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

New Orders

New orders for manufactured durable goods in December increased \$6.7 billion or 3.1 percent to \$221.9 billion, the U.S. Census Bureau announced today. This was the fourth increase in the last five months and followed a 2.2 percent November increase. Excluding transportation, new orders increased 2.3 percent. Excluding defense, new orders increased 3.9 percent.

Transportation equipment, up four of the last five months, had the largest increase, \$3.2 billion or 4.8 percent to \$69.9 billion. This was due to nondefense aircraft and parts, which increased \$3.8 billion.

Shipments

Shipments of manufactured durable goods in December, up four of the last five months, increased \$1.7 billion or 0.8 percent to \$211.6 billion. This followed a 0.3 percent November increase.

Transportation equipment, up four of the last five months, had the largest increase, \$1.9 billion or 3.3 percent to \$57.9 billion.

Unfilled Orders

Unfilled orders for manufactured durable goods in December, up nineteen of the last twenty months, increased \$15.5 billion or 2.3 percent to \$694.9 billion. This was at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 1.8 percent November increase.

Transportation equipment, up nineteen of the last twenty months, had the largest increase, \$12.0 billion or 3.2 percent to \$381.4 billion.

Inventories

Inventories of manufactured durable goods in December, up eleven of the last twelve months, increased \$1.3 billion or 0.4 percent to \$296.0 billion. This followed a 0.3 percent November increase.

Machinery, up nine of the last ten months, had the largest increase, \$0.7 billion or 1.5 percent to \$47.1 billion.

Capital Goods

Nondefense new orders for capital goods in December increased \$6.7 billion or 9.0 percent to \$80.7 billion. Shipments decreased \$0.3 billion or 0.4 percent to \$67.3 billion. Unfilled orders increased \$13.4 billion or 3.7 percent to \$371.8 billion. Inventories increased \$1.8 billion or 1.6 percent to \$115.8 billion.

Defense new orders for capital goods in December decreased \$2.0 billion or 17.5 percent to \$9.4 billion. Shipments decreased 0.4 percent to \$8.2 billion. Unfilled orders increased \$1.2 billion or 0.9 percent to \$140.5 billion. Inventories increased 0.1 percent to \$14.2 billion.

Revised November Data

Revised seasonally adjusted November figures for all manufacturing industries were: new orders, \$395.7 billion (revised from \$394.3 billion); shipments, \$390.3 billion (revised from \$390.0 billion); unfilled orders, \$679.4 billion (revised from \$678.6 billion); and total inventories, \$482.2 billion (revised from \$481.9 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 February 2, 2007, at 10:00 a.m. EST. The advance report on durable goods for January is scheduled for release on February 27, 2007, 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		
	Dec 2006 ²	Nov 2006 ^r	Oct 2006	Nov - Dec ²	Oct - Nov ^r	Sep - Oct	Dec 2006 ²	Nov 2006 ^r	Dec 2005	2006	2005	Percent Change 06/05
DURABLE GOODS												
Total:												
Shipments.....	211,601	209,852	209,145	0.8	0.3	0.2	208,860	205,040	211,608	2,518,602	2,385,367	5.6
New Orders ⁴	221,866	215,209	210,481	3.1	2.2	-8.1	227,383	209,584	222,899	2,557,867	2,390,164	7.0
Excluding transportation:												
Shipments.....	153,674	153,779	154,268	-0.1	-0.3	-0.1	152,625	149,108	151,795	1,845,928	1,718,577	7.4
New Orders ⁴	151,963	148,537	149,963	2.3	-1.0	-1.8	150,622	143,260	145,512	1,803,187	1,670,081	8.0
Excluding defense:												
Shipments.....	201,668	199,863	199,246	0.9	0.3	-0.1	197,659	194,678	201,060	2,403,757	2,278,325	5.5
New Orders ⁴	209,748	201,863	200,394	3.9	0.7	-6.4	209,663	196,059	208,835	2,429,246	2,291,922	6.0
Manufacturing with unfilled orders:												
Shipments.....	146,976	146,371	145,817	0.4	0.4	-1.3	146,311	142,598	146,731	1,744,701	1,617,457	7.9
New Orders ⁴	162,484	158,457	154,812	2.5	2.4	-10.9	170,151	154,164	165,216	1,864,223	1,698,648	9.7
Primary metals:												
Shipments.....	19,199	18,735	18,846	2.5	-0.6	-2.3	16,693	17,629	15,010	223,979	194,247	15.3
New Orders.....	19,239	18,412	18,775	4.5	-1.9	-0.7	17,203	17,511	16,094	224,587	197,739	13.6
Fabricated metal products:												
Shipments.....	24,927	24,395	24,484	2.2	-0.4	-0.5	22,899	23,436	21,990	294,745	275,301	7.1
New Orders.....	24,992	24,394	24,248	2.5	0.6	-3.3	22,452	22,735	22,089	299,572	281,683	6.4
Machinery:												
Shipments.....	28,144	27,846	28,232	1.1	-1.4	1.6	27,760	25,847	26,643	327,104	295,315	10.8
New Orders.....	29,497	28,096	30,719	5.0	-8.5	3.8	28,773	26,800	27,531	341,410	304,955	12.0
Computers and electronic products:												
Shipments.....	33,498	35,541	34,846	-5.7	2.0	1.0	38,746	35,330	40,795	419,701	394,644	6.3
New Orders ⁴	30,215	29,924	27,702	1.0	8.0	-9.8	36,520	28,921	33,921	352,811	324,505	8.7
Computers and related products:												
Shipments.....	6,669	6,581	4,846	1.3	35.8	-22.9	8,175	6,006	8,807	76,807	78,405	-2.0
New Orders.....	6,491	6,700	4,898	-3.1	36.8	-23.7	7,997	6,125	8,954	76,316	78,173	-2.4
Communications equipment:												
Shipments.....	5,237	5,839	5,851	-10.3	-0.2	-1.7	6,633	5,796	6,769	70,076	61,650	13.7
New Orders.....	6,411	5,907	5,282	8.5	11.8	-20.3	7,614	5,647	5,893	73,476	62,959	16.7
Semiconductors:												
Shipments.....	5,243	6,729	7,659	-22.1	-12.1	29.2	5,317	7,022	7,194	80,257	76,394	5.1
New Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:												
Shipments.....	10,131	9,899	10,070	2.3	-1.7	0.6	9,989	9,821	9,697	120,779	112,096	7.7
New Orders.....	10,089	10,230	10,516	-1.4	-2.7	2.2	9,580	10,083	9,803	124,974	114,951	8.7
Transportation equipment:												
Shipments.....	57,927	56,073	54,877	3.3	2.2	0.9	56,235	55,932	59,813	672,674	666,790	0.9
New Orders.....	69,903	66,672	60,518	4.8	10.2	-20.7	76,761	66,324	77,387	754,680	720,083	4.8
Motor vehicles and parts:												
Shipments.....	40,642	38,401	37,339	5.8	2.8	2.1	36,124	37,342	36,577	469,958	481,835	-2.5
New Orders.....	41,006	38,411	37,564	6.8	2.3	1.7	37,202	37,486	37,498	472,868	483,467	-2.2
Nondefense aircraft and parts:												
Shipments.....	7,789	8,195	8,219	-5.0	-0.3	-7.3	9,439	8,886	13,143	94,674	79,986	18.4
New Orders.....	17,985	14,220	13,694	26.5	3.8	-42.5	24,516	14,645	27,574	161,269	139,146	15.9
Defense aircraft and parts:												
Shipments.....	3,701	3,733	3,714	-0.9	0.5	8.4	4,448	3,981	4,172	42,149	39,897	5.6
New Orders.....	6,623	5,494	3,720	20.5	47.7	24.5	8,477	5,580	6,490	44,374	36,575	21.3
All other durable goods:												
Shipments.....	37,775	37,363	37,790	1.1	-1.1	-1.0	36,538	37,045	37,660	459,620	446,974	2.8
New Orders.....	37,931	37,481	38,003	1.2	-1.4	-0.4	36,094	37,210	36,074	459,833	446,248	3.0
Capital goods:³												
Shipments.....	75,453	75,752	74,513	-0.4	1.7	-1.6	81,437	73,411	84,038	893,091	821,519	8.7
New Orders.....	90,081	85,404	82,470	5.5	3.6	-17.7	103,611	83,163	99,877	990,792	888,344	11.5
Nondefense capital goods:												
Shipments.....	67,263	67,531	66,324	-0.4	1.8	-2.3	72,425	64,903	75,320	797,375	730,842	9.1
New Orders.....	80,675	74,004	74,238	9.0	-0.3	-14.4	89,203	71,756	89,099	882,129	805,784	9.5
Excluding aircraft:												
Shipments.....	62,104	62,262	60,967	-0.3	2.1	-1.5	65,733	59,007	64,894	735,994	683,934	7.6
New Orders.....	64,836	63,301	63,929	2.4	-1.0	-4.0	67,248	60,321	64,726	761,206	698,118	9.0
Defense capital goods:												
Shipments.....	8,190	8,221	8,189	-0.4	0.4	4.6	9,012	8,508	8,718	95,716	90,677	5.6
New Orders.....	9,406	11,400	8,232	-17.5	38.5	-39.1	14,408	11,407	10,778	108,663	82,560	31.6

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(05), "Manufacturers' Shipments, Inventories, and Orders: 1992-2005"

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 2006/2005
	Dec 2006 ²	Nov 2006 ^r	Oct 2006	Nov - Dec ²	Oct - Nov ^r	Sep - Oct	Dec 2006 ²	Nov 2006 ^r	Dec 2005	
DURABLE GOODS										
Total:										
Unfilled Orders ⁴	694,864	679,356	667,270	2.3	1.8	1.4	691,950	668,110	572,428	20.9
Total Inventories.....	296,040	294,781	293,841	0.4	0.3	0.8	287,511	295,282	264,976	8.5
Excluding transportation:										
Unfilled Orders ⁴	313,471	309,939	308,452	1.1	0.5	1.1	308,804	305,490	271,288	13.8
Total Inventories.....	227,462	226,119	225,547	0.6	0.3	0.6	221,750	226,094	202,696	9.4
Excluding defense:										
Unfilled Orders ⁴	540,508	527,185	518,456	2.5	1.7	1.7	537,629	520,308	431,883	24.5
Total Inventories.....	277,275	275,604	274,675	0.6	0.3	0.9	269,251	276,116	245,754	9.6
Manufacturing with unfilled orders:										
Unfilled Orders ⁴	694,864	679,356	667,270	2.3	1.8	1.4	691,950	668,110	572,428	20.9
Total Inventories.....	230,881	229,903	229,250	0.4	0.3	1.0	224,675	230,336	205,640	9.3
Primary metals:										
Unfilled Orders.....	26,298	26,258	26,581	0.2	-1.2	-0.3	25,882	25,372	25,274	2.4
Total Inventories.....	29,850	29,975	30,054	-0.4	-0.3	1.6	29,899	29,892	25,295	18.2
Fabricated metal products:										
Unfilled Orders.....	53,650	53,585	53,586	0.1	0.0	-0.4	51,932	52,379	47,105	10.2
Total Inventories.....	38,272	38,000	37,897	0.7	0.3	1.0	37,338	37,360	33,631	11.0
Machinery:										
Unfilled Orders.....	77,136	75,783	75,533	1.8	0.3	3.4	76,011	74,998	61,705	23.2
Total Inventories.....	47,126	46,440	46,395	1.5	0.1	0.5	45,649	46,761	42,026	8.6
Computers and electronic products:										
Unfilled Orders ⁴	121,401	119,441	118,329	1.6	0.9	0.4	120,942	117,851	107,575	12.4
Total Inventories.....	46,621	46,315	45,851	0.7	1.0	0.5	44,952	47,120	41,131	9.3
Computers and related products:										
Unfilled Orders.....	4,211	4,389	4,270	-4.1	2.8	1.2	4,211	4,389	4,702	-10.4
Total Inventories.....	4,446	4,395	4,220	1.2	4.1	-5.3	4,122	4,668	3,974	3.7
Communications equipment:										
Unfilled Orders.....	36,979	35,805	35,737	3.3	0.2	-1.6	36,412	35,431	33,012	10.3
Total Inventories.....	9,896	10,087	10,210	-1.9	-1.2	1.6	9,572	10,550	9,698	-1.3
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.....	22,621	22,663	22,332	-0.2	1.5	2.0	22,029	22,438	17,834	23.5
Total Inventories.....	14,334	14,194	14,078	1.0	0.8	0.7	13,837	14,047	12,354	12.0
Transportation equipment:										
Unfilled Orders.....	381,393	369,417	358,818	3.2	3.0	1.6	383,146	362,620	301,140	27.2
Total Inventories.....	68,578	68,662	68,294	-0.1	0.5	1.4	65,761	69,188	62,280	5.6
Motor vehicles and parts:										
Unfilled Orders.....	19,936	19,572	19,562	1.9	0.1	1.2	20,002	18,924	17,092	17.0
Total Inventories.....	24,437	24,561	24,276	-0.5	1.2	1.2	23,356	24,633	22,445	4.1
Nondefense Aircraft and parts:										
Unfilled Orders.....	231,841	221,645	215,620	4.6	2.8	2.6	234,029	218,952	167,434	39.8
Total Inventories.....	25,053	24,350	24,257	2.9	0.4	2.2	23,908	24,738	20,517	16.5
Defense Aircraft and parts:										
Unfilled Orders.....	48,369	45,447	43,686	6.4	4.0	0.0	47,733	43,704	45,508	4.9
Total Inventories.....	11,594	12,057	11,933	-3.8	1.0	-1.1	11,293	12,058	11,405	-1.0
All other durable goods:										
Unfilled Orders.....	12,365	12,209	12,091	1.3	1.0	1.8	12,008	12,452	11,795	1.8
Total Inventories.....	51,259	51,195	51,272	0.1	-0.2	-0.1	50,075	50,914	48,259	3.8
Capital goods:³										
Unfilled Orders.....	512,243	497,615	487,963	2.9	2.0	1.7	512,396	490,222	414,695	23.6
Total Inventories.....	130,037	128,257	127,957	1.4	0.2	0.6	126,059	129,809	117,207	7.6
Nondefense capital goods:										
Unfilled Orders.....	371,762	358,350	351,877	3.7	1.8	2.3	371,668	354,890	286,914	29.5
Total Inventories.....	115,797	114,025	113,725	1.6	0.3	0.8	112,023	115,589	102,346	9.5
Excluding aircraft:										
Unfilled Orders.....	167,126	164,394	163,355	1.7	0.6	1.8	164,418	162,903	139,206	18.1
Total Inventories.....	96,615	95,541	95,316	1.1	0.2	0.5	93,706	96,751	86,644	8.2
Defense capital goods:										
Unfilled Orders.....	140,481	139,265	136,086	0.9	2.3	0.0	140,728	135,332	127,781	10.1
Total Inventories.....	14,240	14,232	14,232	0.1	0.0	-0.5	14,036	14,220	14,861	-5.6

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>.

2007 Release Dates for M3 Survey

Survey Month	Advance 8:30 A.M.	Preliminary 10:00 A.M.
Dec 2006		February 2, 2007
Jan 2007	February 27, 2007	March 6, 2007
Feb 2007	March 28, 2007	April 4, 2007
Mar 2007	April 25, 2007	May 2, 2007
Apr 2007	May 24, 2007	June 4, 2007
May 2007	June 27, 2007	July 3, 2007
Jun 2007	July 26, 2007	August 2, 2007
Jul 2007	August 24, 2007	August 31, 2007
Aug 2007	September 26, 2007	October 4, 2007
Sep 2007	October 25, 2007	November 2, 2007
Oct 2007	November 28, 2007	December 5, 2007
Nov 2007	December 27, 2007	