	7,008

\*Operating profits are profits before nonoperating income and expense items and income taxes.

<sup>1</sup>Revised.

<sup>2</sup>Includes leather industry (previously titled "Other Nondurables").

<sup>3</sup>Included in major industry above.

<sup>4</sup>Mining and trade data are the quarterly results of companies in those divisions with assets over \$50 million; whereas, data for manufacturing corporations represent the quarterly results of companies with assets over \$250,000.

TABLE 3. QUARTERLY FINANCIAL REPORT FOR MANUFACTURING CORPORATIONS--SEASONALLY ADJUSTED

Industry Group and Year	Sales <sup>1</sup>				After-Tax Profits <sup>1</sup>			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	(million dollars)				(million dollars)			
<b>All manufacturing:</b>								
1995 .....	871,276	872,817	883,526	899,782	52,799	51,947	49,512	44,054
1996 .....	914,183	932,694	948,393	961,083	51,160	54,009	61,393	58,533
1997 .....	965,890	972,414	987,129	994,366	60,624	62,013	62,042	59,996
1998 .....	990,172	981,650	987,632	991,118	74,506	49,649	61,115	49,258
1999 .....	1,003,489	1,026,856	1,057,451	1,075,412	59,593	64,498	66,504	67,616
2000 .....	1,121,618	1,126,412			75,154	74,534		
<b>All nondurable manufacturing:</b>								
1995 .....	425,579	427,785	430,738	436,004	25,888	28,242	27,667	22,115
1996 .....	442,061	452,627	457,459	463,175	27,993	28,431	32,193	30,275
1997 .....	462,906	457,212	460,630	463,788	33,324	30,921	30,577	28,391
1998 .....	451,759	447,274	442,986	439,647	29,670	29,061	30,732	17,163
1999 .....	444,544	455,183	470,340	485,763	26,380	29,751	31,186	30,986
2000 .....	509,418	519,202			36,809	40,201		
<b>All durable manufacturing:</b>								
1995 .....	445,697	445,032	452,788	463,778	26,911	23,705	21,845	21,939
1996 .....	472,122	480,067	490,934	497,908	23,167	25,578	29,200	28,258
1997 .....	502,984	515,202	526,499	530,578	27,300	31,092	31,465	31,605
1998 .....	538,413	534,376	544,646	551,471	44,836	20,588	30,383	32,095
1999 .....	558,945	571,673	587,111	589,649	33,213	34,747	35,318	36,630
2000 .....	612,200	607,210			38,345	34,333		

<sup>1</sup>Revised.