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ADVANCE REPORT ON DURABLE GOODS MANUFACTURERS' SHIPMENTS AND ORDERS December 1997

(All figures in text below are in seasonally adjusted current dollars)

• **NEW ORDERS** New orders for manufactured durable goods in December decreased \$11.9 billion or 6.1 percent to \$183.6 billion, the Department of Commerce, Bureau of the Census reported today. This follows a 5.1 percent November increase and is the second decline in the last three months and the fourth this year. Excluding transportation, new orders increased 0.4 percent, the first increase since September. New orders for 1997 are 7.1 percent above 1996.

Transportation equipment, down for the first month since September, had the largest decrease, \$12.5 billion or 22.7 percent to \$42.5 billion; a large decline in aircraft and parts was partially offset by increases in shipbuilding and tanks and motor vehicles and parts. This follows a 21.8 percent November increase. Primary metals decreased \$0.5 billion or 3.1 percent to \$15.4 billion, following a 1.9 percent November increase. This is the second decrease in the last three months and the fourth this year. Instruments and related products, down for the first month since August, also decreased. Industrial machinery and equipment, up for the first month since September, increased \$0.7 billion or 2.1 percent to \$34.8 billion. This follows a 1.3 percent November decrease. Electronic and other electrical equipment, up for the second consecutive month, increased \$0.4 billion or 1.3 percent to \$30.6 billion. This follows a 0.4 percent November increase.

• **SHIPMENTS** Shipments of durable goods in December, up for the first month since September, increased \$2.8 billion or 1.5 percent to \$185.6 billion. This follows a 0.4 percent November decrease and is the eighth increase this year. Shipments for 1997 are 7.7 percent above 1996.

Industrial machinery and equipment, up for the first month since September, had the largest increase, \$1.3 billion or 3.9 percent to \$35.3 billion. This follows a 2.2 percent November decrease. Electronic and other electrical equipment, also up for the first month since September, increased \$0.6 billion or 1.9 percent to \$30.7 billion. This follows a 0.3 percent November decrease. Transportation equipment increased \$0.1 billion or 0.1 percent to \$43.9 billion, as an increase in motor vehicles and parts more than offset a decrease in aircraft and parts. This follows a 1.6 percent November increase and is the third increase in the last four months. Primary metals, down four of the last five months, decreased 0.3 percent to \$15.3 billion, following a 1.2 percent November decrease.

• **UNFILLED ORDERS** Unfilled orders for durable goods in December decreased \$2.0 billion or 0.4 percent to \$514.9 billion. This follows a 2.5 percent November increase and is the first decline since July. Transportation equipment, down for the first month since September, declined \$1.5 billion or 0.6 percent to \$260.6 billion, as a large decline in aircraft and parts more than offset increases led by shipbuilding and tanks. This follows a 4.4 percent November increase. Industrial machinery and equipment, down two of the last three months, decreased \$0.5 billion or 0.6 percent to \$73.4 billion, following a 0.2 percent November increase. Electronic and other electrical equipment, down two of the last three months, decreased \$0.1 billion or 0.2 percent to \$55.7 billion. This follows a 0.2 percent November increase. Primary metals, up for the twelfth consecutive month, increased \$0.1 billion or 0.4 percent to \$34.2 billion, following a 1.7 percent November increase.

• **CAPITAL GOODS INDUSTRIES, DEFENSE** New orders in December, up three of the last four months, increased \$0.4 billion or 6.0 percent to \$6.4 billion, following a 27.1 percent November increase. Shipments, down for the first month since August, decreased \$0.7 billion or 10.0 percent to \$6.2 billion, following a 6.7 percent November increase. Unfilled orders, up for the first month since last December, increased \$0.1 billion or 0.1 percent to \$103.6 billion, following a 0.9 percent November decrease.

• **CAPITAL GOODS INDUSTRIES, NONDEFENSE** New orders in December, down for the first month since April, decreased \$13.2 billion or 22.5 percent to \$45.6 billion, following a 17.7 percent November increase. Shipments, up for the first month since September, increased \$1.5 billion or 3.2 percent to \$48.4 billion. This follows a 0.4 percent November decrease. Unfilled orders, down for the first month since July, decreased \$2.9 billion or 1.1 percent to \$264.4 billion, following a 4.6 percent November increase. Excluding aircraft and parts, new orders increased \$0.3 billion or 0.6 percent to \$40.8 billion, the first increase since September; shipments increased \$1.3 billion or 3.2 percent to \$41.3 billion, the first increase since September; and unfilled orders decreased \$0.5 billion or 0.5 percent to \$101.5 billion, the first decline since June.

• **REVISED NOVEMBER DATA** Revised seasonally adjusted November figures for all manufacturing industries are: shipments, \$332.3 billion (revised from \$333.1 billion); new orders, \$345.1 billion (unrevised from \$345.1 billion); unfilled orders, \$543.3 billion (revised from \$542.5 billion); and total inventories, \$454.0 billion (revised from \$453.9 billion).

Our internet site address is: <http://www.census.gov/ftp/pub/indicator/www/m3/index.htm>

This report presents advance information on two key business indicators: durable goods manufacturers' shipments and orders. Revised and more detailed estimates plus nondurable goods and inventory data will be published February 5, 1998. The advance report on durable goods for January is scheduled for February 26, 1998 (at 8:30 A.M.). See back page for 1998 Release Dates. This report is available on the day of issue through the Department of Commerce's online Economic Bulletin Board (N-8-1) (202-482-2000).

Table 1. DURABLE GOODS MANUFACTURERS' SHIPMENTS AND ORDERS
(Millions of dollars)

Item	Seasonally adjusted						Not seasonally adjusted ¹			
	Monthly			Percent Change			Monthly			Percent change Dec.97/96
	Dec. 1997 ²	Nov. 1997 ²	Oct. 1997	Nov.- Dec. ²	Oct.- Nov. ²	Sept.- Oct.	Dec. 1997 ²	Nov. 1997 ²	Dec. 1996	
DURABLE GOODS										
Total :										
Shipments	185,579	182,797	183,602	+1.5	-0.4	-1.0	186,670	182,166	170,766	+9.3
New orders	183,613	195,518	186,028	-6.1	+5.1	-0.1	184,035	193,121	171,420	+7.4
Unfilled orders	514,922	516,888	504,167	-0.4	+2.5	+0.5	510,277	512,912	487,574	+4.7
Excluding defense :										
Shipments	179,344	175,871	177,111	+2.0	-0.7	-1.2	179,586	175,039	163,344	+9.9
New orders	177,244	189,512	181,303	-6.5	+4.5	+0.3	174,503	186,882	159,474	+9.4
Unfilled orders	411,340	413,440	399,799	-0.5	+3.4	+1.1	406,551	411,634	375,896	+8.2
With unfilled orders :										
Shipments	152,014	150,226	150,366	+1.2	-0.1	-1.2	157,493	149,851	144,239	+9.2
New orders	150,048	162,947	152,792	-7.9	+6.6	-0.1	154,858	160,806	144,893	+6.9
Primary metals :										
Shipments	15,303	15,343	15,523	-0.3	-1.2	-0.3	14,128	15,061	13,599	+3.9
New orders	15,431	15,926	15,633	-3.1	+1.9	-6.4	15,018	15,395	14,318	+4.9
Unfilled orders	34,243	34,115	33,532	+0.4	+1.7	+0.3	33,353	32,463	28,438	+17.3
Industrial machinery and equipment:										
Shipments	35,292	33,982	34,755	+3.9	-2.2	-1.1	38,277	32,345	35,342	+8.3
New orders	34,834	34,134	34,592	+2.1	-1.3	-2.2	37,159	33,150	34,134	+8.9
Unfilled orders	73,370	73,828	73,676	-0.6	+0.2	-0.2	73,369	74,487	72,164	+1.7
Electronic and other electrical equipment :										
Shipments	30,717	30,150	30,242	+1.9	-0.3	-2.5	33,987	31,153	30,592	+11.1
New orders	30,626	30,247	30,132	+1.3	+0.4	-4.2	31,582	29,946	25,457	+24.1
Unfilled orders	55,681	55,772	55,675	-0.2	+0.2	-0.2	53,654	56,059	47,862	+12.1
Transportation equipment :										
Shipments	43,939	43,888	43,177	+0.1	+1.6	-0.2	42,934	44,468	38,488	+11.6
New orders	42,484	54,993	45,142	-22.7	+21.8	+6.7	43,221	55,440	43,563	-0.8
Unfilled orders	260,586	262,041	250,936	-0.6	+4.4	+0.8	260,255	259,968	255,735	+1.8
CAPITAL GOODS INDUSTRIES³										
Total :										
Shipments	54,682	53,893	53,659	+1.5	+0.4	-1.8	64,682	52,655	59,724	+8.3
New orders	51,928	64,776	54,655	-19.8	+18.5	+1.1	63,467	63,895	62,651	+1.3
Unfilled orders	368,030	370,784	359,901	-0.7	+3.0	+0.3	367,654	368,869	361,201	+1.8
Nondefense :										
Shipments	48,447	46,967	47,168	+3.2	-0.4	-2.7	57,598	45,528	52,302	+10.1
New orders	45,559	58,770	49,930	-22.5	+17.7	+2.7	53,935	57,656	50,705	+6.4
Unfilled orders	264,448	267,336	255,533	-1.1	+4.6	+1.1	263,928	267,591	249,523	+5.8
Excluding aircraft and parts :										
Shipments	41,315	40,030	40,706	+3.2	-1.7	-1.3	48,050	38,764	44,092	+9.0
New orders	40,801	40,540	41,618	+0.6	-2.6	-2.2	46,761	39,599	41,370	+13.0
Unfilled orders	101,464	101,978	101,468	-0.5	+0.5	+0.9	100,944	102,233	93,775	+7.6
Defense :										
Shipments	6,235	6,926	6,491	-10.0	+6.7	+5.3	7,084	7,127	7,422	-4.6
New orders	6,369	6,006	4,725	+6.0	+27.1	-13.3	9,532	6,239	11,946	-20.2
Unfilled orders	103,582	103,448	104,368	+0.1	-0.9	-1.7	103,726	101,278	111,678	-7.1

(NA) Not available. ⁴ Revised.

¹ Shipments and new orders are the totals for the period and are adjusted for trading-day and calendar-month variations; unfilled orders are as of the end of the period and are not adjusted for trading-day or calendar-month variations.

² Based on advance sample. Estimates of manufacturers' shipments, inventories, and orders are subject to survey error and revision. One major component of survey error is nonsampling error, which includes errors of coverage response and nonreporting. Since the survey panel is not a probability sample, estimates of sampling error cannot be calculated. Further details on survey design, methodology, and data limitations are contained in our most recent annual benchmark publication, Current Industrial Reports: M3-1(96), "Manufacturers' Shipments, Inventories, and Orders: 1987-1996."

³ The Capital Goods Industries include Nondefense: ordnance and accessories, steam engines and turbines, internal combustion engines, construction mining and material handling equipment, metalworking machinery, special industry machinery, general industrial machinery, computer and office equipment, refrigeration, heating and service industry machinery, electrical transmission and distribution equipment, electrical industrial apparatus, communication equipment complete aircraft, missiles, and space vehicles, aircraft missiles, and space vehicle engines and parts, ships and tank components, railroad equipment, and search and navigation equipment. Defense capital goods include: ordnance, communication equipment, aircraft, missiles, space vehicles, and parts, ships, tanks and tank components, search and navigation equipment.

Table 2. AVERAGE REVISIONS TO PREVIOUSLY PUBLISHED MONTHLY PERCENT CHANGES
(Based on seasonally adjusted data)

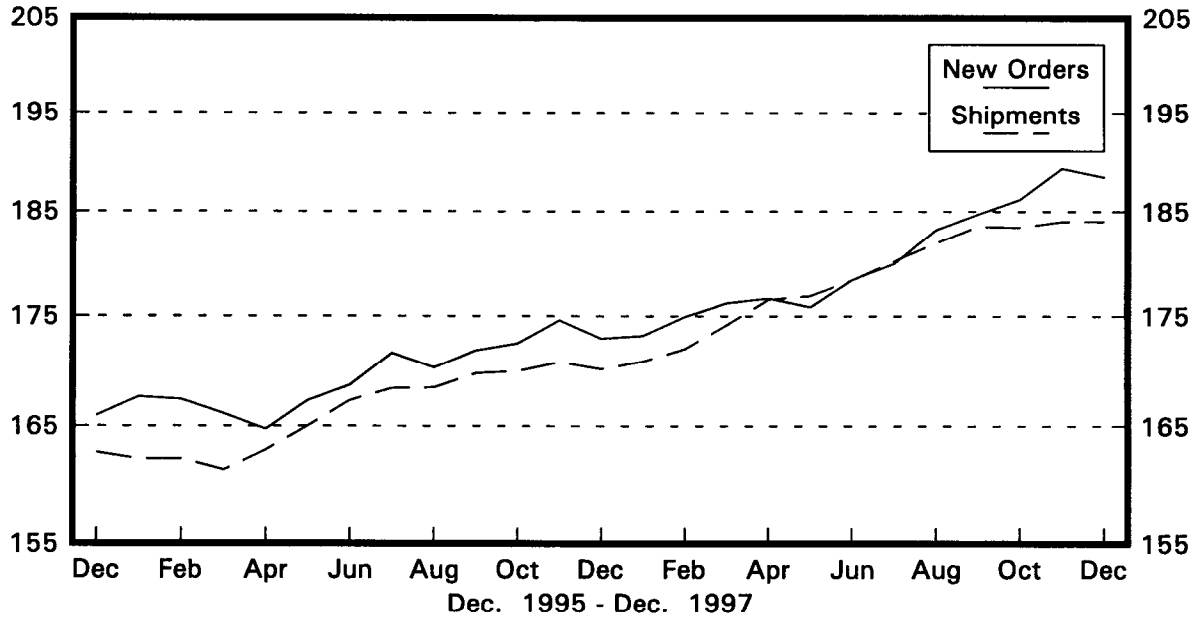
Industry	Shipments			New Orders			Unfilled Orders		
	Year ago	Dec.	Dec. 1996-	Year ago	Dec.	Dec. 1996-	Year ago	Dec.	Dec. 1996-
	Dec. 1996	1992-1996	Nov. 1997	Dec. 1996	1992-1996	Nov. 1997	Dec. 1996	1992-1996	Nov. 1997
Durable goods	0.1	0.4	0.3	0.1	0.6	0.4	0.0	0.2	0.2
Primary metals	0.4	0.9	0.3	2.7	1.2	0.8	1.4	0.6	0.4
Industrial machinery and equipment	0.8	0.6	0.6	0.6	0.7	0.6	0.2	0.4	0.2
Electronic and other electrical equipment	1.4	0.6	0.6	1.6	1.1	1.1	0.1	0.2	0.6
Transportation equipment	0.2	1.0	0.5	0.9	3.1	1.4	0.1	0.4	0.2
Nondefense capital goods	0.0	0.5	0.5	0.2	1.3	0.7	0.0	0.2	0.2
Defense capital goods	2.1	1.8	1.0	3.3	10.0	4.4	0.1	0.5	0.2

Note: The revisions are the differences between the month-to-month percent changes of the advance and final estimates. The monthly averages are the simple averages of the differences, without regard for the months specified.

Total Durable Goods

New Orders and Shipments
Three Month Moving Averages

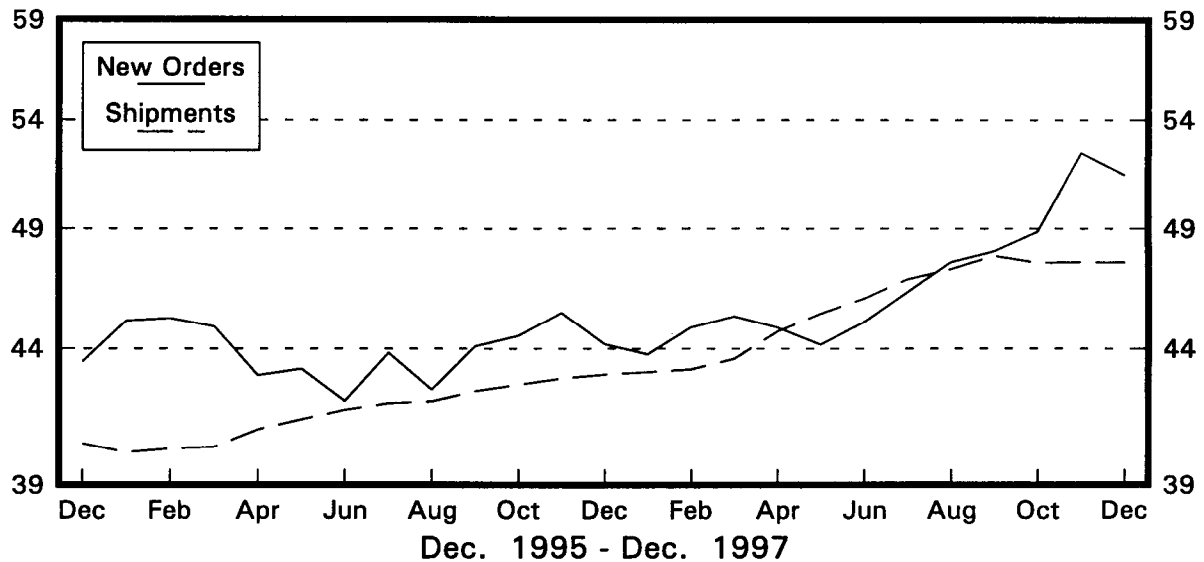
Billions of Dollars



Nondefense Capital Goods

New Orders and Shipments
Three Month Moving Averages

Billions of Dollars



Note: All Charts based on seasonally adjusted current dollars.

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PUBLICATION DATES FOR THE 1998 MONTHLY M3 SURVEY
MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS

Report Covering	Advance Report Release Dates (8:30 a.m. release time)	Regular Report Release Dates (10:00 a.m. release time)
November 1997	Tues., Dec. 23	Tues., Jan 6, 1998
December 1997	Wed., Jan. 28	Thur., Feb 5
January 1998	Thur., Feb. 26	Thur., Mar. 5
February 1998	Wed., Mar. 25	Thur., Apr. 2
March 1998	Tues., Apr. 28	Wed., May 6
April 1998	Thur., May 28 (10 A.M.)	Thur., June 4
May 1998	Wed., June 24	Thur., July 2
June 1998	Wed., July 29	Thur., Aug. 6
July 1998	Wed., Aug. 26	Wed., Sep. 2
August 1998	Thur., Sept. 24 (10 A.M.)	Fri., Oct. 2
September 1998	Wed., Oct 28	Wed., Nov. 4
October 1998	Tues., Nov. 24 (10 A.M.)	Fri., Dec. 4
November 1998	Wed., Dec. 23 (10 A.M.)	Wed., Jan 6, 1999

