

For Wire Transmission 10:00 a.m. ET February 9, 2004

CB04-21

**MONTHLY WHOLESALE TRADE: SALES AND INVENTORIES
DECEMBER 2003**

Intention to Revise Wholesale Estimates: Monthly wholesale sales, inventories, and inventories/sales ratios will be revised based on the results of the 2002 Annual Trade Survey. Revised unadjusted and corresponding adjusted data are scheduled for release on March 3, 2004.

Sales. December 2003 sales of merchant wholesalers, after adjustment for seasonal variations and trading-day differences but not for price changes, were \$250.9 billion, up 1.0 percent (+/-0.6%) from the revised November level and were up 8.0 percent (+/-1.0%) from the December 2002 level. The November preliminary estimate was revised downward \$0.8 billion or 0.3 percent. December sales of durable goods increased 1.4 percent (+/-0.8%) from last month and were up 9.7 percent (+/-1.2%) from a year ago. Compared to last month, sales of machinery, equipment, and supplies increased 4.6 percent, while lumber and other construction materials decreased 2.4 percent. December sales of nondurable goods were up 0.7 percent (+/-0.8%) from last month and were up 6.4 percent (+/-1.6%) from last year. Compared to last month, sales of apparel, piece goods, and notions were up 4.8 percent, and paper and paper products were up 3.8 percent.

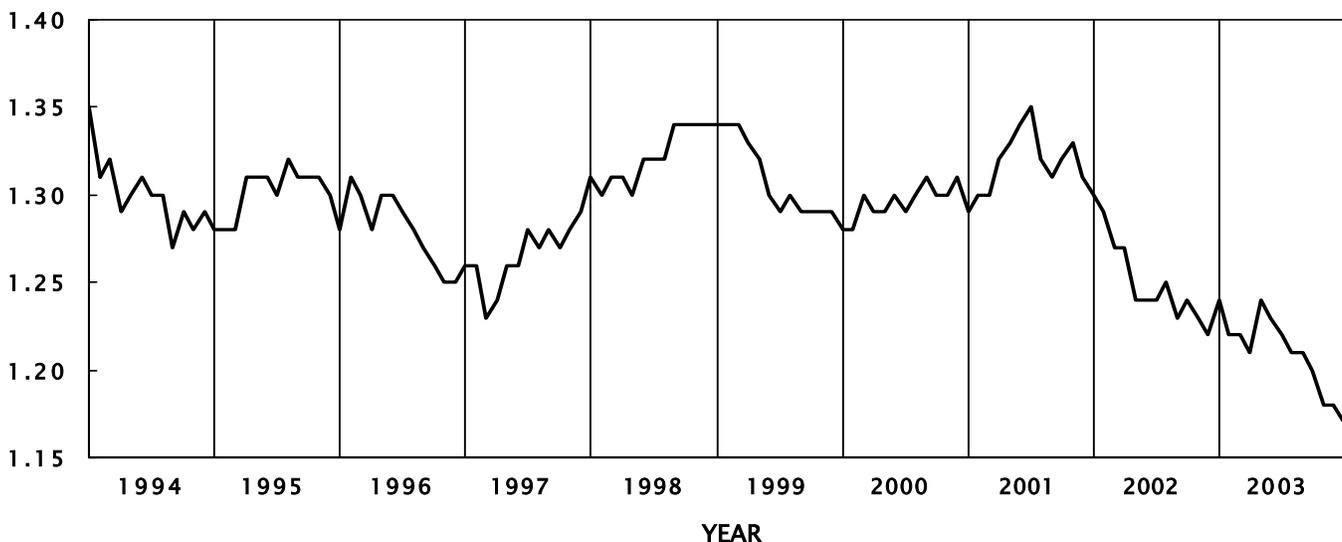
Inventories. Total inventories of merchant wholesalers, after adjustment for seasonal variations but not for price changes, were \$294.5 billion at the end of December, up 0.6 percent (+/-0.4%) from last month and were up 2.0 percent (+/-1.4%) from a year ago. The November preliminary estimate was virtually unchanged. End-of-month inventories of durable goods increased 0.9 percent (+/-0.4%) from November and were up 1.3 percent (+/-0.8%) from last December. Inventories of motor vehicle and motor vehicle parts and supplies increased 3.0 percent, and inventories of electrical goods increased 2.8 percent. End-of-month inventories of nondurable goods increased 0.1 percent (+/-0.6%) from November and were up 3.1 percent (+/-3.2%) compared to last December. Inventories of petroleum and petroleum products increased 6.3 percent from last month, while inventories of drugs and druggists' sundries decreased 2.7 percent.

Inventories/Sales Ratio. The December inventories/sales ratio for merchant wholesalers, based on seasonally adjusted data, was 1.17. The December 2002 ratio was 1.24.

Data in this report are based on a sample and, therefore, are subject to sampling and nonsampling error. A discussion of the reliability of the estimates and general survey methodology appears in BW/02-A Current Business Reports.

Monthly Inventories/Sales Ratios of Merchant Wholesalers: 1994 to 2003
(Estimates adjusted for seasonal and trading-day differences, but not for price changes)

RATIO



Monthly Wholesale Trade for January is scheduled to be released March 10, 2004 at 10:00 a.m.

Address inquiries concerning this report to Service Sector Statistics Division, U.S. Census Bureau, Washington, DC 20233, or call Nancy Piesto, (301) 763-2747.

This report is available on day of issue through the Department of Commerce's STAT-USA website; for information, call (202) 482-1986. The data are also available on the internet - <http://www.census.gov/whl>.

Table 1. Estimated Monthly Sales, Inventories, and Inventories/Sales Ratios of Merchant Wholesalers

[Total sales and inventory estimates are shown in millions of dollars. Estimates are based on data from the Monthly Wholesale Trade Survey, Annual Wholesale Trade Survey, and administrative records. Except for NAICS code 4225, estimates have been adjusted using results of the most recent economic census.]

NAICS ¹ code	Kind of Business	Sales						Inventories						Inventories/Sales		
		Monthly			Percent change			Monthly			Percent change			Ratios		
		Dec. 2003 (p)	Nov. 2003 (r)	Dec. 2002 (r)	Dec./ Nov.	Nov./ Oct.	Dec. 03/ Dec. 02	Dec. 2003 (p)	Nov. 2003 (r)	Dec. 2002 (r)	Dec./ Nov.	Nov./ Oct.	Dec. 03/ Dec. 02	Dec. 2003 (p)	Nov. 2003 (r)	Dec. 2002 (r)
Adjusted²																
42	U.S. Total	250,864	248,260	232,347	1.0	0.6	8.0	294,457	292,716	288,708	0.6	0.5	2.0	1.17	1.18	1.24
421	Durable	120,343	118,660	109,697	1.4	1.0	9.7	175,964	174,314	173,781	0.9	0.4	1.3	1.46	1.47	1.58
4211	Automotive	19,386	18,868	17,934	2.7	2.7	8.1	26,039	25,280	25,019	3.0	0.2	4.1	1.34	1.34	1.40
4212	Furniture	3,867	3,801	3,409	1.7	1.2	13.4	5,618	5,523	5,200	1.7	1.2	8.0	1.45	1.45	1.53
4213	Lumber	8,164	8,365	6,463	-2.4	0.8	26.3	7,853	7,702	7,138	2.0	3.2	10.0	0.96	0.92	1.10
4214	Prof. equip.	21,745	21,333	20,665	1.9	1.6	5.2	24,060	24,357	23,533	-1.2	0.6	2.2	1.11	1.14	1.14
42143	Comp. equip.	10,108	9,702	9,568	4.2	2.5	5.6	7,571	7,552	7,524	0.3	0.0	0.6	0.75	0.78	0.79
4215	Metals	7,808	7,709	6,817	1.3	2.1	14.5	13,786	13,482	13,575	2.3	2.0	1.6	1.77	1.75	1.99
4216	Electrical	18,497	18,809	17,045	-1.7	0.1	8.5	22,674	22,065	23,562	2.8	-1.6	-3.8	1.23	1.17	1.38
4217	Hardware	5,677	5,654	5,265	0.4	0.9	7.8	10,390	10,391	10,261	0.0	0.1	1.3	1.83	1.84	1.95
4218	Machinery	20,306	19,420	18,402	4.6	-1.3	10.3	44,115	44,548	45,843	-1.0	0.2	-3.8	2.17	2.29	2.49
4219	Misc. Durable	14,893	14,701	13,697	1.3	1.3	8.7	21,429	20,966	19,650	2.2	1.1	9.1	1.44	1.43	1.43
422	Nondurable	130,521	129,600	122,650	0.7	0.3	6.4	118,493	118,402	114,927	0.1	0.6	3.1	0.91	0.91	0.94
4221	Paper	6,273	6,041	6,181	3.8	-3.2	1.5	6,462	6,303	6,156	2.5	0.8	5.0	1.03	1.04	1.00
4222	Drugs	22,976	22,680	20,199	1.3	-0.3	13.7	29,916	30,739	29,172	-2.7	0.2	2.6	1.30	1.36	1.44
4223	Apparel	7,540	7,198	7,124	4.8	2.4	5.8	11,818	11,934	12,431	-1.0	1.2	-4.9	1.57	1.66	1.74
4224	Groceries	35,236	35,586	34,879	-1.0	-0.8	1.0	22,913	22,337	22,351	2.6	0.8	2.5	0.65	0.63	0.64
4225	Farm products	11,725	12,148	10,779	-3.5	0.7	8.8	11,221	11,261	9,473	-0.4	-0.7	18.5	0.96	0.93	0.88
4226	Chemicals	5,431	5,397	5,055	0.6	0.6	7.4	6,087	5,846	6,000	4.1	-1.1	1.5	1.12	1.08	1.19
4227	Petroleum	20,024	19,487	17,860	2.8	3.6	12.1	5,209	4,898	4,787	6.3	3.7	8.8	0.26	0.25	0.27
4228	Alcohol	7,415	7,359	7,260	0.8	-1.7	2.1	7,653	7,810	7,466	-2.0	3.0	2.5	1.03	1.06	1.03
4229	Misc. Nondur.	13,901	13,704	13,313	1.4	1.1	4.4	17,214	17,274	17,091	-0.3	0.4	0.7	1.24	1.26	1.28
Not Adjusted																
Sales to date																
2003 2002																
42	U.S. Total	257,877	235,417	231,910	9.5	-10.9	11.2	297,236	295,372	290,763	0.6	0.4	2.2	2,893,527	2,751,001	
421	Durable	121,672	112,040	107,942	8.6	-11.8	12.7	173,512	172,815	171,251	0.4	-0.2	1.3	1,373,750	1,338,776	
4211	Automotive	20,064	18,264	18,113	9.9	-5.6	10.8	25,935	25,558	24,894	1.5	0.1	4.2	218,314	212,563	
4212	Furniture	3,736	3,729	3,225	0.2	-10.1	15.8	5,506	5,468	5,091	0.7	-1.2	8.2	44,520	42,935	
4213	Lumber	7,013	7,478	5,358	-6.2	-19.4	30.9	7,586	7,456	6,874	1.7	3.4	10.4	90,608	80,022	
4214	Prof. equip.	23,919	19,690	21,967	21.5	-11.1	8.9	23,747	24,528	23,251	-3.2	0.2	2.1	250,973	247,104	
42143	Comp. equip.	11,442	8,606	10,448	33.0	-13.8	9.5	7,412	7,567	7,396	-2.0	-0.7	0.2	112,817	115,388	
4215	Metals	7,246	6,938	6,176	4.4	-14.8	17.3	14,089	13,320	13,833	5.8	2.1	1.9	88,895	89,336	
4216	Electrical	18,405	18,376	16,517	0.2	-11.7	11.4	22,357	22,043	23,232	1.4	-2.9	-3.8	214,857	209,481	
4217	Hardware	5,172	5,207	4,723	-0.7	-14.7	9.5	10,193	10,100	10,076	0.9	-0.3	1.2	66,356	66,009	
4218	Machinery	21,179	17,128	18,604	23.7	-17.5	13.8	43,056	43,523	44,743	-1.1	0.2	-3.8	231,520	224,491	
4219	Misc. Durable	14,938	15,230	13,259	-1.9	-6.9	12.7	21,043	20,819	19,257	1.1	-1.1	9.3	167,707	166,835	
422	Nondurable	136,205	123,377	123,968	10.4	-10.1	9.9	123,724	122,557	119,512	1.0	1.2	3.5	1,519,777	1,412,225	
4221	Paper	6,329	5,660	6,057	11.8	-16.3	4.5	6,565	6,322	6,236	3.8	1.2	5.3	73,627	73,609	
4222	Drugs	24,745	21,274	21,068	16.3	-12.4	17.5	31,053	30,923	30,281	0.4	0.0	2.5	261,777	233,488	
4223	Apparel	6,379	6,795	5,728	-6.1	-15.7	11.4	11,676	11,421	12,294	2.2	-3.0	-5.0	84,680	89,907	
4224	Groceries	35,941	34,625	34,809	3.8	-7.1	3.3	23,440	22,895	22,843	2.4	0.4	2.6	427,510	411,756	
4225	Farm products	14,176	12,938	12,417	9.6	-5.1	14.2	13,981	14,177	11,746	-1.4	6.3	19.0	128,456	113,334	
4226	Chemicals	5,143	4,830	4,620	6.5	-14.8	11.3	6,099	5,793	6,012	5.3	-0.6	1.4	64,150	61,496	
4227	Petroleum	20,404	17,616	17,717	15.8	-11.5	15.2	5,636	5,011	5,146	12.5	4.7	9.5	229,802	183,724	
4228	Alcohol	8,839	7,168	8,306	23.3	-10.3	6.4	7,079	8,154	6,906	-13.2	1.4	2.5	86,708	81,558	
4229	Misc. Nondur.	14,249	12,471	13,246	14.3	-8.3	7.6	18,195	17,861	18,048	1.9	2.7	0.8	163,067	163,353	

^p Preliminary estimate. ^r Revised.

¹ For a full description of the NAICS codes used in this table, see <http://www.census.gov/svsd/www/naicsdef.html>.

² Estimates are adjusted for seasonal variations and, in the case of sales, also for trading-day differences. See Table 3 for the seasonal adjustment factors used. Cumulative seasonally adjusted sales estimates are not tabulated.

Note: Estimates have not been adjusted for price changes. Table 2 provides estimated measures of sampling variability. Additional information on confidentiality protection, sampling error, nonsampling error, sample design, and definitions may be found at <http://www.census.gov/svsd/www/mwtsreliability.html>.

Table 2. Coefficients of Variation and Standard Errors for Sales and Inventories Estimates

[Estimates are shown as percents. Estimates are based on data from the Monthly Wholesale Trade Survey and administrative records.]

NAICS code	Kind of Business	Median coefficients of variation for level (%)				Median standard errors for trend				Coefficients of variation for level (%)		Standard errors for trend
		Preliminary estimates		Final estimates		Ratio of two consecutive months		Year-to-year estimates		Cumulative sales estimates		Current year cumulative to previous year cumulative
		Sales	Inv.	Sales	Inv.	Sales	Inv.	Sales	Inv.	Current year	Previous year	
42	U.S. Total	1.1	1.7	1.1	1.6	0.3	0.2	0.6	0.9	1.1	1.0	0.4
421	Durable	1.2	1.5	1.2	1.6	0.5	0.3	0.7	0.5	1.1	1.2	0.5
4211	Automotive	3.6	4.4	3.6	4.4	1.2	0.7	1.1	1.5	3.4	3.5	0.7
4212	Furniture	6.3	7.9	6.2	7.8	2.0	0.7	2.3	2.6	6.1	5.2	1.4
4213	Lumber	5.0	5.8	5.0	5.8	1.2	0.8	2.2	1.8	4.8	4.9	1.4
4214	Prof. equip.	5.1	6.8	5.0	6.8	1.2	0.6	1.9	1.9	4.9	4.9	1.5
42143	Comp. equip.	8.1	8.7	8.0	8.5	1.9	1.4	3.0	3.5	7.7	8.2	2.1
4215	Metals	7.2	10.2	7.1	10.2	1.5	0.6	2.7	2.2	6.8	6.5	1.9
4216	Electrical	3.5	4.9	3.3	5.0	1.2	0.5	1.6	1.4	3.3	3.1	1.0
4217	Hardware	7.9	10.6	7.9	10.6	1.2	0.6	2.0	1.6	7.8	7.7	1.6
4218	Machinery	3.9	3.2	3.9	3.2	1.7	0.5	2.0	1.2	3.7	3.3	1.1
4219	Misc. Durable	4.4	7.5	4.5	7.5	1.9	0.8	2.7	2.4	3.9	4.5	1.9
422	Nondurable	1.9	2.5	1.9	2.5	0.5	0.4	1.0	1.9	1.8	1.5	0.7
4221	Paper	4.5	3.6	4.5	3.7	1.0	0.5	1.1	1.4	4.4	4.3	0.5
4222	Drugs	5.8	5.5	5.8	5.6	1.0	0.5	1.7	1.8	5.7	5.8	1.1
4223	Apparel	5.1	5.0	5.2	5.0	2.4	0.9	2.6	1.8	4.8	4.6	1.5
4224	Groceries	3.9	8.1	3.9	8.1	0.8	0.9	1.7	2.5	3.7	3.6	1.3
4225	Farm products	7.5	8.4	7.6	8.3	2.1	2.0	2.6	3.9	7.0	5.9	1.5
4226	Chemicals	4.8	7.1	4.8	7.0	1.0	0.7	1.8	2.2	4.7	4.9	1.4
4227	Petroleum	7.0	8.5	6.9	8.1	0.8	1.2	2.1	2.1	6.8	6.3	1.6
4228	Alcohol	3.8	5.1	3.9	5.1	0.9	0.6	1.1	1.1	3.8	3.8	0.9
4229	Misc. Nondur.	7.7	8.6	7.3	8.6	2.1	0.8	3.9	4.7	7.3	7.4	3.1

Note: Estimated measures of sampling variability are based on estimates unadjusted for seasonal variation or trading-day differences. Medians are computed using final monthly estimates for the latest 12 months. Additional information on confidentiality protection, sampling error, nonsampling error, sample design, and definitions may be found at www.census.gov/svsd/www/mwtsreliability.html.

Reliability of Estimates

There are two types of errors possible in an estimate based on a sample survey: sampling and nonsampling.

Sampling errors occur because observations are made on a sample, not on the entire population, and different samples could have led to different estimates. Standard errors and coefficients of variation, as calculated for this report, are measures of sampling variation. The margin of sampling error, as used on page 1, gives a range about the estimate which is a 90% confidence interval. If, for example, the percent change estimate is up 1.2% and the standard error is 0.9%, then the margin of sampling error is $\pm 1.65 \times 0.9\%$ or $\pm 1.5\%$, and the 90% confidence interval is -0.3% to $+2.7\%$. If the interval contains zero, then we do not have sufficient evidence to conclude the estimated change was statistically different from zero. For monthly totals, the coefficient of variation (CV) is given. The resulting confidence interval is the estimated value $\pm 1.65 \times CV \times$ (the estimated value).

Nonsampling errors can occur because of nonresponse, insufficient coverage of the universe of wholesale businesses, mistakes in the recording and coding of data, and response errors. Imputed data accounts for approximately 28% of the sales estimates and 31% of the inventories estimates. Additionally, estimates of sales and inventories prior to March 2001 have been restated from SIC-based estimates. The restatement methodology may have introduced additional nonsampling error. The calculated median standard errors of year-to-year change estimates may also be influenced by the methodology used to impute historical data for units in the NAICS sample. The effect of this historic imputation methodology on published estimates will decrease as more data from the NAICS sample is accumulated. Precautionary steps are taken to minimize nonsampling errors, but their magnitude is not directly measured.

Further information regarding the reliability of estimates can be found on the Internet on our web page at <http://www.census.gov/svsd/www/mwtsreliability.html>.

Table 3. Seasonal Adjustment Factors for Sales and Inventories of Merchant Wholesalers

[Seasonal adjustment factors are computed using the Census Bureau's X-12 ARIMA program and are based on data from the Monthly Wholesale Trade Survey, Annual Wholesale Trade Survey, and administrative records.]

NAICS code	Kind of Business	Sales						Inventories					
		2004	2003				2002	2003	2003				2002
		Jan.	Dec.r	Nov.r	Oct.	Sep.	Dec.r	Jan.	Dec.r	Nov.r	Oct.	Sep.	Dec.r
42	U.S. Total ¹	0.943	1.024	0.946	1.070	1.025	0.995	1.015	1.007	1.007	1.008	0.989	1.006
421	Durable	0.913	1.007	0.940	1.077	1.050	0.978	0.997	0.986	0.991	0.997	0.995	0.986
4211	Automotive	0.902	1.035	0.968	1.054	0.981	1.010	1.013	0.996	1.011	1.012	0.975	0.995
4212	Furniture	0.910	0.966	0.981	1.104	1.065	0.946	0.981	0.980	0.990	1.015	1.032	0.979
4213	Lumber	0.853	0.859	0.894	1.118	1.068	0.829	0.999	0.966	0.968	0.966	0.991	0.963
4214	Prof. equip.	0.908	1.100	0.923	1.055	1.103	1.063	0.999	0.987	1.007	1.011	1.002	0.988
42143	Comp. equip.	0.907	1.132	0.887	1.055	1.135	1.092	0.990	0.979	1.002	1.009	0.994	0.983
4215	Metals	0.957	0.928	0.900	1.078	1.038	0.906	1.004	1.022	0.988	0.987	1.004	1.019
4216	Electrical	0.922	0.995	0.977	1.107	1.066	0.969	0.998	0.986	0.999	1.012	1.013	0.986
4217	Hardware	0.927	0.911	0.921	1.089	1.037	0.897	0.991	0.981	0.972	0.976	0.993	0.982
4218	Machinery	0.916	1.043	0.882	1.055	1.042	1.011	0.978	0.976	0.977	0.977	0.987	0.976
4219	Misc. Durable	0.912	1.003	1.036	1.127	1.040	0.968	1.010	0.982	0.993	1.015	1.005	0.980
422	Nondurable	0.965	1.034	0.951	1.066	1.002	1.001	1.045	1.043	1.035	1.026	0.981	1.042
4221	Paper	0.976	1.009	0.937	1.083	1.041	0.980	1.001	1.016	1.003	0.999	0.984	1.013
4222	Drugs	1.002	1.077	0.938	1.067	1.025	1.043	1.049	1.038	1.006	1.008	0.987	1.038
4223	Apparel	0.927	0.846	0.944	1.147	1.097	0.804	1.024	0.988	0.957	0.999	1.039	0.989
4224	Groceries	0.946	1.020	0.973	1.039	0.994	0.998	1.013	1.023	1.025	1.029	1.005	1.022
4225	Farm products	1.115	1.209	1.065	1.130	0.943	1.152	1.231	1.246	1.259	1.176	0.826	1.240
4226	Chemicals	0.982	0.947	0.895	1.057	1.007	0.914	1.000	1.002	0.991	0.986	0.989	1.002
4227	Petroleum	0.989	1.019	0.904	1.058	0.984	0.992	1.041	1.082	1.023	1.013	1.037	1.075
4228	Alcohol	0.765	1.192	0.974	1.068	0.972	1.144	0.958	0.925	1.044	1.061	1.023	0.925
4229	Misc. Nondur.	0.946	1.025	0.910	1.003	0.998	0.995	1.048	1.057	1.034	1.011	0.967	1.056

r Revised.

¹Adjusted sales and inventory estimates for detailed kind-of-business levels in Table 1 are computed by dividing each unadjusted estimate by the seasonal adjustment factor for the corresponding kind of business and month. Adjusted estimates for broad kind-of-business levels are obtained by summing adjusted estimates at the appropriate detailed levels. Seasonal factors shown for broad kind-of-business levels may be used to approximate adjusted estimates at these levels, but the resulting estimates may differ slightly from the published estimates.

Note: The seasonal adjustment factors shown are estimates derived from a model that uses sample survey data as input. Therefore, these estimates may contain model error, sampling error, and nonsampling error. Additional information on the general form of the model and the X-12 ARIMA program may be found at <http://www.census.gov/srd/www/x12a/>.