

# U.S. Census Bureau News

U.S. Department of Commerce • Washington, D.C. 20233

FOR IMMEDIATE RELEASE  
TUESDAY, NOVEMBER 28, 2006, AT 8:30 A.M. EST

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M3-1 (06)-10  
CB06-174

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

### New Orders

New orders for manufactured durable goods in October decreased \$19.0 billion or 8.3 percent to \$210.0 billion, the U.S. Census Bureau announced today. This followed two consecutive monthly increases, including an 8.7 percent September increase. Excluding transportation, new orders decreased 1.7 percent. Excluding defense, new orders decreased 6.4 percent.

Transportation equipment, down following two consecutive monthly increases, had the largest decrease, \$16.5 billion or 21.7 percent to \$59.7 billion. This was led by nondefense aircraft and parts, which decreased \$10.6 billion.

### Shipments

Shipments of manufactured durable goods in October, up two of the last three months, increased \$1.2 billion or 0.6 percent to \$210.0 billion. This followed a 2.7 percent September decrease.

Machinery, up seven of the last eight months, had the largest increase, \$0.5 billion or 1.9 percent to \$28.3 billion.

### Unfilled Orders

Unfilled orders for manufactured durable goods in October, up seventeen of the last eighteen months, increased \$7.7 billion or 1.2 percent to \$666.0 billion. This was at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 4.1 percent September increase.

Transportation equipment, up seventeen of the last eighteen months, had the largest increase, \$5.0 billion or 1.4 percent to \$358.2 billion.

### Inventories

Inventories of manufactured durable goods in October, up nine of the last ten months, increased \$2.3 billion or 0.8 percent to \$293.8 billion. This followed a 1.1 percent September increase.

Transportation equipment, up seven of the last eight months, had the largest increase, \$0.9 billion or 1.3 percent to \$68.3 billion.

### Capital Goods

Nondefense new orders for capital goods in October decreased \$13.6 billion or 15.6 percent to \$73.2 billion. Shipments decreased \$1.6 billion or 2.3 percent to \$66.4 billion. Unfilled orders increased \$6.8 billion or 2.0 percent to \$350.8 billion. Inventories increased \$0.8 billion or 0.7 percent to \$113.7 billion.

Defense new orders for capital goods in October decreased \$5.7 billion or 42.1 percent to \$7.8 billion. Shipments increased \$0.4 billion or 4.7 percent to \$8.2 billion. Unfilled orders decreased \$0.4 billion or 0.3 percent to \$135.6 billion. Inventories decreased \$0.1 billion or 0.6 percent to \$14.2 billion.

### Revised September Data

Revised seasonally adjusted September figures for all manufacturing industries were: new orders, \$411.0 billion (revised from \$411.2 billion); shipments, \$390.8 billion (revised from \$392.4 billion); unfilled orders, \$658.3 billion (revised from \$656.9 billion); and total inventories, \$479.6 billion (revised from \$479.4 billion).

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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 December 5, 2006, at 10:00 a.m. EST. The advance report on durable goods for November is scheduled for release on December 22, 2006, at 8:30 a.m. EST. See back page for survey description.



**Table 2. Durable Goods Manufacturers' Unfilled Orders and Total Inventories**  
 [Millions of Dollars]

Item	Seasonally Adjusted						Not Seasonally Adjusted <sup>1</sup>			
	Monthly			Percent Change			Monthly			Percent Change 2006/2005
	Oct 2006 <sup>2</sup>	Sep 2006 <sup>r</sup>	Aug 2006	Sep - Oct <sup>2</sup>	Aug - Sep <sup>r</sup>	Jul - Aug	Oct 2006 <sup>2</sup>	Sep 2006 <sup>r</sup>	Oct 2005	
<b>DURABLE GOODS</b>										
<b>Total:</b>										
Unfilled Orders <sup>4</sup> .....	666,026	658,284	632,139	1.2	4.1	0.5	655,729	649,272	537,434	22.0
Total Inventories.....	293,823	291,550	288,246	0.8	1.1	0.7	294,466	290,544	271,783	8.3
<b>Excluding transportation:</b>										
Unfilled Orders <sup>4</sup> .....	307,847	305,120	300,850	0.9	1.4	0.3	303,548	300,823	267,872	13.3
Total Inventories.....	225,570	224,175	221,811	0.6	1.1	1.2	225,268	222,867	206,158	9.3
<b>Excluding defense:</b>										
Unfilled Orders <sup>4</sup> .....	517,683	509,673	489,073	1.6	4.2	0.3	511,332	504,085	399,527	28.0
Total Inventories.....	274,670	272,297	269,200	0.9	1.2	0.7	275,205	271,137	252,267	9.1
<b>Manufacturing with unfilled orders:</b>										
Unfilled Orders <sup>4</sup> .....	666,026	658,284	632,139	1.2	4.1	0.5	655,729	649,272	537,434	22.0
Total Inventories.....	229,073	227,000	223,688	0.9	1.5	0.5	229,596	225,998	210,471	9.1
<b>Primary metals:</b>										
Unfilled Orders.....	26,723	26,653	27,042	0.3	-1.4	-1.7	25,539	26,094	22,829	11.9
Total Inventories.....	30,026	29,568	28,590	1.5	3.4	2.0	29,707	29,365	24,909	19.3
<b>Fabricated metal products:</b>										
Unfilled Orders.....	53,556	53,792	53,358	-0.4	0.8	1.1	52,900	53,632	47,023	12.5
Total Inventories.....	37,937	37,526	37,003	1.1	1.4	1.5	37,419	37,111	33,726	11.0
<b>Machinery:</b>										
Unfilled Orders.....	74,721	73,046	71,261	2.3	2.5	0.6	73,187	71,022	59,063	23.9
Total Inventories.....	46,307	46,155	45,422	0.3	1.6	0.6	46,302	45,919	43,234	7.1
<b>Computers and electronic products:</b>										
Unfilled Orders <sup>4</sup> .....	118,275	117,849	115,700	0.4	1.9	1.0	117,270	116,552	107,821	8.8
Total Inventories.....	45,940	45,648	45,675	0.6	-0.1	1.5	46,697	45,590	42,849	9.0
<b>Computers and related products:</b>										
Unfilled Orders.....	4,269	4,218	4,084	1.2	3.3	-8.0	4,269	4,218	4,516	-5.5
Total Inventories.....	4,221	4,457	4,249	-5.3	4.9	1.1	4,400	4,461	4,453	-1.2
<b>Communications equipment:</b>										
Unfilled Orders.....	35,888	36,306	35,628	-1.2	1.9	2.3	35,720	35,804	34,243	4.3
Total Inventories.....	10,253	10,061	9,963	1.9	1.0	0.3	10,445	9,916	10,154	2.9
<b>Semiconductors:</b>										
Unfilled Orders <sup>4</sup> .....	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Total Inventories <sup>4</sup> .....	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
<b>Electrical equipment, appliances, and components:</b>										
Unfilled Orders.....	22,491	21,902	21,609	2.7	1.4	-2.3	22,410	21,615	17,682	26.7
Total Inventories.....	14,032	13,979	14,116	0.4	-1.0	1.8	13,892	13,672	12,485	11.3
<b>Transportation equipment:</b>										
Unfilled Orders.....	358,179	353,164	331,289	1.4	6.6	0.6	352,181	348,449	269,562	30.6
Total Inventories.....	68,253	67,375	66,435	1.3	1.4	-1.1	69,198	67,677	65,625	5.4
<b>Motor vehicles and parts:</b>										
Unfilled Orders.....	19,569	19,338	18,991	1.2	1.8	-0.7	18,785	18,793	16,160	16.2
Total Inventories.....	24,291	23,988	24,230	1.3	-1.0	0.8	24,378	24,156	23,833	2.3
<b>Nondefense Aircraft and parts:</b>										
Unfilled Orders.....	215,154	210,146	195,207	2.4	7.7	-0.1	213,194	208,830	138,502	53.9
Total Inventories.....	24,210	23,738	22,682	2.0	4.7	-4.2	24,848	23,788	21,885	13.5
<b>Defense Aircraft and parts:</b>										
Unfilled Orders.....	43,498	43,669	44,120	-0.4	-1.0	-0.7	42,008	42,461	43,170	-2.7
Total Inventories.....	11,925	12,065	11,798	-1.2	2.3	-0.3	12,042	12,170	11,822	1.9
<b>All other durable goods:</b>										
Unfilled Orders.....	12,081	11,878	11,880	1.7	0.0	-1.3	12,242	11,908	13,454	-9.0
Total Inventories.....	51,328	51,299	51,005	0.1	0.6	0.6	51,251	51,210	48,955	4.7
<b>Capital goods:<sup>3</sup></b>										
Unfilled Orders.....	486,415	480,012	455,548	1.3	5.4	0.6	479,653	473,020	383,955	24.9
Total Inventories.....	127,886	127,177	125,084	0.6	1.7	-0.2	128,890	126,701	120,967	6.5
<b>Nondefense capital goods:</b>										
Unfilled Orders.....	350,778	343,984	325,191	2.0	5.8	0.4	347,463	340,021	257,069	35.2
Total Inventories.....	113,668	112,871	110,797	0.7	1.9	-0.1	114,681	112,346	106,116	8.1
<b>Excluding aircraft:</b>										
Unfilled Orders.....	162,692	160,413	155,679	1.4	3.0	1.1	161,008	157,592	138,464	16.3
Total Inventories.....	95,306	94,875	93,834	0.5	1.1	1.0	95,781	94,220	89,331	7.2
<b>Defense capital goods:</b>										
Unfilled Orders.....	135,637	136,028	130,357	-0.3	4.4	1.1	132,190	132,999	126,886	4.2
Total Inventories.....	14,218	14,306	14,287	-0.6	0.1	-0.4	14,209	14,355	14,851	-4.3

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>.

### 2007 Release Dates for M3 Survey

Survey Month	Advance 8:30 A.M.	Preliminary 10:00 A.M.
Nov 2006		January 4, 2007
Dec 2006	January 26, 2007	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	