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

New Orders

New orders for manufactured durable goods in March increased \$13.3 billion or 6.1 percent to \$230.6 billion, the U.S. Census Bureau announced today. This was the fifth increase in the last six months and followed a 3.4 percent February increase. Excluding transportation, new orders increased 2.8 percent. Excluding defense, new orders increased 6.0 percent.

Transportation equipment, up five of the last six months, had the largest increase, \$9.0 billion or 14.0 percent to \$73.3 billion. The increase was led by nondefense aircraft and parts, which increased \$8.8 billion.

Shipments

Shipments of manufactured durable goods in March, up five of the last six months, increased \$0.6 billion or 0.3 percent to \$219.9 billion. This followed a 0.4 percent February increase.

Machinery, up following two consecutive monthly decreases, had the largest increase, \$0.9 billion or 3.2 percent to \$28.9 billion.

Unfilled Orders

Unfilled orders for manufactured durable goods in March, up ten of the last eleven months, increased \$18.0 billion or 2.8 percent to \$661.6 billion. This was at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 1.0 percent February increase.

Transportation equipment, up ten of the last eleven months, had the largest increase, \$13.9 billion or 4.2 percent to \$347.1 billion.

Inventories

Inventories of manufactured durable goods in March, up six of the last seven months, increased \$2.0 billion or 0.7 percent to \$289.4 billion. This followed a 0.4 percent February decrease.

Computer and electronic products, up two of the last three months, had the largest increase, \$1.0 billion or 2.3 percent to \$46.5 billion.

Capital Goods

Nondefense new orders for capital goods in March increased \$9.0 billion or 12.1 percent to \$83.2 billion. Shipments increased \$0.5 billion or 0.7 percent to \$71.4 billion. Unfilled orders increased \$11.8 billion or 3.4 percent to \$362.4 billion. Inventories increased \$0.3 billion or 0.2 percent to \$115.0 billion.

Defense new orders for capital goods in March increased \$1.2 billion or 12.6 percent to \$10.6 billion. Shipments increased \$0.2 billion or 2.7 percent to \$8.2 billion. Unfilled orders increased \$2.4 billion or 1.8 percent to \$131.7 billion. Inventories increased \$0.2 billion or 1.0 percent to \$15.7 billion.

Revised February Data

Revised seasonally adjusted February figures for all manufacturing industries are: new orders, \$403.0 billion (revised from \$401.9 billion); shipments, \$405.0 billion (unchanged from last month); unfilled orders, \$643.6 billion (revised from \$642.4 billion); and total inventories, \$473.6 billion (revised from \$473.8 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 May 3, 2006, at 10:00 a.m. EDT. The advance report on durable goods for April is scheduled for release on May 24, 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		
	Mar 2006 ²	Feb 2006 ^r	Jan 2006	Feb - Mar ²	Jan - Feb ^r	Dec - Jan	Mar 2006 ²	Feb 2006 ^r	Mar 2005	2006	2005	Percent Change 06/05
DURABLE GOODS												
Total:												
Shipments.....	219,919	219,369	218,461	0.3	0.4	-1.8	245,367	209,098	222,582	648,480	599,441	8.2
New Orders ⁴	230,606	217,284	210,119	6.1	3.4	-8.9	257,363	211,259	215,006	664,007	592,038	12.2
Excluding transportation:												
Shipments.....	160,455	160,390	159,827	0.0	0.4	0.5	175,640	150,534	160,195	469,430	431,409	8.8
New Orders ⁴	157,265	152,940	154,564	2.8	-1.1	1.5	172,662	147,937	154,856	464,084	424,217	9.4
Excluding defense:												
Shipments.....	210,106	209,791	208,415	0.2	0.7	-2.0	234,335	199,981	212,440	620,313	573,023	8.3
New Orders ⁴	218,552	206,127	203,843	6.0	1.1	-7.8	241,791	200,497	203,757	631,185	565,312	11.7
Manufacturing with unfilled orders:												
Shipments.....	150,375	149,447	149,778	0.6	-0.2	-2.0	167,529	142,161	151,910	442,977	407,644	8.7
New Orders ⁴	168,376	156,075	148,479	7.9	5.1	-12.1	187,377	153,013	151,489	481,379	421,296	14.3
Primary metals:												
Shipments.....	16,878	16,790	16,948	0.5	-0.9	3.2	18,650	16,647	17,027	52,130	48,080	8.4
New Orders.....	16,879	16,702	17,002	1.1	-1.8	1.3	18,859	17,137	17,066	53,730	48,659	10.4
Fabricated metal products:												
Shipments.....	25,499	25,376	25,451	0.5	-0.3	1.6	27,094	24,270	24,716	74,871	68,885	8.7
New Orders.....	25,728	25,410	26,025	1.3	-2.4	3.1	28,050	24,966	25,608	77,814	71,884	8.2
Machinery:												
Shipments.....	28,935	28,046	28,652	3.2	-2.1	-1.6	32,561	26,281	28,577	84,075	75,946	10.7
New Orders.....	30,037	27,929	30,247	7.5	-7.7	-3.2	33,470	28,405	28,158	90,003	80,619	11.6
Computers and electronic products:												
Shipments.....	38,277	39,595	37,877	-3.3	4.5	-1.9	43,627	36,430	41,247	112,398	106,056	6.0
New Orders ⁴	33,909	31,530	29,638	7.5	6.4	-1.4	38,916	29,182	35,559	94,462	90,110	4.8
Computers and related products:												
Shipments.....	8,416	8,326	8,325	1.1	0.0	-5.7	10,027	6,967	9,131	24,070	23,012	4.6
New Orders.....	8,429	8,263	7,896	2.0	4.6	-12.4	10,040	6,904	8,474	23,591	22,138	6.6
Communications equipment:												
Shipments.....	6,298	6,270	6,399	0.4	-2.0	8.5	7,328	5,524	6,886	18,258	16,315	11.9
New Orders.....	7,003	6,612	5,786	5.9	14.3	13.6	8,252	6,495	7,658	20,136	18,838	6.9
Semiconductors:												
Shipments.....	7,314	8,713	7,043	-16.1	23.7	-9.6	7,852	8,691	7,155	22,875	21,055	8.6
New Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:												
Shipments.....	10,268	10,093	10,244	1.7	-1.5	4.2	11,068	9,400	9,783	29,493	26,630	10.8
New Orders.....	10,387	10,574	11,027	-1.8	-4.1	8.1	10,910	10,427	9,545	31,502	27,572	14.3
Transportation equipment:												
Shipments.....	59,464	58,979	58,634	0.8	0.6	-7.6	69,727	58,564	62,387	179,050	168,032	6.6
New Orders.....	73,341	64,344	55,555	14.0	15.8	-29.2	84,701	63,322	60,150	199,923	167,821	19.1
Motor vehicles and parts:												
Shipments.....	41,907	40,648	41,559	3.1	-2.2	-3.3	48,845	41,285	44,098	128,214	124,094	3.3
New Orders.....	41,935	40,778	41,894	2.8	-2.7	-3.3	48,708	41,671	43,792	129,357	124,215	4.1
Nondefense aircraft and parts:												
Shipments.....	8,193	9,003	7,815	-9.0	15.2	-28.7	10,227	8,415	8,226	23,999	17,520	37.0
New Orders.....	21,098	12,332	7,712	71.1	59.9	-70.1	22,504	10,934	6,238	40,434	17,540	130.5
Defense aircraft and parts:												
Shipments.....	3,705	3,942	3,721	-6.0	5.9	-3.7	4,294	3,606	4,107	10,770	10,513	2.4
New Orders.....	3,872	3,898	4,786	-0.7	-18.6	-10.2	5,641	3,562	3,481	14,199	9,115	55.8
All other durable goods:												
Shipments.....	40,598	40,490	40,655	0.3	-0.4	1.9	42,640	37,506	38,845	116,463	105,812	10.1
New Orders.....	40,325	40,795	40,625	-1.2	0.4	4.9	42,457	37,820	38,920	116,573	105,373	10.6
Capital goods:³												
Shipments.....	79,636	78,915	78,553	0.9	0.5	-3.5	90,471	72,992	80,262	230,190	207,163	11.1
New Orders.....	93,783	83,618	75,938	12.2	10.1	-21.0	105,722	79,836	80,218	255,371	217,107	17.6
Nondefense capital goods:												
Shipments.....	71,437	70,934	70,057	0.7	1.3	-4.4	81,390	65,306	71,715	206,563	184,798	11.8
New Orders.....	83,213	74,234	71,392	12.1	4.0	-20.1	92,075	70,858	70,115	228,046	193,827	17.7
Excluding aircraft:												
Shipments.....	65,885	64,857	65,292	1.6	-0.7	0.0	74,217	59,652	67,189	191,089	176,351	8.4
New Orders.....	68,185	66,212	66,750	3.0	-0.8	0.0	76,357	64,334	67,376	201,639	185,059	9.0
Defense capital goods:												
Shipments.....	8,199	7,981	8,496	2.7	-6.1	4.1	9,081	7,686	8,547	23,627	22,365	5.6
New Orders.....	10,570	9,384	4,546	12.6	106.4	-33.6	13,647	8,978	10,103	27,325	23,280	17.4

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
	Mar 2006 ²	Feb 2006 ^r	Jan 2006	Feb - Mar ²	Jan - Feb ^r	Dec - Jan	Mar 2006 ²	Feb 2006 ^r	Mar 2005	
DURABLE GOODS										
Total:										
Unfilled Orders ⁴	661,591	643,590	636,962	2.8	1.0	-0.2	672,736	652,888	557,218	20.7
Total Inventories.....	289,397	287,398	288,690	0.7	-0.4	1.0	289,069	290,407	280,560	3.0
Excluding transportation:										
Unfilled Orders ⁴	314,449	310,325	309,062	1.3	0.4	0.6	320,295	315,421	288,816	10.9
Total Inventories.....	222,252	220,697	221,376	0.7	-0.3	1.2	222,108	223,147	214,668	3.5
Excluding defense:										
Unfilled Orders ⁴	516,407	500,647	495,598	3.1	1.0	0.5	523,541	508,233	402,801	30.0
Total Inventories.....	269,791	268,065	269,266	0.6	-0.4	1.1	269,533	270,944	261,787	3.0
Manufacturing with unfilled orders:										
Unfilled Orders ⁴	661,591	643,590	636,962	2.8	1.0	-0.2	672,736	652,888	557,218	20.7
Total Inventories.....	224,378	223,357	223,545	0.5	-0.1	1.0	223,975	225,384	218,039	2.7
Primary metals:										
Unfilled Orders.....	24,219	24,218	24,306	0.0	-0.4	0.2	25,316	25,107	21,065	20.2
Total Inventories.....	24,641	24,582	24,274	0.2	1.3	1.6	24,725	24,834	24,493	0.9
Fabricated metal products:										
Unfilled Orders.....	49,250	49,021	48,987	0.5	0.1	1.2	49,939	48,983	44,809	11.4
Total Inventories.....	37,701	37,660	37,541	0.1	0.3	1.0	38,230	38,193	37,860	1.0
Machinery:										
Unfilled Orders.....	89,057	87,955	88,072	1.3	-0.1	1.8	91,396	90,487	79,273	15.3
Total Inventories.....	48,445	48,231	48,284	0.4	-0.1	1.0	48,531	48,942	46,159	5.1
Computers and electronic products:										
Unfilled Orders ⁴	118,052	115,106	114,458	2.6	0.6	-1.0	119,736	116,595	113,860	5.2
Total Inventories.....	46,506	45,479	46,664	2.3	-2.5	1.7	45,362	45,723	43,718	3.8
Computers and related products:										
Unfilled Orders.....	5,637	5,624	5,687	0.2	-1.1	-7.0	5,637	5,624	5,543	1.7
Total Inventories.....	5,150	5,086	5,098	1.3	-0.2	-4.0	4,824	5,086	4,992	-3.4
Communications equipment:										
Unfilled Orders.....	37,610	36,905	36,563	1.9	0.9	-1.6	38,347	37,423	37,748	1.6
Total Inventories.....	10,144	10,451	10,435	-2.9	0.2	3.4	9,871	10,605	10,193	-3.2
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.....	20,318	20,199	19,718	0.6	2.4	4.1	20,528	20,686	16,353	25.5
Total Inventories.....	13,400	13,379	13,403	0.2	-0.2	1.8	13,595	13,686	12,788	6.3
Transportation equipment:										
Unfilled Orders.....	347,142	333,265	327,900	4.2	1.6	-0.9	352,441	337,467	268,402	31.3
Total Inventories.....	67,145	66,701	67,314	0.7	-0.9	0.2	66,961	67,260	65,892	1.6
Motor vehicles and parts:										
Unfilled Orders.....	17,495	17,467	17,337	0.2	0.7	2.0	18,164	18,301	15,391	18.0
Total Inventories.....	24,213	24,307	24,394	-0.4	-0.4	0.0	24,293	24,412	24,553	-1.1
Nondefense Aircraft and parts:										
Unfilled Orders.....	207,238	194,333	191,004	6.6	1.7	-0.1	208,852	196,575	122,606	70.3
Total Inventories.....	23,230	23,009	23,340	1.0	-1.4	2.7	23,036	23,267	22,463	2.6
Defense Aircraft and parts:										
Unfilled Orders.....	53,558	53,391	53,435	0.3	-0.1	2.0	55,008	53,661	53,999	1.9
Total Inventories.....	11,696	11,583	11,678	1.0	-0.8	-1.0	11,657	11,677	11,082	5.2
All other durable goods:										
Unfilled Orders.....	13,553	13,826	13,521	-2.0	2.3	-0.2	13,380	13,563	13,456	-0.6
Total Inventories.....	51,559	51,366	51,210	0.4	0.3	0.8	51,665	51,769	49,650	4.1
Capital goods:³										
Unfilled Orders.....	494,055	479,908	475,205	2.9	1.0	-0.5	502,020	486,769	408,388	22.9
Total Inventories.....	130,643	130,233	130,421	0.3	-0.1	1.0	129,620	131,464	124,754	3.9
Nondefense capital goods:										
Unfilled Orders.....	362,372	350,596	347,296	3.4	1.0	0.4	366,707	356,022	266,993	37.3
Total Inventories.....	114,955	114,696	114,865	0.2	-0.1	1.2	113,963	115,891	109,636	3.9
Excluding aircraft:										
Unfilled Orders.....	180,178	177,878	176,523	1.3	0.8	0.8	183,305	181,165	165,659	10.7
Total Inventories.....	96,041	96,029	95,935	0.0	0.1	1.0	95,174	96,976	91,765	3.7
Defense capital goods:										
Unfilled Orders.....	131,683	129,312	127,909	1.8	1.1	-3.0	135,313	130,747	141,395	-4.3
Total Inventories.....	15,688	15,537	15,556	1.0	-0.1	-0.7	15,657	15,573	15,118	3.6

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), 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.