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

New Orders

New orders for manufactured durable goods in May decreased \$0.6 billion or 0.3 percent to \$208.7 billion, the U.S. Census Bureau announced today. This is the second consecutive monthly decrease and follows a 4.7 percent April decrease. Excluding transportation, new orders increased 0.7 percent. Excluding defense, new orders decreased 0.1 percent.

Transportation equipment, down two consecutive months, had the largest decrease, \$1.5 billion or 2.6 percent to \$58.6 billion. The decrease was due to nondefense aircraft and parts, which decreased \$2.3 billion.

Shipments

Shipments of manufactured durable goods in May, up three of the last four months, increased \$5.4 billion or 2.6 percent to \$211.9 billion. This was at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 1.2 percent April decrease.

Transportation equipment, up three of the last four months, had the largest increase, \$2.8 billion or 5.1 percent to \$57.5 billion.

Unfilled Orders

Unfilled orders for manufactured durable goods in May, up twelve of the last thirteen months, increased \$3.7 billion or 0.6 percent to \$611.3 billion. This was at the highest level since the series began and followed a 1.5 percent April increase.

Machinery, up twenty-one consecutive months, had the largest increase, \$1.4 billion or 2.1 percent to \$68.0

billion. This was at the highest level since the series began.

Inventories

Inventories of manufactured durable goods in May, up four of the last five months, increased \$1.0 billion or 0.4 percent to \$279.7 billion. This followed a 1.1 percent April increase.

Primary metals, up six consecutive months, had the largest increase, \$0.4 billion or 1.6 percent to \$26.9 billion. This was at the highest level since the series began.

Capital Goods

Nondefense new orders for capital goods in May decreased \$1.4 billion or 1.9 percent to \$70.7 billion. Shipments increased \$1.4 billion or 2.1 percent to \$66.8 billion. Unfilled orders increased \$3.9 billion or 1.2 percent to \$314.4 billion. Inventories decreased \$0.1 billion or 0.1 percent to \$108.4 billion.

Defense new orders for capital goods in May decreased \$0.6 billion or 7.6 percent to \$6.8 billion. Shipments decreased \$0.2 billion or 2.0 percent to \$7.9 billion. Unfilled orders decreased \$1.1 billion or 0.8 percent to \$125.4 billion. Inventories increased slightly to \$14.3 billion.

Revised April Data

Revised seasonally adjusted April figures for all manufacturing industries are: new orders, \$397.1 billion (revised from \$398.0 billion); shipments, \$394.3 billion (revised from \$394.9); unfilled orders, \$607.5 billion (revised from \$607.9 billion); and total inventories, \$462.0 billion (revised from \$460.9 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 July 5, 2006, at 10:00 a.m. EDT. The advance report on durable goods for June is scheduled for release on July 27, 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		
	May 2006 ²	Apr 2006 ^r	Mar 2006	Apr - May ²	Mar - Apr ^r	Feb - Mar	May 2006 ²	Apr 2006 ^r	May 2005	2006	2005	Percent Change 06/05
DURABLE GOODS												
Total:												
Shipments.....	211,920	206,487	209,008	2.6	-1.2	0.3	217,270	198,321	198,370	1,033,916	963,465	7.3
New Orders ⁴	208,666	209,234	219,499	-0.3	-4.7	6.0	211,463	200,213	201,294	1,044,198	953,811	9.5
Excluding transportation:												
Shipments.....	154,421	151,757	152,266	1.8	-0.3	-0.2	156,332	146,525	141,582	750,055	690,236	8.7
New Orders ⁴	150,059	149,078	150,594	0.7	-1.0	3.4	151,408	144,610	135,835	739,620	674,015	9.7
Excluding defense:												
Shipments.....	202,486	196,954	199,560	2.8	-1.3	0.1	208,058	189,144	189,578	988,963	921,020	7.4
New Orders ⁴	200,547	200,762	207,947	-0.1	-3.5	5.8	205,305	192,435	195,451	999,835	915,848	9.2
Manufacturing with unfilled orders:												
Shipments.....	145,727	142,591	142,987	2.2	-0.3	1.3	148,613	137,616	134,010	707,483	652,399	8.4
New Orders ⁴	149,466	151,397	160,195	-1.3	-5.5	8.2	149,625	145,149	142,851	751,464	672,915	11.7
Primary metals:												
Shipments.....	18,555	17,529	17,610	5.9	-0.5	2.5	19,447	17,597	16,351	90,766	82,964	9.4
New Orders.....	19,009	18,369	17,752	3.5	3.5	4.3	19,608	17,917	15,833	92,853	82,036	13.2
Fabricated metal products:												
Shipments.....	24,624	24,400	24,340	0.9	0.2	0.1	25,686	23,855	23,580	121,045	111,979	8.1
New Orders.....	25,033	25,355	24,739	-1.3	2.5	2.1	26,761	25,054	24,784	126,139	116,607	8.2
Machinery:												
Shipments.....	26,698	26,609	26,504	0.3	0.4	2.7	27,553	27,197	24,718	132,971	120,203	10.6
New Orders.....	28,105	27,466	27,461	2.3	0.0	5.4	28,577	28,337	24,357	140,909	125,098	12.6
Computers and electronic products:												
Shipments.....	35,515	34,698	34,970	2.4	-0.8	-3.3	33,541	31,313	30,338	167,118	152,965	9.3
New Orders ⁴	28,231	28,539	32,006	-1.1	-10.8	12.0	25,556	25,771	23,545	137,805	126,698	8.8
Computers and related products:												
Shipments.....	6,698	6,661	6,780	0.6	-1.8	3.1	5,759	6,277	5,556	30,968	29,887	3.6
New Orders.....	6,675	6,549	6,802	1.9	-3.7	4.2	5,736	6,165	5,592	30,477	29,319	3.9
Communications equipment:												
Shipments.....	6,137	6,395	6,031	-4.0	6.0	2.4	5,911	5,461	4,922	28,307	23,598	20.0
New Orders.....	5,625	5,311	7,448	5.9	-28.7	20.3	5,132	4,588	4,590	29,172	25,796	13.1
Semiconductors:												
Shipments.....	6,993	6,059	6,717	15.4	-9.8	-17.7	6,819	5,641	5,917	33,699	30,170	11.7
New Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:												
Shipments.....	10,234	10,054	9,990	1.8	0.6	1.2	10,424	9,475	9,187	48,672	43,918	10.8
New Orders.....	10,730	10,753	10,091	-0.2	6.6	-2.9	10,957	10,197	9,459	51,910	45,196	14.9
Transportation equipment:												
Shipments.....	57,499	54,730	56,742	5.1	-3.5	1.7	60,938	51,796	56,788	283,861	273,229	3.9
New Orders.....	58,607	60,156	68,905	-2.6	-12.7	12.3	60,055	55,603	65,459	304,578	279,796	8.9
Motor vehicles and parts:												
Shipments.....	40,710	39,117	40,231	4.1	-2.8	3.0	44,066	37,249	41,952	204,642	203,105	0.8
New Orders.....	40,735	39,726	40,557	2.5	-2.0	3.5	43,611	37,742	41,846	206,035	203,092	1.4
Nondefense aircraft and parts:												
Shipments.....	7,892	6,586	7,576	19.8	-13.1	-6.3	8,140	6,003	5,989	36,896	27,703	33.2
New Orders.....	10,728	13,064	18,592	-17.9	-29.7	59.9	10,577	11,200	17,333	58,263	37,997	53.3
Defense aircraft and parts:												
Shipments.....	3,528	3,410	3,450	3.5	-1.2	-1.0	3,251	3,177	3,116	16,053	15,660	2.5
New Orders.....	2,829	2,238	3,390	26.4	-34.0	-1.6	2,141	2,078	1,929	16,625	12,284	35.3
All other durable goods:												
Shipments.....	38,795	38,467	38,852	0.9	-1.0	-0.9	39,681	37,088	37,408	189,483	178,207	6.3
New Orders.....	38,951	38,596	38,545	0.9	0.1	-2.3	39,949	37,334	37,857	190,004	178,380	6.5
Capital goods:³												
Shipments.....	74,721	73,483	73,923	1.7	-0.6	1.7	74,197	69,934	66,160	358,976	322,527	11.3
New Orders.....	77,533	79,457	87,001	-2.4	-8.7	12.0	74,600	74,777	74,805	386,757	339,764	13.8
Nondefense capital goods:												
Shipments.....	66,823	65,424	66,115	2.1	-1.0	1.5	66,378	62,130	58,644	321,067	286,443	12.1
New Orders.....	70,685	72,042	76,888	-1.9	-6.3	11.6	69,425	68,066	69,929	349,594	307,156	13.8
Excluding aircraft:												
Shipments.....	61,621	61,550	61,060	0.1	0.8	2.0	60,862	58,726	55,473	297,501	272,825	9.0
New Orders.....	62,946	62,331	63,506	1.0	-1.9	3.4	61,714	60,220	55,144	310,476	282,353	10.0
Defense capital goods:												
Shipments.....	7,898	8,059	7,808	-2.0	3.2	4.0	7,819	7,804	7,516	37,909	36,084	5.1
New Orders.....	6,848	7,415	10,113	-7.6	-26.7	15.3	5,175	6,711	4,876	37,163	32,608	14.0

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
	May 2006 ²	Apr 2006 ^r	Mar 2006	Apr - May ²	Mar - Apr ^r	Feb - Mar	May 2006 ²	Apr 2006 ^r	May 2005	
DURABLE GOODS										
Total:										
Unfilled Orders ⁴	611,271	607,532	598,726	0.6	1.5	3.0	616,409	615,397	511,753	20.5
Total Inventories.....	279,657	278,656	275,685	0.4	1.1	1.0	282,619	280,702	273,304	3.4
Excluding transportation:										
Unfilled Orders ⁴	290,013	287,382	284,002	0.9	1.2	1.8	294,552	292,657	257,339	14.5
Total Inventories.....	214,197	213,505	211,416	0.3	1.0	1.0	216,651	215,123	208,630	3.8
Excluding defense:										
Unfilled Orders ⁴	473,254	468,200	458,333	1.1	2.2	3.4	476,454	472,388	366,890	29.9
Total Inventories.....	260,480	259,656	256,643	0.3	1.2	1.0	263,465	261,707	254,169	3.7
Manufacturing with unfilled orders:										
Unfilled Orders ⁴	611,271	607,532	598,726	0.6	1.5	3.0	616,409	615,397	511,753	20.5
Total Inventories.....	217,452	216,651	214,263	0.4	1.1	0.8	219,692	218,262	212,252	3.5
Primary metals:										
Unfilled Orders.....	27,071	26,617	25,777	1.7	3.3	0.6	27,361	27,200	20,854	31.2
Total Inventories.....	26,923	26,499	26,026	1.6	1.8	0.3	27,052	26,632	26,094	3.7
Fabricated metal products:										
Unfilled Orders.....	50,736	50,327	49,372	0.8	1.9	0.8	52,199	51,124	45,351	15.1
Total Inventories.....	35,331	35,266	34,982	0.2	0.8	0.5	35,876	35,815	35,465	1.2
Machinery:										
Unfilled Orders.....	68,012	66,605	65,748	2.1	1.3	1.5	69,643	68,619	56,960	22.3
Total Inventories.....	44,950	44,564	44,248	0.9	0.7	1.1	45,301	44,785	43,028	5.3
Computers and electronic products:										
Unfilled Orders ⁴	111,152	111,443	111,543	-0.3	-0.1	3.5	111,961	113,127	105,223	6.4
Total Inventories.....	44,219	44,275	43,664	-0.1	1.4	2.9	44,719	44,238	42,137	6.1
Computers and related products:										
Unfilled Orders.....	4,211	4,234	4,346	-0.5	-2.6	0.5	4,211	4,234	4,366	-3.6
Total Inventories.....	4,158	4,118	4,210	1.0	-2.2	1.5	4,312	4,057	4,544	-5.1
Communications equipment:										
Unfilled Orders.....	33,307	33,819	34,903	-1.5	-3.1	4.2	33,877	34,656	33,901	-0.1
Total Inventories.....	10,088	10,414	10,093	-3.1	3.2	-1.9	10,179	10,411	10,013	1.7
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.....	20,829	20,333	19,634	2.4	3.6	0.5	21,072	20,539	16,257	29.6
Total Inventories.....	13,122	13,266	13,216	-1.1	0.4	1.0	13,530	13,665	12,835	5.4
Transportation equipment:										
Unfilled Orders.....	321,258	320,150	314,724	0.3	1.7	4.0	321,857	322,740	254,414	26.5
Total Inventories.....	65,460	65,151	64,269	0.5	1.4	0.8	65,968	65,579	64,674	2.0
Motor vehicles and parts:										
Unfilled Orders.....	18,488	18,463	17,854	0.1	3.4	1.9	18,485	18,940	15,447	19.7
Total Inventories.....	23,624	23,597	23,398	0.1	0.9	-0.1	23,815	23,861	24,141	-1.4
Nondefense Aircraft and parts:										
Unfilled Orders.....	189,940	187,104	180,626	1.5	3.6	6.5	188,801	186,364	118,568	59.2
Total Inventories.....	22,633	22,690	21,992	-0.3	3.2	1.1	22,959	22,802	21,569	6.4
Defense Aircraft and parts:										
Unfilled Orders.....	45,077	45,776	46,948	-1.5	-2.5	-0.1	46,080	47,190	45,454	1.4
Total Inventories.....	11,720	11,490	11,453	2.0	0.3	0.7	11,708	11,483	11,179	4.7
All other durable goods:										
Unfilled Orders.....	12,213	12,057	11,928	1.3	1.1	-2.5	12,316	12,048	12,694	-3.0
Total Inventories.....	49,652	49,635	49,280	0.0	0.7	0.2	50,173	49,988	49,071	2.2
Capital goods:³										
Unfilled Orders.....	439,842	437,030	431,056	0.6	1.4	3.1	442,476	442,073	365,107	21.2
Total Inventories.....	122,737	122,856	122,098	-0.1	0.6	0.8	123,950	123,326	119,276	3.9
Nondefense capital goods:										
Unfilled Orders.....	314,415	310,553	303,935	1.2	2.2	3.7	315,441	312,394	232,685	35.6
Total Inventories.....	108,424	108,545	107,652	-0.1	0.8	0.8	109,648	109,013	104,632	4.8
Excluding aircraft:										
Unfilled Orders.....	149,627	148,302	147,521	0.9	0.5	1.7	152,181	151,329	134,550	13.1
Total Inventories.....	91,203	91,253	90,759	-0.1	0.5	0.7	92,309	91,691	88,780	4.0
Defense capital goods:										
Unfilled Orders.....	125,427	126,477	127,121	-0.8	-0.5	1.8	127,035	129,679	132,422	-4.1
Total Inventories.....	14,313	14,311	14,446	0.0	-0.9	1.0	14,302	14,313	14,644	-2.3

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>.