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ADVANCE REPORT ON DURABLE GOODS MANUFACTURERS' SHIPMENTS AND ORDERS
July 1998

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

• **NEW ORDERS** New orders for manufactured durable goods in July increased \$4.4 billion or 2.4 percent to \$187.5 billion, the Department of Commerce, Bureau of the Census reported today. This follows a 0.2 percent June increase and is the third increase in the last four months. Excluding transportation, new orders increased 3.0 percent, the seventh increase in the last eight months. Year-to-date, new orders are 4.5 percent above the same period a year ago.

Electronic and other electrical equipment, up four of the last five months, had the largest increase, \$3.6 billion or 12.0 percent to \$33.8 billion; an increase in electronic components more than offset a decline in communication equipment. This follows a 3.7 percent June increase. Industrial machinery and equipment, up for the second consecutive month, increased \$0.7 billion or 2.0 percent to \$37.6 billion. This follows a 1.7 percent June increase. Transportation equipment, up for the first month since April, increased \$0.1 billion or 0.3 percent to \$39.5 billion; an increase in aircraft and parts more than offset decreases in shipbuilding and tanks and motor vehicles and parts. This follows a 7.2 percent June decrease. Primary metals, down for the third consecutive month, decreased 0.2 percent to \$14.4 billion, following a 3.2 percent June decrease.

• **SHIPMENTS** Shipments of durable goods in July decreased \$0.3 billion or 0.2 percent to \$186.2 billion. This follows a 0.4 percent June increase and is the third decrease in the last four months. Year-to-date, shipments are 5.2 percent above the same period a year ago.

Transportation equipment, down for the fourth consecutive month, had the largest decrease, \$1.0 billion or 2.4 percent to \$39.9 billion. This follows a 6.2 percent June decrease. Industrial machinery and equipment, down two of the last three months, decreased \$0.1 billion or 0.2 percent to \$37.8 billion. This follows a 3.5 percent June increase. Electronic and other electrical equipment, up for the second consecutive month, increased \$0.4 billion or 1.1 percent to \$31.3 billion, following a 4.0 percent June increase.

• **UNFILLED ORDERS** Unfilled orders for durable goods in July increased \$1.3 billion or 0.3 percent to \$506.2 billion. This follows a 0.7 percent June decrease and is the first increase since April. Electronic and other electrical equipment increased \$2.5 billion or 4.4 percent to \$59.9 billion. This follows a 1.3 percent June decrease and is the first increase since April. Primary metals decreased \$0.6 billion or 1.8 percent to \$32.4 billion. This follows a 1.8 percent June decrease and is the fifth consecutive monthly decline. Transportation equipment, down five of the last six months, decreased \$0.4 billion or 0.2 percent to \$250.9 billion. This follows a 0.6 percent June decrease. Industrial machinery and equipment, down for the fourth consecutive month, decreased \$0.2 billion or 0.3 percent to \$72.7 billion, following a 1.3 percent June decrease.

• **CAPITAL GOODS INDUSTRIES, DEFENSE** New orders in July, down two of the last three months, decreased 0.1 percent to \$5.6 billion, following a 4.7 percent June increase. Shipments increased \$0.2 billion or 2.5 percent to \$6.5 billion, following a 3.9 percent June decrease. Unfilled orders, down five of the last six months, decreased \$0.8 billion or 0.8 percent to \$98.5 billion, following a 0.7 percent June decrease.

• **CAPITAL GOODS INDUSTRIES, NONDEFENSE** New orders in July, down two of the last three months, decreased \$0.1 billion or 0.2 percent to \$50.9 billion, following a 0.3 percent June increase. Shipments, down for the first month since April, decreased \$1.3 billion or 2.5 percent to \$51.0 billion. This follows a 3.5 percent June increase. Unfilled orders, down for the second consecutive month, decreased \$0.2 billion or 0.1 percent to \$262.8 billion, following a 0.5 percent June decrease. Excluding aircraft and parts, new orders decreased \$0.7 billion or 1.5 percent to \$43.7 billion, the first decline since April; shipments decreased \$1.1 billion or 2.4 percent to \$43.9 billion, the third decline in the last four months; and unfilled orders decreased \$0.2 billion or 0.2 percent to \$104.5 billion, the third decrease in four months.

• **REVISED JUNE DATA** Revised seasonally adjusted June figures for all manufacturing industries are: shipments, \$334.9 billion (revised from \$334.6 billion); new orders, \$331.1 billion (revised from \$330.5 billion); unfilled orders, \$529.6 billion (revised from \$529.3 billion); and total inventories, \$466.7 billion (revised from \$466.6 billion).

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

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

Item	Seasonally adjusted						Not seasonally adjusted ¹			
	Monthly			Percent Change			Monthly			Percent change July98/97
	July 1998 ²	June 1998 ²	May 1998	June- July ²	May- June ²	Apr.- May	July 1998 ²	June 1998 ²	July 1997	
DURABLE GOODS										
Total :										
Shipments	186,241	186,561	185,789	-0.2	+0.4	-0.6	159,050	204,711	156,192	+1.8
New orders	187,510	183,099	182,777	+2.4	+0.2	-3.3	163,619	196,096	155,332	+5.3
Unfilled orders	506,245	504,976	508,438	+0.3	-0.7	-0.6	506,517	501,948	492,960	+2.8
Excluding defense :										
Shipments	179,778	180,257	179,231	-0.3	+0.6	-0.5	153,357	197,830	150,639	+1.8
New orders	181,862	177,446	177,380	+2.5	0.0	-2.6	159,715	190,507	151,536	+5.4
Unfilled orders	407,718	405,634	408,445	+0.5	-0.7	-0.5	408,640	402,282	387,866	+5.4
With unfilled orders :										
Shipments	156,071	155,686	153,590	+0.2	+1.4	-0.6	135,938	172,301	130,299	+4.3
New orders	157,340	152,224	150,578	+3.4	+1.1	-3.8	140,507	163,686	129,439	+8.6
Primary metals :										
Shipments	15,026	15,051	15,176	-0.2	-0.8	-2.2	13,630	15,842	14,462	-5.8
New orders	14,430	14,455	14,940	-0.2	-3.2	-3.3	12,853	14,514	15,212	-15.5
Unfilled orders	32,411	33,007	33,603	-1.8	-1.8	-0.7	32,138	32,915	32,700	-1.7
Industrial machinery and equipment:										
Shipments	37,794	37,852	36,561	-0.2	+3.5	-0.9	32,079	44,804	29,766	+7.8
New orders	37,604	36,864	36,244	+2.0	+1.7	-1.7	31,956	42,939	30,238	+5.7
Unfilled orders	72,672	72,862	73,850	-0.3	-1.3	-0.4	71,828	71,951	73,100	-1.7
Electronic and other electrical equipment :										
Shipments	31,308	30,954	29,767	+1.1	+4.0	-1.0	27,144	33,919	25,162	+7.9
New orders	33,837	30,224	29,144	+12.0	+3.7	-8.1	32,880	30,843	23,298	+41.1
Unfilled orders	59,898	57,369	58,099	+4.4	-1.3	-1.1	61,072	55,336	52,205	+17.0
Transportation equipment :										
Shipments	39,866	40,856	43,562	-2.4	-6.2	-0.7	28,527	43,265	31,610	-9.8
New orders	39,476	39,347	42,422	+0.3	-7.2	-4.5	27,658	41,140	28,993	-4.6
Unfilled orders	250,936	251,326	252,835	-0.2	-0.6	-0.4	250,451	251,320	243,290	+2.9
CAPITAL GOODS INDUSTRIES³										
Total :										
Shipments	57,513	58,644	57,144	-1.9	+2.6	-0.3	49,626	68,713	47,360	+4.8
New orders	56,525	56,640	56,231	-0.2	+0.7	-3.2	47,690	65,306	45,146	+5.6
Unfilled orders	361,340	362,328	364,332	-0.3	-0.6	-0.2	360,024	361,960	353,828	+1.8
Nondefense :										
Shipments	51,050	52,340	50,586	-2.5	+3.5	+0.1	43,933	61,832	41,807	+5.1
New orders	50,877	50,987	50,834	-0.2	+0.3	-0.8	43,786	59,717	41,350	+5.9
Unfilled orders	262,813	262,986	264,339	-0.1	-0.5	+0.1	262,147	262,294	248,734	+5.4
Excluding aircraft and parts :										
Shipments	43,860	44,950	42,980	-2.4	+4.6	-0.1	37,459	53,505	35,233	+6.3
New orders	43,666	44,347	43,052	-1.5	+3.0	+1.2	37,291	52,140	36,656	+1.7
Unfilled orders	104,530	104,724	105,327	-0.2	-0.6	+0.1	103,864	104,032	100,566	+3.3
Defense :										
Shipments	6,463	6,304	6,558	+2.5	-3.9	-2.8	5,693	6,881	5,553	+2.5
New orders	5,648	5,653	5,397	-0.1	+4.7	-21.4	3,904	5,589	3,796	+2.8
Unfilled orders	98,527	99,342	99,993	-0.8	-0.7	-1.1	97,877	99,666	105,094	-6.9

(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.

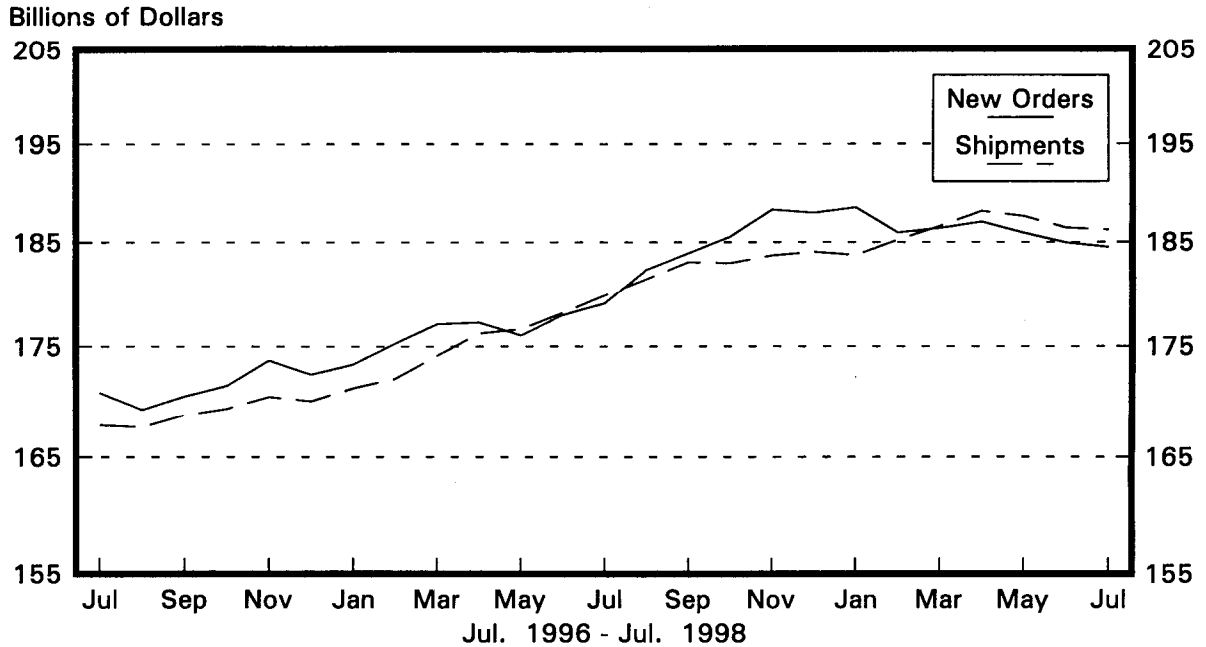
Table 2. AVERAGE REVISIONS TO PREVIOUSLY PUBLISHED MONTHLY PERCENT CHANGES
(Based on seasonally adjusted data)

Industry	Shipments			New Orders			Unfilled Orders		
	Year ago July 1997	July 1993-1997	July 1997- June 1998	Year ago July 1997	July 1993-1997	July 1997- June 1998	Year ago July 1997	July 1993-1997	July 1997- June 1998
Durable goods	0.1	0.2	0.3	0.7	0.5	0.8	0.1	0.1	0.1
Primary metals	0.1	0.3	0.4	0.1	0.5	0.7	0.1	0.3	0.4
Industrial machinery and equipment	0.5	0.9	0.7	0.1	0.8	0.6	0.3	0.1	0.2
Electronic and other electrical equipment	0.6	0.6	0.8	1.3	1.5	2.0	0.3	0.4	0.5
Transportation equipment	0.5	0.6	1.3	0.8	1.1	1.6	0.2	0.1	0.2
Nondefense capital goods	0.4	0.6	0.7	1.0	0.6	1.0	0.0	0.0	0.2
Defense capital goods	0.8	0.8	1.0	1.9	5.4	7.5	0.2	0.4	0.4

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 to the months specified.

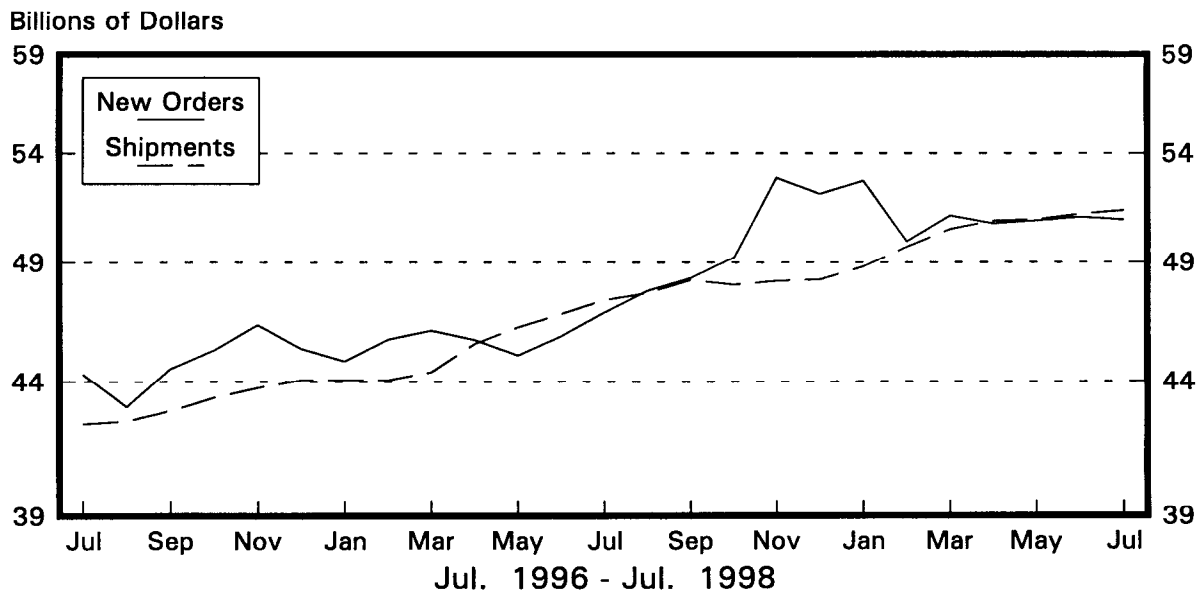
Total Durable Goods

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.