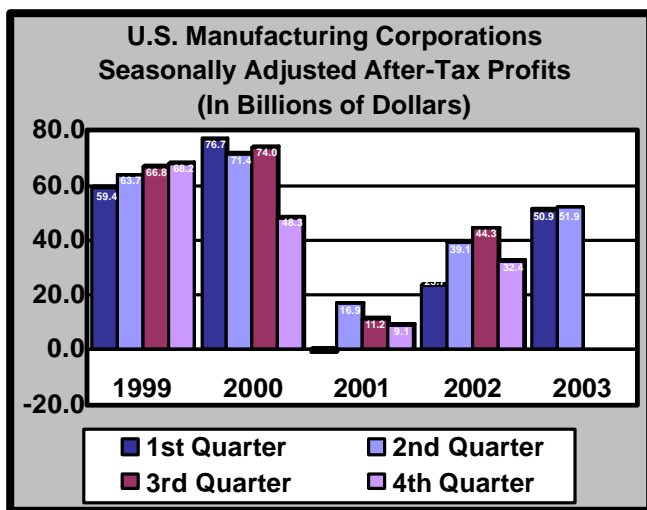


U.S. Census Bureau Contact:

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

For Release Friday, September 12, 2003
10 a.m. (EDT)
CB03-140

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



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

Seasonally adjusted after-tax profits of U.S. manufacturing corporations totaled \$51.9 billion in the second quarter 2003, compared to the \$50.9 billion recorded in the first quarter, the Department of Commerce's U.S. Census Bureau reported. Second quarter profits were up \$12.8 (± 1.3) billion from the \$39.1 billion recorded in the same quarter a year ago.

Seasonally adjusted sales for these manufacturers totaled \$1,067.5 billion for the quarter, down \$25.7 (± 7.1) billion from the \$1,093.2 billion recorded in the first quarter 2003, and up \$20.6 (± 7.1) billion from the \$1,046.9 billion recorded the year before.

After-tax profits per dollar of sales averaged 4.9 cents this quarter; 4.7 cents recorded last quarter, and 3.7 cents in the second quarter 2002.

Nondurable Goods Manufacturers

Nondurable goods manufacturers' seasonally adjusted after-tax profits were \$34.7 billion, down \$1.9 (± 0.7) billion from the \$36.6 billion recorded in the previous quarter, and up \$5.8 (± 0.7) billion from the \$28.8 billion in the second quarter 2002.

Seasonally adjusted sales for the quarter at \$506.7 billion were down \$23.6 (± 5.9) billion from the \$530.3 billion recorded in the prior quarter, but up \$28.8 (± 5.8) billion from the \$477.9 billion in the second quarter 2002.

After-tax profits averaged 6.8 cents per dollar of sales in the current quarter, 6.9 cents last quarter, and 6.0 cents a year ago.

Durable Goods Manufacturers

Second quarter 2003 seasonally adjusted after-tax profits for durable goods manufacturers were \$17.2 billion, up \$2.9 (± 0.9) billion from the \$14.3 billion recorded in the previous quarter, and up \$6.9 (± 1.1) billion from the \$10.3 billion in the second quarter 2002 .

Seasonally adjusted sales for the quarter were \$560.8 billion, not statistically different from the \$562.9 billion recorded in the previous quarter, but down \$8.2 (± 5.7) billion from the \$569.0 billion recorded in the second quarter last year.

After-tax profits averaged 3.1 cents per dollar of sales for the quarter, 2.5 cents in the first quarter 2003, and 1.8 cents a year ago.

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

Second quarter 2003 unadjusted after-tax profits for U.S. manufacturing corporations were \$58.6 billion, up \$12.4 (± 1.3) billion over the \$46.2 billion recorded in the second quarter a year ago. This improvement was mainly due to higher nonoperating income and lower nonrecurring charges. When compared to the first quarter 2003 after-tax profits of \$52.0 billion, the second quarter 2003 after-tax profits were up \$6.6 (± 1.2) billion or 12.7 (± 2.4) percent.

Unadjusted sales for the second quarter, at \$1,092.5 billion, were up \$20.9 (± 7.1) billion from the \$1,071.6 billion recorded in the same quarter a year ago. Compared to the prior quarter sales of \$1,063.2 billion, sales were up \$29.3 (± 7.1) billion or 2.8 (± 0.7) percent.

Profits per dollar of sales averaged 5.4 cents this quarter, 4.9 cents in the first quarter 2003, and 4.3 cents in the second quarter 2002.

Nondurable Goods Manufacturers

Second quarter 2003 nondurable goods manufacturers' unadjusted after-tax profits at \$36.7 billion were up \$5.5 (± 0.7) billion from the \$31.2 billion recorded in the second quarter 2002. Most nondurable categories were up, with petroleum and coal products leading with reported profits of \$9.4 billion in the quarter. The \$1.1 billion profit in apparel and leather was an improvement of \$1.9 (± 0.1) billion from the loss of \$0.7 billion a year earlier. Pharmaceuticals reported after-tax profits of \$8.5 billion, a modest increase of \$1.2 (± 0.3) billion, mainly from nonoperating income.

Unadjusted sales for the second quarter 2003 of \$516.5 billion were up \$28.4 (± 5.8) billion from the \$488.1 billion posted last year.

After-tax profits for this quarter averaged 7.1 cents per dollar of sales compared to 6.4 cents a year ago.

The second quarter 2003 after-tax profits of \$36.7 billion were not statistically different from the prior quarter. Petroleum and coal products' profits of \$9.4 billion declined \$3.9 (± 0.1) billion after a steady rise which was in part due to strong equity earnings. Beverage and tobacco's after-tax profits of \$5.6 billion, reported the largest increase, \$1.8 (± 0.1) billion, in this category.

Durable Goods Manufacturers

Second quarter 2003 durable goods manufacturers posted unadjusted after-tax profits of \$21.9 billion, up \$6.9 (± 1.1) billion from the \$15.1 billion recorded a year earlier. Although most categories reported modest declines, the improvements in communications equipment, machinery products and computer peripherals, caused the overall increase. Communications equipment reduced their losses by \$5.1 (± 0.5) billion due to improved operating margins and fewer nonrecurring charges as well as improved equity earnings.

Unadjusted sales for the quarter at \$575.9 billion were down \$7.5 (± 5.7) billion or 1.3 ($\pm 1.0\%$) percent from the \$583.4 billion recorded a year earlier.

After-tax profits for the quarter averaged 3.8 cents per dollar of sales compared to 2.6 cents a year ago.

When compared to the first quarter 2003 after-tax profits of \$15.3 billion, the second quarter 2003 after-tax profits rose \$6.6 (± 0.9) billion. Most underlying industries showed improvements this quarter over the last.

Mining Corporations

Second quarter 2003 unadjusted after-tax profits for mining corporations with assets of \$50 million and over were reported at \$3.1 billion, up \$1.6 (± 0.1) billion from the \$1.5 billion in the same quarter a year earlier.

Unadjusted sales for the quarter were \$23.2 billion, up \$3.5 (± 0.2) billion from the \$19.7 billion in the same quarter a year ago.

After-tax profits per dollar of sales averaged 13.5 cents this quarter compared to 7.7 cents in the second quarter 2002.

Wholesale Trade Corporations

Second quarter 2003 unadjusted after-tax profits for wholesale trade corporations with assets of \$50 million and over were \$5.0 billion, down \$0.9 (± 0.2) billion from the \$5.9 billion in the second quarter 2002.

Unadjusted sales this quarter were \$339.3 billion, up \$27.5 (± 4.3) billion from the \$311.8 billion in the same quarter a year ago.

After-tax profits per dollar of sales averaged 1.5 cents this quarter, compared to 1.9 cents a year ago.

NOTE

These advance data, based on quarterly financial reports from approximately 8,000 corporations, were released today from the Quarterly Financial Report for Manufacturing, Mining, and Trade Corporations – Second Quarter 2003 (QFR-03-2).

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. Data are also available on 3.5 inch diskettes from U.S. Department of Commerce, Census Bureau (MS0801), P.O. Box 277943, Atlanta, GA 30384-7943 (301-763-INFO/301-763-4636). The cost for an annual subscription is \$80 domestic and \$105 foreign. The cost for a single diskette is \$50. All remittances from foreign countries must be by international money order or by draft on a U.S. bank.

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

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

Table 1. All Manufacturing Corporations

Item	Seasonally adjusted			Unadjusted		
	2Q 2003	1Q 2003 ¹	2Q 2002 ¹	2Q 2003	1Q 2003 ¹	2Q 2002 ¹
Rate of return (after taxes):						
Cents per dollar of sales	4.9	4.7	3.7	5.4	4.9	4.3
Percent on equity (annual rate).....	NA	NA	NA	12.7	11.6	10.2
	(million dollars)					
Sales	1,067,539	1,093,193	1,046,907	1,092,474	1,063,202	1,071,574
Income after income taxes	51,900	50,875	39,148	58,595	51,990	46,236
Dividends paid (cash)	NA	NA	NA	27,855	21,568	26,253

¹Revised.**Table 2. 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	784,448	803,059	825,296	841,771	36,357	41,164	45,395	52,148
1995	871,251	872,750	883,506	899,929	52,717	51,985	49,302	44,310
1996	914,182	932,518	948,194	961,721	51,126	53,996	61,125	58,910
1997	965,685	972,105	986,466	996,012	60,569	61,915	61,721	60,613
1998	989,489	981,439	985,722	994,575	74,418	49,228	60,937	50,150
1999	1,002,454	1,026,207	1,048,056	1,072,692	59,446	63,677	66,757	68,203
2000	1,119,337	1,127,102	1,146,576	1,121,462	76,677	71,442	74,012	48,308
2001	1,114,149	1,091,973	1,062,899	1,027,491	(981)	16,905	11,232	9,126
2002	1,022,899	1,046,907	1,066,218	1,070,798	23,716	39,148	44,267	32,414
2003	1,093,193	1,067,539			50,875	51,900		
All nondurable manufacturing:								
1994	387,221	394,740	405,711	410,041	18,961	19,822	22,401	26,641
1995	425,583	427,624	430,798	436,121	25,851	28,173	27,542	22,351
1996	442,117	452,266	457,631	463,404	28,021	28,259	32,032	30,644
1997	463,099	456,276	461,087	464,272	33,360	30,601	30,389	28,986
1998	452,078	445,779	443,313	440,775	29,725	28,402	30,655	17,991
1999	445,273	452,457	460,932	476,460	26,459	28,687	31,195	31,280
2000	506,520	514,121	528,220	504,946	37,427	38,356	36,926	29,772
2001	507,104	505,132	490,568	471,663	31,477	33,905	26,924	19,970
2002	461,904	477,886	495,669	510,126	26,498	28,836	30,602	28,128
2003	530,268	506,690			36,575	34,663		
All durable manufacturing:								
1994	397,227	408,319	419,584	431,730	17,396	21,343	22,986	25,507
1995	445,668	445,127	452,708	463,808	26,866	23,812	21,758	21,959
1996	472,065	480,252	490,564	498,317	23,105	25,736	29,101	28,266
1997	502,586	515,830	525,379	531,740	27,209	31,314	31,358	31,628
1998	537,411	535,661	542,409	553,799	44,692	20,825	30,339	32,158
1999	557,181	573,751	587,124	596,232	32,987	34,990	35,676	36,922
2000	612,818	612,982	618,356	616,516	39,250	33,085	37,266	18,536
2001	607,045	586,841	572,331	555,828	(32,458)	(17,001)	(15,438)	(10,845)
2002	560,996	569,021	570,549	560,673	(2,782)	10,312	13,379	4,286
2003	562,924	560,848			14,300	17,237		

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.

Table 3. Manufacturing, Mining, And Trade Corporations Unadjusted Sales And Profits

Industry group	Sales			Operating profits ¹			After-tax profits		
	2Q 2003	1Q 2003 ²	2Q 2002 ²	2Q 2003	1Q 2003 ²	2Q 2002 ²	2Q 2003	1Q 2003 ²	2Q 2002 ²
	(million dollars)								
All manufacturing ³	1,092,474	1,063,202	1,071,574	67,384	53,989	71,536	58,595	51,990	46,236
All nondurable manufacturing	516,529	515,461	488,142	40,352	36,956	43,796	36,682	36,702	31,179
Food.....	80,354	80,034	76,572	5,579	4,953	5,570	3,798	3,086	3,412
Beverage and tobacco products.....	36,081	32,295	36,804	5,890	5,119	7,861	5,564	3,777	5,767
Textile mills and textile product mills	12,446	11,271	12,549	498	416	883	56	35	449
Apparel and leather products.....	20,811	20,871	21,188	1,425	1,314	1,442	1,145	692	(734)
Paper.....	36,989	35,307	39,948	1,816	1,366	2,482	899	270	889
Printing and related support activities.....	16,786	17,278	17,052	1,170	963	1,296	581	383	765
Petroleum and coal products.....	142,081	155,178	116,986	6,720	6,844	5,457	9,378	13,247	6,073
Chemicals.....	139,048	134,624	135,563	15,131	14,775	16,218	14,164	14,793	12,852
Basic chemicals, resins, and synthetics ⁴	39,685	39,095	37,995	2,107	1,419	2,392	1,638	844	988
Pharmaceuticals and medicines ⁴	59,758	59,758	57,873	8,895	10,074	9,249	8,484	11,060	7,329
All other chemicals ⁴	39,605	35,771	39,696	4,129	3,283	4,577	4,042	2,889	4,534
Plastics and rubber products.....	31,933	28,604	31,480	2,122	1,207	2,587	1,096	418	1,708
All durable manufacturing.....	575,944	547,741	583,433	27,032	17,033	27,740	21,913	15,288	15,057
Wood products.....	15,663	14,166	16,473	739	253	883	392	11	642
Nonmetallic mineral products.....	23,060	18,150	23,177	2,124	145	2,266	1,099	(481)	1,161
Primary metals.....	33,976	32,569	34,480	297	124	1,312	57	(221)	603
Iron, steel, and ferroalloys ⁴	14,932	13,941	14,346	(348)	(383)	233	(337)	(534)	(16)
Nonferrous metals ⁴	14,235	13,801	14,303	400	266	622	307	277	327
Foundries ⁴	4,809	4,827	5,831	245	241	457	87	37	292
Fabricated metal products.....	52,063	48,240	53,239	4,377	3,082	4,452	2,966	1,549	2,833
Machinery.....	65,324	59,349	67,190	4,089	2,407	4,016	2,410	1,544	(382)
Computer and electronic products.....	111,140	107,032	110,307	2,808	(205)	(3,379)	2,175	345	(5,762)
Computer and peripheral equipment ⁴ ..	34,726	34,091	35,155	841	427	(224)	2,998	2,530	976
Communications equipment ⁴	22,635	20,417	22,121	446	(1,289)	(2,553)	(630)	(1,270)	(5,736)
All other electronic products ⁴	53,779	52,524	53,031	1,521	657	(602)	(193)	(915)	(1,002)
Electrical equipment, appliances, and components.....	45,748	41,960	47,067	4,402	3,582	5,957	4,769	4,143	5,632
Transportation equipment.....	189,189	186,420	191,541	5,093	4,302	8,193	5,919	5,889	7,607
Motor vehicles and parts ⁴	141,233	144,152	144,313	1,685	1,728	3,893	4,007	4,481	4,371
Aerospace products and parts ⁴	40,083	37,978	39,604	2,571	1,955	3,498	1,379	1,021	2,690
Furniture and related products.....	13,249	13,004	14,303	757	656	1,010	315	246	591
Miscellaneous manufacturing.....	26,531	26,849	25,657	2,346	2,686	3,031	1,811	2,262	2,133
All mining ³	23,188	23,491	19,672	4,382	4,817	2,241	3,138	3,652	1,515
All wholesale trade ³	339,277	327,211	311,816	8,114	6,823	8,346	4,968	4,202	5,899
All retail trade ³	N/A	352,074	350,116	N/A	15,045	16,447	N/A	8,574	9,538

¹Operating profits are profits before nonoperating income and expense items and income taxes.

²Revised

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.