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

New Orders

New orders for manufactured durable goods in May increased slightly to \$213.6 billion, the U.S. Census Bureau announced today. This was the first increase in three months and followed a 1.0 percent April decrease. Excluding transportation, new orders decreased 0.9 percent. Excluding defense, new orders decreased 0.6 percent.

Transportation equipment, up following two consecutive monthly decreases, had the largest increase, \$1.5 billion or 2.6 percent to \$57.3 billion. This was led by nondefense aircraft and parts, which increased \$1.2 billion.

Shipments

Shipments of manufactured durable goods in May, down three of the last four months, decreased \$2.3 billion or 1.1 percent to \$211.3 billion. This followed a 1.8 percent April increase.

Transportation equipment, down three of the last four months, had the largest decrease, \$2.0 billion or 3.7 percent to \$51.9 billion.

Unfilled Orders

Unfilled orders for manufactured durable goods in May, up twenty-seven of the last twenty-eight months, increased \$7.1 billion or 0.9 percent to \$810.2 billion. This was at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 0.7 percent April increase.

Transportation equipment, up twenty-three of the last twenty-four months, had the largest increase, \$5.4 billion or 1.2 percent to \$458.7 billion.

Inventories

Inventories of manufactured durable goods in May, up ten of the last eleven months, increased \$1.4 billion or 0.4 percent to \$330.4 billion. This was also at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 0.6 percent April increase.

Transportation equipment, up twenty of the last twenty-one months, had the largest increase, \$0.7 billion or 0.9 percent to \$86.3 billion.

Capital Goods

Nondefense new orders for capital goods in May increased \$0.3 billion or 0.4 percent to \$73.9 billion. Shipments increased \$0.1 billion or 0.1 percent to \$67.9 billion. Unfilled orders increased \$6.0 billion or 1.3 percent to \$470.6 billion. Inventories increased \$0.9 billion or 0.7 percent to \$135.5 billion.

Defense new orders for capital goods in May increased \$0.9 billion or 10.9 percent to \$9.5 billion. Shipments decreased \$0.2 billion or 2.3 percent to \$9.0 billion. Unfilled orders increased \$0.5 billion or 0.3 percent to \$136.7 billion. Inventories increased slightly to \$19.4 billion.

Revised April Data

Revised seasonally adjusted April figures for all manufacturing industries were: new orders, \$445.3 billion (revised from \$445.2 billion); shipments, \$445.3 billion (revised from \$443.9 billion); unfilled orders, \$803.1 billion (revised from \$804.4 billion); and total inventories, \$545.7 billion (unchanged).

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 July 2, 2008, at 10:00 a.m. EDT. The advance report on durable goods for June is scheduled for release on July 25, 2008, 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		
	May 2008 ²	Apr 2008 ¹	Mar 2008	Apr - May ²	Mar - Apr ¹	Feb - Mar	May 2008 ²	Apr 2008 ¹	May 2007	2008	2007	Percent Change 08/07
DURABLE GOODS												
Total:												
Shipments.....	211,301	213,573	209,778	-1.1	1.8	-0.9	215,508	213,471	222,421	1,053,324	1,053,873	-0.1
New Orders ⁴	213,639	213,565	215,616	0.0	-1.0	-0.2	213,125	211,187	219,328	1,072,043	1,073,564	-0.1
Excluding transportation:												
Shipments.....	159,389	159,680	156,374	-0.2	2.1	0.2	161,562	160,456	160,533	782,121	764,688	2.3
New Orders ⁴	156,311	157,712	154,703	-0.9	1.9	1.8	157,654	159,364	156,038	778,056	755,856	2.9
Excluding defense:												
Shipments.....	199,363	201,601	198,461	-1.1	1.6	-1.0	203,494	202,275	212,924	997,993	1,008,466	-1.0
New Orders ⁴	201,232	202,415	203,990	-0.6	-0.8	0.1	203,067	202,552	212,230	1,014,370	1,029,102	-1.4
Manufacturing with unfilled orders:												
Shipments.....	152,205	152,440	150,445	-0.2	1.3	0.1	154,878	151,548	153,844	749,796	730,715	2.6
New Orders ⁴	159,337	158,406	160,699	0.6	-1.4	0.9	157,057	155,672	156,182	795,298	779,021	2.1
Primary metals:												
Shipments.....	22,224	21,983	21,346	1.1	3.0	1.6	23,518	23,307	21,921	110,716	102,048	8.5
New Orders.....	22,166	22,464	21,855	-1.3	2.8	2.5	23,034	23,918	21,611	113,646	104,201	9.1
Fabricated metal products:												
Shipments.....	27,781	27,821	27,249	-0.1	2.1	1.6	28,979	28,564	28,843	136,284	134,746	1.1
New Orders.....	27,725	27,710	28,368	0.1	-2.3	5.2	29,653	28,923	29,564	141,281	139,316	1.4
Machinery:												
Shipments.....	28,928	28,782	29,040	0.5	-0.9	-0.6	29,660	30,267	28,874	145,988	135,772	7.5
New Orders.....	30,393	32,093	30,526	-5.3	5.1	8.5	30,479	34,254	27,952	156,710	141,390	10.8
Computers and electronic products:												
Shipments.....	32,598	33,347	31,476	-2.2	5.9	-0.8	30,504	30,532	30,382	156,237	154,242	1.3
New Orders ⁴	27,845	27,288	27,889	2.0	-2.2	0.9	24,807	23,820	25,437	131,141	128,632	2.0
Computers and related products:												
Shipments.....	5,364	5,175	5,415	3.7	-4.4	-1.8	4,649	4,249	4,837	24,661	24,750	-0.4
New Orders.....	5,569	5,057	5,644	10.1	-10.4	-0.4	4,854	4,131	4,829	24,555	24,635	-0.3
Communications equipment:												
Shipments.....	5,672	5,530	5,800	2.6	-4.7	1.5	5,376	4,792	5,384	26,559	26,427	0.5
New Orders.....	5,893	5,756	5,810	2.4	-0.9	0.3	5,237	5,150	5,878	27,816	27,724	0.3
Semiconductors:												
Shipments.....	4,794	5,974	4,416	-19.8	35.3	-5.5	4,562	6,408	5,431	26,783	28,615	-6.4
New Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:												
Shipments.....	10,722	10,656	10,540	0.6	1.1	-0.1	10,985	10,597	10,873	52,262	51,768	1.0
New Orders.....	11,118	10,951	9,279	1.5	18.0	-18.8	11,575	10,982	11,179	54,337	54,687	-0.6
Transportation equipment:												
Shipments.....	51,912	53,893	53,404	-3.7	0.9	-4.1	53,946	53,015	61,888	271,203	289,185	-6.2
New Orders.....	57,328	55,853	60,913	2.6	-8.3	-5.1	55,471	51,823	63,290	293,987	317,708	-7.5
Motor vehicles and parts:												
Shipments.....	32,314	33,493	34,567	-3.5	-3.1	-6.0	34,068	34,249	43,866	177,637	206,448	-14.0
New Orders.....	32,338	33,446	34,613	-3.3	-3.4	-4.9	33,834	34,220	43,649	176,770	206,255	-14.3
Nondefense aircraft and parts:												
Shipments.....	8,192	8,647	7,908	-5.3	9.3	-3.7	8,200	7,901	8,466	40,400	38,438	5.1
New Orders.....	13,298	12,058	16,000	10.3	-24.6	8.7	11,184	9,351	12,282	62,588	64,914	-3.6
Defense aircraft and parts:												
Shipments.....	4,536	4,642	4,500	-2.3	3.2	-2.0	4,480	4,140	3,263	20,729	15,447	34.2
New Orders.....	5,193	4,518	4,638	14.9	-2.6	6.8	4,651	3,613	2,038	22,493	12,203	84.3
All other durable goods:												
Shipments.....	37,136	37,091	36,723	0.1	1.0	-0.1	37,916	37,189	39,640	180,634	186,112	-2.9
New Orders.....	37,064	37,206	36,786	-0.4	1.1	1.1	38,106	37,467	40,295	180,941	187,630	-3.6
Capital goods:³												
Shipments.....	76,922	77,083	75,338	-0.2	2.3	0.6	76,419	74,611	73,485	373,826	356,235	4.9
New Orders.....	83,385	82,183	83,738	1.5	-1.9	-0.3	77,943	77,261	76,066	409,069	394,850	3.6
Nondefense capital goods:												
Shipments.....	67,883	67,830	66,680	0.1	1.7	0.3	67,266	65,766	65,717	330,643	318,779	3.7
New Orders.....	73,891	73,623	75,431	0.4	-2.4	1.4	70,500	70,813	70,233	364,753	357,544	2.0
Excluding aircraft:												
Shipments.....	63,428	63,072	62,500	0.6	0.9	0.8	62,538	61,589	60,824	308,799	297,581	3.8
New Orders.....	64,689	65,188	63,222	-0.8	3.1	-1.0	63,017	64,767	61,438	322,481	311,784	3.4
Defense capital goods:												
Shipments.....	9,039	9,253	8,658	-2.3	6.9	2.8	9,153	8,845	7,768	43,183	37,456	15.3
New Orders.....	9,494	8,560	8,307	10.9	3.0	-13.2	7,443	6,448	5,833	44,316	37,306	18.8

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(07), "Manufacturers' Shipments, Inventories, and Orders: 2004-2007."

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 2008/ 2007
	May 2008 ²	Apr 2008 ^r	Mar 2008	Apr - May ²	Mar - Apr ^r	Feb - Mar	May 2008 ²	Apr 2008 ^r	May 2007	
DURABLE GOODS										
Total:										
Unfilled Orders ⁴	810,212	803,080	797,114	0.9	0.7	1.3	817,318	815,139	706,184	15.7
Total Inventories.....	330,393	329,005	327,066	0.4	0.6	1.0	333,292	331,276	316,398	5.3
Excluding transportation:										
Unfilled Orders ⁴	351,531	349,815	345,809	0.5	1.2	0.8	357,739	357,085	329,222	8.7
Total Inventories.....	244,082	243,424	242,257	0.3	0.5	0.8	245,971	244,995	238,707	3.0
Excluding defense:										
Unfilled Orders ⁴	657,910	651,247	644,459	1.0	1.1	1.6	663,667	659,532	560,480	18.4
Total Inventories.....	305,878	304,514	302,963	0.4	0.5	1.0	308,620	306,650	294,640	4.7
Manufacturing with unfilled orders:										
Unfilled Orders ⁴	810,212	803,080	797,114	0.9	0.7	1.3	817,318	815,139	706,184	15.7
Total Inventories.....	264,448	262,965	260,821	0.6	0.8	1.3	266,934	264,868	249,866	6.8
Primary metals:										
Unfilled Orders.....	29,287	29,345	28,864	-0.2	1.7	1.8	30,193	30,677	29,098	3.8
Total Inventories.....	32,964	32,281	31,693	2.1	1.9	2.3	33,091	32,342	30,984	6.8
Fabricated metal products:										
Unfilled Orders.....	62,329	62,385	62,496	-0.1	-0.2	1.8	64,416	63,742	59,819	7.7
Total Inventories.....	43,101	42,917	42,443	0.4	1.1	0.4	43,439	43,429	42,194	3.0
Machinery:										
Unfilled Orders.....	99,158	97,693	94,382	1.5	3.5	1.6	101,109	100,290	84,002	20.4
Total Inventories.....	53,508	53,423	53,549	0.2	-0.2	1.3	53,976	53,961	51,072	5.7
Computers and electronic products:										
Unfilled Orders ⁴	122,910	122,869	122,954	0.0	-0.1	0.7	123,454	124,589	117,758	4.8
Total Inventories.....	46,402	46,362	46,045	0.1	0.7	1.2	46,788	46,279	45,786	2.2
Computers and related products:										
Unfilled Orders.....	3,611	3,406	3,524	6.0	-3.3	6.9	3,611	3,406	3,370	7.2
Total Inventories.....	5,201	5,185	5,255	0.3	-1.3	3.9	5,344	5,152	4,963	7.7
Communications equipment:										
Unfilled Orders.....	37,276	37,055	36,829	0.6	0.6	0.0	37,674	37,813	36,347	3.7
Total Inventories.....	9,860	9,924	9,768	-0.6	1.6	3.5	9,877	9,894	9,124	8.3
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.....	24,677	24,281	23,986	1.6	1.2	-5.0	25,139	24,549	24,769	1.5
Total Inventories.....	15,134	15,288	15,119	-1.0	1.1	-0.6	15,384	15,602	14,552	5.7
Transportation equipment:										
Unfilled Orders.....	458,681	453,265	451,305	1.2	0.4	1.7	459,579	458,054	376,962	21.9
Total Inventories.....	86,311	85,581	84,809	0.9	0.9	1.6	87,321	86,281	77,691	12.4
Motor vehicles and parts:										
Unfilled Orders.....	17,658	17,634	17,681	0.1	-0.3	0.3	17,698	17,932	20,240	-12.6
Total Inventories.....	23,595	23,718	24,026	-0.5	-1.3	0.2	23,829	24,026	25,776	-7.6
Nondefense Aircraft and parts:										
Unfilled Orders.....	303,229	298,123	294,712	1.7	1.2	2.8	302,803	299,819	223,734	35.3
Total Inventories.....	37,060	36,356	35,778	1.9	1.6	3.8	37,651	36,561	29,411	28.0
Defense Aircraft and parts:										
Unfilled Orders.....	44,428	43,771	43,895	1.5	-0.3	0.3	45,066	44,895	38,903	15.8
Total Inventories.....	14,193	13,972	13,770	1.6	1.5	0.2	14,284	14,011	12,489	14.4
All other durable goods:										
Unfilled Orders.....	13,170	13,242	13,127	-0.5	0.9	0.5	13,428	13,238	13,776	-2.5
Total Inventories.....	52,973	53,153	53,408	-0.3	-0.5	-0.3	53,293	53,382	54,119	-1.5
Capital goods:³										
Unfilled Orders.....	607,323	600,860	595,760	1.1	0.9	1.4	610,700	609,176	514,987	18.6
Total Inventories.....	154,874	153,985	152,616	0.6	0.9	1.8	156,278	154,712	142,034	10.0
Nondefense capital goods:										
Unfilled Orders.....	470,595	464,587	458,794	1.3	1.3	1.9	472,925	469,691	382,560	23.6
Total Inventories.....	135,519	134,634	133,603	0.7	0.8	2.0	136,857	135,265	124,873	9.6
Excluding aircraft:										
Unfilled Orders.....	199,353	198,092	195,976	0.6	1.1	0.4	202,466	201,987	187,225	8.1
Total Inventories.....	106,708	106,642	106,149	0.1	0.5	1.3	107,665	107,182	102,650	4.9
Defense capital goods:										
Unfilled Orders.....	136,728	136,273	136,966	0.3	-0.5	-0.3	137,775	139,485	132,427	4.0
Total Inventories.....	19,355	19,351	19,013	0.0	1.8	0.5	19,421	19,447	17,161	13.2

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>.