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

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

• **NEW ORDERS** New orders for manufactured durable goods in May decreased \$4.9 billion or 2.6 percent to \$184.3 billion, the Department of Commerce, Bureau of the Census reported today. This follows a 1.6 percent April increase and is the first decrease since February. Excluding transportation, new orders decreased 2.3 percent, the second consecutive monthly decrease. Year-to-date, new orders are 5.8 percent above the same period a year ago.

Electronic and other electrical equipment, down for the first month since February, had the largest decrease, \$2.1 billion or 6.8 percent to \$29.7 billion, due to electronic components. This follows a 1.9 percent April increase. Transportation equipment, down three of the last four months, decreased \$1.6 billion or 3.5 percent to \$43.7 billion; decreases, led by aircraft and parts, more than offset increases, led by motor vehicles and parts. This follows a 7.5 percent April increase. Primary metals, down two of the last three months, decreased \$0.6 billion or 4.1 percent to \$14.6 billion, following a 3.7 percent April increase. Industrial machinery and equipment, down for the second consecutive month, decreased \$0.5 billion or 1.2 percent to \$36.2 billion. This follows a 2.0 percent April decrease.

• **SHIPMENTS** Shipments of durable goods in May decreased \$0.4 billion or 0.2 percent to \$186.7 billion. This follows a 1.8 percent April decrease and is the second consecutive monthly decrease. Year-to-date, shipments are 6.7 percent above the same period a year ago.

Electronic and other electrical equipment, down four of the last five months, had the largest decrease, \$0.4 billion or 1.2 percent to \$30.0 billion, following a 2.1 percent April decrease. Industrial machinery and equipment, down for the second consecutive month, decreased \$0.3 billion or 0.7 percent to \$36.5 billion. This follows a 0.2 percent April decrease. Primary metals, down for the third consecutive month, decreased \$0.3 billion or 1.7 percent to \$14.9 billion, following a 1.5 percent April decrease. Transportation equipment, up three of the last four months, increased \$0.3 billion or 0.8 percent to \$44.9 billion; increases, led by motor vehicles and parts and aircraft and parts, more than offset a decrease in shipbuilding and tanks. This follows a 2.6 percent April decrease.

• **UNFILLED ORDERS** Unfilled orders for durable goods in May decreased \$2.4 billion or 0.5 percent to \$512.6 billion. This follows a 0.4 percent April increase and is the third decrease in the last four months. Transportation equipment, down three of the last four months, decreased \$1.2 billion or 0.4 percent to \$258.5 billion, due to aircraft and parts and shipbuilding and tanks. This follows a 0.3 percent April increase. Primary metals decreased \$0.3 billion or 0.9 percent to \$32.9 billion. This follows a 0.2 percent April increase and is the fourth decrease in the last five months. Electronic and other electrical equipment decreased \$0.3 billion or 0.5 percent to \$57.9 billion. This follows a 2.6 percent April increase and is the first decline since February. Industrial machinery and equipment, down for the second consecutive month, decreased \$0.3 billion or 0.4 percent to \$73.4 billion, following a 0.1 percent April decrease.

• **CAPITAL GOODS INDUSTRIES, DEFENSE** New orders in May, down three of the last four months, decreased \$1.4 billion or 20.6 percent to \$5.5 billion, following a 38.3 percent April increase. Shipments, down for the first month since December, decreased \$0.2 billion or 2.3 percent to \$6.6 billion, following a 0.4 percent April increase. Unfilled orders, down three of the last four months, decreased \$1.1 billion or 1.1 percent to \$101.3 billion, following a 0.2 percent April increase.

• **CAPITAL GOODS INDUSTRIES, NONDEFENSE** New orders in May, down three of the last four months, decreased \$0.8 billion or 1.6 percent to \$50.0 billion, following a 1.9 percent April increase. Shipments, up five of the last six months, increased \$0.2 billion or 0.3 percent to \$50.2 billion. This follows a 1.9 percent April decrease. Unfilled orders, down three of the last four months, decreased \$0.3 billion or 0.1 percent to \$267.0 billion, following a 0.3 percent April increase. Excluding aircraft and parts, new orders increased \$0.4 billion or 0.9 percent to \$42.2 billion, the fifth increase in the last six months; shipments decreased 0.1 percent to \$42.4 billion, the second consecutive monthly decline; and unfilled orders decreased \$0.1 billion or 0.1 percent to \$103.3 billion, also the second consecutive monthly decline.

• **REVISED APRIL DATA** Revised seasonally adjusted April figures for all manufacturing industries are: shipments, \$336.9 billion (revised from \$337.8 billion); new orders, \$338.8 billion (revised from \$340.1 billion); unfilled orders, \$540.5 billion (revised from \$540.8 billion); and total inventories, \$461.4 billion (revised from \$461.5 billion).

**SEE BACK PAGE FOR UPCOMING REVISIONS**

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 July 2, 1998 at 10:00 AM. The advance report on durable goods for June is scheduled for July 29, 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 <sup>1</sup>			
	Monthly			Percent Change			Monthly			Percent change May98/97
	May 1998 <sup>2</sup>	Apr. 1998 <sup>2</sup>	Mar. 1998	Apr.- May <sup>2</sup>	Mar.- Apr. <sup>2</sup>	Feb.- Mar.	May 1998 <sup>2</sup>	Apr. 1998 <sup>2</sup>	May 1997	
<b>DURABLE GOODS</b>										
<b>Total :</b>										
Shipments . . . . .	186,732	187,092	190,486	-0.2	-1.8	+1.2	186,168	185,425	176,839	+5.3
New orders . . . . .	184,305	189,193	186,284	-2.6	+1.6	+0.3	180,297	189,881	175,342	+2.8
Unfilled orders . . . . .	512,647	515,074	512,973	-0.5	+0.4	-0.8	514,384	520,255	500,042	+2.9
<b>Excluding defense :</b>										
Shipments . . . . .	180,082	180,283	183,705	-0.1	-1.9	+1.1	179,717	178,892	170,745	+5.3
New orders . . . . .	178,766	182,215	181,237	-1.9	+0.5	+0.4	176,388	182,962	171,400	+2.9
Unfilled orders . . . . .	411,337	412,653	410,721	-0.3	+0.5	-0.6	412,055	415,384	390,474	+5.5
<b>With unfilled orders :</b>										
Shipments . . . . .	153,386	153,933	156,538	-0.4	-1.7	+1.0	150,895	150,006	143,372	+5.2
New orders . . . . .	150,959	156,034	152,336	-3.3	+2.4	-0.1	145,024	154,462	141,875	+2.2
<b>Primary metals :</b>										
Shipments . . . . .	14,884	15,141	15,368	-1.7	-1.5	-0.9	15,220	15,738	15,655	-2.8
New orders . . . . .	14,570	15,193	14,655	-4.1	+3.7	-5.3	14,208	15,368	15,544	-8.6
Unfilled orders . . . . .	32,899	33,213	33,161	-0.9	+0.2	-2.1	33,328	34,340	31,553	+5.6
<b>Industrial machinery and equipment:</b>										
Shipments . . . . .	36,466	36,730	36,818	-0.7	-0.2	+2.0	35,358	35,495	32,427	+9.0
New orders . . . . .	36,204	36,659	37,416	-1.2	-2.0	+2.2	34,792	35,242	32,280	+7.8
Unfilled orders . . . . .	73,447	73,709	73,780	-0.4	-0.1	+0.8	73,350	73,916	74,077	-1.0
<b>Electronic and other electrical equipment :</b>										
Shipments . . . . .	29,975	30,331	30,980	-1.2	-2.1	-0.1	28,717	28,071	27,779	+3.4
New orders . . . . .	29,671	31,820	31,229	-6.8	+1.9	+1.1	27,325	32,005	29,509	-7.4
Unfilled orders . . . . .	57,918	58,222	56,733	-0.5	+2.6	+0.4	58,059	59,451	54,197	+7.1
<b>Transportation equipment :</b>										
Shipments . . . . .	44,876	44,527	45,704	+0.8	-2.6	+3.1	46,268	46,180	42,738	+8.3
New orders . . . . .	43,714	45,278	42,108	-3.5	+7.5	-0.6	43,559	47,097	39,590	+10.0
Unfilled orders . . . . .	258,492	259,654	258,903	-0.4	+0.3	-1.4	259,166	261,875	252,320	+2.7
<b>CAPITAL GOODS INDUSTRIES<sup>3</sup></b>										
<b>Total :</b>										
Shipments . . . . .	56,882	56,881	57,803	0.0	-1.6	+2.3	53,976	53,150	49,721	+8.6
New orders . . . . .	55,498	57,764	54,903	-3.9	+5.2	-0.6	50,878	54,167	46,286	+9.9
Unfilled orders . . . . .	368,312	369,696	368,813	-0.4	+0.2	-0.8	369,409	372,507	361,563	+2.2
<b>Nondefense :</b>										
Shipments . . . . .	50,232	50,072	51,022	+0.3	-1.9	+2.2	47,525	46,617	43,627	+8.9
New orders . . . . .	49,959	50,786	49,856	-1.6	+1.9	-0.1	46,969	47,248	42,344	+10.9
Unfilled orders . . . . .	267,002	267,275	266,561	-0.1	+0.3	-0.4	267,080	267,636	251,995	+6.0
<b>Excluding aircraft and parts :</b>										
Shipments . . . . .	42,379	42,408	43,294	-0.1	-2.0	+2.3	40,054	39,027	36,914	+8.5
New orders . . . . .	42,232	41,871	43,475	+0.9	-3.7	+0.2	39,624	38,407	36,813	+7.6
Unfilled orders . . . . .	103,310	103,457	103,994	-0.1	-0.5	+0.2	103,388	103,818	98,190	+5.3
<b>Defense :</b>										
Shipments . . . . .	6,650	6,809	6,781	-2.3	+0.4	+3.4	6,451	6,533	6,094	+5.9
New orders . . . . .	5,539	6,978	5,047	-20.6	+38.3	-5.5	3,909	6,919	3,942	-0.8
Unfilled orders . . . . .	101,310	102,421	102,252	-1.1	+0.2	-1.7	102,329	104,871	109,568	-6.6

(NA) Not available. <sup>1</sup> Revised.

<sup>1</sup> 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.

<sup>2</sup> 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."

<sup>3</sup> 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.

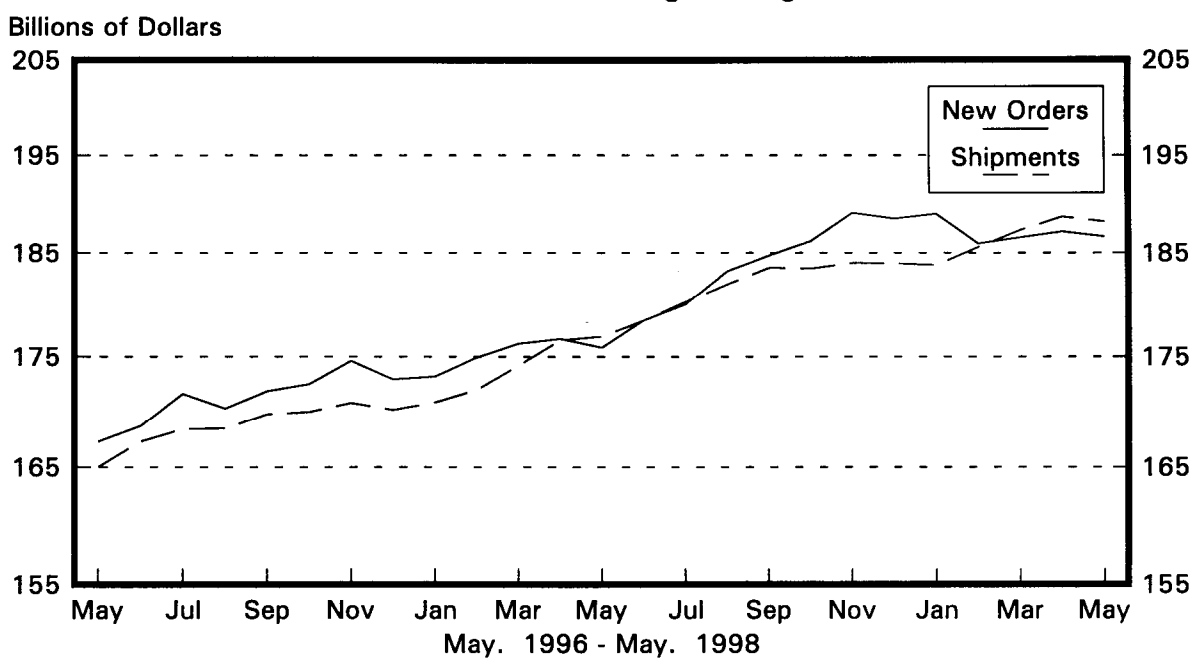
**Table 2. AVERAGE REVISIONS TO PREVIOUSLY PUBLISHED MONTHLY PERCENT CHANGES**  
(Based on seasonally adjusted data)

Industry	Shipments			New Orders			Unfilled Orders		
	Year ago May 1997	May 1993-1997	May 1997- Apr. 1998	Year ago May 1997	May 1993-1997	May 1997- Apr. 1998	Year ago May 1997	May 1993-1997	May 1997- Apr. 1998
Durable goods . . . . .	0.3	0.2	0.3	0.2	0.5	0.5	0.1	0.2	0.1
Primary metals . . . . .	0.0	0.2	0.3	0.0	0.7	0.6	0.1	0.3	0.3
Industrial machinery and equipment . . . . .	1.0	0.7	0.6	2.1	0.8	0.6	0.5	0.2	0.2
Electronic and other electrical equipment . . . . .	0.6	0.4	0.5	0.3	0.8	1.2	0.2	0.3	0.5
Transportation equipment . . . . .	0.2	0.3	0.8	2.4	1.6	1.6	0.3	0.2	0.2
Nondefense capital goods . . . . .	0.4	0.4	0.6	0.4	0.8	0.9	0.2	0.2	0.1
Defense capital goods . . . . .	0.6	0.6	0.9	0.8	3.5	5.6	0.0	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 to the months specified.

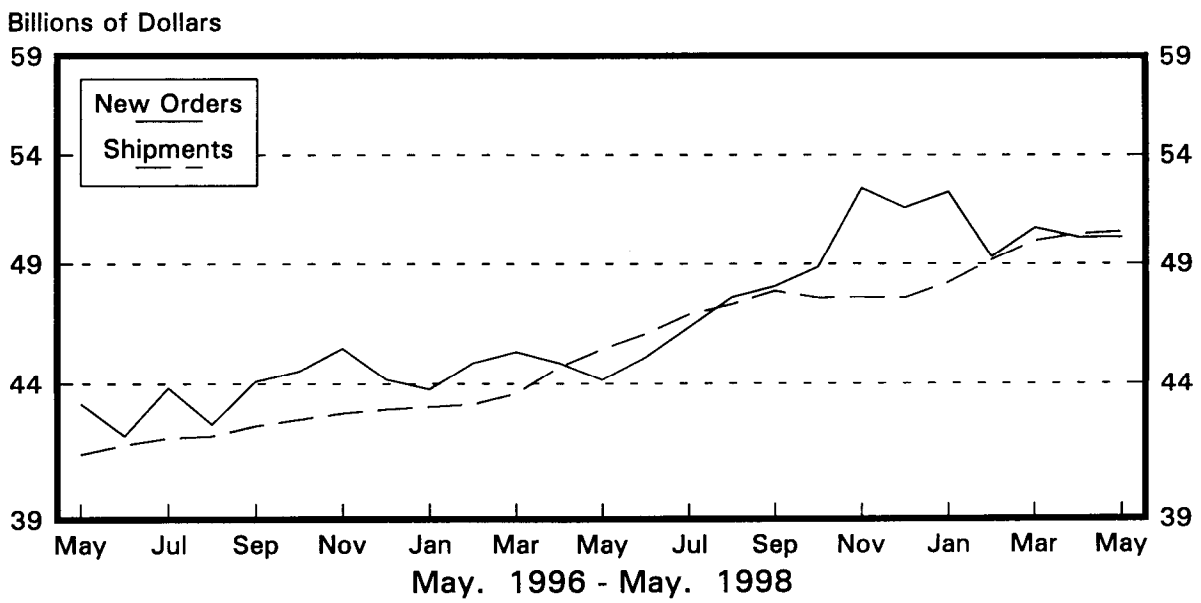
# Total Durable Goods

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.

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## NOTICE

Revised historical data for Manufacturers' Shipments, Inventories, and Orders will be issued in July 21, 1998. The revisions to the historical data are the result of:

- benchmarking the shipments and inventory data to the 1995 and 1996 Annual Survey of Manufactures (ASM) data.
- adjusting new and unfilled orders to be consistent with the benchmarked shipments and inventory data.
- correcting monthly data for late receipts, reclassification of reported data, and revisions to previously reported data.
- updating the seasonal adjustment factors for all series.

The publication will include data from 1987-December 1997. An accompanying press release will include the revised 1998 January - May data. Please call Kathy Menth on (301) 457-4832 with questions.

