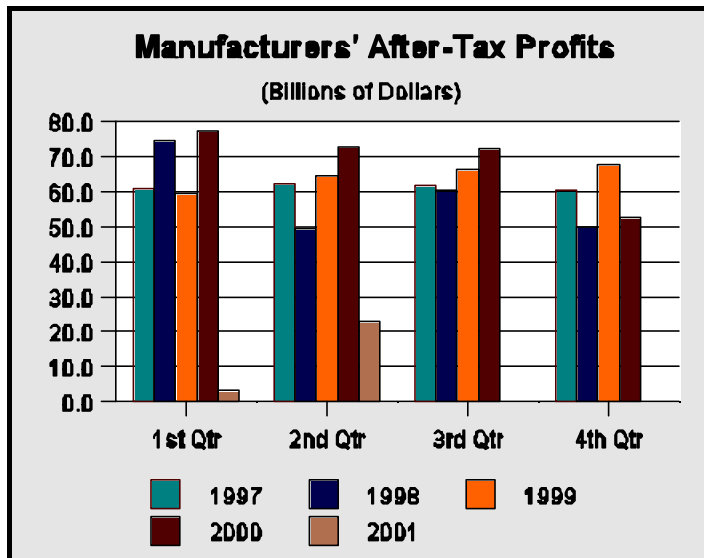


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For Release 10 a.m. (EDT)
 Friday, September 14, 2001
 CB01-152

ADVANCE DATA FROM THE QUARTERLY FINANCIAL REPORT FOR MANUFACTURING, MINING, AND WHOLESALE TRADE CORPORATIONS—SECOND QUARTER 2001

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 Profits and Sales
 Seasonally Adjusted**

Manufacturing corporations' seasonally adjusted after-tax profits for the second quarter of 2001 were \$23.0 billion, down \$49.6 (± 1.9) billion from the second quarter of 2000, but up \$19.5 (± 1.8) billion from the \$3.5 billion posted in the first quarter 2001, the Commerce Department's Census Bureau reported. First quarter 2001 profits were significantly revised down from \$45.3 billion previously reported, primarily due to restatement of nonrecurring charges to the first quarter. Manufacturers' sales at \$1,124.0 billion showed no statistically significant change from the second quarter 2000. Second quarter 2001 profits averaged 2.0 cents per dollar of sales, down 4.4 (± 0.2) cents from the same quarter a year ago, but up 1.7 (± 0.2) cents from the previous quarter.

Durable goods manufacturers had second quarter 2001 after-tax losses of \$12.5 billion, down \$46.0 (± 0.5) billion from the second quarter 2000. Compared to first quarter 2001, the loss decreased by \$17.0 (± 1.7) billion or 57.7 percent ($\pm 4.7\%$).

Durable goods manufacturers sales were \$585.1 billion, with losses averaging 2.1 cents per dollar of sales, down 7.6 (± 0.3) cents from the second quarter 2000, and up 2.8 (± 0.3) cents from the previous quarter. Nondurable goods manufacturers second quarter 2001 after-tax profits were \$35.5 billion, down \$3.6 (± 0.9) billion from the second quarter 2000 but up \$2.5 (± 0.8) billion or 7.5 percent ($\pm 2.5\%$) from the previous quarter. Sales were \$538.9 billion, with profits averaging 6.6 cents per dollar of sales, down 0.9 (± 0.2) cents from the second quarter 2000, but up 0.5 (± 0.2) cents from the previous quarter.

After-Tax Profits and Sales - Not Seasonally Adjusted

Unadjusted manufacturers' after-tax profits in the second quarter of 2001 were \$28.7 billion, down \$49.6 (± 1.9) billion or 63.4 percent ($\pm 1.9\%$) from the second quarter of 2000. Sales at \$1,142.4 billion showed no statistically significant change from the same quarter a year ago. Profits averaged 2.5 cents per dollar of sales for the second quarter, down 4.3 (± 0.2) cents from the same quarter a year ago. After-tax losses for durable goods manufacturers were \$8.3 billion, down \$46.2 (± 0.5) billion from the second quarter of 2000. Sales at \$598.3 billion were down \$28.3 (± 6.0) billion, or 4.5 percent ($\pm 0.9\%$), from the same quarter a year ago. Losses averaged 1.4 cents per dollar of sales, down 7.5 (± 0.3) cents from the second quarter of 2000. Nondurable goods manufacturers reported after-tax profits of \$37.0 billion, down \$3.4 (± 0.9) billion from the second quarter 2000, and sales of \$544.1 billion, up \$20.5 (± 5.3) billion or 3.9 percent ($\pm 1.0\%$) from that quarter. Their profits averaged 6.8 (± 0.1) cents per dollar of sales compared with 7.7 (± 0.1) cents, from the same quarter a year ago.

Industry Detail - Not Seasonally Adjusted

Unadjusted durable manufacturers' after-tax profits for the second quarter of 2001 dropped \$46.2 (± 0.5) billion from the second quarter of 2000.

Most durable industries reported declines. Electrical machinery posted the largest decrease of \$26.9 (± 0.2) billion which resulted from nonrecurring charges, followed by motor vehicles' \$5.3 (± 0.1) billion decrease which resulted from declining operating profits. Stone, clay and glass posted a loss of \$5.0 (± 0.1) billion which resulted from nonrecurring charges and lower equity income. Machinery's \$3.5 (± 1.2) billion decline resulted from lower operating profits.

When compared to the first quarter of 2001, unadjusted durable manufacturers' after-tax profits for the second quarter of 2001 were up \$20.5 (± 1.7) billion. The largest change was an increase of \$25.5 (± 0.8) billion in electrical machinery which resulted from improved operating profits and lower nonrecurring charges. Stone, clay, and glass reported a decline in profits of \$4.2 (± 0.1) billion which resulted from higher nonrecurring charges and lower equity income. Lumber and wood, motor vehicles, and nonferrous metals reported modest gains. Fabricated metals, machinery, aircraft, and furniture and fixtures all showed no statistically significant change. All other durable manufacturers' reported modest losses.

Unadjusted nondurable manufacturers' after-tax profits for the second quarter of 2001 were down \$3.4 (± 0.9) billion from the second quarter a year ago. Increases in drugs and petroleum, \$2.6 (± 0.2) billion and \$2.2 (± 0.1) billion respectively, were not able to offset declines in other nondurable goods manufacturing industries. Declines in industrial chemicals' \$3.0 (± 0.01) billion, printing and publishing, \$1.6 (± 0.6) billion, paper and allied products \$1.2 (± 0.2) billion, and rubber \$1.1 (± 0.4) billion came mainly from operations. Food and tobacco, apparel and textiles showed no statistically significant change.

When compared to the first quarter of 2001, unadjusted nondurable manufacturers' after-tax profits were up \$4.2 (± 0.8) billion. The largest increase was in drugs, up \$1.6 (± 0.2) billion, which mainly came from improved operating profits and lower nonrecurring charges. Food and tobacco also reported increased profits, up \$1.6 (± 0.3) billion mainly resulting from operations. Printing and publishing and petroleum posted small gains. Paper and allied products, industrial chemicals, textile, rubber, and apparel showed no statistically significant change.

Large Mining Corporations' After-Tax Profits and Sales - Not Seasonally Adjusted

After-tax profits of large mining corporations with assets of \$50 million and over were reported at \$4.8 billion, up 42.7 percent ($\pm 9.3\%$) from second quarter 2000 but down 15.8 percent ($\pm 2.8\%$) from first quarter 2001. Sales for these large mining corporations for second quarter 2001 were \$30.2 billion, up \$6.0 (± 1.0) billion from a year ago but down \$3.5 (± 0.9) billion from the first quarter 2001. After tax profits per dollar of sales, averaged 15.8 (± 0.4) cents per dollar of sales compared to 13.8 (± 0.9) cents per dollar of sales in the second quarter 2000 and 16.8 (± 0.5) cents per dollar of sales in the first quarter 2001.

Large Wholesalers' After-Tax Profits and Sales Not Seasonally Adjusted

After-tax profits of large wholesale corporations with assets of \$50 million and over were \$2.0 billion, down \$2.7 (± 0.4) billion from the second quarter 2000 and showing no statistically significant change from the first quarter 2001. Sales for these large wholesalers for second quarter 2001 were \$323.8 billion showing no statistically significant change from the same quarter a year ago or the first quarter 2001. After tax profits per dollar of sales, averaged 0.6 (± 0.1) cents per dollar of sales compared to 1.4 (± 0.1) cents per dollar of sales in the second quarter 2000 and 0.7 (± 0.1) cents per dollar of sales in the first quarter 2001.

Beginning in May 2001, the economic indicator programs published by the U.S. Census Bureau began the process of converting to the North American Industry Classification System (NAICS). The Quarterly Financial Report Program will begin publishing on the NAICS basis with the fourth quarter 2001 report scheduled for release in April 2002. Data for the prior four quarters (4Q 2000-3Q 2001) will be restated on the NAICS basis comparable with the fourth quarter 2001 data.

These advance data, based on quarterly financial reports from about 8,300 corporations, were released today from the Quarterly Financial Report for Manufacturing, Mining, and Trade Corporations—Second quarter 2001 (QFR-01-2). 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 \$39 domestic and \$48.75 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 2001 advance data are scheduled for release on December 14, 2001.

EXPLANATORY NOTES:

This quarter's publication contains data revised due to the reclassification of corporations by industry, and revisions that reflect respondents' corrections and/or restatements of prior 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 (± 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.

TABLE 1. QUARTERLY FINANCIAL REPORT FOR MANUFACTURING CORPORATIONS

Item	Seasonally Adjusted			Unadjusted		
	2Q 2001	1Q 2001 ¹	2Q 2000 ¹	2Q 2001	1Q 2001 ¹	2Q 2000 ¹
Rate of return (after taxes):						
Cents per dollar of sales	2.0	0.3	6.4	2.5	0.3	6.8
Percent on equity (annual rate)	NA	NA	NA	5.9	0.8	17.2
	(million dollars)					
Sales	1,124,038	1,138,961	1,131,745	1,142,381	1,105,843	1,150,200
Income after income taxes	22,994	3,461	72,625	28,659	3,836	78,275
Dividends paid (cash)	NA	NA	NA	27,163	25,680	36,057

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 2001	1Q 2001 ¹	2Q 2000 ¹	2Q 2001	1Q 2001 ¹	2Q 2000 ¹	2Q 2001	1Q 2001 ¹	2Q 2000 ¹
	(million dollars)								
All manufacturing corporations	1,142,381	1,105,843	1,150,200	65,565	56,463	100,287	28,659	3,836	78,275
Nondurable goods	544,124	521,675	523,638	48,613	39,661	51,149	36,962	32,684	40,363
Food and tobacco	129,586	122,537	123,811	12,186	9,664	12,194	7,778	6,224	8,077
Textiles	14,120	14,276	15,915	626	674	765	85	84	81
Apparel ²	16,864	17,850	18,125	1,141	1,390	1,137	652	715	638
Paper	45,545	43,953	47,319	3,179	2,851	4,725	1,081	935	2,320
Printing	49,089	47,978	49,851	3,861	2,998	5,857	1,576	904	3,195
Chemicals	132,034	128,945	125,685	12,991	9,529	12,652	12,200	10,742	13,599
Industrial chemicals and synthetics ³ .	42,819	43,103	44,419	990	(288)	3,947	(62)	(70)	2,901
Drugs ³	54,777	53,106	47,269	8,935	7,252	6,073	11,031	9,396	8,463
Residual of chemicals ³	34,438	32,737	33,997	3,065	2,565	2,632	1,231	1,417	2,235
Petroleum	124,643	116,128	110,906	13,234	11,281	11,048	13,135	12,615	10,870
Rubber	32,243	30,009	32,747	1,394	1,273	2,771	454	466	1,581
Durable goods	598,256	584,168	626,562	16,952	16,802	49,138	(8,303)	(28,847)	37,912
Stone, clay, and glass	23,982	20,663	24,300	2,054	882	2,998	(3,685)	514	1,323
Primary metals	38,308	38,315	41,693	1,194	521	2,672	(486)	(110)	1,202
Iron and steel ³	19,464	18,040	21,838	256	(275)	1,137	(1,425)	(831)	166
Nonferrous metals ³	18,845	20,276	19,855	938	796	1,535	939	721	1,036
Fabricated metals	47,667	45,654	47,772	3,336	3,047	4,623	1,941	1,712	2,848
Machinery	111,758	113,016	119,226	5,502	6,176	8,823	4,818	5,467	8,338
Electrical machinery	126,510	131,907	135,952	(2,812)	(165)	11,625	(15,291)	(40,719)	11,613
Transportation equipment	174,014	162,165	179,758	2,604	2,832	11,278	1,980	1,686	7,612
Motor vehicles and equipment ³	120,299	113,011	126,667	(2,366)	(1,327)	6,371	(920)	(1,104)	4,368
Aircraft, guided missiles, and parts ³ .	43,944	38,231	40,450	4,036	3,366	3,496	2,344	2,366	2,509
Instruments	31,283	30,742	32,085	2,476	2,014	3,739	1,181	2,267	3,131
Other durable goods	44,733	41,706	45,775	2,598	1,493	3,379	1,240	334	1,845
Lumber and wood products ³	17,079	14,908	18,783	1,067	(146)	1,307	660	(414)	892
Furniture and fixtures ³	19,420	18,137	18,693	1,051	1,020	1,463	357	405	727
Miscellaneous manufacturing ³	8,234	8,661	8,299	481	619	609	223	343	227
Mining ⁴	30,225	33,721	24,265	6,209	7,951	3,146	4,765	5,658	3,339
Wholesale trade ⁴	323,766	322,031	322,488	6,476	6,197	9,850	1,967	2,237	4,637
Retail trade ⁴	NA	338,131	327,111	NA	13,973	14,228	NA	6,675	6,278

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

¹Revised data reflects reclassification of corporations by industry, and respondents' corrections and/or restatements of prior data subsequent to original publication.

²Includes leather industry (previously titled "Other Nondurables").

³Included in major industry above.

⁴Mining 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 ¹				After-Tax Profits ¹			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	(million dollars)				(million dollars)			
All manufacturing:								
1994	784,647	803,032	825,308	841,503	36,363	41,158	45,355	52,177
1995	871,503	872,841	883,575	899,395	52,720	52,003	49,256	44,317
1996	914,420	932,912	948,382	960,598	51,124	54,057	61,085	58,822
1997	966,017	972,951	986,962	993,759	60,627	62,077	61,572	60,426
1998	990,106	982,800	986,980	990,580	74,555	49,643	60,530	49,847
1999	1,003,152	1,028,742	1,050,537	1,065,867	59,645	64,462	66,101	67,646
2000	1,119,941	1,131,745	1,149,354	1,146,239	76,980	72,625	72,375	52,385
2001	1,138,961	1,124,038			3,461	22,994		
All nondurable manufacturing:								
1994	387,413	394,748	405,708	409,778	18,979	19,831	22,424	26,589
1995	425,828	427,711	430,836	435,694	25,861	28,188	27,572	22,305
1996	442,309	452,575	457,719	462,710	27,996	28,306	32,078	30,541
1997	463,194	456,902	461,412	462,936	33,365	30,713	30,351	28,848
1998	452,213	446,784	443,976	438,656	29,765	28,679	30,430	17,826
1999	445,142	454,508	462,005	472,886	26,510	29,215	30,765	30,990
2000	505,823	518,210	529,441	537,272	37,565	39,119	36,320	30,184
2001	538,011	538,925			33,012	35,498		
All durable manufacturing:								
1994	397,234	408,284	419,600	431,725	17,384	21,327	22,931	25,588
1995	445,675	445,130	452,739	463,701	26,859	23,815	21,684	22,012
1996	472,111	480,337	490,663	497,888	23,128	25,751	29,007	28,281
1997	502,823	516,049	525,550	530,823	27,262	31,364	31,221	31,578
1998	537,893	536,016	543,004	551,924	44,790	20,964	30,100	32,021
1999	558,010	574,234	588,532	592,981	33,135	35,247	35,336	36,656
2000	614,118	613,535	619,913	608,967	39,415	33,506	36,055	22,201
2001	600,950	585,113			(29,551)	(12,504)		

¹Revised.