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Advance Report on Durable Goods Manufacturers' Shipments, Inventories and Orders August 2006

New Orders

New orders for manufactured durable goods in August decreased \$1.0 billion or 0.5 percent to \$209.7 billion, the U.S. Census Bureau announced today. This was the second consecutive monthly decrease and followed a 2.7 percent July decrease. Excluding transportation, new orders decreased 2.0 percent. Excluding defense, new orders decreased 0.8 percent.

Computers and electronic products, down following two consecutive monthly increases, had the largest decrease, \$1.5 billion or 4.7 percent to \$29.5 billion.

Shipments

Shipments of manufactured durable goods in August, up three of the last four months, increased \$4.0 billion or 1.9 percent to \$214.2 billion. This was at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 1.3 percent July decrease.

Transportation equipment, up following two consecutive monthly decreases, had the largest increase, \$3.1 billion or 5.9 percent to \$56.9 billion.

Unfilled Orders

Unfilled orders for manufactured durable goods in August, up fifteen of the last sixteen months, increased \$2.4 billion or 0.4 percent to \$631.9 billion. This was at the highest level since the series began and followed a 1.2 percent July increase.

Transportation equipment, up fifteen of the last sixteen months, had the largest increase, \$1.9 billion or 0.6 percent to \$331.2 billion. This was at the highest level since the series began.

Inventories

Inventories of manufactured durable goods in August, up seven of the last eight months, increased \$0.7 billion or 0.2 percent to \$287.1 billion. This followed a 1.1 percent July increase.

Primary metals, up nine consecutive months, had the largest increase, \$0.4 billion or 1.4 percent to \$28.4 billion. This was at the highest level since the series began.

Capital Goods

Nondefense new orders for capital goods in August decreased \$2.5 billion or 3.5 percent to \$68.7 billion. Shipments increased \$0.6 billion or 0.9 percent to \$67.5 billion. Unfilled orders increased \$1.2 billion or 0.4 percent to \$325.3 billion. Inventories decreased \$0.6 billion or 0.5 percent to \$110.3 billion.

Defense new orders for capital goods in August increased \$0.5 billion or 6.1 percent to \$9.5 billion. Shipments increased \$0.4 billion or 5.4 percent to \$8.2 billion. Unfilled orders increased \$1.3 billion or 1.0 percent to \$130.2 billion. Inventories decreased slightly or 0.3 percent to \$14.4 billion.

Revised July Data

Revised seasonally adjusted July figures for all manufacturing industries were: new orders, \$403.9 billion (revised from \$405.1 billion); shipments, \$403.4 billion (revised from \$403.9 billion); unfilled orders, \$629.4 billion (revised from \$630.2 billion); and total inventories, \$473.8 billion (revised from \$473.0 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 October 4, 2006, at 10:00 a.m. EDT. The advance report on durable goods for September is scheduled for release on October 26, 2006, at 8:30 a.m. EDT. See back page for survey description.

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 2006/2005
	Aug 2006 ²	Jul 2006 ^r	Jun 2006	Jul - Aug ²	Jun - Jul ^r	May - Jun	Aug 2006 ²	Jul 2006 ^r	Aug 2005	
DURABLE GOODS										
Total:										
Unfilled Orders ⁴	631,866	629,433	622,040	0.4	1.2	1.7	627,906	629,682	529,479	18.6
Total Inventories.....	287,082	286,384	283,293	0.2	1.1	0.9	290,171	289,179	272,836	6.4
Excluding transportation:										
Unfilled Orders ⁴	300,631	300,060	295,554	0.2	1.5	1.6	298,726	300,865	262,272	13.9
Total Inventories.....	220,645	219,244	216,864	0.6	1.1	0.7	222,869	221,073	208,322	7.0
Excluding defense:										
Unfilled Orders ⁴	488,923	487,738	481,523	0.2	1.3	1.6	487,394	488,687	390,369	24.9
Total Inventories.....	268,001	267,293	264,501	0.3	1.1	1.1	270,920	269,927	253,669	6.8
Manufacturing with unfilled orders:										
Unfilled Orders ⁴	631,866	629,433	622,040	0.4	1.2	1.7	627,906	629,682	529,479	18.6
Total Inventories.....	222,649	222,467	220,283	0.1	1.0	0.8	224,794	224,616	210,534	6.8
Primary metals:										
Unfilled Orders.....	27,000	27,482	27,408	-1.8	0.3	0.7	26,908	27,243	21,161	27.2
Total Inventories.....	28,419	28,024	27,475	1.4	2.0	1.1	28,459	28,205	25,486	11.7
Fabricated metal products:										
Unfilled Orders.....	53,211	52,763	52,611	0.8	0.3	3.4	53,562	53,746	46,374	15.5
Total Inventories.....	36,757	36,445	36,040	0.9	1.1	1.5	36,910	36,903	34,413	7.3
Machinery:										
Unfilled Orders.....	71,332	70,816	69,599	0.7	1.7	1.9	70,259	70,444	57,566	22.0
Total Inventories.....	45,317	45,155	44,860	0.4	0.7	-0.1	45,775	45,186	43,705	4.7
Computers and electronic products:										
Unfilled Orders ⁴	115,577	114,824	112,449	0.7	2.1	1.0	114,400	114,703	107,313	6.6
Total Inventories.....	45,041	45,064	44,627	-0.1	1.0	0.4	46,227	45,902	42,712	8.2
Computers and related products:										
Unfilled Orders.....	4,084	4,440	4,309	-8.0	3.0	2.6	4,084	4,440	4,614	-11.5
Total Inventories.....	4,199	4,204	4,179	-0.1	0.6	2.5	4,491	4,286	4,741	-5.3
Communications equipment:										
Unfilled Orders.....	35,631	34,839	34,214	2.3	1.8	1.5	34,835	34,894	33,982	2.5
Total Inventories.....	9,821	9,931	9,896	-1.1	0.4	-2.8	9,951	9,975	10,031	-0.8
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.....	21,581	22,133	21,581	-2.5	2.6	2.8	21,659	22,401	17,015	27.3
Total Inventories.....	14,051	13,862	13,602	1.4	1.9	2.1	14,090	13,880	12,431	13.3
Transportation equipment:										
Unfilled Orders.....	331,235	329,373	326,486	0.6	0.9	1.7	329,180	328,817	267,207	23.2
Total Inventories.....	66,437	67,140	66,429	-1.0	1.1	1.3	67,302	68,106	64,514	4.3
Motor vehicles and parts:										
Unfilled Orders.....	19,031	19,127	18,736	-0.5	2.1	1.3	18,725	19,180	15,604	20.0
Total Inventories.....	24,205	24,025	23,715	0.7	1.3	0.4	24,484	24,337	23,872	2.6
Nondefense Aircraft and parts:										
Unfilled Orders.....	195,006	195,381	192,976	-0.2	1.2	1.7	194,893	195,265	134,610	44.8
Total Inventories.....	22,757	23,665	23,490	-3.8	0.7	3.4	23,144	24,126	21,150	9.4
Defense Aircraft and parts:										
Unfilled Orders.....	44,181	44,432	44,777	-0.6	-0.8	-0.5	43,573	44,639	41,847	4.1
Total Inventories.....	11,760	11,837	11,714	-0.7	1.1	0.0	11,847	11,970	11,348	4.4
All other durable goods:										
Unfilled Orders.....	11,930	12,042	11,906	-0.9	1.1	-1.7	11,938	12,328	12,843	-7.0
Total Inventories.....	51,060	50,694	50,260	0.7	0.9	0.7	51,408	50,997	49,575	3.7
Capital goods:³										
Unfilled Orders.....	455,459	452,961	447,495	0.6	1.2	1.7	451,306	452,101	378,459	19.2
Total Inventories.....	124,676	125,328	124,088	-0.5	1.0	0.8	126,459	126,230	121,010	4.5
Nondefense capital goods:										
Unfilled Orders.....	325,255	324,011	319,674	0.4	1.4	1.7	323,337	323,883	250,796	28.9
Total Inventories.....	110,316	110,923	109,976	-0.5	0.9	1.1	112,016	111,797	106,457	5.2
Excluding aircraft:										
Unfilled Orders.....	155,857	154,218	152,251	1.1	1.3	1.5	154,257	154,485	135,973	13.4
Total Inventories.....	93,282	92,880	92,022	0.4	0.9	0.6	94,700	93,375	90,222	5.0
Defense capital goods:										
Unfilled Orders.....	130,204	128,950	127,821	1.0	0.9	1.9	127,969	128,218	127,663	0.2
Total Inventories.....	14,360	14,405	14,112	-0.3	2.1	-1.4	14,443	14,433	14,553	-0.8

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. Any corrections will be published in the full report. Corrections received after the full report will be released in the next month's advance report. Any revisions made later than two months will be reflected in the annual benchmark publication.

Additional survey documentation can be found on our web site: <http://www.census.gov/m3>.