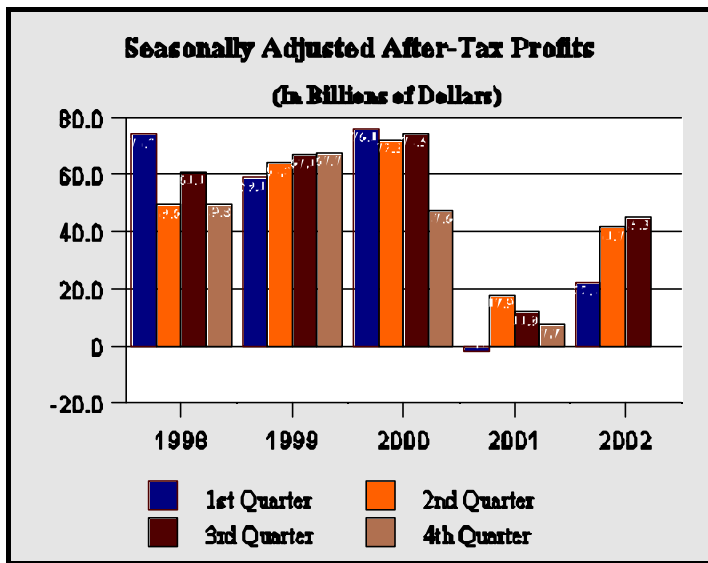


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**THIRD QUARTER 2002 ADVANCE DATA FROM THE QUARTERLY FINANCIAL REPORT
 U.S. MANUFACTURING, MINING, AND WHOLESALE TRADE CORPORATIONS**



**Seasonally Adjusted After-Tax Profits and Sales
 U.S. Manufacturing Corporations**

Seasonally adjusted after-tax profits recorded by manufacturing corporations were \$45.3 billion in the third quarter 2002, up \$3.6 (+/-1.4) billion from the \$41.7 billion recorded the prior quarter, the Commerce Department's Census Bureau reported. Year over year profits were up \$33.5 (+/-1.7) billion from the \$11.9 billion reported in the third quarter 2001. This is the third consecutive quarterly increase in profits after dropping to the \$7.7 billion level in the fourth quarter 2001.

Seasonally adjusted sales in the third quarter 2002, at \$1,068.2 billion, were up 1.9% (+/-0.7%) from the \$1,048.5 billion recorded in second quarter 2002, but were about the same as the third quarter 2001.

Profits per dollar of sales at 4.2 cents in the third quarter 2002 were up 0.2 (+/-0.1) cents over prior quarter, and up 3.1 (+/-0.2) cents over third quarter 2001.

Nondurable Goods Manufacturers

Seasonally adjusted after-tax profits recorded by nondurable goods manufacturers at \$30.6 billion in the third quarter 2002 were about the same as the prior quarter, but up \$3.8 (+/-0.6) billion from the \$26.8 billion recorded in the third quarter 2001.

Sales for third quarter 2002 were \$493.7 billion, following sales of \$478.8 billion the prior quarter, and \$487.5 billion in the third quarter 2001.

After-tax profits averaged 6.2 cents per dollar of sales in the current quarter, 6.3 cents in second quarter 2002, and 5.5 cents in the third quarter 2001.

Durable Goods Manufacturers

Seasonally adjusted after-tax profits recorded by durable goods manufacturers were \$14.8 billion in third quarter 2002, up \$29.7 (+/-0.2) billion from a loss of \$14.9 billion in third quarter 2001. Second quarter 2002 after-tax profits were \$11.3 billion.

Sales for third quarter 2002 were \$574.6 billion, and \$573.7 billion in the same quarter a year ago.

After-tax profits averaged 2.6 cents per dollar of sales in the current quarter, up 0.6 (+/-0.2) cents from the second quarter 2002, and up from the loss of 2.6 cents in the third quarter 2001.

**Unadjusted After-Tax Profits and Sales
 U.S. Manufacturing Corporations**

Unadjusted after-tax profits of manufacturing corporations in third quarter 2002 were \$43.1 billion, up \$33.2 (+/-1.7) billion from the \$9.8 billion recorded in third quarter 2001.

The profit increase was due to higher operating income, lower interest expense, and lower nonrecurring charges.

Sales at \$1,069.2 billion, were not statistically different from the \$1,062.4 billion recorded in the same quarter a year ago.

After-tax profits per dollar of sales averaged 4.0 cents compared to 0.9 cents a year earlier, and 4.5 cents in second quarter 2002.

Nondurable Goods Manufacturers

Unadjusted after-tax profits recorded by nondurable goods manufacturers were \$31.5 billion in third quarter 2002, up \$3.6 (+/-0.6) billion from the \$27.9 billion reported in third quarter 2001. Eight of the eleven nondurable goods manufacturing categories recorded year over year increased profits.

Beverage and tobacco products' year over year increase of \$2.8 (+/-0.2) billion resulted from higher nonrecurring credits; Chemicals' improvement, \$2.2 (+/-0.3) billion, was due to an increase in equity income. Petroleum and coal products' profit decline for that period of \$4.5 (+/-0.1) billion resulted from lower operating income, lower equity income, and higher nonrecurring charges.

Sales for third quarter 2002 were \$501.8 billion, up \$6.8 (+/-4.9) billion from the year before.

After-tax profits averaged 6.3 cents per dollar of sales compared to 5.6 cents a year ago, and 6.6 cents last quarter.

When compared to second quarter 2002 after-tax profits of \$32.2 billion, nondurable goods manufacturers' after-tax profits were down \$0.7 (+/-0.7) billion. Although beverage and tobacco products profits were up \$2.2 (+/-0.1) billion from the prior quarter, it was not enough to offset losses recorded in other nondurable goods manufacturing categories.

Durable Goods Manufacturers

Unadjusted after-tax profits by durable goods manufacturers were \$11.6 billion in third quarter 2002, compared to a loss of \$18.1 billion a year earlier. The profit rise was due to lower operating costs, interest expense, and nonrecurring charges in third quarter 2002. Most durable goods manufacturing categories recorded after-tax profits this quarter. Transportation equipment was up \$3.0 (+/-0.1) billion over a year earlier; miscellaneous manufacturing was up \$1.7 (+/-0.6) billion, and electrical equipment, appliances, and components, was up \$1.3 (+/-0.2) billion. The \$2.5 billion loss recorded in computer and electronic products was less than the \$29.1 billion loss recorded in the same quarter last year; this improvement was mainly due to lower nonrecurring charges this quarter.

Sales for durable manufacturers this quarter at \$567.4 billion were not statistically different from the same quarter a year earlier.

After-tax profits averaged 2.0 cents per dollar of sales this quarter compared to a loss of 3.2 cents a year ago, and a profit per dollar of sales averaging 2.6 cents from second quarter 2002.

U.S. Mining Corporations

Unadjusted after-tax profits for mining corporations were \$1.5 billion in third quarter 2002 compared to a profit of \$1.0 billion in the same quarter last year.

Current quarter sales were \$20.2 billion, down \$4.9 (+/-0.2) billion from the same quarter a year earlier.

After-tax profit per dollar of sales averaged 7.5 cents this quarter compared to 3.9 cents in third quarter 2001.

U.S. Wholesale Trade Corporations

Unadjusted after-tax profits for wholesale trade corporations were \$6.1 billion in the third quarter 2002, up \$3.8 (+/-0.2) billion from the same quarter a year ago.

Sales for these corporations were \$317.6 billion, up \$12.4 (+/-4.1) billion from the same quarter a year ago.

After-tax profits per dollar of sales averaged 1.9 cents this quarter compared to 0.8 cents in the third quarter 2001.

These advance data, based on quarterly financial reports from about 8,200 corporations, were released today from the Quarterly Financial Report for Manufacturing Corporations with assets \$250,000 and over, and Mining, and Trade Corporations with assets \$50 million and over—Third quarter 2002 (QFR-02-3). 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 (301-763-4100). Fourth quarter 2002 advance data are scheduled for release on April 4, 2003.

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 (+/-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
U.S. MANUFACTURING CORPORATIONS

Item	Seasonally Adjusted			Unadjusted		
	3Q 2002	2Q 2002 ¹	3Q 2001 ¹	3Q 2002	2Q 2002 ¹	3Q 2001 ¹
Rate of return (after taxes):						
Cents per dollar of sales	4.2	4.0	1.1	4.0	4.5	0.9
Percent on equity (annual rate)	NA	NA	NA	9.4	10.5	2.1
	(million dollars)					
Sales	1,068,223	1,048,539	1,061,187	1,069,194	1,070,871	1,062,443
Income after income taxes	45,341	41,660	11,880	43,072	47,655	9,848
Dividends paid (cash)	NA	NA	NA	23,687	24,421	21,962

TABLE 2
U.S. MANUFACTURING, MINING, AND TRADE CORPORATIONS
UNADJUSTED SALES AND PROFITS

Industry Group	Sales			Operating Profits*			After-Tax Profits		
	3Q 2002	2Q 2002 ¹	3Q 2001 ¹	3Q 2002	2Q 2002 ¹	3Q 2001 ¹	3Q 2002	2Q 2002 ¹	3Q 2001 ¹
	(million dollars)								
All manufacturing ²	1,069,194	1,070,871	1,062,443	64,420	72,341	45,496	43,072	47,655	9,848
All nondurable manufacturing	501,830	486,867	495,006	40,348	43,196	37,204	31,514	32,194	27,939
Food	79,623	76,236	82,634	6,162	5,801	5,578	4,258	3,765	3,092
Beverage and tobacco products	36,516	36,801	37,981	7,582	7,843	6,627	7,957	5,717	5,126
Textile mills and textile product mills	12,420	12,634	11,425	712	870	401	278	443	(63)
Apparel and leather products	24,120	21,647	24,450	2,427	1,427	1,749	1,625	976	1,315
Paper	38,166	38,488	40,492	2,099	2,338	2,624	1,064	935	665
Printing and related support activities	17,129	16,381	16,874	1,207	1,184	1,062	588	701	432
Petroleum and coal products	128,805	117,018	118,432	5,276	5,462	6,859	4,275	6,076	8,818
Chemicals	133,349	135,760	130,822	12,676	15,647	10,622	10,154	11,916	7,999
Basic chemicals, resins, and synthetics ³	38,403	39,221	38,026	2,091	2,389	230	1,877	1,507	(683)
Pharmaceuticals and medicines ³	57,099	57,639	55,335	6,659	9,389	7,900	6,160	7,454	7,081
All other chemicals ³	37,847	38,899	37,462	3,926	3,869	2,492	2,117	2,955	1,601
Plastics and rubber products	31,702	31,904	31,895	2,206	2,623	1,681	1,314	1,666	556
All durable manufacturing	567,364	584,004	567,438	24,072	29,145	8,292	11,558	15,461	(18,091)
Wood products	16,603	16,387	16,531	939	874	847	480	638	524
Nonmetallic mineral products	23,603	23,190	25,791	2,415	2,254	2,743	(1,180)	1,139	1,680
Primary metals	34,363	34,799	35,095	1,041	1,206	645	206	412	(218)
Iron, steel, and ferroalloys ³	14,789	14,749	14,831	272	130	(174)	(105)	(214)	(756)
Nonferrous metals ³	14,262	14,345	15,070	509	621	566	142	330	464
Foundries ³	5,312	5,704	5,194	260	455	252	168	295	75
Fabricated metal products	50,228	51,316	49,447	3,674	4,403	3,360	2,354	2,717	1,737
Machinery	64,334	67,302	65,794	3,866	4,461	3,000	132	(363)	1,755
Computer and electronic products	108,686	110,555	118,324	(341)	(1,321)	(11,211)	(2,468)	(4,260)	(29,147)
Computer and peripheral equipment ³	33,153	35,122	36,451	488	(52)	(1,102)	2,336	1,023	(2,626)
Communications equipment ³	20,969	22,093	27,991	(1,341)	(1,461)	(6,315)	(2,264)	(4,508)	(20,687)
All other electronic products ³	54,564	53,341	53,882	513	192	(3,794)	(2,541)	(775)	(5,834)
Electrical equipment, appliances, and components	45,244	46,452	43,533	5,151	5,641	3,996	5,204	5,335	3,887
Transportation equipment	183,079	194,964	174,988	2,883	7,798	1,920	3,018	7,215	(24)
Motor vehicles and parts ³	134,088	145,541	123,517	(1,172)	3,408	(1,973)	313	3,985	(1,683)
Aerospace products and parts ³	40,395	40,833	42,458	3,172	3,527	3,051	2,148	2,674	1,177
Furniture and related products	14,442	14,356	14,215	1,010	991	801	660	578	219
Miscellaneous manufacturing	26,784	24,683	23,721	3,435	2,837	2,192	3,153	2,050	1,494
All mining ²	20,178	19,753	25,079	2,196	2,208	3,988	1,506	1,454	974
All wholesale trade ²	317,558	311,484	305,188	9,026	8,321	6,984	6,126	5,953	2,372
All retail trade ²	N/A	349,420	328,494	N/A	16,344	12,227	N/A	9,391	5,156

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

¹Revised.

²Mining 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.

³Included in major industry above.

TABLE 3
U.S. MANUFACTURING CORPORATIONS
SEASONALLY ADJUSTED SALES AND NET INCOME AFTER-TAX

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	784,502	803,062	825,305	841,681	36,436	41,157	45,384	52,092
1995	871,295	872,817	883,571	899,673	52,751	52,020	49,311	44,232
1996	914,246	932,712	948,314	961,233	51,115	54,071	61,198	58,745
1997	965,768	972,458	986,712	995,121	60,531	62,047	61,873	60,360
1998	989,748	981,877	986,054	993,427	74,247	49,560	61,115	49,818
1999	1,002,694	1,026,951	1,048,533	1,070,796	59,079	64,235	67,067	67,677
2000	1,120,025	1,128,477	1,146,346	1,119,037	76,119	72,258	74,461	47,580
2001	1,115,621	1,094,145	1,061,187	1,023,466	(1,695)	17,876	11,880	7,698
2002	1,028,857	1,048,539	1,068,223		22,427	41,660	45,341	
All nondurable manufacturing:								
1994	387,274	394,766	405,706	409,946	18,996	19,821	22,430	26,570
1995	425,630	427,707	430,829	435,900	25,878	28,196	27,573	22,258
1996	442,173	452,458	457,690	463,023	28,038	28,313	32,096	30,460
1997	463,164	456,576	461,227	463,602	33,411	30,693	30,475	28,707
1998	452,349	446,071	443,410	440,044	29,767	28,640	30,681	17,613
1999	445,655	452,917	460,714	475,608	26,526	29,062	31,188	30,706
2000	507,276	515,131	526,811	504,164	37,617	38,849	36,857	29,005
2001	508,544	506,918	487,454	470,325	31,862	34,406	26,827	18,877
2002	464,472	478,622	493,663		27,131	30,345	30,591	
All durable manufacturing:								
1994	397,228	408,296	419,599	431,735	17,440	21,336	22,954	25,522
1995	445,665	445,110	452,742	463,773	26,873	23,824	21,738	21,974
1996	472,073	480,254	490,624	498,210	23,077	25,758	29,102	28,285
1997	502,604	515,882	525,485	531,519	27,120	31,354	31,398	31,653
1998	537,399	535,806	542,644	553,383	44,480	20,920	30,434	32,205
1999	557,039	574,034	587,819	595,188	32,553	35,173	35,879	36,971
2000	612,749	613,346	619,535	614,873	38,502	33,409	37,604	18,575
2001	607,077	587,227	573,733	553,141	(33,557)	(16,530)	(14,947)	(11,179)
2002	564,385	569,917	574,560		(4,704)	11,315	14,750	

¹Revised

Data after third quarter 2000 shown in Table 3 are presented on the North American Industry Classification System basis. Data prior to fourth quarter 2000 are presented on the Standard Industrial Classification system basis. Comparisons of these data are useful only for trend analysis.