

U.S. Census Bureau News

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

FOR IMMEDIATE RELEASE
TUESDAY, JANUARY 27, 2015, AT 8:30 A.M. EST

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M3-1 (14)-12
CB15-10

Advance Report on Durable Goods Manufacturers' Shipments, Inventories and Orders December 2014

New Orders

New orders for manufactured durable goods in December decreased \$8.1 billion or 3.4 percent to \$230.5 billion, the U.S. Census Bureau announced today. This decrease, down four of the last five months, followed a 2.1 percent November decrease. Excluding transportation, new orders decreased 0.8 percent. Excluding defense, new orders decreased 3.2 percent.

Transportation equipment, also down four of the last five months, led the decrease, \$6.8 billion or 9.2 percent to \$66.7 billion.

Shipments

Shipments of manufactured durable goods in December, up following two consecutive monthly decreases, increased \$2.6 billion or 1.1 percent to \$246.8 billion. This followed a 0.7 percent November decrease.

Transportation equipment, up three of the last four months, led the increase, \$2.2 billion or 3.1 percent to \$74.5 billion.

Unfilled Orders

Unfilled orders for manufactured durable goods in December, down following ten consecutive monthly increases, decreased \$8.9 billion or 0.8 percent to \$1,167.6 billion. This followed a 0.2 percent November increase.

Transportation equipment, also down following ten consecutive monthly increases, led the decrease, \$7.8 billion or 1.0 percent to \$740.0 billion.

Inventories

Inventories of manufactured durable goods in December, up twenty of the last twenty-one months, increased \$2.0 billion or 0.5 percent to \$410.8 billion. This was at the highest level since the series was first published on a NAICS basis in 1992 and followed a 0.5 percent November increase.

Transportation equipment, also up twenty of the last twenty-one months, led the increase, \$0.6 billion or 0.5 percent to \$134.1 billion.

Capital Goods

Nondefense new orders for capital goods in December decreased \$7.9 billion or 9.7 percent to \$73.3 billion. Shipments increased \$0.1 billion or 0.2 percent to \$78.9 billion. Unfilled orders decreased \$5.7 billion or 0.8 percent to \$732.4 billion. Inventories increased \$1.0 billion or 0.5 percent to \$187.5 billion.

Defense new orders for capital goods in December decreased \$0.5 billion or 5.3 percent to \$8.7 billion. Shipments increased \$0.2 billion or 2.2 percent to \$10.2 billion. Unfilled orders decreased \$1.5 billion or 0.9 percent to \$156.2 billion. Inventories decreased \$0.1 billion or 0.3 percent to \$24.1 billion.

Revised November Data

Revised seasonally adjusted November figures for all manufacturing industries were: new orders, \$489.3 billion (revised from \$492.7 billion); shipments, \$494.9 billion (revised from \$495.7 billion); unfilled orders, \$1,176.5 billion (revised from \$1,179.1 billion); and total inventories, \$657.2 billion (revised from \$656.3 billion).

Figures in text are adjusted for seasonality, but not for inflation. 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 February 3, 2015, at 10:00 a.m. EST. The Advance Report on durable goods for January is scheduled for release on February 26, 2015 at 8:30 a.m. EST. See back page for survey description. To receive the latest updates on the Nation's key economic indicators, download the America's Economy app for Apple and Android smartphones and tablets. The U.S. Census Bureau updated its Application Programming Interface (API) with monthly and quarterly economic indicators. The API allows developers to combine Census Bureau statistics with other data sets to create tools for research on a variety of topics.

Table 1. Durable Goods Manufacturers' Shipments and New Orders ¹

[Estimates are shown in millions of dollars and are based on data from the Manufacturers' Shipments, Inventories, and Orders Survey.]

Item	Seasonally Adjusted						Not Seasonally Adjusted					
	Monthly			Percent Change			Monthly			Year to Date		
	Dec 2014 ²	Nov 2014 ¹	Oct 2014	Nov - Dec ²	Oct - Nov ¹	Sep - Oct	Dec 2014 ²	Nov 2014 ¹	Dec 2013	2014	2013	Percent Change 2014/2013
DURABLE GOODS												
Total:												
Shipments.....	246,771	244,191	246,032	1.1	-0.7	-0.1	246,290	229,648	229,442	2,902,036	2,763,242	5.0
New Orders ⁴	230,525	238,661	243,821	-3.4	-2.1	0.3	246,475	224,648	244,249	2,919,275	2,749,196	6.2
Excluding transportation:												
Shipments.....	172,229	171,871	172,957	0.2	-0.6	-0.5	169,716	160,822	161,270	2,043,133	1,940,512	5.3
New Orders ⁴	163,779	165,121	167,260	-0.8	-1.3	-1.2	161,593	151,997	154,648	1,977,864	1,879,554	5.2
Excluding defense:												
Shipments.....	234,427	232,132	234,016	1.0	-0.8	-0.3	232,609	217,023	216,488	2,759,675	2,617,078	5.4
New Orders ⁴	219,750	227,089	230,377	-3.2	-1.4	-0.7	231,029	214,837	229,966	2,780,740	2,622,482	6.0
Manufacturing with unfilled orders:												
Shipments.....	173,958	172,742	174,054	0.7	-0.8	-0.1	176,743	162,817	163,341	2,042,652	1,934,970	5.6
New Orders.....	165,062	174,621	179,389	-5.5	-2.7	0.5	183,352	165,040	184,474	2,151,055	2,004,384	7.3
Primary metals:												
Shipments.....	27,655	27,406	27,816	0.9	-1.5	-0.2	25,119	24,962	23,411	324,571	304,234	6.7
New Orders.....	26,722	27,141	28,099	-1.5	-3.4	-2.0	24,972	25,262	23,917	327,438	308,160	6.3
Fabricated metal products:												
Shipments.....	30,708	30,367	30,388	1.1	-0.1	-0.4	28,444	28,293	26,333	359,718	346,794	3.7
New Orders.....	30,910	30,600	30,957	1.0	-1.2	0.1	28,287	27,377	24,942	361,060	351,639	2.7
Machinery:												
Shipments.....	35,926	36,491	36,829	-1.5	-0.9	-0.9	37,033	33,497	36,195	434,383	411,633	5.5
New Orders.....	34,645	35,988	36,304	-3.7	-0.9	-2.1	34,924	32,536	36,514	442,375	417,590	5.9
Computers and electronic products⁴:												
Shipments.....	28,741	28,742	28,844	0.0	-0.4	-0.3	31,935	27,781	31,495	347,267	333,026	4.3
New Orders.....	22,024	22,311	22,429	-1.3	-0.5	0.0	26,444	20,543	25,387	265,963	255,875	3.9
Computers and related products:												
Shipments.....	1,864	1,933	1,961	-3.6	-1.4	-0.7	3,031	1,626	3,879	25,718	28,044	-8.3
New Orders.....	1,814	2,025	2,045	-10.4	-1.0	-3.3	2,981	1,718	3,893	26,507	28,206	-6.0
Communications equipment:												
Shipments.....	3,717	3,431	3,636	8.3	-5.6	-3.9	4,576	3,168	4,555	45,080	47,165	-4.4
New Orders.....	4,108	4,173	3,802	-1.6	9.8	8.5	5,149	3,551	5,340	48,824	52,262	-6.6
Electrical equipment, appliances, and components:												
Shipments.....	10,659	10,658	10,515	0.0	1.4	-1.3	10,423	10,273	9,819	125,217	123,069	1.7
New Orders.....	10,874	10,740	10,800	1.2	-0.6	-4.3	10,618	10,063	10,211	128,324	124,385	3.2
Transportation equipment:												
Shipments.....	74,542	72,320	73,075	3.1	-1.0	0.7	76,574	68,826	68,172	858,903	822,730	4.4
New Orders.....	66,746	73,540	76,561	-9.2	-3.9	3.5	84,882	72,651	89,601	941,411	869,642	8.3
Motor vehicles and parts:												
Shipments.....	49,247	47,781	47,704	3.1	0.2	0.7	45,308	44,694	39,888	564,664	541,537	4.3
New Orders.....	49,316	48,028	47,816	2.7	0.4	0.7	45,934	45,210	40,393	566,130	541,268	4.6
Nondefense aircraft and parts:												
Shipments.....	12,846	12,528	13,127	2.5	-4.6	-2.1	17,752	12,061	15,789	151,006	136,356	10.7
New Orders.....	6,096	13,701	15,399	-55.5	-11.0	0.8	23,641	17,181	34,466	233,118	200,708	16.1
Defense aircraft and parts:												
Shipments.....	4,757	4,505	4,595	5.6	-2.0	1.5	5,541	4,760	4,794	54,723	56,650	-3.4
New Orders.....	3,746	4,678	5,312	-19.9	-11.9	44.1	6,167	4,480	6,388	53,023	48,802	8.6
All other durable goods:												
Shipments.....	38,540	38,207	38,565	0.9	-0.9	-0.3	36,762	36,016	34,017	451,977	421,756	7.2
New Orders.....	38,604	38,341	38,671	0.7	-0.9	-0.4	36,348	36,216	33,677	452,704	421,905	7.3
Capital goods³:												
Shipments.....	89,104	88,747	89,628	0.4	-1.0	-1.0	99,823	83,846	94,944	1,053,002	1,004,637	4.8
New Orders.....	81,967	90,341	92,782	-9.3	-2.6	1.0	106,285	86,082	113,259	1,140,301	1,067,868	6.8
Nondefense capital goods:												
Shipments.....	78,938	78,800	79,827	0.2	-1.3	-1.3	88,763	73,461	84,298	936,780	885,831	5.8
New Orders.....	73,256	81,147	82,432	-9.7	-1.6	0.0	94,227	78,614	102,302	1,029,566	966,431	6.5
Excluding aircraft:												
Shipments.....	69,741	69,885	70,289	-0.2	-0.6	-0.9	75,122	65,063	71,995	829,831	790,320	5.0
New Orders.....	70,196	70,606	70,997	-0.6	-0.6	-1.8	74,345	64,243	72,305	850,446	811,126	4.8
Defense capital goods:												
Shipments.....	10,166	9,947	9,801	2.2	1.5	1.5	11,060	10,385	10,646	116,222	118,806	-2.2
New Orders.....	8,711	9,194	10,350	-5.3	-11.2	10.0	12,058	7,468	10,957	110,735	101,437	9.2

¹ Revised data due to late receipts and concurrent seasonal adjustment.² Estimates of shipments and new orders are for the duration of the period, while estimates of unfilled orders and total inventories are for the end of the period. Not seasonally adjusted estimates of shipments and new orders include adjusted data for non-calendar reporters. Seasonally adjusted estimates include concurrent adjustments for holiday and trading-day differences, where appropriate, as well as seasonal variation, based on the results of the latest annual review of the model parameters. Estimates are not adjusted for price changes.³ 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. For further details on survey design, methodology, and data limitations, see <http://www.census.gov/manufacturing/m3>.⁴ 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.

⁵ Estimates of shipments for the semiconductor industry are no longer shown separately. Estimates and percent changes of shipments and inventories for the semiconductor industry are included in computers and electronic products, and all other applicable aggregate totals. Estimates and percent changes for new orders and unfilled orders exclude semiconductor industry data.

Table 2. Durable Goods Manufacturers' Unfilled Orders and Total Inventories ¹

[Estimates are shown in millions of dollars and are based on data from the Manufacturers' Shipments, Inventories, and Orders Survey.]

Item	Seasonally Adjusted						Not Seasonally Adjusted			
	Monthly			Percent Change			Monthly			Percent Change 2014/ 2013
	Dec 2014 ²	Nov 2014 ^r	Oct 2014	Nov - Dec ²	Oct - Nov ^r	Sep - Oct	Dec 2014 ²	Nov 2014 ^r	Dec 2013	
<u>DURABLE GOODS</u>										
Total:										
Unfilled Orders ⁴	1,167,591	1,176,487	1,174,608	-0.8	0.2	0.5	1,168,681	1,162,072	1,060,278	10.2
Total Inventories.....	410,823	408,811	406,602	0.5	0.5	0.5	399,798	409,670	377,594	5.9
Excluding transportation:										
Unfilled Orders ⁴	427,559	428,659	428,000	-0.3	0.2	0.4	419,732	421,431	393,837	6.6
Total Inventories.....	276,769	275,359	274,617	0.5	0.3	0.2	270,138	275,908	259,400	4.1
Excluding defense:										
Unfilled Orders ⁴	979,822	987,149	984,783	-0.7	0.2	0.4	981,603	976,759	869,374	12.9
Total Inventories.....	381,342	379,265	377,311	0.5	0.5	0.4	370,560	380,115	349,531	6.0
Manufacturing with unfilled orders:										
Unfilled Orders.....	1,167,591	1,176,487	1,174,608	-0.8	0.2	0.5	1,168,681	1,162,072	1,060,278	10.2
Total Inventories.....	337,790	336,335	334,294	0.4	0.6	0.5	328,153	336,722	308,791	6.3
Primary metals:										
Unfilled Orders.....	39,403	40,336	40,601	-2.3	-0.7	0.7	38,920	39,067	36,053	8.0
Total Inventories.....	38,354	38,068	37,721	0.8	0.9	0.6	38,031	37,769	34,977	8.7
Fabricated metal products:										
Unfilled Orders.....	88,158	87,956	87,723	0.2	0.3	0.7	85,139	85,296	83,797	1.6
Total Inventories.....	50,630	50,429	50,121	0.4	0.6	0.4	49,738	50,002	47,394	4.9
Machinery:										
Unfilled Orders.....	118,186	119,467	119,970	-1.1	-0.4	-0.4	115,739	117,848	107,747	7.4
Total Inventories.....	67,802	67,614	67,924	0.3	-0.5	0.2	65,182	68,349	63,824	2.1
Computers and electronic products⁴:										
Unfilled Orders.....	147,600	146,967	145,989	0.4	0.7	0.8	146,831	145,898	136,971	7.2
Total Inventories.....	49,148	48,876	49,037	0.6	-0.3	0.4	47,955	49,625	46,463	3.2
Computers and related products:										
Unfilled Orders.....	4,178	4,228	4,136	-1.2	2.2	2.1	4,178	4,228	3,389	23.3
Total Inventories.....	4,810	4,631	4,669	3.9	-0.8	-0.9	4,500	4,850	4,364	3.1
Communications equipment:										
Unfilled Orders.....	39,543	39,152	38,410	1.0	1.9	0.4	39,271	38,698	35,527	10.5
Total Inventories.....	7,180	7,346	7,494	-2.3	-2.0	-0.5	7,011	7,560	7,681	-8.7
Electrical equipment, appliances, and components:										
Unfilled Orders.....	26,026	25,811	25,729	0.8	0.3	1.1	25,397	25,202	22,290	13.9
Total Inventories.....	16,784	16,636	16,399	0.9	1.4	-1.0	16,151	16,558	16,078	0.5
Transportation equipment:										
Unfilled Orders.....	740,032	747,828	746,608	-1.0	0.2	0.5	748,949	740,641	666,441	12.4
Total Inventories.....	134,054	133,452	131,985	0.5	1.1	0.9	129,660	133,762	118,194	9.7
Motor vehicles and parts:										
Unfilled Orders.....	17,760	17,691	17,444	0.4	1.4	0.6	17,982	17,356	16,516	8.9
Total Inventories.....	27,670	27,490	27,360	0.7	0.5	0.5	26,795	27,773	24,481	9.5
Nondefense Aircraft and parts:										
Unfilled Orders.....	568,883	575,633	574,460	-1.2	0.2	0.4	577,820	571,931	495,708	16.6
Total Inventories.....	76,164	75,574	74,616	0.8	1.3	1.1	73,054	75,521	65,567	11.4
Defense Aircraft and parts:										
Unfilled Orders.....	62,394	63,405	63,232	-1.6	0.3	1.1	62,811	62,185	64,511	-2.6
Total Inventories.....	14,125	14,399	14,522	-1.9	-0.8	1.4	13,917	14,369	13,117	6.1
All other durable goods:										
Unfilled Orders.....	8,186	8,122	7,988	0.8	1.7	1.3	7,706	8,120	6,979	10.4
Total Inventories.....	54,051	53,736	53,415	0.6	0.6	0.2	53,081	53,605	50,664	4.8
Capital goods³:										
Unfilled Orders.....	888,576	895,713	894,119	-0.8	0.2	0.4	891,744	885,282	804,445	10.9
Total Inventories.....	211,612	210,715	209,567	0.4	0.5	0.5	204,214	212,460	192,996	5.8
Nondefense capital goods:										
Unfilled Orders.....	732,355	738,037	735,690	-0.8	0.3	0.4	736,657	731,193	643,871	14.4
Total Inventories.....	187,531	186,569	185,648	0.5	0.5	0.4	180,168	188,275	170,009	6.0
Excluding aircraft:										
Unfilled Orders.....	254,161	253,706	252,985	0.2	0.3	0.3	249,260	250,037	228,645	9.0
Total Inventories.....	123,288	122,864	122,959	0.3	-0.1	-0.1	119,036	124,631	116,423	2.2
Defense capital goods:										
Unfilled Orders.....	156,221	157,676	158,429	-0.9	-0.5	0.3	155,087	154,089	160,574	-3.4
Total Inventories.....	24,081	24,146	23,919	-0.3	0.9	1.3	24,046	24,185	22,987	4.6

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, which is a voluntary survey authorized by Title 13 of the United States Code. This survey provides statistics on a calendar-month basis for 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). Data published from the M3 survey are based on a panel of approximately 4,800 reporting units that represent approximately 3,000 companies and provide an indication of month-to-month change for the Manufacturing Sector. These reporting units may be divisions of diversified large companies, large homogenous companies, or single-unit manufacturers in 89 industry categories, which are combined into 65 publication levels due to the small monthly panel size. The survey methodology assumes that the month-to-month changes of the total operations of the reporting units in the M3 panel effectively represent the month-to-month movements of all establishments that make up the category.

The companies for which shipments data are currently reported or imputed in the M3 survey represent approximately 61 percent of the total value of shipments for manufacturing establishments in the 2012 Economic Census, and these companies include almost two-thirds of the manufacturing companies with \$500 million or more in shipments in the 2012 Economic Census. The companies for which shipments data are currently reported in the M3 survey represent approximately 54 percent of the total value of shipments for manufacturing establishments in the 2012 Economic Census. Statistics based on the M3 panel differ from the results that would be obtained from a complete enumeration of all manufacturing companies. The M3 panel is not based on 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>.

Benchmark notice

Revised historical data from the Manufacturers' Shipments, Inventories, and Orders (M3) Survey will be issued on May 14, 2015. These revisions result from benchmarking the shipments and inventories data to the 2012 Economic Census and the 2013 Annual Survey of Manufactures (ASM) data on a 2012 North American Industry Classification System (NAICS) basis, as well as revised ASM benchmarks for prior years on a 2007 NAICS basis; incorporating the unfilled orders to shipments ratios obtained from the 2013/2012 and 2012/2011 Manufacturers' Unfilled Orders Surveys by applying these ratios to the respective Census or ASM shipments data, as well as incorporating revised unfilled orders to shipments ratios for prior years; adjusting the new orders data to be consistent with the benchmarked shipments and unfilled orders data; correcting monthly data for late receipts, reclassifications of reported data, and revisions to previously reported data; and updating the seasonally adjusted data based on the results of benchmarking and the recent annual review of the seasonal adjustment models. These revisions will span the seasonally adjusted data for January 1997 through March 2015 and the data not seasonally adjusted for January 2001 through March 2015. An updated Press Release will contain revised monthly tables for January 2015 through March 2015 on a 2012 NAICS basis, which will be the new basis for publishing data from the M3 Survey starting with the April 2015 Advance Report on Durable Goods. Please call M3 staff on (301) 763-4832 with any questions.