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**MONTHLY WHOLESALE TRADE: SALES AND INVENTORIES
FEBRUARY 2004**

Sales. February 2004 sales of merchant wholesalers, after adjustment for seasonal variations and trading-day differences but not for price changes, were \$257.0 billion, up 1.3 percent (+/-0.6%) from the revised January level, and were up 9.1 percent (+/-1.0%) from the February 2003 level. The January preliminary estimate was revised upward \$0.5 billion or 0.2 percent. February sales of durable goods increased 2.1 percent (+/-0.9%) from last month, and were up 13.8 percent (+/-1.2%) from a year ago. Compared to last month, sales of motor vehicle and motor vehicle parts and supplies increased 5.4 percent and sales of metals and minerals, except petroleum, were up 5.2 percent. February sales of nondurable goods increased 0.6 percent (+/-0.9%) from last month, and were up 5.1 percent (+/-1.6%) from last year.

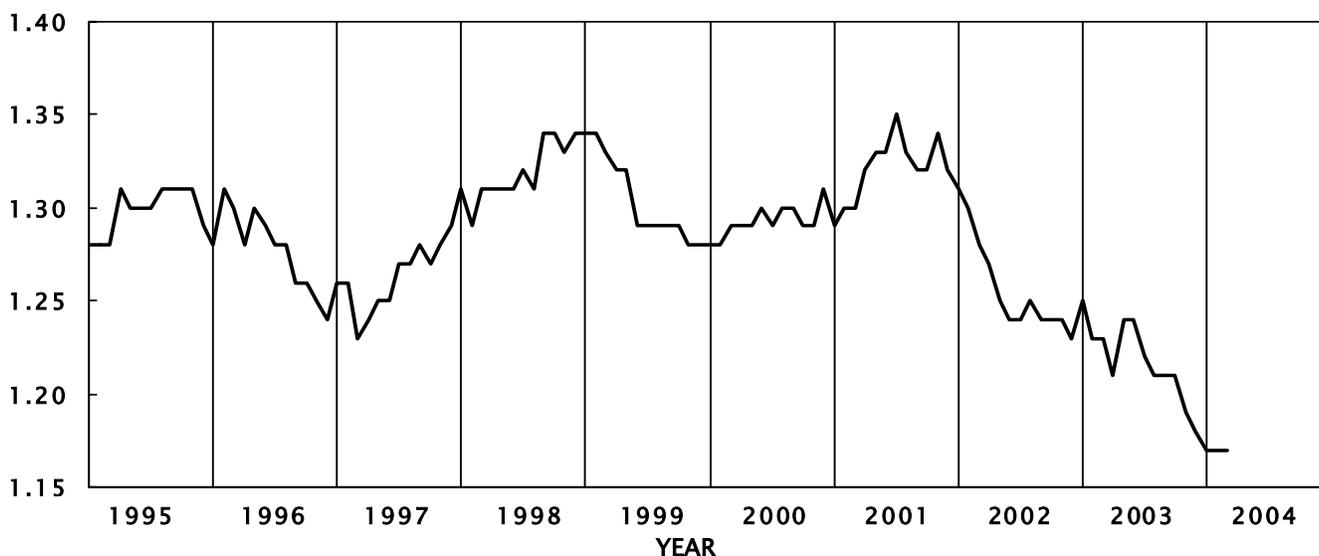
Inventories. Total inventories of merchant wholesalers, after adjustment for seasonal variations but not for price changes, were \$299.7 billion at the end of February, up 1.2 percent (+/-0.4%) from last month, and increased 3.6 percent (+/-1.4%) from a year ago. The January preliminary estimate was revised upward \$0.2 billion or 0.1 percent. End-of-month inventories of durable goods increased 1.1 percent (+/-0.4%) from January, and were up 3.1 percent (+/-0.8%) from last year. Inventories of lumber and other construction materials increased 3.3 percent from last month and inventories of metals and minerals, except petroleum, increased 3.2 percent. End-of-month inventories of nondurable goods increased 1.4 percent (+/-0.6%) from January, and were up 4.3 percent (+/-3.2%) from last year. Inventories of farm product raw materials increased 5.2 percent from last month and inventories of drugs and druggists' sundries were up 3.8 percent.

Inventories/Sales Ratio. The February inventories/sales ratio for merchant wholesalers, based on seasonally adjusted data, was 1.17. The February 2003 ratio was 1.23.

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/03-A Current Business Reports.

Monthly Inventories/Sales Ratios of Merchant Wholesalers: 1995 to 2004
(Estimates adjusted for seasonal and trading-day differences, but not for price changes)

RATIO



Monthly Wholesale Trade for March is scheduled to be released May 7, 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		
		Feb. 2004 (p)	Jan. 2004 (r)	Feb. 2003 (r)	Feb./ Jan.	Jan./ Dec.	Feb. 04/ Feb. 03	Feb. 2004 (p)	Jan. 2004 (r)	Feb. 2003 (r)	Feb./ Jan.	Jan./ Dec.	Feb. 04/ Feb. 03	Feb. 2004 (p)	Jan. 2004 (r)	Feb. 2003 (r)
Adjusted²																
42	U.S. Total	257,022	253,664	235,557	1.3	0.9	9.1	299,653	296,016	289,251	1.2	0.2	3.6	1.17	1.17	1.23
421	Durable	123,995	121,424	108,962	2.1	0.7	13.8	179,905	177,965	174,416	1.1	0.7	3.1	1.45	1.47	1.60
4211	Automotive	19,422	18,430	17,456	5.4	-6.5	11.3	26,600	26,243	25,101	1.4	0.4	6.0	1.37	1.42	1.44
4212	Furniture	3,949	3,931	3,663	0.5	1.2	7.8	5,925	6,017	5,449	-1.5	2.8	8.7	1.50	1.53	1.49
4213	Lumber	8,572	8,320	6,522	3.0	3.9	31.4	8,836	8,551	7,625	3.3	4.0	15.9	1.03	1.03	1.17
4214	Prof. equip.	22,417	22,428	20,836	0.0	2.4	7.6	24,409	24,254	23,859	0.6	0.4	2.3	1.09	1.08	1.15
42143	Comp. equip.	10,269	10,270	9,086	0.0	5.0	13.0	7,148	7,223	7,407	-1.0	-2.2	-3.5	0.70	0.70	0.82
4215	Metals	9,152	8,703	6,983	5.2	6.8	31.1	15,082	14,617	13,460	3.2	4.3	12.1	1.65	1.68	1.93
4216	Electrical	18,813	18,530	16,746	1.5	2.0	12.3	22,470	21,808	22,428	3.0	-0.2	0.2	1.19	1.18	1.34
4217	Hardware	5,636	5,649	5,370	-0.2	-0.1	5.0	10,313	10,309	10,564	0.0	-0.1	-2.4	1.83	1.82	1.97
4218	Machinery	20,888	20,358	17,940	2.6	0.6	16.4	44,958	44,722	45,955	0.5	0.5	-2.2	2.15	2.20	2.56
4219	Misc. Durable	15,146	15,075	13,446	0.5	1.6	12.6	21,312	21,444	19,975	-0.6	-0.8	6.7	1.41	1.42	1.49
422	Nondurable	133,027	132,240	126,595	0.6	1.0	5.1	119,748	118,051	114,835	1.4	-0.6	4.3	0.90	0.89	0.91
4221	Paper	6,465	6,370	6,405	1.5	-1.5	0.9	6,496	6,515	6,385	-0.3	-1.4	1.7	1.00	1.02	1.00
4222	Drugs	22,755	22,473	20,546	1.3	-1.2	10.8	30,668	29,537	30,306	3.8	-2.3	1.2	1.35	1.31	1.48
4223	Apparel	7,430	7,190	7,052	3.3	-4.8	5.4	11,950	11,864	12,302	0.7	-0.9	-2.9	1.61	1.65	1.74
4224	Groceries	34,914	34,912	34,619	0.0	1.5	0.9	22,134	21,945	22,354	0.9	-2.4	-1.0	0.63	0.63	0.65
4225	Farm products	11,856	11,772	10,017	0.7	-0.7	18.4	13,212	12,554	9,506	5.2	5.4	39.0	1.11	1.07	0.95
4226	Chemicals	5,455	5,513	5,148	-1.1	2.4	6.0	5,879	5,831	6,034	0.8	-4.0	-2.6	1.08	1.06	1.17
4227	Petroleum	21,964	21,727	21,178	1.1	6.8	3.7	4,973	5,021	4,491	-1.0	-0.7	10.7	0.23	0.23	0.21
4228	Alcohol	7,152	7,360	6,897	-2.8	1.4	3.7	7,572	7,631	7,448	-0.8	-0.5	1.7	1.06	1.04	1.08
4229	Misc. Nondur.	15,036	14,923	14,733	0.8	-0.4	2.1	16,864	17,153	16,009	-1.7	2.3	5.3	1.12	1.15	1.09
Not Adjusted																
Sales to date																
2004 2003																
42	U.S. Total	240,054	238,907	216,868	0.5	-7.2	10.7	302,696	300,441	291,297	0.8	0.8	3.9	478,961	444,638	
421	Durable	114,121	110,672	98,777	3.1	-8.9	15.5	180,781	176,817	175,034	2.2	1.7	3.3	224,793	202,924	
4211	Automotive	17,946	16,440	15,798	9.2	-20.1	13.6	27,584	26,479	25,980	4.2	1.6	6.2	34,386	32,683	
4212	Furniture	3,605	3,577	3,297	0.8	-5.2	9.3	5,836	5,915	5,362	-1.3	3.4	8.8	7,182	6,655	
4213	Lumber	7,586	7,272	5,694	4.3	7.3	33.2	8,951	8,508	7,694	5.2	8.1	16.3	14,858	11,865	
4214	Prof. equip.	20,265	20,499	18,523	-1.1	-14.4	9.4	24,287	24,205	23,764	0.3	1.5	2.2	40,764	38,079	
42143	Comp. equip.	9,170	9,428	7,987	-2.7	-14.8	14.8	7,005	7,151	7,274	-2.0	-1.6	-3.7	18,598	16,531	
4215	Metals	8,804	8,355	6,585	5.4	13.9	33.7	15,233	14,602	13,554	4.3	2.8	12.4	17,159	13,724	
4216	Electrical	17,515	17,122	15,306	2.3	-4.5	14.4	22,245	21,655	22,226	2.7	0.4	0.1	34,637	31,140	
4217	Hardware	5,140	5,225	4,833	-1.6	0.8	6.4	10,354	10,144	10,596	2.1	0.0	-2.3	10,365	10,026	
4218	Machinery	19,008	18,343	16,182	3.6	-13.0	17.5	44,958	43,693	45,863	2.9	1.0	-2.0	37,351	33,615	
4219	Misc. Durable	14,252	13,839	12,559	3.0	-6.9	13.5	21,333	21,616	19,995	-1.3	2.0	6.7	28,091	25,137	
422	Nondurable	125,933	128,235	118,091	-1.8	-5.6	6.6	121,915	123,624	116,263	-1.4	-0.6	4.9	254,168	241,714	
4221	Paper	6,025	6,122	5,880	-1.6	-7.6	2.5	6,477	6,535	6,359	-0.9	-2.6	1.9	12,147	12,393	
4222	Drugs	21,185	22,271	19,005	-4.9	-9.7	11.5	30,208	30,778	29,882	-1.9	-2.6	1.1	43,456	39,904	
4223	Apparel	7,601	6,514	7,158	16.7	1.4	6.2	11,854	12,113	12,216	-2.1	2.4	-3.0	14,115	14,096	
4224	Groceries	31,981	33,062	31,261	-3.3	-5.8	2.3	21,868	22,077	22,041	-0.9	-3.8	-0.8	65,043	64,028	
4225	Farm products	11,571	12,879	9,757	-10.2	-7.6	18.6	15,590	15,605	11,150	-0.1	5.3	39.8	24,450	21,390	
4226	Chemicals	5,193	5,480	4,870	-5.2	8.0	6.6	5,879	5,773	6,040	1.8	-5.6	-2.7	10,673	10,137	
4227	Petroleum	21,766	21,966	20,394	-0.9	9.3	6.7	5,048	5,252	4,545	-3.9	-5.6	11.1	43,732	40,556	
4228	Alcohol	5,936	5,719	5,711	3.8	-34.3	3.9	7,284	7,326	7,172	-0.6	2.9	1.6	11,655	11,127	
4229	Misc. Nondur.	14,675	14,222	14,055	3.2	-7.0	4.4	17,707	18,165	16,858	-2.5	3.2	5.0	28,897	28,083	

^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/wnaicsdef.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
		Sales	Inv.	Sales	Inv.	Sales	Inv.	Sales	Inv.	Current year	Previous year	to previous year cumulative
42	U.S. Total	1.1	1.6	1.1	1.7	0.4	0.3	0.6	0.9	1.2	1.1	0.6
421	Durable	1.2	1.6	1.2	1.6	0.6	0.3	0.7	0.5	1.3	1.0	0.6
4211	Automotive	3.5	4.4	3.5	4.4	1.2	0.7	1.1	1.5	3.8	3.5	1.0
4212	Furniture	6.5	8.0	6.5	8.0	1.9	0.7	2.4	2.7	8.1	6.3	2.2
4213	Lumber	5.0	5.9	5.0	5.8	1.2	0.8	2.5	1.8	5.6	4.2	3.2
4214	Prof. equip.	5.1	6.8	5.1	6.8	1.3	0.6	1.9	1.9	4.7	4.8	2.1
42143	Comp. equip.	8.0	8.7	8.0	8.7	1.9	1.3	3.1	3.3	7.1	8.0	4.2
4215	Metals	7.2	10.3	7.1	10.3	1.6	0.6	2.7	2.2	6.4	5.5	2.9
4216	Electrical	3.5	4.8	3.4	4.8	1.2	0.5	1.6	1.4	3.6	3.6	2.1
4217	Hardware	8.0	10.5	8.0	10.5	1.2	0.6	1.9	1.5	8.0	8.1	1.2
4218	Machinery	3.9	3.3	3.9	3.3	1.7	0.5	2.0	1.2	3.6	3.3	1.9
4219	Misc. Durable	4.2	7.6	4.4	7.5	1.8	0.8	2.6	2.4	3.8	3.9	2.3
422	Nondurable	1.9	2.4	1.9	2.5	0.5	0.3	1.0	1.9	1.8	1.8	0.9
4221	Paper	4.6	3.7	4.6	3.7	1.0	0.5	1.2	1.5	4.5	4.1	1.1
4222	Drugs	5.8	5.5	5.8	5.5	0.9	0.5	1.6	1.8	5.7	5.8	0.9
4223	Apparel	5.1	4.9	5.2	4.9	2.2	0.9	2.6	1.9	4.8	4.6	2.5
4224	Groceries	3.8	8.2	3.9	8.2	0.8	0.7	1.7	2.4	3.6	3.6	0.9
4225	Farm products	7.5	8.4	7.6	8.3	2.2	2.1	2.6	3.7	7.3	7.2	2.1
4226	Chemicals	4.8	7.1	4.8	7.0	1.0	0.7	1.8	2.1	4.7	4.7	1.2
4227	Petroleum	7.0	8.7	7.0	8.5	0.8	1.4	1.9	2.4	7.1	7.0	1.6
4228	Alcohol	3.9	5.1	3.9	5.1	0.9	0.6	1.1	1.1	4.0	3.9	0.7
4229	Misc. Nondur.	7.9	8.6	7.9	8.6	2.0	0.8	4.1	4.7	8.8	8.1	4.3

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		2003	2004			2003		2003
		Mar.	Feb.r	Jan.r	Dec.	Nov.	Feb.r	Mar.	Feb.r	Jan.r	Dec.	Nov.	Feb.r
42	U.S. Total ¹	1.077	0.932	0.941	1.022	0.945	0.919	1.008	1.007	1.012	1.008	1.007	1.007
421	Durable	1.090	0.921	0.910	1.008	0.938	0.908	1.005	1.004	0.995	0.985	0.991	1.003
4211	Automotive	1.103	0.924	0.892	1.044	0.968	0.905	1.025	1.037	1.009	0.997	1.010	1.035
4212	Furniture	1.063	0.913	0.910	0.971	0.982	0.900	0.978	0.985	0.983	0.977	0.989	0.984
4213	Lumber	1.062	0.885	0.874	0.847	0.889	0.873	1.042	1.013	0.995	0.958	0.966	1.009
4214	Prof. equip.	1.102	0.904	0.914	1.093	0.925	0.889	0.985	0.995	0.998	0.987	1.007	0.996
42143	Comp. equip.	1.106	0.893	0.918	1.132	0.890	0.879	0.974	0.980	0.990	0.984	1.003	0.982
4215	Metals	1.089	0.962	0.960	0.900	0.899	0.943	1.009	1.010	0.999	1.013	0.987	1.007
4216	Electrical	1.084	0.931	0.924	0.987	0.984	0.914	0.981	0.990	0.993	0.987	0.999	0.991
4217	Hardware	1.057	0.912	0.925	0.916	0.921	0.900	1.013	1.004	0.984	0.983	0.973	1.003
4218	Machinery	1.097	0.910	0.901	1.042	0.880	0.902	1.018	1.000	0.977	0.972	0.977	0.998
4219	Misc. Durable	1.085	0.941	0.918	1.002	1.033	0.934	0.982	1.001	1.008	0.980	0.993	1.001
422	Nondurable	1.061	0.942	0.967	1.034	0.950	0.929	1.011	1.012	1.042	1.045	1.035	1.012
4221	Paper	1.079	0.932	0.961	1.024	0.937	0.918	0.993	0.997	1.003	1.016	1.004	0.996
4222	Drugs	1.081	0.931	0.991	1.085	0.937	0.925	1.014	0.985	1.042	1.046	1.005	0.986
4223	Apparel	1.168	1.023	0.906	0.850	0.944	1.015	0.955	0.992	1.021	0.988	0.958	0.993
4224	Groceries	1.048	0.916	0.947	1.020	0.972	0.903	0.997	0.988	1.006	1.021	1.025	0.986
4225	Farm products	1.075	0.976	1.094	1.175	1.044	0.974	1.092	1.180	1.243	1.244	1.275	1.173
4226	Chemicals	1.081	0.952	0.994	0.942	0.895	0.946	1.003	1.000	0.990	1.007	0.990	1.001
4227	Petroleum	1.053	0.991	1.011	0.988	0.906	0.963	1.000	1.015	1.046	1.100	1.011	1.012
4228	Alcohol	1.033	0.830	0.777	1.199	0.973	0.828	0.990	0.962	0.960	0.928	1.044	0.963
4229	Misc. Nondur.	1.089	0.976	0.953	1.021	0.908	0.954	1.042	1.050	1.059	1.050	1.035	1.053

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/>.