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

New Orders

New orders for manufactured durable goods in May decreased \$6.1 billion or 2.8 percent to \$213.0 billion, the U.S. Census Bureau announced today. This followed three consecutive monthly increases including a 1.1 percent April increase. Excluding transportation, new orders decreased 1.0 percent. Excluding defense, new orders decreased 3.2 percent.

Transportation equipment, down two consecutive months, had the largest decrease, \$4.5 billion or 6.8 percent to \$62.4 billion. This was led by nondefense aircraft and parts, which decreased \$4.1 billion.

Shipments

Shipments of manufactured durable goods in May, up three consecutive months, increased \$0.9 billion or 0.4 percent to \$214.4 billion. This followed a 2.0 percent April increase.

Transportation equipment, up two of the last three months, had the largest increase, \$1.0 billion or 1.8 percent to \$57.3 billion.

Unfilled Orders

Unfilled orders for manufactured durable goods in May, up twenty-four of the last twenty-five months, increased \$5.8 billion or 0.8 percent to \$725.3 billion. This was at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 1.9 percent April increase.

Transportation equipment, up sixteen consecutive months, had the largest increase, \$5.1 billion or 1.3 percent to \$410.3 billion.

Inventories

Inventories of manufactured durable goods in May, up fifteen consecutive months, increased \$0.7 billion or 0.2 percent to \$313.2 billion. This was at the highest level since the series began and followed a 0.4 percent April increase.

Transportation equipment, up eight of the last nine months, had the largest increase, \$0.5 billion or 0.6 percent to \$77.5 billion.

Capital Goods

Nondefense new orders for capital goods in May decreased \$6.5 billion or 8.3 percent to \$71.8 billion. Shipments decreased \$0.2 billion or 0.3 percent to \$65.5 billion. Unfilled orders increased \$6.3 billion or 1.6 percent to \$396.9 billion. Inventories increased \$1.1 billion or 0.9 percent to \$121.7 billion.

Defense new orders for capital goods in May increased \$0.5 billion or 6.7 percent to \$8.2 billion. Shipments increased \$0.2 billion or 3.0 percent to \$8.3 billion. Unfilled orders decreased \$0.2 billion or 0.1 percent to \$143.3 billion. Inventories decreased \$0.1 billion or 0.9 percent to \$16.8 billion.

Revised April Data

Revised seasonally adjusted April figures for all manufacturing industries were: new orders, \$418.6 billion (revised from \$418.0 billion); shipments, \$413.0 billion (revised from \$412.7 billion); unfilled orders, \$719.5 billion (revised from \$719.1 billion); and total inventories, \$513.5 billion (unchanged).

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 3, 2007, at 10:00 a.m. EDT. The advance report on durable goods for June is scheduled for release on July 26, 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		
	May 2007 ²	Apr 2007 ¹	Mar 2007	Apr - May ²	Mar - Apr ¹	Feb - Mar	May 2007 ²	Apr 2007 ¹	May 2006	2007	2006	Percent Change 07/06
DURABLE GOODS												
Total:												
Shipments.....	214,448	213,554	209,287	0.4	2.0	1.3	221,057	208,730	220,527	1,044,870	1,046,787	-0.2
New Orders ⁴	213,017	219,113	216,709	-2.8	1.1	5.1	215,980	213,298	215,310	1,061,584	1,056,554	0.5
Excluding transportation:												
Shipments.....	157,198	157,295	152,127	-0.1	3.4	1.0	159,611	154,082	157,989	758,590	754,568	0.5
New Orders ⁴	150,618	152,176	148,533	-1.0	2.5	1.6	152,509	149,935	154,136	744,075	746,232	-0.3
Excluding defense:												
Shipments.....	204,539	203,937	199,714	0.3	2.1	1.6	211,201	199,672	211,370	997,907	1,001,955	-0.4
New Orders ⁴	203,496	210,210	207,713	-3.2	1.2	5.3	208,894	206,004	209,394	1,015,593	1,013,520	0.2
Manufacturing with unfilled orders:												
Shipments.....	149,295	148,476	146,962	0.6	1.0	1.9	152,803	144,874	150,097	725,825	712,157	1.9
New Orders ⁴	155,119	161,869	159,717	-4.2	1.3	6.6	154,817	156,895	151,732	776,372	755,404	2.8
Primary metals:												
Shipments.....	20,713	20,302	19,747	2.0	2.8	3.0	21,786	20,730	20,839	101,905	95,385	6.8
New Orders.....	20,659	21,435	20,019	-3.6	7.1	5.8	21,534	21,715	21,186	104,091	97,729	6.5
Fabricated metal products:												
Shipments.....	26,099	26,057	25,583	0.2	1.9	0.6	27,344	25,803	26,738	128,131	126,364	1.4
New Orders.....	26,150	26,408	25,491	-1.0	3.6	-1.0	28,281	26,460	28,213	132,884	131,937	0.7
Machinery:												
Shipments.....	27,777	28,085	27,077	-1.1	3.7	2.9	28,596	29,189	28,250	136,094	135,414	0.5
New Orders.....	27,627	28,068	28,395	-1.6	-1.2	5.4	27,813	29,458	29,539	142,037	143,924	-1.3
Computers and electronic products:												
Shipments.....	34,155	34,247	31,497	-0.3	8.7	-2.4	32,174	30,779	31,146	157,787	156,193	1.0
New Orders ⁴	27,244	26,758	26,324	1.8	1.6	-1.3	24,461	23,603	23,244	125,955	127,538	-1.2
Computers and related products:												
Shipments.....	5,701	5,237	5,171	8.9	1.3	-7.2	4,957	4,674	4,732	24,768	26,407	-6.2
New Orders.....	5,255	5,066	5,379	3.7	-5.8	-2.0	4,511	4,503	4,707	24,217	26,027	-7.0
Communications equipment:												
Shipments.....	5,327	5,329	5,354	0.0	-0.5	-1.3	5,037	4,726	5,299	25,049	26,369	-5.0
New Orders.....	5,721	5,317	5,220	7.6	1.9	-0.9	5,174	4,876	4,829	26,171	27,574	-5.1
Semiconductors:												
Shipments.....	7,255	7,834	5,333	-7.4	46.9	-10.1	7,091	7,453	6,852	33,833	33,480	1.1
New Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:												
Shipments.....	10,869	11,146	10,942	-2.5	1.9	2.9	11,099	10,886	10,771	52,865	48,988	7.9
New Orders.....	11,131	11,584	11,197	-3.9	3.5	2.3	11,398	11,408	11,501	55,862	52,427	6.6
Transportation equipment:												
Shipments.....	57,250	56,259	57,160	1.8	-1.6	2.3	61,446	54,648	62,538	286,280	292,219	-2.0
New Orders.....	62,399	66,937	68,176	-6.8	-1.8	13.6	63,471	63,363	61,174	317,509	310,322	2.3
Motor vehicles and parts:												
Shipments.....	39,022	38,508	39,508	1.3	-2.5	2.4	42,724	38,343	45,562	200,433	212,134	-5.5
New Orders.....	39,306	38,416	39,533	2.3	-2.8	2.7	42,443	38,029	45,144	200,067	213,646	-6.4
Nondefense aircraft and parts:												
Shipments.....	8,650	8,427	8,391	2.6	0.4	5.0	9,101	7,438	7,705	40,493	34,822	16.3
New Orders.....	13,942	18,030	20,263	-22.7	-11.0	53.6	13,400	16,200	9,972	70,107	54,648	28.3
Defense aircraft and parts:												
Shipments.....	3,458	3,370	3,266	2.6	3.2	-5.8	3,293	3,062	3,086	15,947	15,066	5.8
New Orders.....	2,652	2,415	2,038	9.8	18.5	-31.5	2,057	1,763	2,003	12,497	15,821	-21.0
All other durable goods:												
Shipments.....	37,585	37,458	37,281	0.3	0.5	1.2	38,612	36,695	40,245	181,808	192,224	-5.4
New Orders.....	37,807	37,923	37,107	-0.3	2.2	0.5	39,022	37,291	40,453	183,246	192,677	-4.9
Capital goods: ³												
Shipments.....	73,810	73,747	72,949	0.1	1.1	1.2	73,527	70,814	73,629	356,260	356,346	0.0
New Orders.....	79,971	85,956	86,021	-7.0	-0.1	12.5	75,786	81,595	73,793	396,666	381,865	3.9
Nondefense capital goods:												
Shipments.....	65,487	65,663	64,912	-0.3	1.2	1.7	65,193	63,119	65,842	316,629	318,294	-0.5
New Orders.....	71,810	78,307	78,375	-8.3	-0.1	13.8	69,844	75,393	68,854	357,319	346,024	3.3
Excluding aircraft:												
Shipments.....	60,339	60,483	59,916	-0.2	0.9	1.6	59,612	58,659	60,726	292,410	296,489	-1.4
New Orders.....	61,356	63,260	61,855	-3.0	2.3	4.6	59,836	61,924	61,685	305,230	309,657	-1.4
Defense capital goods:												
Shipments.....	8,323	8,084	8,037	3.0	0.6	-2.9	8,334	7,695	7,787	39,631	38,052	4.1
New Orders.....	8,161	7,649	7,646	6.7	0.0	0.5	5,942	6,202	4,939	39,347	35,841	9.8

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(06), "Manufacturers' Shipments, Inventories, and Orders: 2001-2006."

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
	May 2007 ²	Apr 2007 ^r	Mar 2007	Apr - May ²	Mar - Apr ^r	Feb - Mar	May 2007 ²	Apr 2007 ^r	May 2006	
DURABLE GOODS										
Total:										
Unfilled Orders ⁴	725,298	719,474	706,081	0.8	1.9	1.8	732,389	730,375	610,652	19.9
Total Inventories.....	313,249	312,576	311,315	0.2	0.4	0.1	315,997	314,298	296,890	6.4
Excluding transportation:										
Unfilled Orders ⁴	314,978	314,303	311,588	0.2	0.9	0.6	320,162	320,173	288,596	10.9
Total Inventories.....	235,778	235,579	235,544	0.1	0.0	-0.1	238,050	237,011	224,624	6.0
Excluding defense:										
Unfilled Orders ⁴	569,837	563,625	549,518	1.1	2.6	2.5	574,998	570,214	466,622	23.2
Total Inventories.....	292,106	291,385	290,616	0.2	0.3	0.1	294,799	293,086	275,055	7.2
Manufacturing with unfilled orders:										
Unfilled Orders ⁴	725,298	719,474	706,081	0.8	1.9	1.8	732,389	730,375	610,652	19.9
Total Inventories.....	246,668	245,892	244,091	0.3	0.7	0.1	248,786	247,230	231,496	7.5
Primary metals:										
Unfilled Orders.....	28,325	28,379	27,246	-0.2	4.2	1.0	28,878	29,130	28,584	1.0
Total Inventories.....	31,562	31,539	31,385	0.1	0.5	1.1	31,580	31,667	28,483	10.9
Fabricated metal products:										
Unfilled Orders.....	56,087	56,036	55,685	0.1	0.6	-0.2	57,878	56,941	53,701	7.8
Total Inventories.....	41,687	41,651	41,592	0.1	0.1	0.1	42,182	42,169	39,337	7.2
Machinery:										
Unfilled Orders.....	81,163	81,313	81,330	-0.2	0.0	1.6	82,831	83,614	70,781	17.0
Total Inventories.....	50,502	50,414	50,201	0.2	0.4	0.0	50,979	50,761	47,529	7.3
Computers and electronic products:										
Unfilled Orders ⁴	111,548	111,204	110,859	0.3	0.3	0.1	112,193	112,815	101,915	10.1
Total Inventories.....	44,068	43,941	44,128	0.3	-0.4	-0.9	44,563	43,837	42,511	4.8
Computers and related products:										
Unfilled Orders.....	2,856	3,302	3,473	-13.5	-4.9	6.4	2,856	3,302	3,230	-11.6
Total Inventories.....	4,550	4,500	4,559	1.1	-1.3	-0.1	4,685	4,451	4,377	7.0
Communications equipment:										
Unfilled Orders.....	33,533	33,139	33,151	1.2	0.0	-0.4	34,012	33,875	31,338	8.5
Total Inventories.....	7,291	7,220	7,201	1.0	0.3	-3.3	7,360	7,166	7,669	-4.0
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.....	24,399	24,137	23,699	1.1	1.8	1.1	24,733	24,434	21,078	17.3
Total Inventories.....	14,340	14,431	14,365	-0.6	0.5	-0.1	14,667	14,724	13,700	7.1
Transportation equipment:										
Unfilled Orders.....	410,320	405,171	394,493	1.3	2.7	2.9	412,227	410,202	322,056	28.0
Total Inventories.....	77,471	76,997	75,771	0.6	1.6	0.6	77,947	77,287	72,266	7.9
Motor vehicles and parts:										
Unfilled Orders.....	20,863	20,579	20,671	1.4	-0.4	0.1	20,601	20,882	19,437	6.0
Total Inventories.....	25,030	25,054	25,242	-0.1	-0.7	-1.3	25,201	25,312	24,814	1.6
Nondefense Aircraft and parts:										
Unfilled Orders.....	247,765	242,473	232,870	2.2	4.1	5.4	248,164	243,865	176,227	40.8
Total Inventories.....	30,215	29,801	28,888	1.4	3.2	3.0	30,496	29,794	25,067	21.7
Defense Aircraft and parts:										
Unfilled Orders.....	40,705	41,511	42,466	-1.9	-2.2	-2.8	41,573	42,809	43,723	-4.9
Total Inventories.....	12,731	12,702	12,541	0.2	1.3	1.5	12,743	12,695	12,385	2.9
All other durable goods:										
Unfilled Orders.....	13,456	13,234	12,769	1.7	3.6	-1.3	13,649	13,239	12,537	8.9
Total Inventories.....	53,619	53,603	53,873	0.0	-0.5	-0.4	54,079	53,853	53,064	1.9
Capital goods:³										
Unfilled Orders.....	540,241	534,080	521,871	1.2	2.3	2.6	544,296	542,037	436,606	24.7
Total Inventories.....	138,499	137,508	136,578	0.7	0.7	0.4	139,678	137,776	129,776	7.6
Nondefense capital goods:										
Unfilled Orders.....	396,947	390,624	377,980	1.6	3.3	3.7	399,381	394,730	304,868	31.0
Total Inventories.....	121,666	120,530	120,054	0.9	0.4	0.6	122,802	120,770	112,530	9.1
Excluding aircraft:										
Unfilled Orders.....	175,257	174,240	171,463	0.6	1.6	1.1	177,740	177,516	152,225	16.8
Total Inventories.....	97,993	97,474	97,466	0.5	0.0	-0.3	99,057	97,813	92,815	6.7
Defense capital goods:										
Unfilled Orders.....	143,294	143,456	143,891	-0.1	-0.3	-0.3	144,915	147,307	131,738	10.0
Total Inventories.....	16,833	16,978	16,524	-0.9	2.7	-1.1	16,876	17,006	17,246	-2.1

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>.