
UNITED STATES DEPARTMENT OF
COMMERCE
NEWS WASHINGTON, D.C. 20230

ECONOMICS
AND
STATISTICS
ADMINISTRATION

BUREAU OF THE
CENSUS

Bureau of the Census
For Data - (301) 457-4673
For Questions - Kathy Menth or Gloria Cable
(301) 457-4832 or (301) 457-4814
M3-1(97)-10

For Release 10:00 A.M. EST
November 26, 1997
CB97-176

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

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

• **NEW ORDERS** New orders for manufactured durable goods in October decreased \$0.5 billion or 0.3 percent to \$185.9 billion, the Department of Commerce, Bureau of the Census reported today. This follows a 0.1 percent September increase and is the first decline since May. Excluding transportation, new orders decreased 2.1 percent, also the first decline since May. Year to date, new orders are 6.5 percent above the same period a year ago.

Primary metals had the largest decrease, \$1.1 billion or 6.7 percent to \$15.6 billion, following a 4.9 percent September increase. This is the second decrease in the last three months and the third this year. Electronic and other electrical equipment, down four of the last five months, decreased \$1.0 billion or 3.3 percent to \$30.4 billion, led by a decrease in communication equipment. This follows a 7.8 percent September decrease. Industrial machinery and equipment, down two of the last three months, decreased \$0.7 billion or 1.9 percent to \$34.7 billion. This follows a 1.8 percent September increase. Transportation equipment, up two of the last three months, increased \$2.5 billion or 5.9 percent to \$45.0 billion, due to aircraft and parts and motor vehicles and parts. This follows a 1.3 percent September decrease. Instruments and related products, up four of the last five months, also increased.

• **SHIPMENTS** Shipments of durable goods in October, down two of the last three months, decreased \$1.3 billion or 0.7 percent to \$184.2 billion. This follows a 2.4 percent September increase and is the third decline this year. Year to date, shipments are 7.7 percent above the same period a year ago.

Electronic and other electrical equipment, down for the first month since July, had the largest decrease, \$0.7 billion or 2.2 percent to \$30.3 billion. This follows a 2.6 percent September increase. Industrial machinery and equipment, down two of the last three months, decreased \$0.1 billion or 0.4 percent to \$35.0 billion. This follows a 3.2 percent September increase. Primary metals, down two of the last three months, decreased slightly to \$15.5 billion, following a 1.1 percent September increase. Transportation equipment decreased slightly to \$43.3 billion, as decreases in aircraft and parts and railroad equipment more than offset an increase in motor vehicles and parts. This follows a 1.2 percent September increase and is the second decrease in the last three months.

• **UNFILLED ORDERS** Unfilled orders for durable goods in October increased \$1.7 billion or 0.3 percent to \$503.6 billion. This follows a 0.2 percent September increase and is the fifth increase in the last six months.

Transportation equipment had the largest increase, \$1.7 billion or 0.7 percent to \$250.9 billion, with all industries increasing except shipbuilding and tanks. This follows a 0.3 percent September decrease and is the second increase in the last three months. Electronic and other electrical equipment, up five of the last six months, increased \$0.1 billion or 0.1 percent to \$55.9 billion. This follows a 0.8 percent September increase. Primary metals, up for the tenth consecutive month, increased 0.1 percent to \$33.5 billion, following a 3.5 percent September increase. Industrial machinery and equipment, down for the first month since June, decreased \$0.3 billion or 0.5 percent to \$73.5 billion, following a 0.3 percent September increase.

• **CAPITAL GOODS INDUSTRIES, DEFENSE** New orders in October, down three of the last four months, decreased \$0.5 billion or 9.3 percent to \$4.9 billion, following a 2.7 percent September increase. Shipments, up for the second consecutive month, increased \$0.2 billion or 3.5 percent to \$6.4 billion, following a 0.8 percent September increase. Unfilled orders, down for the tenth consecutive month, decreased \$1.4 billion or 1.4 percent to \$104.7 billion, following a 0.7 percent September decrease.

• **CAPITAL GOODS INDUSTRIES, NONDEFENSE** New orders in October, up for the sixth consecutive month, increased \$0.4 billion or 0.9 percent to \$49.2 billion, following a 1.6 percent September increase. Shipments, down two of the last three months, decreased \$1.3 billion or 2.6 percent to \$47.2 billion. This follows a 3.4 percent September increase. Unfilled orders, up four of the last five months, increased \$2.0 billion or 0.8 percent to \$254.8 billion, following a 0.1 percent September increase. Excluding aircraft and parts, new orders decreased \$1.8 billion or 4.2 percent to \$40.7 billion, the second decrease in the last three months; shipments decreased \$0.5 billion or 1.2 percent to \$40.7 billion, the second decrease in the last three months; and unfilled orders decreased slightly to \$100.5 billion, the first decrease since June.

• **REVISED SEPTEMBER DATA** Revised seasonally adjusted September figures for all manufacturing industries are: shipments, \$335.1 billion (revised from \$335.3 billion); new orders, \$336.1 billion (revised from \$336.5 billion); unfilled orders, \$528.0 billion (revised from \$528.2 billion); and total inventories, \$448.6 billion (revised from \$449.1 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 December 5, 1997. The advance report on durable goods for November is scheduled for December 23, 1997 (at 10:00 A.M.). This report is available on the day of issue through the Department of Commerce's online Economic Bulletin Board (N-8-1) (202-482-3870).

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

	Seasonally adjusted						Not seasonally adjusted ¹			
	Monthly			Percent Change			Monthly			Percent change Oct.97/96
	Oct. 1997 ²	Sept. 1997 ²	Aug. 1997 ²	Sept.- Oct. ²	Aug.- Sept. ²	July- Aug.	Oct. 1997 ²	Sept. 1997 ²	Oct. 1996	
DURABLE GOODS										
Total :										
Shipments	184,232	185,536	181,131	-0.7	+2.4	-1.5	188,575	200,331	173,673	+8.6
New orders	185,920	186,428	186,195	-0.3	+0.1	+2.5	192,817	196,690	181,955	+6.0
Unfilled orders	503,607	501,919	501,027	+0.3	+0.2	+1.0	500,931	496,689	486,442	+3.0
Excluding defense :										
Shipments	177,854	179,373	175,015	-0.8	+2.5	-1.4	182,298	193,767	168,086	+8.5
New orders	180,975	180,976	180,888	0.0	0.0	+3.0	188,319	191,285	177,093	+6.3
Unfilled orders	398,903	395,782	394,179	+0.8	+0.4	+1.5	398,734	392,713	381,510	+4.5
With unfilled orders :										
Shipments	150,711	152,186	148,026	-1.0	+2.8	-1.0	152,276	165,664	139,235	+9.4
New orders	152,399	153,078	153,090	-0.4	0.0	+3.9	156,518	162,023	147,517	+6.1
Primary metals :										
Shipments	15,545	15,560	15,392	-0.1	+1.1	-1.1	15,883	15,992	14,900	+6.6
New orders	15,585	16,705	15,919	-6.7	+4.9	-2.1	15,592	16,534	14,288	+9.1
Unfilled orders	33,465	33,425	32,280	+0.1	+3.5	+1.7	32,173	32,464	28,296	+13.7
Industrial machinery and equipment:										
Shipments	34,996	35,124	34,042	-0.4	+3.2	-2.6	33,821	38,941	30,728	+10.1
New orders	34,656	35,329	34,704	-1.9	+1.8	-1.1	34,457	38,941	31,728	+8.6
Unfilled orders	73,469	73,809	73,604	-0.5	+0.3	+0.9	73,431	72,795	72,826	+0.8
Electronic and other electrical equipment :										
Shipments	30,344	31,012	30,214	-2.2	+2.6	+2.9	30,474	34,815	27,781	+9.7
New orders	30,415	31,463	34,123	-3.3	-7.8	+29.4	33,423	32,854	33,545	-0.4
Unfilled orders	55,853	55,782	55,331	+0.1	+0.8	+7.6	57,206	54,257	54,158	+5.6
Transportation equipment :										
Shipments	43,269	43,289	42,773	0.0	+1.2	-2.7	45,352	45,233	41,227	+10.0
New orders	45,016	42,498	43,038	+5.9	-1.3	+3.1	46,668	43,781	43,457	+7.4
Unfilled orders	250,869	249,122	249,913	+0.7	-0.3	+0.1	248,588	247,272	248,068	+0.2
CAPITAL GOODS INDUSTRIES³										
Total :										
Shipments	53,610	54,656	53,013	-1.9	+3.1	-2.6	51,032	60,980	45,869	+11.3
New orders	54,128	54,197	53,294	-0.1	+1.7	-0.2	52,081	59,692	50,424	+3.3
Unfilled orders	359,535	359,017	359,476	+0.1	-0.1	+0.1	356,912	355,863	355,585	+0.4
Nondefense :										
Shipments	47,232	48,493	46,897	-2.6	+3.4	-2.4	44,755	54,416	40,282	+11.1
New orders	49,183	48,745	47,987	+0.9	+1.6	+1.2	47,583	54,287	45,562	+4.4
Unfilled orders	254,831	252,880	252,628	+0.8	+0.1	+0.4	254,715	251,887	250,653	+1.6
Excluding aircraft and parts :										
Shipments	40,739	41,239	39,982	-1.2	+3.1	-1.2	38,967	46,645	35,142	+10.9
New orders	40,716	42,495	40,110	-4.2	+5.9	-4.8	39,821	47,520	37,027	+7.5
Unfilled orders	100,496	100,519	99,263	0.0	+1.3	+0.1	100,380	99,526	96,469	+4.1
Defense :										
Shipments	6,378	6,163	6,116	+3.5	+0.8	-3.6	6,277	6,564	5,587	+12.4
New orders	4,945	5,452	5,307	-9.3	+2.7	-11.2	4,498	5,405	4,862	-7.5
Unfilled orders	104,704	106,137	106,848	-1.4	-0.7	-0.8	102,197	103,976	104,932	-2.6

(NA) Not available. ¹ 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.

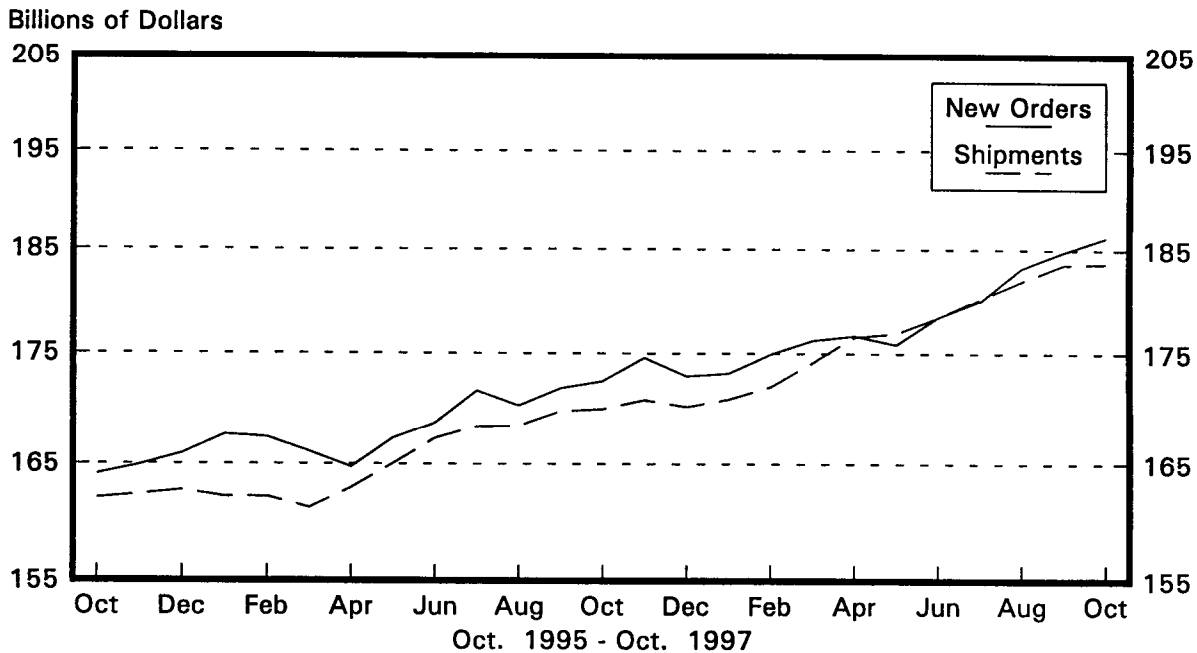
Table 2. AVERAGE REVISIONS TO PREVIOUSLY PUBLISHED MONTHLY PERCENT CHANGES
(Based on seasonally adjusted data)

Industry	Shipments			New Orders			Unfilled Orders		
	Year ago	Oct.	Oct. 1996-	Year ago	Oct.	Oct. 1996-	Year ago	Oct.	Oct. 1996-
	Oct. 1996	1992-1996	Sept. 1997	Oct. 1996	1992-1996	Sept. 1997	Oct. 1996	1992-1996	Sept. 1997
Durable goods	0.0	0.3	0.2	0.4	0.5	0.4	0.1	0.1	0.1
Primary metals . Item	0.1	0.5	0.3	1.2	1.0	0.8	0.9	0.5	0.4
Industrial machinery and equipment	0.0	0.4	0.5	0.6	1.0	0.8	0.2	0.4	0.2
Electronic and other electrical equipment	0.2	0.8	0.6	0.4	1.5	1.1	0.3	0.4	0.6
Transportation equipment	0.1	0.4	0.4	1.1	0.8	1.4	0.2	0.1	0.2
Nondefense capital goods	0.2	0.2	0.6	0.2	0.8	0.6	0.1	0.2	0.2
Defense capital goods	0.2	1.0	1.0	10.4	4.6	5.3	0.5	0.2	0.3

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.

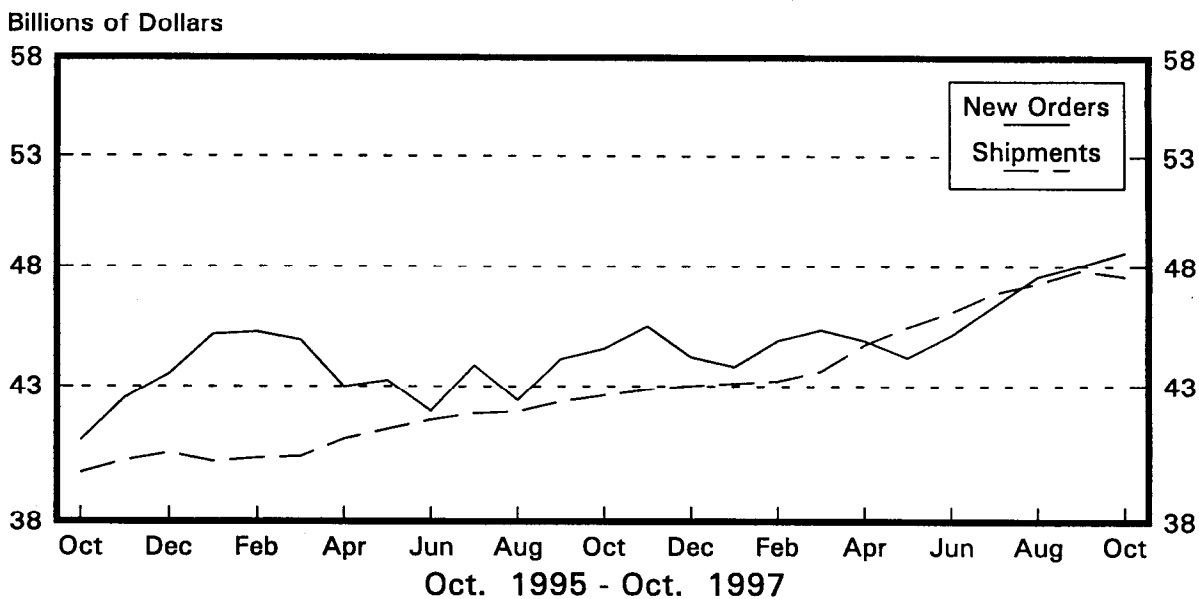
Total Durable Goods

New Orders and Shipments
Three Month Moving Averages



Nondefense Capital Goods

New Orders and Shipments
Three Month Moving Averages



Note: All Charts based on seasonally adjusted current dollars.