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

### New Orders

New orders for manufactured durable goods in October decreased \$12.7 billion or 6.2 percent to \$193.0 billion, the U.S. Census Bureau announced today. This was the largest percent decrease in new orders since October 2006 and followed two consecutive monthly decreases including a 0.2 percent September decrease. Excluding transportation, new orders decreased 4.4 percent. Excluding defense, new orders decreased 4.6 percent.

Transportation equipment, down two of the last three months, had the largest decrease, \$6.1 billion or 11.1 percent to \$49.0 billion.

### Shipments

Shipments of manufactured durable goods in October, down three consecutive months, decreased \$5.0 billion or 2.4 percent to \$202.9 billion. This followed a 0.2 percent September decrease.

Transportation equipment, down two of the last three months, had the largest decrease, \$2.4 billion or 4.6 percent to \$48.3 billion.

### Unfilled Orders

Unfilled orders for manufactured durable goods in October, down for the first time in twenty-six months, decreased \$4.6 billion or 0.6 percent to \$823.6 billion. This followed a 0.2 percent September increase.

Primary metals, down three consecutive months, had the largest decrease, \$2.8 billion or 10.9 percent to \$23.3 billion. This was the largest percent decrease since the series was first stated on a NAICS basis in 1992.

### Inventories

Inventories of manufactured durable goods in October, up fifteen of the last sixteen months, increased \$1.4 billion or 0.4 percent to \$341.1 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 September increase.

Transportation equipment, up twenty-one of the last twenty-two months, had the largest increase, \$1.3 billion or 1.5 percent to \$89.9 billion.

### Capital Goods

Nondefense new orders for capital goods in October decreased \$2.4 billion or 3.6 percent to \$65.6 billion. Shipments decreased \$2.3 billion or 3.3 percent to \$65.2 billion. Unfilled orders increased \$0.3 billion or 0.1 percent to \$482.4 billion. Inventories increased \$1.2 billion or 0.8 percent to \$141.5 billion.

Defense new orders for capital goods in October decreased \$3.7 billion or 31.0 percent to \$8.3 billion. Shipments decreased 0.1 percent to \$9.2 billion. Unfilled orders decreased \$0.9 billion or 0.6 percent to \$142.0 billion. Inventories increased \$0.2 billion or 1.3 percent to \$19.1 billion.

### Revised September Data

Revised seasonally adjusted September figures for all manufacturing industries were: new orders, \$429.4 billion (revised from \$432.0 billion); shipments, \$431.6 billion (revised from \$432.9 billion); unfilled orders, \$828.2 billion (revised from \$829.5 billion); and total inventories, \$558.5 billion (revised from \$558.7 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 December 4, 2008, at 10:00 a.m. EST. The advance report on durable goods for November is scheduled for release on December 24, 2008, at 8:30 a.m. EST. 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		
	Oct 2008 <sup>2</sup>	Sep 2008 <sup>r</sup>	Aug 2008	Sep - Oct <sup>2</sup>	Aug - Sep <sup>r</sup>	Jul - Aug	Oct 2008 <sup>2</sup>	Sep 2008 <sup>r</sup>	Oct 2007	2008	2007	Percent Change 08/07
<b>DURABLE GOODS</b>												
<b>Total:</b>												
Shipments.....	202,867	207,892	208,339	-2.4	-0.2	-4.2	209,642	220,466	220,960	2,123,378	2,146,742	-1.1
New Orders <sup>4</sup> .....	193,021	205,679	206,084	-6.2	-0.2	-5.5	195,137	213,501	220,978	2,109,371	2,169,922	-2.8
<b>Excluding transportation:</b>												
Shipments.....	154,529	157,197	158,574	-1.7	-0.9	-2.9	158,404	166,903	160,355	1,596,111	1,564,984	2.0
New Orders <sup>4</sup> .....	144,028	150,594	154,150	-4.4	-2.3	-4.2	145,898	158,456	157,449	1,557,321	1,531,952	1.7
<b>Excluding defense:</b>												
Shipments.....	190,883	195,718	196,659	-2.5	-0.5	-4.3	197,870	207,598	211,702	2,008,327	2,053,612	-2.2
New Orders <sup>4</sup> .....	181,374	190,103	193,660	-4.6	-1.8	-6.0	183,559	198,246	210,683	1,990,596	2,077,924	-4.2
<b>Manufacturing with unfilled orders:</b>												
Shipments.....	144,966	150,119	150,376	-3.4	-0.2	-4.2	147,129	159,967	152,375	1,521,255	1,494,596	1.8
New Orders <sup>4</sup> .....	140,322	151,808	152,673	-7.6	-0.6	-6.4	138,939	156,463	157,903	1,557,698	1,571,483	-0.9
<b>Primary metals:</b>												
Shipments.....	20,132	21,971	23,118	-8.4	-5.0	-3.4	20,710	22,850	21,257	225,834	204,911	10.2
New Orders.....	17,284	19,771	21,371	-12.6	-7.5	-12.5	17,104	19,850	20,882	220,362	203,452	8.3
<b>Fabricated metal products:</b>												
Shipments.....	27,564	27,844	27,943	-1.0	-0.4	-2.2	28,870	29,287	28,589	281,714	276,670	1.8
New Orders.....	26,939	27,462	27,731	-1.9	-1.0	-1.8	27,479	28,314	28,712	282,085	280,087	0.7
<b>Machinery:</b>												
Shipments.....	29,159	30,197	28,955	-3.4	4.3	-0.6	29,587	30,845	28,150	294,260	277,007	6.2
New Orders.....	28,484	30,553	30,578	-6.8	-0.1	-6.6	29,258	30,300	30,216	308,612	286,164	7.8
<b>Computers and electronic products:</b>												
Shipments.....	31,530	30,555	31,283	3.2	-2.3	-5.6	31,196	34,642	31,529	316,247	316,340	0.0
New Orders <sup>4</sup> .....	26,150	26,792	27,626	-2.4	-3.0	1.9	24,985	31,608	26,637	267,935	268,851	-0.3
<b>Computers and related products:</b>												
Shipments.....	4,795	4,703	4,763	2.0	-1.3	-3.7	4,770	5,542	5,552	49,838	52,948	-5.9
New Orders.....	4,465	4,723	4,844	-5.5	-2.5	0.7	4,440	5,562	4,961	49,715	52,958	-6.1
<b>Communications equipment:</b>												
Shipments.....	5,403	5,633	5,509	-4.1	2.3	-8.4	4,719	7,077	4,994	55,698	55,364	0.6
New Orders.....	5,598	5,200	6,205	7.7	-16.2	5.3	5,106	6,916	4,967	56,706	57,171	-0.8
<b>Semiconductors:</b>												
Shipments.....	5,202	3,902	4,552	33.3	-14.3	-18.6	6,315	3,461	5,510	50,450	53,707	-6.1
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.....	10,424	10,524	10,554	-1.0	-0.3	-4.6	10,595	11,374	10,953	106,951	106,536	0.4
New Orders.....	9,651	10,188	10,302	-5.3	-1.1	-3.3	9,799	10,651	10,874	107,458	108,273	-0.8
<b>Transportation equipment:</b>												
Shipments.....	48,338	50,695	49,765	-4.6	1.9	-8.2	51,238	53,563	60,605	527,267	581,758	-9.4
New Orders.....	48,993	55,085	51,934	-11.1	6.1	-9.4	49,239	55,045	63,529	552,050	637,970	-13.5
<b>Motor vehicles and parts:</b>												
Shipments.....	29,616	31,130	30,152	-4.9	3.2	-9.1	33,324	32,633	43,121	334,752	408,110	-18.0
New Orders.....	29,453	30,827	30,116	-4.5	2.4	-8.9	32,870	32,078	42,646	332,370	405,545	-18.0
<b>Nondefense aircraft and parts:</b>												
Shipments.....	6,925	7,696	8,130	-10.0	-5.3	-11.5	6,287	7,979	8,060	80,406	81,832	-1.7
New Orders.....	9,400	9,868	7,658	-4.7	28.9	-37.7	6,130	8,764	11,135	105,185	138,317	-24.0
<b>Defense aircraft and parts:</b>												
Shipments.....	4,771	5,200	4,707	-8.3	10.5	-6.8	4,668	5,623	3,275	45,281	32,283	40.3
New Orders.....	5,244	5,835	5,189	-10.1	12.4	-11.8	5,121	5,617	3,246	47,617	29,945	59.0
<b>All other durable goods:</b>												
Shipments.....	35,720	36,106	36,721	-1.1	-1.7	-2.1	37,446	37,905	39,877	371,105	383,520	-3.2
New Orders.....	35,520	35,828	36,542	-0.9	-2.0	-3.1	37,273	37,733	40,128	370,869	385,125	-3.7
<b>Capital goods:<sup>3</sup></b>												
Shipments.....	74,417	76,682	75,853	-3.0	1.1	-2.9	73,422	82,541	74,117	759,834	734,457	3.5
New Orders.....	73,875	80,048	78,537	-7.7	1.9	-6.0	71,329	82,629	79,581	797,260	801,373	-0.5
<b>Nondefense capital goods:</b>												
Shipments.....	65,239	67,497	66,795	-3.3	1.1	-3.3	64,379	72,998	66,620	671,118	658,136	2.0
New Orders.....	65,579	68,024	68,694	-3.6	-1.0	-7.8	62,949	71,087	70,987	706,485	726,647	-2.8
<b>Excluding aircraft:</b>												
Shipments.....	61,971	63,524	62,504	-2.4	1.6	-2.1	61,492	68,893	62,147	628,534	612,522	2.6
New Orders.....	60,135	62,648	64,774	-4.0	-3.3	-2.3	60,365	66,963	63,494	641,608	627,583	2.2
<b>Defense capital goods:</b>												
Shipments.....	9,178	9,185	9,058	-0.1	1.4	-0.5	9,043	9,543	7,497	88,716	76,321	16.2
New Orders.....	8,296	12,024	9,843	-31.0	22.2	8.3	8,380	11,542	8,594	90,775	74,726	21.5

NA Not Available <sup>r</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
	Oct 2008 <sup>2</sup>	Sep 2008 <sup>r</sup>	Aug 2008	Sep - Oct <sup>2</sup>	Aug - Sep <sup>r</sup>	Jul - Aug	Oct 2008 <sup>2</sup>	Sep 2008 <sup>r</sup>	Oct 2007	
<b>DURABLE GOODS</b>										
<b>Total:</b>										
Unfilled Orders <sup>4</sup> .....	823,574	828,218	826,529	-0.6	0.2	0.3	808,259	816,449	734,765	10.0
Total Inventories.....	341,074	339,698	339,033	0.4	0.2	0.8	342,134	338,643	316,294	8.2
<b>Excluding transportation:</b>										
Unfilled Orders <sup>4</sup> .....	352,103	357,402	360,103	-1.5	-0.8	0.0	346,681	352,872	330,114	5.0
Total Inventories.....	251,145	251,106	250,253	0.0	0.3	1.0	250,963	249,986	237,248	5.8
<b>Excluding defense:</b>										
Unfilled Orders <sup>4</sup> .....	664,688	668,995	670,708	-0.6	-0.3	0.2	653,226	661,222	589,248	10.9
Total Inventories.....	316,425	315,375	314,487	0.3	0.3	0.9	317,382	314,253	293,950	8.0
<b>Manufacturing with unfilled orders:</b>										
Unfilled Orders <sup>4</sup> .....	823,574	828,218	826,529	-0.6	0.2	0.3	808,259	816,449	734,765	10.0
Total Inventories.....	273,504	272,697	272,575	0.3	0.0	1.0	274,646	271,929	250,446	9.7
<b>Primary metals:</b>										
Unfilled Orders.....	23,311	26,159	28,359	-10.9	-7.8	-5.8	21,791	25,397	25,486	-14.5
Total Inventories.....	34,933	35,166	35,073	-0.7	0.3	3.0	34,644	35,268	30,514	13.5
<b>Fabricated metal products:</b>										
Unfilled Orders.....	60,927	61,552	61,934	-1.0	-0.6	-0.3	59,790	61,181	58,666	1.9
Total Inventories.....	44,797	44,939	44,791	-0.3	0.3	1.0	44,575	44,849	41,555	7.3
<b>Machinery:</b>										
Unfilled Orders.....	106,468	107,143	106,787	-0.6	0.3	1.5	104,739	105,068	87,541	19.6
Total Inventories.....	54,592	54,570	54,435	0.0	0.2	0.3	54,475	54,191	51,832	5.1
<b>Computers and electronic products:</b>										
Unfilled Orders <sup>4</sup> .....	124,845	125,023	124,884	-0.1	0.1	0.7	123,905	123,801	120,971	2.4
Total Inventories.....	47,352	47,012	46,999	0.7	0.0	1.0	47,951	46,740	45,078	6.4
<b>Computers and related products:</b>										
Unfilled Orders.....	3,594	3,924	3,904	-8.4	0.5	2.1	3,594	3,924	3,495	2.8
Total Inventories.....	4,848	5,039	5,031	-3.8	0.2	0.5	4,928	5,021	4,981	-1.1
<b>Communications equipment:</b>										
Unfilled Orders.....	37,530	37,335	37,768	0.5	-1.1	1.9	37,425	37,038	36,857	1.5
Total Inventories.....	9,833	9,661	9,951	1.8	-2.9	3.4	9,977	9,521	9,282	7.5
<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.....	23,834	24,607	24,943	-3.1	-1.3	-1.0	23,571	24,367	23,587	-0.1
Total Inventories.....	15,301	15,377	15,262	-0.5	0.8	0.8	15,115	14,918	14,356	5.3
<b>Transportation equipment:</b>										
Unfilled Orders.....	471,471	470,816	466,426	0.1	0.9	0.5	461,578	463,577	404,651	14.1
Total Inventories.....	89,929	88,592	88,780	1.5	-0.2	0.5	91,171	88,657	79,046	15.3
<b>Motor vehicles and parts:</b>										
Unfilled Orders.....	16,879	17,042	17,345	-1.0	-1.7	-0.2	16,183	16,637	17,868	-9.4
Total Inventories.....	22,956	22,904	23,272	0.2	-1.6	-0.8	22,934	22,866	24,681	-7.1
<b>Nondefense Aircraft and parts:</b>										
Unfilled Orders.....	311,583	309,108	306,936	0.8	0.7	-0.2	305,394	305,551	253,743	20.4
Total Inventories.....	41,706	40,570	40,036	2.8	1.3	2.2	42,714	40,657	31,258	36.6
<b>Defense Aircraft and parts:</b>										
Unfilled Orders.....	46,940	46,467	45,832	1.0	1.4	1.1	45,638	45,185	39,809	14.6
Total Inventories.....	14,300	13,962	14,197	2.4	-1.7	-0.8	14,413	14,035	12,647	14.0
<b>All other durable goods:</b>										
Unfilled Orders.....	12,718	12,918	13,196	-1.5	-2.1	-1.3	12,885	13,058	13,863	-7.1
Total Inventories.....	54,170	54,042	53,693	0.2	0.6	0.2	54,203	54,020	53,913	0.5
<b>Capital goods:<sup>3</sup></b>										
Unfilled Orders.....	624,414	624,956	621,590	-0.1	0.5	0.4	612,883	614,976	543,288	12.8
Total Inventories.....	160,668	159,231	158,991	0.9	0.2	0.7	161,884	158,539	144,192	12.3
<b>Nondefense capital goods:</b>										
Unfilled Orders.....	482,434	482,094	481,567	0.1	0.1	0.4	474,182	475,612	412,306	15.0
Total Inventories.....	141,536	140,348	139,920	0.8	0.3	1.0	142,762	139,662	126,351	13.0
<b>Excluding aircraft:</b>										
Unfilled Orders.....	204,185	206,021	206,897	-0.9	-0.4	1.1	201,858	202,985	188,083	7.3
Total Inventories.....	108,841	108,659	108,517	0.2	0.1	0.7	109,255	107,802	103,208	5.9
<b>Defense capital goods:</b>										
Unfilled Orders.....	141,980	142,862	140,023	-0.6	2.0	0.6	138,701	139,364	130,982	5.9
Total Inventories.....	19,132	18,883	19,071	1.3	-1.0	-1.2	19,122	18,877	17,841	7.2

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	