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Advance Report on Durable Goods Manufacturers' Shipments, Inventories and Orders February 2016

New Orders

New orders for manufactured durable goods in February decreased \$6.6 billion or 2.8 percent to \$229.4 billion, the U.S. Census Bureau announced today. This decrease, down three of the last four months, followed a 4.2 percent January increase. Excluding transportation, new orders decreased 1.0 percent. Excluding defense, new orders decreased 1.9 percent.

Transportation equipment, also down three of the last four months, led the decrease, \$4.9 billion or 6.2 percent to \$74.2 billion.

Shipments

Shipments of manufactured durable goods in February, down two of the last three months, decreased \$2.1 billion or 0.9 percent to \$238.3 billion. This followed a 1.5 percent January increase.

Transportation equipment, also down two of the last three months, led the decrease, \$1.0 billion or 1.2 percent to \$79.0 billion.

Unfilled Orders

Unfilled orders for manufactured durable goods in February, down two of the last three months, decreased \$4.2 billion or 0.4 percent to \$1,183.7 billion. This followed a virtually unchanged January increase.

Transportation equipment, down three consecutive months, drove the decrease, \$4.8 billion or 0.6 percent to \$789.1 billion.

Inventories

Inventories of manufactured durable goods in February, down seven of the last eight months, decreased \$1.1 billion or 0.3 percent to \$394.3 billion. This followed a 0.2 percent January decrease.

Primary metals, down thirteen consecutive months led the decrease, \$0.4 billion or 1.2 percent to \$33.2 billion.

Capital Goods

Nondefense new orders for capital goods in February decreased \$5.9 billion or 7.5 percent to \$72.7 billion. Shipments decreased \$1.9 billion or 2.5 percent to \$75.4 billion. Unfilled orders decreased \$2.7 billion or 0.4 percent to \$742.0 billion. Inventories decreased \$0.2 billion or 0.1 percent to \$174.7 billion.

Defense new orders for capital goods in February decreased \$2.6 billion or 25.6 percent to \$7.5 billion. Shipments decreased less than \$0.1 billion or 0.2 percent to \$9.7 billion. Unfilled orders decreased \$2.2 billion or 1.5 percent to \$148.6 billion. Inventories decreased \$0.5 billion or 2.4 percent to \$21.7 billion.

Revised January Data

Revised seasonally adjusted January figures for all manufacturing industries were: new orders, \$462.5 billion (revised from \$463.9 billion); shipments, \$467.0 billion (revised from \$468.4 billion); unfilled orders, \$1,187.9 billion (revised from \$1,188.1 billion); and total inventories, \$637.2 billion (revised from \$637.5 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 April 4, 2016, at 10:00 a.m. EDT. The Advance Report on durable goods for March is scheduled for release on April 26, 2016 at 8:30 a.m. EDT. 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. To learn more about this release and the other indicators the U.S. Census Bureau publishes, join us for the Investigating Economic Indicators Webinar Series. For more information, visit www.census.gov/econ/webinar.

“Virtually unchanged” indicates that the change is less than 0.05 percent for a percent increase or decrease.

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		
	Feb 2016 ²	Jan 2016 ¹	Dec 2015	Jan - Feb ²	Dec - Jan ¹	Nov - Dec	Feb 2016 ²	Jan 2016 ¹	Feb 2015	2016	2015	Percent Change 2016/2015
DURABLE GOODS												
Total:												
Shipments.....	238,317	240,441	236,925	-0.9	1.5	-1.8	229,224	209,681	219,898	438,905	432,546	1.5
New Orders ⁴	229,364	235,920	226,391	-2.8	4.2	-4.6	222,691	208,985	212,568	431,676	420,850	2.6
Excluding transportation:												
Shipments.....	159,288	160,452	161,289	-0.7	-0.5	0.4	151,628	143,058	149,620	294,686	297,919	-1.1
New Orders ⁴	155,166	156,810	154,915	-1.0	1.2	-0.7	152,544	143,157	148,276	295,701	295,695	0.0
Excluding defense:												
Shipments.....	226,343	228,448	224,410	-0.9	1.8	-2.0	217,868	200,266	209,178	418,134	412,523	1.4
New Orders ⁴	219,402	223,631	215,583	-1.9	3.7	-2.5	213,443	199,046	204,434	412,489	404,893	1.9
Manufacturing with unfilled orders:												
Shipments.....	168,827	170,579	167,721	-1.0	1.7	-2.5	162,501	148,265	158,242	310,766	310,965	-0.1
New Orders.....	164,600	170,987	162,053	-3.7	5.5	-6.4	160,022	153,330	155,037	313,352	309,144	1.4
Primary metals:												
Shipments.....	19,044	19,204	19,200	-0.8	0.0	-2.0	18,920	18,373	21,262	37,293	43,562	-14.4
New Orders.....	19,315	19,333	19,229	-0.1	0.5	0.2	19,712	19,522	21,433	39,234	44,797	-12.4
Fabricated metal products:												
Shipments.....	29,668	29,950	29,673	-0.9	0.9	0.3	28,669	27,307	27,993	55,976	56,223	-0.4
New Orders.....	29,907	30,275	29,630	-1.2	2.2	0.3	30,348	28,333	28,783	58,681	57,506	2.0
Machinery:												
Shipments.....	32,252	32,666	33,049	-1.3	-1.2	2.2	31,326	28,036	31,350	59,362	60,201	-1.4
New Orders.....	31,593	32,422	31,000	-2.6	4.6	-3.8	31,639	29,912	31,291	61,551	62,201	-1.0
Computers and electronic products⁴:												
Shipments.....	29,687	29,853	29,838	-0.6	0.1	-0.6	26,830	26,313	24,552	53,143	49,539	7.3
New Orders.....	25,353	25,596	25,374	-0.9	0.9	-1.6	23,877	21,538	21,664	45,415	41,796	8.7
Computers and related products:												
Shipments.....	1,951	1,961	1,836	-0.5	6.8	-4.9	1,470	1,373	1,419	2,843	2,869	-0.9
New Orders.....	1,951	1,926	1,807	1.3	6.6	-10.4	1,470	1,338	1,442	2,808	2,918	-3.8
Communications equipment:												
Shipments.....	3,535	3,466	3,888	2.0	-10.9	2.9	3,134	2,750	3,130	5,884	6,089	-3.4
New Orders.....	3,730	3,818	3,480	-2.3	9.7	-17.3	3,819	3,272	4,051	7,091	7,515	-5.6
Electrical equipment, appliances, and components:												
Shipments.....	9,548	9,738	9,967	-2.0	-2.3	0.5	9,093	8,543	9,706	17,636	19,143	-7.9
New Orders.....	9,824	10,104	10,173	-2.8	-0.7	2.2	9,735	9,379	9,997	19,114	19,781	-3.4
Transportation equipment:												
Shipments.....	79,029	79,989	75,636	-1.2	5.8	-6.0	77,596	66,623	70,278	144,219	134,627	7.1
New Orders.....	74,198	79,110	71,476	-6.2	10.7	-12.2	70,147	65,828	64,292	135,975	125,155	8.6
Motor vehicles and parts:												
Shipments.....	54,323	54,073	52,520	0.5	3.0	0.6	55,215	46,818	47,066	102,033	90,253	13.1
New Orders.....	54,256	53,625	52,196	1.2	2.7	0.2	55,342	46,578	47,434	101,920	91,177	11.8
Nondefense aircraft and parts:												
Shipments.....	12,983	14,118	10,860	-8.0	30.0	-32.3	11,380	10,576	12,316	21,956	22,882	-4.0
New Orders.....	10,147	13,928	9,373	-27.1	48.6	-29.3	5,919	10,082	8,649	16,001	15,722	1.8
Defense aircraft and parts:												
Shipments.....	4,339	4,457	4,834	-2.6	-7.8	3.8	3,696	3,334	3,884	7,030	7,134	-1.5
New Orders.....	3,743	5,289	2,685	-29.2	97.0	-66.8	2,806	4,213	1,463	7,019	4,746	47.9
All other durable goods:												
Shipments.....	39,089	39,041	39,562	0.1	-1.3	0.8	36,790	34,486	34,757	71,276	69,251	2.9
New Orders.....	39,174	39,080	39,509	0.2	-1.1	0.6	37,233	34,473	35,108	71,706	69,614	3.0
Capital goods³:												
Shipments.....	85,040	86,959	85,186	-2.2	2.1	-5.0	80,258	72,509	80,169	152,767	155,405	-1.7
New Orders.....	80,195	88,643	74,348	-9.5	19.2	-17.4	76,039	75,596	78,573	151,635	151,500	0.1
Nondefense capital goods:												
Shipments.....	75,353	77,257	75,135	-2.5	2.8	-5.9	70,868	64,882	71,554	135,750	139,425	-2.6
New Orders.....	72,695	78,566	65,214	-7.5	20.5	-14.0	68,420	67,089	69,966	135,509	137,544	-1.5
Excluding aircraft:												
Shipments.....	67,130	67,854	68,767	-1.1	-1.3	0.6	64,042	58,842	63,372	122,884	124,877	-1.6
New Orders.....	67,350	68,560	66,495	-1.8	3.1	-3.5	66,843	62,162	64,958	129,005	130,142	-0.9
Defense capital goods:												
Shipments.....	9,687	9,702	10,051	-0.2	-3.5	2.5	9,390	7,627	8,615	17,017	15,980	6.5
New Orders.....	7,500	10,077	9,134	-25.6	10.3	-35.6	7,619	8,507	8,607	16,126	13,956	15.5

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 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 2016/ 2015
	Feb 2016 ²	Jan 2016 ¹	Dec 2015	Jan - Feb ²	Dec - Jan ¹	Nov - Dec	Feb 2016 ²	Jan 2016 ¹	Feb 2015	
<u>DURABLE GOODS</u>										
Total:										
Unfilled Orders ⁴	1,183,667	1,187,894	1,187,486	-0.4	0.0	-0.5	1,193,836	1,196,315	1,213,081	-1.6
Total Inventories.....	394,311	395,447	396,322	-0.3	-0.2	0.2	397,300	394,593	404,116	-1.7
Excluding transportation:										
Unfilled Orders ⁴	394,562	393,958	392,671	0.2	0.3	-0.4	396,449	391,479	401,800	-1.3
Total Inventories.....	262,783	263,562	264,857	-0.3	-0.5	-0.3	264,882	262,958	273,353	-3.1
Excluding defense:										
Unfilled Orders ⁴	1,000,565	1,002,780	1,002,668	-0.2	0.0	-0.4	1,010,210	1,010,581	1,026,113	-1.5
Total Inventories.....	367,446	368,054	369,875	-0.2	-0.5	0.2	370,475	367,336	377,639	-1.9
Manufacturing with unfilled orders:										
Unfilled Orders.....	1,183,667	1,187,894	1,187,486	-0.4	0.0	-0.5	1,193,836	1,196,315	1,213,081	-1.6
Total Inventories.....	319,816	320,974	322,000	-0.4	-0.3	0.0	321,478	319,795	330,323	-2.7
Primary metals:										
Unfilled Orders.....	35,061	34,790	34,661	0.8	0.4	0.1	36,065	35,273	37,417	-3.6
Total Inventories.....	33,161	33,572	34,276	-1.2	-2.1	-2.0	33,469	33,948	39,990	-16.3
Fabricated metal products:										
Unfilled Orders.....	82,239	82,000	81,675	0.3	0.4	-0.1	81,901	80,222	83,109	-1.5
Total Inventories.....	48,255	48,433	48,719	-0.4	-0.6	-0.6	48,636	48,481	49,687	-2.1
Machinery:										
Unfilled Orders.....	108,041	108,700	108,944	-0.6	-0.2	-1.8	109,101	108,788	119,179	-8.5
Total Inventories.....	65,607	65,802	66,184	-0.3	-0.6	0.4	66,041	65,300	67,326	-1.9
Computers and electronic products⁴:										
Unfilled Orders.....	137,850	137,458	136,786	0.3	0.5	0.3	138,004	136,903	130,647	5.6
Total Inventories.....	45,113	44,922	44,839	0.4	0.2	0.0	45,440	44,397	45,584	-0.3
Computers and related products:										
Unfilled Orders.....	2,618	2,618	2,653	0.0	-1.3	-1.1	2,618	2,618	2,521	3.8
Total Inventories.....	3,539	3,551	3,485	-0.3	1.9	1.5	3,622	3,495	4,049	-10.5
Communications equipment:										
Unfilled Orders.....	40,785	40,590	40,238	0.5	0.9	-1.0	41,019	40,334	38,071	7.7
Total Inventories.....	5,068	5,148	5,148	-1.6	0.0	-4.2	5,171	5,157	5,908	-12.5
Electrical equipment, appliances, and components:										
Unfilled Orders.....	22,772	22,496	22,130	1.2	1.7	0.9	23,071	22,429	23,197	-0.5
Total Inventories.....	15,962	16,066	16,227	-0.6	-1.0	-0.5	16,032	15,980	16,698	-4.0
Transportation equipment:										
Unfilled Orders.....	789,105	793,936	794,815	-0.6	-0.1	-0.5	797,387	804,836	811,281	-1.7
Total Inventories.....	131,528	131,885	131,465	-0.3	0.3	1.1	132,418	131,635	130,763	1.3
Motor vehicles and parts:										
Unfilled Orders.....	20,782	20,849	21,297	-0.3	-2.1	-1.5	21,659	21,532	22,954	-5.6
Total Inventories.....	35,968	36,037	36,430	-0.2	-1.1	2.0	36,572	36,412	35,955	1.7
Nondefense Aircraft and parts:										
Unfilled Orders.....	604,778	607,614	607,804	-0.5	0.0	-0.2	611,504	616,965	616,616	-0.8
Total Inventories.....	67,816	67,634	67,580	0.3	0.1	0.9	68,161	67,138	66,923	1.8
Defense Aircraft and parts:										
Unfilled Orders.....	67,007	67,603	66,771	-0.9	1.2	-3.1	67,983	68,873	67,001	1.5
Total Inventories.....	12,456	12,603	11,824	-1.2	6.6	-0.9	12,451	12,556	13,045	-4.6
All other durable goods:										
Unfilled Orders.....	8,599	8,514	8,475	1.0	0.5	-0.6	8,307	7,864	8,251	0.7
Total Inventories.....	54,685	54,767	54,612	-0.1	0.3	0.0	55,264	54,852	54,068	2.2
Capital goods³:										
Unfilled Orders.....	890,577	895,422	893,738	-0.5	0.2	-1.2	896,836	901,055	920,329	-2.6
Total Inventories.....	196,438	197,162	196,762	-0.4	0.2	0.4	197,067	195,298	199,522	-1.2
Nondefense capital goods:										
Unfilled Orders.....	741,964	744,622	743,313	-0.4	0.2	-1.3	747,974	750,422	767,113	-2.5
Total Inventories.....	174,728	174,919	175,409	-0.1	-0.3	0.4	175,392	173,144	178,009	-1.5
Excluding aircraft:										
Unfilled Orders.....	245,128	244,908	244,202	0.1	0.3	-0.9	246,118	243,317	251,631	-2.2
Total Inventories.....	118,262	118,613	119,295	-0.3	-0.6	0.1	118,747	117,367	122,065	-2.7
Defense capital goods:										
Unfilled Orders.....	148,613	150,800	150,425	-1.5	0.2	-0.6	148,862	150,633	153,216	-2.8
Total Inventories.....	21,710	22,243	21,353	-2.4	4.2	-0.1	21,675	22,154	21,513	0.8

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 92 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 18, 2016. These revisions result from:

- benchmarking the 2008-2011 Annual Survey of Manufactures (ASM) shipments and inventories data to the revised 2012 Economic Census data on a 2007 North American Industry Classification System (NAICS) basis;
- benchmarking the M3 shipments and inventories data to the 2014 ASM and revised 2013 ASM data, as well as the revised 2012 Economic Census data, on a 2012 NAICS basis, and ASM benchmarks for prior years on a 2007 NAICS basis;
- incorporating the unfilled orders to shipments ratios obtained from the 2014/2013 Manufacturers' Unfilled Orders (M3UFO) Survey by applying these ratios to the respective ASM shipments data, as well as incorporating revised unfilled orders to shipments ratios for prior years by applying them to the respective Census or ASM shipments data;
- 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;
- 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 2016 and the data not seasonally adjusted for January 2001 through March 2016. An updated Press Release will contain revised monthly tables for January 2016 through March 2016. Please call M3 staff on (301) 763-4832 with any questions.