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

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

• **NEW ORDERS** New orders for manufactured durable goods in June decreased \$0.3 billion or 0.2 percent to \$182.3 billion, the Department of Commerce, Bureau of the Census reported today. This follows a 3.3 percent May decrease and is the fourth decrease this year. Excluding transportation, new orders increased 1.9 percent, the sixth increase in the last seven months. Year-to-date, new orders are 4.5 percent above the same period a year ago; new orders for the second quarter are 0.9 percent below first quarter.

Transportation equipment, down four of the last five months, had the largest decline, \$3.0 billion or 6.9 percent to \$39.7 billion; decreases in motor vehicles and parts and aircraft and parts more than offset increases in shipbuilding and tanks and railroad equipment. This follows a 4.0 percent May decrease. Primary metals, down three of the last four months, decreased \$0.4 billion or 2.5 percent to \$14.5 billion, following a 3.5 percent May decrease. Industrial machinery and equipment, up for the first month since March, increased \$0.6 billion or 1.7 percent to \$36.8 billion. This follows a 1.8 percent May decrease. Electronic and other electrical equipment, up three of the last four months, increased \$0.5 billion or 1.8 percent to \$29.4 billion, due to electronic components. This follows a 9.0 percent May decrease. Instruments and related products, up two of the last three months, also increased.

• **SHIPMENTS** Shipments of durable goods in June increased \$0.1 billion to \$185.8 billion. This follows a 0.6 percent May decrease and is the first increase since March. Year-to-date, shipments are 5.8 percent above the same period a year ago; shipments for the second quarter are 0.2 percent below the first quarter.

Industrial machinery and equipment, up six of the last seven months, had the largest increase, \$1.2 billion or 3.2 percent to \$37.7 billion. This follows a 1.0 percent May decrease. Electronic and other electrical equipment, up for the first month since March, increased \$0.7 billion or 2.5 percent to \$30.5 billion, following a 1.0 percent May decrease. Transportation equipment, down for the third consecutive month, decreased \$2.7 billion or 6.1 percent to \$40.9 billion, due to motor vehicles and parts. This follows a 0.7 percent May decrease.

• **UNFILLED ORDERS** Unfilled orders for durable goods in June decreased \$3.5 billion or 0.7 percent to \$504.8 billion. This follows a 0.6 percent May decrease and is the fourth decrease in the last five months. Transportation equipment, down four of the last five months, had the largest decrease, \$1.2 billion or 0.5 percent to \$251.8 billion, due to aircraft and parts. This follows a 0.4 percent May decrease. Electronic and other electrical equipment decreased \$1.1 billion or 2.0 percent to \$56.7 billion. This follows a 1.6 percent May decrease. Industrial machinery and equipment, down for the third consecutive month, decreased \$0.9 billion or 1.2 percent to \$73.0 billion, following a 0.4 percent May decrease. Primary metals decreased \$0.6 billion or 1.8 percent to \$33.0 billion. This follows a 0.8 percent May decrease and is the fifth decrease in the last six months.

• **CAPITAL GOODS INDUSTRIES, DEFENSE** New orders in June, up two of the last three months, increased \$0.2 billion or 4.7 percent to \$5.5 billion, following a 23.1 percent May decrease. Shipments decreased \$0.3 billion or 4.4 percent to \$6.3 billion, following a 2.9 percent May decrease. Unfilled orders, down four of the last five months, decreased \$0.7 billion or 0.7 percent to \$99.2 billion, following a 1.3 percent May decrease.

• **CAPITAL GOODS INDUSTRIES, NONDEFENSE** New orders in June, up three of the last four months, increased \$0.3 billion or 0.6 percent to \$51.1 billion, following a 1.0 percent May decrease. Shipments, up seven of the last eight months, increased \$1.5 billion or 3.0 percent to \$52.1 billion. This follows a 0.1 percent May increase. Unfilled orders, down for the first month since March, decreased \$1.0 billion or 0.4 percent to \$263.2 billion, following a 0.1 percent May increase. Excluding aircraft and parts, new orders increased \$1.4 billion or 3.4 percent to \$44.2 billion, the sixth increase in the last seven months; shipments increased \$1.7 billion or 4.1 percent to \$44.7 billion, the first increase since March; and unfilled orders decreased \$0.5 billion or 0.5 percent to \$104.5 billion, the third consecutive monthly decline.

• **REVISED MAY DATA** Revised seasonally adjusted May figures for all manufacturing industries are: shipments, \$333.7 billion; new orders, \$330.3 billion; unfilled orders, \$533.5 billion; and total inventories, \$465.7 billion.

NOTE: The data in this press release are consistent with the revised historical series released July 21, 1998. A report which includes these data from 1987 through 1997 is available on our internet site or from Census Bureau's Customer Services Center. Please call (301) 457-4100 to order the book. Our internet site address is: <http://www.census.gov/ftp/pub/indicator/www/m3>

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 August 6, 1998 at 10:00 AM. The advance report on durable goods for July is scheduled for August 26, 1998 at 8:30 AM. 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)

Item	Seasonally adjusted						Not seasonally adjusted ¹			
	Monthly			Percent Change			Monthly			Percent change June98/97
	June 1998 ²	May 1998 ²	Apr. 1998	May- June ²	Apr.- May ²	Mar.- Apr.	June 1998 ²	May 1998 ²	June 1997	
DURABLE GOODS										
Total :										
Shipments	185,828	185,760	186,843	0.0	-0.6	-1.7	203,444	185,796	197,434	+3.0
New orders	182,311	182,604	188,921	-0.2	-3.3	+1.6	194,876	180,026	194,270	+0.3
Unfilled orders	504,777	508,294	511,450	-0.7	-0.6	+0.4	501,869	510,437	493,820	+1.6
Excluding defense :										
Shipments	179,564	179,208	180,098	+0.2	-0.5	-1.8	196,615	179,430	190,265	+3.3
New orders	176,781	177,322	182,056	-0.3	-2.6	+0.8	189,527	175,925	187,900	+0.9
Unfilled orders	405,627	408,410	410,296	-0.7	-0.5	+0.5	402,479	409,567	386,969	+4.0
With unfilled orders :										
Shipments	154,750	153,562	154,463	+0.8	-0.6	-1.5	171,072	151,374	164,027	+4.3
New orders	151,233	150,406	156,541	+0.5	-3.9	+2.5	162,504	145,604	160,863	+1.0
Primary metals :										
Shipments	15,157	15,178	15,523	-0.1	-2.2	-0.9	15,948	15,553	16,656	-4.3
New orders	14,545	14,916	15,451	-2.5	-3.5	+5.1	14,538	14,616	16,136	-9.9
Unfilled orders	32,965	33,577	33,839	-1.8	-0.8	-0.2	32,805	34,215	31,950	+2.7
Industrial machinery and equipment:										
Shipments	37,713	36,538	36,898	+3.2	-1.0	+0.1	44,512	35,411	40,108	+11.0
New orders	36,839	36,211	36,889	+1.7	-1.8	-1.5	42,743	34,850	37,837	+13.0
Unfilled orders	72,966	73,840	74,167	-1.2	-0.4	0.0	72,035	73,804	72,628	-0.8
Electronic and other electrical equipment :										
Shipments	30,504	29,769	30,056	+2.5	-1.0	-2.5	33,427	28,539	32,148	+4.0
New orders	29,366	28,846	31,707	+1.8	-9.0	+2.8	30,214	26,785	31,530	-4.2
Unfilled orders	56,661	57,799	58,722	-2.0	-1.6	+2.9	54,916	58,129	54,069	+1.6
Transportation equipment :										
Shipments	40,892	43,565	43,863	-6.1	-0.7	-3.0	43,049	45,538	44,901	-4.1
New orders	39,677	42,635	44,431	-6.9	-4.0	+5.3	41,181	43,512	44,864	-8.2
Unfilled orders	251,830	253,045	253,975	-0.5	-0.4	+0.2	251,785	253,653	245,907	+2.4
CAPITAL GOODS INDUSTRIES³										
Total :										
Shipments	58,364	57,150	57,305	+2.1	-0.3	-1.6	68,149	54,220	62,515	+9.0
New orders	56,610	56,033	58,105	+1.0	-3.6	+4.0	64,878	51,901	61,165	+6.1
Unfilled orders	362,374	364,128	365,245	-0.5	-0.3	+0.2	361,906	365,177	356,042	+1.6
Nondefense :										
Shipments	52,100	50,598	50,560	+3.0	+0.1	-2.0	61,320	47,854	55,346	+10.8
New orders	51,080	50,751	51,240	+0.6	-1.0	+1.5	59,529	47,800	54,795	+8.6
Unfilled orders	263,224	264,244	264,091	-0.4	+0.1	+0.3	262,516	264,307	249,191	+5.3
Excluding aircraft and parts :										
Shipments	44,736	42,989	43,014	+4.1	-0.1	-2.0	53,071	40,607	47,698	+11.3
New orders	44,196	42,758	42,544	+3.4	+0.5	-3.5	51,760	40,169	46,238	+11.9
Unfilled orders	104,484	105,024	105,255	-0.5	-0.2	-0.4	103,776	105,087	99,143	+4.7
Defense :										
Shipments	6,264	6,552	6,745	-4.4	-2.9	+1.7	6,829	6,366	7,169	-4.7
New orders	5,530	5,282	6,865	+4.7	-23.1	+27.5	5,349	4,101	6,370	-16.0
Unfilled orders	99,150	99,884	101,154	-0.7	-1.3	+0.1	99,390	100,870	106,851	-7.0

(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 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."

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 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.

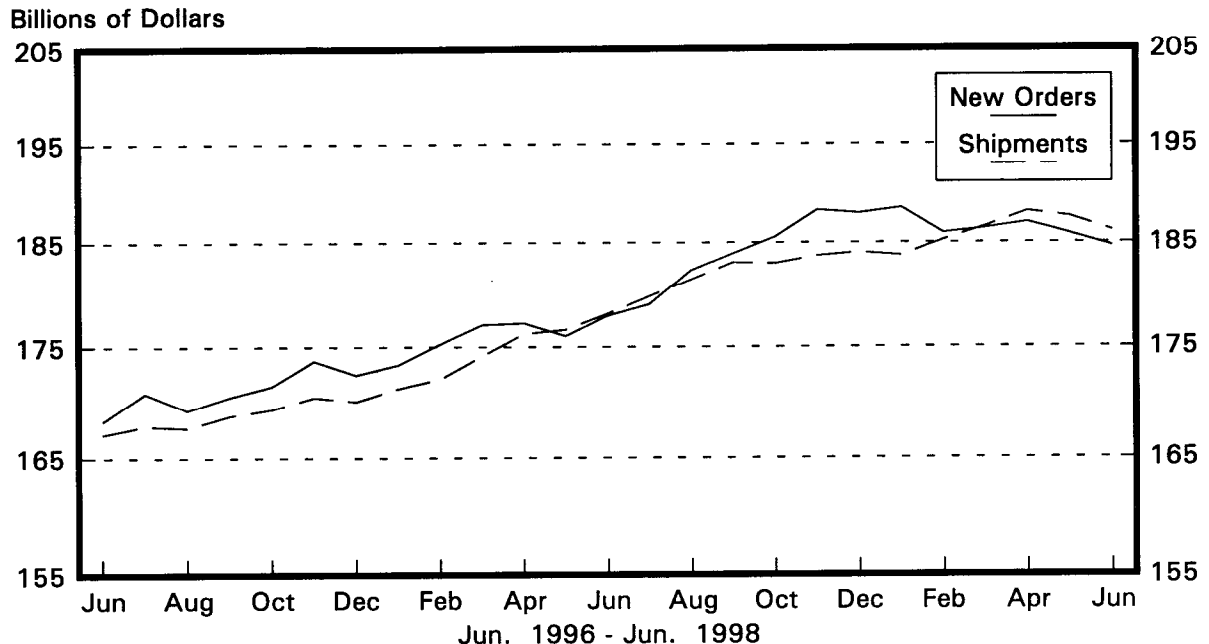
Table 2. AVERAGE REVISIONS TO PREVIOUSLY PUBLISHED MONTHLY PERCENT CHANGES
(Based on seasonally adjusted data)

Industry	Shipments			New Orders			Unfilled Orders		
	Year ago June 1997	June 1993-1997	June 1997- May 1998	Year ago June 1997	June 1993-1997	June 1997- May 1998	Year ago June 1997	June 1993-1997	June 1997- May 1998
Durable goods	0.8	0.4	0.3	0.6	0.4	0.6	0.1	0.1	0.1
Primary metals	0.2	0.5	0.3	0.4	1.2	0.7	0.0	0.3	0.3
Industrial machinery and equipment	1.6	0.8	0.5	1.7	1.1	0.5	0.0	0.3	0.2
Electronic and other electrical equipment	0.5	0.4	0.5	2.6	2.5	1.3	1.2	1.1	0.5
Transportation equipment	1.7	0.9	0.9	1.3	0.4	1.4	0.0	0.1	0.2
Nondefense capital goods	1.8	1.0	0.6	1.3	1.0	0.9	0.1	0.1	0.1
Defense capital goods	1.0	1.1	0.9	3.6	2.7	5.7	0.2	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.

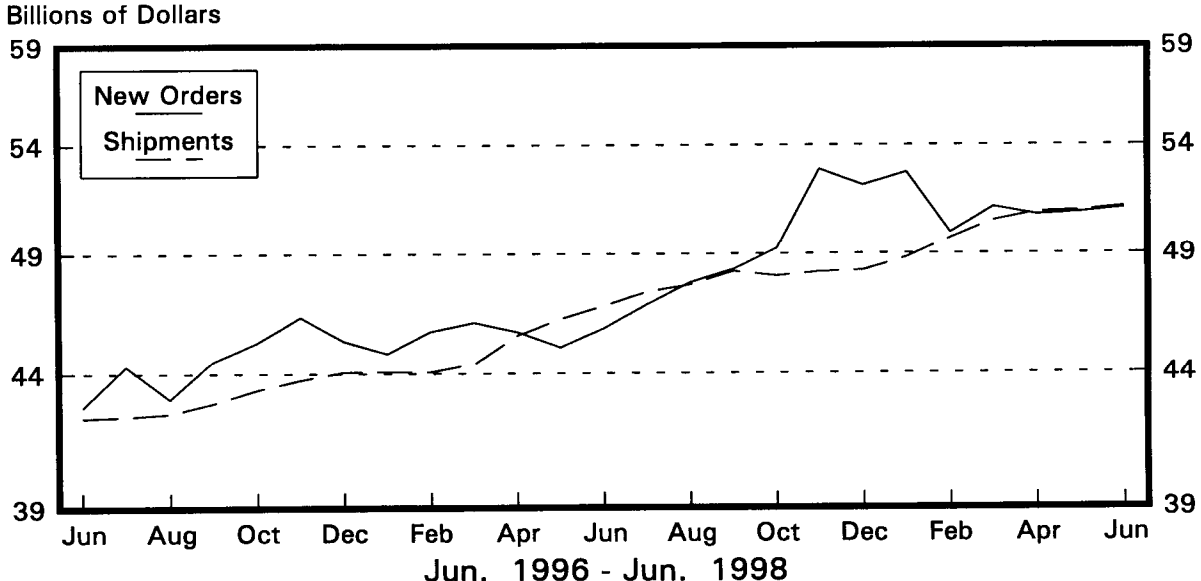
Total Durable Goods

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.