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## Advance Report on Durable Goods Manufacturers' Shipments, Inventories and Orders August 2008

### New Orders

New orders for manufactured durable goods in August decreased \$9.9 billion or 4.5 percent to \$208.5 billion, the U.S. Census Bureau announced today. This was the largest percent decrease in new orders since January 2008 and followed three consecutive monthly increases including a 0.8 percent July increase. Excluding transportation, new orders decreased 3.0 percent. Excluding defense, new orders decreased 5.0 percent.

Transportation equipment, down two of the last three months, had the largest decrease, \$5.1 billion or 8.9 percent to \$52.3 billion.

### Shipments

Shipments of manufactured durable goods in August, down following two consecutive monthly increases, decreased \$7.7 billion or 3.5 percent to \$210.1 billion. This was the largest percent decrease in shipments since December 2002 and followed a 2.3 percent July increase.

Transportation equipment, down following two consecutive monthly increases, had the largest decrease, \$4.2 billion or 7.7 percent to \$50.0 billion. This was the largest percent decrease in shipments of transportation equipment since December 2002.

### Unfilled Orders

Unfilled orders for manufactured durable goods in August, up thirty of the last thirty-one months, increased \$3.0 billion or 0.4 percent to \$827.2 billion. This was at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 0.8 percent July increase.

Transportation equipment, up twenty-six of the last twenty-seven months, had the largest increase, \$2.2 billion or 0.5 percent to \$466.5 billion.

### Inventories

Inventories of manufactured durable goods in August, up thirteen of the last fourteen months, increased \$2.4 billion or 0.7 percent to \$338.5 billion. This was also at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 0.9 percent July increase.

Primary metals, up nine consecutive months, had the largest increase, \$0.9 billion or 2.5 percent to \$34.9 billion.

### Capital Goods

Nondefense new orders for capital goods in August decreased \$5.6 billion or 7.5 percent to \$68.9 billion. Shipments decreased \$2.0 billion or 2.8 percent to \$67.2 billion. Unfilled orders increased \$1.7 billion or 0.4 percent to \$481.3 billion. Inventories increased \$1.2 billion or 0.9 percent to \$139.7 billion.

Defense new orders for capital goods in August increased \$0.9 billion or 9.4 percent to \$9.9 billion. Shipments decreased 0.2 percent to \$9.1 billion. Unfilled orders increased \$0.8 billion or 0.6 percent to \$140.1 billion. Inventories decreased \$0.2 billion or 1.2 percent to \$19.1 billion.

### Revised July Data

Revised seasonally adjusted July figures for all manufacturing industries were: new orders, \$464.3 billion (revised from \$465.4 billion); shipments, \$463.7 billion (revised from \$465.3 billion); unfilled orders, \$824.2 billion (revised from \$824.1 billion); and total inventories, \$558.8 billion (revised from \$558.2 billion).

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Figures in text 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 October 2, 2008, at 10:00 a.m. EDT. The advance report on durable goods for September is scheduled for release on October 29, 2008, at 8:30 a.m. EDT. See back page for survey description and 2009 release dates.

**Table 1. Durable Goods Manufacturers' Shipments and New Orders**  
(Millions of Dollars)

Item	Seasonally Adjusted						Not Seasonally Adjusted <sup>1</sup>					
	Monthly			Percent Change			Monthly			Year to Date		
	Aug 2008 <sup>2</sup>	Jul 2008 <sup>1</sup>	Jun 2008	Jul - Aug <sup>2</sup>	Jun - Jul <sup>1</sup>	May - Jun	Aug 2008 <sup>2</sup>	Jul 2008 <sup>1</sup>	Aug 2007	2008	2007	Percent Change 08/07
<b>DURABLE GOODS</b>												
<b>Total:</b>												
Shipments.....	210,122	217,815	212,947	-3.5	2.3	0.9	212,562	199,744	225,962	1,695,008	1,705,334	-0.6
New Orders <sup>4</sup> .....	208,504	218,374	216,650	-4.5	0.8	1.4	206,894	195,445	225,174	1,702,696	1,729,928	-1.6
<b>Excluding transportation:</b>												
Shipments.....	160,083	163,575	159,982	-2.1	2.2	0.5	161,175	157,471	161,455	1,272,282	1,242,658	2.4
New Orders <sup>4</sup> .....	156,245	161,007	160,845	-3.0	0.1	2.6	153,885	153,534	155,234	1,254,500	1,216,510	3.1
<b>Excluding defense:</b>												
Shipments.....	198,408	205,716	201,191	-3.6	2.2	1.0	201,042	188,678	216,264	1,604,557	1,631,544	-1.7
New Orders <sup>4</sup> .....	196,044	206,316	202,448	-5.0	1.9	0.7	195,962	186,663	213,097	1,610,589	1,657,169	-2.8
<b>Manufacturing with unfilled orders:</b>												
Shipments.....	151,782	157,213	154,343	-3.5	1.9	1.6	153,524	145,057	156,229	1,215,335	1,186,111	2.5
New Orders <sup>4</sup> .....	154,804	163,369	162,073	-5.2	0.8	1.7	152,230	146,966	160,690	1,263,812	1,254,494	0.7
<b>Primary metals:</b>												
Shipments.....	23,497	23,941	23,124	-1.9	3.5	3.7	23,938	23,312	20,940	182,367	163,752	11.4
New Orders.....	22,146	24,428	23,734	-9.3	2.9	7.8	22,366	23,505	20,691	183,551	163,324	12.4
<b>Fabricated metal products:</b>												
Shipments.....	28,263	28,685	28,025	-1.5	2.4	1.2	30,049	28,285	30,028	224,015	220,377	1.7
New Orders.....	28,197	28,354	28,041	-0.6	1.1	1.0	29,124	27,587	29,569	226,884	224,282	1.2
<b>Machinery:</b>												
Shipments.....	28,949	29,162	29,469	-0.7	-1.0	2.2	28,115	28,214	27,712	233,978	220,396	6.2
New Orders.....	30,675	32,714	31,553	-6.2	3.7	2.6	28,866	31,651	28,067	249,118	226,908	9.8
<b>Computers and electronic products:</b>												
Shipments.....	31,593	33,187	31,257	-4.8	6.2	-3.6	29,782	29,943	30,981	250,690	248,891	0.7
New Orders <sup>4</sup> .....	27,612	27,088	28,372	1.9	-4.5	1.0	24,993	22,902	25,991	211,308	208,957	1.1
<b>Computers and related products:</b>												
Shipments.....	4,825	4,943	5,193	-2.4	-4.8	-2.4	4,345	4,341	5,108	39,548	40,745	-2.9
New Orders.....	4,907	4,809	5,539	2.0	-13.2	0.3	4,427	4,207	5,342	39,736	41,248	-3.7
<b>Communications equipment:</b>												
Shipments.....	5,551	6,016	6,104	-7.7	-1.4	5.4	5,222	4,888	5,465	43,913	43,195	1.7
New Orders.....	6,154	5,881	5,937	4.6	-0.9	-2.2	5,178	4,631	4,934	44,553	44,146	0.9
<b>Semiconductors:</b>												
Shipments.....	4,640	5,597	4,027	-17.1	39.0	-14.3	4,374	6,208	5,249	40,789	43,789	-6.9
New Orders <sup>4</sup> .....	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
<b>Electrical equipment, appliances, and components:</b>												
Shipments.....	10,592	11,060	10,699	-4.2	3.4	0.1	10,840	10,575	11,167	84,993	84,252	0.9
New Orders.....	10,452	10,685	11,629	-2.2	-8.1	5.0	10,414	10,551	10,861	87,138	86,760	0.4
<b>Transportation equipment:</b>												
Shipments.....	50,039	54,240	52,965	-7.7	2.4	2.2	51,387	42,273	64,507	422,726	462,676	-8.6
New Orders.....	52,259	57,367	55,805	-8.9	2.8	-1.8	53,009	41,911	69,940	448,196	513,418	-12.7
<b>Motor vehicles and parts:</b>												
Shipments.....	30,335	33,217	32,904	-8.7	1.0	2.0	32,034	24,237	45,730	269,003	325,768	-17.4
New Orders.....	30,429	33,097	32,855	-8.1	0.7	2.1	31,728	24,577	44,500	267,723	324,189	-17.4
<b>Nondefense aircraft and parts:</b>												
Shipments.....	8,201	9,183	8,456	-10.7	8.6	3.0	7,958	7,607	9,379	66,152	64,957	1.8
New Orders.....	7,612	12,292	10,055	-38.1	22.2	-21.3	7,872	8,624	12,205	90,295	112,809	-20.0
<b>Defense aircraft and parts:</b>												
Shipments.....	4,713	5,054	4,647	-6.7	8.8	3.2	4,691	4,443	3,343	35,012	25,396	37.9
New Orders.....	5,140	5,877	4,723	-12.5	24.4	-8.7	4,536	4,799	5,276	36,858	23,090	59.6
<b>All other durable goods:</b>												
Shipments.....	37,189	37,540	37,408	-0.9	0.4	0.3	38,451	37,142	40,627	296,239	304,990	-2.9
New Orders.....	37,163	37,738	37,516	-1.5	0.6	1.1	38,122	37,338	40,055	296,501	306,279	-3.2
<b>Capital goods:</b> <sup>3</sup>												
Shipments.....	76,240	78,226	77,267	-2.5	1.2	0.7	74,170	71,472	74,903	604,419	580,022	4.2
New Orders.....	78,822	83,582	83,256	-5.7	0.4	-0.2	73,962	72,349	77,749	643,785	638,133	0.9
<b>Nondefense capital goods:</b>												
Shipments.....	67,153	69,117	68,194	-2.8	1.4	0.7	65,105	63,015	66,951	534,259	519,311	2.9
New Orders.....	68,890	74,502	71,958	-7.5	3.5	-2.3	65,101	65,989	68,398	572,771	578,594	-1.0
<b>Excluding aircraft:</b>												
Shipments.....	62,825	63,922	63,663	-1.7	0.4	0.6	60,947	58,995	61,414	498,663	483,090	3.2
New Orders.....	64,970	66,305	66,070	-2.0	0.4	1.6	60,807	60,981	60,602	514,601	497,171	3.5
<b>Defense capital goods:</b>												
Shipments.....	9,087	9,109	9,073	-0.2	0.4	0.4	9,065	8,457	7,952	70,160	60,711	15.6
New Orders.....	9,932	9,080	11,298	9.4	-19.6	15.4	8,861	6,360	9,351	71,014	59,539	19.3

NA Not Available <sup>1</sup> Revised

<sup>1</sup> 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.

<sup>2</sup> 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(07), "Manufacturers' Shipments, Inventories, and Orders: 2004-2007."

<sup>3</sup> 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

<sup>4</sup> 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 <sup>1</sup>			
	Monthly			Percent Change			Monthly			Percent Change 2008/2007
	Aug 2008 <sup>2</sup>	Jul 2008 <sup>r</sup>	Jun 2008	Jul - Aug <sup>2</sup>	Jun - Jul <sup>r</sup>	May - Jun	Aug 2008 <sup>2</sup>	Jul 2008 <sup>r</sup>	Aug 2007	
<b>DURABLE GOODS</b>										
<b>Total:</b>										
Unfilled Orders <sup>4</sup> .....	827,201	824,179	818,023	0.4	0.8	1.0	820,293	821,587	726,261	12.9
Total Inventories.....	338,529	336,154	333,127	0.7	0.9	0.8	341,149	338,295	315,583	8.1
<b>Excluding transportation:</b>										
Unfilled Orders <sup>4</sup> .....	360,726	359,924	356,895	0.2	0.8	1.4	358,028	360,944	327,080	9.5
Total Inventories.....	249,657	247,825	245,833	0.7	0.8	0.7	251,255	249,305	237,239	5.9
<b>Excluding defense:</b>										
Unfilled Orders <sup>4</sup> .....	671,384	669,108	662,911	0.3	0.9	0.8	667,328	668,034	580,643	14.9
Total Inventories.....	313,957	311,528	308,591	0.8	1.0	0.9	316,484	313,602	293,725	7.7
<b>Manufacturing with unfilled orders:</b>										
Unfilled Orders <sup>4</sup> .....	827,201	824,179	818,023	0.4	0.8	1.0	820,293	821,587	726,261	12.9
Total Inventories.....	272,087	269,875	266,802	0.8	1.2	0.9	274,089	271,642	249,646	9.8
<b>Primary metals:</b>										
Unfilled Orders.....	28,757	30,108	29,621	-4.5	1.6	2.1	28,447	30,019	26,517	7.3
Total Inventories.....	34,873	34,006	33,515	2.5	1.5	1.6	35,120	34,405	31,509	11.5
<b>Fabricated metal products:</b>										
Unfilled Orders.....	62,086	62,152	62,483	-0.1	-0.5	0.0	62,288	63,213	59,154	5.3
Total Inventories.....	44,712	44,325	43,553	0.9	1.8	1.3	44,717	44,742	41,396	8.0
<b>Machinery:</b>										
Unfilled Orders.....	106,845	105,119	101,567	1.6	3.5	2.1	105,527	104,776	84,896	24.3
Total Inventories.....	54,535	54,249	53,849	0.5	0.7	0.5	54,661	54,090	51,436	6.3
<b>Computers and electronic products:</b>										
Unfilled Orders <sup>4</sup> .....	124,599	123,940	124,442	0.5	-0.4	0.9	123,174	123,589	118,608	3.8
Total Inventories.....	46,702	46,493	46,336	0.4	0.3	-0.1	47,629	46,919	44,487	7.1
<b>Computers and related products:</b>										
Unfilled Orders.....	3,905	3,823	3,957	2.1	-3.4	9.6	3,905	3,823	3,988	-2.1
Total Inventories.....	5,077	5,019	5,082	1.2	-1.2	-1.5	5,376	5,034	4,895	9.8
<b>Communications equipment:</b>										
Unfilled Orders.....	37,659	37,056	37,191	1.6	-0.4	-0.4	37,057	37,101	36,001	2.9
Total Inventories.....	9,925	9,621	9,707	3.2	-0.9	-1.9	10,000	9,530	9,120	9.6
<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.....	25,085	25,225	25,600	-0.6	-1.5	3.8	25,209	25,635	24,358	3.5
Total Inventories.....	15,209	15,160	15,243	0.3	-0.5	0.8	15,123	15,213	14,362	5.3
<b>Transportation equipment:</b>										
Unfilled Orders.....	466,475	464,255	461,128	0.5	0.7	0.6	462,265	460,643	399,181	15.8
Total Inventories.....	88,872	88,329	87,294	0.6	1.2	1.1	89,894	88,990	78,344	14.7
<b>Motor vehicles and parts:</b>										
Unfilled Orders.....	17,480	17,386	17,506	0.5	-0.7	-0.3	17,285	17,591	18,854	-8.3
Total Inventories.....	23,391	23,478	23,693	-0.4	-0.9	0.2	23,450	23,636	24,992	-6.2
<b>Nondefense Aircraft and parts:</b>										
Unfilled Orders.....	306,817	307,406	304,297	-0.2	1.0	0.5	304,758	304,844	245,110	24.3
Total Inventories.....	40,004	39,179	37,773	2.1	3.7	1.9	40,720	39,539	30,593	33.1
<b>Defense Aircraft and parts:</b>										
Unfilled Orders.....	45,772	45,345	44,522	0.9	1.8	0.2	45,148	45,303	39,841	13.3
Total Inventories.....	14,216	14,306	14,502	-0.6	-1.4	1.8	14,308	14,391	12,645	13.2
<b>All other durable goods:</b>										
Unfilled Orders.....	13,354	13,380	13,182	-0.2	1.5	0.8	13,383	13,712	13,547	-1.2
Total Inventories.....	53,626	53,592	53,337	0.1	0.5	0.5	54,005	53,936	54,049	-0.1
<b>Capital goods:<sup>3</sup></b>										
Unfilled Orders.....	621,414	618,832	613,476	0.4	0.9	1.0	614,823	615,031	534,483	15.0
Total Inventories.....	158,803	157,829	155,830	0.6	1.3	0.7	160,400	158,378	142,528	12.5
<b>Nondefense capital goods:</b>										
Unfilled Orders.....	481,337	479,600	474,215	0.4	1.1	0.8	477,327	477,331	403,078	18.4
Total Inventories.....	139,729	138,523	136,602	0.9	1.4	0.8	141,325	139,090	125,248	12.8
<b>Excluding aircraft:</b>										
Unfilled Orders.....	206,705	204,560	202,177	1.0	1.2	1.2	204,722	204,862	187,103	9.4
Total Inventories.....	108,339	107,792	107,184	0.5	0.6	0.5	109,375	108,086	102,419	6.8
<b>Defense capital goods:</b>										
Unfilled Orders.....	140,077	139,232	139,261	0.6	0.0	1.6	137,496	137,700	131,405	4.6
Total Inventories.....	19,074	19,306	19,228	-1.2	0.4	-0.4	19,075	19,288	17,280	10.4

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 4,300 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 61 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 4,300 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 4,300 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>.

### 2009 Release Dates for M3 Survey

Survey Month	Advance 8:30 A.M.	Preliminary 10:00 A.M.
November 2008	Dec. 24, 2008	Jan. 6, 2009
December 2008	Jan. 29, 2009	Feb. 5, 2009
January 2009	Feb. 26, 2009	Mar. 5, 2009
February 2009	Mar. 25, 2009	Apr. 2, 2009
March 2009	Apr. 24, 2009	May 1, 2009
April 2009	May 28, 2009	Jun. 3, 2009
May 2009	Jun. 24, 2009	Jul. 2, 2009
June 2009	Jul. 29, 2009	Aug. 5, 2009
July 2009	Aug. 26, 2009	Sep. 2, 2009
August 2009	Sep. 25, 2009	Oct. 2, 2009
September 2009	Oct. 28, 2009	Nov. 3, 2009
October 2009	Nov. 25, 2009	Dec. 4, 2009
November 2009	Dec. 24, 2009	