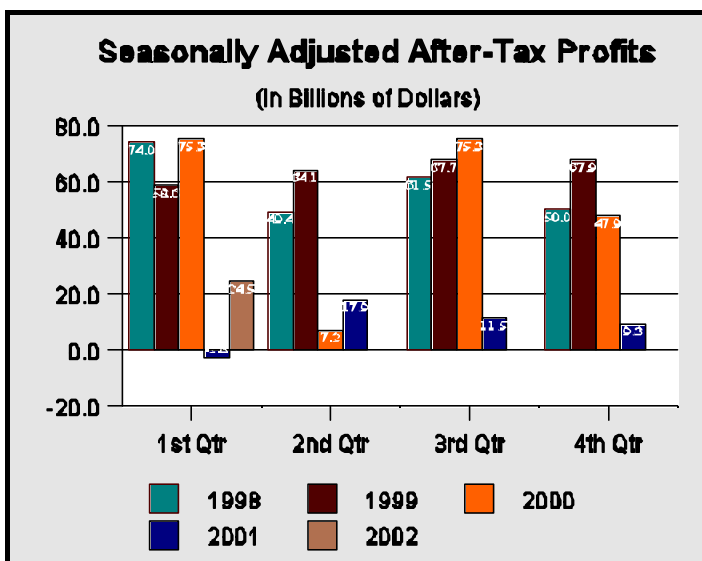


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**FIRST QUARTER 2002 ADVANCE DATA FROM THE QUARTERLY FINANCIAL REPORT FOR U.S.  
 MANUFACTURING, MINING, AND WHOLESALE TRADE CORPORATIONS**

**NOTE:** Effective fourth quarter 2000, data in this release are presented on the North American Industry Classification System (NAICS) basis. Data prior to fourth quarter 2000 are presented on the Standard Industrial Classification (SIC) system basis. Comparison of NAICS data to SIC data in this release (Table 3) are useful only for trend analysis. For additional information on QFR publication visit our website at <http://www.census.gov/csd/qfr/>.



**Seasonally Adjusted After-Tax Profits and Sales  
 Manufacturing Corporations**

Manufacturing corporations' seasonally adjusted after-tax profits for the first quarter of 2002 were \$24.5 billion, up \$15.2 ( $\pm 1.4$ ) billion from the fourth quarter 2001, the Commerce Department's Census Bureau reported. This is the first increase in profits since the second quarter last year. Profits for the quarter were up \$27.3 ( $\pm 0.4$ ) billion from a loss of \$2.8 billion in first quarter of 2001, but remain significantly below the \$70 billion levels of early 2000. Profits per dollar of sales at 2.4 cents showed the first increase since the second quarter 2001 when the ratio was 1.6 cents. Profits of nondurable manufacturers, however, continue to offset losses by durable manufacturers.

First quarter 2002 sales of manufacturers at \$1,035.3 billion showed no significant change from the prior quarter, following three consecutive quarterly declines. Sales were down \$79.1 ( $\pm 8.6$ ) billion from first quarter 2001.

**Durable Goods Manufacturers:**

Durable goods manufacturers recorded their fifth consecutive quarterly after-tax loss. However, the \$1.2 billion loss this quarter was significantly less than those in the prior four quarters. Sales for this quarter were \$570.6 billion, with losses averaging 0.2 cents per dollar of sales for the quarter, 1.8 cents in the fourth quarter 2001, 2.7 cents in the third quarter, 2.8 cents in the second quarter, and 5.7 cents in the first quarter.

**Nondurable Goods Manufacturers:**

Nondurable goods manufacturers' first quarter 2002 after-tax profits were \$25.8 billion, up from the \$19.3 billion in the previous quarter, and down \$5.8 ( $\pm 0.7$ ) billion from the first quarter 2001. Sales were \$464.6 billion, with profits averaging 5.5 cents per dollar of sales, up 1.4 ( $\pm 0.1$ ) cents from the previous quarter, and down 0.7 ( $\pm 0.1$ ) cents from the first quarter 2001.

**Unadjusted After-Tax Profits and Sales  
 Manufacturing Corporations**

Manufacturing corporations' unadjusted after-tax profits in the first quarter 2002 were \$27.8 billion, up \$27.9 ( $\pm 0.4$ ) billion from \$0.2 billion loss in the first quarter a year ago. Sales at \$1,005.0 billion were down \$77.2 ( $\pm 8.6$ ) billion from the same quarter a year ago. Profits averaged 2.8 cents per dollar of sales compared to 0.0 cents a year earlier.

**Durable Goods Manufacturers:**

Durable goods manufacturers had a profit of \$2.2 billion in the first quarter 2002 compared to a \$31.6 billion loss in the first quarter 2001. The improvement in after-tax profit in first quarter 2002 was due to lower nonrecurring charges in first quarter 2002 than in first quarter 2001. Six of the ten durable goods categories posted after-tax profits. Electrical equipment, appliances, and components had a \$4.7 billion profit. Miscellaneous manufacturing had a profit of \$1.9, and transportation equipment and fabricated metals products \$1.6 billion each.

Offsetting these gains were losses of \$6.9 billion in computer and electronic products and \$1.6 billion in machinery products.

First quarter 2002 sales of durable manufacturers, at \$554.7 billion, were down \$36.9 ( $\pm 6.6$ ) billion or 6.2 ( $\pm 1.1$ ) percent from a year earlier. Profits for the current quarter averaged 0.4 cents per dollar of sales.

When compared to the fourth quarter 2001 after-tax loss of \$13.6 billion, durable manufacturers after-tax profits rose \$15.8 ( $\pm 0.2$ ) billion in the first quarter 2001, about a third of which (\$5.7 billion) came from motor vehicles and parts, and \$3.1 billion from computer and electronics.

#### **Nondurable Goods Manufacturers:**

Nondurable goods manufacturers after-tax profits were down \$5.9 ( $\pm 0.7$ ) billion from the \$31.6 billion recorded in the first quarter 2001. An \$8.7 ( $\pm 0.1$ ) billion decline in petroleum and coal products resulting from lower operating profits and equity income was partially offset by \$1.2 ( $\pm 0.2$ ) billion in beverage and tobacco products due to higher operating income.

First quarter 2002 sales of \$450.3 billion, were down \$40.4 ( $\pm 5.5$ ) billion from last year. Profits averaged 5.7 cents per dollar of sales compared to 6.4 cents a year ago.

When compared to fourth quarter of 2001 after-tax profit of \$16.8 billion, nondurable goods manufacturers after-tax profits were up \$8.7 ( $\pm 0.7$ ) billion with petroleum, paper products, beverage and tobacco each accounting for over \$2.0 billion.

### **Unadjusted After-Tax Profits and Sales of Mining and Trade Corporations**

#### **Mining Corporations:**

First quarter 2002 after-tax profits of large mining corporations with assets of \$50 million and over were reported at \$1.0 billion, compared to a profit of \$5.9 billion same quarter a year ago. Sales for these mining corporations for the first quarter 2002 were \$18.6 billion, down \$15.8 ( $\pm 0.4$ ) billion from the same quarter a year ago. After-tax profit per dollar of sales averaged 5.1 cents compared to 17.3 cents profits per dollar of sales in the first quarter 2001.

#### **Wholesale Trade Corporations:**

First quarter 2002 after-tax profits of large wholesale corporations with assets of \$50 million and over were \$3.5 billion, up \$1.3 ( $\pm 0.3$ ) billion from the first quarter 2001. Sales for these wholesalers were \$291.4 billion, down \$24.3 ( $\pm 4.5$ ) billion from the same quarter a year ago. After-tax profits per dollar of sales averaged 1.2 cents compared to 0.7 cents in the first quarter 2001.

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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—First quarter 2002 (QFR-02-1). 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. Second quarter 2002 advance data are scheduled for release on September 13, 2002.

**EXPLANATORY NOTES:** 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 on the Department of Commerce's Internet at <http://www.census.gov/csd/qfr/>**

**TABLE 1**  
**QUARTERLY FINANCIAL REPORT FOR MANUFACTURING CORPORATIONS**

Item	Seasonally Adjusted			Unadjusted		
	1Q 2002	4Q 2001 <sup>1</sup>	1Q 2001 <sup>1</sup>	1Q 2002	4Q 2001 <sup>1</sup>	1Q 2001 <sup>1</sup>
Rate of return (after taxes):						
Cents per dollar of sales	2.4	0.9	(0.3)	2.8	0.3	0.0
Percent on equity (annual rate)	NA	NA	NA	6.1	0.7	(0.0)
	(million dollars)					
Sales	1,035,275	1,033,027	1,114,376	1,004,993	1,041,475	1,082,233
Income after income taxes	24,538	9,343	(2,811)	27,768	3,215	(172)
Dividends paid (cash)	NA	NA	NA	21,340	29,183	25,428

**TABLE 2**  
**UNADJUSTED SALES AND PROFITS FOR MANUFACTURING, MINING, AND TRADE CORPORATIONS**

Industry Group	Sales			Operating Profits*			After-Tax Profits		
	1Q 2002	4Q 2001 <sup>1</sup>	1Q 2001 <sup>1</sup>	1Q 2002	4Q 2001 <sup>1</sup>	1Q 2001 <sup>1</sup>	1Q 2002	4Q 2001 <sup>1</sup>	1Q 2001 <sup>1</sup>
	(million dollars)								
All manufacturing <sup>2</sup>	1,004,993	1,041,475	1,082,233	46,166	27,820	51,892	27,768	3,215	(172)
All nondurable manufacturing	450,263	474,627	490,619	32,633	25,945	36,992	25,540	16,806	31,425
Food	76,303	81,864	79,409	5,236	5,490	4,683	3,122	2,500	2,460
Beverage and tobacco products	33,086	38,081	34,221	6,451	5,918	4,398	4,365	2,149	3,193
Textile mills and textile product mills	11,592	11,004	12,325	496	440	632	40	71	72
Apparel and leather products	21,453	22,521	23,129	1,475	839	1,550	1,069	319	901
Paper	37,069	37,671	40,680	2,035	1,738	2,615	725	(1,581)	829
Printing and related support activities	16,192	17,310	17,411	765	577	888	393	71	246
Petroleum and coal products	97,338	106,636	118,006	1,763	2,008	11,294	3,948	1,274	12,607
Chemicals	127,373	129,141	133,720	12,630	8,293	9,439	11,134	13,095	10,539
Basic chemicals, resins, and synthetics <sup>3</sup>	36,300	35,149	43,671	1,373	238	(437)	(294)	2,602	(297)
Pharmaceuticals and medicines <sup>3</sup>	55,750	58,376	53,159	8,194	5,863	7,130	9,556	9,025	9,279
All other chemicals <sup>3</sup>	35,323	35,616	36,890	3,063	2,192	2,745	1,872	1,468	1,557
Plastics and rubber products	29,857	30,400	31,717	1,780	641	1,494	745	(1,092)	578
All durable manufacturing	554,731	566,848	591,615	13,533	1,875	14,900	2,228	(13,591)	(31,597)
Wood products	14,758	14,749	13,665	445	30	49	638	(206)	(209)
Nonmetallic mineral products	19,191	21,805	20,200	611	790	958	(179)	(81)	522
Primary metals	33,156	32,603	37,307	387	(255)	348	(116)	(1,957)	(173)
Iron, steel, and ferroalloys <sup>3</sup>	13,491	13,379	14,533	(265)	(360)	(568)	(483)	(1,484)	(999)
Nonferrous metals <sup>3</sup>	14,224	13,977	18,002	456	43	713	297	(336)	744
Foundries <sup>3</sup>	5,441	5,247	4,773	196	62	203	70	(138)	82
Fabricated metal products	47,947	47,744	50,067	3,283	1,822	3,618	1,626	(955)	2,169
Machinery	59,058	62,739	67,314	2,230	1,125	4,339	(1,597)	176	3,242
Computer and electronic products	114,944	118,314	143,589	(4,740)	(8,584)	(4,569)	(6,944)	(10,018)	(44,477)
Computer and peripheral equipment <sup>3</sup>	38,824	39,837	43,563	(187)	231	948	1,501	2,013	1,276
Communications equipment <sup>3</sup>	22,888	23,937	33,534	(4,575)	(6,857)	(8,778)	(7,429)	(9,065)	(47,305)
All other electronic products <sup>3</sup>	53,232	54,540	66,492	23	(1,957)	3,260	(1,061)	(2,967)	1,553
Electrical equipment, appliances, and components	45,331	44,359	46,324	5,010	4,145	4,717	4,713	3,419	3,986
Transportation equipment	181,319	184,549	175,062	3,124	208	3,426	1,606	(5,152)	1,898
Motor vehicles and parts <sup>3</sup>	133,305	129,643	126,898	(548)	(2,802)	(754)	(753)	(6,436)	(899)
Aerospace products and parts <sup>3</sup>	39,875	45,092	37,960	3,190	2,319	3,390	2,142	858	2,381
Furniture and related products	14,478	14,609	14,929	915	597	970	541	302	534
Miscellaneous manufacturing	24,549	25,376	23,157	2,267	1,996	1,042	1,942	882	913
All mining <sup>2</sup>	18,593	21,097	34,380	1,247	1,692	8,157	954	(511)	5,936
All wholesale trade <sup>2</sup>	291,425	300,335	315,767	6,885	7,680	6,292	3,486	2,921	2,186
All retail trade <sup>2</sup>	N/A	375,400	318,014	N/A	20,336	12,667	N/A	9,259	5,834

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

<sup>1</sup>Revised

<sup>2</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.

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

**TABLE 3**

**SEASONALLY ADJUSTED SALES AND NET INCOME AFTER-TAX FOR MANUFACTURING CORPORATIONS**

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>								
1994 .....	784,482	803,035	825,313	841,727	36,420	41,091	45,436	52,131
1995 .....	871,276	872,770	883,573	899,749	52,736	51,908	49,414	44,275
1996 .....	914,239	932,616	948,312	961,353	51,081	53,929	61,346	58,810
1997 .....	965,780	972,314	986,677	995,351	60,438	61,876	62,107	60,457
1998 .....	989,682	981,732	986,039	993,699	74,025	49,371	61,494	49,978
1999 .....	1,002,548	1,026,727	1,048,713	1,071,196	58,605	64,064	67,656	67,895
2000 .....	1,119,343	1,128,220	1,147,226	1,119,384	75,331	72,106	75,292	47,874
2001 .....	1,114,376	1,095,075	1,066,461	1,033,027	(2,811)	17,882	11,519	9,343
2002 .....	1,035,275				24,538			
<b>All nondurable manufacturing:</b>								
1994 .....	387,249	394,755	405,708	409,989	18,985	19,817	22,450	26,564
1995 .....	425,606	427,673	430,818	435,993	25,870	28,187	27,598	22,251
1996 .....	442,144	452,378	457,677	463,169	28,032	28,302	32,115	30,463
1997 .....	463,122	456,470	461,210	463,840	33,398	30,685	30,493	28,709
1998 .....	452,134	446,055	443,503	440,229	29,738	28,666	30,680	17,637
1999 .....	445,123	453,153	461,059	475,742	26,413	29,204	31,142	30,729
2000 .....	505,906	515,766	527,915	504,001	37,427	39,119	36,761	29,027
2001 .....	506,408	506,629	490,055	473,172	31,603	34,625	26,823	19,252
2002 .....	464,648				25,778			
<b>All durable manufacturing:</b>								
1994 .....	397,233	408,280	419,605	431,738	17,435	21,274	22,986	25,567
1995 .....	445,670	445,097	452,755	463,756	26,866	23,721	21,816	22,024
1996 .....	472,095	480,238	490,635	498,184	23,049	25,627	29,231	28,347
1997 .....	502,658	515,844	525,467	531,511	27,040	31,191	31,614	31,748
1998 .....	537,548	535,677	542,536	553,470	44,287	20,705	30,814	32,341
1999 .....	557,425	573,574	587,654	595,454	32,192	34,860	36,514	37,166
2000 .....	613,437	612,454	619,311	615,383	37,904	32,987	38,531	18,847
2001 .....	607,968	588,446	576,406	559,855	(34,414)	(16,743)	(15,304)	(9,909)
2002 .....	570,627				(1,240)			

<sup>1</sup>Revised.

## Conversion to the North American Industry Classification System

Effective fourth quarter 2000, data in this release are presented on the North American Industry Classification System (NAICS). Data prior to fourth quarter 2000 are presented on the Standard Industrial Classification (SIC) system. There are major changes in how industries are defined, requiring the movement of many corporations to different industry categories. Nearly all published industry groupings have been affected by the conversion to NAICS. Major changes include the following:

- Publishing, part of SIC Manufacturing Major Group 27, has been deleted from the Manufacturing sector, and Eating and Drinking Places, SIC Retail Trade Major Group 58, (included in All Other Retail Trade in the SIC Publication) has been deleted from the Retail Trade sector. These industries have been moved to NAICS sectors outside of Manufacturing, Mining and Trade. Printing and Related Support Activities, the remainder of SIC 27, now comprises NAICS subsector 323.
- A new group has been created, NAICS subsector 334, Computer and Electronic Product Manufacturing. This group is primarily comprised of parts of SIC Major Groups 35 Machinery, Except Electrical; 36, Electrical and Electronic Equipment; and 38, Instruments and Related Products. The new group presents for the first time separate financial data for manufacturers of Computer and Peripheral Equipment, as well as for Communications Equipment.
- Most of the remainder of SIC Major Group 35, Machinery, Except Electrical, is now included in NAICS subsector 333, Machinery Manufacturing; and the remainder of SIC Major Group 36, Electrical and Electronic Equipment, is in NAICS subsector 335, Electrical Equipment, Appliance and Component Manufacturing.
- SIC Major Group 38, Instruments and Related Products, was reorganized with the major sections moving to NAICS subsector 334, Computer and Electronic Product Manufacturing; NAICS subsector 333, Machinery Manufacturing, and NAICS subsectors 339, Miscellaneous Manufacturing.
- Food Manufacturing, NAICS subsector 311, and Beverage and Tobacco products Manufacturing, NAICS subsector 312, previously combined on an SIC basis, are now published separately.
- NAICS subsector 331, Primary Metal Manufacturing, formerly SIC Major Group 33, has a new industry group, Foundries. Foundries was previously included in the SIC Ferrous and Non-Ferrous categories.
- A number of other NAICS groups, while largely consistent with their SIC counterparts, have small but noticeable changes due to the transfer of certain product lines from one group to another. One example is NAICS subsector 336, Transportation Equipment Manufacturing, which includes products such as vehicle seating, lighting, and air-conditioning that were not part of SIC 37, Transportation Equipment.
- NAICS expands the definition of Manufacturing to include companies that perform the entrepreneurial functions of manufacturing, but contract out the actual making of the product. This includes companies contracting overseas for manufacturing their products. The operations of those foreign plants are not fully consolidated in the financial reports, but are reported on the equity or cost basis of accounting. This change resulted in the reclassification of a number of companies from Wholesale Trade in the SIC publication to Manufacturing in the NAICS publication.

For a comprehensive treatment of the SIC to NAICS Conversion, see the 1997 NAICS manual, or visit the NAICS Web site at <http://www.census.gov/naics>. See the full quarterly publication, available at <http://www.census.gov/csd/qfr>, for a detailed description of the methodology used in Quarterly Financial program.