

U.S. Census Bureau News

U.S. Department of Commerce • Washington, D.C. 20233

FOR IMMEDIATE RELEASE
WEDNESDAY, JULY 27, 2005, AT 8:30 A.M. EDT

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M3-1(05)-06
CB05-107

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

New Orders

New orders for manufactured durable goods in June increased \$2.9 billion or 1.4 percent to \$215.4 billion, the U.S. Census Bureau announced today. This followed a 6.4 percent May increase. Excluding transportation, new orders increased 2.6 percent. Excluding defense, new orders increased 0.9 percent.

Computers and electronic products, up four of the last five months, had the largest increase, \$3.0 billion or 8.6 percent to \$38.2 billion. This was led by communications equipment, which increased \$1.3 billion.

Shipments

Shipments of manufactured durable goods in June, down following three consecutive monthly increases, decreased \$0.2 billion or 0.1 percent to \$207.9 billion. This followed a 0.2 percent May increase.

Machinery, down following two consecutive monthly increases, had the largest decrease, \$0.2 billion or 0.8 percent to \$26.2 billion.

Unfilled Orders

Unfilled orders for manufactured durable goods in June, up for the second consecutive month, increased \$14.6 billion or 2.6 percent to \$579.4 billion. This was at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 2.1 percent May increase.

Transportation equipment, up for the second consecutive month, had the largest increase, \$9.9 billion

or 3.7 percent to \$279.0 billion. This was also at the highest level since the series began.

Inventories

Inventories of manufactured durable goods in June, down two of the last three months, decreased \$0.8 billion or 0.3 percent to \$291.1 billion. This followed a 0.1 percent May increase.

Transportation equipment, down two of the last three months, had the largest decrease, \$0.6 billion or 0.8 percent to \$71.2 billion.

Capital Goods

Nondefense new orders for capital goods in June decreased \$1.5 billion or 1.9 percent to \$80.3 billion. Shipments decreased slightly to \$69.3 billion. Unfilled orders increased \$11.0 billion or 4.2 percent to \$275.1 billion. Inventories decreased \$0.5 billion or 0.4 percent to \$112.9 billion.

Defense new orders for capital goods in June increased \$1.2 billion or 16.9 percent to \$8.5 billion. Shipments increased \$0.1 billion or 1.2 percent to \$8.5 billion. Unfilled orders decreased slightly to \$142.5 billion. Inventories decreased \$0.3 billion or 1.3 percent to \$19.3 billion.

Revised May Data

Revised seasonally adjusted May figures for all manufacturing industries are: new orders, \$396.3 billion (revised from \$394.1 billion); shipments, \$391.8 billion (revised from \$390.8 billion); unfilled orders, \$564.8 billion (revised from \$563.7 billion); and total inventories, \$483.9 billion (revised from \$484.6 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 August 2, 2005, at 10:00 a.m. EDT. The advance report on durable goods for July is scheduled for release on August 24, 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		
	Jun 2005 ²	May 2005 ^r	Apr 2005	May - Jun ²	Apr - May ^r	Mar - Apr	Jun 2005 ²	May 2005 ^r	Jun 2004	2005	2004	Percent Change 05/04
DURABLE GOODS												
Total:												
Shipments.....	207,948	208,098	207,758	-0.1	0.2	1.4	227,515	208,733	215,454	1,244,688	1,171,893	6.2
New Orders ⁴	215,380	212,509	199,799	1.4	6.4	1.5	230,749	210,999	206,622	1,237,044	1,158,704	6.8
Excluding transportation:												
Shipments.....	153,891	153,925	153,373	0.0	0.4	0.8	167,475	152,727	155,883	914,762	836,198	9.4
New Orders ⁴	151,443	147,673	146,419	2.6	0.9	-0.6	162,089	145,777	146,750	891,754	820,639	8.7
Excluding defense:												
Shipments.....	198,036	197,900	197,715	0.1	0.1	1.5	216,606	198,904	205,174	1,186,113	1,113,822	6.5
New Orders ⁴	205,617	203,747	191,813	0.9	6.2	2.1	220,702	204,490	195,843	1,184,161	1,095,852	8.1
Manufacturing with unfilled orders:												
Shipments.....	143,455	143,654	143,559	-0.1	0.1	1.5	156,503	143,728	146,019	858,023	792,764	8.2
New Orders ⁴	158,047	155,282	142,809	1.8	8.7	1.6	167,392	152,929	144,833	893,463	820,833	8.8
Primary metals:												
Shipments.....	14,616	14,678	14,945	-0.4	-1.8	-1.2	15,288	15,205	14,522	92,091	80,036	15.1
New Orders.....	14,346	14,369	14,487	-0.2	-0.8	-3.2	14,787	14,812	14,393	91,038	83,194	9.4
Fabricated metal products:												
Shipments.....	24,220	24,164	24,273	0.2	-0.4	2.1	25,508	24,682	24,035	143,249	132,822	7.9
New Orders.....	24,970	24,724	24,555	1.0	0.7	1.8	25,553	25,583	23,804	148,342	139,873	6.1
Machinery:												
Shipments.....	26,177	26,393	26,375	-0.8	0.1	2.4	28,957	27,131	27,085	161,192	144,988	11.2
New Orders.....	27,490	26,510	26,813	3.7	-1.1	2.4	29,435	26,725	26,486	166,808	150,650	10.7
Computers and electronic products:												
Shipments.....	42,707	42,496	41,837	0.5	1.6	-0.5	48,076	39,111	43,361	246,480	224,332	9.9
New Orders ⁴	38,173	35,137	34,613	8.6	1.5	-5.9	42,713	31,224	35,667	211,883	190,727	11.1
Computers and related products:												
Shipments.....	10,720	10,778	10,867	-0.5	-0.8	6.0	12,258	8,789	9,555	59,807	48,086	24.4
New Orders.....	11,241	10,343	10,969	8.7	-5.7	15.2	12,763	8,859	10,083	59,246	48,217	22.9
Communications equipment:												
Shipments.....	7,505	7,270	6,620	3.2	9.8	-9.3	8,504	7,039	7,768	42,496	40,638	4.6
New Orders.....	8,496	7,181	6,737	18.3	6.6	-19.0	8,867	6,554	6,311	46,891	41,397	13.3
Semiconductors:												
Shipments.....	7,160	7,217	7,209	-0.8	0.1	1.3	7,655	6,935	7,646	43,084	41,258	4.4
New Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:												
Shipments.....	9,352	9,347	9,262	0.1	0.9	2.0	10,149	9,380	9,547	55,030	51,726	6.4
New Orders.....	9,579	9,587	9,275	-0.1	3.4	3.7	10,057	9,647	9,005	56,194	53,011	6.0
Transportation equipment:												
Shipments.....	54,057	54,173	54,385	-0.2	-0.4	3.4	60,040	56,006	59,571	329,926	335,695	-1.7
New Orders.....	63,937	64,836	53,380	-1.4	21.5	7.9	68,660	65,222	59,872	345,290	338,065	2.1
Motor vehicles and parts:												
Shipments.....	37,469	37,436	37,157	0.1	0.8	3.1	40,998	39,231	41,619	231,305	242,250	-4.5
New Orders.....	37,541	37,581	37,343	-0.1	0.6	4.0	40,827	39,128	41,580	231,087	243,389	-5.1
Nondefense aircraft and parts:												
Shipments.....	6,805	6,571	7,218	3.6	-9.0	7.8	8,106	6,678	7,255	39,370	35,148	12.0
New Orders.....	14,274	18,841	7,058	-24.2	166.9	23.6	15,473	18,754	7,153	57,645	34,178	68.7
Defense aircraft and parts:												
Shipments.....	3,509	3,827	3,767	-8.3	1.6	-0.8	4,145	3,462	4,061	21,552	22,423	-3.9
New Orders.....	2,630	2,850	2,598	-7.7	9.7	20.7	3,038	2,193	5,258	16,791	20,700	-18.9
All other durable goods:												
Shipments.....	36,819	36,847	36,681	-0.1	0.5	0.7	39,497	37,218	37,333	216,720	202,294	7.1
New Orders.....	36,885	37,346	36,676	-1.2	1.8	0.9	39,544	37,786	37,395	217,489	203,184	7.0
Capital goods:³												
Shipments.....	77,801	77,714	77,298	0.1	0.5	2.1	87,009	75,526	79,103	458,070	419,177	9.3
New Orders.....	88,800	89,106	76,955	-0.3	15.8	1.8	95,868	84,654	79,527	486,895	433,400	12.3
Nondefense capital goods:												
Shipments.....	69,304	69,315	69,083	0.0	0.3	2.3	77,952	67,312	70,693	409,417	369,609	10.8
New Orders.....	80,335	81,867	70,497	-1.9	16.1	4.0	87,395	79,369	70,269	442,385	378,425	16.9
Excluding aircraft:												
Shipments.....	66,119	66,406	65,591	-0.4	1.2	1.5	73,919	64,236	67,845	392,171	354,749	10.5
New Orders.....	68,912	66,378	66,795	3.8	-0.6	1.7	75,226	63,907	66,784	405,075	364,544	11.1
Defense capital goods:												
Shipments.....	8,497	8,399	8,215	1.2	2.2	0.3	9,057	8,214	8,410	48,653	49,568	-1.8
New Orders.....	8,465	7,239	6,458	16.9	12.1	-17.1	8,473	5,285	9,258	44,510	54,975	-19.0

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: M3-1(02), "Manufacturers' Shipments, Inventories, and Orders: 1992-2002."

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; all 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
	Jun 2005 ²	May 2005 ^r	Apr 2005	May - Jun ²	Apr - May ^r	Mar - Apr	Jun 2005 ²	May 2005 ^r	Jun 2004	
DURABLE GOODS										
Total:										
Unfilled Orders ⁴	579,410	564,818	553,190	2.6	2.1	-0.1	582,284	571,395	530,485	9.8
Total Inventories.....	291,102	291,932	291,727	-0.3	0.1	0.0	289,806	294,945	270,653	7.1
Excluding transportation:										
Unfilled Orders ⁴	300,427	295,715	294,750	1.6	0.3	0.1	303,121	300,852	276,834	9.5
Total Inventories.....	219,856	220,132	219,963	-0.1	0.1	0.2	218,952	222,472	202,622	8.1
Excluding defense:										
Unfilled Orders ⁴	421,708	406,967	393,903	3.6	3.3	0.3	423,132	411,381	367,747	15.1
Total Inventories.....	266,071	266,821	266,708	-0.3	0.0	0.0	264,562	269,764	246,248	7.4
Manufacturing with unfilled orders:										
Unfilled Orders ⁴	579,410	564,818	553,190	2.6	2.1	-0.1	582,284	571,395	530,485	9.8
Total Inventories.....	227,349	228,914	228,775	-0.7	0.1	-0.1	226,488	231,084	211,005	7.3
Primary metals:										
Unfilled Orders.....	17,627	17,897	18,206	-1.5	-1.7	-2.5	17,812	18,313	19,160	-7.0
Total Inventories.....	23,401	23,646	23,530	-1.0	0.5	0.5	23,208	23,548	18,746	23.8
Fabricated metal products:										
Unfilled Orders.....	48,950	48,200	47,640	1.6	1.2	0.6	49,711	49,666	45,072	10.3
Total Inventories.....	36,761	36,965	37,220	-0.6	-0.7	0.3	36,739	37,367	32,862	11.8
Machinery:										
Unfilled Orders.....	55,534	54,221	54,104	2.4	0.2	0.8	56,017	55,539	48,544	15.4
Total Inventories.....	48,000	48,108	47,714	-0.2	0.8	0.7	47,682	48,519	43,494	9.6
Computers and electronic products:										
Unfilled Orders ⁴	148,072	145,446	145,588	1.8	-0.1	0.0	149,373	147,081	136,809	9.2
Total Inventories.....	48,698	48,634	48,663	0.1	-0.1	-0.9	48,200	49,294	47,777	0.9
Computers and related products:										
Unfilled Orders.....	8,455	7,934	8,369	6.6	-5.2	1.2	8,714	8,209	8,936	-2.5
Total Inventories.....	6,660	6,639	6,695	0.3	-0.8	0.6	6,560	6,904	5,996	9.4
Communications equipment:										
Unfilled Orders.....	57,888	56,897	56,986	1.7	-0.2	0.2	58,387	58,024	50,528	15.6
Total Inventories.....	10,088	10,172	10,163	-0.8	0.1	-2.9	9,805	10,324	10,377	-5.5
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.....	16,123	15,896	15,656	1.4	1.5	0.1	16,016	16,108	14,700	9.0
Total Inventories.....	13,370	13,401	13,406	-0.2	0.0	0.7	13,413	13,819	12,681	5.8
Transportation equipment:										
Unfilled Orders.....	278,983	269,103	258,440	3.7	4.1	-0.4	279,163	270,543	253,651	10.1
Total Inventories.....	71,246	71,800	71,764	-0.8	0.1	-0.6	70,854	72,473	68,031	4.1
Motor vehicles and parts:										
Unfilled Orders.....	14,693	14,621	14,476	0.5	1.0	1.3	14,447	14,618	14,759	-2.1
Total Inventories.....	22,793	22,848	22,839	-0.2	0.0	0.5	22,635	23,031	21,395	5.8
Nondefense Aircraft and parts:										
Unfilled Orders.....	135,918	128,449	116,179	5.8	10.6	-0.1	135,413	128,046	104,101	30.1
Total Inventories.....	23,189	23,859	23,747	-2.8	0.5	-2.6	22,813	24,282	23,158	-1.5
Defense Aircraft and parts:										
Unfilled Orders.....	47,225	48,104	49,081	-1.8	-2.0	-2.3	47,912	49,019	59,047	-18.9
Total Inventories.....	12,875	12,843	12,733	0.2	0.9	0.0	13,050	12,801	11,763	10.9
All other durable goods:										
Unfilled Orders.....	14,121	14,055	13,556	0.5	3.7	0.0	14,192	14,145	12,549	13.1
Total Inventories.....	49,626	49,378	49,430	0.5	-0.1	0.5	49,710	49,925	47,062	5.6
Capital goods:³										
Unfilled Orders.....	417,548	406,549	395,157	2.7	2.9	-0.1	419,740	410,881	372,020	12.8
Total Inventories.....	132,154	132,872	132,417	-0.5	0.3	-0.5	131,225	134,282	126,215	4.0
Nondefense capital goods:										
Unfilled Orders.....	275,060	264,029	251,477	4.2	5.0	0.6	276,006	266,563	228,363	20.9
Total Inventories.....	112,890	113,353	112,916	-0.4	0.4	-0.5	111,854	114,689	106,384	5.1
Excluding aircraft:										
Unfilled Orders.....	161,762	158,969	158,997	1.8	0.0	0.8	163,213	161,906	149,079	9.5
Total Inventories.....	96,317	96,315	96,110	0.0	0.2	0.2	95,624	97,505	89,852	6.4
Defense capital goods:										
Unfilled Orders.....	142,488	142,520	143,680	0.0	-0.8	-1.2	143,734	144,318	143,657	0.1
Total Inventories.....	19,264	19,519	19,501	-1.3	0.1	-0.5	19,371	19,593	19,831	-2.3

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 4,000 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 4,000 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 4,000 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/>.

NOTICE

Revised historical data for Manufacturers' Shipments, Inventories, and Orders will be issued on August 19, 2005. These revisions reflect:

- benchmarking the shipments and inventory data to the 2002 Economic Census and 2003 Annual Survey of Manufactures (ASM) data;
- adjusting new orders and order backlog to be consistent with the benchmarked shipments and inventory data;
- correcting monthly data for late receipts, reclassifications of reported data, and revisions to previously reported data; and
- updating the seasonal adjustment factors for all series.

For revised historical data go to <http://www.census.gov/m3/hist/naicshist.htm>. An accompanying press release will include the revised 2005 January through June data. Please call Chris Savage on (301)763-4832 with questions.