

For Wire Transmission 10:00 a.m. ET February 9, 2005

CB05-18

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

Intention to Revise Wholesale Data: Monthly wholesale sales, inventories, and inventories/sales ratios will be revised based on the results of the 2003 Annual Trade Survey and the preliminary results of the 2002 Census of Wholesale Trade. Revised unadjusted and corresponding adjusted data are scheduled for release on March 31, 2005. To be consistent with the 2002 Economic Census, we will begin using the 2002 North American Industry Classification System (NAICS) codes with the revision on March 31. The industry coverage will remain the same; however, the numerical codes assigned to each industry will change. For further information contact Nancy Piesto at (301) 763-2747 or nancy.a.piesto@census.gov.

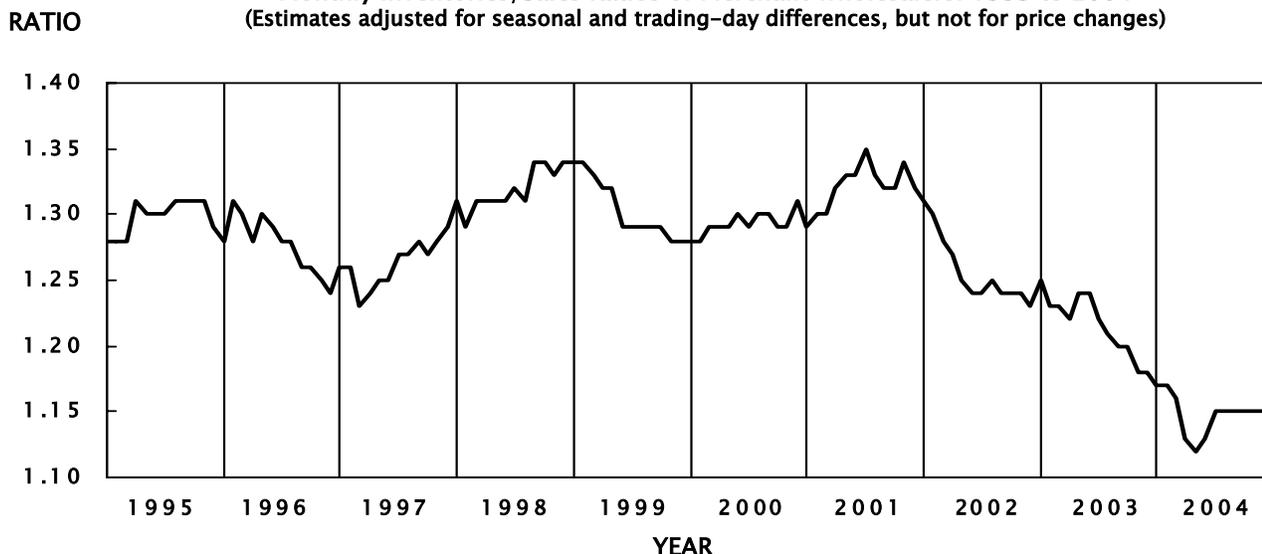
Sales. December 2004 sales of merchant wholesalers, after adjustment for seasonal variations and trading-day differences but not for price changes, were \$286.8 billion, up 0.9 percent (+/-0.7%) from the revised November level and were up 13.9 percent (+/-1.3%) from the December 2003 level. The November preliminary estimate was revised upward \$0.6 billion or 0.2 percent. December sales of durable goods increased 2.3 percent (+/-1.0%) from last month and were up 18.5 percent (+/-2.1%) from a year ago. Compared to last month, sales of machinery, equipment, and supplies increased 4.3 percent and sales of lumber and other construction materials increased 4.3 percent. December sales of nondurable goods were down 0.4 percent (+/-0.8%) from last month, but were up 9.7 percent (+/-1.7%) from last year. Compared to last month, sales of petroleum and petroleum products were down 5.3 percent, while sales of apparel, piece goods, and notions were up 6.4 percent.

Inventories. Total inventories of merchant wholesalers, after adjustment for seasonal variations but not for price changes, were \$328.3 billion at the end of December, up 0.4 percent (+/-0.5%) from last month and were up 11.2 percent (+/-1.3%) from a year ago. The November preliminary estimate was revised upward \$0.3 billion or 0.1 percent. End-of-month inventories of durable goods increased 0.3 percent (+/-0.5%) from November and were up 15.6 percent (+/-1.5%) from last December. Inventories of lumber and other construction materials increased 3.2 percent from last month, while inventories of motor vehicle and motor vehicle parts and supplies decreased 1.4 percent. End-of-month inventories of nondurable goods increased 0.5 percent (+/-0.7%) from November and were up 4.7 percent (+/-1.7%) compared to last December. Inventories of farm product raw materials increased 9.1 percent from last month and inventories of petroleum and petroleum products increased 5.2 percent.

Inventories/Sales Ratio. The December inventories/sales ratio for merchant wholesalers, based on seasonally adjusted data, was 1.14. The December 2003 ratio was 1.17.

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 January is scheduled to be released March 10, 2005 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.]

NAICS ¹ code	Kind of Business	Sales						Inventories						Inventories/Sales		
		Monthly total			Percent change			Monthly total			Percent change			Ratios		
		Dec. 2004 (p)	Nov. 2004 (r)	Dec. 2003 (r)	Dec./ Nov.	Nov./ Oct.	Dec. 04/ Dec. 03	Dec. 2004 (p)	Nov. 2004 (r)	Dec. 2003 (r)	Dec./ Nov.	Nov./ Oct.	Dec. 04/ Dec. 03	Dec. 2004 (p)	Nov. 2004 (r)	Dec. 2003 (r)
Adjusted²																
42	U.S. Total	286,843	284,223	251,821	0.9	0.8	13.9	328,267	327,081	295,226	0.4	1.2	11.2	1.14	1.15	1.17
421	Durable	143,151	139,903	120,800	2.3	1.5	18.5	203,816	203,302	176,343	0.3	1.3	15.6	1.42	1.45	1.46
4211	Automotive	20,159	19,847	19,885	1.6	-2.3	1.4	27,547	27,938	26,253	-1.4	0.9	4.9	1.37	1.41	1.32
4212	Furniture	4,267	4,171	3,882	2.3	-0.5	9.9	6,128	6,106	5,835	0.4	0.7	5.0	1.44	1.46	1.50
4213	Lumber	10,302	9,877	8,089	4.3	1.1	27.4	11,007	10,664	8,262	3.2	-0.9	33.2	1.07	1.08	1.02
4214	Prof. equip.	23,957	23,472	21,680	2.1	2.4	10.5	26,526	26,696	24,130	-0.6	1.2	9.9	1.11	1.14	1.11
42143	Comp. equip.	11,514	11,183	9,650	3.0	6.0	19.3	8,441	8,586	7,358	-1.7	3.9	14.7	0.73	0.77	0.76
4215	Metals	12,297	12,147	8,268	1.2	1.5	48.7	22,504	22,139	14,019	1.6	3.3	60.5	1.83	1.82	1.70
4216	Electrical	21,160	20,669	18,292	2.4	0.8	15.7	24,137	24,167	21,967	-0.1	0.7	9.9	1.14	1.17	1.20
4217	Hardware	6,318	6,205	5,676	1.8	1.0	11.3	11,851	11,640	10,263	1.8	1.2	15.5	1.88	1.88	1.81
4218	Machinery	25,823	24,752	20,216	4.3	1.7	27.7	49,765	49,231	44,037	1.1	1.5	13.0	1.93	1.99	2.18
4219	Misc. Durable	18,868	18,763	14,812	0.6	5.5	27.4	24,351	24,721	21,577	-1.5	1.1	12.9	1.29	1.32	1.46
422	Nondurable	143,692	144,320	131,021	-0.4	0.3	9.7	124,451	123,779	118,883	0.5	1.2	4.7	0.87	0.86	0.91
4221	Paper	7,044	7,115	6,521	-1.0	0.7	8.0	7,545	7,435	6,567	1.5	-0.2	14.9	1.07	1.04	1.01
4222	Drugs	25,054	25,309	22,862	-1.0	0.9	9.6	30,145	30,459	30,484	-1.0	0.0	-1.1	1.20	1.20	1.33
4223	Apparel	7,941	7,460	7,441	6.4	0.7	6.7	12,671	13,201	11,958	-4.0	2.8	6.0	1.60	1.77	1.61
4224	Groceries	36,857	36,559	34,263	0.8	0.3	7.6	23,366	23,759	22,501	-1.7	2.0	3.8	0.63	0.65	0.66
4225	Farm products	10,632	10,564	11,910	0.6	-4.3	-10.7	9,397	8,610	12,281	9.1	-4.3	-23.5	0.88	0.82	1.03
4226	Chemicals	6,173	6,194	5,345	-0.3	4.0	15.5	6,344	6,383	6,052	-0.6	1.1	4.8	1.03	1.03	1.13
4227	Petroleum	25,652	27,075	20,482	-5.3	-0.4	25.2	6,832	6,496	4,882	5.2	2.7	39.9	0.27	0.24	0.24
4228	Alcohol	7,649	7,596	7,139	0.7	1.2	7.1	8,198	7,999	7,623	2.5	2.5	7.5	1.07	1.05	1.07
4229	Misc. Nondur.	16,690	16,448	15,058	1.5	1.0	10.8	19,953	19,437	16,535	2.7	3.2	20.7	1.20	1.18	1.10
Not Adjusted																
Sales to date																
2004																
2003																
42	U.S. Total	291,436	283,376	257,367	2.8	-0.1	13.2	330,978	329,573	298,174	0.4	1.3	11.0	3,282,778	2,885,305	
421	Durable	143,501	138,878	121,466	3.3	-0.3	18.1	201,177	202,178	173,847	-0.5	0.9	15.7	1,609,572	1,369,350	
4211	Automotive	20,986	20,006	20,581	4.9	-2.7	2.0	27,299	28,189	26,069	-3.2	1.5	4.7	239,072	221,984	
4212	Furniture	4,160	4,380	3,773	-5.0	1.1	10.3	6,012	6,027	5,718	-0.2	-1.4	5.1	49,827	45,053	
4213	Lumber	8,654	9,047	6,779	-4.3	-9.5	27.7	10,501	10,237	7,874	2.6	-1.4	33.4	116,964	87,530	
4214	Prof. equip.	26,544	22,697	23,935	16.9	1.9	10.9	26,208	27,070	23,840	-3.2	1.0	9.9	274,342	252,820	
42143	Comp. equip.	13,241	10,277	11,069	28.8	0.9	19.6	8,365	8,758	7,270	-4.5	4.8	15.1	127,287	110,172	
4215	Metals	11,006	11,394	7,334	-3.4	-4.7	50.1	22,842	21,962	14,201	4.0	3.8	60.8	132,879	89,689	
4216	Electrical	20,716	21,248	17,926	-2.5	-0.3	15.6	23,703	24,070	21,572	-1.5	0.3	9.9	243,618	209,489	
4217	Hardware	5,730	6,112	5,182	-6.3	-3.2	10.6	11,732	11,384	10,140	3.1	0.3	15.7	72,703	66,446	
4218	Machinery	26,856	23,242	21,085	15.5	-3.1	27.4	48,919	48,394	43,244	1.1	1.5	13.1	277,898	230,401	
4219	Misc. Durable	18,849	20,752	14,871	-9.2	11.6	26.8	23,961	24,845	21,189	-3.6	-1.1	13.1	202,269	165,938	
422	Nondurable	147,935	144,498	135,901	2.4	0.2	8.9	129,801	127,395	124,327	1.9	1.9	4.4	1,673,206	1,515,955	
4221	Paper	7,086	7,136	6,625	-0.7	-0.8	7.0	7,726	7,472	6,711	3.4	-0.7	15.1	82,262	77,054	
4222	Drugs	26,783	25,967	24,668	3.1	3.9	8.6	31,140	30,764	31,612	1.2	-0.2	-1.5	290,800	260,884	
4223	Apparel	6,901	7,348	6,422	-6.1	-7.4	7.5	12,544	12,792	11,826	-1.9	-0.3	6.1	89,398	85,979	
4224	Groceries	37,447	36,998	35,085	1.2	1.9	6.7	23,833	24,472	22,951	-2.6	2.0	3.8	430,151	417,845	
4225	Farm products	12,195	12,032	13,935	1.4	1.3	-12.5	11,258	10,341	14,823	8.9	4.6	-24.1	136,848	125,355	
4226	Chemicals	5,864	5,965	5,072	-1.7	1.7	15.6	6,426	6,377	6,113	0.8	1.6	5.1	69,433	62,920	
4227	Petroleum	25,498	25,748	20,093	-1.0	-6.1	26.9	7,871	6,580	5,561	19.6	4.5	41.5	292,070	226,904	
4228	Alcohol	9,454	7,991	8,702	18.3	6.8	8.6	7,673	8,383	7,120	-8.5	1.4	7.8	88,899	84,488	
4229	Misc. Nondur.	16,707	15,313	15,299	9.1	0.9	9.2	21,330	20,214	17,610	5.5	5.7	21.1	193,345	174,526	

^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

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

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	1.3	1.6	1.3	1.6	0.4	0.3	0.8	0.8	1.2	1.1	0.6
421	Durable	1.2	1.6	1.2	1.6	0.6	0.3	1.3	0.9	1.1	1.1	1.0
4211	Automotive	3.3	4.0	3.3	4.0	1.1	0.7	1.2	1.6	3.2	3.1	0.8
4212	Furniture	7.5	9.8	7.5	9.7	1.8	1.0	2.8	3.4	7.4	6.4	1.9
4213	Lumber	6.9	8.0	6.4	7.4	1.4	1.1	5.0	8.0	7.1	4.2	4.5
4214	Prof. equip.	4.8	6.3	4.8	6.3	1.4	0.9	3.8	2.4	4.3	5.0	3.4
42143	Comp. equip.	8.9	11.1	8.6	10.8	2.5	1.8	5.1	3.0	8.9	8.2	4.7
4215	Metals	6.8	10.5	6.9	10.5	1.7	0.9	5.4	3.3	6.8	6.4	3.9
4216	Electrical	3.7	5.3	3.7	5.2	1.2	0.8	2.2	1.8	3.7	3.3	1.5
4217	Hardware	7.6	9.4	7.7	9.3	1.3	0.6	1.3	1.9	7.5	7.9	0.8
4218	Machinery	4.3	3.8	4.3	3.7	1.6	0.5	2.3	1.0	4.1	3.9	1.3
4219	Misc. Durable	4.0	7.8	4.0	7.9	1.4	0.9	2.8	2.5	3.7	3.9	2.0
422	Nondurable	2.1	2.4	2.1	2.4	0.5	0.4	1.0	1.0	1.9	1.7	0.7
4221	Paper	5.0	4.7	5.0	4.4	1.2	0.7	1.6	2.3	5.1	4.5	1.1
4222	Drugs	5.0	5.4	5.0	5.4	0.9	0.4	1.3	1.4	5.0	5.1	0.8
4223	Apparel	5.4	5.0	5.3	5.1	2.0	0.9	2.3	3.5	5.1	4.7	1.6
4224	Groceries	3.5	8.1	3.4	8.2	0.9	0.8	1.2	1.3	3.3	3.3	0.9
4225	Farm products	7.8	10.0	7.6	9.6	2.2	2.3	3.2	3.5	7.6	7.3	1.7
4226	Chemicals	4.8	6.8	4.8	6.9	1.1	0.9	1.8	2.1	4.8	4.4	1.1
4227	Petroleum	8.6	9.6	8.2	9.6	1.1	1.6	2.7	2.8	8.5	7.3	2.3
4228	Alcohol	4.5	5.3	4.5	5.3	1.1	0.7	1.0	1.2	4.4	4.2	0.6
4229	Misc. Nondur.	8.4	8.8	8.6	8.9	1.9	0.8	4.3	3.6	8.2	6.6	3.6

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.html.

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.]

NAICS code	Kind of Business	Sales						Inventories							
		2005	2004					2003	2005	2004					2003
		Jan.	Dec.r	Nov.r	Oct.	Sep.	Dec.r	Jan.	Dec.r	Nov.r	Oct.	Sep.	Dec.r		
42	U.S. Total ¹	0.912	1.018	1.000	1.010	1.017	1.019	1.013	1.009	1.009	1.009	0.991	1.008		
421	Durable	0.883	1.008	0.995	1.012	1.040	1.007	0.996	0.987	0.993	0.998	0.996	0.986		
4211	Automotive	0.870	1.041	1.008	1.012	0.965	1.035	1.005	0.991	1.009	1.003	0.978	0.993		
4212	Furniture	0.874	0.975	1.050	1.034	1.051	0.972	0.985	0.981	0.987	1.008	1.025	0.980		
4213	Lumber	0.822	0.840	0.916	1.023	1.073	0.838	0.989	0.954	0.960	0.965	0.983	0.953		
4214	Prof. equip.	0.902	1.108	0.967	0.972	1.098	1.104	1.000	0.988	1.014	1.016	1.002	0.988		
42143	Comp. equip.	0.915	1.150	0.919	0.965	1.139	1.147	0.990	0.991	1.020	1.011	0.992	0.988		
4215	Metals	0.918	0.895	0.938	0.999	1.024	0.887	1.003	1.015	0.992	0.987	0.997	1.013		
4216	Electrical	0.887	0.979	1.028	1.040	1.051	0.980	0.991	0.982	0.996	1.000	1.014	0.982		
4217	Hardware	0.883	0.907	0.985	1.028	1.019	0.913	0.988	0.990	0.978	0.987	1.000	0.988		
4218	Machinery	0.869	1.040	0.939	0.986	1.013	1.043	0.982	0.983	0.983	0.983	0.990	0.982		
4219	Misc. Durable	0.897	0.999	1.106	1.046	1.021	1.004	1.009	0.984	1.005	1.028	1.012	0.982		
422	Nondurable	0.938	1.028	1.003	1.008	1.003	1.033	1.044	1.046	1.035	1.025	0.983	1.045		
4221	Paper	0.935	1.006	1.003	1.018	1.044	1.016	0.999	1.024	1.005	1.010	0.995	1.022		
4222	Drugs	0.952	1.069	1.026	0.997	1.022	1.079	1.035	1.033	1.010	1.012	0.997	1.037		
4223	Apparel	0.877	0.869	0.985	1.071	1.103	0.863	1.023	0.990	0.969	0.999	1.037	0.989		
4224	Groceries	0.933	1.016	1.012	0.996	1.000	1.024	1.004	1.020	1.030	1.030	0.995	1.020		
4225	Farm products	1.050	1.147	1.139	1.076	0.931	1.170	1.233	1.198	1.201	1.099	0.780	1.207		
4226	Chemicals	0.956	0.950	0.963	0.985	1.012	0.949	0.996	1.013	0.999	0.995	0.994	1.010		
4227	Petroleum	0.973	0.994	0.951	1.009	0.962	0.981	1.083	1.152	1.013	0.996	1.011	1.139		
4228	Alcohol	0.734	1.236	1.052	0.996	0.988	1.219	0.965	0.936	1.048	1.060	1.023	0.934		
4229	Misc. Nondur.	0.923	1.001	0.931	0.932	1.003	1.016	1.065	1.069	1.040	1.015	0.972	1.065		

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>.