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ADVANCE REPORT ON DURABLE GOODS MANUFACTURERS' SHIPMENTS AND ORDERS
September 1997

(All figures in text below are in seasonally adjusted current dollars)

• **NEW ORDERS** New orders for manufactured durable goods in September decreased \$1.1 billion or 0.6 percent to \$185.7 billion, the Department of Commerce, Bureau of the Census reported today. This follows a 2.8 percent August increase and is the first decline since May. Excluding transportation, new orders increased 0.2 percent, the fourth consecutive monthly increase. Year to date, new orders are 6.5 percent above the same period a year ago.

Electronic and other electrical equipment, down three of the last four months, had the largest decrease, \$2.6 billion or 7.7 percent to \$31.5 billion, due to electronic components. This follows a 29.4 percent August increase. Transportation equipment, down two of the last three months, decreased \$1.4 billion or 3.3 percent to \$42.0 billion, due to declines in aircraft and parts and motor vehicles and parts. This follows a 4.0 percent August increase. Primary metals increased \$0.7 billion or 4.3 percent to \$16.6 billion, following a 2.0 percent August decrease. This is the third increase in the last four months and the seventh this year. Industrial machinery and equipment, up three of the last four months, increased \$0.5 billion or 1.5 percent to \$35.1 billion. This follows a 1.4 percent August decrease.

• **SHIPMENTS** of durable goods in September, up three of the last four months, increased \$3.8 billion or 2.1 percent to \$185.2 billion, following a 1.3 percent August decrease. Year to date, shipments are 7.6 percent above the same period a year ago.

Industrial machinery and equipment, up three of the last four months, had the largest increase, \$0.9 billion or 2.7 percent to \$35.0 billion. This follows a 2.6 percent August decrease. Electronic and other electrical equipment, up four of the last five months, increased \$0.9 billion or 2.9 percent to \$31.1 billion. This follows a 2.9 percent August increase. Transportation equipment increased \$0.4 billion or 0.9 percent to \$43.2 billion, as increases in aircraft and parts and railroad equipment more than offset a decline in motor vehicles and parts. This follows a 2.7 percent August decrease and is the third increase in the last four months. Primary metals, up three of the last four months, increased \$0.1 billion or 0.9 percent to \$15.5 billion, following a 1.1 percent August decline. Instruments and related products, up three of the last four months, also increased.

• **UNFILLED ORDERS** Unfilled orders for durable goods in September increased \$0.5 billion or 0.1 percent to \$501.8 billion. This follows a 1.1 percent August increase and is the fourth increase in the last five months.

Primary metals, up for the ninth consecutive month, had the largest increase, \$1.1 billion or 3.4 percent to \$33.4 billion, following a 1.7 percent August increase. Electronic and other electrical equipment, up four of the last five months, increased \$0.4 billion or 0.7 percent to \$55.7 billion. This follows a 7.6 percent August increase. Industrial machinery and equipment, up for the third consecutive month, increased \$0.2 billion or 0.3 percent to \$73.7 billion, following a 0.8 percent August increase. Transportation equipment decreased \$1.2 billion or 0.5 percent to \$249.1 billion, due to aircraft and parts. This follows a 0.3 percent August increase and is the second decrease in the last three months. Instruments and related products declined for the second consecutive month.

• **CAPITAL GOODS INDUSTRIES, DEFENSE** New orders in September, down four of the last five months, decreased \$0.4 billion or 7.9 percent to \$5.2 billion, following a 4.9 percent August decrease. Shipments, also down four of the last five months, decreased 0.5 percent to \$6.1 billion, following a 3.6 percent August decrease. Unfilled orders, down for the ninth consecutive month, decreased \$0.8 billion or 0.8 percent to \$106.4 billion, following a 0.4 percent August decrease.

• **CAPITAL GOODS INDUSTRIES, NONDEFENSE** New orders in September, up for the fifth consecutive month, increased \$0.7 billion or 1.5 percent to \$48.6 billion, following a 1.0 percent August increase. Shipments, up three of the last four months, increased \$1.7 billion or 3.6 percent to \$48.6 billion. This follows a 2.4 percent August decrease. Unfilled orders, up three of the last four months, increased \$0.1 billion to \$252.6 billion, following a 0.4 percent August increase. Excluding aircraft and parts, new orders increased \$2.4 billion or 6.1 percent to \$42.4 billion, the third increase in the last four months; shipments increased \$1.3 billion or 3.3 percent to \$41.3 billion, the seventh increase in the last eight months; and unfilled orders increased \$1.2 billion or 1.2 percent to \$100.3 billion, the third consecutive monthly increase.

• **REVISED AUGUST DATA** Revised seasonally adjusted August figures for all manufacturing industries are: shipments, \$330.8 billion (revised from \$330.4 billion); new orders, \$335.9 billion (revised from \$335.5 billion); unfilled orders, \$527.3 billion (revised from \$527.2 billion); and total inventories, \$449.0 billion (revised from \$448.5 billion).

Our internet site address is: <http://www.census.gov/ftp/pub/indicator/www/m3/index.htm>

This report presents advance information on two key business indicators: durable goods manufacturers' shipments and orders. Revised and more detailed estimates plus nondurable goods and inventory data will be published November 5, 1997. The advance report on durable goods for October is scheduled for November 26, 1997 (at 10:00 A.M.). This report is available on the day of issue through the Department of Commerce's online Economic Bulletin Board (N-8-1) (202-482-3870).

Table 1. DURABLE GOODS MANUFACTURERS' SHIPMENTS AND ORDERS
(Millions of dollars)

	Seasonally adjusted						Not seasonally adjusted ¹			
	Monthly			Percent Change			Monthly			Percent change Sept.97/96
	Sept. 1997 ²	Aug. 1997 ²	July 1997	Aug.- Sept. ²	July- Aug. ¹	June- July	Sept. 1997 ²	Aug. 1997 ²	Sept. 1996	
DURABLE GOODS										
Total :										
Shipments	185,250	181,429	183,827	+2.1	-1.3	+1.7	200,033	178,938	184,229	+8.6
New orders	185,733	186,808	181,679	-0.6	+2.8	+0.1	195,510	183,537	183,300	+6.7
Unfilled orders	501,825	501,342	495,963	+0.1	+1.1	-0.4	496,261	500,784	478,160	+3.8
Excluding defense :										
Shipments	179,168	175,314	177,481	+2.2	-1.2	+2.0	193,487	173,056	177,563	+9.0
New orders	180,494	181,122	175,702	-0.3	+3.1	+0.2	190,759	178,991	177,743	+7.3
Unfilled orders	395,440	394,114	388,306	+0.3	+1.5	-0.5	392,439	395,167	372,503	+5.4
With unfilled orders :										
Shipments	151,623	147,984	149,492	+2.5	-1.0	+1.0	164,998	145,255	149,982	+10.0
New orders	152,106	153,363	147,344	-0.8	+4.1	-1.1	160,475	149,854	149,053	+7.7
Primary metals :										
Shipments	15,537	15,402	15,569	+0.9	-1.1	+0.9	15,951	15,331	14,786	+7.9
New orders	16,622	15,933	16,258	+4.3	-2.0	+3.6	16,498	15,459	14,062	+17.3
Unfilled orders	33,369	32,284	31,753	+3.4	+1.7	+2.2	32,456	31,909	28,908	+12.3
Industrial machinery and equipment:										
Shipments	34,953	34,023	34,949	+2.7	-2.6	+1.9	38,626	31,741	35,574	+8.6
New orders	35,143	34,619	35,107	+1.5	-1.4	+6.1	38,431	32,279	34,982	+9.9
Unfilled orders	73,728	73,538	72,942	+0.3	+0.8	+0.2	72,589	72,784	71,826	+1.1
Electronic and other electrical equipment :										
Shipments	31,083	30,218	29,370	+2.9	+2.9	-0.6	34,921	29,377	30,164	+15.8
New orders	31,487	34,122	26,365	-7.7	+29.4	-12.2	32,979	33,891	27,572	+19.6
Unfilled orders	55,730	55,326	51,422	+0.7	+7.6	-5.5	54,276	56,218	48,394	+12.2
Transportation equipment :										
Shipments	43,174	42,774	43,943	+0.9	-2.7	+3.6	45,284	42,082	43,625	+3.8
New orders	41,993	43,417	41,752	-3.3	+4.0	-2.7	43,016	42,094	46,935	-8.3
Unfilled orders	249,110	250,291	249,648	-0.5	+0.3	-0.9	246,938	249,206	245,838	+0.4
CAPITAL GOODS INDUSTRIES³										
Total :										
Shipments	54,666	52,997	54,404	+3.1	-2.6	+1.8	60,982	49,749	55,025	+10.8
New orders	53,874	53,586	53,389	+0.5	+0.4	-0.2	58,632	49,279	56,810	+3.2
Unfilled orders	358,992	359,784	359,195	-0.2	+0.2	-0.3	355,272	357,622	351,030	+1.2
Nondefense :										
Shipments	48,584	46,882	48,058	+3.6	-2.4	+2.7	54,436	43,867	48,359	+12.6
New orders	48,635	47,900	47,412	+1.5	+1.0	+0.4	53,881	44,733	51,253	+5.1
Unfilled orders	252,607	252,556	251,538	0.0	+0.4	-0.3	251,450	252,005	245,373	+2.5
Excluding aircraft and parts :										
Shipments	41,293	39,965	40,454	+3.3	-1.2	+1.1	46,640	37,464	42,219	+10.5
New orders	42,446	40,021	42,136	+6.1	-5.0	+6.6	47,187	37,368	40,867	+15.5
Unfilled orders	100,344	99,191	99,135	+1.2	+0.1	+1.7	99,187	98,640	94,584	+4.9
Defense :										
Shipments	6,082	6,115	6,346	-0.5	-3.6	-4.7	6,546	5,882	6,666	-1.8
New orders	5,239	5,686	5,977	-7.9	-4.9	-4.7	4,751	4,546	5,557	-14.5
Unfilled orders	106,385	107,228	107,657	-0.8	-0.4	-0.3	103,822	105,617	105,657	-1.7

(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 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: M3-1(96), "Manufacturers' Shipments, Inventories, and Orders: 1987-1996."³ The Capital Goods Industries include Nondefense : ordnance and accessories, steam engines and turbines, internal combustion engines, construction mining and material handling equipment, metalworking machinery, special industry machinery, general industrial machinery, computer and office equipment, refrigeration, heating and service industry machinery, electrical transmission and distribution equipment, electrical industrial apparatus, communication equipment complete aircraft, missiles, and space vehicles, aircraft missiles, and space vehicle engines and parts, ships and tank components, railroad equipment, and search and navigation equipment.

Defense capital goods include : ordnance, communication equipment, aircraft, missiles, space vehicles, and parts, ships, tanks and tank components, search and navigation equipment.

Table 2. AVERAGE REVISIONS TO PREVIOUSLY PUBLISHED MONTHLY PERCENT CHANGES
(Based on seasonally adjusted data)

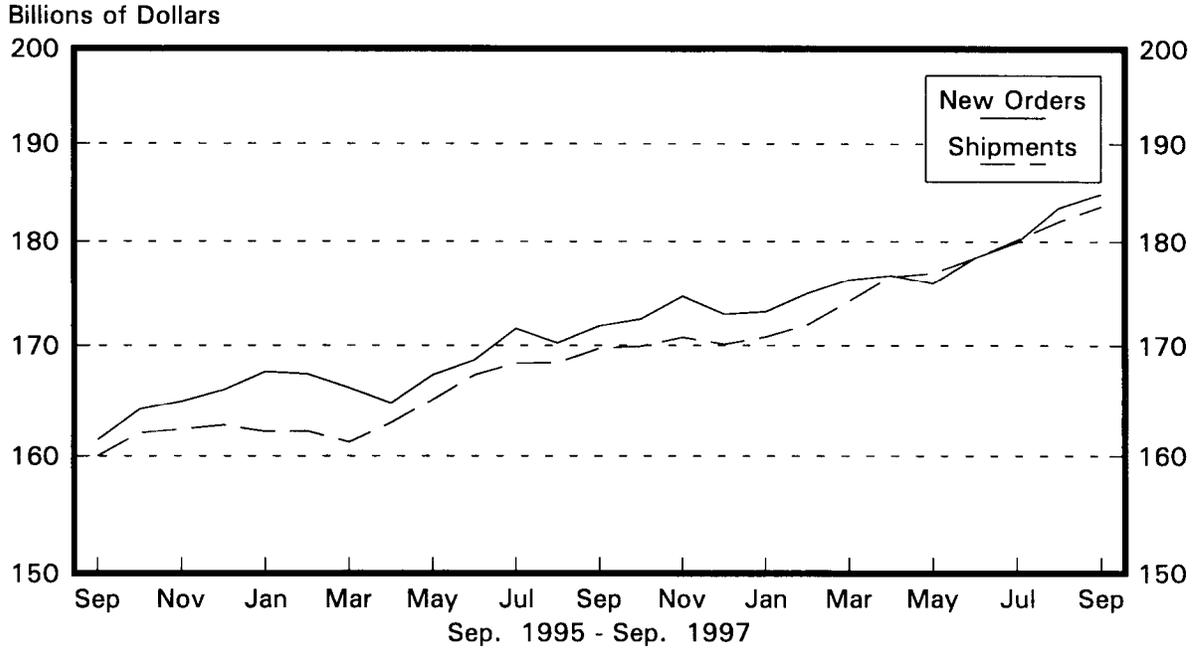
Industry	Shipments			New Orders			Unfilled Orders		
	Year ago Sept. 1996	Sept. 1992-1996	Sept. 1996- Aug. 1997	Year ago Sept. 1996	Sept. 1992-1996	Sept. 1996- Aug. 1997	Year ago Sept. 1996	Sept. 1992-1996	Sept. 1996- Aug. 1997
Durable goods	0.1	0.2	0.2	0.0	0.3	0.4	0.0	0.1	0.1
Primary metals	0.2	0.3	0.3	1.4	1.4	0.9	0.6	0.6	0.4
Industrial machinery and equipment	0.3	0.7	0.5	0.7	1.1	0.8	0.2	0.2	0.3
Electronic and other electrical equipment	0.5	0.6	0.6	1.7	0.9	1.3	1.2	0.4	0.7
Transportation equipment	0.4	0.8	0.4	1.5	1.4	1.4	0.3	0.1	0.2
Nondefense capital goods	0.2	0.7	0.6	1.3	2.1	0.7	0.2	0.3	0.2
Defense capital goods	0.9	1.6	0.9	0.5	3.7	4.4	0.1	0.1	0.3

Note : The revisions are the differences between the month-to-month percent changes of the advance and final estimates. The monthly averages are the simple averages of the differences, without regard for the months specified.

Total Durable Goods

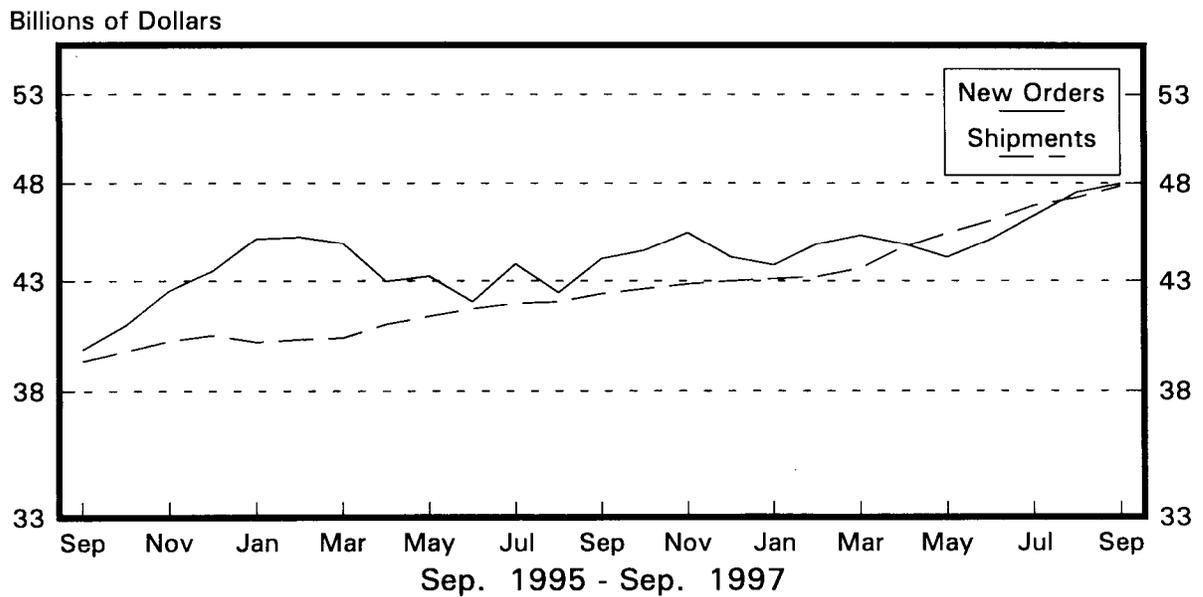
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New Orders and Shipments
Three Month Moving Averages



Nondefense Capital Goods

New Orders and Shipments
Three Month Moving Averages



Note: All Charts based on seasonally adjusted current dollars.