

U.S. Census Bureau

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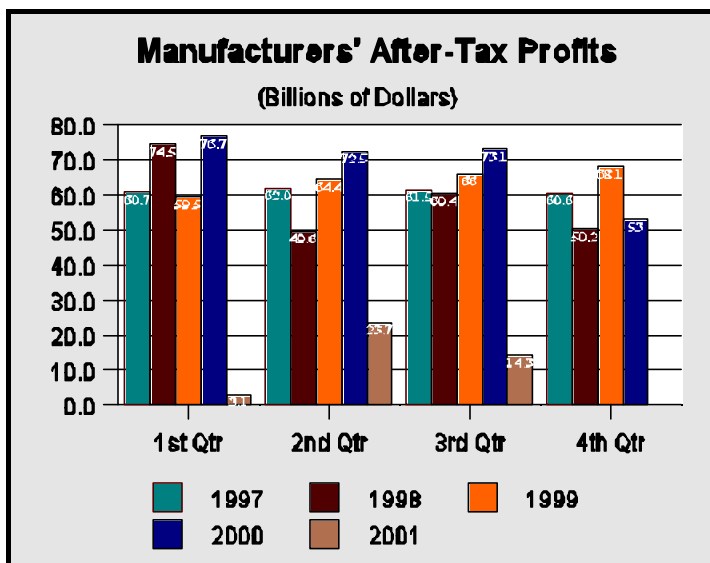
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**ADVANCE DATA FROM THE QUARTERLY FINANCIAL REPORT
 FOR U.S. MANUFACTURING, MINING, AND WHOLESALE TRADE CORPORATIONS—THIRD QUARTER 2001**

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 third quarter of 2001 were \$14.3 billion, down \$9.4 (± 3.5) billion from the \$23.7 billion registered in the second quarter 2001, and down \$58.8 (± 3.4) billion from the third quarter of 2000, the Commerce Department's Census Bureau reported. Profits have been trending down since peaking at \$76.7 billion in the first quarter 2000. Third quarter 2001 after tax-profits by nondurable goods manufacturers offset losses posted by durable goods manufacturers. Manufacturers' sales at \$1,104.5 billion, its lowest level since fourth quarter 1999, were down \$18.4 (± 7.4) billion from last quarter, and down \$45.9 (± 9.3) billion from the third quarter 2000. Third quarter 2001 after-tax profits averaged 1.3 cents per dollar of sales, down 0.8 (± 0.3) cents from the previous quarter, and down 5.1 (± 0.3) cents from the same quarter a year ago.

Durable goods manufacturers had third quarter 2001 after-tax losses of \$12.5 billion. When compared to the second quarter 2001, there were no statistically significant changes. Profits in third quarter a year ago were \$36.9 billion. Sales for the third quarter 2001 were \$580.1 billion, with losses averaging 2.2 cents per dollar of sales, about the same as the second quarter, and down from profits of 6.4 cents per dollar posted in the third quarter 2000.

Nondurable goods manufacturers' third quarter 2001 after-tax profits were \$26.8 billion, down \$9.6 (± 0.7) billion or 26.4 percent ($\pm 1.7\%$) from the previous quarter, and down \$9.3 (± 1.1) billion from the third quarter 2000. Sales were \$524.4 billion, with profits averaging 5.1 cents per dollar of sales, down 1.7 (± 0.1) cents from the previous quarter, and down 1.7 (± 0.2) cents from the third quarter 2000.

After-Tax Profits and Sales - Not Seasonally Adjusted

Manufacturing corporations' unadjusted after-tax profits in the third quarter 2001 were \$13.8 billion, down \$59.2 (± 3.4) billion or 81.1 percent ($\pm 4.4\%$) from the third quarter of 2000. Sales at \$1,100.9 billion were down \$46.9 (± 9.3) billion from the same quarter a year ago. Profits averaged 1.3 cents per dollar of sales for the third quarter 2001, down 5.1 (± 0.3) cents from the same quarter a year ago.

Durable goods manufacturers posted third quarter 2001 after-tax losses of \$14.9 billion, compared to a profit of \$34.6 billion in third quarter of 2000. Sales at \$572.8 billion were down \$40.8 (± 6.9) billion, or 6.6 percent ($\pm 1.1\%$), from the same quarter a year ago. Losses for the current quarter averaged 2.6 cents per dollar of sales, compared to profit of 6.4 cents in the third quarter of 2000.

Nondurable goods manufacturers reported after-tax profits of \$28.7 billion, down \$9.7 (± 1.1) billion from the third quarter 2000; and sales of \$528.1 billion, down \$6.1 (± 5.2) billion or 1.1 percent ($\pm 1.0\%$) from that quarter. Profits averaged 5.4 cents per dollar of sales, down 1.8 (± 0.2) cents from the third quarter 2000.

Industry Detail - Not Seasonally Adjusted

Durable Manufacturers:

Most durable goods manufacturers' reported profit declines from a year ago. Electrical machinery posted the largest decrease of \$31.0 (± 0.6) billion which resulted from nonrecurring charges; followed by a machinery, except electrical, decline of \$10.5 (± 2.5) billion, which resulted from lower operating profits. Motor vehicles' \$4.5 (± 0.1) billion, and instruments \$1.6 (± 0.3) billion decreases resulted from declining operating profits. Fabricated metals' decrease of \$1.3 (± 0.4) billion resulted from declining profits and nonrecurring charges. Iron and steel and nonferrous metals posted modest losses. Stone, clay and glass, and aircraft posted small gains.

When compared to the second quarter of 2001, unadjusted durable manufacturers' after-tax profits for the third quarter of 2001 were down \$6.4 (± 3.4) billion. The largest change was a decrease of \$6.3 (± 1.9) billion in machinery, except electrical. Electrical machinery's profits decreased by \$2.8 (± 1.3) billion. Both declines resulted from lower nonoperating income and higher nonrecurring charges. Motor vehicles' \$1.0 (± 0.1) billion and aircraft's \$0.8 (± 0.1) billion drops resulted from lower operating profits. Nonferrous metals and fabricated metals, and instruments reported modest losses. Stone, clay, and glass posted a profit of \$5.2 (± 0.1) billion which resulted from lower nonrecurring charges and higher equity income. Iron and steel reported a modest gain. Furniture and miscellaneous manufacturing showed no statistically significant change.

Nondurable Manufacturers:

Unadjusted nondurable manufacturers' after-tax profits for the third quarter of 2001 were down \$9.7 (± 1.1) billion from the third quarter a year ago. Declines in printing and publishing of \$2.7 (± 0.3) billion and industrial chemicals of \$2.4 (± 0.1) billion came mainly from operations and nonrecurring charges. Decreases in petroleum, \$2.6 (± 0.1) billion, and paper and allied products \$0.9 (± 0.1) billion, came mainly from operations. Food and tobacco, apparel, and drugs showed no statistically significant change.

When compared to the second quarter of 2001, unadjusted nondurable manufacturers' after-tax profits were down \$9.3 (± 0.7) billion. The largest decrease was in drugs, down \$4.5 (± 0.2) billion, which came from operations and lower nonoperating income. The decrease in petroleum of \$4.3 (± 0.1) billion came mainly from operations. Food and tobacco reported modest losses. Printing and publishing, paper and allied products, textiles, rubber, and apparel showed no statistically significant change. Residual chemicals recorded a small gain.

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 \$2.3 billion, down 54.1 percent ($\pm 2.6\%$) from the third quarter 2000 and down 57.2 percent ($\pm 2.4\%$) from the second quarter 2001. Sales for these mining corporations for the third quarter 2001 were \$26.3 billion, showing no statistically significant change from the same quarter a year ago and down \$3.8 (± 0.9) billion from the second quarter 2001. After tax profits per dollar of sales averaged 8.8 cents, down 9.8 (± 0.7) cents from the third quarter 2000, and down 9.2 (± 0.7) cents in the prior quarter.

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 \$1.8 billion in the third quarter 2001, down \$3.0 (± 0.4) billion from the third quarter 2000 and showing no statistically significant change from the second quarter 2001. Sales for these wholesalers for the third quarter 2001 were \$318.8 billion, down \$6.4 (± 6.4) billion from the same quarter a year ago but with no statistically significant change from the second quarter 2001. After tax-profits per dollar of sales, averaged 0.6 cents in the third quarter 2001, down 0.9 (± 0.1) cents from the third quarter 2000, and showing no statistically significant change from the second quarter 2001.

The Quarterly Financial Report Program will begin publishing on the North American Industry Classification System (NAICS) basis beginning with its fourth quarter 2001 report scheduled for release on April 5, 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--Third quarter 2001 (QFR-01-3). 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. The QFR fourth quarter 2001 publication will be on the NAICS basis and will include data for retail corporations. The publication is scheduled for release on April 5, 2002.

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.

This press release is available on the day of issue on the Department of Commerce's Internet site at <http://www.census.gov/csd/qfr/>

TABLE 1
QUARTERLY FINANCIAL REPORT FOR MANUFACTURING CORPORATIONS

Item	Seasonally Adjusted			Unadjusted		
	3Q 2001	2Q 2001 ¹	3Q 2000 ¹	3Q 2001	2Q 2001 ¹	3Q 2000 ¹
Rate of return (after taxes):						
Cents per dollar of sales	1.3	2.1	6.4	1.3	2.6	6.4
Percent on equity (annual rate)	NA	NA	NA	2.9	6.1	15.7
	(million dollars)					
Sales	1,104,515	1,122,871	1,150,443	1,100,894	1,143,534	1,147,795
Income after income taxes	14,290	23,657	73,115	13,793	29,429	72,969
Dividends paid (cash)	NA	NA	NA	20,880	27,908	32,836

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

Industry Group	Sales			Operating Profits*			After-Tax Profits		
	3Q 2001	2Q 2001 ¹	3Q 2000 ¹	3Q 2001	2Q 2001 ¹	3Q 2000 ¹	3Q 2001	2Q 2001 ¹	3Q 2000 ¹
	(million dollars)								
All manufacturing corporations	1,100,894	1,143,534	1,147,795	50,593	64,576	92,248	13,793	29,429	72,969
Nondurable goods	528,081	546,878	534,206	39,976	48,409	49,850	28,651	37,919	38,363
Food and tobacco	130,145	129,946	124,637	12,381	12,164	12,222	8,304	8,704	8,470
Textiles	13,009	14,070	14,452	599	634	675	46	87	(529)
Apparel ²	18,560	16,607	18,796	1,287	951	1,329	748	502	740
Paper	43,717	45,426	46,221	3,109	3,165	4,300	936	1,061	1,811
Printing	47,674	48,951	50,315	3,841	3,776	5,866	1,243	1,460	3,886
Chemicals	126,669	132,071	125,502	10,874	13,063	12,051	8,456	12,648	11,873
Industrial chemicals and synthetics ³	39,052	42,746	42,897	684	988	2,433	(343)	(56)	2,106
Drugs ³	54,526	55,024	48,990	7,951	9,016	6,258	7,074	11,550	7,452
Residual of chemicals ³	33,091	34,301	33,615	2,240	3,060	3,360	1,725	1,154	2,316
Petroleum	117,769	127,749	122,315	6,708	13,255	11,535	8,680	12,990	11,328
Rubber	30,539	32,058	31,968	1,178	1,401	1,872	238	466	784
Durable goods	572,813	596,656	613,590	10,617	16,168	42,399	(14,858)	(8,490)	34,605
Stone, clay, and glass	25,567	24,301	25,531	2,845	2,276	3,065	1,783	(3,399)	1,327
Primary metals	35,566	38,205	40,440	792	1,181	1,908	(38)	(554)	838
Iron and steel ³	18,478	19,442	20,229	118	320	598	(566)	(1,340)	7
Nonferrous metals ³	17,088	18,763	20,211	675	861	1,311	528	786	831
Fabricated metals	45,960	46,248	46,835	3,269	3,283	4,316	1,572	2,073	2,822
Machinery	105,021	111,281	117,821	2,540	5,068	8,471	(1,500)	4,764	9,014
Electrical machinery	115,260	125,772	140,809	(4,036)	(3,507)	11,328	(18,734)	(15,961)	12,267
Transportation equipment	169,074	173,897	165,225	1,228	2,626	6,759	1	1,924	4,430
Motor vehicles and equipment ³	115,437	120,505	117,273	(2,962)	(2,309)	2,250	(1,844)	(871)	2,608
Aircraft, guided missiles, and parts ³	44,416	43,626	36,292	3,350	4,007	3,380	1,413	2,243	1,279
Instruments	31,169	32,068	33,010	1,517	2,569	4,050	918	1,322	2,540
Other durable goods	45,197	44,885	43,917	2,461	2,672	2,501	1,140	1,342	1,366
Lumber and wood products ³	17,482	17,254	17,587	813	1,113	618	454	718	367
Furniture and fixtures ³	19,109	19,334	17,688	1,166	1,021	1,387	343	342	636
Miscellaneous manufacturing ³	8,605	8,297	8,643	482	538	495	343	283	363
Mining ⁴	26,264	30,037	27,024	4,018	6,221	4,967	2,312	5,396	5,037
Wholesale trade ⁴	318,752	323,633	325,123	6,942	6,509	9,974	1,787	2,207	4,795
Retail trade ⁴	NA	348,345	328,091	NA	14,738	13,124	NA	6,405	4,937

*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	784,533	803,041	825,301	841,648	36,366	41,158	45,329	52,200
1995	871,339	872,843	883,573	899,546	52,727	52,003	49,218	44,345
1996	914,305	932,844	948,383	960,793	51,154	54,035	61,017	58,906
1997	965,936	972,799	986,901	994,175	60,652	62,018	61,479	60,625
1998	989,911	982,563	986,862	991,352	74,492	49,582	60,404	50,192
1999	1,002,798	1,028,095	1,050,543	1,067,320	59,462	64,391	65,996	68,080
2000	1,119,239	1,130,322	1,150,443	1,148,680	76,694	72,548	73,115	52,984
2001	1,139,678	1,122,871	1,104,515		3,090	23,657	14,290	
All nondurable manufacturing:								
1994	387,300	394,755	405,702	409,923	18,989	19,827	22,381	26,628
1995	425,664	427,710	430,834	435,850	25,875	28,182	27,513	22,353
1996	442,191	452,499	457,725	462,914	28,035	28,273	31,992	30,643
1997	463,119	456,707	461,375	463,381	33,400	30,654	30,221	29,071
1998	452,052	446,397	443,943	439,496	29,712	28,642	30,237	18,195
1999	444,841	453,573	462,174	474,469	26,340	29,202	30,556	31,443
2000	505,174	516,359	529,984	539,424	37,300	39,129	36,153	30,920
2001	538,905	538,906	524,383		32,529	36,454	26,824	
All durable manufacturing:								
1994	397,233	408,286	419,599	431,725	17,377	21,331	22,948	25,572
1995	445,675	445,133	452,739	463,696	26,852	23,821	21,705	21,992
1996	472,114	480,345	490,658	497,879	23,119	25,762	29,025	28,263
1997	502,817	516,092	525,526	530,794	27,252	31,364	31,258	31,554
1998	537,859	536,166	542,919	551,856	44,780	20,940	30,167	31,997
1999	557,957	574,522	588,369	592,851	33,122	35,189	35,440	36,637
2000	614,065	613,963	620,459	609,256	39,394	33,419	36,962	22,064
2001	600,773	583,965	580,132		(29,439)	(12,797)	(12,534)	

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