

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

CB04-111

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

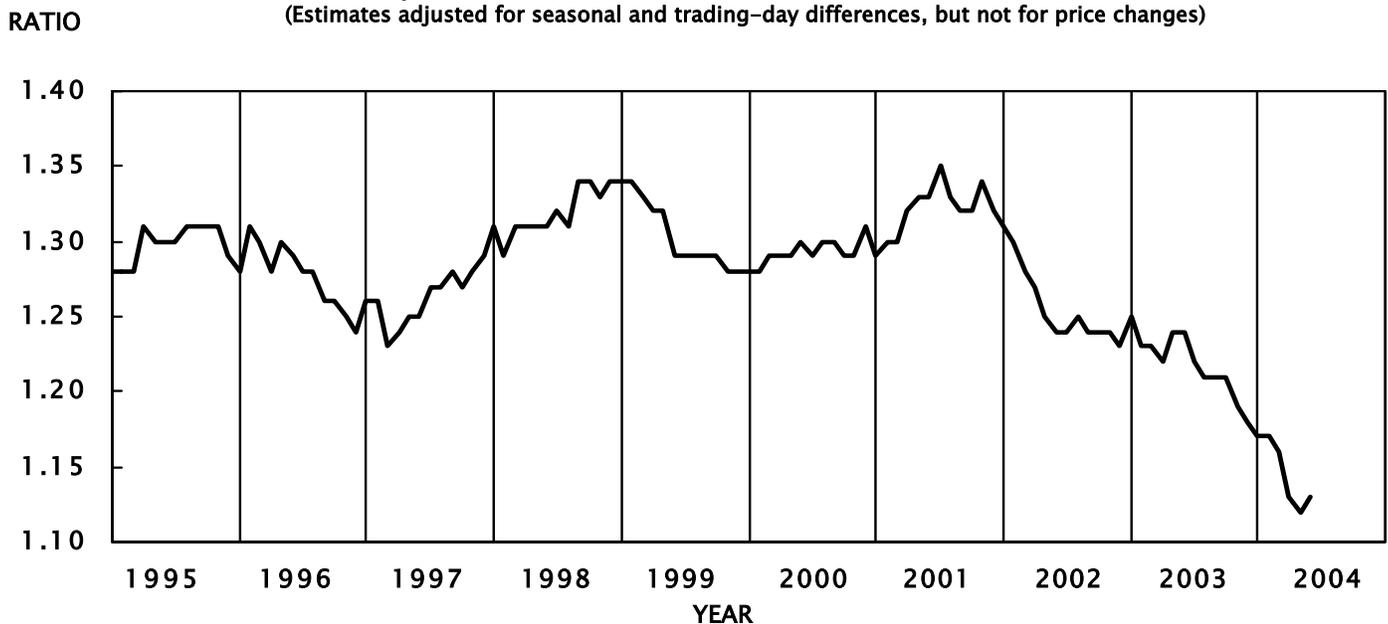
Sales. May 2004 sales of merchant wholesalers, after adjustment for seasonal variations and trading-day differences but not for price changes, were \$270.4 billion, up 0.5 percent (+/-0.7%) from the revised April level, and were up 16.1 percent (+/-1.2%) from the May 2003 level. The April preliminary estimate was revised upward \$0.3 billion or 0.1 percent. May sales of durable goods increased 0.1 percent (+/-0.8%) from last month, and were up 19.3 percent (+/-1.3%) from a year ago. Compared to last month, sales of electrical goods increased 3.9 percent and sales of lumber and other construction materials were up 2.5 percent. May sales of nondurable goods increased 0.9 percent (+/-0.8%) from last month, and were up 13.2 percent (+/-1.7%) from last year. Sales of petroleum and petroleum products were up 6.9 percent from last month and sales of beer, wine, and distilled alcoholic beverages increased 2.4 percent.

Inventories. Total inventories of merchant wholesalers, after adjustment for seasonal variations but not for price changes, were \$305.5 billion at the end of May, up 1.2 percent (+/-0.3%) from last month, and were up 5.6 percent (+/-1.5%) from a year ago. The April preliminary estimate was revised upward \$0.8 billion or 0.3 percent. End-of-month inventories of durable goods increased 1.5 percent (+/-0.5%) from April, and were up 6.4 percent (+/-1.0%) from last year. Inventories of lumber and other construction materials increased 6.4 percent from last month and inventories of metals and minerals, except petroleum increased 5.6 percent. End-of-month inventories of nondurable goods increased 0.6 percent (+/-0.7%) from April, and were up 4.4 percent (+/-3.1%) from last year. Inventories of drugs and druggists' sundries increased 1.6 percent from last month.

Inventories/Sales Ratio. The May inventories/sales ratio for merchant wholesalers, based on seasonally adjusted data, was 1.13. The May 2003 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/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)



Monthly Wholesale Trade for June is scheduled to be released August 9, 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. Estimates of 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.]

NAICS ¹ code	Kind of Business	Sales						Inventories						Inventories/Sales		
		Monthly total			Percent change			Monthly total			Percent change			Ratios		
		May 2004 (p)	Apr. 2004 (r)	May 2003 (r)	May/ Apr.	Apr./ Mar.	May 04/ May 03	May 2004 (p)	Apr. 2004 (r)	May 2003 (r)	May/ Apr.	Apr./ Mar.	May 04/ May 03	May 2004 (p)	Apr. 2004 (r)	May 2003 (r)
Adjusted²																
42	U.S. Total	270,402	269,017	232,952	0.5	0.9	16.1	305,511	301,989	289,247	1.2	0.2	5.6	1.13	1.12	1.24
421	Durable	132,353	132,237	110,974	0.1	1.5	19.3	185,031	182,236	173,864	1.5	0.4	6.4	1.40	1.38	1.57
4211	Automotive	19,998	20,076	18,110	-0.4	0.7	10.4	27,035	26,749	25,259	1.1	-0.8	7.0	1.35	1.33	1.39
4212	Furniture	4,165	4,049	3,695	2.9	1.4	12.7	5,872	5,914	5,640	-0.7	-0.7	4.1	1.41	1.46	1.53
4213	Lumber	10,034	9,786	6,653	2.5	4.5	50.8	9,973	9,373	7,494	6.4	4.8	33.1	0.99	0.96	1.13
4214	Prof. equip.	22,319	22,231	20,846	0.4	-1.1	7.1	24,371	24,145	23,857	0.9	-0.6	2.2	1.09	1.09	1.14
42143	Comp. equip.	10,313	10,350	8,982	-0.4	-0.1	14.8	7,165	7,241	7,366	-1.0	-1.5	-2.7	0.69	0.70	0.82
4215	Metals	10,687	10,923	7,364	-2.2	3.0	45.1	17,266	16,350	13,346	5.6	2.2	29.4	1.62	1.50	1.81
4216	Electrical	21,009	20,211	16,588	3.9	4.3	26.7	23,480	23,206	22,149	1.2	1.1	6.0	1.12	1.15	1.34
4217	Hardware	5,901	5,920	5,437	-0.3	-0.1	8.5	10,600	10,363	10,398	2.3	0.3	1.9	1.80	1.75	1.91
4218	Machinery	22,027	22,348	18,779	-1.4	0.0	17.3	44,759	44,565	45,581	0.4	0.1	-1.8	2.03	1.99	2.43
4219	Misc. Durable	16,213	16,693	13,502	-2.9	2.5	20.1	21,675	21,571	20,140	0.5	-0.3	7.6	1.34	1.29	1.49
422	Nondurable	138,049	136,780	121,978	0.9	0.4	13.2	120,480	119,753	115,383	0.6	0.0	4.4	0.87	0.88	0.95
4221	Paper	6,784	6,727	6,357	0.8	1.8	6.7	6,509	6,522	6,348	-0.2	-0.8	2.5	0.96	0.97	1.00
4222	Drugs	23,998	23,666	21,559	1.4	0.7	11.3	30,540	30,072	31,463	1.6	-2.4	-2.9	1.27	1.27	1.46
4223	Apparel	7,477	7,362	7,034	1.6	-0.3	6.3	11,965	11,928	12,387	0.3	-1.2	-3.4	1.60	1.62	1.76
4224	Groceries	35,187	35,390	35,044	-0.6	-1.4	0.4	22,836	22,600	21,477	1.0	1.1	6.3	0.65	0.64	0.61
4225	Farm products	11,991	12,638	9,617	-5.1	2.9	24.7	13,134	13,603	10,019	-3.4	-0.4	31.1	1.10	1.08	1.04
4226	Chemicals	5,452	5,510	5,188	-1.1	-0.6	5.1	5,850	5,832	5,978	0.3	0.3	-2.1	1.07	1.06	1.15
4227	Petroleum	23,731	22,202	16,378	6.9	-0.6	44.9	4,855	4,772	4,365	1.7	0.0	11.2	0.20	0.21	0.27
4228	Alcohol	7,427	7,252	6,884	2.4	3.0	7.9	7,651	7,601	7,497	0.7	2.3	2.1	1.03	1.05	1.09
4229	Misc. Nondur.	16,002	16,033	13,917	-0.2	2.7	15.0	17,140	16,823	15,849	1.9	3.6	8.1	1.07	1.05	1.14
													Sales to date			
													2004		2003	
42	U.S. Total	266,353	274,314	236,074	-2.9	-5.0	12.8	302,383	302,425	286,462	0.0	-0.5	5.6	1,308,731	1,161,490	
421	Durable	129,637	135,327	112,123	-4.2	-4.9	15.6	186,693	184,345	175,222	1.3	1.0	6.5	631,989	542,522	
4211	Automotive	19,458	21,281	18,291	-8.6	-3.1	6.4	27,089	27,391	25,284	-1.1	-1.4	7.1	97,092	89,307	
4212	Furniture	4,023	4,085	3,695	-1.5	-3.9	8.9	5,872	5,813	5,634	1.0	-0.3	4.2	19,511	17,648	
4213	Lumber	10,295	10,363	7,119	-0.7	3.5	44.6	10,312	9,682	7,734	6.5	4.4	33.3	45,537	32,595	
4214	Prof. equip.	21,091	21,408	20,221	-1.5	-13.7	4.3	24,079	24,242	23,571	-0.7	1.1	2.2	107,978	100,553	
42143	Comp. equip.	9,591	9,760	8,524	-1.7	-14.6	12.5	7,158	7,437	7,337	-3.8	3.3	-2.4	49,241	43,408	
4215	Metals	10,612	11,557	7,614	-8.2	1.1	39.4	17,439	16,432	13,426	6.1	1.6	29.9	50,759	36,185	
4216	Electrical	20,211	19,989	16,455	1.1	-3.9	22.8	23,621	23,183	22,238	1.9	3.1	6.2	95,685	81,790	
4217	Hardware	6,001	6,228	5,714	-3.6	-2.4	5.0	10,791	10,508	10,575	2.7	0.2	2.0	28,973	26,824	
4218	Machinery	22,446	23,823	19,755	-5.8	-3.9	13.6	45,923	45,545	46,721	0.8	0.7	-1.7	108,423	91,660	
4219	Misc. Durable	15,500	16,593	13,259	-6.6	-6.9	16.9	21,567	21,549	20,039	0.1	1.2	7.6	78,031	65,960	
422	Nondurable	136,716	138,987	123,951	-1.6	-5.1	10.3	115,690	118,080	111,240	-2.0	-2.8	4.0	676,742	618,968	
4221	Paper	6,519	6,660	6,249	-2.1	-6.9	4.3	6,613	6,607	6,462	0.1	0.6	2.3	32,502	31,529	
4222	Drugs	22,750	23,784	21,171	-4.3	-6.9	7.5	29,318	29,801	30,173	-1.6	-5.2	-2.8	115,508	103,291	
4223	Apparel	6,610	6,861	6,422	-3.7	-20.7	2.9	11,654	11,332	12,077	2.8	-1.8	-3.5	36,236	34,943	
4224	Groceries	36,137	35,532	36,481	1.7	-6.2	-0.9	22,448	22,261	21,112	0.8	-0.1	6.3	174,635	170,393	
4225	Farm products	10,720	12,322	8,973	-13.0	-5.7	19.5	10,993	13,372	8,416	-17.8	-10.8	30.6	60,616	49,315	
4226	Chemicals	5,403	5,714	5,359	-5.4	-5.6	0.8	5,926	5,826	6,056	1.7	0.1	-2.1	27,811	26,295	
4227	Petroleum	24,206	23,357	17,115	3.6	-2.3	41.4	4,549	4,490	4,116	1.3	-5.1	10.5	115,386	97,202	
4228	Alcohol	7,457	7,201	7,290	3.6	0.7	2.3	7,666	7,669	7,534	0.0	4.7	1.8	33,514	31,827	
4229	Misc. Nondur.	16,914	17,556	14,891	-3.7	2.7	13.6	16,523	16,722	15,294	-1.2	-0.6	8.0	80,534	74,173	

^p Preliminary estimate. ^r Revised estimate.

¹ For a full description of the NAICS codes used in this table, see the 1997 NAICS manual or <http://www.census.gov/epcd/www/naics.html>.

² Estimates are adjusted for seasonal variation 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. Estimated Measures of Sampling Variability of Monthly Wholesale Sales and Inventory

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

NAICS code	Kind of Business	Median coefficient of variation for monthly total				Median standard error for percent change				Coefficient of variation for total		Standard error for percent change
		Preliminary estimates		Final estimates		Ratio of two consecutive months		Current month to current month last year		Sales to date		Current year sales to date
		Sales	Inv.	Sales	Inv.	Sales	Inv.	Sales	Inv.	Current year	Previous year	to previous year sales to date
42	U.S. Total	1.1	1.6	1.1	1.6	0.4	0.2	0.7	0.9	1.0	1.0	0.6
421	Durable	1.2	1.6	1.2	1.6	0.5	0.3	0.8	0.6	1.1	1.1	0.9
4211	Automotive	3.4	4.1	3.4	4.2	1.1	0.6	1.2	1.4	3.4	3.1	0.9
4212	Furniture	6.8	8.3	6.9	8.0	1.9	0.9	2.5	2.7	7.6	6.2	2.1
4213	Lumber	5.3	6.6	5.1	6.5	1.2	0.9	2.9	2.0	6.2	4.2	3.8
4214	Prof. equip.	5.1	6.8	5.1	6.8	1.3	0.7	2.0	2.1	3.9	4.8	2.4
42143	Comp. equip.	8.1	8.9	8.0	8.8	2.1	1.3	3.7	3.2	7.7	7.9	3.9
4215	Metals	7.5	10.2	7.5	10.2	1.6	0.7	3.5	2.2	7.0	6.2	3.8
4216	Electrical	3.6	4.8	3.4	4.8	1.1	0.6	2.0	1.6	3.6	3.5	1.8
4217	Hardware	8.0	10.5	8.0	10.5	1.2	0.6	1.6	1.5	7.8	7.9	0.8
4218	Machinery	3.9	3.3	4.0	3.4	1.8	0.5	2.2	1.0	3.8	3.6	1.4
4219	Misc. Durable	4.0	7.7	4.1	7.7	1.6	0.9	2.8	2.3	3.9	4.2	2.3
422	Nondurable	1.9	2.4	1.9	2.4	0.5	0.4	1.0	1.9	1.6	1.7	0.8
4221	Paper	4.7	3.7	4.7	3.7	1.1	0.6	1.3	1.5	4.6	4.2	0.8
4222	Drugs	5.8	5.5	5.8	5.5	1.1	0.5	1.5	1.8	5.3	5.4	1.0
4223	Apparel	5.1	4.9	5.2	4.8	2.0	0.9	2.6	2.4	4.6	4.3	1.9
4224	Groceries	3.7	8.2	3.6	8.2	0.9	0.8	1.3	1.9	3.3	3.6	0.8
4225	Farm products	7.6	9.1	7.7	8.7	2.2	2.1	3.1	3.7	7.5	7.0	2.5
4226	Chemicals	4.7	6.9	4.8	7.0	1.0	0.8	1.7	2.1	4.7	4.2	1.4
4227	Petroleum	7.1	8.8	7.1	8.9	0.8	1.3	2.1	2.7	7.3	6.9	1.8
4228	Alcohol	4.0	5.2	3.9	5.2	0.9	0.7	1.1	1.3	4.3	4.1	0.7
4229	Misc. Nondur.	8.4	8.8	8.1	8.7	2.0	0.8	4.4	4.7	8.5	6.8	4.1

Note: Estimated measures of sampling variability are based on estimates unadjusted for seasonal variation or trading-day differences. Medians are based on estimates for the most recent 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.

Reliability of the Estimates

Because the estimates presented in this report are based on a sample survey, they may contain sampling error and nonsampling error.

Sampling error is the difference between the estimate and the result that would be obtained from a complete enumeration of the population conducted under the same survey conditions. This error occurs because only a subset of the entire population is measured in a sample survey. Standard errors and coefficients of variation, as given in Table 2 of this report, are estimated measures of sampling variation.

The margin of sampling error, as used on page 1, gives a range about the estimate which is a 90-percent confidence interval. If, for example, the percent change estimate is +1.2 percent and its estimated standard error is 0.9 percent, then the margin of sampling error is $\pm 1.645 \times 0.9$ percent or ± 1.5 percent, and the 90 percent confidence interval is -0.3 percent to +2.7 percent. If the interval contains 0, then one does not have sufficient evidence to conclude at the 90 percent confidence level that the estimated change was different from zero. For monthly totals, the median estimated coefficient of variation (CV) is given. The resulting confidence interval is the estimated value $\pm 1.645 \times CV \times$ (the estimated value). The Census Bureau recommends that individuals using estimates in this report incorporate this information into their analyses, as sampling error could affect the conclusions drawn from the estimates.

Nonsampling error encompasses all other factors that contribute to the total error of a sample survey estimate. This type of error can occur because of nonresponse, insufficient coverage of the universe of wholesale businesses, mistakes in the recording and coding of data, model error, and other errors of collection, response, coverage, or processing. Although not directly measured, precautionary steps are taken to minimize the effects of nonsampling error.

Table 3. Seasonal Adjustment Factors for Monthly Wholesale Sales and Inventory Estimates

[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	2004					2003
		Jun.	May r	Apr.r	Mar.	Feb.	May r	Jun.	May r	Apr.r	Mar.	Feb.	May r
42	U.S. Total ¹	1.045	0.985	1.017	1.077	0.928	1.017	0.991	0.992	1.003	1.008	1.007	0.991
421	Durable	1.066	0.974	1.016	1.085	0.920	1.007	1.005	1.009	1.012	1.006	1.003	1.008
4211	Automotive	1.059	0.973	1.060	1.101	0.921	1.010	0.993	1.002	1.024	1.030	1.034	1.001
4212	Furniture	1.039	0.966	1.009	1.064	0.910	1.000	1.010	1.000	0.983	0.979	0.984	0.999
4213	Lumber	1.119	1.026	1.059	1.070	0.867	1.070	1.032	1.034	1.033	1.037	1.012	1.032
4214	Prof. equip.	1.088	0.945	0.963	1.104	0.901	0.970	0.993	0.988	1.004	0.987	0.998	0.988
42143	Comp. equip.	1.116	0.930	0.943	1.103	0.888	0.949	0.999	0.999	1.027	0.980	0.978	0.996
4215	Metals	1.088	0.993	1.058	1.078	0.963	1.034	1.014	1.010	1.005	1.011	0.999	1.006
4216	Electrical	1.053	0.962	0.989	1.074	0.924	0.992	1.007	1.006	0.999	0.980	0.989	1.004
4217	Hardware	1.098	1.017	1.052	1.077	0.902	1.051	1.016	1.018	1.014	1.015	1.004	1.017
4218	Machinery	1.085	1.019	1.066	1.109	0.895	1.052	1.020	1.026	1.022	1.016	1.001	1.025
4219	Misc. Durable	1.027	0.956	0.994	1.094	0.927	0.982	0.996	0.995	0.999	0.984	1.000	0.995
422	Nondurable	1.026	0.990	1.015	1.068	0.939	1.017	0.966	0.962	0.986	1.012	1.013	0.963
4221	Paper	1.049	0.961	0.990	1.082	0.929	0.983	0.999	1.016	1.013	0.999	0.991	1.018
4222	Drugs	1.035	0.948	1.005	1.087	0.927	0.982	0.984	0.960	0.991	1.020	0.985	0.959
4223	Apparel	1.009	0.884	0.932	1.171	1.023	0.913	1.028	0.974	0.950	0.956	0.985	0.975
4224	Groceries	1.019	1.027	1.004	1.055	0.912	1.041	0.989	0.983	0.985	0.997	0.986	0.983
4225	Farm products	0.950	0.894	0.975	1.064	0.975	0.933	0.768	0.837	0.983	1.098	1.174	0.840
4226	Chemicals	1.066	0.991	1.037	1.092	0.947	1.033	1.007	1.013	0.999	1.001	1.002	1.013
4227	Petroleum	1.031	1.020	1.052	1.071	0.980	1.045	0.950	0.937	0.941	0.991	1.025	0.943
4228	Alcohol	1.106	1.004	0.993	1.015	0.836	1.059	1.013	1.002	1.009	0.986	0.964	1.005
4229	Misc. Nondur.	1.043	1.057	1.095	1.095	0.969	1.070	0.937	0.964	0.994	1.036	1.058	0.965

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 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/>.

Description of the Survey

The U.S. Census Bureau conducts the Monthly Wholesale Trade Survey (MWTS) to provide national estimates of monthly sales, end-of-month inventories, and inventory-to-sales ratios by kind of business for wholesale firms located in the United States. Specifically, the MWTS covers wholesale merchants (those that take title to the goods they sell) such as distributors, jobbers, and import/export merchants as defined by the 1997 North American Industry Classification System (NAICS).

The MWTS sample was selected using a stratified, one-stage design with strata defined by kind of business (e.g., Automotive, Furniture, Lumber, etc.) and annual sales size. The sample includes firms of all sizes and is updated on a quarterly basis to account for new wholesale firms, deaths, and other changes to the wholesale universe. Each month, questionnaires are mailed to a probability sample of approximately 4,000 employer firms. Data for nonresponding firms are imputed based on data for similar-sized firms classified in the same kind of business. Approximately 28% of the total sales estimate and 31% of the total end-of-month inventory estimate is based on imputed data. Monthly sales and inventory estimates are obtained by summing weighted data (either reported or imputed). The monthly estimates are benchmarked to annual survey estimates and are adjusted for seasonal variation and trading-day differences. Individuals who use estimates in this report to create new estimates should cite the Census Bureau as the source of only the original estimates. Additional information on the MWTS can be found on the Census Bureau website at:

<http://www.census.gov/econ/www/retmenu.html#WHOL>.