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

New Orders

New orders for manufactured durable goods in December increased \$2.8 billion or 1.3 percent to \$228.1 billion, the U.S. Census Bureau announced today. This was at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 5.4 percent November increase. Excluding transportation, new orders increased 0.9 percent. Excluding defense, new orders increased 0.8 percent.

Machinery, up five consecutive months, had the largest increase, \$1.9 billion or 6.5 percent to \$30.5 billion. This was at the highest level since the series began.

Shipments

Shipments of manufactured durable goods in December, up four of the last five months, increased \$7.5 billion or 3.5 percent to \$221.1 billion. This was at the highest level since the series began and followed a 0.6 percent November increase.

Transportation equipment, up four of the last five months, had the largest increase, \$3.9 billion or 6.5 percent to \$63.4 billion. The increase was led by motor vehicles and parts.

Unfilled Orders

Unfilled orders for manufactured durable goods in December, up eight consecutive months, increased \$14.8 billion or 2.4 percent to \$637.3 billion. This was at the highest level since the series began and followed a 3.2 percent November increase.

Transportation equipment, up eight consecutive months, had the largest increase, \$13.7 billion or 4.3

percent to \$329.7 billion. The increase was led by nondefense aircraft and parts.

Inventories

Inventories of manufactured durable goods in December, up five of the last six months, increased \$0.1 billion to \$285.6 billion. This followed a 0.6 percent November increase.

Primary metals, up following six consecutive monthly decreases, had the largest increase, \$0.2 billion or 0.7 percent to \$24.0 billion.

Capital Goods

Nondefense new orders for capital goods in December decreased \$0.5 billion or 0.6 percent to \$87.2 billion. Shipments increased \$3.2 billion or 4.6 percent to \$72.9 billion. Unfilled orders increased \$14.3 billion or 4.3 percent to \$344.2 billion. Inventories decreased \$0.2 billion or 0.2 percent to \$113.3 billion.

Defense new orders for capital goods in December decreased slightly or 0.2 percent to \$6.8 billion. Shipments increased \$0.2 billion or 2.8 percent to \$8.1 billion. Unfilled orders decreased \$1.3 billion or 0.9 percent to \$132.1 billion. Inventories increased slightly or 0.2 percent to \$15.6 billion.

Revised November Data

Revised seasonally adjusted November figures for all manufacturing industries are: new orders, \$409.9 billion (revised from \$407.7 billion); shipments, \$398.2 billion (revised from \$397.0 billion); unfilled orders, \$622.6 billion (revised from 621.4 billion); and total inventories, \$467.6 billion (revised from \$467.1 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 February 3, 2006, at 10:00 a.m. EST. The advance report on durable goods for January is scheduled for release on February 24, 2006, at 8:30 a.m. EST. 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		
	Dec 2005 ²	Nov 2005 ^r	Oct 2005	Nov - Dec ²	Oct - Nov ^r	Sep - Oct	Dec 2005 ²	Nov 2005 ^r	Dec 2004	2005	2004	Percent Change 05/04
DURABLE GOODS												
Total:												
Shipments.....	221,072	213,581	212,334	3.5	0.6	1.2	222,678	209,032	206,607	2,504,241	2,358,097	6.2
New Orders ⁴	228,137	225,314	213,767	1.3	5.4	3.1	236,582	219,932	207,986	2,507,957	2,318,643	8.2
Excluding transportation:												
Shipments.....	157,666	154,062	153,326	2.3	0.5	1.1	159,794	150,304	150,346	1,807,082	1,670,132	8.2
New Orders ⁴	151,037	149,665	148,838	0.9	0.6	-0.1	153,737	144,937	144,731	1,748,916	1,616,740	8.2
Excluding defense:												
Shipments.....	211,460	204,268	203,080	3.5	0.6	1.4	211,691	199,560	196,551	2,392,108	2,247,811	6.4
New Orders ⁴	218,466	216,724	202,629	0.8	7.0	1.6	221,917	211,242	194,825	2,405,196	2,204,981	9.1
Manufacturing with unfilled orders:												
Shipments.....	151,861	146,631	145,032	3.6	1.1	2.2	155,411	143,137	140,436	1,706,902	1,580,949	8.0
New Orders ⁴	166,618	165,839	153,586	0.5	8.0	4.6	177,252	161,687	148,890	1,796,760	1,622,954	10.7
Primary metals:												
Shipments.....	16,479	16,301	16,150	1.1	0.9	1.8	14,621	15,505	14,181	188,383	172,968	8.9
New Orders.....	17,119	17,507	17,330	-2.2	1.0	0.5	15,728	16,724	14,423	191,763	176,022	8.9
Fabricated metal products:												
Shipments.....	24,711	24,257	24,266	1.9	0.0	0.4	22,810	23,642	21,988	287,622	272,216	5.7
New Orders.....	24,795	24,475	24,882	1.3	-1.6	-1.0	22,493	23,452	21,891	292,517	278,365	5.1
Machinery:												
Shipments.....	28,579	27,251	26,954	4.9	1.1	1.3	28,543	25,486	26,503	316,585	288,742	9.6
New Orders.....	30,487	28,635	27,780	6.5	3.1	2.1	31,113	26,731	27,095	327,260	295,210	10.9
Computers and electronic products:												
Shipments.....	38,722	37,587	37,437	3.0	0.4	0.8	45,734	36,794	41,810	445,121	405,289	9.8
New Orders ⁴	30,050	30,372	29,772	-1.1	2.0	-2.9	37,755	29,100	36,668	365,313	332,968	9.7
Computers and related products:												
Shipments.....	9,078	8,618	8,390	5.3	2.7	5.7	11,372	7,471	9,342	100,011	80,711	23.9
New Orders.....	8,801	8,669	8,021	1.5	8.1	-2.0	11,095	7,522	9,823	99,242	80,846	22.8
Communications equipment:												
Shipments.....	5,768	5,514	5,820	4.6	-5.3	-1.5	7,416	5,492	6,795	68,210	64,621	5.6
New Orders.....	5,263	5,442	5,759	-3.3	-5.5	3.7	6,745	5,350	7,043	70,002	67,087	4.3
Semiconductors:												
Shipments.....	7,692	7,475	7,121	2.9	5.0	-1.8	7,937	7,650	7,075	86,142	81,459	5.7
New Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:												
Shipments.....	9,770	9,921	10,016	-1.5	-0.9	2.7	9,932	10,062	9,367	115,077	107,129	7.4
New Orders.....	9,909	10,193	10,174	-2.8	0.2	-1.8	9,813	10,209	8,756	117,966	108,589	8.6
Transportation equipment:												
Shipments.....	63,406	59,519	59,008	6.5	0.9	1.5	62,884	58,728	56,261	697,159	687,965	1.3
New Orders.....	77,100	75,649	64,929	1.9	16.5	11.2	82,845	74,995	63,255	759,041	701,903	8.1
Motor vehicles and parts:												
Shipments.....	42,986	40,768	42,477	5.4	-4.0	-2.0	38,112	39,816	39,638	498,703	509,738	-2.2
New Orders.....	43,278	40,603	42,900	6.6	-5.4	-2.5	38,993	39,808	39,998	500,424	510,692	-2.0
Nondefense aircraft and parts:												
Shipments.....	10,970	9,612	7,602	14.1	26.4	40.1	14,171	9,733	7,206	87,502	69,651	25.6
New Orders.....	24,394	26,540	11,089	-8.1	139.3	51.6	30,794	26,647	11,229	156,123	82,838	88.5
Defense aircraft and parts:												
Shipments.....	3,838	3,813	3,467	0.7	10.0	-8.0	4,613	3,844	3,853	44,547	45,132	-1.3
New Orders.....	5,284	4,039	7,051	30.8	-42.7	142.1	7,114	3,817	3,765	40,739	36,666	11.1
All other durable goods:												
Shipments.....	39,405	38,745	38,503	1.7	0.6	0.8	38,154	38,815	36,497	454,294	423,788	7.2
New Orders.....	38,677	38,483	38,900	0.5	-1.1	1.4	36,835	38,721	35,898	454,097	425,586	6.7
Capital goods:³												
Shipments.....	80,984	77,552	75,182	4.4	3.2	3.7	91,178	74,534	78,399	886,892	803,329	10.4
New Orders.....	94,038	94,585	81,454	-0.6	16.1	10.1	110,429	91,573	85,393	963,847	834,245	15.5
Nondefense capital goods:												
Shipments.....	72,884	69,669	67,358	4.6	3.4	4.5	82,129	66,445	69,775	792,199	707,546	12.0
New Orders.....	87,192	87,724	71,771	-0.6	22.2	6.7	99,167	84,555	73,800	877,813	732,880	19.8
Excluding aircraft:												
Shipments.....	64,981	62,966	62,595	3.2	0.6	1.7	70,836	59,686	65,072	739,895	672,482	10.0
New Orders.....	65,975	63,724	63,612	3.5	0.2	1.1	71,680	60,221	65,742	755,213	684,275	10.4
Defense capital goods:												
Shipments.....	8,100	7,883	7,824	2.8	0.8	-2.7	9,049	8,089	8,624	94,693	95,783	-1.1
New Orders.....	6,846	6,861	9,683	-0.2	-29.1	44.2	11,262	7,018	11,593	86,034	101,365	-15.1

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 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: M3-3(04), "Manufacturers' Shipments, Inventories, and Orders: 1992-2004"

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, and control instruments; electrical equipment; other electrical equipment, appliances, and components; heavy duty trucks; aircraft; railroad rolling stock; ships and boats; office and institutional furniture; and 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
	Dec 2005 ²	Nov 2005 ^r	Oct 2005	Nov - Dec ²	Oct - Nov ^r	Sep - Oct	Dec 2005 ²	Nov 2005 ^r	Dec 2004	
DURABLE GOODS										
Total:										
Unfilled Orders ⁴	637,335	622,578	603,370	2.4	3.2	1.4	633,424	611,583	543,566	16.5
Total Inventories.....	285,570	285,511	283,704	0.0	0.6	0.5	277,326	286,130	266,920	3.9
Excluding transportation:										
Unfilled Orders ⁴	307,651	306,588	303,510	0.3	1.0	0.9	302,929	301,049	274,953	10.2
Total Inventories.....	218,595	218,408	216,703	0.1	0.8	0.2	213,103	218,471	205,776	3.6
Excluding defense:										
Unfilled Orders ⁴	492,008	477,310	457,379	3.1	4.4	1.5	488,687	470,524	389,457	25.5
Total Inventories.....	266,033	266,023	264,280	0.0	0.7	0.4	258,212	266,672	248,160	4.1
Manufacturing with unfilled orders:										
Unfilled Orders ⁴	637,335	622,578	603,370	2.4	3.2	1.4	633,424	611,583	543,566	16.5
Total Inventories.....	220,935	220,951	219,702	0.0	0.6	0.4	215,230	221,550	208,375	3.3
Primary metals:										
Unfilled Orders.....	24,525	23,885	22,679	2.7	5.3	5.5	23,866	22,759	20,486	16.5
Total Inventories.....	23,971	23,810	23,831	0.7	-0.1	-0.5	24,120	23,719	23,098	4.4
Fabricated metal products:										
Unfilled Orders.....	48,191	48,107	47,889	0.2	0.5	1.3	46,705	47,022	41,810	11.7
Total Inventories.....	36,895	36,765	36,621	0.4	0.4	0.1	36,079	36,248	35,571	1.4
Machinery:										
Unfilled Orders.....	86,315	84,407	83,023	2.3	1.7	1.0	85,275	82,705	74,600	14.3
Total Inventories.....	47,745	47,824	47,525	-0.2	0.6	-0.2	46,374	48,171	43,630	6.3
Computers and electronic products:										
Unfilled Orders ⁴	115,933	116,913	116,653	-0.8	0.2	-0.5	115,085	115,127	108,751	5.8
Total Inventories.....	45,950	46,265	45,502	-0.7	1.7	1.2	44,268	47,053	43,982	0.7
Computers and related products:										
Unfilled Orders.....	5,648	5,925	5,874	-4.7	0.9	-5.9	5,648	5,925	6,417	-12.0
Total Inventories.....	5,286	5,267	5,262	0.4	0.1	-3.1	4,862	5,563	4,799	1.3
Communications equipment:										
Unfilled Orders.....	37,701	38,206	38,278	-1.3	-0.2	-0.2	37,017	37,688	35,225	5.1
Total Inventories.....	10,069	10,605	10,161	-5.1	4.4	4.0	9,807	11,001	10,668	-8.1
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.....	18,700	18,561	18,289	0.7	1.5	0.9	18,300	18,419	15,411	18.7
Total Inventories.....	13,117	13,001	12,897	0.9	0.8	0.5	12,584	12,860	11,894	5.8
Transportation equipment:										
Unfilled Orders.....	329,684	315,990	299,860	4.3	5.4	2.0	330,495	310,534	268,613	23.0
Total Inventories.....	66,975	67,103	67,001	-0.2	0.2	1.6	64,223	67,659	61,144	5.0
Motor vehicles and parts:										
Unfilled Orders.....	16,950	16,658	16,823	1.8	-1.0	2.6	16,991	16,110	15,270	11.3
Total Inventories.....	24,470	24,735	24,603	-1.1	0.5	2.2	23,298	24,804	22,398	4.0
Nondefense Aircraft and parts:										
Unfilled Orders.....	189,692	176,268	159,340	7.6	10.6	2.2	191,207	174,584	122,586	56.0
Total Inventories.....	22,547	22,442	22,485	0.5	-0.2	1.1	21,547	22,910	20,598	4.6
Defense Aircraft and parts:										
Unfilled Orders.....	52,355	50,909	50,683	2.8	0.4	7.6	51,589	49,088	55,397	-6.9
Total Inventories.....	11,783	11,777	11,822	0.1	-0.4	2.5	11,504	11,763	10,777	6.7
All other durable goods:										
Unfilled Orders.....	13,987	14,715	14,977	-4.9	-1.7	2.7	13,698	15,017	13,895	-1.4
Total Inventories.....	50,917	50,743	50,327	0.3	0.8	-0.1	49,678	50,420	47,601	4.4
Capital goods:³										
Unfilled Orders.....	476,321	463,267	446,234	2.8	3.8	1.4	475,399	456,148	398,444	19.3
Total Inventories.....	128,873	129,058	128,257	-0.1	0.6	0.1	125,043	130,743	120,340	3.9
Nondefense capital goods:										
Unfilled Orders.....	344,240	329,932	311,877	4.3	5.8	1.4	343,578	326,540	257,964	33.2
Total Inventories.....	113,294	113,515	112,687	-0.2	0.7	0.0	109,608	115,216	104,741	4.6
Excluding aircraft:										
Unfilled Orders.....	174,663	173,669	172,911	0.6	0.4	0.6	172,269	171,425	156,951	9.8
Total Inventories.....	94,976	95,437	94,477	-0.5	1.0	-0.1	92,131	96,675	88,483	4.1
Defense capital goods:										
Unfilled Orders.....	132,081	133,335	134,357	-0.9	-0.8	1.4	131,821	129,608	140,480	-6.2
Total Inventories.....	15,579	15,543	15,570	0.2	-0.2	1.4	15,435	15,527	15,599	-1.1

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), end-of-month total inventory (at current cost or market value), and inventories by stage of fabrication (materials and supplies, work-in-process, and finished goods). The M3 includes approximately 4,200 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 62 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 4,200 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 4,200 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>.

2006 Release Dates for M3 Survey

Survey Month	Advance 8:30 A.M.	Preliminary 10:00 A.M.
Nov 2005		January 4, 2006
Dec 2005	January 26, 2006	February 3, 2006
Jan 2006	February 24, 2006	March 6, 2006
Feb 2006	March 24, 2006	March 31, 2006
Mar 2006	April 26, 2006	May 3, 2006
Apr 2006	May 24, 2006	June 2, 2006
May 2006	June 23, 2006	July 5, 2006
Jun 2006	July 27, 2006	August 3, 2006
Jul 2006	August 24, 2006	August 31, 2006
Aug 2006	September 27, 2006	October 4, 2006
Sep 2006	October 26, 2006	November 2, 2006
Oct 2006	November 28, 2006	December 5, 2006
Nov 2006	December 22, 2006	