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March 18, 2003 11:47 p.m. EST

FROM THE ARCHIVES: March 18, 2003

U.S. High-Tech Sector Shed 10% Of Work Force From 2001-2002

**Manufacturing Industry Was Hit Hardest;
In All, 560,000 Industry Jobs Were Cut**

By **MARK BOSLET**
DOW JONES NEWSWIRES

PALO ALTO, Calif. -- The U.S. high-technology industry shed 560,000 jobs, or 10% of its work force, during the two years from January 2001 to December 2002, according to a study from the American Electronics Association.

The unrelenting downturn that gripped the industry during that period hit manufacturing the hardest. Manufacturers wiped out 415,000 U.S. jobs, or 20% of employees. Manufacturing employment declined by almost 8%, or 137,000 jobs, in 2002 alone, the study found.

Employment at communications-services companies in the U.S. fell 9%, or by 135,000 jobs, over the two years, while jobs at software and computer-services firms slipped a more modest 0.4%, or by 9,300 positions. The software industry actually added 5,300 jobs in the U.S. from October 2002 through December.

The survey "just confirms our gut level view" of an industry feeling the pinch of a business falloff, says William Archey, AEA chief executive. "Maybe manufacturing was worse than what we expected."

The question, Mr. Archey asks, "is when is it going to stop?" The AEA didn't offer an outlook for 2003.

The trade association found high-tech jobs in the U.S. fell from 5.7 million to 5.1 million from 2001 to 2002. The industry cut 236,000 jobs in 2002 alone, a 4% decline.

The group based its study on data from the Bureau of Labor Statistics and didn't include changes in employment overseas.

The study also found that with 1.6 million jobs as of December 2002, high-tech manufacturing was no longer the nation's largest manufacturing sector. The food-products industry and the transportation-equipment business now both employ more people.

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Updated March 18, 2003 11:47 p.m.

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