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**ADVANCE DATA FROM THE QUARTERLY FINANCIAL REPORT FOR MANUFACTURING,
 MINING, AND TRADE CORPORATIONS--FOURTH QUARTER 1998**

(Except where noted, all figures in text and ta

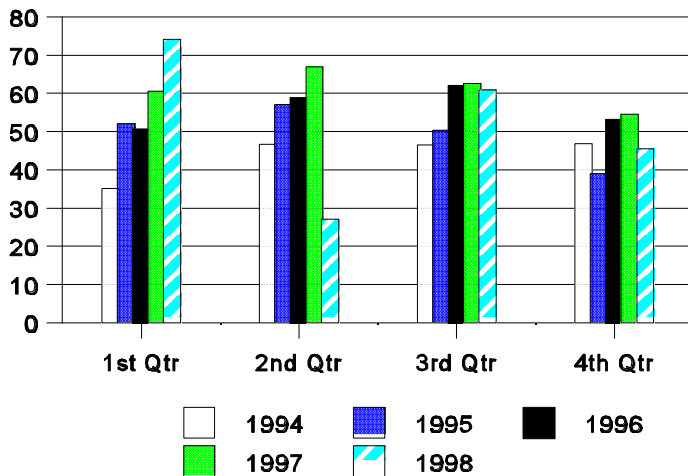
Sales and after-tax profits data for all manufacturing are presented in Table 1 on both a seasonally adjusted and an unadjusted basis. Seasonally adjusted historical data for this series, as total nondurable manufacturing, are presented in Table 3. Data for individual manufacturing industries are not seasonally adjusted.

SPECIAL NOTE

Beginning with the first quarter of 1998, the reporting forms used by the Quarterly Financial Report Program were updated to conform with changes in accounting principles and to provide more meaningful data to users. As a result, net income before and after tax have been redefined to include minority stockholders' interest. Prior quarter data in the publication and the press release have been restated to reflect this change in definition.

Manufacturers' After-Tax Profits

(Billions of Dollars)



Manufacturing corporations' seasonally adjusted after-tax profits averaged 5.1 cents per dollar of sales for the fourth quarter of 1998, down 1.1 (± 0.1) cents from the third quarter of 1998. The Commerce Department's Bureau of the Census also reported that on an unadjusted basis, after-tax profits for the fourth quarter averaged 4.5 cents per dollar of sales, down 1.7 (± 0.1) cents from the preceding quarter and down 0.9 (± 0.2) cents from the same quarter in 1997.

For the fourth quarter of 1998, manufacturers' seasonally adjusted after-tax profits were \$50.1 billion, down \$10.5 (± 1.4) billion from last quarter. On an unadjusted basis, fourth quarter after-tax profits were \$45.5 billion, down \$15.5 (± 1.4) billion from last quarter and down \$9.0 (± 1.6) billion from the same quarter a year ago.

Unadjusted durable manufacturers' after-tax profits for the fourth quarter of 1998 were \$28.5 billion, showing no statistically significant change from the third quarter of 1998. The underlying industry categories reported mixed results. Motor vehicles, electrical machinery, and machinery reported increased earnings. Motor vehicles' and machinery's improvements of \$2.9 (± 0.1) and \$0.9 (± 0.4) billion, respectively, were due primarily to higher operating profits. Electrical machinery's \$1.1 (± 0.4) billion increase was a result of improved operating profits more than offsetting a decrease in nonrecurring income due to gains from asset sales that were included in last quarter's income. Fabricated metals and stone, clay, and glass reported declines of \$1.3 (± 0.3) and \$1.2 (± 0.2) billion, respectively. Fabricated metals' decline was due primarily to lower operating profits. Stone, clay, and glass's decrease was a result of lower operating profits and the inclusion of significant nonrecurring charges in this quarter's income. Also reporting statistically significant decreases were nonferrous metals, iron and steel, and aircraft.

When compared to the fourth quarter of 1997, unadjusted durable manufacturers' profits also showed no statistically significant change, with the underlying industry categories showing mixed results. Electrical machinery and aircraft reported increases. Electrical machinery's \$1.1 (± 0.5) billion improvement was due chiefly to the absence of significant nonrecurring charges reported in the fourth quarter 1997. Aircraft's \$0.8 (± 0.1) billion increase was due principally to higher operating profits. Fabricated metals, iron and steel, motor vehicles, and lumber reported statistically significant decreases in earnings.

Unadjusted nondurable manufacturers' after-tax profits for the fourth quarter of 1998 were \$17.0 billion, down \$16.3 billion or 48.9 percent ($\pm 2.4\%$) when compared to the third quarter of 1998. Most underlying industry categories were down. Petroleum's \$7.8 (± 0.1) billion drop was due to lower operating profits, the inclusion this quarter of significant nonrecurring charges against income, and a decline in foreign equity earnings. Food and residual chemicals' decreases of \$3.7 (± 0.3) and \$2.3 (± 0.2) billion, respectively, were primarily the result of declines in operating profits and the inclusion this quarter of significant nonrecurring charges against income. Apparel, paper, textiles, and industrial chemicals also reported statistically significant declines. Drugs' \$0.9 (± 0.3) billion increase, the only statistically significant increase for the nondurable group, was due to higher operating profits and dividends from foreign subsidiaries more than offsetting a decline in equity income from foreign subsidiaries.

When compared to the same quarter in 1997, unadjusted nondurable manufacturers' profits were down \$9.0 billion or 34.5 percent ($\pm 3.1\%$), with the underlying industry categories showing mixed results. Petroleum's \$10.6 (± 0.1) billion decline, the largest for the group, was due principally to lower operating profits, the inclusion of significant nonrecurring charges against income this quarter, and a decline in equity income from foreign subsidiaries. Residual of chemicals, drugs, and apparel also reported statistically significant decreases. Printing, industrial chemicals, paper, and food reported statistically significant increases. Printing's \$1.5 (± 0.6) billion increase was due chiefly to improved operating profits and the inclusion of significant nonrecurring charges against income in the fourth quarter of 1997.

Manufacturers' seasonally adjusted sales for the fourth quarter of 1998 were \$986.1 billion, showing no statistically significant change from last quarter. On an unadjusted basis, sales were \$1,004.4 billion, up \$22.7 billion or 2.3 percent ($\pm 1.0\%$) from last quarter, but showing no statistically significant change from the fourth quarter of 1997.

Seasonally adjusted sales at the nondurable level were \$440.4 billion, showing no statistically significant change from last quarter. Seasonally adjusted durable manufacturers' sales were \$545.6 billion, up \$7.3 billion or 1.4 percent ($\pm 1.4\%$) from last

quarter. Unadjusted sales at the nondurable manufacturing level were \$447.3 billion, showing no statistically significant change from last quarter, but down \$22.8 billion or 4.8 percent ($\pm 1.3\%$) from a year ago. Unadjusted durable manufacturers' sales were \$557.1 billion, up \$26.2 billion or 4.9 percent ($\pm 1.4\%$) when compared to the third quarter of 1998. On a same quarter a year ago basis, durable manufacturers' sales were up \$16.2 billion or 3.0 percent ($\pm 1.4\%$).

Also included in this release are fourth quarter 1998 data for large mining and wholesale and retail trade corporations.

These advance data, based on quarterly financial reports from about 8,200 corporations, were released today from the Quarterly Financial Report for Manufacturing, Mining, and Trade Corporations—Fourth Quarter 1998 (QFR-98-4). 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 \$34 domestic and \$42.50 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, Bureau of the Census (MS1921), P.O. Box 277943, Atlanta, GA 30384-7943 (301-457-4100). The annual subscription cost is \$84; \$66 for the first diskette and \$6 for each additional diskette. First quarter 1999 advance data are scheduled for release on June 14, 1999.

EXPLANATORY NOTES:

This quarter's publication contains data revised due to the reclassification of corporations by industry, and revisions that reflect respondents' corrections of submitted 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 through the Department of Commerce's on-line Economic Bulletin Board (202-482-1986) and on the Internet (<http://www.census.gov/csd/www/qfr.html>).

Table 1. Quarterly Financial Report for Manufacturing Corporations

Item	Seasonally Adjusted			Unadjusted		
	4Q 1998	3Q 1998 ¹	4Q 1997 ¹	4Q 1998	3Q 1998 ¹	4Q 1997 ¹
Rate of return (after taxes):						
Cents per dollar of sales	5.1	6.2	6.0	4.5	6.2	5.4
Percent on equity (annual rate)	NA	NA	NA	11.8	16.2	14.7
	(million dollars)					
Net sales	986,053	983,983	991,984	1,004,403	981,655	1,010,975
Income after income taxes	50,126	60,588	59,282	45,504	60,990	54,541
Dividends paid (cash)	NA	NA	NA	32,829	26,715	34,894

Table 2. Sales and Profits of Corporations Engaged in Manufacturing, Mining, and Trade--Not Seasonally Adjusted

Industry Group	Sales			Operating Profits*			After-Tax Profits		
	4Q 1998	3Q 1998 ¹	4Q 1997 ¹	4Q 1998	3Q 1998 ¹	4Q 1997 ¹	4Q 1998	3Q 1998 ¹	4Q 1997 ¹
	(million dollars)								
All manufacturing corporations	1,004,403	981,655	1,010,975	68,284	77,476	64,994	45,504	60,990	54,541
Nondurable goods	447,308	450,788	470,072	31,615	41,953	34,882	17,029	33,308	26,012
Food and tobacco	123,103	121,310	124,086	11,538	13,439	10,710	5,598	9,328	5,264
Textiles	14,972	15,924	16,830	773	1,225	1,382	291	664	309
Apparel ²	16,739	19,133	19,674	268	1,526	1,051	5	1,021	301
Paper	40,832	41,816	41,668	2,319	3,319	2,246	499	1,411	(97)
Printing	49,828	48,348	48,239	5,476	5,369	5,185	3,971	4,395	2,458
Chemicals	109,926	107,307	107,511	9,737	11,167	7,359	8,788	10,492	9,357
Industrial chemicals and synthetics ³	35,199	36,325	38,981	1,992	3,298	2,433	1,006	1,281	(41)
Drugs ³	39,148	35,110	34,177	4,223	3,820	1,918	6,550	5,667	6,952
Residual of chemicals ³	35,578	35,872	34,354	3,522	4,049	3,008	1,232	3,543	2,445
Petroleum	62,141	65,313	80,728	(318)	3,554	5,104	(2,991)	4,843	7,584
Rubber	29,767	31,637	31,336	1,821	2,354	1,845	868	1,155	837
Durable goods	557,095	530,867	540,903	36,669	35,524	30,112	28,475	27,682	28,529
Stone, clay, and glass	19,714	20,892	18,699	2,117	3,058	1,585	766	2,000	914
Primary metals	36,911	37,992	38,678	1,866	2,373	2,376	741	1,450	1,090
Iron and steel ³	17,534	18,689	19,344	841	1,045	1,103	112	440	613
Nonferrous metals ³	19,376	19,303	19,335	1,025	1,328	1,272	629	1,009	477
Fabricated metals	44,487	46,873	44,752	2,894	4,473	3,186	1,349	2,660	1,956
Machinery	113,150	110,994	114,419	5,704	5,646	5,885	6,796	5,945	6,789
Electrical machinery	120,080	114,905	116,119	11,011	8,205	11,360	9,183	8,081	8,090
Transportation equipment	148,557	126,149	136,393	7,160	5,318	492	6,411	4,278	6,251
Motor vehicles and equipment ³	95,954	79,692	92,093	3,968	1,347	(955)	4,537	1,662	4,974
Aircraft, guided missiles, and parts ³	43,272	37,332	36,589	2,855	3,105	987	1,855	2,125	1,015
Instruments	29,592	29,194	29,114	2,930	2,921	2,630	1,607	1,310	1,769
Other durable goods	44,603	43,867	42,729	2,988	3,530	2,599	1,623	1,958	1,670
Lumber and wood products ³	16,735	18,085	16,677	803	1,339	917	409	593	684
Furniture and fixtures ³	17,125	16,053	16,773	1,259	1,327	1,156	780	795	708
Miscellaneous manufacturing ³	10,743	9,729	9,279	926	864	526	434	569	278
Mining ⁴	16,657	15,742	17,649	384	1,364	2,298	(4,628)	(35)	77
Wholesale trade ⁴	290,075	281,660	287,748	6,580	7,173	6,390	3,367	4,494	3,438
Retail trade ⁴	309,402	276,058	294,799	17,636	12,241	17,151	9,344	5,343	8,780

Table 3. Quarterly Financial Report for Manufacturing Corporations--Seasonally Adjusted

Industry Group and Year	Net Sales ¹				After-Tax Profits ¹			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	(million dollars)							
All manufacturing:								
1992	704,676	718,057	729,621	737,099	(42,696)	24,193	25,992	14,635
1993	743,958	751,111	753,262	766,367	12,650	19,450	23,525	27,527
1994	784,965	802,905	825,108	841,399	36,548	41,251	45,389	51,767
1995	872,174	872,377	883,566	899,135	53,082	51,995	49,357	43,764
1996	915,413	931,983	948,956	959,695	51,651	53,974	61,274	58,019
1997	967,640	971,473	988,282	991,984	61,387	61,954	61,866	59,282
1998	987,216	977,492	983,983	986,053	75,019	51,902	60,588	50,126
All nondurable manufacturing:								
1992	367,357	374,390	378,412	379,933	(4,179)	18,005	17,115	14,984
1993	382,004	382,603	379,351	381,147	12,738	15,338	11,764	15,749
1994	387,553	394,664	405,643	409,766	19,001	19,896	22,554	26,323
1995	426,084	427,492	430,816	435,706	25,945	28,198	27,835	21,909
1996	442,535	452,335	457,875	462,462	28,091	28,297	32,561	29,871
1997	463,388	457,014	461,531	462,293	33,486	30,757	31,115	27,779
1998	453,526	450,335	445,663	440,437	29,765	31,597	31,557	18,773
All durable manufacturing:								
1992	337,319	343,667	351,209	357,166	(38,517)	6,188	8,877	(349)
1993	361,954	368,508	373,911	385,220	(88)	4,112	11,761	11,778
1994	397,412	408,241	419,465	431,633	17,547	21,355	22,835	25,444
1995	446,090	444,885	452,750	463,429	27,137	23,797	21,522	21,855
1996	472,878	479,648	491,081	497,233	23,560	25,677	28,713	28,148
1997	504,252	514,459	526,751	529,691	27,901	31,197	30,751	31,503
1998	533,690	527,157	538,320	545,616	45,254	20,305	29,031	31,353

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

¹Revised.²Includes leather industry (previously titled "Other Nondurables").³Included in major industry above.⁴Mining and trade data are of 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 4. Income Statement for Retail Trade Corporations with Assets of \$50 Million and Over

Item	4Q 1998	3Q 1998 ¹	4Q 1997 ¹
	(million dollars)		
Net sales, receipts, and operating revenues	309,402	276,058	294,799
Less: Depreciation, depletion, and amortization	5,890	5,920	5,729
Less: All other operating costs and expenses	285,876	257,897	271,919
Income (or loss) from operations	17,636	12,241	17,151
Net nonoperating income (expense)	(2,580)	(2,985)	(3,284)
Income (or loss) before income taxes	15,056	9,255	13,867
Less: Provision for current and deferred domestic income taxes	5,712	3,912	5,087
Income (or loss) after income taxes	9,344	5,343	8,780
Cash dividends charged to retained earnings in current quarter	1,448	1,190	5,837
Net income retained in business	7,896	4,154	2,943
Retained earnings at beginning of quarter	126,816	126,194	117,945
Other direct credits (or charges) to retained earnings (net)	(950)	(2,021)	(99)
Retained earnings at end of quarter	133,763	128,327	120,789

Table 5. Income Statement in Ratio Format for Retail Trade Corporations with Assets of \$50 Million and Over

Item	4Q 1998	3Q 1998 ¹	4Q 1997 ¹
	(cents)		
Net sales, receipts, and operating revenues	100.0	100.0	100.0
Less: Depreciation, depletion, and amortization	1.9	2.1	1.9
Less: All other operating costs and expenses	92.4	93.4	92.2
Income (or loss) from operations	5.7	4.4	5.8
Net nonoperating income (expense)	(0.8)	(1.1)	(1.1)
Income (or loss) before income taxes	4.9	3.4	4.7
Less: Provision for current and deferred domestic income taxes	1.8	1.4	1.7
Income (or loss) after income taxes	3.0	1.9	3.0

Table 6. Operating Ratios for Retail Trade Corporations with Assets of \$50 Million and Over

Item	4Q 1998	3Q 1998 ¹	4Q 1997 ¹
	(percent)		
Annual rate of profit on stockholders' equity at end of period:			
Before income taxes	29.69	18.74	29.39
After income taxes	18.42	10.82	18.61
Annual rate of profit on total assets:			
Before income taxes	10.50	6.45	10.36
After income taxes	6.52	3.73	6.56

Revised.

Schedule of Advance Data Release Dates--1999

Quarter	Manufacturing, Mining, and Wholesale Trade	Retail Trade
First 1999	June 14, 1999	July 13, 1999
Second 1999	September 13, 1999	October 13, 1999
Third 1999	December 13, 1999	