

U.S. Census Bureau News

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

FOR IMMEDIATE RELEASE
WEDNESDAY, MARCH 28, 2007, AT 8:30 A.M. EDT

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M3-1 (07)-2
CB07-047

Advance Report on Durable Goods Manufacturers' Shipments, Inventories and Orders February 2007

New Orders

New orders for manufactured durable goods in February increased \$5.0 billion or 2.5 percent to \$206.9 billion, the U.S. Census Bureau announced today. This was the third increase in the last four months and followed a 9.3 percent January decrease. Excluding transportation, new orders decreased 0.1 percent. Excluding defense, new orders increased 2.5 percent.

Transportation equipment, up three of the last four months, had the largest increase, \$5.2 billion or 9.6 percent to \$60.0 billion. This was due to nondefense aircraft and parts, which increased \$6.6 billion.

Shipments

Shipments of manufactured durable goods in February, down two consecutive months, decreased \$1.7 billion or 0.8 percent to \$207.3 billion. This followed a 1.5 percent January decrease.

Computers and electronic products, down two of the last three months, had the largest decrease, \$1.4 billion or 3.7 percent to \$35.1 billion.

Unfilled Orders

Unfilled orders for manufactured durable goods in February, up twenty-one of the last twenty-two months, increased \$6.1 billion or 0.9 percent to \$702.0 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 increase.

Transportation equipment, up twelve of the last thirteen months, had the largest increase, \$4.9 billion or 1.3 percent to \$384.4 billion.

Inventories

Inventories of manufactured durable goods in February, up twelve consecutive months, increased \$0.5 billion or 0.2 percent to \$298.0 billion. This followed a 0.4 percent January increase.

Machinery, up eleven of the last twelve months, had the largest increase, \$0.4 billion or 0.9 percent to \$48.1 billion.

Capital Goods

Nondefense new orders for capital goods in February increased \$6.1 billion or 9.5 percent to \$70.7 billion. Shipments increased \$0.2 billion or 0.3 percent to \$65.5 billion. Unfilled orders increased \$5.2 billion or 1.4 percent to \$377.8 billion. Inventories increased \$0.4 billion or 0.4 percent to \$116.5 billion.

Defense new orders for capital goods in February increased \$0.3 billion or 3.5 percent to \$8.4 billion. Shipments increased \$0.2 billion or 2.0 percent to \$8.4 billion. Unfilled orders decreased slightly to \$138.6 billion. Inventories decreased 0.1 percent to \$14.2 billion.

Revised January Data

Revised seasonally adjusted January figures for all manufacturing industries were: new orders, \$381.8 billion (revised from \$383.1 billion); shipments, \$388.9 billion (revised from \$391.2 billion); unfilled orders, \$695.9 billion (revised from \$695.2 billion); and total inventories, \$482.9 billion (revised from \$482.0 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 April 4, 2007, at 10:00 a.m. EDT. The advance report on durable goods for March is scheduled for release on April 25, 2007, 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 2007 ² | Jan 2007 ¹ | Dec 2006 | Jan - Feb ² | Dec - Jan ¹ | Nov - Dec | Feb 2007 ² | Jan 2007 ¹ | Feb 2006 | 2007 | 2006 | Percent Change 07/06 |
| DURABLE GOODS | | | | | | | | | | | | |
| Total: | | | | | | | | | | | | |
| Shipments..... | 207,307 | 209,002 | 212,276 | -0.8 | -1.5 | 1.2 | 198,053 | 188,321 | 199,354 | 386,374 | 384,509 | 0.5 |
| New Orders ⁴ | 206,948 | 201,923 | 222,520 | 2.5 | -9.3 | 3.5 | 200,673 | 192,016 | 201,226 | 392,689 | 387,297 | 1.4 |
| Excluding transportation: | | | | | | | | | | | | |
| Shipments..... | 152,195 | 153,699 | 153,860 | -1.0 | -0.1 | 0.1 | 142,905 | 139,963 | 143,531 | 282,868 | 280,309 | 0.9 |
| New Orders ⁴ | 146,923 | 147,135 | 153,344 | -0.1 | -4.0 | 3.2 | 141,645 | 138,905 | 140,680 | 280,550 | 278,009 | 0.9 |
| Excluding defense: | | | | | | | | | | | | |
| Shipments..... | 197,282 | 198,943 | 202,203 | -0.8 | -1.6 | 1.2 | 188,423 | 180,314 | 190,775 | 368,737 | 368,382 | 0.1 |
| New Orders ⁴ | 197,181 | 192,312 | 211,506 | 2.5 | -9.1 | 4.7 | 191,351 | 182,029 | 191,002 | 373,380 | 371,647 | 0.5 |
| Manufacturing with unfilled orders: | | | | | | | | | | | | |
| Shipments..... | 144,941 | 144,311 | 147,432 | 0.4 | -2.1 | 0.7 | 138,082 | 129,689 | 134,923 | 267,771 | 261,556 | 2.4 |
| New Orders ⁴ | 151,017 | 145,658 | 162,766 | 3.7 | -10.5 | 2.8 | 146,964 | 141,224 | 144,903 | 288,188 | 278,270 | 3.6 |
| Primary metals: | | | | | | | | | | | | |
| Shipments..... | 18,558 | 18,772 | 18,953 | -1.1 | -1.0 | 1.3 | 18,228 | 18,820 | 17,111 | 37,048 | 34,436 | 7.6 |
| New Orders..... | 18,429 | 18,623 | 18,754 | -1.0 | -0.7 | 1.7 | 18,588 | 19,322 | 17,576 | 37,910 | 35,809 | 5.9 |
| Fabricated metal products: | | | | | | | | | | | | |
| Shipments..... | 24,871 | 24,923 | 24,959 | -0.2 | -0.1 | 2.3 | 23,739 | 23,455 | 23,185 | 47,194 | 45,655 | 3.4 |
| New Orders..... | 24,933 | 25,519 | 24,961 | -2.3 | 2.2 | 2.3 | 24,469 | 24,679 | 23,795 | 49,148 | 47,341 | 3.8 |
| Machinery: | | | | | | | | | | | | |
| Shipments..... | 26,769 | 26,172 | 28,196 | 2.3 | -7.2 | 1.3 | 25,275 | 23,791 | 24,349 | 49,066 | 47,985 | 2.3 |
| New Orders..... | 26,889 | 26,985 | 30,280 | -0.4 | -10.9 | 7.8 | 26,614 | 26,326 | 25,899 | 52,940 | 52,607 | 0.6 |
| Computers and electronic products: | | | | | | | | | | | | |
| Shipments..... | 35,084 | 36,434 | 33,157 | -3.7 | 9.9 | -6.7 | 32,081 | 30,884 | 33,286 | 62,965 | 62,449 | 0.8 |
| New Orders ⁴ | 29,356 | 27,585 | 30,662 | 6.4 | -10.0 | 2.4 | 27,267 | 23,932 | 26,498 | 51,199 | 50,086 | 2.2 |
| Computers and related products: | | | | | | | | | | | | |
| Shipments..... | 6,683 | 6,330 | 6,397 | 5.6 | -1.0 | -2.8 | 5,759 | 5,142 | 5,504 | 10,901 | 11,005 | -0.9 |
| New Orders..... | 6,551 | 6,253 | 6,472 | 4.8 | -3.4 | -3.4 | 5,627 | 5,065 | 5,456 | 10,692 | 10,627 | 0.6 |
| Communications equipment: | | | | | | | | | | | | |
| Shipments..... | 5,834 | 5,443 | 5,257 | 7.2 | 3.5 | -10.1 | 5,106 | 4,423 | 5,077 | 9,529 | 10,030 | -5.0 |
| New Orders..... | 5,859 | 5,294 | 6,793 | 10.7 | -22.1 | 15.0 | 5,703 | 4,685 | 5,928 | 10,388 | 10,834 | -4.1 |
| Semiconductors: | | | | | | | | | | | | |
| Shipments..... | 6,435 | 8,426 | 5,090 | -23.6 | 65.5 | -24.4 | 6,262 | 7,840 | 8,108 | 14,102 | 13,926 | 1.3 |
| New Orders ⁴ | (NA) | (NA) | (NA) | (NA) | (NA) | (NA) | (NA) | (NA) | (NA) | (NA) | (NA) | (NA) |
| Electrical equipment, appliances, and components: | | | | | | | | | | | | |
| Shipments..... | 10,209 | 10,416 | 10,134 | -2.0 | 2.8 | 2.4 | 9,567 | 9,287 | 9,185 | 18,854 | 17,999 | 4.8 |
| New Orders..... | 10,527 | 11,141 | 10,124 | -5.5 | 10.0 | -1.0 | 10,508 | 10,580 | 10,194 | 21,088 | 20,155 | 4.6 |
| Transportation equipment: | | | | | | | | | | | | |
| Shipments..... | 55,112 | 55,303 | 58,416 | -0.3 | -5.3 | 4.1 | 55,148 | 48,358 | 55,823 | 103,506 | 104,200 | -0.7 |
| New Orders..... | 60,025 | 54,788 | 69,176 | 9.6 | -20.8 | 4.0 | 59,028 | 53,111 | 60,546 | 112,139 | 109,288 | 2.6 |
| Motor vehicles and parts: | | | | | | | | | | | | |
| Shipments..... | 37,779 | 37,176 | 40,688 | 1.6 | -8.6 | 6.1 | 38,590 | 34,614 | 39,697 | 73,204 | 76,207 | -3.9 |
| New Orders..... | 37,728 | 37,229 | 41,011 | 1.3 | -9.2 | 6.8 | 38,739 | 35,278 | 40,080 | 74,017 | 77,511 | -4.5 |
| Nondefense aircraft and parts: | | | | | | | | | | | | |
| Shipments..... | 8,200 | 8,777 | 8,110 | -6.6 | 8.2 | -1.5 | 7,870 | 6,483 | 7,894 | 14,353 | 12,931 | 11.0 |
| New Orders..... | 13,962 | 7,410 | 18,731 | 88.4 | -60.4 | 31.3 | 12,483 | 7,420 | 10,266 | 19,903 | 16,724 | 19.0 |
| Defense aircraft and parts: | | | | | | | | | | | | |
| Shipments..... | 3,631 | 3,705 | 3,774 | -2.0 | -1.8 | 1.0 | 3,360 | 2,791 | 3,207 | 6,151 | 5,759 | 6.8 |
| New Orders..... | 3,379 | 2,616 | 6,354 | 29.2 | -58.8 | 16.3 | 3,109 | 2,791 | 3,219 | 5,900 | 7,503 | -21.4 |
| All other durable goods: | | | | | | | | | | | | |
| Shipments..... | 36,704 | 36,982 | 38,461 | -0.8 | -3.8 | 3.0 | 34,015 | 33,726 | 36,415 | 67,741 | 71,785 | -5.6 |
| New Orders..... | 36,789 | 37,282 | 38,563 | -1.3 | -3.3 | 2.9 | 34,199 | 34,066 | 36,718 | 68,265 | 72,011 | -5.2 |
| Capital goods:³ | | | | | | | | | | | | |
| Shipments..... | 73,944 | 73,599 | 75,252 | 0.5 | -2.2 | -0.6 | 69,325 | 63,313 | 67,971 | 132,638 | 130,241 | 1.8 |
| New Orders..... | 79,153 | 72,759 | 89,945 | 8.8 | -19.1 | 5.6 | 74,889 | 69,625 | 74,039 | 144,514 | 138,593 | 4.3 |
| Nondefense capital goods: | | | | | | | | | | | | |
| Shipments..... | 65,518 | 65,335 | 67,016 | 0.3 | -2.5 | -0.7 | 61,125 | 56,585 | 60,738 | 117,710 | 116,547 | 1.0 |
| New Orders..... | 70,737 | 64,629 | 81,977 | 9.5 | -21.2 | 10.8 | 66,852 | 61,071 | 65,507 | 127,923 | 126,344 | 1.2 |
| Excluding aircraft: | | | | | | | | | | | | |
| Shipments..... | 60,471 | 59,780 | 61,850 | 1.2 | -3.3 | -0.6 | 56,275 | 53,072 | 55,457 | 109,347 | 108,794 | 0.5 |
| New Orders..... | 60,188 | 60,925 | 65,802 | -1.2 | -7.4 | 4.0 | 58,181 | 57,270 | 59,482 | 115,451 | 116,705 | -1.1 |
| Defense capital goods: | | | | | | | | | | | | |
| Shipments..... | 8,426 | 8,264 | 8,236 | 2.0 | 0.3 | 0.4 | 8,200 | 6,728 | 7,233 | 14,928 | 13,694 | 9.0 |
| New Orders..... | 8,416 | 8,130 | 7,968 | 3.5 | 2.0 | -28.7 | 8,037 | 8,554 | 8,532 | 16,591 | 12,249 | 35.4 |

NA Not Available ¹ 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; all 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 2007/2006 |
| | Feb 2007 ² | Jan 2007 ^r | Dec 2006 | Jan - Feb ² | Dec - Jan ^r | Nov - Dec | Feb 2007 ² | Jan 2007 ^r | Feb 2006 | |
| DURABLE GOODS | | | | | | | | | | |
| Total: | | | | | | | | | | |
| Unfilled Orders ⁴ | 701,999 | 695,923 | 694,576 | 0.9 | 0.2 | 2.3 | 711,772 | 702,890 | 589,142 | 20.8 |
| Total Inventories..... | 298,021 | 297,550 | 296,406 | 0.2 | 0.4 | 0.6 | 300,446 | 296,513 | 275,861 | 8.9 |
| Excluding transportation: | | | | | | | | | | |
| Unfilled Orders ⁴ | 317,598 | 316,435 | 314,573 | 0.4 | 0.6 | 1.5 | 321,709 | 316,707 | 282,914 | 13.7 |
| Total Inventories..... | 228,815 | 228,570 | 228,085 | 0.1 | 0.2 | 0.9 | 230,824 | 228,194 | 211,553 | 9.1 |
| Excluding defense: | | | | | | | | | | |
| Unfilled Orders ⁴ | 549,792 | 543,458 | 541,663 | 1.2 | 0.3 | 2.7 | 557,217 | 548,027 | 449,074 | 24.1 |
| Total Inventories..... | 279,498 | 278,877 | 277,714 | 0.2 | 0.4 | 0.8 | 281,893 | 278,046 | 256,962 | 9.7 |
| Manufacturing with unfilled orders: | | | | | | | | | | |
| Unfilled Orders ⁴ | 701,999 | 695,923 | 694,576 | 0.9 | 0.2 | 2.3 | 711,772 | 702,890 | 589,142 | 20.8 |
| Total Inventories..... | 233,141 | 232,743 | 231,171 | 0.2 | 0.7 | 0.6 | 234,949 | 232,171 | 214,541 | 9.5 |
| Primary metals: | | | | | | | | | | |
| Unfilled Orders..... | 25,830 | 25,959 | 26,108 | -0.5 | -0.6 | -0.8 | 26,667 | 26,307 | 26,647 | 0.1 |
| Total Inventories..... | 29,827 | 29,844 | 29,987 | -0.1 | -0.5 | 0.1 | 30,005 | 30,093 | 26,179 | 14.6 |
| Fabricated metal products: | | | | | | | | | | |
| Unfilled Orders..... | 54,250 | 54,188 | 53,592 | 0.1 | 1.1 | 0.0 | 53,837 | 53,107 | 48,791 | 10.3 |
| Total Inventories..... | 38,448 | 38,450 | 38,355 | 0.0 | 0.2 | 1.0 | 38,944 | 38,403 | 35,314 | 10.3 |
| Machinery: | | | | | | | | | | |
| Unfilled Orders..... | 78,792 | 78,672 | 77,859 | 0.2 | 1.0 | 2.8 | 80,649 | 79,310 | 66,327 | 21.6 |
| Total Inventories..... | 48,119 | 47,711 | 47,457 | 0.9 | 0.5 | 2.1 | 48,833 | 47,641 | 44,442 | 9.9 |
| Computers and electronic products: | | | | | | | | | | |
| Unfilled Orders ⁴ | 122,335 | 121,628 | 122,051 | 0.6 | -0.3 | 2.2 | 123,852 | 122,404 | 109,138 | 13.5 |
| Total Inventories..... | 46,644 | 46,828 | 46,660 | -0.4 | 0.4 | 1.0 | 46,683 | 46,559 | 42,605 | 9.6 |
| Computers and related products: | | | | | | | | | | |
| Unfilled Orders..... | 4,255 | 4,387 | 4,464 | -3.0 | -1.7 | 1.7 | 4,255 | 4,387 | 4,324 | -1.6 |
| Total Inventories..... | 4,448 | 4,449 | 4,463 | 0.0 | -0.3 | 1.7 | 4,446 | 4,323 | 4,149 | 7.2 |
| Communications equipment: | | | | | | | | | | |
| Unfilled Orders..... | 37,212 | 37,187 | 37,336 | 0.1 | -0.4 | 4.3 | 37,597 | 37,000 | 33,816 | 11.2 |
| Total Inventories..... | 10,019 | 10,165 | 9,977 | -1.4 | 1.9 | -1.0 | 10,191 | 10,319 | 10,453 | -2.5 |
| 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..... | 23,695 | 23,377 | 22,652 | 1.4 | 3.2 | 0.0 | 24,253 | 23,312 | 19,990 | 21.3 |
| Total Inventories..... | 14,354 | 14,374 | 14,463 | -0.1 | -0.6 | 1.9 | 14,612 | 14,419 | 13,369 | 9.3 |
| Transportation equipment: | | | | | | | | | | |
| Unfilled Orders..... | 384,401 | 379,488 | 380,003 | 1.3 | -0.1 | 2.9 | 390,063 | 386,183 | 306,228 | 27.4 |
| Total Inventories..... | 69,206 | 68,980 | 68,321 | 0.3 | 1.0 | -0.5 | 69,622 | 68,319 | 64,308 | 8.3 |
| Motor vehicles and parts: | | | | | | | | | | |
| Unfilled Orders..... | 19,917 | 19,968 | 19,915 | -0.3 | 0.3 | 1.6 | 20,831 | 20,682 | 18,396 | 13.2 |
| Total Inventories..... | 24,528 | 24,543 | 24,362 | -0.1 | 0.7 | -0.8 | 24,676 | 24,427 | 23,544 | 4.8 |
| Nondefense Aircraft and parts: | | | | | | | | | | |
| Unfilled Orders..... | 236,664 | 230,902 | 232,269 | 2.5 | -0.6 | 4.8 | 239,616 | 235,003 | 171,227 | 39.9 |
| Total Inventories..... | 25,674 | 25,396 | 25,050 | 1.1 | 1.4 | 2.9 | 25,863 | 25,049 | 21,974 | 17.7 |
| Defense Aircraft and parts: | | | | | | | | | | |
| Unfilled Orders..... | 46,652 | 46,904 | 47,993 | -0.5 | -2.3 | 5.7 | 47,169 | 47,420 | 47,252 | -0.2 |
| Total Inventories..... | 11,588 | 11,650 | 11,682 | -0.5 | -0.3 | -3.2 | 11,585 | 11,460 | 11,463 | 1.1 |
| All other durable goods: | | | | | | | | | | |
| Unfilled Orders..... | 12,696 | 12,611 | 12,311 | 0.7 | 2.4 | 0.8 | 12,451 | 12,267 | 12,021 | 3.6 |
| Total Inventories..... | 51,423 | 51,363 | 51,163 | 0.1 | 0.4 | -0.1 | 51,747 | 51,079 | 49,644 | 4.2 |
| Capital goods:³ | | | | | | | | | | |
| Unfilled Orders..... | 516,474 | 511,265 | 512,105 | 1.0 | -0.2 | 3.0 | 523,843 | 518,279 | 423,047 | 23.8 |
| Total Inventories..... | 130,730 | 130,313 | 130,201 | 0.3 | 0.1 | 1.5 | 131,849 | 129,690 | 122,247 | 7.9 |
| Nondefense capital goods: | | | | | | | | | | |
| Unfilled Orders..... | 377,828 | 372,609 | 373,315 | 1.4 | -0.2 | 4.2 | 383,132 | 377,405 | 296,711 | 29.1 |
| Total Inventories..... | 116,481 | 116,056 | 116,108 | 0.4 | 0.0 | 1.8 | 117,567 | 115,449 | 107,954 | 8.9 |
| Excluding aircraft: | | | | | | | | | | |
| Unfilled Orders..... | 169,212 | 169,495 | 168,350 | -0.2 | 0.7 | 2.4 | 171,773 | 169,867 | 147,117 | 16.8 |
| Total Inventories..... | 97,578 | 97,398 | 96,910 | 0.2 | 0.5 | 1.4 | 98,461 | 97,042 | 91,085 | 8.1 |
| Defense capital goods: | | | | | | | | | | |
| Unfilled Orders..... | 138,646 | 138,656 | 138,790 | 0.0 | -0.1 | -0.2 | 140,711 | 140,874 | 126,336 | 11.4 |
| Total Inventories..... | 14,249 | 14,257 | 14,093 | -0.1 | 1.2 | -0.9 | 14,282 | 14,241 | 14,293 | -0.1 |

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>.