

# U.S. Census Bureau News

U.S. Department of Commerce • Washington, D.C. 20233

FOR RELEASE MONDAY, DECEMBER 10, 2007 AT 10 A.M.(EST)

CB07-170

## U. S. Census Bureau Contact:

Demetria Hanna (301) 763-6600

John Seabold (301) 763-3386

e-mail: [csd.qfr@census.gov](mailto:csd.qfr@census.gov)

## THIRD QUARTER 2007 DATA FROM THE QUARTERLY FINANCIAL REPORT U.S. MANUFACTURING, MINING, AND WHOLESALE TRADE CORPORATIONS

### After-Tax Profits and Sales, Third Quarter 2007 - Seasonally Adjusted

#### Manufacturing Corporations

In the third quarter of 2007, seasonally adjusted **after-tax profits** of U.S. manufacturing corporations totaled \$87.6 billion. Third quarter 2007 after-tax profits were down \$39.7 ( $\pm 0.8$ ) billion from the \$127.2 billion recorded in the second quarter of 2007, and down \$36.2 ( $\pm 1.5$ ) billion from the \$123.8 billion recorded in the third quarter of 2006.

Third quarter 2007 seasonally adjusted **sales** for these manufacturers totaled \$1,544.6 billion, up \$37.4 ( $\pm 7.8$ ) billion from the \$1,507.2 billion recorded in the second quarter of 2007, and up \$87.6 ( $\pm 23.2$ ) billion from the \$1,457.1 billion recorded in the third quarter of 2006.

After-tax profits per dollar of sales averaged 5.7 cents for the quarter, compared with 8.4 cents in the second quarter of 2007, and 8.5 cents in the third quarter of 2006.

#### **Nondurable Goods Manufacturers**

Nondurable goods manufacturers' seasonally adjusted **after-tax profits** in the third quarter of 2007 totaled \$68.0 billion, down \$3.4 ( $\pm 0.4$ ) billion from the \$71.5 billion recorded in the second quarter of 2007, and down \$6.0 ( $\pm 0.7$ ) billion from the \$74.1 billion recorded in the third quarter of 2006.

Seasonally adjusted **sales** for the quarter totaled \$763.3 billion, up \$7.7 ( $\pm 3.4$ ) billion from the \$755.6 billion recorded in the second quarter of 2007, and up \$41.2 ( $\pm 9.3$ ) billion from the \$722.1 billion recorded in the third quarter of 2006.

After-tax profits per dollar of sales averaged 8.9 cents for the quarter, compared with 9.5 cents in the second quarter of 2007, and 10.3 cents in the third quarter of 2006.

#### **Durable Goods Manufacturers**

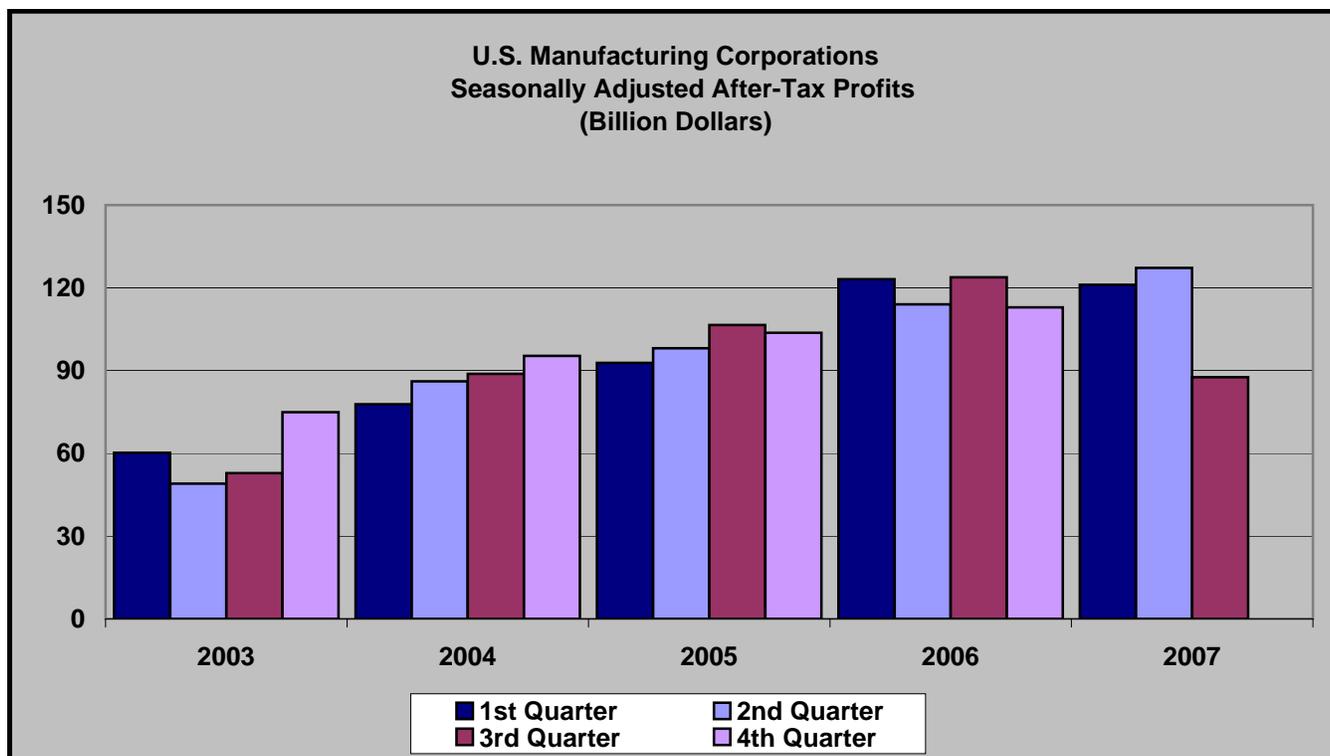
Third quarter 2007 seasonally adjusted **after-tax profits** for durable goods manufacturers totaled \$19.5 billion, down \$36.3 ( $\pm 0.5$ ) billion from the \$55.8 billion recorded in the second quarter of 2007, and down \$30.2 ( $\pm 1.2$ ) billion from the \$49.7 billion recorded in the third quarter of 2006.

Seasonally adjusted **sales** for the quarter totaled \$781.3 billion, up \$29.7 ( $\pm 5.4$ ) billion from the \$751.6 billion recorded in the second quarter of 2007, and up \$46.3 ( $\pm 15.9$ ) billion from the \$735.0 billion recorded in the third quarter of 2006.

After-tax profits per dollar of sales averaged 2.5 cents for the quarter, compared with 7.4 cents in the second quarter of 2007, and 6.8 cents in the third quarter of 2006.

## Manufacturing Corporations After-Tax Profits, 2003-2007 - Seasonally Adjusted

Between 2003 and 2006, on a year-over-year basis, seasonally adjusted third-quarter after-tax profits of U.S. manufacturing corporations steadily increased. In the third quarter 2007, however, compared with third quarter 2006, seasonally adjusted after-tax profits of U.S. manufacturing corporations sharply declined.



## After-Tax Profits and Sales, Third Quarter 2007 - Not Seasonally Adjusted

### Manufacturing Corporations

Third quarter 2007 unadjusted **after-tax profits** of U.S. manufacturing corporations totaled \$90.2 billion, down \$36.1 ( $\pm 1.5$ ) billion from the \$126.3 billion recorded in the third quarter of 2006. Compared with second quarter 2007 after-tax profits of \$135.6 billion, third quarter 2007 after-tax profits were down \$45.4 ( $\pm 0.8$ ) billion.

Manufacturers' unadjusted **sales** for the third quarter of 2007 totaled \$1,554.7 billion, up \$87.5 ( $\pm 23.2$ ) billion from the \$1,467.1 billion recorded in the third quarter of 2006, and up \$13.5 ( $\pm 7.8$ ) billion from second quarter 2007 sales of \$1,541.2 billion.

After-tax profits per dollar of sales averaged 5.8 cents in the third quarter of 2007, compared with 8.6 cents in the third quarter of 2006, and 8.8 cents in the second quarter of 2007.

### **Nondurable Goods Manufacturers**

Third quarter 2007 nondurable goods manufacturers' unadjusted **after-tax profits** totaled \$69.3 billion, down \$6.2 ( $\pm 0.7$ ) billion from the \$75.5 billion recorded in the third quarter of 2006. Within industry categories, year over year results were mostly down. Industries reporting decreases included petroleum and coal products, down \$6.8 ( $\pm 0.3$ ) billion, and pharmaceuticals, down \$1.6 ( $\pm 0.1$ ). Industries reporting increases included all other chemicals, up \$1.8 ( $\pm 0.2$ ) billion, and food, up \$1.3 ( $\pm 0.1$ ) billion.

Compared to second quarter 2007 after-tax profits of \$73.7 billion, third quarter 2007 after-tax profits were down \$4.4 ( $\pm 0.4$ ) billion. Within industry categories, quarter over quarter results were mixed. Industries reporting increases included apparel and leather products, up \$1.1 ( $\pm 0.1$ ) billion, and plastics and rubber, up \$0.2 ( $\pm 0.1$ ) billion. Industries reporting decreases included petroleum and coal products, down \$4.8 ( $\pm 0.1$ ) billion, and all other chemical products, down \$0.9 ( $\pm 0.2$ ) billion.

Unadjusted **sales** for the third quarter of 2007 totaled \$780.3 billion, up \$42.5 ( $\pm 9.3$ ) billion from the \$737.8 billion recorded in the third quarter of 2006, and up \$10.4 ( $\pm 3.4$ ) billion from second quarter 2007 sales of \$769.9 billion.

After-tax profits per dollar of sales averaged 8.9 cents in the third quarter of 2007, compared with 10.2 cents in the third quarter of 2006, and 9.6 cents in the second quarter of 2007.

### **Durable Goods Manufacturers**

Third quarter 2007 durable goods manufacturers' unadjusted **after-tax profits** totaled \$20.9 billion, down \$29.9 ( $\pm 1.2$ ) billion from the \$50.8 billion recorded in the third quarter of 2006. Within industry categories, year over year results were mostly down. Industries reporting decreases included motor vehicles and parts, down \$32.1 ( $\pm 0.1$ ) billion, and nonferrous metals products, down \$1.0 ( $\pm 0.1$ ) billion. Industries reporting increases included computer and peripheral equipment, up \$1.7 ( $\pm 0.2$ ) billion and aerospace products, up \$1.3 ( $\pm 0.2$ ) billion.

Compared to second quarter 2007 after-tax profits of \$61.9 billion, third quarter 2007 after-tax profits were down \$41.0 ( $\pm 0.5$ ) billion. Within the industry categories, quarter over quarter results were mostly down. Industries reporting decreases included, motor vehicles and parts products, down \$41.6 ( $\pm 0.1$ ) billion, and machinery products, down \$1.3 ( $\pm 0.3$ ) billion. Industries reporting increases included all other electronic products, up \$1.7 ( $\pm 0.4$ ) billion, and nonmetallic mineral products, up \$1.0 ( $\pm 0.2$ ) billion.

Unadjusted **sales** for the third quarter of 2007 were \$774.4 billion, up \$45.0 ( $\pm 15.9$ ) billion from the \$729.4 billion recorded in the third quarter of 2006, but not statistically different from second quarter 2007 sales of \$771.3 billion.

After-tax profits per dollar of sales averaged 2.7 cents in the third quarter of 2007, compared with 7.0 cents in the third quarter of 2006, and 8.0 cents in the second quarter of 2007.

### **Mining Corporations**

Third quarter 2007 unadjusted **after-tax profits** for mining corporations with assets of \$50 million and over, totaled \$13.0 billion, down \$1.2 ( $\pm 0.1$ ) billion from the \$14.2 billion recorded in the third quarter of 2006. Compared with second quarter 2007 after-tax profits of \$10.3 billion, third quarter 2007 after-tax profits were up \$2.7 ( $\pm 0.1$ ) billion.

Unadjusted **sales** for the third quarter of 2007 totaled \$49.3 billion, up \$4.1 ( $\pm 0.7$ ) billion from the \$45.3 billion recorded in the third quarter of 2006, and up \$1.0 ( $\pm 0.5$ ) billion from the second quarter of 2007 sales of \$48.3 billion.

After-tax profits per dollar of sales averaged 26.4 cents in the third quarter of 2007, compared with 31.5 cents in the third quarter of 2006, and 21.2 cents in the second quarter of 2007.

### **Wholesale Trade Corporations**

Third quarter 2007 unadjusted **after-tax profits** for wholesale trade corporations with assets of \$50 million and over, totaled \$9.5 billion, down \$1.2 ( $\pm 0.3$ ) billion from the \$10.6 billion recorded in the third quarter of 2006. Compared with second quarter 2007 after-tax profits of \$10.5 billion, third quarter 2007 after-tax profits were down \$1.0 ( $\pm 0.1$ ) billion.

Unadjusted **sales** for the third quarter of 2007 totaled \$456.8 billion, up \$21.9 ( $\pm 10.3$ ) billion from the \$434.9 billion recorded in the third quarter of 2006, and up \$4.4 ( $\pm 4.0$ ) billion from the second quarter of 2007 sales of \$452.4 billion.

After-tax profits per dollar of sales averaged 2.1 cents in the third quarter of 2007, compared with 2.5 cents in the third quarter of 2006, and 2.3 cents in the second quarter of 2007.

### ACCESS TO QFR DATA

This press release can be viewed today in portable document format (.pdf) at our QFR internet website [http://www.census.gov/csd/qfr/view/qfr\\_mg.pdf](http://www.census.gov/csd/qfr/view/qfr_mg.pdf). Data in the release are drawn from a more comprehensive data set published in the *Quarterly Financial Report for Manufacturing, Mining, and Trade Corporations - Third quarter 2007* (QFR-07-3). This quarterly publication is available for downloading at our QFR internet website <http://www.census.gov/csd/qfr/pub.html>. The quarterly publication includes summary statements of income and retained earnings, balance sheets, and related financial and operating ratios for manufacturing, mining, and trade corporations. Data presented are classified by industry and asset size.

### SAMPLING

Data in this press release are based on quarterly financial reports from approximately 9,300 U.S. corporations. The data 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 this release. A statement such as "up \$2.5 ( $\pm 0.2$ ) billion," appearing in the text, indicates the range (+\$2.3 billion to +\$2.7 billion) in which the actual change is likely to have occurred.

The range given for the change is a 90% 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 at the 90% confidence level. The quarterly publication, *Quarterly Financial Report for Manufacturing, Mining, and Trade Corporations - Third quarter 2007* (QFR-07-3), includes more detailed explanations of confidence intervals and sampling variability, along with additional measures of sampling variability.

**Beginning with the publication in the third quarter of 2006, the methodology for calculating the sample variance has changed. See the Survey Methodology section of the Introduction in the quarterly publication for information on this change in methodology.**

Schedule of Data Release Dates - 2007		
Reference Quarter	Manufacturing, Mining, and Wholesale Trade	Retail Trade
First 2007	June 11	July 11
Second 2007	September 10	October 09
Third 2007	December 10	

### SPECIAL NOTICE

Beginning with the Fourth Quarter 2007 publication, the format for Quarterly Financial Report Summary and Financial tables will change to improve readability for users. The new format will provide table titles and line item descriptions on every page and re-sequence the order of the tables. However, the data line items presented within the tables will not change. The present Third Quarter 2007 publication will be re-issued in the new format during the first week of March 2008.

**Table 1. U.S. Manufacturing Corporations - Selected Financial Data**

Item	Seasonally adjusted			Unadjusted		
	3Q	2Q	3Q	3Q	2Q	3Q
	2007	2007 <sup>1</sup>	2006 <sup>1</sup>	2007	2007 <sup>1</sup>	2006 <sup>1</sup>
Rate of return (after taxes):						
Cents per dollar of sales .....	5.67	8.44	8.50	5.80	8.80	8.61
Percent on equity(annual rate) .....	N/A	N/A	N/A	12.28	18.77	18.44
	(million dollars)					
Sales .....	1,544,609	1,507,184	1,457,056	1,554,682	1,541,217	1,467,143
Income after income taxes .....	87,563	127,244	123,796	90,185	135,576	126,280
Dividends paid (cash) .....	N/A	N/A	N/A	46,444	47,423	37,927

<sup>1</sup>Revised.

**Table 2. U.S. Manufacturing Corporations - Seasonally Adjusted Sales and Net Income After-Tax<sup>1</sup>**

Industry group and year	Sales <sup>2</sup>				After-tax profits <sup>2</sup>			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	(million dollars)				(million dollars)			
<b>All Manufacturing:</b>								
1996 .....	914,358	931,477	947,843	963,284	51,388	53,779	60,961	59,013
1997 .....	965,707	970,684	986,285	997,633	60,908	61,610	61,575	60,678
1998 .....	989,499	980,169	985,595	995,469	74,913	48,757	60,855	50,105
1999 .....	1,002,915	1,025,549	1,047,305	1,073,437	60,235	62,904	66,821	67,970
2000 .....	1,119,704	1,127,635	1,144,081	1,123,326	77,851	70,354	74,171	47,824
2001 .....	1,113,994	1,093,499	1,058,501	1,030,857	784	15,402	11,348	8,483
2002 .....	1,022,678	1,048,740	1,063,976	1,080,705	26,182	37,315	41,209	35,274
2003 .....	1,099,081	1,073,346	1,103,598	1,117,689	60,196	48,988	52,754	74,887
2004 .....	1,179,369	1,222,189	1,243,089	1,287,888	77,798	86,059	88,761	95,349
2005 .....	1,296,065	1,322,647	1,374,638	1,415,219	92,829	98,080	106,478	103,660
2006 .....	1,440,849	1,453,559	1,457,056	1,435,592	123,127	114,048	123,796	112,934
2007 .....	1,463,895	1,507,184	1,544,609		121,140	127,244	87,563	
<b>All Nondurable manufacturing:</b>								
1996 .....	442,226	451,466	457,290	464,742	27,986	28,201	32,031	30,740
1997 .....	463,093	455,132	460,879	465,655	33,287	30,579	30,445	28,999
1998 .....	452,047	444,772	443,260	441,386	29,651	28,388	30,821	17,860
1999 .....	445,660	451,954	460,534	476,781	26,421	28,676	31,469	30,948
2000 .....	506,862	514,377	526,901	505,823	37,572	38,220	37,289	29,305
2001 .....	507,190	505,849	488,192	473,486	31,857	33,603	27,198	19,613
2002 .....	462,153	478,423	496,474	518,530	27,068	28,340	30,880	32,348
2003 .....	538,931	513,803	531,137	529,949	44,015	33,345	29,540	42,013
2004 .....	569,664	593,012	600,728	632,799	41,423	46,315	51,237	52,677
2005 .....	635,588	647,315	686,108	710,129	55,799	56,820	63,100	64,535
2006 .....	718,185	724,205	722,084	703,009	68,381	70,650	74,055	64,560
2007 .....	717,440	755,601	763,306		69,009	71,464	68,044	
<b>All Durable manufacturing:</b>								
1996 .....	472,132	480,011	490,553	498,542	23,402	25,578	28,930	28,273
1997 .....	502,614	515,552	525,406	531,978	27,621	31,031	31,130	31,679
1998 .....	537,452	535,397	542,335	554,083	45,262	20,369	30,034	32,245
1999 .....	557,255	573,595	586,771	596,656	33,814	34,228	35,352	37,022
2000 .....	612,842	613,258	617,180	617,503	40,279	32,134	36,882	18,519
2001 .....	606,804	587,650	570,309	557,371	(31,073)	(18,201)	(15,850)	(11,130)
2002 .....	560,525	570,317	567,502	562,175	(886)	8,975	10,329	2,926
2003 .....	560,150	559,543	572,461	587,740	16,181	15,643	23,214	32,874
2004 .....	609,705	629,177	642,361	655,089	36,375	39,744	37,524	42,672
2005 .....	660,477	675,332	688,530	705,090	37,030	41,260	43,378	39,125
2006 .....	722,664	729,354	734,972	732,583	54,746	43,398	49,741	48,374
2007 .....	746,455	751,583	781,303		52,131	55,780	19,519	

<sup>1</sup>Data for the fourth quarter 2000 and after 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.

<sup>2</sup>Revised.

**Table 3. U.S. Manufacturing, Mining, and Trade Corporations – Not Seasonally Adjusted Sales and Profits**

Industry group	Sales			Operating profits <sup>1</sup>			After-tax profits		
	3Q	2Q	3Q	3Q	2Q	3Q	3Q	2Q	3Q
	2007	2007 <sup>2</sup>	2006 <sup>2</sup>	2007	2007 <sup>2</sup>	2006 <sup>2</sup>	2007	2007 <sup>2</sup>	2006 <sup>2</sup>
	(million dollars)								
All manufacturing <sup>3</sup>	1,554,682	1,541,217	1,467,143	106,160	122,553	115,472	90,185	135,576	126,280
All nondurable manufacturing	780,311	769,946	737,771	59,186	71,270	67,331	69,331	73,685	75,493
Food	144,925	138,930	117,910	8,629	8,917	7,443	7,831	7,850	6,502
Beverage and tobacco products	33,716	33,919	37,036	5,878	5,852	6,529	7,269	7,071	6,981
Textile mills and textile product mills	11,880	11,362	12,000	675	538	772	320	171	430
Apparel and leather products	22,493	20,480	22,333	2,302	2,134	2,582	1,915	848	2,035
Paper	37,438	36,785	36,556	1,576	1,049	2,186	541	30	1,080
Printing and related support activities	20,146	19,724	18,636	1,208	1,266	1,516	757	835	954
Petroleum and coal products	282,676	278,250	277,113	13,823	26,439	23,085	24,739	29,571	31,518
Chemicals	183,979	186,656	173,301	21,715	21,705	20,290	23,685	25,251	24,245
Basic chemicals, resins, and synthetics <sup>4</sup>	60,695	62,332	57,000	2,779	3,903	3,545	2,703	3,048	3,499
Pharmaceuticals and medicines <sup>4</sup>	74,303	73,281	70,723	13,064	11,248	11,808	13,999	14,307	15,598
All other chemicals <sup>4</sup>	48,981	51,042	45,578	5,872	6,554	4,938	6,983	7,896	5,148
Plastics and rubber products	43,058	43,840	42,887	3,380	3,370	2,927	2,274	2,057	1,749
All durable manufacturing	774,371	771,271	729,372	46,975	51,283	48,141	20,854	61,892	50,787
Wood products	19,478	19,553	20,126	973	1,104	1,348	519	650	935
Nonmetallic mineral products	34,302	34,264	36,195	3,768	4,029	4,934	4,032	3,023	3,825
Primary metals	62,554	65,196	61,875	5,518	6,458	6,919	3,906	4,784	5,681
Iron, steel, and ferroalloys <sup>4</sup>	30,204	30,866	29,297	2,822	3,081	3,674	2,121	2,457	2,877
Nonferrous metals <sup>4</sup>	26,054	27,657	25,612	2,052	2,653	2,509	1,340	1,818	2,329
Foundries <sup>4</sup>	6,296	6,673	6,966	644	725	736	445	509	476
Fabricated metal products	73,026	69,493	64,533	7,247	7,360	6,579	5,613	5,935	5,349
Machinery	93,777	98,484	88,332	8,318	9,998	8,235	7,476	8,806	7,563
Computer and electronic products	154,836	146,406	146,064	4,841	4,042	8,320	18,426	16,225	16,423
Computer and peripheral equipment <sup>4</sup>	48,813	45,841	46,737	(455)	706	850	7,079	7,277	5,409
Communications equipment <sup>4</sup>	30,727	29,630	29,080	(135)	(509)	1,410	3,140	2,475	3,487
All other electronic products <sup>4</sup>	75,296	70,935	70,246	5,431	3,845	6,060	8,206	6,473	7,527
Electrical equipment, appliances, and components	53,655	53,125	48,145	3,957	4,398	4,283	7,849	7,649	6,975
Transportation equipment	220,739	226,030	208,642	6,107	7,834	1,125	(32,290)	9,277	(1,385)
Motor vehicles and parts <sup>4</sup>	148,268	153,087	142,969	(1,929)	(150)	(5,159)	(38,670)	2,904	(6,538)
Aerospace products and parts <sup>4</sup>	58,176	58,185	51,466	6,222	6,041	4,417	5,064	4,857	3,773
Furniture and related products	20,867	20,381	21,473	1,885	1,777	2,191	1,333	1,142	1,466
Miscellaneous manufacturing	41,137	38,339	33,986	4,361	4,283	4,208	3,989	4,403	3,956
All mining <sup>3</sup>	49,328	48,292	45,259	12,412	13,030	14,564	13,006	10,259	14,244
All wholesale trade <sup>3</sup>	456,824	452,375	434,920	13,867	14,463	14,620	9,450	10,475	10,647
All retail trade <sup>3,5</sup>	N/A	507,245	484,736	N/A	25,286	21,562	N/A	17,707	13,491

<sup>1</sup>Operating profits are profits before nonoperating income and expense items and income taxes.

<sup>2</sup>Revised.

<sup>3</sup>Manufacturing 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.

<sup>4</sup>Included in major industry above.

<sup>5</sup>Third quarter estimates for Retail Trade will be published in the fourth quarter publication, scheduled for release on January 9, 2008.