

U.S. Census Bureau News

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

FOR IMMEDIATE RELEASE
FRIDAY, JUNE 24, 2005, AT 8:30 A.M. EDT

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M3-1(05)-05
CB05-90

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

New Orders

New orders for manufactured durable goods in May increased \$11.0 billion or 5.5 percent to \$210.7 billion, the U.S. Census Bureau announced today. This followed a 1.4 percent April increase. Excluding transportation, new orders decreased 0.2 percent. Excluding defense, new orders increased 5.3 percent.

Transportation equipment, up for the second consecutive month, had the largest increase, \$11.3 billion or 21.2 percent to \$64.7 billion. This was led by nondefense aircraft and parts, which increased \$11.6 billion.

Shipments

Shipments of manufactured durable goods in May, down following two consecutive monthly increases, decreased \$0.4 billion or 0.2 percent to \$207.2 billion. This followed a 1.4 percent April increase.

Transportation equipment, down following two consecutive monthly increases, had the largest decrease, \$0.5 billion or 1.0 percent to \$53.8 billion.

Unfilled Orders

Unfilled orders for manufactured durable goods in May, up following two consecutive monthly decreases, increased \$10.8 billion or 1.9 percent to \$564.0 billion. This was at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 0.1 percent April decrease.

Transportation equipment, up following two consecutive monthly decreases, had the largest increase, \$10.9 billion or 4.2 percent to \$269.3 billion.

Inventories

Inventories of manufactured durable goods in May, up eighteen consecutive months, increased \$0.8 billion or 0.3 percent to \$292.6 billion. This followed a slight April increase.

Machinery, up eighteen consecutive months, had the largest increase, \$0.4 billion or 0.7 percent to \$48.1 billion. This followed a 0.7 percent April increase.

Capital Goods

Nondefense new orders for capital goods in May increased \$10.2 billion or 14.5 percent to \$80.7 billion. Shipments decreased \$0.5 billion or 0.7 percent to \$68.6 billion. Unfilled orders increased \$12.2 billion or 4.8 percent to \$263.7 billion. Inventories increased \$0.7 billion or 0.6 percent to \$113.6 billion.

Defense new orders for capital goods in May increased \$0.9 billion or 13.8 percent to \$7.4 billion. Shipments increased \$0.2 billion or 2.5 percent to \$8.4 billion. Unfilled orders decreased \$1.1 billion or 0.7 percent to \$142.6 billion. Inventories increased 0.1 percent to \$19.5 billion.

Revised April Data

Revised seasonally adjusted April figures for all manufacturing industries are: new orders, \$382.7 billion (revised from \$383.6 billion); shipments, \$390.7 billion (revised from \$390.9 billion); unfilled orders, \$553.2 billion (revised from \$554.0 billion); and total inventories, \$484.9 billion (revised from \$485.2 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 July 5, 2005, at 10:00 a.m. EDT. The advance report on durable goods for June is scheduled for release on July 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		
	May 2005 ²	Apr 2005 ^r	Mar 2005	Apr - May ²	Mar - Apr ^r	Feb - Mar	May 2005 ²	Apr 2005 ^r	May 2004	2005	2004	Percent Change 05/04
DURABLE GOODS												
Total:												
Shipments.....	207,240	207,672	204,816	-0.2	1.4	0.3	207,787	204,947	194,617	1,016,172	956,439	6.2
New Orders ⁴	210,690	199,683	196,831	5.5	1.4	-1.5	209,367	198,052	189,432	1,004,555	952,082	5.5
Excluding transportation:												
Shipments.....	153,416	153,304	152,198	0.1	0.7	0.3	152,294	150,494	139,619	746,827	680,315	9.8
New Orders ⁴	145,997	146,319	147,343	-0.2	-0.7	0.1	144,678	145,887	136,430	728,481	673,889	8.1
Excluding defense:												
Shipments.....	197,051	197,627	194,865	-0.3	1.4	0.3	197,962	195,348	184,891	968,510	908,648	6.6
New Orders ⁴	201,849	191,697	187,917	5.3	2.0	-1.9	202,908	190,670	182,623	961,769	900,009	6.9
Manufacturing with unfilled orders:												
Shipments.....	142,795	143,534	141,485	-0.5	1.4	0.7	142,855	141,702	132,250	700,675	646,745	8.3
New Orders ⁴	153,581	142,767	140,618	7.6	1.5	-1.9	151,505	141,512	133,986	724,622	676,000	7.2
Primary metals:												
Shipments.....	14,686	14,940	15,121	-1.7	-1.2	0.0	15,218	15,440	13,659	76,816	65,514	17.3
New Orders.....	14,483	14,483	14,973	0.0	-3.3	0.5	14,887	14,724	14,093	76,325	68,801	10.9
Fabricated metal products:												
Shipments.....	24,204	24,286	23,777	-0.3	2.1	1.3	24,698	24,086	22,910	117,769	108,787	8.3
New Orders.....	24,447	24,509	24,122	-0.3	1.6	0.9	25,296	24,610	23,557	122,481	116,069	5.5
Machinery:												
Shipments.....	26,121	26,350	25,746	-0.9	2.3	-2.3	26,750	27,719	24,141	131,869	117,903	11.8
New Orders.....	26,339	26,860	26,185	-1.9	2.6	-5.0	26,713	28,992	24,915	137,375	124,164	10.6
Computers and electronic products:												
Shipments.....	42,261	41,827	42,034	1.0	-0.5	1.6	39,150	37,866	35,552	198,432	180,971	9.6
New Orders ⁴	34,156	34,577	36,781	-1.2	-6.0	4.7	30,788	31,984	29,787	168,723	155,060	8.8
Computers and related products:												
Shipments.....	10,595	10,860	10,255	-2.4	5.9	2.3	8,642	10,019	6,705	47,402	38,531	23.0
New Orders.....	10,191	10,962	9,521	-7.0	15.1	-5.4	8,712	10,146	7,728	46,336	38,134	21.5
Communications equipment:												
Shipments.....	7,092	6,622	7,296	7.1	-9.2	2.1	7,107	5,832	6,815	34,060	32,870	3.6
New Orders.....	6,692	6,728	8,322	-0.5	-19.2	10.5	6,446	6,895	6,333	37,916	35,086	8.1
Semiconductors:												
Shipments.....	7,336	7,222	7,118	1.6	1.5	-2.2	7,070	6,705	6,921	35,564	33,612	5.8
New Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:												
Shipments.....	9,356	9,261	9,076	1.0	2.0	-1.7	9,405	9,044	8,793	44,906	42,179	6.5
New Orders.....	9,306	9,274	8,945	0.3	3.7	-3.9	9,342	9,138	8,993	45,832	44,006	4.1
Transportation equipment:												
Shipments.....	53,824	54,368	52,618	-1.0	3.3	0.3	55,493	54,453	54,998	269,345	276,124	-2.5
New Orders.....	64,693	53,364	49,488	21.2	7.8	-5.8	64,689	52,165	53,002	276,074	278,193	-0.8
Motor vehicles and parts:												
Shipments.....	37,293	37,137	36,031	0.4	3.1	-2.7	39,117	38,157	38,918	190,163	200,631	-5.2
New Orders.....	37,404	37,326	35,911	0.2	3.9	-3.1	38,983	38,104	38,998	190,090	201,809	-5.8
Nondefense aircraft and parts:												
Shipments.....	6,390	7,220	6,694	-11.5	7.9	20.6	6,315	6,601	6,342	30,901	27,893	10.8
New Orders.....	18,698	7,060	5,710	164.8	23.6	-18.4	18,403	5,479	6,357	41,821	27,025	54.7
Defense aircraft and parts:												
Shipments.....	3,797	3,768	3,798	0.8	-0.8	4.5	3,416	3,513	3,523	17,361	18,362	-5.5
New Orders.....	3,038	2,597	2,153	17.0	20.6	-21.3	2,147	2,552	2,248	13,707	15,442	-11.2
All other durable goods:												
Shipments.....	36,788	36,640	36,444	0.4	0.5	0.7	37,073	36,339	34,564	177,035	164,961	7.3
New Orders.....	37,266	36,616	36,337	1.8	0.8	-0.2	37,652	36,439	35,085	177,745	165,789	7.2
Capital goods:³												
Shipments.....	76,987	77,249	75,687	-0.3	2.1	0.9	74,954	74,571	68,248	370,494	340,074	8.9
New Orders.....	88,093	76,968	75,574	14.5	1.8	-2.1	84,085	74,806	67,265	390,454	353,873	10.3
Nondefense capital goods:												
Shipments.....	68,562	69,032	67,498	-0.7	2.3	1.1	66,679	66,616	59,846	330,837	298,916	10.7
New Orders.....	80,734	70,503	67,781	14.5	4.0	-3.2	78,759	68,944	61,719	354,376	308,156	15.0
Excluding aircraft:												
Shipments.....	65,691	65,538	64,643	0.2	1.4	-0.1	63,612	63,590	56,997	317,633	286,904	10.7
New Orders.....	65,246	66,799	65,682	-2.3	1.7	-1.6	63,295	66,670	58,664	329,233	297,760	10.6
Defense capital goods:												
Shipments.....	8,425	8,217	8,189	2.5	0.3	-1.0	8,275	7,955	8,402	39,657	41,158	-3.6
New Orders.....	7,359	6,465	7,793	13.8	-17.0	8.3	5,326	5,862	5,546	36,078	45,717	-21.1

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: M3-1(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
	May 2005 ²	Apr 2005 ^r	Mar 2005	Apr - May ²	Mar - Apr ^r	Feb - Mar	May 2005 ²	Apr 2005 ^r	May 2004	
DURABLE GOODS										
Total:										
Unfilled Orders ⁴	563,959	553,173	553,940	1.9	-0.1	-0.2	570,791	562,141	531,671	7.4
Total Inventories.....	292,630	291,829	291,755	0.3	0.0	0.6	295,358	293,661	272,027	8.6
Excluding transportation:										
Unfilled Orders ⁴	294,649	294,732	294,495	0.0	0.1	0.8	300,263	300,809	278,321	7.9
Total Inventories.....	220,673	220,043	219,550	0.3	0.2	0.5	222,888	221,518	203,431	9.6
Excluding defense:										
Unfilled Orders ⁴	406,022	393,888	392,596	3.1	0.3	0.0	410,823	398,807	369,432	11.2
Total Inventories.....	267,521	266,807	266,694	0.3	0.0	0.6	270,217	268,645	247,660	9.1
Manufacturing with unfilled orders:										
Unfilled Orders ⁴	563,959	553,173	553,940	1.9	-0.1	-0.2	570,791	562,141	531,671	7.4
Total Inventories.....	229,618	228,859	228,956	0.3	0.0	0.7	231,426	229,970	211,737	9.3
Primary metals:										
Unfilled Orders.....	18,004	18,207	18,664	-1.1	-2.4	-0.8	18,374	18,705	19,289	-4.7
Total Inventories.....	23,594	23,539	23,410	0.2	0.6	2.2	23,492	23,522	18,452	27.3
Fabricated metal products:										
Unfilled Orders.....	47,824	47,581	47,358	0.5	0.5	0.7	49,330	48,732	45,303	8.9
Total Inventories.....	37,224	37,221	37,111	0.0	0.3	1.2	37,495	37,568	32,739	14.5
Machinery:										
Unfilled Orders.....	54,394	54,176	53,666	0.4	1.0	0.8	55,907	55,944	49,143	13.8
Total Inventories.....	48,079	47,722	47,393	0.7	0.7	0.5	48,441	48,056	43,567	11.2
Computers and electronic products:										
Unfilled Orders ⁴	144,806	145,575	145,603	-0.5	0.0	1.3	146,741	148,033	136,857	7.2
Total Inventories.....	49,036	48,731	49,111	0.6	-0.8	-0.8	49,664	48,671	48,411	2.6
Computers and related products:										
Unfilled Orders.....	7,965	8,369	8,267	-4.8	1.2	-8.2	8,209	8,139	8,408	-2.4
Total Inventories.....	6,700	6,695	6,653	0.1	0.6	1.0	6,891	6,548	6,151	12.0
Communications equipment:										
Unfilled Orders.....	56,575	56,975	56,869	-0.7	0.2	1.8	57,848	58,509	51,985	11.3
Total Inventories.....	10,111	10,158	10,462	-0.5	-2.9	-3.1	10,269	10,154	10,965	-6.3
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.....	15,606	15,656	15,643	-0.3	0.1	-0.8	15,778	15,841	15,242	3.5
Total Inventories.....	13,362	13,406	13,318	-0.3	0.7	1.1	13,787	13,801	12,912	6.8
Transportation equipment:										
Unfilled Orders.....	269,310	258,441	259,445	4.2	-0.4	-1.2	270,528	261,332	253,350	6.8
Total Inventories.....	71,957	71,786	72,205	0.2	-0.6	1.0	72,470	72,143	68,596	5.6
Motor vehicles and parts:										
Unfilled Orders.....	14,590	14,479	14,290	0.8	1.3	-0.8	14,592	14,726	14,798	-1.4
Total Inventories.....	22,850	22,857	22,733	0.0	0.5	1.6	23,043	23,163	21,314	8.1
Nondefense Aircraft and parts:										
Unfilled Orders.....	128,487	116,179	116,339	10.6	-0.1	-0.8	128,058	115,970	104,203	22.9
Total Inventories.....	23,995	23,747	24,379	1.0	-2.6	-0.2	24,282	23,757	23,721	2.4
Defense Aircraft and parts:										
Unfilled Orders.....	48,320	49,079	50,250	-1.5	-2.3	-3.2	49,019	50,288	57,850	-15.3
Total Inventories.....	12,891	12,736	12,730	1.2	0.0	3.4	12,817	12,655	11,460	11.8
All other durable goods:										
Unfilled Orders.....	14,015	13,537	13,561	3.5	-0.2	-0.8	14,133	13,554	12,487	13.2
Total Inventories.....	49,378	49,424	49,207	-0.1	0.4	0.2	50,009	49,900	47,350	5.6
Capital goods:³										
Unfilled Orders.....	406,325	395,219	395,500	2.8	-0.1	0.0	410,875	401,744	371,596	10.6
Total Inventories.....	133,104	132,429	133,068	0.5	-0.5	0.0	134,249	132,694	127,395	5.4
Nondefense capital goods:										
Unfilled Orders.....	263,706	251,534	250,063	4.8	0.6	0.1	266,577	254,497	228,787	16.5
Total Inventories.....	113,581	112,927	113,467	0.6	-0.5	0.3	114,709	113,222	107,638	6.6
Excluding aircraft:										
Unfilled Orders.....	158,609	159,054	157,793	-0.3	0.8	0.7	161,909	162,226	150,140	7.8
Total Inventories.....	96,437	96,121	95,944	0.3	0.2	0.2	97,525	96,483	90,718	7.5
Defense capital goods:										
Unfilled Orders.....	142,619	143,685	145,437	-0.7	-1.2	-0.3	144,298	147,247	142,809	1.0
Total Inventories.....	19,523	19,502	19,601	0.1	-0.5	-1.8	19,540	19,472	19,757	-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), 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.