

U.S. Census Bureau News

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

FOR IMMEDIATE RELEASE
TUESDAY, NOVEMBER 29, 2005, AT 8:30 A.M. EST

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M3-1(05)-10
CB05-169

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

New Orders

New orders for manufactured durable goods in October increased \$7.1 billion or 3.4 percent to \$214.4 billion, the U.S. Census Bureau announced today. This followed a 2.0 percent September decrease. Excluding transportation, new orders increased 0.3 percent. Excluding defense, new orders increased 1.7 percent.

Transportation equipment, up two of the last three months, had the largest increase, \$6.6 billion or 11.4 percent to \$65.1 billion. This was led by defense aircraft and parts, which increased \$4.1 billion.

Shipments

Shipments of manufactured durable goods in October, up two of the last three months, increased \$2.9 billion or 1.4 percent to \$212.7 billion. This was at the highest level since the series was first stated on a NAICS basis in 1992 and followed a slight September decrease.

Transportation equipment, up two of the last three months, had the largest increase, \$1.1 billion or 2.0 percent to \$59.3 billion.

Unfilled Orders

Unfilled orders for manufactured durable goods in October, up six consecutive months, increased \$8.8 billion or 1.5 percent to \$603.5 billion. This was at the highest level since the series began and followed a 0.8 percent September increase.

Transportation equipment, up six consecutive months, had the largest increase, \$5.8 billion or 2.0 percent to \$299.8 billion.

Inventories

Inventories of manufactured durable goods in October, up three of the last four months, increased \$1.1 billion or 0.4 percent to \$283.3 billion. This followed a 0.1 percent September increase.

Transportation equipment, up three of the last four months, had the largest increase, \$0.9 billion or 1.4 percent to \$66.9 billion.

Capital Goods

Nondefense new orders for capital goods in October increased \$4.5 billion or 6.7 percent to \$71.9 billion. Shipments increased \$2.8 billion or 4.4 percent to \$67.3 billion. Unfilled orders increased \$4.6 billion or 1.5 percent to \$312.2 billion. Inventories decreased \$0.2 billion or 0.2 percent to \$112.5 billion.

Defense new orders for capital goods in October increased \$3.5 billion or 52.8 percent to \$10.1 billion. Shipments decreased \$0.2 billion or 2.7 percent to \$7.8 billion. Unfilled orders increased \$2.3 billion or 1.7 percent to \$134.7 billion. Inventories increased \$0.2 billion or 1.4 percent to \$15.6 billion.

Revised September Data

Revised seasonally adjusted September figures for all manufacturing industries are: new orders, \$390.8 billion (revised from \$390.0 billion); shipments, \$393.3 billion (revised from \$393.0 billion); unfilled orders, \$594.8 billion (revised from \$594.1 billion); and total inventories, \$463.3 billion (revised from \$462.7 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 December 6, 2005, at 10:00 a.m. EST. The advance report on durable goods for November is scheduled for release on December 23, 2005, 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		
	Oct 2005 ²	Sep 2005 ^r	Aug 2005	Sep - Oct ²	Aug - Sep ^r	Jul - Aug	Oct 2005 ²	Sep 2005 ^r	Oct 2004	2005	2004	Percent Change 05/04
DURABLE GOODS												
Total:												
Shipments.....	212,697	209,748	209,844	1.4	0.0	2.4	216,438	226,367	203,080	2,072,242	1,955,164	6.0
New Orders ⁴	214,393	207,286	211,602	3.4	-2.0	3.9	216,515	219,074	194,887	2,050,938	1,915,833	7.1
Excluding transportation:												
Shipments.....	153,440	151,631	151,008	1.2	0.4	1.9	154,437	162,792	143,747	1,496,637	1,378,838	8.5
New Orders ⁴	149,334	148,869	149,199	0.3	-0.2	5.1	149,915	157,111	137,742	1,449,883	1,337,320	8.4
Excluding defense:												
Shipments.....	203,436	200,294	200,343	1.6	0.0	2.3	207,435	216,088	194,148	1,980,643	1,864,117	6.3
New Orders ⁴	202,862	199,384	203,378	1.7	-2.0	4.2	205,802	211,271	184,207	1,971,453	1,824,304	8.1
Manufacturing with unfilled orders:												
Shipments.....	145,207	141,878	143,159	2.3	-0.9	3.0	146,081	152,303	135,812	1,408,000	1,308,929	7.6
New Orders ⁴	153,962	146,659	152,384	5.0	-3.8	5.1	153,243	153,002	134,742	1,457,204	1,336,512	9.0
Primary metals:												
Shipments.....	16,159	15,868	15,470	1.8	2.6	3.4	16,362	16,188	15,394	158,216	144,070	9.8
New Orders.....	17,089	17,232	16,637	-0.8	3.6	11.4	16,607	17,226	14,039	159,093	146,912	8.3
Fabricated metal products:												
Shipments.....	24,340	24,182	23,988	0.7	0.8	2.3	25,311	25,366	23,851	241,275	227,282	6.2
New Orders.....	25,017	25,146	24,934	-0.5	0.9	6.1	25,567	25,719	24,417	246,646	233,483	5.6
Machinery:												
Shipments.....	26,934	26,624	26,381	1.2	0.9	2.4	26,896	27,681	24,773	262,595	239,448	9.7
New Orders.....	27,807	27,233	27,179	2.1	0.2	3.9	27,953	27,584	25,392	269,260	244,897	9.9
Computers and electronic products:												
Shipments.....	37,417	37,074	37,751	0.9	-1.8	3.1	36,014	42,504	34,299	362,095	328,298	10.3
New Orders ⁴	30,321	30,719	31,963	-1.3	-3.9	6.6	29,133	35,206	28,060	298,533	268,982	11.0
Computers and related products:												
Shipments.....	8,411	7,936	8,417	6.0	-5.7	4.0	8,436	9,422	8,017	81,140	64,620	25.6
New Orders.....	8,042	8,178	8,760	-1.7	-6.6	13.5	8,067	9,664	7,494	80,597	64,045	25.8
Communications equipment:												
Shipments.....	5,910	5,902	5,869	0.1	0.6	3.2	5,437	6,691	5,083	55,261	52,302	5.7
New Orders.....	6,064	5,700	6,316	6.4	-9.8	1.6	5,965	6,715	7,207	58,215	54,967	5.9
Semiconductors:												
Shipments.....	7,059	7,243	7,467	-2.5	-3.0	2.9	7,085	7,992	7,123	70,508	66,914	5.4
New Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:												
Shipments.....	9,963	9,740	9,796	2.3	-0.6	2.6	9,958	10,820	8,958	94,996	88,532	7.3
New Orders.....	9,991	10,352	10,377	-3.5	-0.2	7.6	10,201	11,154	8,954	97,756	90,344	8.2
Transportation equipment:												
Shipments.....	59,257	58,117	58,836	2.0	-1.2	3.4	62,001	63,575	59,333	575,605	576,326	-0.1
New Orders.....	65,059	58,417	62,403	11.4	-6.4	1.1	66,600	61,963	57,145	601,055	578,513	3.9
Motor vehicles and parts:												
Shipments.....	42,816	43,348	42,502	-1.2	2.0	2.7	46,338	47,312	44,961	420,833	429,189	-1.9
New Orders.....	43,047	44,014	42,559	-2.2	3.4	2.0	46,357	47,553	44,167	421,477	429,711	-1.9
Nondefense aircraft and parts:												
Shipments.....	7,456	5,427	7,002	37.4	-22.5	6.2	6,903	5,772	5,572	63,566	56,941	11.6
New Orders.....	11,005	7,315	12,514	50.4	-41.5	5.4	9,874	7,315	4,344	98,665	61,711	59.9
Defense aircraft and parts:												
Shipments.....	3,483	3,766	3,824	-7.5	-1.5	14.0	3,393	4,267	3,493	36,096	37,758	-4.4
New Orders.....	6,999	2,912	2,993	140.4	-2.7	13.2	6,467	2,814	2,813	29,801	30,011	-0.7
All other durable goods:												
Shipments.....	38,627	38,143	37,622	1.3	1.4	-0.4	39,896	40,233	36,472	377,460	351,208	7.5
New Orders.....	39,109	38,187	38,109	2.4	0.2	0.9	40,454	40,222	36,880	378,595	352,702	7.3
Capital goods:³												
Shipments.....	75,096	72,469	74,368	3.6	-2.6	3.8	73,565	79,388	67,723	720,934	659,456	9.3
New Orders.....	81,944	73,974	80,621	10.8	-8.2	3.3	80,363	78,873	69,082	761,746	677,528	12.4
Nondefense capital goods:												
Shipments.....	67,269	64,426	66,437	4.4	-3.0	3.7	65,933	70,783	59,933	643,450	580,307	10.9
New Orders.....	71,850	67,366	73,722	6.7	-8.6	4.0	70,880	72,483	59,050	693,939	595,650	16.5
Excluding aircraft:												
Shipments.....	62,657	61,501	61,924	1.9	-0.7	2.3	61,830	67,805	57,362	609,234	552,538	10.3
New Orders.....	63,799	62,963	64,054	1.3	-1.7	3.9	63,789	68,078	57,482	623,169	562,561	10.8
Defense capital goods:												
Shipments.....	7,827	8,043	7,931	-2.7	1.4	4.7	7,632	8,605	7,790	77,484	79,149	-2.1
New Orders.....	10,094	6,608	6,899	52.8	-4.2	-3.6	9,483	6,390	10,032	67,807	81,878	-17.2

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
	Oct 2005 ²	Sep 2005 ^r	Aug 2005	Sep - Oct ²	Aug - Sep ^r	Jul - Aug	Oct 2005 ²	Sep 2005 ^r	Oct 2004	
DURABLE GOODS										
Total:										
Unfilled Orders ⁴	603,514	594,759	589,978	1.5	0.8	1.6	592,770	585,608	529,144	12.0
Total Inventories.....	283,313	282,247	282,007	0.4	0.1	-0.3	284,029	281,065	271,387	4.7
Excluding transportation:										
Unfilled Orders ⁴	303,764	300,811	296,330	1.0	1.5	1.9	298,707	296,144	272,282	9.7
Total Inventories.....	216,398	216,277	216,284	0.1	0.0	-0.1	216,382	214,923	207,713	4.2
Excluding defense:										
Unfilled Orders ⁴	457,240	450,755	444,422	1.4	1.4	2.4	450,775	445,323	377,929	19.3
Total Inventories.....	263,888	263,064	263,147	0.3	0.0	-0.2	264,556	261,781	252,929	4.6
Manufacturing with unfilled orders:										
Unfilled Orders ⁴	603,514	594,759	589,978	1.5	0.8	1.6	592,770	585,608	529,144	12.0
Total Inventories.....	219,284	218,751	218,034	0.2	0.3	-0.5	219,870	217,885	210,530	4.4
Primary metals:										
Unfilled Orders.....	22,412	21,482	20,118	4.3	6.8	6.2	21,363	21,118	20,274	5.4
Total Inventories.....	23,917	23,959	24,160	-0.2	-0.8	-0.9	23,743	23,741	21,960	8.1
Fabricated metal products:										
Unfilled Orders.....	47,940	47,263	46,299	1.4	2.1	2.1	47,181	46,925	41,862	12.7
Total Inventories.....	36,641	36,614	36,736	0.1	-0.3	-0.8	36,296	36,279	34,924	3.9
Machinery:										
Unfilled Orders.....	83,085	82,212	81,603	1.1	0.7	1.0	81,265	80,208	73,581	10.4
Total Inventories.....	47,379	47,615	47,560	-0.5	0.1	0.5	47,344	47,359	43,737	8.2
Computers and electronic products:										
Unfilled Orders ⁴	117,246	117,283	116,395	0.0	0.8	1.5	115,697	115,493	107,211	7.9
Total Inventories.....	45,197	44,917	44,781	0.6	0.3	-0.1	45,848	44,749	46,193	-0.7
Computers and related products:										
Unfilled Orders.....	5,874	6,243	6,001	-5.9	4.0	6.1	5,874	6,243	5,707	2.9
Total Inventories.....	5,269	5,430	5,410	-3.0	0.4	2.3	5,386	5,409	5,235	2.9
Communications equipment:										
Unfilled Orders.....	38,646	38,492	38,694	0.4	-0.5	1.2	38,179	37,651	35,424	7.8
Total Inventories.....	10,036	9,732	9,951	3.1	-2.2	0.0	10,217	9,669	11,011	-7.2
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.....	18,160	18,132	17,520	0.2	3.5	3.4	18,171	17,928	15,763	15.3
Total Inventories.....	12,870	12,818	12,680	0.4	1.1	0.0	12,721	12,519	12,210	4.2
Transportation equipment:										
Unfilled Orders.....	299,750	293,948	293,648	2.0	0.1	1.2	294,063	289,464	256,862	14.5
Total Inventories.....	66,915	65,970	65,723	1.4	0.4	-0.8	67,647	66,142	63,674	6.2
Motor vehicles and parts:										
Unfilled Orders.....	16,633	16,402	15,736	1.4	4.2	0.4	15,914	15,895	14,838	7.3
Total Inventories.....	24,592	24,077	24,480	2.1	-1.6	0.5	24,678	24,163	23,589	4.6
Nondefense Aircraft and parts:										
Unfilled Orders.....	159,401	155,852	153,964	2.3	1.2	3.7	157,685	154,714	114,169	38.1
Total Inventories.....	22,474	22,237	21,843	1.1	1.8	-2.2	22,976	22,271	22,001	4.4
Defense Aircraft and parts:										
Unfilled Orders.....	50,619	47,103	47,957	7.5	-1.8	-1.7	49,102	46,028	56,116	-12.5
Total Inventories.....	11,818	11,535	11,299	2.5	2.1	-2.4	11,908	11,603	10,603	12.3
All other durable goods:										
Unfilled Orders.....	14,921	14,439	14,395	3.3	0.3	3.5	15,030	14,472	13,591	10.6
Total Inventories.....	50,394	50,354	50,367	0.1	0.0	0.2	50,430	50,276	48,689	3.6
Capital goods:³										
Unfilled Orders.....	446,834	439,986	438,481	1.6	0.3	1.4	439,256	432,458	385,600	13.9
Total Inventories.....	128,061	128,017	127,137	0.0	0.7	0.2	128,845	127,568	122,543	5.1
Nondefense capital goods:										
Unfilled Orders.....	312,176	307,595	304,655	1.5	1.0	2.4	308,453	303,506	247,973	24.4
Total Inventories.....	112,480	112,657	112,078	-0.2	0.5	0.5	113,306	112,175	107,380	5.5
Excluding aircraft:										
Unfilled Orders.....	173,168	172,026	170,564	0.7	0.9	1.3	170,886	168,927	155,181	10.1
Total Inventories.....	94,236	94,496	94,322	-0.3	0.2	0.4	94,625	93,920	89,859	5.3
Defense capital goods:										
Unfilled Orders.....	134,658	132,391	133,826	1.7	-1.1	-0.8	130,803	128,952	137,627	-5.0
Total Inventories.....	15,581	15,360	15,059	1.4	2.0	-1.3	15,539	15,393	15,163	2.5

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), 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 4,000 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>.

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	