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

New Orders

New orders for manufactured durable goods in February increased \$5.5 billion or 2.6 percent to \$215.8 billion, the U.S. Census Bureau announced today. This was the fourth increase in the last five months and followed an 8.9 percent January decrease. Excluding transportation, new orders decreased 1.3 percent. Excluding defense, new orders increased 0.3 percent.

Transportation equipment, up four of the last five months, had the largest increase, \$7.4 billion or 13.4 percent to \$63.0 billion. The increase was led by nondefense aircraft and parts, which increased \$4.0 billion.

Shipments

Shipments of manufactured durable goods in February, up four of the last five months, increased \$0.5 billion or 0.2 percent to \$218.9 billion. This followed a 1.8 percent January decrease.

Computers and electronic products, up four of the last five months, had the largest increase, \$1.4 billion or 3.6 percent to \$39.2 billion.

Unfilled Orders

Unfilled orders for manufactured durable goods in February, up nine of the last ten months, increased \$5.6 billion or 0.9 percent to \$642.8 billion. This was at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 0.2 percent January decrease.

Transportation equipment, up nine of the last ten months, had the largest increase, \$4.1 billion or 1.2 percent to \$332.0 billion.

Inventories

Inventories of manufactured durable goods in February, down following five consecutive monthly increases, decreased \$1.4 billion or 0.5 percent to \$287.3 billion. This followed a 1.0 percent January increase.

Computer and electronic products, down two of the last three months, had the largest decrease, \$1.2 billion or 2.6 percent to \$45.4 billion.

Capital Goods

Nondefense new orders for capital goods in February increased \$1.2 billion or 1.6 percent to \$72.8 billion. Shipments increased \$0.4 billion or 0.6 percent to \$70.5 billion. Unfilled orders increased \$2.3 billion or 0.7 percent to \$349.8 billion. Inventories decreased \$0.2 billion or 0.1 percent to \$114.7 billion.

Defense new orders for capital goods in February increased \$4.8 billion or 104.1 percent to \$9.4 billion. Shipments decreased \$0.4 billion or 4.4 percent to \$8.1 billion. Unfilled orders increased \$1.3 billion or 1.0 percent to \$129.3 billion. Inventories decreased \$0.1 billion or 0.8 percent to \$15.4 billion.

Revised January Data

Revised seasonally adjusted January figures for all manufacturing industries are: new orders, \$400.9 billion (revised from \$398.2 billion); shipments, \$409.0 billion (revised from \$410.0 billion); unfilled orders, \$637.2 billion (revised from \$633.7 billion); and total inventories, \$474.9 billion (revised from \$472.8 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 March 31, 2006, at 10:00 a.m. EST. The advance report on durable goods for March is scheduled for release on April 26, 2006, 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		
	Feb 2006 ²	Jan 2006 ^r	Dec 2005	Jan - Feb ²	Dec - Jan ^r	Nov - Dec	Feb 2006 ²	Jan 2006 ^r	Feb 2005	2006	2005	Percent Change 06/05
DURABLE GOODS												
Total:												
Shipments.....	218,877	218,363	222,438	0.2	-1.8	4.0	208,742	194,027	194,194	402,769	376,859	6.9
New Orders ⁴	215,773	210,284	230,706	2.6	-8.9	2.5	210,862	195,508	195,524	406,370	377,032	7.8
Excluding transportation:												
Shipments.....	159,933	159,742	158,965	0.1	0.5	3.1	150,001	143,288	138,300	293,289	271,214	8.1
New Orders ⁴	152,778	154,714	152,254	-1.3	1.6	1.9	148,068	143,638	139,290	291,706	269,361	8.3
Excluding defense:												
Shipments.....	209,132	208,322	212,757	0.4	-2.1	4.1	199,453	186,011	185,416	385,464	360,583	6.9
New Orders ⁴	204,543	203,945	220,995	0.3	-7.7	2.0	199,825	189,032	188,030	388,857	361,555	7.6
Manufacturing with unfilled orders:												
Shipments.....	149,142	149,753	152,906	-0.4	-2.1	4.2	141,832	133,272	131,210	275,104	255,734	7.6
New Orders ⁴	154,705	148,717	168,963	4.0	-12.0	2.0	152,656	141,085	139,461	293,741	269,807	8.9
Primary metals:												
Shipments.....	16,773	16,942	16,425	-1.0	3.1	0.8	16,569	16,828	15,551	33,397	31,053	7.5
New Orders.....	16,561	16,989	16,790	-2.5	1.2	-4.1	16,902	17,731	16,029	34,633	31,593	9.6
Fabricated metal products:												
Shipments.....	25,271	25,259	25,061	0.0	0.8	3.1	24,233	23,378	22,511	47,611	44,169	7.8
New Orders.....	25,374	25,876	25,233	-1.9	2.5	2.4	25,090	24,682	23,702	49,772	46,276	7.6
Machinery:												
Shipments.....	27,973	28,627	29,128	-2.3	-1.7	6.8	26,182	25,209	24,234	51,391	47,369	8.5
New Orders.....	28,245	30,153	31,243	-6.3	-3.5	9.2	28,845	28,010	27,933	56,855	52,461	8.4
Computers and electronic products:												
Shipments.....	39,239	37,867	38,629	3.6	-2.0	2.6	36,008	32,347	32,977	68,355	64,809	5.5
New Orders ⁴	31,129	29,874	30,055	4.2	-0.6	0.3	28,862	26,569	27,958	55,431	54,551	1.6
Computers and related products:												
Shipments.....	8,346	8,324	8,827	0.3	-5.7	2.7	6,949	7,076	6,672	14,025	13,881	1.0
New Orders.....	8,272	7,895	9,018	4.8	-12.5	4.3	6,875	6,647	6,813	13,522	13,664	-1.0
Communications equipment:												
Shipments.....	6,092	6,394	5,898	-4.7	8.4	6.0	5,294	5,419	4,859	10,713	9,429	13.6
New Orders.....	6,210	5,985	5,094	3.8	17.5	-3.3	6,066	5,601	5,650	11,667	11,180	4.4
Semiconductors:												
Shipments.....	8,667	7,043	7,789	23.1	-9.6	4.1	8,704	6,332	6,921	15,036	13,900	8.2
New Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:												
Shipments.....	10,109	10,259	9,835	-1.5	4.3	-0.9	9,419	9,044	8,732	18,463	16,847	9.6
New Orders.....	10,713	11,063	10,198	-3.2	8.5	-0.1	10,572	10,185	9,281	20,757	18,027	15.1
Transportation equipment:												
Shipments.....	58,944	58,621	63,473	0.6	-7.6	6.6	58,741	50,739	55,894	109,480	105,645	3.6
New Orders.....	62,995	55,570	78,452	13.4	-29.2	3.6	62,794	51,870	56,234	114,664	107,671	6.5
Motor vehicles and parts:												
Shipments.....	40,500	41,566	42,962	-2.6	-3.2	5.3	41,272	38,075	42,118	79,347	79,996	-0.8
New Orders.....	40,510	41,900	43,305	-3.3	-3.2	6.6	41,509	38,969	42,407	80,478	80,423	0.1
Nondefense aircraft and parts:												
Shipments.....	8,941	7,810	10,968	14.5	-28.8	14.1	8,436	5,348	5,025	13,784	9,294	48.3
New Orders.....	11,752	7,707	25,804	52.5	-70.1	-2.8	10,922	6,987	6,420	17,909	11,302	58.5
Defense aircraft and parts:												
Shipments.....	4,015	3,720	3,863	7.9	-3.7	1.3	3,686	2,868	3,302	6,554	6,406	2.3
New Orders.....	3,988	4,786	5,328	-16.7	-10.2	32.0	3,683	4,984	2,696	8,667	5,634	53.8
All other durable goods:												
Shipments.....	40,568	40,788	39,887	-0.5	2.3	2.8	37,590	36,482	34,295	74,072	66,967	10.6
New Orders.....	40,756	40,759	38,735	0.0	5.2	0.6	37,797	36,461	34,387	74,258	66,453	11.7
Capital goods:³												
Shipments.....	78,582	78,551	81,414	0.0	-3.5	5.0	72,747	66,753	65,317	139,500	126,901	9.9
New Orders.....	82,192	76,232	96,162	7.8	-20.7	1.9	79,379	70,030	70,955	149,409	136,889	9.1
Nondefense capital goods:												
Shipments.....	70,464	70,056	73,256	0.6	-4.4	5.2	64,931	59,892	57,807	124,823	113,083	10.4
New Orders.....	72,777	71,619	89,318	1.6	-19.8	1.9	70,164	65,339	64,373	135,503	123,712	9.5
Excluding aircraft:												
Shipments.....	64,541	65,291	65,321	-1.1	0.0	3.8	59,253	57,245	55,435	116,498	109,162	6.7
New Orders.....	65,417	66,977	66,750	-2.3	0.3	4.9	63,635	61,174	60,848	124,809	117,683	6.1
Defense capital goods:												
Shipments.....	8,118	8,495	8,158	-4.4	4.1	2.8	7,816	6,861	7,510	14,677	13,818	6.2
New Orders.....	9,415	4,613	6,844	104.1	-32.6	1.4	9,215	4,691	6,582	13,906	13,177	5.5

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 2006/2005
	Feb 2006 ²	Jan 2006 ^r	Dec 2005	Jan - Feb ²	Dec - Jan ^r	Nov - Dec	Feb 2006 ²	Jan 2006 ^r	Feb 2005	
DURABLE GOODS										
Total:										
Unfilled Orders ⁴	642,788	637,225	638,261	0.9	-0.2	2.6	652,971	642,147	557,639	17.1
Total Inventories.....	287,277	288,711	285,928	-0.5	1.0	0.1	290,334	287,731	283,014	2.6
Excluding transportation:										
Unfilled Orders ⁴	310,809	309,297	307,282	0.5	0.7	0.4	316,219	309,448	287,000	10.2
Total Inventories.....	220,617	221,410	218,731	-0.4	1.2	0.1	223,068	220,982	216,905	2.8
Excluding defense:										
Unfilled Orders ⁴	499,871	495,793	493,127	0.8	0.5	3.4	508,223	499,147	404,329	25.7
Total Inventories.....	268,073	269,289	266,307	-0.5	1.1	0.1	270,998	268,474	263,811	2.7
Manufacturing with unfilled orders:										
Unfilled Orders ⁴	642,788	637,225	638,261	0.9	-0.2	2.6	652,971	642,147	557,639	17.1
Total Inventories.....	223,400	223,524	221,344	-0.1	1.0	0.1	225,485	222,821	220,059	2.5
Primary metals:										
Unfilled Orders.....	24,087	24,299	24,252	-0.9	0.2	1.5	24,952	24,619	21,026	18.7
Total Inventories.....	24,561	24,272	23,888	1.2	1.6	0.3	24,797	24,512	24,087	2.9
Fabricated metal products:										
Unfilled Orders.....	49,133	49,030	48,413	0.2	1.3	0.4	49,157	48,300	43,917	11.9
Total Inventories.....	37,696	37,602	37,181	0.2	1.1	1.1	38,185	37,534	37,700	1.3
Machinery:										
Unfilled Orders.....	88,275	88,003	86,477	0.3	1.8	2.5	90,932	88,269	79,692	14.1
Total Inventories.....	48,189	48,256	47,783	-0.1	1.0	0.0	48,935	48,147	46,604	5.0
Computers and electronic products:										
Unfilled Orders ⁴	115,261	114,704	115,654	0.5	-0.8	-0.7	116,909	115,351	112,393	4.0
Total Inventories.....	45,443	46,640	45,896	-2.6	1.6	-1.1	45,679	46,332	45,942	-0.6
Computers and related products:										
Unfilled Orders.....	5,613	5,687	6,116	-1.3	-7.0	3.2	5,613	5,687	6,200	-9.5
Total Inventories.....	5,080	5,099	5,309	-0.4	-4.0	0.6	5,088	4,907	5,258	-3.2
Communications equipment:										
Unfilled Orders.....	36,885	36,767	37,176	0.3	-1.1	-2.1	37,423	36,651	36,976	1.2
Total Inventories.....	10,450	10,413	10,093	0.4	3.2	-4.9	10,563	10,476	10,806	-2.2
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.....	20,343	19,739	18,935	3.1	4.2	2.0	20,813	19,660	16,591	25.4
Total Inventories.....	13,392	13,396	13,163	0.0	1.8	1.2	13,730	13,373	12,790	7.3
Transportation equipment:										
Unfilled Orders.....	331,979	327,928	330,979	1.2	-0.9	4.7	336,752	332,699	270,639	24.4
Total Inventories.....	66,660	67,301	67,197	-1.0	0.2	0.1	67,266	66,749	66,109	1.8
Motor vehicles and parts:										
Unfilled Orders.....	17,346	17,336	17,002	0.1	2.0	2.1	18,152	17,915	15,697	15.6
Total Inventories.....	24,273	24,386	24,384	-0.5	0.0	-1.4	24,409	24,187	24,286	0.5
Nondefense Aircraft and parts:										
Unfilled Orders.....	193,815	191,004	191,107	1.5	-0.1	8.4	196,542	194,056	124,594	57.7
Total Inventories.....	22,994	23,330	22,731	-1.4	2.6	1.3	23,260	23,133	22,789	2.1
Defense Aircraft and parts:										
Unfilled Orders.....	53,409	53,436	52,370	-0.1	2.0	2.9	53,692	53,695	54,625	-1.7
Total Inventories.....	11,474	11,675	11,792	-1.7	-1.0	0.1	11,579	11,550	11,207	3.3
All other durable goods:										
Unfilled Orders.....	13,710	13,522	13,551	1.4	-0.2	-7.8	13,456	13,249	13,381	0.6
Total Inventories.....	51,336	51,244	50,820	0.2	0.8	0.3	51,742	51,084	49,782	3.9
Capital goods:³										
Unfilled Orders.....	479,111	475,501	477,820	0.8	-0.5	3.2	486,748	480,116	408,432	19.2
Total Inventories.....	130,109	130,395	129,134	-0.2	1.0	0.1	131,359	129,633	127,098	3.4
Nondefense capital goods:										
Unfilled Orders.....	349,837	347,524	345,961	0.7	0.5	4.9	355,904	350,671	268,593	32.5
Total Inventories.....	114,680	114,838	113,462	-0.1	1.2	0.0	115,903	114,116	111,323	4.1
Excluding aircraft:										
Unfilled Orders.....	177,627	176,751	175,065	0.5	1.0	0.8	181,066	176,684	165,472	9.4
Total Inventories.....	96,026	95,908	94,987	0.1	1.0	-0.4	96,988	95,344	93,292	4.0
Defense capital goods:										
Unfilled Orders.....	129,274	127,977	131,859	1.0	-2.9	-1.0	130,844	129,445	139,839	-6.4
Total Inventories.....	15,429	15,557	15,672	-0.8	-0.7	0.9	15,456	15,517	15,775	-2.0

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 4,200 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.

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 May 19, 2006. These revisions reflect:

- benchmarking the shipments and inventory data to the 2004 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 2006 January through March data. Please call Chris Savage on (301)763-4832 with questions.