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Advance Report on Durable Goods Manufacturers' Shipments, Inventories and Orders August 2005

New Orders

New orders for manufactured durable goods in August increased \$6.8 billion or 3.3 percent to \$210.9 billion, the U.S. Census Bureau announced today. This followed a 5.3 percent July decrease. Excluding transportation, new orders increased 4.2 percent. Excluding defense, new orders increased 3.6 percent.

Computers and electronic products, up three of the last four months, had the largest increase, \$1.6 billion or 5.5 percent to \$31.6 billion. Primary metals, fabricated metal products, machinery, and transportation equipment also had significant increases.

Shipments

Shipments of manufactured durable goods in August, up three of the last four months, increased \$3.4 billion or 1.7 percent to \$208.5 billion. This was at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 0.7 percent July decrease.

Transportation equipment, up five of the last six months, had the largest increase, \$1.6 billion or 2.9 percent to \$58.5 billion.

Unfilled Orders

Unfilled orders for manufactured durable goods in August, up for the fourth consecutive month, increased \$9.8 billion or 1.7 percent to \$590.8 billion. This was at the highest level since the series began and followed a 1.1 percent July increase.

Transportation equipment, up for the fourth consecutive month, had the largest increase, \$4.3 billion or 1.5 percent to \$294.7 billion. This was at the highest level since the series began.

Inventories

Inventories of manufactured durable goods in August, down two of the last three months, decreased \$0.6 billion or 0.2 percent to \$282.2 billion. This followed a 0.8 percent July increase.

Transportation equipment, down two of the last three months, had the largest decrease, \$0.6 billion or 0.8 percent to \$65.7 billion.

Capital Goods

Nondefense new orders for capital goods in August increased \$3.0 billion or 4.3 percent to \$74.3 billion. Shipments increased \$1.8 billion or 2.8 percent to \$66.0 billion. Unfilled orders increased \$8.3 billion or 2.8 percent to \$305.9 billion. Inventories increased \$0.2 billion or 0.2 percent to \$111.8 billion.

Defense new orders for capital goods in August decreased \$0.1 billion or 1.6 percent to \$7.0 billion. Shipments increased \$0.4 billion or 5.4 percent to \$8.0 billion. Unfilled orders decreased \$0.9 billion or 0.7 percent to \$133.9 billion. Inventories decreased \$0.3 billion or 1.8 percent to \$15.0 billion.

Revised July Data

Revised seasonally adjusted July figures for all manufacturing industries are: new orders, \$386.9 billion (revised from \$387.8 billion); shipments, \$388.0 billion (revised from \$389.3 billion); unfilled orders, \$581.0 billion (revised from \$580.5 billion); and total inventories, \$464.3 billion (revised from \$463.8 billion).

Figures in text, other than year-to-date, are in seasonally adjusted current dollars. Figures on new and unfilled orders exclude data for semiconductor manufacturing. For data, call (301) 763-4673 or go to <<http://www.census.gov/m3>>.

Revised and more detailed estimates, plus nondurable goods data, will be published on October 4, 2005, at 10:00 a.m. EDT. The advance report on durable goods for September is scheduled for release on October 27, 2005, at 8:30 a.m. EDT. See back page for survey description.

Table 1. Durable Goods Manufacturers' Shipments and New Orders
 (Millions of Dollars)

Item	Seasonally Adjusted						Not Seasonally Adjusted ¹					
	Monthly			Percent Change			Monthly			Year to Date		Percent Change 05/04
	Aug 2005 ²	Jul 2005 ^r	Jun 2005	Jul - Aug ²	Jun - Jul ^r	May - Jun	Aug 2005 ²	Jul 2005 ^r	Aug 2004	2005	2004	
DURABLE GOODS												
Total:												
Shipments.....	208,493	205,093	206,451	1.7	-0.7	0.2	213,138	177,809	201,562	1,628,062	1,538,023	5.9
New Orders ⁴	210,856	204,031	215,339	3.3	-5.3	1.9	211,433	174,445	193,032	1,614,530	1,515,168	6.6
Excluding transportation:												
Shipments.....	149,961	148,204	149,195	1.2	-0.7	0.2	152,398	137,132	142,893	1,178,354	1,082,741	8.8
New Orders ⁴	148,015	142,074	147,500	4.2	-3.7	3.7	147,874	130,655	135,793	1,141,892	1,053,173	8.4
Excluding defense:												
Shipments.....	198,941	195,988	197,120	1.5	-0.6	0.3	203,916	169,451	192,604	1,555,676	1,465,724	6.1
New Orders ⁴	202,503	195,493	205,517	3.6	-4.9	1.1	205,648	168,903	186,474	1,553,629	1,443,584	7.6
Manufacturing with unfilled orders:												
Shipments.....	142,015	139,036	140,402	2.1	-1.0	0.2	143,871	123,422	134,523	1,108,301	1,029,226	7.7
New Orders ⁴	151,829	145,232	156,096	4.5	-7.0	2.4	149,587	126,423	133,003	1,150,136	1,058,720	8.6
Primary metals:												
Shipments.....	15,308	14,954	15,204	2.4	-1.6	-0.6	15,916	13,669	15,545	125,589	113,082	11.1
New Orders.....	16,305	14,925	14,871	9.2	0.4	-0.8	16,837	13,682	16,083	125,212	117,862	6.2
Fabricated metal products:												
Shipments.....	23,774	23,449	23,876	1.4	-1.8	-0.5	25,291	22,177	24,263	190,388	178,977	6.4
New Orders.....	24,574	23,486	24,552	4.6	-4.3	1.5	25,651	22,198	24,480	195,070	185,544	5.1
Machinery:												
Shipments.....	26,090	25,782	25,826	1.2	-0.2	0.2	25,832	24,194	23,435	207,804	188,558	10.2
New Orders.....	27,113	26,202	28,199	3.5	-7.1	10.3	26,340	23,864	24,064	213,615	193,602	10.3
Computers and electronic products:												
Shipments.....	37,482	36,646	36,769	2.3	-0.3	-0.2	35,765	32,079	32,927	283,067	255,243	10.9
New Orders ⁴	31,642	30,003	32,074	5.5	-6.5	7.4	28,594	25,446	24,477	233,646	206,607	13.1
Computers and related products:												
Shipments.....	8,178	8,095	8,093	1.0	0.0	-2.8	7,435	7,661	6,118	62,936	48,268	30.4
New Orders.....	8,543	7,718	8,449	10.7	-8.7	0.9	7,800	7,284	6,030	62,542	47,659	31.2
Communications equipment:												
Shipments.....	5,868	5,688	5,846	3.2	-2.7	3.8	5,522	4,704	5,380	43,127	41,239	4.6
New Orders.....	6,388	6,196	6,652	3.1	-6.9	19.7	4,895	4,932	4,233	45,512	40,006	13.8
Semiconductors:												
Shipments.....	7,451	7,258	6,806	2.7	6.6	-3.1	7,421	6,365	7,010	55,367	52,349	5.8
New Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:												
Shipments.....	9,754	9,546	9,452	2.2	1.0	0.2	9,997	8,735	9,189	74,164	69,545	6.6
New Orders.....	10,424	9,645	9,757	8.1	-1.1	1.0	10,632	9,076	9,327	76,484	71,354	7.2
Transportation equipment:												
Shipments.....	58,532	56,889	57,256	2.9	-0.6	0.5	60,740	40,677	58,669	449,708	455,282	-1.2
New Orders.....	62,841	61,957	67,839	1.4	-8.7	-1.6	63,559	43,790	57,239	472,638	461,995	2.3
Motor vehicles and parts:												
Shipments.....	41,978	41,337	41,247	1.6	0.2	0.7	45,056	27,354	43,946	326,778	339,090	-3.6
New Orders.....	42,011	41,679	41,257	0.8	1.0	0.3	44,889	28,126	43,955	327,079	340,424	-3.9
Nondefense aircraft and parts:												
Shipments.....	7,203	6,597	6,799	9.2	-3.0	2.3	6,493	5,437	5,764	50,905	44,555	14.3
New Orders.....	13,000	11,878	15,117	9.4	-21.4	-24.9	12,507	9,774	6,593	81,508	50,913	60.1
Defense aircraft and parts:												
Shipments.....	3,802	3,355	3,649	13.3	-8.1	-2.6	3,650	3,034	3,653	28,432	30,278	-6.1
New Orders.....	3,037	2,642	2,771	15.0	-4.7	2.4	2,027	1,735	1,626	20,510	25,071	-18.2
All other durable goods:												
Shipments.....	37,553	37,827	38,068	-0.7	-0.6	1.2	39,597	36,278	37,534	297,342	277,336	7.2
New Orders.....	37,957	37,813	38,047	0.4	-0.6	0.1	39,820	36,389	37,362	297,865	278,204	7.1
Capital goods:³												
Shipments.....	73,957	71,744	72,951	3.1	-1.7	0.1	72,075	64,934	65,771	567,539	517,023	9.8
New Orders.....	81,325	78,399	85,400	3.7	-8.2	0.2	75,959	67,723	63,469	602,842	532,322	13.2
Nondefense capital goods:												
Shipments.....	65,974	64,168	64,869	2.8	-1.1	0.0	64,254	57,881	57,920	506,219	454,014	11.5
New Orders.....	74,281	71,239	76,688	4.3	-7.1	-2.2	71,096	63,140	57,544	550,941	468,744	17.5
Excluding aircraft:												
Shipments.....	61,442	60,633	61,157	1.3	-0.9	-0.2	60,168	55,328	55,142	479,073	432,105	10.9
New Orders.....	64,270	62,032	64,151	3.6	-3.3	4.9	61,332	55,948	53,688	491,646	440,286	11.7
Defense capital goods:												
Shipments.....	7,983	7,576	8,082	5.4	-6.3	1.1	7,821	7,053	7,851	61,320	63,009	-2.7
New Orders.....	7,044	7,160	8,712	-1.6	-17.8	27.5	4,863	4,583	5,925	51,901	63,578	-18.4

NA Not Available ^r Revised

¹ Shipments and new orders are the totals for the period and are adjusted for trading-day and calendar-month variations; unfilled orders and total inventories are as of the end of the period and are 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: M3-3(04), "Manufacturers' Shipments, Inventories, and Orders: 1992-20"

³ The Capital Goods Industries include Nondefense: small arms and ordnance; farm machinery and equipment; construction machinery; mining, oil, and gas field machinery; industrial machinery; vending laundry, and other machinery; photographic equipment; metalworking machinery; turbines and generators; other power transmission equipment; pumps and compressors; material handling equipment; other machinery; electronic computers; computer storage devices; other computer peripheral equipment; communications equipment; search and navigation equipment; electromedical, measuring, a control instruments; electrical equipment; other electrical equipment, appliances, and components; heavy duty trucks; aircraft; railroad rolling stock; ships and boats; office and institutional furniture; a medical equipment and supplies

Defense Capital Goods include: small arms and ordnance, communications equipment, aircraft; missiles, space vehicles, and parts, ships and boats, and search and navigation equipment

⁴ Data on new and unfilled orders are not available for the semiconductor industry. Estimates and percent changes for new orders and unfilled orders exclude semiconductor industry data. Inventories for semiconductor industry data are included in computers and electronic products and total durable goods industries, but are not shown separately

Table 2. Durable Goods Manufacturers' Unfilled Orders and Total Inventories
 [Millions of Dollars]

Item	Seasonally Adjusted						Not Seasonally Adjusted ¹			
	Monthly			Percent Change			Monthly			Percent Change 2005/ 2004
	Aug 2005 ²	Jul 2005 ^r	Jun 2005	Jul - Aug ²	Jun - Jul ^r	May - Jun	Aug 2005 ²	Jul 2005 ^r	Aug 2004	
<u>DURABLE GOODS</u>										
Total:										
Unfilled Orders ⁴	590,810	580,996	574,800	1.7	1.1	2.8	585,401	579,685	531,055	10.2
Total Inventories.....	282,155	282,791	280,518	-0.2	0.8	-0.4	285,002	284,890	269,649	5.7
Excluding transportation:										
Unfilled Orders ⁴	296,157	290,652	289,524	1.9	0.4	1.8	293,858	290,961	269,667	9.0
Total Inventories.....	216,442	216,516	215,054	0.0	0.7	-0.3	218,347	217,798	205,291	6.4
Excluding defense:										
Unfilled Orders ⁴	445,178	434,165	427,402	2.5	1.6	3.7	442,777	433,624	381,037	16.2
Total Inventories.....	263,364	263,654	261,633	-0.1	0.8	-0.3	266,046	265,593	251,307	5.9
Manufacturing with unfilled orders:										
Unfilled Orders ⁴	590,810	580,996	574,800	1.7	1.1	2.8	585,401	579,685	531,055	10.2
Total Inventories.....	218,162	219,190	217,265	-0.5	0.9	-0.8	220,229	220,885	208,836	5.5
Primary metals:										
Unfilled Orders.....	19,943	18,946	18,975	5.3	-0.2	-1.7	20,109	19,188	22,212	-9.5
Total Inventories.....	24,256	24,383	24,601	-0.5	-0.9	-0.8	24,208	24,453	20,612	17.4
Fabricated metal products:										
Unfilled Orders.....	46,144	45,344	45,307	1.8	0.1	1.5	46,492	46,132	42,228	10.1
Total Inventories.....	36,908	37,057	37,202	-0.4	-0.4	-1.0	37,015	37,335	34,534	7.2
Machinery:										
Unfilled Orders.....	81,838	80,815	80,395	1.3	0.5	3.0	80,411	79,903	73,176	9.9
Total Inventories.....	47,606	47,388	46,530	0.5	1.8	-0.2	47,960	47,395	43,520	10.2
Computers and electronic products:										
Unfilled Orders ⁴	116,311	114,700	114,085	1.4	0.5	1.9	114,697	114,447	103,326	11.0
Total Inventories.....	44,733	44,825	44,110	-0.2	1.6	-0.6	45,924	45,473	46,077	-0.3
Computers and related products:										
Unfilled Orders.....	6,023	5,658	6,035	6.5	-6.2	6.3	6,023	5,658	5,673	6.2
Total Inventories.....	5,351	5,290	5,279	1.2	0.2	0.6	5,702	5,353	5,278	8.0
Communications equipment:										
Unfilled Orders.....	38,746	38,226	37,718	1.4	1.3	2.2	37,610	38,237	31,526	19.3
Total Inventories.....	9,958	9,951	9,797	0.1	1.6	-2.2	10,151	10,022	10,891	-6.8
Semiconductors:										
Unfilled Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Total Inventories ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:										
Unfilled Orders.....	17,609	16,939	16,840	4.0	0.6	1.8	17,731	17,096	15,760	12.5
Total Inventories.....	12,672	12,685	12,686	-0.1	0.0	-0.2	12,679	12,731	12,360	2.6
Transportation equipment:										
Unfilled Orders.....	294,653	290,344	285,276	1.5	1.8	3.9	291,543	288,724	261,388	11.5
Total Inventories.....	65,713	66,275	65,464	-0.8	1.2	-0.5	66,655	67,092	64,358	3.6
Motor vehicles and parts:										
Unfilled Orders.....	15,712	15,679	15,337	0.2	2.2	0.1	15,571	15,738	15,650	-0.5
Total Inventories.....	24,616	24,366	24,517	1.0	-0.6	-0.3	24,887	24,728	23,594	5.5
Nondefense Aircraft and parts:										
Unfilled Orders.....	154,248	148,451	143,170	3.9	3.7	6.2	153,189	147,175	115,757	32.3
Total Inventories.....	21,747	22,329	21,629	-2.6	3.2	-2.3	22,212	22,591	23,027	-3.5
Defense Aircraft and parts:										
Unfilled Orders.....	48,021	48,786	49,499	-1.6	-1.4	-1.7	47,475	49,098	58,656	-19.1
Total Inventories.....	11,307	11,571	11,352	-2.3	1.9	0.5	11,402	11,679	10,412	9.5
All other durable goods:										
Unfilled Orders.....	14,312	13,908	13,922	2.9	-0.1	-0.2	14,418	14,195	12,965	11.2
Total Inventories.....	50,267	50,178	49,925	0.2	0.5	0.5	50,561	50,411	48,188	4.9
Capital goods:³										
Unfilled Orders.....	439,866	432,498	425,843	1.7	1.6	3.0	433,747	429,863	382,827	13.3
Total Inventories.....	126,829	126,862	124,613	0.0	1.8	-0.6	128,683	127,610	123,114	4.5
Nondefense capital goods:										
Unfilled Orders.....	305,947	297,640	290,569	2.8	2.4	4.2	302,686	295,844	247,360	22.4
Total Inventories.....	111,843	111,602	109,658	0.2	1.8	-0.4	113,627	112,298	107,989	5.2
Excluding aircraft:										
Unfilled Orders.....	171,532	168,704	167,305	1.7	0.8	1.8	169,524	168,360	153,339	10.6
Total Inventories.....	94,182	93,970	92,531	0.2	1.6	-0.1	95,558	94,461	89,509	6.8
Defense capital goods:										
Unfilled Orders.....	133,919	134,858	135,274	-0.7	-0.3	0.5	131,061	134,019	135,467	-3.3
Total Inventories.....	14,986	15,260	14,955	-1.8	2.0	-1.9	15,056	15,312	15,125	-0.5

See footnotes at end of Table 1

Survey Description

This report is compiled from results of the U.S. Census Bureau's Manufacturers' Shipments, Inventories, and Orders (M3) survey. This survey provides statistics on manufacturers' value of shipments, new orders (net of cancellations), end-of-month order backlog (unfilled orders), and end-of-month total inventory (at current cost or market value). The M3 includes approximately 3,500 reporting units. Units may be divisions of diversified large companies, large homogenous companies, or single-unit manufacturers in 89 industry categories. Due to the small monthly sample, these 89 categories have been combined into 59 publication levels. The survey methodology assumes that the month-to-month changes of the total operations of those companies in the monthly survey effectively represent the month-to-month movements of all establishments that make up the category. The current coverage levels in the survey show that reported data in the monthly survey represent approximately 60 percent of the shipments estimates at the total manufacturing level. Data published represent manufacturing in a calendar month. The data collection is based on a voluntary survey authorized by Title 13 of the United States Code.

The data presented in this release are based on data obtained from a panel of 3,500 reporting units and provide an indication of the activity within the manufacturing sector. The results differ from what would be obtained from a complete enumeration of all manufacturing companies. In addition, a different panel of 3,500 companies would yield different results. The M3 panel is comprised of companies with \$500 million or more in shipments and a limited number of smaller companies. From a statistical perspective, the panel is not a probability sample; therefore, the sampling errors that are normally provided with sample surveys cannot be measured. Nonsampling errors are attributable to many sources. The use of company or divisional reports to estimate the monthly change for establishments is one source of nonsampling error. The use of primarily large companies to represent the month-to-month movement of all companies is another potential source.

Additional survey documentation can be found on our web site: <http://www.census.gov/m3/>.