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

### New Orders

New orders for manufactured durable goods in February decreased \$3.6 billion or 1.7 percent to \$210.6 billion, the U.S. Census Bureau announced today. This was the second consecutive monthly decrease and followed a 4.7 percent January decrease. Excluding transportation, new orders decreased 2.6 percent. Excluding defense, new orders decreased 1.6 percent.

Machinery, down following two consecutive monthly increases, had the largest decrease, \$4.2 billion or 13.3 percent to \$27.1 billion. This was the largest percentage decrease since the series was first stated on a NAICS basis in 1992.

### Shipments

Shipments of manufactured durable goods in February, down three of the last four months, decreased \$6.0 billion or 2.8 percent to \$210.5 billion. This followed a 2.3 percent January increase.

Computers and electronic products, down following two consecutive monthly increases, had the largest decrease, \$3.8 billion or 10.3 percent to \$32.9 billion. This was also the largest percentage decrease since the series was first stated on a NAICS basis in 1992 and was led by semiconductors.

### Unfilled Orders

Unfilled orders for manufactured durable goods in February, up thirty-three of the last thirty-four months, increased \$6.1 billion or 0.8 percent to \$820.6 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 January increase.

Transportation equipment, up twenty-eight of the last twenty-nine months, had the largest increase, \$6.9 billion or 1.4 percent to \$485.3 billion.

### Inventories

Inventories of manufactured durable goods in February, up seven of the last eight months, increased \$1.6 billion or 0.5 percent to \$323.7 billion. This was also at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 0.6 percent January increase.

Transportation equipment, up thirteen of the last fourteen months, had the largest increase, \$0.9 billion or 1.1 percent to \$83.9 billion.

### Capital Goods

Nondefense new orders for capital goods in February decreased \$0.7 billion or 1.0 percent to \$73.6 billion. Shipments decreased \$3.1 billion or 4.5 percent to \$66.2 billion. Unfilled orders increased \$7.4 billion or 1.6 percent to \$474.8 billion. Inventories increased \$0.9 billion or 0.7 percent to \$129.6 billion.

Defense new orders for capital goods in February decreased \$1.0 billion or 10.1 percent to \$8.8 billion. Shipments decreased \$0.3 billion or 3.1 percent to \$8.7 billion. Unfilled orders increased \$0.1 billion or 0.1 percent to \$149.1 billion. Inventories increased \$0.4 billion or 2.4 percent to \$18.7 billion.

### Revised January Data

Revised seasonally adjusted January figures for all manufacturing industries were: new orders, \$430.3 billion (revised from \$429.2 billion); shipments, \$432.6 billion (revised from \$431.8 billion); unfilled orders, \$814.5 billion (revised from \$813.3 billion); and total inventories, \$535.4 billion (unchanged).

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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 April 2, 2008, at 10:00 a.m. EDT. The advance report on durable goods for March is scheduled for release on April 24, 2008, at 8:30 a.m. EDT. 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 2008/2007
	Feb 2008 <sup>2</sup>	Jan 2008 <sup>r</sup>	Dec 2007	Jan - Feb <sup>2</sup>	Dec - Jan <sup>r</sup>	Nov - Dec	Feb 2008 <sup>2</sup>	Jan 2008 <sup>r</sup>	Feb 2007	
<b>DURABLE GOODS</b>										
<b>Total:</b>										
Unfilled Orders <sup>4</sup> .....	820,606	814,477	808,034	0.8	0.8	2.5	831,537	823,205	703,374	18.2
Total Inventories.....	323,724	322,163	320,351	0.5	0.6	1.1	326,980	321,595	313,882	4.2
<b>Excluding transportation:</b>										
Unfilled Orders <sup>4</sup> .....	335,311	336,084	333,776	-0.2	0.7	1.3	339,564	336,519	313,722	8.2
Total Inventories.....	239,863	239,219	238,355	0.3	0.4	0.5	242,686	239,287	238,178	1.9
<b>Excluding defense:</b>										
Unfilled Orders <sup>4</sup> .....	657,564	651,581	645,965	0.9	0.9	2.5	665,356	657,148	543,149	22.5
Total Inventories.....	300,323	299,141	297,162	0.4	0.7	0.8	303,572	298,788	293,105	3.6
<b>Manufacturing with unfilled orders:</b>										
Unfilled Orders <sup>4</sup> .....	820,606	814,477	808,034	0.8	0.8	2.5	831,537	823,205	703,374	18.2
Total Inventories.....	256,678	255,186	253,277	0.6	0.8	1.0	258,858	254,786	245,893	5.3
<b>Primary metals:</b>										
Unfilled Orders.....	28,250	27,817	27,511	1.6	1.1	1.4	29,162	28,193	27,808	4.9
Total Inventories.....	30,959	30,807	30,730	0.5	0.3	-0.1	31,065	30,977	31,196	-0.4
<b>Fabricated metal products:</b>										
Unfilled Orders.....	59,662	59,731	59,707	-0.1	0.0	2.3	59,116	58,669	55,369	6.8
Total Inventories.....	42,294	42,387	42,296	-0.2	0.2	0.6	42,941	42,534	42,184	1.8
<b>Machinery:</b>										
Unfilled Orders.....	91,498	93,625	90,720	-2.3	3.2	2.4	93,755	94,657	81,698	14.8
Total Inventories.....	52,914	52,630	52,172	0.5	0.9	0.7	53,850	52,647	50,966	5.7
<b>Computers and electronic products:</b>										
Unfilled Orders <sup>4</sup> .....	118,301	117,370	118,137	0.8	-0.6	0.5	119,828	118,082	112,169	6.8
Total Inventories.....	44,472	44,215	44,179	0.6	0.1	0.6	44,796	44,048	44,702	0.2
<b>Computers and related products:</b>										
Unfilled Orders.....	3,201	3,051	3,611	4.9	-15.5	4.3	3,201	3,051	3,265	-2.0
Total Inventories.....	4,615	4,554	4,625	1.3	-1.5	2.5	4,676	4,441	4,581	2.1
<b>Communications equipment:</b>										
Unfilled Orders.....	35,318	35,233	35,468	0.2	-0.7	1.1	35,623	35,046	33,639	5.9
Total Inventories.....	7,484	7,457	7,461	0.4	-0.1	2.0	7,621	7,534	7,588	0.4
<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.....	24,127	23,832	23,872	1.2	-0.2	0.5	24,553	23,670	23,953	2.5
Total Inventories.....	15,259	15,103	14,887	1.0	1.5	0.6	15,646	15,220	14,678	6.6
<b>Transportation equipment:</b>										
Unfilled Orders.....	485,295	478,393	474,258	1.4	0.9	3.3	491,973	486,686	389,652	26.3
Total Inventories.....	83,861	82,944	81,996	1.1	1.2	2.7	84,294	82,308	75,704	11.3
<b>Motor vehicles and parts:</b>										
Unfilled Orders.....	17,920	18,285	18,717	-2.0	-2.3	-2.4	18,534	18,890	21,568	-14.1
Total Inventories.....	23,566	23,753	23,953	-0.8	-0.8	0.1	23,748	23,735	25,789	-7.9
<b>Nondefense Aircraft and parts:</b>										
Unfilled Orders.....	320,131	313,010	308,537	2.3	1.4	4.0	323,575	317,981	223,723	44.6
Total Inventories.....	35,668	35,131	33,875	1.5	3.7	3.3	35,835	34,691	28,155	27.3
<b>Defense Aircraft and parts:</b>										
Unfilled Orders.....	45,910	46,171	45,694	-0.6	1.0	6.6	47,382	47,701	44,790	5.8
Total Inventories.....	13,969	13,907	13,747	0.4	1.2	5.1	13,951	13,747	12,352	12.9
<b>All other durable goods:</b>										
Unfilled Orders.....	13,473	13,709	13,829	-1.7	-0.9	-1.0	13,150	13,248	12,725	3.3
Total Inventories.....	53,965	54,077	54,091	-0.2	0.0	0.4	54,388	53,861	54,452	-0.1
<b>Capital goods:<sup>3</sup></b>										
Unfilled Orders.....	623,868	616,333	610,483	1.2	1.0	2.7	632,568	624,800	516,764	22.4
Total Inventories.....	148,278	146,919	145,267	0.9	1.1	1.6	149,741	146,315	137,189	9.1
<b>Nondefense capital goods:</b>										
Unfilled Orders.....	474,792	467,357	462,320	1.6	1.1	2.9	480,750	472,915	369,717	30.0
Total Inventories.....	129,625	128,695	126,818	0.7	1.5	1.2	131,063	128,146	120,447	8.8
<b>Excluding aircraft:</b>										
Unfilled Orders.....	184,386	183,773	182,811	0.3	0.5	1.0	187,197	184,161	172,104	8.8
Total Inventories.....	101,725	101,210	100,606	0.5	0.6	0.5	103,006	101,006	98,723	4.3
<b>Defense capital goods:</b>										
Unfilled Orders.....	149,076	148,976	148,163	0.1	0.5	2.4	151,818	151,885	147,047	3.2
Total Inventories.....	18,653	18,224	18,449	2.4	-1.2	4.2	18,678	18,169	16,742	11.6

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>.