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

New Orders

New orders for manufactured durable goods in January decreased \$23.6 billion or 10.2 percent to \$207.2 billion, the U.S. Census Bureau announced today. This decrease follows three consecutive monthly increases, which includes a 2.5 percent December increase. Excluding transportation, new orders increased 0.6 percent. Excluding defense, new orders decreased 8.1 percent.

Transportation equipment, down following three consecutive monthly increases, had the largest decrease, \$24.4 billion or 31.2 percent to \$54.0 billion. This was the largest decline since July 2000 and was led by nondefense aircraft and parts, which decreased \$17.6 billion.

Shipments

Shipments of manufactured durable goods in January, down following three consecutive monthly increases, decreased \$2.8 billion or 1.3 percent to \$219.7 billion. This followed a 4.1 percent December increase.

Transportation equipment, down following three consecutive monthly increases, had the largest decrease, \$3.5 billion or 5.5 percent to \$60.0 billion. The decrease was led by nondefense aircraft and parts, which decreased \$2.0 billion.

Unfilled Orders

Unfilled orders for manufactured durable goods in January, down following eight consecutive monthly increases, decreased \$5.2 billion or 0.8 percent to \$633.1 billion. This followed a 2.6 percent December increase.

Transportation equipment, down following eight consecutive monthly increases, had the largest decrease, \$6.0 billion or 1.8 percent to \$324.9 billion.

Inventories

Inventories of manufactured durable goods in January, up five consecutive months, increased \$0.7 billion or 0.3 percent to \$286.7 billion. This followed a 0.1 percent December increase.

Machinery, up two of the last three months, had the largest increase, \$0.5 billion or 1.0 percent to \$48.2 billion.

Capital Goods

Nondefense new orders for capital goods in January decreased \$17.8 billion or 20.0 percent to \$71.6 billion. Shipments decreased \$2.0 billion or 2.7 percent to \$71.3 billion. Unfilled orders increased \$0.2 billion or 0.1 percent to \$346.3 billion. Inventories increased \$0.9 billion or 0.8 percent to \$114.3 billion.

Defense new orders for capital goods in January decreased \$4.4 billion or 64.3 percent to \$2.4 billion. Shipments increased \$0.2 billion or 1.9 percent to \$8.3 billion. Unfilled orders decreased \$5.9 billion or 4.5 percent to \$126.0 billion. Inventories decreased \$0.9 billion or 5.6 percent to \$14.8 billion.

Revised December Data

Revised seasonally adjusted December figures for all manufacturing industries are: new orders, \$416.9 billion (revised from \$415.1 billion); shipments, \$408.6 billion (revised from \$407.9 billion); unfilled orders, \$638.3 billion (revised from \$637.1 billion); and total inventories, \$470.0 billion (revised from \$469.8 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 6, 2006, at 10:00 a.m. EST. The advance report on durable goods for February is scheduled for release on March 24, 2006, 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		
	Jan 2006 ²	Dec 2005 ^r	Nov 2005	Dec - Jan ²	Nov - Dec ^r	Oct - Nov	Jan 2006 ²	Dec 2005 ^r	Jan 2005	2006	2005	Percent Change 06/05
DURABLE GOODS												
Total:												
Shipments.....	219,677	222,514	213,805	-1.3	4.1	0.7	194,481	223,637	182,665	194,481	182,665	6.5
New Orders ⁴	207,198	230,754	225,158	-10.2	2.5	5.3	191,875	238,831	181,508	191,875	181,508	5.7
Excluding transportation:												
Shipments.....	159,687	159,056	154,246	0.4	3.1	0.6	143,244	160,577	132,914	143,244	132,914	7.8
New Orders ⁴	153,240	152,367	149,459	0.6	1.9	0.4	142,295	154,735	130,071	142,295	130,071	9.4
Excluding defense:												
Shipments.....	209,817	212,824	204,441	-1.4	4.1	0.7	186,699	212,567	175,167	186,699	175,167	6.6
New Orders ⁴	203,045	221,049	216,681	-8.1	2.0	6.9	187,734	224,110	173,525	187,734	173,525	8.2
Manufacturing with unfilled orders:												
Shipments.....	151,476	152,933	146,748	-1.0	4.2	1.2	134,078	156,006	124,524	134,078	124,524	7.7
New Orders ⁴	146,290	169,060	165,582	-13.5	2.1	7.8	138,019	179,319	130,346	138,019	130,346	5.9
Primary metals:												
Shipments.....	16,870	16,400	16,298	2.9	0.6	0.9	16,693	14,527	15,502	16,693	15,502	7.7
New Orders.....	16,780	16,720	17,506	0.4	-4.5	1.0	17,344	15,485	15,564	17,344	15,564	11.4
Fabricated metal products:												
Shipments.....	25,169	25,052	24,299	0.5	3.1	0.1	23,266	23,084	21,658	23,266	21,658	7.4
New Orders.....	25,410	25,260	24,651	0.6	2.5	-0.9	24,279	22,938	22,574	24,279	22,574	7.6
Machinery:												
Shipments.....	28,956	29,149	27,262	-0.7	6.9	1.1	25,432	28,733	23,135	25,432	23,135	9.9
New Orders.....	30,522	31,307	28,601	-2.5	9.5	3.0	28,296	31,496	24,528	28,296	24,528	15.4
Computers and electronic products:												
Shipments.....	38,310	38,782	37,668	-1.2	3.0	0.6	32,859	45,869	31,832	32,859	31,832	3.2
New Orders ⁴	30,012	30,121	29,973	-0.4	0.5	0.7	26,855	38,023	26,593	26,855	26,593	1.0
Computers and related products:												
Shipments.....	8,451	8,828	8,597	-4.3	2.7	2.5	7,195	11,227	7,209	7,195	7,209	-0.2
New Orders.....	8,024	9,019	8,648	-11.0	4.3	7.8	6,768	11,418	6,851	6,768	6,851	-1.2
Communications equipment:												
Shipments.....	6,361	5,894	5,565	7.9	5.9	-4.4	5,467	7,422	4,570	5,467	4,570	19.6
New Orders.....	5,960	5,105	5,267	16.7	-3.1	-8.5	5,707	6,446	5,530	5,707	5,530	3.2
Semiconductors:												
Shipments.....	7,293	7,887	7,481	-7.5	5.4	5.1	6,547	8,119	6,979	6,547	6,979	-6.2
New Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:												
Shipments.....	10,153	9,831	9,922	3.3	-0.9	-0.9	8,930	9,979	8,115	8,930	8,115	10.0
New Orders.....	10,477	10,203	10,205	2.7	0.0	0.3	9,619	10,079	8,746	9,619	8,746	10.0
Transportation equipment:												
Shipments.....	59,990	63,458	59,559	-5.5	6.5	0.9	51,237	63,060	49,751	51,237	49,751	3.0
New Orders.....	53,958	78,387	75,699	-31.2	3.6	16.6	49,580	84,096	51,437	49,580	51,437	-3.6
Motor vehicles and parts:												
Shipments.....	41,774	42,949	40,797	-2.7	5.3	-4.0	38,049	38,188	37,878	38,049	37,878	0.5
New Orders.....	41,836	43,254	40,633	-3.3	6.5	-5.3	38,570	39,099	38,016	38,570	38,016	1.5
Nondefense aircraft and parts:												
Shipments.....	8,910	10,956	9,616	-18.7	13.9	26.5	5,881	14,151	4,269	5,881	4,269	37.8
New Orders.....	8,204	25,791	26,547	-68.2	-2.8	139.4	7,297	31,984	4,882	7,297	4,882	49.5
Defense aircraft and parts:												
Shipments.....	3,753	3,863	3,815	-2.8	1.3	10.0	2,910	4,638	3,104	2,910	3,104	-6.3
New Orders.....	4,150	5,319	4,037	-22.0	31.8	-42.7	4,278	7,131	2,938	4,278	2,938	45.6
All other durable goods:												
Shipments.....	40,229	39,842	38,797	1.0	2.7	0.8	36,064	38,385	32,672	36,064	32,672	10.4
New Orders.....	40,039	38,756	38,523	3.3	0.6	-1.0	35,902	36,714	32,066	35,902	32,066	12.0
Capital goods:³												
Shipments.....	79,629	81,435	77,566	-2.2	5.0	3.2	67,270	91,100	61,584	67,270	61,584	9.2
New Orders.....	73,992	96,233	94,404	-23.1	1.9	15.9	67,522	111,990	65,934	67,522	65,934	2.4
Nondefense capital goods:												
Shipments.....	71,310	73,268	69,633	-2.7	5.2	3.4	60,645	81,970	55,276	60,645	55,276	9.7
New Orders.....	71,550	89,395	87,655	-20.0	2.0	22.1	65,167	100,685	59,339	65,167	59,339	9.8
Excluding aircraft:												
Shipments.....	65,475	65,345	62,927	0.2	3.8	0.5	57,471	70,700	53,727	57,471	53,727	7.0
New Orders.....	66,584	66,840	63,652	-0.4	5.0	0.1	60,846	72,061	56,835	60,846	56,835	7.1
Defense capital goods:												
Shipments.....	8,319	8,167	7,933	1.9	2.9	1.4	6,625	9,130	6,308	6,625	6,308	5.0
New Orders.....	2,442	6,838	6,749	-64.3	1.3	-30.3	2,355	11,305	6,595	2,355	6,595	-64.3

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
	Jan 2006 ²	Dec 2005 ^r	Nov 2005	Dec - Jan ²	Nov - Dec ^r	Oct - Nov	Jan 2006 ²	Dec 2005 ^r	Jan 2005	
DURABLE GOODS										
Total:										
Unfilled Orders ⁴	633,145	638,331	622,204	-0.8	2.6	3.1	638,386	634,445	549,388	16.2
Total Inventories.....	286,696	285,963	285,540	0.3	0.1	0.6	285,652	277,453	277,335	3.0
Excluding transportation:										
Unfilled Orders ⁴	308,248	307,402	306,204	0.3	0.4	0.9	308,475	302,877	279,089	10.5
Total Inventories.....	220,133	218,763	218,443	0.6	0.1	0.8	219,657	212,952	213,316	3.0
Excluding defense:										
Unfilled Orders ⁴	493,733	493,212	477,100	0.1	3.4	4.3	497,487	489,905	394,794	26.0
Total Inventories.....	268,015	266,341	266,060	0.6	0.1	0.7	267,119	258,267	258,248	3.4
Manufacturing with unfilled orders:										
Unfilled Orders ⁴	633,145	638,331	622,204	-0.8	2.6	3.1	638,386	634,445	549,388	16.2
Total Inventories.....	222,401	221,377	221,060	0.5	0.1	0.6	221,665	215,386	215,845	2.7
Primary metals:										
Unfilled Orders.....	24,117	24,207	23,887	-0.4	1.3	5.3	24,367	23,716	20,548	18.6
Total Inventories.....	24,152	23,898	23,809	1.1	0.4	-0.1	24,440	23,976	23,894	2.3
Fabricated metal products:										
Unfilled Orders.....	48,690	48,449	48,241	0.5	0.4	0.7	48,020	47,007	42,726	12.4
Total Inventories.....	37,583	37,207	36,789	1.0	1.1	0.5	37,481	36,301	36,670	2.2
Machinery:										
Unfilled Orders.....	88,086	86,520	84,362	1.8	2.6	1.6	88,326	85,462	75,993	16.2
Total Inventories.....	48,189	47,735	47,790	1.0	-0.1	0.6	48,072	46,285	45,530	5.6
Computers and electronic products:										
Unfilled Orders ⁴	114,660	115,665	116,439	-0.9	-0.7	-0.2	115,374	114,831	110,491	4.4
Total Inventories.....	46,308	45,912	46,387	0.9	-1.0	1.9	45,970	44,239	45,766	0.4
Computers and related products:										
Unfilled Orders.....	5,689	6,116	5,925	-7.0	3.2	0.9	5,689	6,116	6,059	-6.1
Total Inventories.....	5,076	5,309	5,277	-4.4	0.6	0.3	4,870	4,907	5,061	-3.8
Communications equipment:										
Unfilled Orders.....	36,790	37,191	37,980	-1.1	-2.1	-0.8	36,726	36,486	36,185	1.5
Total Inventories.....	10,400	10,094	10,614	3.0	-4.9	4.5	10,445	9,816	11,029	-5.3
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.....	19,268	18,944	18,572	1.7	2.0	1.5	19,208	18,519	16,042	19.7
Total Inventories.....	13,385	13,161	13,005	1.7	1.2	0.8	13,375	12,590	12,451	7.4
Transportation equipment:										
Unfilled Orders.....	324,897	330,929	316,000	-1.8	4.7	5.4	329,911	331,568	270,299	22.1
Total Inventories.....	66,563	67,200	67,097	-0.9	0.2	0.1	65,995	64,501	64,019	3.1
Motor vehicles and parts:										
Unfilled Orders.....	17,026	16,964	16,659	0.4	1.8	-1.0	17,542	17,021	15,408	13.8
Total Inventories.....	24,446	24,394	24,735	0.2	-1.4	0.5	24,282	23,337	23,830	1.9
Nondefense Aircraft and parts:										
Unfilled Orders.....	190,400	191,106	176,271	-0.4	8.4	10.6	193,833	192,417	123,199	57.3
Total Inventories.....	23,088	22,731	22,442	1.6	1.3	-0.2	22,831	21,667	21,592	5.7
Defense Aircraft and parts:										
Unfilled Orders.....	52,758	52,361	50,905	0.8	2.9	0.4	52,947	51,579	55,231	-4.1
Total Inventories.....	11,480	11,792	11,780	-2.6	0.1	-0.4	11,342	11,524	10,947	3.6
All other durable goods:										
Unfilled Orders.....	13,427	13,617	14,703	-1.4	-7.4	-1.8	13,180	13,342	13,289	-0.8
Total Inventories.....	50,516	50,850	50,663	-0.7	0.4	0.7	50,319	49,561	49,005	2.7
Capital goods:³										
Unfilled Orders.....	472,233	477,870	463,072	-1.2	3.2	3.8	477,118	476,866	402,794	18.5
Total Inventories.....	129,144	129,099	128,988	0.0	0.1	0.6	128,332	125,077	124,418	3.1
Nondefense capital goods:										
Unfilled Orders.....	346,266	346,026	329,899	0.1	4.9	5.8	349,773	345,251	262,027	33.5
Total Inventories.....	114,342	113,426	113,456	0.8	0.0	0.7	113,540	109,572	108,642	4.5
Excluding aircraft:										
Unfilled Orders.....	176,240	175,131	173,636	0.6	0.9	0.4	176,157	172,782	160,059	10.1
Total Inventories.....	95,646	94,951	95,378	0.7	-0.4	1.0	95,057	91,993	91,617	3.8
Defense capital goods:										
Unfilled Orders.....	125,967	131,844	133,173	-4.5	-1.0	-0.9	127,345	131,615	140,767	-9.5
Total Inventories.....	14,802	15,673	15,532	-5.6	0.9	-0.2	14,792	15,505	15,776	-6.2

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 unscheduled 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>.