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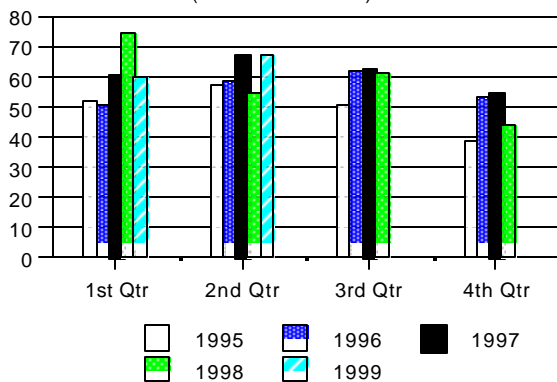
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**ADVANCE DATA FROM THE QUARTERLY FINANCIAL REPORT FOR MANUFACTURING,
 MINING, AND TRADE CORPORATIONS—SECOND QUARTER 1999**
(Except where noted, all figures in text and tables are not seasonally adjusted.)

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 well as for total durable and total nondurable manufacturing, are presented in Table 3. Data for individual manufacturing industries are not seasonally adjusted.

Manufacturers' After-Tax Profits

(Billions of Dollars)



Manufacturing corporations' seasonally adjusted after-tax profits averaged 6.1 cents per dollar of sales for the second quarter of 1999, up 0.1 (± 0.1) cents from the first quarter of 1999. The Commerce Department's Bureau of the Census also reported that on an unadjusted basis, after-tax profits for the second quarter averaged 6.5 cents per dollar of sales, up 0.3 (± 0.1) cents from the preceding quarter and up 1.0 (± 0.1) cents from the same quarter in 1998.

For the second quarter of 1999, manufacturers' seasonally adjusted after-tax profits were \$62.2 billion, up \$1.4 (± 1.2) billion from last quarter. On an unadjusted basis, second quarter after-tax profits were \$67.0 billion, up \$6.9 (± 1.2) billion from last quarter and up \$12.3 (± 1.2) billion from the same quarter a year ago.

Unadjusted durable manufacturers' after-tax profits for the second quarter of 1999 were \$39.6 billion, up \$6.1 billion or 18.1 percent ($\pm 2.9\%$) when compared to the first quarter of 1999. Most underlying industry categories were up. Machinery and stone, clay, and glass led the group with increases of \$2.3 (± 0.4) and \$1.0 (± 0.2) billion, respectively, due primarily to improved operating profits. Instruments, fabricated metals, lumber, iron and steel, motor vehicles, and nonferrous metals also reported statistically significant increases. Aircraft's \$0.7 (± 0.1) billion decrease, due chiefly to the inclusion of significant gains from asset sales in the first quarter, was the only statistically significant decrease for the durable's group.

When compared to the second quarter of 1998, unadjusted durable manufacturers' after-tax profits were up \$13.8 billion or 53.7 percent ($\pm 5.0\%$). Most underlying industry categories reported improved earnings. Machinery and electrical machinery led the group with increases of \$5.3 (± 0.4) and \$4.1 (± 0.4) billion, respectively. Machinery's increase was due principally to improvements in operating profits and equity earnings from finance and foreign subsidiaries and the absence of significant nonrecurring charges reported in the second quarter of 1998. Electrical machinery's increase was due chiefly to improvements in operating profits, increased dividend income and equity earnings from finance and foreign subsidiaries, and a decrease in the amount of nonrecurring charges reported against income. Motor vehicles, instruments, aircraft, and lumber also reported statistically significant increases. Iron and steel's \$0.3 (± 0.1) billion decline, the only statistically significant decrease for the group, was due primarily to lower operating profits.

Unadjusted nondurable manufacturers' after-tax profits for the second quarter of 1999 were \$27.4 billion, up \$0.9 billion or 3.3 percent ($\pm 2.6\%$) when compared to the first quarter of 1999, with the underlying industry categories showing mixed results. Petroleum, printing, paper, and industrial chemicals reported statistically significant increases. Petroleum's \$2.0 (± 0.1) billion increase was due principally to improvements in operating profits and equity income from foreign subsidiaries. Printing's \$1.2 (± 0.3) billion increase was due chiefly to improved operating profits and the inclusion of nonrecurring gains in this quarter's income. Drugs, food, and residual chemicals reported statistically significant declines. Drugs' \$2.9 (± 0.2) billion decrease was due primarily to the inclusion of significant nonrecurring charges against income.

When compared to the same quarter in 1998, unadjusted nondurable manufacturers' after-tax profits were down \$1.6 billion or 5.4 percent ($\pm 2.3\%$), with most of the underlying industry categories reporting decreases. Drugs, food, apparel, residual chemicals, rubber, textiles, and industrial chemicals reported statistically significant declines. Drugs' \$1.9 (± 0.2) billion decrease, the largest of the group, was due primarily to the inclusion of significant nonrecurring charges against income and declines in dividend and equity income from foreign subsidiaries more than offsetting a significant improvement in operating profits. Printing, petroleum, and paper reported statistically significant increases. Printing's \$1.2 (± 0.3) billion increase was due chiefly to improved operating profits and the inclusion of nonrecurring gains in this quarter's income.

Manufacturers' seasonally adjusted sales for the second quarter of 1999 were \$1,017.6 billion, up \$13.3 (± 9.9) billion from last quarter. On an unadjusted basis, sales were \$1,037.0 billion, up \$65.8 billion or 6.8 percent ($\pm 1.1\%$) from last quarter and up \$39.1 billion or 3.9 percent ($\pm 1.0\%$) from the second quarter of 1998.

Seasonally adjusted sales of nondurables were \$456.1 billion, up \$9.1 (± 5.9) billion from last quarter. Seasonally adjusted durable manufacturers' sales were \$561.5 billion, showing no statistically significant change from last quarter.

Unadjusted sales for nondurable manufacturing were \$460.3 billion, up \$28.5 billion or 6.6 percent ($\pm 1.4\%$) from last quarter and up \$9.8 billion or 2.2 percent ($\pm 1.3\%$) from the same quarter a year ago. Unadjusted durable manufacturers' sales were \$576.7 billion, up \$37.2 billion or 6.9 percent ($\pm 1.4\%$) when compared to the first quarter of 1999. On a same quarter a year ago basis, unadjusted durable manufacturers' sales were up \$29.3 billion or 5.4 percent ($\pm 1.4\%$).

Also included in this release are second quarter 1999 data for large mining and wholesale trade corporations.

These advance data, based on quarterly financial reports from about 8,100 corporations, were released today from the Quarterly Financial Report for Manufacturing, Mining, and Trade Corporations--Second Quarter 1999 (QFR-99-2). 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. Third quarter 1999 advance data are scheduled for release on December 13, 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		
	2Q 1999	1Q 1999 ¹	2Q 1998 ¹	2Q 1999	1Q 1999 ¹	2Q 1998 ¹
Rate of return (after taxes):						
Cents per dollar of sales	6.1	6.0	5.1	6.5	6.2	5.5
Percent on equity (annual rate)	NA	NA	NA	17.5	16.0	14.9
	(million dollars)					
Sales	1,017,631	1,004,354	980,056	1,036,995	971,178	997,859
Income after income taxes	62,162	60,736	50,094	67,004	60,059	54,723
Dividends paid (cash)	NA	NA	NA	25,820	25,042	28,433

TABLE 2. SALES AND PROFITS OF CORPORATIONS ENGAGED IN MANUFACTURING,
MINING, AND TRADE--NOT SEASONALLY ADJUSTED

Industry Group	Sales			Operating Profits*			After-Tax Profits		
	2Q 1999	1Q 1999 ¹	2Q 1998 ¹	2Q 1999	1Q 1999 ¹	2Q 1998 ¹	2Q 1999	1Q 1999 ¹	2Q 1998 ¹
	(million dollars)								
All manufacturing corporations	1,036,995	971,178	997,859	88,858	72,391	79,598	67,004	60,059	54,723
460,307									
Nondurable goods	120,896	431,760	450,471	41,210	36,124	40,191	27,385	26,513	28,950
Food and tobacco	15,436	119,426	121,068	11,282	10,492	11,413	5,752	6,686	6,226
Textiles	16,758	14,987	16,398	763	690	1,251	182	205	530
Apparel ²	42,579	17,123	17,548	759	960	1,066	311	222	732
Paper	47,387	39,583	41,730	3,688	3,022	3,322	2,003	1,073	1,590
Printing	117,435	46,129	46,484	5,710	4,992	5,110	4,269	3,098	3,022
Chemicals	38,452	111,805	109,329	12,740	12,622	10,746	9,406	12,001	11,860
Industrial chemicals and synthetics ³	39,817	35,965	37,763	3,381	3,215	3,458	2,586	1,870	2,704
Drugs ³	39,165	38,477	34,456	4,976	5,202	3,136	3,411	6,277	5,333
Residual of chemicals ³	69,497	37,363	37,109	4,382	4,205	4,152	3,410	3,854	3,823
Petroleum	30,319	54,293	65,790	3,998	1,398	4,485	3,980	1,980	3,107
Rubber		28,413	32,124	2,271	1,948	2,797	1,482	1,247	1,883
	576,688								
Durable goods	19,762	539,418	547,388	47,649	36,266	39,406	39,619	33,546	25,774
Stone, clay, and glass	36,398	17,662	20,074	2,642	1,458	2,678	1,851	825	1,776
Primary metals	17,843	34,752	40,851	2,223	1,527	2,999	1,291	666	1,497
Iron and steel ³	18,554	16,631	20,791	847	398	1,448	359	(48)	692
Nonferrous metals ³	46,761	18,122	20,061	1,377	1,130	1,551	932	715	805
Fabricated metals	111,873	45,435	46,759	4,685	3,978	4,604	3,167	2,418	3,294
Machinery	120,248	103,807	113,520	8,110	4,250	6,583	8,847	6,567	3,593
Electrical machinery	164,956	116,188	112,518	11,239	9,049	8,131	7,945	7,933	3,865
Transportation equipment	115,228	151,083	139,364	11,313	10,285	7,389	11,114	11,279	8,107
Motor vehicles and equipment ³	39,411	103,578	92,503	7,203	6,387	3,580	7,149	6,790	5,458
Aircraft, guided missiles, and parts ³	29,663	38,115	38,323	3,035	3,006	2,895	3,093	3,761	2,106
Instruments	47,028	27,758	29,769	3,337	2,584	3,617	2,629	1,761	1,317
Other durable goods	19,446	42,733	44,533	4,098	3,134	3,406	2,775	2,097	2,325
Lumber and wood products ³	17,761	17,138	17,868	1,895	1,301	1,281	1,381	944	1,011
Furniture and fixtures ³	9,820	16,629	16,801	1,445	1,245	1,392	864	753	911
Miscellaneous manufacturing ³		8,965	9,864	758	588	733	530	401	403
	16,220								
Mining ⁴	288,997	15,895	17,250	951	496	2,045	308,069	(137)	471
Wholesale trade ⁴	NA	270,590	272,266	8,224	6,880	6,935	NA	3,394	3,840
Retail trade ⁴		286,899	274,552	NA	13,095	12,477		6,614	7,912

*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 the quarterly results of companies in those divisions with assets over \$50 million; whereas, data for manufacturing corporation \$250,000.

TABLE 3. QUARTERLY FINANCIAL REPORT FOR MANUFACTURING CORPORATIONS--SEASONALLY ADJUSTED

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	784,624	802,992	825,227	841,670	36,515	41,244	45,413	51,800
1995	871,630	872,428	883,669	899,642	52,967	52,117	49,296	43,833
1996	914,828	931,803	948,931	960,686	51,450	54,246	61,118	58,105
1997	967,101	970,858	988,117	993,491	61,121	62,377	61,599	59,385
1998	991,925	980,056	987,654	992,862	75,257	50,094	60,483	48,735
1999	1,004,354	1,017,631			60,736	62,162		
All nondurable manufacturing:								
1994	387,268	394,740	405,732	409,957	19,011	19,890	22,546	26,318
1995	425,685	427,582	430,812	436,034	25,921	28,317	27,717	21,902
1996	442,261	452,227	457,628	463,175	28,064	28,547	32,315	29,851
1997	463,357	456,498	460,994	463,480	33,473	31,141	30,728	27,748
1998	452,527	446,695	442,611	439,654	29,903	29,386	30,900	16,521
1999	447,015	456,115			26,651	27,617		
All durable manufacturing:								
1994	397,356	408,252	419,495	431,713	17,504	21,354	22,867	25,482
1995	445,945	444,846	452,857	463,608	27,046	23,800	21,579	21,931
1996	472,567	479,576	491,303	497,511	23,386	25,699	28,803	28,254
1997	503,744	514,360	527,123	530,011	27,648	31,236	30,871	31,637
1998	539,398	533,361	545,043	553,208	45,354	20,708	29,583	32,214
1999	557,339	561,516			34,085	34,545		

¹Revised.