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

New Orders

New orders for manufactured durable goods in September decreased \$4.4 billion or 2.1 percent to \$207.0 billion, the U.S. Census Bureau announced today. This followed a 3.8 percent August increase. Excluding transportation, new orders decreased 1.0 percent. Excluding defense, new orders decreased 2.1 percent.

Transportation equipment, down three of the last four months, had the largest decrease, \$2.9 billion or 4.7 percent to \$59.3 billion. This was led by nondefense aircraft and parts, which decreased \$5.2 billion.

Shipments

Shipments of manufactured durable goods in September, up four of the last five months, increased \$0.2 billion or 0.1 percent to \$209.9 billion. This was at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 2.3 percent August increase.

Machinery, up four of the last five months, had the largest increase, \$0.5 billion or 1.8 percent to \$26.8 billion. This was at the highest level since the series began.

Unfilled Orders

Unfilled orders for manufactured durable goods in September, up five consecutive months, increased \$4.3 billion or 0.7 percent to \$594.3 billion. This was at the highest level since the series began and followed a 1.6 percent August increase.

Computers and electronic products, up five consecutive months, had the largest increase, \$1.0 billion or 0.9 percent to \$117.4 billion.

Inventories

Inventories of manufactured durable goods in September, down three of the last four months, decreased \$0.3 billion or 0.1 percent to \$281.9 billion. This followed a 0.2 percent August decrease.

Primary metals, down four consecutive months, had the largest decrease, \$0.2 billion or 0.7 percent to \$24.0 billion.

Capital Goods

Nondefense new orders for capital goods in September decreased \$6.0 billion or 8.1 percent to \$67.8 billion. Shipments decreased \$1.5 billion or 2.2 percent to \$64.9 billion. Unfilled orders increased \$2.9 billion or 0.9 percent to \$307.7 billion. Inventories increased \$0.7 billion or 0.6 percent to \$112.7 billion.

Defense new orders for capital goods in September decreased 0.4 percent to \$6.9 billion. Shipments increased \$0.1 billion or 1.5 percent to \$8.1 billion. Unfilled orders decreased \$1.2 billion or 0.9 percent to \$132.7 billion. Inventories increased \$0.3 billion or 1.7 percent to \$15.3 billion.

Revised August Data

Revised seasonally adjusted August figures for all manufacturing industries are: new orders, \$396.3 billion (revised from \$395.2 billion); shipments, \$394.5 billion (revised from \$393.5 billion); unfilled orders, unchanged at \$590.0 billion; and total inventories, \$463.6 billion (revised from \$463.7 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 November 3, 2005, at 10:00 a.m. EST. The advance report on durable goods for October is scheduled for release on November 29, 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		
	Sep 2005 ²	Aug 2005 [†]	Jul 2005	Aug - Sep ²	Jul - Aug [†]	Jun - Jul	Sep 2005 ²	Aug 2005 [†]	Sep 2004	2005	2004	Percent Change 05/04
DURABLE GOODS												
Total:												
Shipments.....	209,893	209,660	205,013	0.1	2.3	-0.7	226,556	214,386	214,061	1,855,701	1,752,084	5.9
New Orders ⁴	207,027	211,454	203,708	-2.1	3.8	-5.4	218,991	212,337	205,778	1,834,042	1,720,946	6.6
Excluding transportation:												
Shipments.....	151,554	150,944	148,120	0.4	1.9	-0.7	162,709	153,453	152,350	1,341,978	1,235,091	8.7
New Orders ⁴	147,771	149,265	142,010	-1.0	5.1	-3.7	156,084	148,936	146,405	1,298,947	1,199,578	8.3
Excluding defense:												
Shipments.....	200,425	200,157	195,909	0.1	2.2	-0.6	216,249	205,227	204,245	1,773,073	1,669,969	6.2
New Orders ⁴	198,875	203,222	195,169	-2.1	4.1	-5.0	211,173	206,478	196,513	1,765,251	1,640,097	7.6
Manufacturing with unfilled orders:												
Shipments.....	141,993	142,881	138,969	-0.6	2.8	-1.0	152,510	144,915	143,891	1,261,733	1,173,117	7.6
New Orders ⁴	146,291	152,132	144,922	-3.8	5.0	-7.2	152,771	150,351	143,050	1,303,331	1,201,770	8.5
Primary metals:												
Shipments.....	15,792	15,468	14,956	2.1	3.4	-1.6	16,164	15,992	15,594	141,830	128,676	10.2
New Orders.....	16,710	16,631	14,932	0.5	11.4	0.4	16,780	16,874	15,011	142,040	132,873	6.9
Fabricated metal products:												
Shipments.....	24,171	23,989	23,455	0.8	2.3	-1.8	25,397	25,476	24,454	215,971	203,431	6.2
New Orders.....	24,619	24,912	23,501	-1.2	6.0	-4.3	25,237	25,912	23,522	220,575	209,066	5.5
Machinery:												
Shipments.....	26,809	26,331	25,752	1.8	2.2	-0.3	27,935	26,025	26,117	235,893	214,675	9.9
New Orders.....	27,491	27,219	26,162	1.0	4.0	-7.2	27,843	26,491	25,903	241,582	219,505	10.1
Computers and electronic products:												
Shipments.....	36,960	37,757	36,621	-2.1	3.1	-0.4	42,096	36,306	38,756	325,671	293,999	10.8
New Orders ⁴	30,822	31,987	29,994	-3.6	6.6	-6.5	35,074	29,152	34,315	269,266	240,922	11.8
Computers and related products:												
Shipments.....	7,924	8,417	8,095	-5.9	4.0	0.0	9,360	7,781	8,335	72,642	56,603	28.3
New Orders.....	8,166	8,760	7,718	-6.8	13.5	-8.7	9,602	8,124	8,892	72,468	56,551	28.1
Communications equipment:												
Shipments.....	5,988	5,893	5,686	1.6	3.6	-2.7	6,797	5,531	5,980	49,930	47,219	5.7
New Orders.....	5,996	6,340	6,215	-5.4	2.0	-6.6	7,038	4,900	7,754	52,573	47,760	10.1
Semiconductors:												
Shipments.....	7,164	7,457	7,258	-3.9	2.7	6.6	7,826	7,485	7,442	63,257	59,791	5.8
New Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:												
Shipments.....	9,711	9,772	9,545	-0.6	2.4	1.0	10,865	10,011	10,029	85,043	79,574	6.9
New Orders.....	10,035	10,402	9,644	-3.5	7.9	-1.2	10,962	10,576	10,036	87,390	81,390	7.4
Transportation equipment:												
Shipments.....	58,339	58,716	56,893	-0.6	3.2	-0.6	63,847	60,933	61,711	513,723	516,993	-0.6
New Orders.....	59,256	62,189	61,698	-4.7	0.8	-9.1	62,907	63,401	59,373	535,095	521,368	2.6
Motor vehicles and parts:												
Shipments.....	43,323	42,374	41,366	2.2	2.4	0.3	47,258	45,309	45,138	374,288	384,228	-2.6
New Orders.....	44,340	42,349	41,708	4.7	1.5	1.1	48,026	45,075	45,120	375,289	385,544	-2.7
Nondefense aircraft and parts:												
Shipments.....	5,570	7,005	6,596	-20.5	6.2	-3.0	5,973	6,479	6,814	56,864	51,369	10.7
New Orders.....	7,301	12,505	11,878	-41.6	5.3	-21.4	7,406	12,475	6,454	88,882	57,367	54.9
Defense aircraft and parts:												
Shipments.....	3,779	3,824	3,354	-1.2	14.0	-8.1	4,270	3,656	3,987	32,706	34,265	-4.5
New Orders.....	2,888	2,993	2,643	-3.5	13.2	-4.6	2,805	2,039	2,127	23,325	27,198	-14.2
All other durable goods:												
Shipments.....	38,111	37,627	37,791	1.3	-0.4	-0.7	40,252	39,643	37,400	337,570	314,736	7.3
New Orders.....	38,094	38,114	37,777	-0.1	0.9	-0.7	40,188	39,931	37,618	338,094	315,822	7.1
Capital goods:³												
Shipments.....	72,986	74,319	71,659	-1.8	3.7	-1.8	80,005	72,523	74,710	647,889	591,733	9.5
New Orders.....	74,695	80,711	78,044	-7.5	3.4	-8.6	79,465	76,022	76,124	682,021	608,446	12.1
Nondefense capital goods:												
Shipments.....	64,935	66,386	64,085	-2.2	3.6	-1.2	71,374	64,769	66,360	578,007	520,374	11.1
New Orders.....	67,818	73,804	70,886	-8.1	4.1	-7.6	73,052	71,120	67,856	623,670	536,600	16.2
Excluding aircraft:												
Shipments.....	61,796	61,870	60,550	-0.1	2.2	-1.0	68,199	60,694	63,071	547,697	495,176	10.6
New Orders.....	63,377	64,145	61,679	-1.2	4.0	-3.9	68,564	61,377	64,793	559,908	505,079	10.9
Defense capital goods:												
Shipments.....	8,051	7,933	7,574	1.5	4.7	-6.3	8,631	7,754	8,350	69,882	71,359	-2.1
New Orders.....	6,877	6,907	7,158	-0.4	-3.5	-17.8	6,413	4,902	8,268	58,351	71,846	-18.8

NA Not Available [†] 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
	Sep 2005 ²	Aug 2005 ^r	Jul 2005	Aug - Sep ²	Jul - Aug ^r	Jun - Jul	Sep 2005 ²	Aug 2005 ^r	Sep 2004	
DURABLE GOODS										
Total:										
Unfilled Orders ⁴	594,302	590,004	580,753	0.7	1.6	1.0	585,164	584,903	530,214	10.4
Total Inventories.....	281,884	282,169	282,815	-0.1	-0.2	0.8	280,829	284,982	267,162	5.1
Excluding transportation:										
Unfilled Orders ⁴	299,831	296,450	290,672	1.1	2.0	0.4	295,179	293,978	271,164	8.9
Total Inventories.....	215,962	216,410	216,550	-0.2	-0.1	0.7	214,617	218,394	203,868	5.3
Excluding defense:										
Unfilled Orders ⁴	450,056	444,442	433,920	1.3	2.4	1.5	444,892	442,142	380,747	16.8
Total Inventories.....	262,753	263,311	263,678	-0.2	-0.1	0.8	261,595	265,949	248,763	5.2
Manufacturing with unfilled orders:										
Unfilled Orders ⁴	594,302	590,004	580,753	0.7	1.6	1.0	585,164	584,903	530,214	10.4
Total Inventories.....	218,650	218,182	219,143	0.2	-0.4	0.9	217,783	220,151	206,713	5.4
Primary metals:										
Unfilled Orders.....	21,032	20,114	18,951	4.6	6.1	-0.1	20,696	20,080	21,629	-4.3
Total Inventories.....	23,988	24,169	24,387	-0.7	-0.9	-0.9	23,772	24,139	21,069	12.8
Fabricated metal products:										
Unfilled Orders.....	46,724	46,276	45,353	1.0	2.0	0.1	46,414	46,574	41,296	12.4
Total Inventories.....	36,582	36,737	37,040	-0.4	-0.8	-0.4	36,260	36,849	34,600	4.8
Machinery:										
Unfilled Orders.....	82,375	81,693	80,805	0.8	1.1	0.5	80,289	80,381	72,962	10.0
Total Inventories.....	47,581	47,528	47,334	0.1	0.4	1.7	47,233	47,914	43,207	9.3
Computers and electronic products:										
Unfilled Orders ⁴	117,429	116,403	114,716	0.9	1.5	0.6	115,603	114,799	106,327	8.7
Total Inventories.....	44,766	44,891	44,840	-0.3	0.1	1.7	44,675	46,100	44,767	-0.2
Computers and related products:										
Unfilled Orders.....	6,243	6,001	5,658	4.0	6.1	-6.2	6,243	6,001	6,230	0.2
Total Inventories.....	5,475	5,410	5,290	1.2	2.3	0.2	5,431	5,768	5,140	5.7
Communications equipment:										
Unfilled Orders.....	38,702	38,694	38,247	0.0	1.2	1.4	37,868	37,627	33,300	13.7
Total Inventories.....	9,792	9,948	9,951	-1.6	0.0	1.6	9,739	10,153	10,603	-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.....	17,893	17,569	16,939	1.8	3.7	0.6	17,758	17,661	15,767	12.6
Total Inventories.....	12,837	12,703	12,684	1.1	0.1	0.0	12,539	12,690	12,097	3.7
Transportation equipment:										
Unfilled Orders.....	294,471	293,554	290,081	0.3	1.2	1.7	289,985	290,925	259,050	11.9
Total Inventories.....	65,922	65,759	66,265	0.2	-0.8	1.2	66,212	66,588	63,294	4.6
Motor vehicles and parts:										
Unfilled Orders.....	16,671	15,654	15,679	6.5	-0.2	2.2	16,271	15,503	15,632	4.1
Total Inventories.....	24,058	24,513	24,350	-1.9	0.7	-0.7	24,246	24,768	23,831	1.7
Nondefense Aircraft and parts:										
Unfilled Orders.....	155,683	153,952	148,452	1.1	3.7	3.7	154,604	153,171	115,397	34.0
Total Inventories.....	22,234	21,844	22,329	1.8	-2.2	3.2	22,277	22,215	21,655	2.9
Defense Aircraft and parts:										
Unfilled Orders.....	47,066	47,957	48,788	-1.9	-1.7	-1.4	46,016	47,481	56,796	-19.0
Total Inventories.....	11,529	11,299	11,571	2.0	-2.4	1.9	11,601	11,390	10,450	11.0
All other durable goods:										
Unfilled Orders.....	14,378	14,395	13,908	-0.1	3.5	-0.1	14,419	14,483	13,183	9.4
Total Inventories.....	50,208	50,382	50,265	-0.3	0.2	0.7	50,138	50,702	48,128	4.2
Capital goods:³										
Unfilled Orders.....	440,329	438,620	432,228	0.4	1.5	1.5	432,576	433,116	384,241	12.6
Total Inventories.....	128,037	127,127	126,830	0.7	0.2	1.8	127,465	128,910	120,740	5.6
Nondefense capital goods:										
Unfilled Orders.....	307,671	304,788	297,370	0.9	2.5	2.3	303,627	301,949	248,856	22.0
Total Inventories.....	112,723	112,070	111,569	0.6	0.4	1.7	112,120	113,769	105,606	6.2
Excluding aircraft:										
Unfilled Orders.....	172,290	170,709	168,434	0.9	1.4	0.7	169,162	168,797	155,061	9.1
Total Inventories.....	94,545	94,313	93,937	0.2	0.4	1.5	93,860	95,700	88,267	6.3
Defense capital goods:										
Unfilled Orders.....	132,658	133,832	134,858	-0.9	-0.8	-0.3	128,949	131,167	135,385	-4.8
Total Inventories.....	15,314	15,057	15,261	1.7	-1.3	2.0	15,345	15,141	15,134	1.4

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/>.