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## Advance Report on Durable Goods Manufacturers' Shipments, Inventories and Orders June 2006

### New Orders

New orders for manufactured durable goods in June increased \$6.5 billion or 3.1 percent to \$216.3 billion, the U.S. Census Bureau announced today. This is the fourth increase in the last five months and follows a 0.3 percent May increase. Excluding transportation, new orders increased 1.0 percent. Excluding defense, new orders increased 1.3 percent.

Transportation equipment, up following two consecutive monthly decreases, had the largest increase, \$5.1 billion or 8.6 percent to \$63.5 billion.

### Shipments

Shipments of manufactured durable goods in June, up four of the last five months, increased \$0.2 billion or 0.1 percent to \$212.8 billion. This was at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 3.0 percent May increase.

Machinery, up four consecutive months, had the largest increase, \$0.4 billion or 1.6 percent to \$27.4 billion. This was at the highest level since the series began.

### Unfilled Orders

Unfilled orders for manufactured durable goods in June, up thirteen of the last fourteen months, increased \$10.1 billion or 1.7 percent to \$621.9 billion. This was at the highest level since the series began and followed a 0.7 percent May increase.

Transportation equipment, up five consecutive months, had the largest increase, \$6.3 billion or 2.0 percent to

\$327.4 billion. This was at the highest level since the series began.

### Inventories

Inventories of manufactured durable goods in June, up five of the last six months, increased \$1.8 billion or 0.6 percent to \$282.6 billion. This followed a 0.7 percent May increase.

Transportation equipment, up four consecutive months, had the largest increase, \$0.6 billion or 0.9 percent to \$66.2 billion.

### Capital Goods

Nondefense new orders for capital goods in June increased \$0.9 billion or 1.3 percent to \$71.4 billion. Shipments decreased \$0.2 billion or 0.2 percent to \$66.4 billion. Unfilled orders increased \$5.0 billion or 1.6 percent to \$319.5 billion. Inventories increased \$1.3 billion or 1.1 percent to \$109.9 billion.

Defense new orders for capital goods in June increased \$3.5 billion or 51.2 percent to \$10.4 billion. Shipments increased slightly or 0.3 percent to \$7.9 billion. Unfilled orders increased \$2.5 billion or 2.0 percent to \$127.9 billion. Inventories decreased \$0.2 billion or 1.1 percent to \$14.1 billion.

### Revised May Data

Revised seasonally adjusted May figures for all manufacturing industries are: new orders, \$401.0 billion (revised from \$399.9 billion); shipments, \$403.8 billion (revised from \$403.1 billion); unfilled orders, \$611.8 billion (revised from \$611.3 billion); and total inventories, \$463.1 billion (revised from \$462.3 billion).

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Figures in text, other than year-to-date, 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 August 3, 2006, at 10:00 a.m. EDT. The advance report on durable goods for July is scheduled for release on August 24, 2006, at 8:30 a.m. EDT. See back page for survey description.

**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		
	Jun 2006 <sup>2</sup>	May 2006 <sup>r</sup>	Apr 2006	May - Jun <sup>2</sup>	Apr - May <sup>r</sup>	Mar - Apr	Jun 2006 <sup>2</sup>	May 2006 <sup>r</sup>	Jun 2005	2006	2005	Percent Change 06/05
<b>DURABLE GOODS</b>												
<b>Total:</b>												
Shipments.....	212,799	212,585	206,474	0.1	3.0	-1.2	233,206	218,059	214,937	1,268,045	1,178,402	7.6
New Orders <sup>4</sup> .....	216,347	209,829	209,227	3.1	0.3	-4.7	232,578	213,097	219,059	1,278,567	1,172,870	9.0
<b>Excluding transportation:</b>												
Shipments.....	155,601	154,978	151,745	0.4	2.1	-0.3	169,014	157,096	153,922	919,970	844,158	9.0
New Orders <sup>4</sup> .....	152,812	151,350	149,081	1.0	1.5	-1.0	162,402	153,090	149,338	903,870	823,353	9.8
<b>Excluding defense:</b>												
Shipments.....	203,476	203,165	196,941	0.2	3.2	-1.3	223,098	208,838	205,152	1,212,976	1,126,172	7.7
New Orders <sup>4</sup> .....	204,407	201,729	200,772	1.3	0.5	-3.5	220,256	207,019	209,206	1,221,975	1,125,054	8.6
<b>Manufacturing with unfilled orders:</b>												
Shipments.....	146,876	146,106	142,609	0.5	2.5	-0.3	160,794	149,071	145,445	868,967	797,844	8.9
New Orders <sup>4</sup> .....	156,990	150,386	151,421	4.4	-0.7	-5.5	167,276	150,947	156,124	920,317	829,039	11.0
<b>Primary metals:</b>												
Shipments.....	19,459	19,071	17,712	2.0	7.7	0.6	20,440	19,988	16,381	111,992	99,345	12.7
New Orders.....	19,775	19,637	18,552	0.7	5.8	4.5	20,100	20,326	15,621	113,921	97,657	16.7
<b>Fabricated metal products:</b>												
Shipments.....	24,921	24,748	24,408	0.7	1.4	0.3	26,535	25,779	24,426	147,680	136,405	8.3
New Orders.....	25,920	25,270	25,344	2.6	-0.3	2.4	26,699	27,140	24,781	153,215	141,388	8.4
<b>Machinery:</b>												
Shipments.....	27,368	26,928	26,590	1.6	1.3	0.3	30,183	27,849	26,614	163,432	146,817	11.3
New Orders.....	28,542	28,639	27,446	-0.3	4.3	-0.1	30,016	29,108	27,046	171,435	152,144	12.7
<b>Computers and electronic products:</b>												
Shipments.....	34,616	34,975	34,560	-1.0	1.2	-1.2	39,316	33,067	36,784	205,977	189,749	8.6
New Orders <sup>4</sup> .....	28,774	27,841	28,425	3.4	-2.1	-11.2	32,828	25,220	32,365	170,339	159,063	7.1
<b>Computers and related products:</b>												
Shipments.....	6,211	6,266	6,536	-0.9	-4.1	-3.6	7,474	5,369	7,496	38,052	37,383	1.8
New Orders.....	6,328	6,232	6,424	1.5	-3.0	-5.6	7,591	5,335	7,770	37,667	37,089	1.6
<b>Communications equipment:</b>												
Shipments.....	5,858	5,872	6,368	-0.2	-7.8	5.6	6,580	5,660	5,897	34,664	29,495	17.5
New Orders.....	6,138	5,668	5,315	8.3	6.6	-28.6	6,626	5,187	6,337	35,907	32,133	11.7
<b>Semiconductors:</b>												
Shipments.....	6,566	7,036	6,059	-6.7	16.1	-9.8	7,110	6,838	6,557	40,828	36,727	11.2
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.....	10,317	10,424	10,064	-1.0	3.6	0.7	11,001	10,592	9,960	59,838	53,878	11.1
New Orders.....	10,957	11,070	10,780	-1.0	2.7	6.8	11,315	11,288	9,993	63,562	55,189	15.2
<b>Transportation equipment:</b>												
Shipments.....	57,198	57,607	54,729	-0.7	5.3	-3.5	64,192	60,963	61,015	348,075	334,244	4.1
New Orders.....	63,535	58,479	60,146	8.6	-2.8	-12.7	70,176	60,007	69,721	374,697	349,517	7.2
<b>Motor vehicles and parts:</b>												
Shipments.....	40,750	40,790	39,116	-0.1	4.3	-2.8	45,186	44,091	43,976	249,850	247,081	1.1
New Orders.....	40,894	40,825	39,719	0.2	2.8	-2.1	44,996	43,644	43,682	251,055	246,774	1.7
<b>Nondefense aircraft and parts:</b>												
Shipments.....	7,974	7,952	6,586	0.3	20.7	-13.1	9,665	8,153	7,365	46,574	35,068	32.8
New Orders.....	11,487	10,558	13,064	8.8	-19.2	-29.7	13,848	10,573	14,302	72,107	52,299	37.9
<b>Defense aircraft and parts:</b>												
Shipments.....	3,202	3,513	3,410	-8.9	3.0	-1.2	3,686	3,254	3,773	19,742	19,433	1.6
New Orders.....	3,102	2,747	2,235	12.9	22.9	-34.1	3,286	2,118	2,735	19,888	15,019	32.4
<b>All other durable goods:</b>												
Shipments.....	38,920	38,832	38,411	0.2	1.1	-1.1	41,539	39,821	39,757	231,051	217,964	6.0
New Orders.....	38,844	38,893	38,534	-0.1	0.9	0.0	41,444	40,008	39,532	231,398	217,912	6.2
<b>Capital goods:<sup>3</sup></b>												
Shipments.....	74,303	74,433	73,262	-0.2	1.6	-0.9	83,152	74,047	75,513	441,867	398,040	11.0
New Orders.....	81,748	77,338	79,262	5.7	-2.4	-8.9	89,560	74,661	84,200	476,289	423,964	12.3
<b>Nondefense capital goods:</b>												
Shipments.....	66,386	66,539	65,203	-0.2	2.0	-1.4	74,787	66,221	67,196	395,587	353,639	11.9
New Orders.....	71,380	70,480	71,864	1.3	-1.9	-6.5	79,009	69,568	75,593	428,670	382,749	12.0
<b>Excluding aircraft:</b>												
Shipments.....	61,181	61,313	61,329	-0.2	0.0	0.4	68,348	60,705	63,020	365,582	335,845	8.9
New Orders.....	63,244	62,975	62,153	0.4	1.3	-2.1	68,753	61,857	63,809	379,296	346,162	9.6
<b>Defense capital goods:</b>												
Shipments.....	7,917	7,894	8,059	0.3	-2.0	3.2	8,365	7,826	8,317	46,280	44,401	4.2
New Orders.....	10,368	6,858	7,398	51.2	-7.3	-26.8	10,551	5,093	8,607	47,619	41,215	15.5

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(05), "Manufacturers' Shipments, Inventories, and Orders: 1992-2005"

<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; 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 2006/2005
	Jun 2006 <sup>2</sup>	May 2006 <sup>r</sup>	Apr 2006	May - Jun <sup>2</sup>	Apr - May <sup>r</sup>	Mar - Apr	Jun 2006 <sup>2</sup>	May 2006 <sup>r</sup>	Jun 2005	
<b>DURABLE GOODS</b>										
<b>Total:</b>										
Unfilled Orders <sup>4</sup> .....	621,932	611,818	607,538	1.7	0.7	1.5	623,778	617,296	522,432	19.4
Total Inventories.....	282,559	280,737	278,885	0.6	0.7	1.2	281,601	283,593	267,985	5.1
<b>Excluding transportation:</b>										
Unfilled Orders <sup>4</sup> .....	294,582	290,805	287,397	1.3	1.2	1.2	296,016	295,518	259,312	14.2
Total Inventories.....	216,380	215,163	213,733	0.6	0.7	1.1	216,069	217,569	204,777	5.5
<b>Excluding defense:</b>										
Unfilled Orders <sup>4</sup> .....	481,320	473,823	468,223	1.6	1.2	2.2	481,710	477,442	377,501	27.6
Total Inventories.....	263,727	261,565	259,882	0.8	0.6	1.3	262,657	264,414	248,890	5.5
<b>Manufacturing with unfilled orders:</b>										
Unfilled Orders <sup>4</sup> .....	621,932	611,818	607,538	1.7	0.7	1.5	623,778	617,296	522,432	19.4
Total Inventories.....	219,679	218,371	216,842	0.6	0.7	1.2	218,940	220,535	207,497	5.5
<b>Primary metals:</b>										
Unfilled Orders.....	27,499	27,183	26,617	1.2	2.1	3.3	27,203	27,543	20,094	35.4
Total Inventories.....	27,343	27,154	26,468	0.7	2.6	1.7	27,293	27,227	25,734	6.1
<b>Fabricated metal products:</b>										
Unfilled Orders.....	51,829	50,830	50,308	2.0	1.0	1.9	52,640	52,476	45,706	15.2
Total Inventories.....	35,801	35,512	35,295	0.8	0.6	0.9	35,995	36,105	34,782	3.5
<b>Machinery:</b>										
Unfilled Orders.....	69,489	68,315	66,604	1.7	2.6	1.3	69,708	69,875	57,392	21.5
Total Inventories.....	44,939	44,925	44,567	0.0	0.8	0.7	44,694	45,315	42,255	5.8
<b>Computers and electronic products:</b>										
Unfilled Orders <sup>4</sup> .....	112,093	111,369	111,467	0.7	-0.1	-0.1	112,765	112,143	107,361	5.0
Total Inventories.....	44,463	44,364	44,439	0.2	-0.2	1.8	44,098	44,836	40,679	8.4
<b>Computers and related products:</b>										
Unfilled Orders.....	4,317	4,200	4,234	2.8	-0.8	-2.6	4,317	4,200	4,640	-7.0
Total Inventories.....	4,119	4,066	4,101	1.3	-0.9	-2.6	4,021	4,208	4,253	-5.5
<b>Communications equipment:</b>										
Unfilled Orders.....	33,926	33,646	33,850	0.8	-0.6	-3.0	34,255	34,209	34,341	-0.3
Total Inventories.....	10,088	10,187	10,592	-1.0	-3.8	4.9	9,736	10,253	9,347	4.2
<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.....	21,636	20,996	20,350	3.0	3.2	3.6	21,558	21,244	16,290	32.3
Total Inventories.....	13,599	13,315	13,299	2.1	0.1	0.6	13,638	13,694	12,467	9.4
<b>Transportation equipment:</b>										
Unfilled Orders.....	327,350	321,013	320,141	2.0	0.3	1.7	327,762	321,778	263,120	24.6
Total Inventories.....	66,179	65,574	65,152	0.9	0.6	1.4	65,532	66,024	63,208	3.7
<b>Motor vehicles and parts:</b>										
Unfilled Orders.....	18,636	18,492	18,457	0.8	0.2	3.4	18,297	18,487	15,153	20.7
Total Inventories.....	23,667	23,625	23,599	0.2	0.1	0.9	23,444	23,832	23,725	-1.2
<b>Nondefense Aircraft and parts:</b>										
Unfilled Orders.....	193,223	189,710	187,104	1.9	1.4	3.6	192,967	188,784	125,505	53.8
Total Inventories.....	23,340	22,721	22,690	2.7	0.1	3.2	22,930	22,963	20,281	13.1
<b>Defense Aircraft and parts:</b>										
Unfilled Orders.....	44,907	45,007	45,773	-0.2	-1.7	-2.5	45,654	46,054	44,416	2.8
Total Inventories.....	11,728	11,719	11,490	0.1	2.0	0.3	11,808	11,712	11,386	3.7
<b>All other durable goods:</b>										
Unfilled Orders.....	12,036	12,112	12,051	-0.6	0.5	1.0	12,142	12,237	12,469	-2.6
Total Inventories.....	50,235	49,893	49,665	0.7	0.5	0.8	50,351	50,392	48,860	3.1
<b>Capital goods:<sup>3</sup></b>										
Unfilled Orders.....	447,406	439,961	437,056	1.7	0.7	1.4	449,117	442,709	373,794	20.2
Total Inventories.....	124,094	123,004	123,072	0.9	-0.1	0.8	123,164	124,134	116,228	6.0
<b>Nondefense capital goods:</b>										
Unfilled Orders.....	319,531	314,537	310,596	1.6	1.3	2.2	319,997	315,775	241,082	32.7
Total Inventories.....	109,946	108,696	108,758	1.1	-0.1	1.0	108,984	109,812	101,854	7.0
<b>Excluding aircraft:</b>										
Unfilled Orders.....	152,070	150,007	148,345	1.4	1.1	0.6	152,920	152,515	135,339	13.0
Total Inventories.....	92,080	91,400	91,466	0.7	-0.1	0.8	91,518	92,473	86,882	5.3
<b>Defense capital goods:</b>										
Unfilled Orders.....	127,875	125,424	126,460	2.0	-0.8	-0.5	129,120	126,934	132,712	-2.7
Total Inventories.....	14,148	14,308	14,314	-1.1	0.0	-0.9	14,180	14,322	14,374	-1.3

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 4,200 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 62 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 4,200 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 4,200 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>.