

U.S. Census Bureau News

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

FOR IMMEDIATE RELEASE
WEDNESDAY, SEPTEMBER 26, 2007, AT 8:30 A.M. EDT

Chris Savage or Jessica Young
Manufacturing and Construction Division
(301) 763-4832

M3-1 (07)-8
CB07-134

Advance Report on Durable Goods Manufacturers' Shipments, Inventories and Orders August 2007

New Orders

New orders for manufactured durable goods in August decreased \$11.3 billion or 4.9 percent to \$219.5 billion, the U.S. Census Bureau announced today. This decrease followed two consecutive monthly increases, including a 6.1 percent July increase. Excluding transportation, new orders decreased 1.8 percent. Excluding defense, new orders decreased 5.9 percent.

Transportation equipment, down following two consecutive monthly increases, had the largest decrease, \$8.5 billion or 11.2 percent to \$67.5 billion. This was due to nondefense aircraft and parts, which decreased \$9.0 billion.

Shipments

Shipments of manufactured durable goods in August, down two of the last three months, decreased \$3.4 billion or 1.6 percent to \$216.7 billion. This followed a 4.0 percent July increase.

Transportation equipment, down two of the last three months, had the largest decrease, \$2.7 billion or 4.3 percent to \$60.2 billion.

Unfilled Orders

Unfilled orders for manufactured durable goods in August, up twenty-seven of the last twenty-eight months, increased \$9.3 billion or 1.2 percent to \$763.9 billion. This was at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 2.4 percent July increase.

Transportation equipment, up nineteen consecutive months, had the largest increase, \$7.3 billion or 1.7 percent to \$441.5 billion.

Inventories

Inventories of manufactured durable goods in August, down two of the last three months, decreased \$0.3 billion or 0.1 percent to \$312.6 billion. This followed a 0.1 percent July increase.

Fabricated metal products, down three of the last four months, had the largest decrease, \$0.1 billion or 0.2 percent to \$41.4 billion.

Capital Goods

Nondefense new orders for capital goods in August decreased \$10.2 billion or 12.6 percent to \$70.9 billion. Shipments increased \$0.5 billion or 0.7 percent to \$66.9 billion. Unfilled orders increased \$4.1 billion or 1.0 percent to \$427.7 billion. Inventories increased \$0.3 billion or 0.3 percent to \$122.4 billion.

Defense new orders for capital goods in August increased \$0.6 billion or 5.8 percent to \$10.9 billion. Shipments decreased \$0.3 billion or 3.0 percent to \$8.4 billion. Unfilled orders increased \$2.4 billion or 1.7 percent to \$146.4 billion. Inventories decreased \$0.2 billion or 0.9 percent to \$16.8 billion.

Revised July Data

Revised seasonally adjusted July figures for all manufacturing industries were: new orders, \$436.6 billion (revised from \$436.7 billion); shipments, \$425.9 billion (unchanged); unfilled orders, \$754.7 billion (revised from \$754.5 billion); and total inventories, \$517.0 billion (revised from \$517.3 billion).

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 October 4, 2007, at 10:00 a.m. EDT. The advance report on durable goods for September is scheduled for release on October 25, 2007, 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 ¹					
	Monthly			Percent Change			Monthly			Year to Date		
	Aug 2007 ²	Jul 2007 ¹	Jun 2007	Jul - Aug ²	Jun - Jul ¹	May - Jun	Aug 2007 ²	Jul 2007 ¹	Aug 2006	2007	2006	Percent Change 07/06
DURABLE GOODS												
Total:												
Shipments.....	216,659	220,087	211,616	-1.6	4.0	-1.1	224,716	192,410	220,975	1,691,707	1,686,438	0.3
New Orders ⁴	219,532	230,809	217,598	-4.9	6.1	1.8	222,814	199,722	212,157	1,714,482	1,685,688	1.7
Excluding transportation:												
Shipments.....	156,497	157,210	154,408	-0.5	1.8	-1.5	160,706	147,253	160,014	1,233,234	1,228,423	0.4
New Orders ⁴	152,024	154,780	149,637	-1.8	3.4	-1.3	152,982	144,567	150,537	1,200,568	1,202,202	-0.1
Excluding defense:												
Shipments.....	206,536	209,693	202,152	-1.5	3.7	-0.9	214,735	183,128	211,334	1,615,319	1,613,393	0.1
New Orders ⁴	205,872	218,689	208,864	-5.9	4.7	2.2	210,491	191,397	202,224	1,639,552	1,613,044	1.6
Manufacturing with unfilled orders:												
Shipments.....	151,033	152,981	148,331	-1.3	3.1	-0.9	155,873	136,365	153,511	1,180,112	1,157,327	2.0
New Orders ⁴	160,299	170,551	159,772	-6.0	6.7	2.4	160,484	150,007	151,484	1,254,479	1,209,978	3.7
Primary metals:												
Shipments.....	20,099	20,576	20,339	-2.3	1.2	-2.0	20,953	19,513	21,536	163,711	157,116	4.2
New Orders.....	19,932	20,521	19,214	-2.9	6.8	-6.0	20,837	19,155	21,165	163,525	158,786	3.0
Fabricated metal products:												
Shipments.....	26,666	26,654	25,995	0.0	2.5	-0.8	28,634	25,489	27,452	209,895	205,153	2.3
New Orders.....	27,063	27,083	26,449	-0.1	2.4	1.0	28,398	25,878	27,314	214,418	211,273	1.5
Machinery:												
Shipments.....	27,826	28,312	27,714	-1.7	2.2	-0.8	27,538	26,856	27,477	220,719	219,041	0.8
New Orders.....	28,752	30,272	28,685	-5.0	5.5	3.5	27,712	28,232	27,053	227,299	227,760	-0.2
Computers and electronic products:												
Shipments.....	33,033	32,954	32,089	0.2	2.7	-4.1	32,343	28,705	32,197	254,754	254,877	0.0
New Orders ⁴	27,756	28,364	26,688	-2.1	6.3	-4.9	25,773	24,304	24,942	207,094	208,299	-0.6
Computers and related products:												
Shipments.....	5,050	4,611	5,417	9.5	-14.9	-7.6	5,123	4,134	5,313	40,604	43,768	-7.2
New Orders.....	5,277	4,883	5,544	8.1	-11.9	-4.5	5,350	4,406	5,038	41,071	43,293	-5.1
Communications equipment:												
Shipments.....	5,683	5,582	5,472	1.8	2.0	-0.8	5,293	4,516	5,141	41,689	42,301	-1.4
New Orders.....	6,176	6,756	5,561	-8.6	21.5	-9.4	5,008	5,504	4,927	43,438	44,024	-1.3
Semiconductors:												
Shipments.....	6,393	6,848	5,459	-6.6	25.4	-14.9	6,513	6,330	6,791	51,592	53,401	-3.4
New Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:												
Shipments.....	11,084	10,956	10,766	1.2	1.8	-0.6	11,579	10,159	10,945	86,196	80,717	6.8
New Orders.....	11,002	10,690	10,989	2.9	-2.7	-1.2	11,281	10,199	10,145	88,857	84,523	5.1
Transportation equipment:												
Shipments.....	60,162	62,877	57,208	-4.3	9.9	0.0	64,010	45,157	60,961	458,473	458,015	0.1
New Orders.....	67,508	76,029	67,961	-11.2	11.9	9.1	69,832	55,155	61,620	513,914	483,486	6.3
Motor vehicles and parts:												
Shipments.....	40,653	43,186	39,101	-5.9	10.4	0.3	44,467	29,159	44,033	316,431	328,255	-3.6
New Orders.....	40,361	43,015	38,917	-6.2	10.5	-0.8	43,618	29,535	43,449	315,077	329,866	-4.5
Nondefense aircraft and parts:												
Shipments.....	9,779	9,633	8,792	1.5	9.6	2.8	9,922	7,324	7,320	68,216	56,810	20.1
New Orders.....	12,993	22,013	19,439	-41.0	13.2	37.1	12,757	18,258	6,992	121,729	82,363	47.8
Defense aircraft and parts:												
Shipments.....	3,446	3,842	3,251	-10.3	18.2	-7.5	3,429	3,214	3,416	26,289	24,898	5.6
New Orders.....	5,690	3,974	3,161	43.2	25.7	14.1	5,430	2,436	2,402	23,658	23,300	1.5
All other durable goods:												
Shipments.....	37,789	37,758	37,505	0.1	0.7	-0.2	39,659	36,531	40,407	297,959	311,519	-4.4
New Orders.....	37,519	37,850	37,612	-0.9	0.6	-1.1	38,981	36,799	39,918	299,375	311,561	-3.9
Capital goods: ³												
Shipments.....	75,271	75,067	73,688	0.3	1.9	-0.8	75,044	67,139	73,508	581,071	578,669	0.4
New Orders.....	81,787	91,389	84,431	-10.5	8.2	4.3	77,794	79,145	73,111	643,749	612,746	5.1
Nondefense capital goods:												
Shipments.....	66,850	66,386	65,743	0.7	1.0	-0.5	66,700	59,232	65,442	516,918	517,004	0.0
New Orders.....	70,929	81,124	77,389	-12.6	4.8	6.3	68,038	72,161	64,527	581,199	551,536	5.4
Excluding aircraft:												
Shipments.....	60,840	60,350	60,365	0.8	0.0	-0.8	60,379	55,106	60,800	475,573	481,365	-1.2
New Orders.....	62,148	62,601	62,018	-0.7	0.9	-0.2	59,430	56,855	60,182	488,840	495,894	-1.4
Defense capital goods:												
Shipments.....	8,421	8,681	7,945	-3.0	9.3	-4.0	8,344	7,907	8,066	64,153	61,665	4.0
New Orders.....	10,858	10,265	7,042	5.8	45.8	-13.9	9,756	6,984	8,584	62,550	61,210	2.2

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 and total inventories 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: M3-3(06), "Manufacturers' Shipments, Inventories, and Orders: 2001-2006."

³ 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

⁴ 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 ¹			
	Monthly			Percent Change			Monthly			Percent Change 2007/ 2006
	Aug 2007 ²	Jul 2007 ^r	Jun 2007	Jul - Aug ²	Jun - Jul ^r	May - Jun	Aug 2007 ²	Jul 2007 ^r	Aug 2006	
DURABLE GOODS										
Total:										
Unfilled Orders ⁴	763,921	754,655	737,085	1.2	2.4	1.6	756,209	751,598	620,056	22.0
Total Inventories.....	312,565	312,856	312,622	-0.1	0.1	0.0	315,347	315,042	304,424	3.6
Excluding transportation:										
Unfilled Orders ⁴	322,410	320,490	316,072	0.6	1.4	0.2	319,770	320,981	290,632	10.0
Total Inventories.....	234,952	235,255	235,363	-0.1	0.0	0.0	236,825	236,656	231,170	2.4
Excluding defense:										
Unfilled Orders ⁴	603,968	598,239	582,395	1.0	2.7	2.1	599,304	597,035	474,629	26.3
Total Inventories.....	291,531	291,681	291,528	-0.1	0.1	0.0	294,140	293,689	282,639	4.1
Manufacturing with unfilled orders:										
Unfilled Orders ⁴	763,921	754,655	737,085	1.2	2.4	1.6	756,209	751,598	620,056	22.0
Total Inventories.....	246,808	246,665	246,276	0.1	0.2	0.0	248,807	248,393	236,742	5.1
Primary metals:										
Unfilled Orders.....	26,724	26,891	26,946	-0.6	-0.2	-4.0	26,506	26,622	27,910	-5.0
Total Inventories.....	31,763	31,851	31,921	-0.3	-0.2	1.3	31,776	32,053	29,872	6.4
Fabricated metal products:										
Unfilled Orders.....	57,314	56,917	56,488	0.7	0.8	0.8	57,648	57,884	54,248	6.3
Total Inventories.....	41,407	41,497	41,440	-0.2	0.1	-0.4	41,425	41,781	40,276	2.9
Machinery:										
Unfilled Orders.....	84,920	83,994	82,034	1.1	2.4	1.2	83,468	83,294	70,990	17.6
Total Inventories.....	51,074	50,966	50,668	0.2	0.6	0.5	51,394	50,908	48,114	6.8
Computers and electronic products:										
Unfilled Orders ⁴	115,509	114,393	112,135	1.0	2.0	0.1	114,124	114,181	103,913	9.8
Total Inventories.....	42,818	42,906	43,486	-0.2	-1.3	-0.6	43,859	43,436	44,649	-1.8
Computers and related products:										
Unfilled Orders.....	3,874	3,647	3,375	6.2	8.1	3.9	3,874	3,647	3,135	23.6
Total Inventories.....	4,440	4,397	4,436	1.0	-0.9	-0.3	4,716	4,454	4,646	1.5
Communications equipment:										
Unfilled Orders.....	35,379	34,886	33,712	1.4	3.5	0.3	34,639	34,924	31,856	8.7
Total Inventories.....	7,279	7,212	7,189	0.9	0.3	-1.1	7,382	7,203	7,533	-2.0
Semiconductors:										
Unfilled Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Total Inventories ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:										
Unfilled Orders.....	24,300	24,382	24,648	-0.3	-1.1	0.9	24,397	24,695	21,445	13.8
Total Inventories.....	14,387	14,443	14,335	-0.4	0.8	0.0	14,387	14,498	14,180	1.5
Transportation equipment:										
Unfilled Orders.....	441,511	434,165	421,013	1.7	3.1	2.6	436,439	430,617	329,424	32.5
Total Inventories.....	77,613	77,601	77,259	0.0	0.4	-0.2	78,522	78,386	73,254	7.2
Motor vehicles and parts:										
Unfilled Orders.....	20,200	20,492	20,663	-1.4	-0.8	-0.9	19,613	20,462	19,536	0.4
Total Inventories.....	24,387	24,652	24,567	-1.1	0.3	-1.8	24,465	24,850	25,253	-3.1
Nondefense Aircraft and parts:										
Unfilled Orders.....	274,341	271,127	258,747	1.2	4.8	4.3	272,063	269,228	181,954	49.5
Total Inventories.....	31,075	30,785	30,521	0.9	0.9	1.0	31,661	31,180	25,233	25.5
Defense Aircraft and parts:										
Unfilled Orders.....	43,052	40,808	40,676	5.5	0.3	-0.2	42,392	40,391	41,370	2.5
Total Inventories.....	12,816	12,833	12,711	-0.1	1.0	-0.1	12,895	12,946	12,563	2.6
All other durable goods:										
Unfilled Orders.....	13,643	13,913	13,821	-1.9	0.7	0.8	13,627	14,305	12,126	12.4
Total Inventories.....	53,503	53,592	53,513	-0.2	0.1	-0.2	53,984	53,980	54,079	-0.2
Capital goods:³										
Unfilled Orders.....	574,148	567,632	551,310	1.1	3.0	2.0	566,568	563,818	445,164	27.3
Total Inventories.....	139,227	139,059	138,416	0.1	0.5	0.2	140,969	139,745	132,366	6.5
Nondefense capital goods:										
Unfilled Orders.....	427,705	423,626	408,888	1.0	3.6	2.9	422,972	421,634	311,670	35.7
Total Inventories.....	122,416	122,097	121,539	0.3	0.5	0.1	124,064	122,718	115,138	7.8
Excluding aircraft:										
Unfilled Orders.....	180,572	179,264	177,013	0.7	1.3	0.9	178,187	179,136	153,586	16.0
Total Inventories.....	98,495	98,357	97,900	0.1	0.5	0.2	99,698	98,689	95,448	4.5
Defense capital goods:										
Unfilled Orders.....	146,443	144,006	142,422	1.7	1.1	-0.6	143,596	142,184	133,494	7.6
Total Inventories.....	16,811	16,962	16,877	-0.9	0.5	0.4	16,905	17,027	17,228	-1.9

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>.