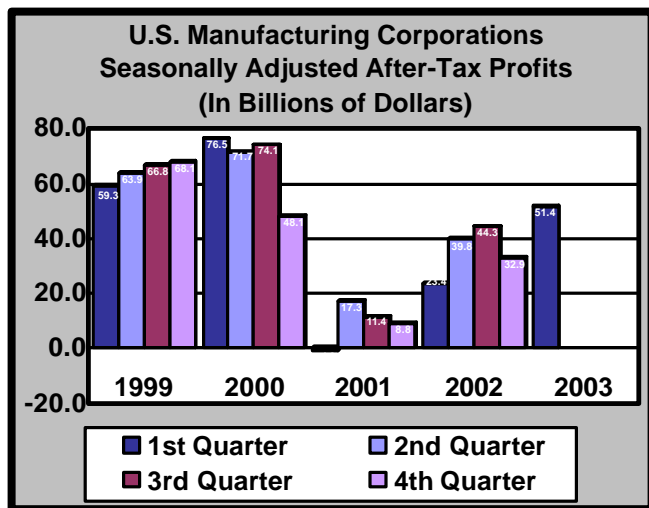


U.S. Census Bureau Contact:
Yolando St. George (301) 763-6600
Frank Hartman (301) 763-3386
e-mail: csd.qfr@census.gov

For Release Friday, June 13, 2003, 10 a.m. (EDT)
CB03-98

**FIRST QUARTER 2003 ADVANCE DATA FROM THE QUARTERLY FINANCIAL REPORT
U.S. MANUFACTURING, MINING, AND TRADE CORPORATIONS**



Seasonally adjusted sales for the quarter at \$533.7 billion were up \$21.5 (± 5.1) billion from the \$512.2 billion recorded in the prior quarter, and up \$70.8 (± 4.8) billion from the \$463.0 billion in the first quarter 2002.

After-tax profits averaged 7.1 cents per dollar of sales in the current quarter, 5.6 cents last quarter, and 5.8 cents a year ago.

Durable Goods Manufacturers

First quarter 2003 seasonally adjusted after-tax profits for durable goods manufacturers were \$13.7 billion, up \$9.4 (± 1.2) billion from the \$4.3 billion recorded in the previous quarter, and up \$17.1 (± 0.2) billion from the first quarter 2002 loss of \$3.4 billion.

Seasonally adjusted sales for the quarter were \$569.3 billion, not statistically different from the \$564.0 billion recorded in the previous quarter, but up \$7.3 (± 5.4) billion from the \$562.0 billion recorded in the first quarter last year.

After-tax profits averaged 2.4 cents per dollar of sales for the quarter, 0.8 cent in the fourth quarter 2002, compared to a loss of 0.6 cent a year ago.

Seasonally Adjusted After-Tax Profits and Sales Manufacturing Corporations

Seasonally adjusted after-tax profits of U.S. manufacturing corporations totaled \$51.4 billion in the first quarter 2003, up \$18.6 (± 1.4) billion from the \$32.9 billion recorded last quarter, the Department of Commerce's U.S. Census Bureau reported. First quarter profits were up \$28.0 (± 1.2) billion from the \$23.4 billion recorded in the same quarter a year ago.

Seasonally adjusted sales for these manufacturers totaled \$1,103.0 billion for the quarter, up \$26.8 (± 7.1) billion from the \$1,076.2 billion recorded in the fourth quarter 2002, and up \$78.1 (± 6.8) billion from the \$1,025.0 billion recorded the year before.

Profits per dollar of sales averaged 4.7 cents this quarter, up 1.6 (± 0.1) cents from the 3.1 cents recorded last quarter, and up 2.4 (± 0.1) cents from the 2.3 cents in the first quarter 2002.

Nondurable Goods Manufacturers

Nondurable goods manufacturers' seasonally adjusted profits were \$37.7 billion, up \$9.2 (± 0.7) billion from the \$28.5 billion recorded in the previous quarter, and up \$10.9 (± 0.7) billion from the \$26.8 billion in the first quarter 2002.

Unadjusted After-Tax Profits and Sales Manufacturing Corporations

First quarter 2003 unadjusted after-tax profits for U.S. manufacturing corporations were \$52.9 billion, up \$28.2 (± 1.2) billion over the \$24.7 billion recorded in the first quarter a year ago. This improvement was due to higher operating profits and equity income, and lower nonrecurring charges. When compared to the fourth quarter 2002 after-tax profits of \$26.7 billion, the first quarter 2003 after-tax profits were up \$26.2 (± 1.4) billion.

Unadjusted sales for the first quarter, at \$1,069.7 billion, were up \$75.6 (± 6.8) billion from the \$994.1 billion recorded in the same quarter a year ago. Compared to the prior quarter sales of \$1,081.1 billion, sales were down \$11.5 (± 7.1) billion or 1.1 ($\pm 0.7\%$) percent.

Profits per dollar of sales averaged 4.9 cents this quarter, 2.5 cents in the fourth quarter 2002, and 2.5 cents in the first quarter 2002.

Nondurable Goods Manufacturers

First quarter 2003 nondurable goods manufacturers' unadjusted after-tax profits at \$37.5 billion were up \$11.0 (± 0.7) billion from the \$26.6 billion recorded in the first quarter 2002. Petroleum and coal products reported an increase of \$8.7 (± 0.1) billion resulting from higher operating profits and equity income. Pharmaceuticals reported an increase of \$3.0 (± 0.3) billion, mainly from improvements in operating income. The other chemical categories posted modest gains while the remaining nondurable industries after-tax profits declined or were not statistically different from the year earlier.

Unadjusted sales for the first quarter 2003 of \$516.7 billion were up \$69.1 (± 4.8) billion from the \$447.6 billion posted last year.

After-tax profits for this quarter averaged 7.3 cents per dollar of sales compared to 5.9 cents a year ago.

When compared to the fourth quarter 2002 after-tax profits of \$25.7 billion, the first quarter 2003 after-tax profits were up \$11.8 (± 0.7) billion. Petroleum and coal products' gains of \$7.6 (± 0.1) billion were mainly due to higher operating profits and equity income this quarter.

Durable Goods Manufacturers

First quarter 2003 durable goods manufacturers posted unadjusted after-tax profits of \$15.4 billion, compared to a loss of \$1.8 billion a year earlier. Most durable goods manufacturing categories improved their after-tax positions this quarter. Communications equipment maintained the lead with gains of \$6.6 (± 0.5) billion due to improved operating margins and fewer nonrecurring charges. Machinery products' gain of \$5.7 (± 0.1) billion and motor vehicles and parts' gain of \$4.2 (± 0.1) billion both resulted from increased equity income and fewer nonrecurring charges.

Unadjusted sales for the quarter at \$553.0 billion were up \$6.5 (± 5.4) billion or 1.2 ($\pm 1.0\%$) percent from a year earlier.

After-tax profits for the quarter averaged 2.8 cents per dollar of sales compared to a loss of 0.3 cents a year ago.

When compared to the fourth quarter 2002 after-tax profits of \$1.0 billion, the first quarter 2003 after-tax profits rose \$14.3 (± 1.2) billion. Most underlying industries showed improvements this quarter over the last.

Mining Corporations

First quarter 2003 unadjusted after-tax profits for mining corporations with assets of \$50 million and over were reported at \$3.8 billion, up \$2.9 (± 0.1) billion from the same quarter a year earlier.

Unadjusted sales for the quarter were \$23.4 billion, up \$6.4 (± 0.2) billion from the same quarter a year ago.

After-tax profits per dollar of sales averaged 16.3 cents this quarter compared to 5.6 cents in first quarter 2002.

Wholesale Trade Corporations

First quarter 2003 unadjusted after-tax profits for wholesale trade corporations with assets of \$50 million and over were \$4.4 billion, up \$0.5 (± 0.2) billion from the first quarter 2002.

Unadjusted sales this quarter were \$330.4 billion, up \$39.4 (± 4.1) billion from the same quarter a year ago.

After-tax profits per dollar of sales averaged 1.3 cents this quarter, the same as the first quarter a year ago.

NOTE

These advance data, based on quarterly financial reports from approximately 7,600 corporations, were released today from the Quarterly Financial Report for Manufacturing, Mining, and Trade Corporations – First Quarter 2003 (QFR-03-1).

SAMPLING

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.

DATA AVAILABILITY

This press release can be viewed today in page image format (.pdf) at our internet website (<http://www.census.gov/csd/qfr/>). In addition, more detailed information on U.S. Manufacturing, Mining, and Wholesale and Retail Trade Corporations is available for downloading at our website under "QFR Products: Publication". The publication includes income and retained earnings, balance sheets, and related financial and operating ratios. Data presented 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. Data are also available on 3.5 inch diskettes from U.S. Department of Commerce, Census Bureau (MS1921), P.O. Box 277943, Atlanta, GA 30384-7943 (301-763-4100).

First quarter 2003 advance data for U.S. Retail Corporations are scheduled for release on July 15, 2003.

Second quarter 2003 advance data for U.S. Manufacturing, Mining and Wholesale Trade Corporations are scheduled for release on September 12, 2003.

Table 1. All Manufacturing Corporations

Item	Seasonally adjusted			Unadjusted		
	1Q 2003	4Q 2002 ¹	1Q 2002 ¹	1Q 2003	4Q 2002 ¹	1Q 2002 ¹
Rate of return (after taxes):						
Cents per dollar of sales.....	4.7	3.1	2.3	4.9	2.5	2.5
Percent on equity (annual rate).....	NA	NA	NA	11.7	6.0	5.5
	(million dollars)					
Sales	1,103,017	1,076,216	1,024,953	1,069,675	1,081,127	994,073
Income after income taxes	51,433	32,869	23,426	52,896	26,701	24,716
Dividends paid (cash)	NA	NA	NA	22,314	27,725	24,455

Table 2. Manufacturing, Mining, And Trade Corporations Unadjusted Sales And Profits

Industry group	Sales			Operating profits ²			After-tax profits		
	1Q 2003	4Q 2002 ¹	1Q 2002 ¹	1Q 2003	4Q 2002 ¹	1Q 2002 ¹	1Q 2003	4Q 2002 ¹	1Q 2002 ¹
	(million dollars)								
All manufacturing ³	1,069,675	1,081,127	994,073	56,776	50,341	46,751	52,896	26,701	24,716
All nondurable manufacturing.....	516,719	511,809	447,635	37,837	32,985	33,059	37,505	25,659	26,552
Food.....	79,827	84,485	75,968	5,212	6,199	5,294	3,380	3,642	3,124
Beverage and tobacco products	32,272	33,949	32,432	5,112	4,965	5,605	3,775	3,620	4,117
Textile mills and textile product mills	11,103	11,911	11,507	353	235	519	(32)	(206)	57
Apparel and leather products	20,949	23,280	21,355	1,176	1,542	1,486	571	1,230	1,061
Paper.....	35,501	36,776	37,369	1,387	1,647	1,948	254	(167)	677
Printing and related support activities	17,167	17,781	16,686	883	1,184	866	296	588	481
Petroleum and coal products.....	155,176	139,371	97,169	6,795	722	2,483	13,195	5,645	4,474
Chemicals	136,151	134,348	126,274	15,686	15,277	13,029	15,622	14,130	11,796
Basic chemicals, resins, and synthetics ⁴	40,450	35,800	34,147	1,293	521	1,558	778	61	350
Pharmaceuticals and medicines ⁴	60,290	62,401	56,258	11,248	11,547	7,913	12,366	11,498	9,375
All other chemicals ⁴	35,411	36,146	35,869	3,144	3,210	3,558	2,478	2,571	2,071
Plastics and rubber products	28,572	29,909	28,875	1,233	1,214	1,830	444	(2,825)	766
All durable manufacturing	552,956	569,318	546,438	18,940	17,356	13,692	15,390	1,042	(1,837)
Wood products	14,238	15,142	14,709	252	331	465	14	(148)	231
Nonmetallic mineral products.....	18,004	20,929	19,122	172	977	454	(480)	(641)	(376)
Primary metals	33,337	32,577	33,059	50	(23)	350	(456)	(2,355)	(235)
Iron, steel, and ferroalloys ⁴	14,444	14,197	13,339	(414)	(86)	(280)	(673)	(1,222)	(502)
Nonferrous metals ⁴	14,035	13,435	14,154	227	(88)	446	185	(1,184)	184
Foundries ⁴	4,858	4,945	5,566	237	151	183	32	50	82
Fabricated metal products.....	48,337	49,513	49,528	3,025	2,008	3,472	1,526	(418)	1,632
Machinery	59,490	61,900	59,258	2,853	2,267	2,314	1,628	571	(4,094)
Computer and electronic products	109,230	113,559	109,628	1,424	10	(4,495)	673	(3,460)	(8,189)
Computer and peripheral equipment ⁴	35,322	35,025	35,895	509	120	(467)	2,340	2,022	1,165
Communications equipment ⁴	20,478	22,536	21,240	104	(380)	(4,052)	(695)	(3,020)	(7,265)
All other electronic products ⁴	53,430	55,998	52,493	811	270	24	(971)	(2,462)	(2,089)
Electrical equipment, appliances, and components	43,370	46,875	43,016	4,045	4,572	4,345	4,572	3,852	4,452
Transportation equipment.....	186,752	187,279	179,131	3,754	4,490	3,397	5,466	1,481	2,242
Motor vehicles and parts ⁴	140,638	136,324	132,609	1,106	539	(281)	4,047	1,492	(146)
Aerospace products and parts ⁴	37,978	42,192	38,639	1,955	3,207	3,113	1,021	(342)	2,085
Furniture and related products	13,160	13,260	14,009	679	791	922	270	403	469
Miscellaneous manufacturing	27,038	28,284	24,978	2,685	1,933	2,468	2,177	1,758	2,031
All mining ³	23,406	20,975	17,034	4,712	2,581	1,155	3,806	40	949
All wholesale trade ³	330,396	336,817	291,024	6,848	8,201	7,283	4,352	4,840	3,822
All retail trade ³	N/A	385,330	336,407	N/A	21,929	15,726	N/A	12,746	7,200

¹Revised.²Operating profits are profits before nonoperating income and expense items and income taxes.³Manufacturing data are the quarterly results of companies within that division with assets over \$250,000; whereas, data for mining and trade corporations represent the quarterly results of companies with assets over \$50 million.⁴Included in major industry above.

Table 3. Manufacturing Corporations Seasonally Adjusted Sales And Net Income After-Tax¹

Industry group and year	Sales ²				After-tax profits ²			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	(million dollars)				(million dollars)			
All manufacturing:								
1994	784,454	803,050	825,303	841,765	36,357	41,168	45,387	52,153
1995	871,259	872,739	883,522	899,885	52,703	51,999	49,299	44,311
1996	914,227	932,520	948,207	961,586	51,098	54,020	61,132	58,909
1997	965,855	972,080	986,472	995,756	60,513	61,964	61,737	60,608
1998	989,878	981,313	985,662	994,336	74,314	49,334	60,955	50,129
1999	1,003,095	1,025,849	1,047,789	1,072,700	59,285	63,855	66,810	68,102
2000	1,120,413	1,126,314	1,145,717	1,122,145	76,482	71,712	74,096	48,119
2001	1,115,692	1,090,908	1,060,995	1,028,999	(1,219)	17,269	11,368	8,845
2002	1,024,953	1,046,524	1,064,918	1,076,216	23,426	39,837	44,334	32,869
2003	1,103,017				51,433			
All nondurable manufacturing:								
1994	387,220	394,755	405,711	410,029	18,959	19,823	22,402	26,640
1995	425,580	427,633	430,810	436,088	25,849	28,174	27,542	22,348
1996	442,130	452,279	457,649	463,340	28,021	28,260	32,032	30,639
1997	463,131	456,299	461,124	464,129	33,365	30,603	30,380	28,979
1998	452,186	445,771	443,361	440,605	29,739	28,419	30,617	17,978
1999	445,465	452,379	460,933	476,346	26,509	28,706	31,135	31,211
2000	506,864	513,963	527,800	505,213	37,574	38,364	36,830	29,651
2001	507,691	505,032	489,191	472,506	31,727	33,891	26,805	19,804
2002	462,956	477,638	494,367	512,220	26,826	29,612	30,955	28,522
2003	533,707				37,732			
All durable manufacturing:								
1994	397,234	408,295	419,592	431,736	17,398	21,345	22,985	25,513
1995	445,679	445,106	452,712	463,797	26,854	23,825	21,757	21,963
1996	472,097	480,241	490,558	498,246	23,077	25,760	29,100	28,270
1997	502,724	515,781	525,348	531,627	27,148	31,361	31,357	31,629
1998	537,692	535,542	542,301	553,731	44,575	20,915	30,388	32,151
1999	557,630	573,470	586,856	596,354	32,776	35,149	35,675	36,891
2000	613,549	612,351	617,917	616,932	38,908	33,348	37,266	18,468
2001	608,001	585,876	571,804	556,493	(32,946)	(16,622)	(15,437)	(10,959)
2002	561,997	568,886	570,551	563,996	(3,400)	10,225	13,379	4,347
2003	569,310				13,701			

¹Data after fourth quarter 2000 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.

²Revised.