

U.S. Census Bureau News

U.S. Department of Commerce • Washington, D.C. 20233

FOR IMMEDIATE RELEASE THURSDAY, MARCH 10, 2005 AT 10:00 A.M. EST

Nancy Piesto/ Howard Krakower
Service Sector Statistics Division
(301) 763-2747

CB05-33

MONTHLY WHOLESALE TRADE: SALES AND INVENTORIES January 2005

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.

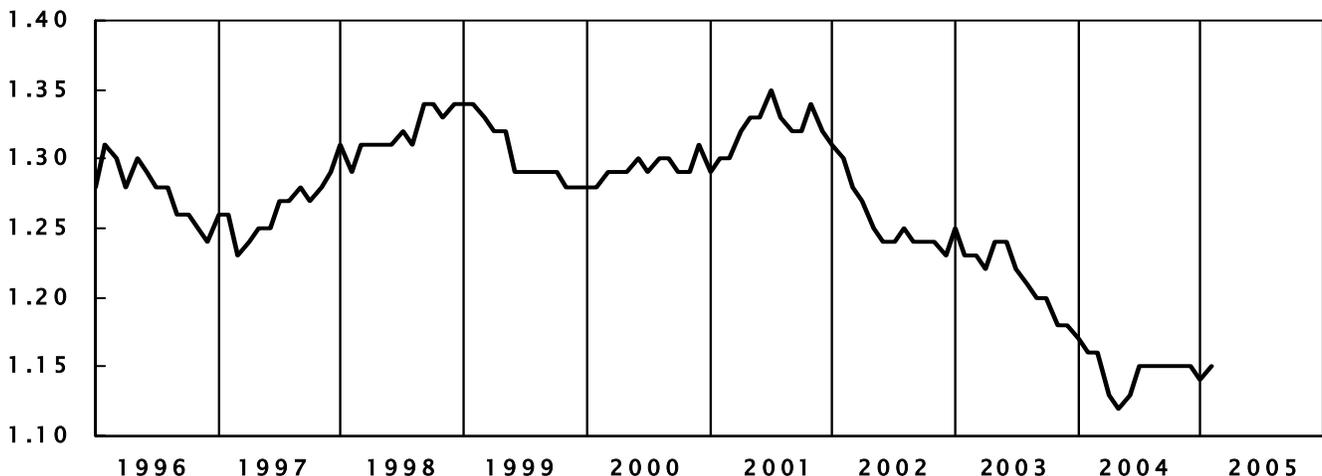
Sales. The U.S. Census Bureau announced today that January 2005 sales of merchant wholesalers, after adjustment for seasonal variations and trading-day differences but not for price changes, were \$288.8 billion, up 0.5 percent (+/-0.7%)* from the revised December level and were up 13.5 percent (+/-1.3%) from the January 2004 level. The December preliminary estimate was revised upward \$0.5 billion or 0.2 percent. January sales of durable goods decreased 0.1 percent (+/-1.0%)* from last month, but were up 17.5 percent (+/-2.1%) from a year ago. Compared to last month, sales of professional and commercial equipment and supplies decreased 3.5 percent, while sales of lumber and other construction materials increased 2.8 percent. January sales of nondurable goods were up 1.1 percent (+/-0.8%) from last month and were up 9.9 percent (+/-1.7%) from last year. Compared to last month, sales of drugs and druggists' sundries were up 5.9 percent.

Inventories. Total inventories of merchant wholesalers, after adjustment for seasonal variations but not for price changes, were \$331.9 billion at the end of January, up 1.1 percent (+/-0.5%) from last month and were up 12.3 percent (+/-3.3%) from a year ago. The December preliminary estimate was revised upward \$0.2 billion or 0.1 percent. End-of-month inventories of durable goods increased 1.3 percent (+/-0.5%) from December and were up 16.3 percent (+/-4.5%) from last January. Inventories of motor vehicle and motor vehicle parts and supplies increased 2.2 percent from last month and inventories of metals and minerals, except petroleum increased 2.2 percent. End-of-month inventories of nondurable goods increased 0.7 percent (+/-0.7%)* from December and were up 6.2 percent (+/-1.7%) compared to last January. Inventories of farm product raw materials increased 3.9 percent from last month and inventories of apparel, piece goods, and notions increased 2.5 percent.

Inventories/Sales Ratio. The January inventories/sales ratio for merchant wholesalers, based on seasonally adjusted data, was 1.15. The January 2004 ratio was 1.16.

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: 1996 to 2005 (Estimates adjusted for seasonal and trading-day differences, but not for price changes)



Monthly Wholesale Trade for February is scheduled to be released April 7, 2005 at 10:00 a.m. EST.

For information, visit the Census Bureau's Web site at <<http://www.census.gov/whl>>. This report is also available the day of issue through the Department of Commerce's STAT-USA (202-482-1986).

* The 90 percent confidence interval includes zero. The Census Bureau does not have sufficient statistical evidence to conclude that the actual change is different from zero.

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 Ratios		
		Monthly total			Percent change			Monthly total			Percent change			Ratios		
		Jan. 2005 (p)	Dec. 2004 (r)	Jan. 2004 (r)	Jan./ Dec.	Dec./ Nov.	Jan. 05/ Jan. 04	Jan. 2005 (p)	Dec. 2004 (r)	Jan. 2004 (r)	Jan./ Dec.	Dec./ Nov.	Jan. 05/ Jan. 04	Jan. 2005 (p)	Dec. 2004 (r)	Jan. 2004 (r)
Adjusted²																
42	U.S. Total	288,757	287,338	254,316	0.5	1.1	13.5	331,935	328,432	295,658	1.1	0.4	12.3	1.15	1.14	1.16
421	Durable	143,105	143,297	121,820	-0.1	2.4	17.5	206,616	203,990	177,602	1.3	0.3	16.3	1.44	1.42	1.46
4211	Automotive	20,290	20,220	18,267	0.3	1.9	11.1	28,214	27,604	26,269	2.2	-1.2	7.4	1.39	1.37	1.44
4212	Furniture	4,282	4,281	3,944	0.0	2.6	8.6	6,145	6,124	6,011	0.3	0.3	2.2	1.44	1.43	1.52
4213	Lumber	10,724	10,431	8,456	2.8	5.6	26.8	11,285	11,064	8,594	2.0	3.8	31.3	1.05	1.06	1.02
4214	Prof. equip.	22,973	23,807	22,576	-3.5	1.4	1.8	26,806	26,557	24,181	0.9	-0.5	10.9	1.17	1.12	1.07
42143	Comp. equip.	10,971	11,423	10,293	-4.0	2.1	6.6	8,507	8,457	7,231	0.6	-1.5	17.6	0.78	0.74	0.70
4215	Metals	12,466	12,373	8,694	0.8	1.9	43.4	22,949	22,453	14,573	2.2	1.4	57.5	1.84	1.81	1.68
4216	Electrical	21,743	21,268	18,611	2.2	2.9	16.8	24,325	24,220	21,808	0.4	0.2	11.5	1.12	1.14	1.17
4217	Hardware	6,426	6,346	5,698	1.3	2.3	12.8	11,824	11,748	10,267	0.6	0.9	15.2	1.84	1.85	1.80
4218	Machinery	25,751	25,848	20,449	-0.4	4.4	25.9	50,136	49,858	44,539	0.6	1.3	12.6	1.95	1.93	2.18
4219	Misc. Durable	18,450	18,723	15,125	-1.5	-0.2	22.0	24,932	24,362	21,360	2.3	-1.5	16.7	1.35	1.30	1.41
422	Nondurable	145,652	144,041	132,496	1.1	-0.2	9.9	125,319	124,442	118,056	0.7	0.5	6.2	0.86	0.86	0.89
4221	Paper	7,281	7,150	6,331	1.8	0.5	15.0	7,668	7,582	6,515	1.1	2.0	17.7	1.05	1.06	1.03
4222	Drugs	26,513	25,039	22,227	5.9	-1.1	19.3	29,819	30,040	29,708	-0.7	-1.4	0.4	1.12	1.20	1.34
4223	Apparel	7,622	7,862	7,230	-3.1	5.4	5.4	13,021	12,698	11,806	2.5	-3.8	10.3	1.71	1.62	1.63
4224	Groceries	36,721	36,864	35,023	-0.4	0.8	4.8	23,572	23,396	21,945	0.8	-1.5	7.4	0.64	0.63	0.63
4225	Farm products	10,330	10,604	11,794	-2.6	0.4	-12.4	9,735	9,369	12,677	3.9	8.8	-23.2	0.94	0.88	1.07
4226	Chemicals	6,314	6,224	5,480	1.4	0.5	15.2	6,499	6,376	5,761	1.9	-0.1	12.8	1.03	1.02	1.05
4227	Petroleum	26,181	25,814	21,922	1.4	-4.7	19.4	6,927	6,811	4,899	1.7	4.8	41.4	0.26	0.26	0.22
4228	Alcohol	7,733	7,647	7,295	1.1	0.7	6.0	8,282	8,185	7,576	1.2	2.3	9.3	1.07	1.07	1.04
4229	Misc. Nondur.	16,957	16,837	15,194	0.7	2.4	11.6	19,796	19,985	17,169	-0.9	2.8	15.3	1.17	1.19	1.13
													Sales to date			
													2005		2004	
42	U.S. Total	263,160	291,681	238,907	-9.8	2.9	10.2	336,451	330,898	300,441	1.7	0.4	12.0	263,160	238,907	
421	Durable	125,830	143,622	110,672	-12.4	3.4	13.7	205,895	201,201	176,817	2.3	-0.5	16.4	125,830	110,672	
4211	Automotive	17,673	21,130	16,440	-16.4	5.6	7.5	28,440	27,300	26,479	4.2	-3.2	7.4	17,673	16,440	
4212	Furniture	3,751	4,165	3,577	-9.9	-4.9	4.9	6,053	6,014	5,915	0.6	-0.2	2.3	3,751	3,577	
4213	Lumber	8,869	8,647	7,272	2.6	-4.4	22.0	11,172	10,500	8,508	6.4	2.6	31.3	8,869	7,272	
4214	Prof. equip.	20,285	26,473	20,499	-23.4	16.6	-1.0	26,860	26,238	24,205	2.4	-3.1	11.0	20,285	20,499	
42143	Comp. equip.	9,830	13,182	9,428	-25.4	28.3	4.3	8,430	8,389	7,151	0.5	-4.2	17.9	9,830	9,428	
4215	Metals	11,481	11,049	8,355	3.9	-3.0	37.4	23,018	22,812	14,602	0.9	3.9	57.6	11,481	8,355	
4216	Electrical	19,351	20,715	17,122	-6.6	-2.5	13.0	24,130	23,760	21,655	1.6	-1.3	11.4	19,351	17,122	
4217	Hardware	5,706	5,737	5,225	-0.5	-6.1	9.2	11,682	11,595	10,144	0.8	1.9	15.2	5,706	5,225	
4218	Machinery	22,275	26,908	18,343	-17.2	15.8	21.4	49,284	49,010	43,693	0.6	1.3	12.8	22,275	18,343	
4219	Misc. Durable	16,439	18,798	13,839	-12.5	-9.4	18.8	25,256	23,972	21,616	5.4	-3.5	16.8	16,439	13,839	
422	Nondurable	137,330	148,059	128,235	-7.2	2.5	7.1	130,556	129,697	123,624	0.7	1.8	5.6	137,330	128,235	
4221	Paper	6,881	7,186	6,122	-4.2	0.7	12.4	7,691	7,726	6,535	-0.5	3.4	17.7	6,881	6,122	
4222	Drugs	25,665	26,792	22,271	-4.2	3.2	15.2	30,684	31,151	30,778	-1.5	1.3	-0.3	25,665	22,271	
4223	Apparel	6,608	6,848	6,514	-3.5	-6.8	1.4	13,373	12,533	12,113	6.7	-2.0	10.4	6,608	6,514	
4224	Groceries	34,187	37,528	33,062	-8.9	1.4	3.4	23,713	23,794	22,077	-0.3	-2.8	7.4	34,187	33,062	
4225	Farm products	10,774	12,195	12,879	-11.7	1.4	-16.3	11,993	11,262	15,605	6.5	8.9	-23.1	10,774	12,879	
4226	Chemicals	6,080	5,894	5,480	3.2	-1.2	10.9	6,518	6,427	5,773	1.4	0.8	12.9	6,080	5,480	
4227	Petroleum	25,579	25,556	21,966	0.1	-0.7	16.4	7,516	7,819	5,252	-3.9	18.8	43.1	25,579	21,966	
4228	Alcohol	5,769	9,375	5,719	-38.5	17.3	0.9	8,025	7,661	7,326	4.8	-8.6	9.5	5,769	5,719	
4229	Misc. Nondur.	15,787	16,685	14,222	-5.4	9.0	11.0	21,043	21,324	18,165	-1.3	5.5	15.8	15,787	14,222	

^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	2.0	1.4	1.2	0.9
421	Durable	1.2	1.6	1.2	1.6	0.6	0.3	1.3	2.7	1.5	1.4	1.5
4211	Automotive	3.3	4.0	3.3	4.0	1.1	0.7	1.3	1.6	3.3	3.4	1.3
4212	Furniture	7.5	9.8	7.5	9.7	1.7	1.0	3.1	3.4	7.2	8.0	3.5
4213	Lumber	6.9	8.0	6.5	7.4	1.5	1.1	5.0	15.0	5.7	5.2	3.8
4214	Prof. equip.	4.5	6.3	4.8	6.3	1.4	1.0	3.8	2.4	4.3	5.3	3.3
42143	Comp. equip.	9.0	11.9	8.9	11.1	2.5	1.9	5.1	3.1	8.9	7.6	3.5
4215	Metals	6.8	10.6	6.9	10.5	1.7	0.9	5.6	3.3	6.5	6.2	5.5
4216	Electrical	3.8	5.3	3.7	5.3	1.2	0.8	2.1	1.8	4.2	3.9	1.9
4217	Hardware	7.5	9.3	7.6	9.3	1.3	0.6	1.3	1.9	7.0	7.8	2.1
4218	Machinery	4.4	3.9	4.3	3.8	1.6	0.5	2.5	1.0	4.4	3.9	3.1
4219	Misc. Durable	4.1	7.8	4.0	7.9	1.4	1.0	2.8	2.5	4.1	4.3	2.6
422	Nondurable	2.2	2.4	2.1	2.4	0.5	0.4	1.0	1.0	2.3	1.9	0.9
4221	Paper	5.0	5.0	5.0	4.7	1.2	0.7	1.7	2.6	6.5	4.8	2.1
4222	Drugs	5.0	5.4	5.0	5.4	1.0	0.5	1.3	1.4	5.2	5.0	1.1
4223	Apparel	5.5	5.0	5.3	5.1	2.0	0.9	2.2	3.5	5.6	4.9	2.1
4224	Groceries	3.5	8.1	3.5	8.1	0.9	0.8	1.2	1.3	3.9	3.4	1.2
4225	Farm products	8.0	10.0	7.8	9.6	2.2	2.3	3.2	3.5	8.2	6.7	2.0
4226	Chemicals	4.8	6.8	4.8	6.9	1.1	0.9	1.7	2.1	5.5	5.7	1.3
4227	Petroleum	8.9	9.6	8.6	9.6	1.1	1.6	2.9	2.8	9.8	7.9	3.1
4228	Alcohol	4.5	5.3	4.5	5.3	1.1	0.6	1.1	1.2	4.5	4.7	1.5
4229	Misc. Nondur.	8.4	8.8	8.5	8.9	1.9	0.8	4.1	3.6	7.9	7.7	2.9

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 sampling frame conducted under the same survey conditions. This error occurs because only a subset of the entire sampling frame is measured in a sample survey. Standard errors and coefficients of variation (CV), 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 statistical evidence to conclude at the 90 percent confidence level that the change is different from zero and therefore the change is not statistically significant. Estimated changes shown in the text are statistically significant unless otherwise noted. For a monthly total, 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 nonsampling error is not measured directly, the Census Bureau employs quality control procedures throughout the process to minimize this type of 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			2004	2005		2004			2004
		Feb.	Jan.r	Dec.r	Nov.	Oct.	Jan.r	Feb.	Jan.r	Dec.r	Nov.	Oct.	Jan.r
42	U.S. Total ¹	0.918	0.913	1.018	1.000	1.010	0.941	1.007	1.014	1.007	1.009	1.009	1.013
421	Durable	0.911	0.882	1.006	0.995	1.012	0.912	1.003	0.996	0.985	0.993	0.998	0.996
4211	Automotive	0.896	0.871	1.045	1.008	1.012	0.900	1.035	1.008	0.989	1.009	1.003	1.008
4212	Furniture	0.894	0.876	0.973	1.050	1.034	0.907	0.986	0.985	0.982	0.987	1.008	0.984
4213	Lumber	0.857	0.827	0.829	0.916	1.023	0.860	1.006	0.990	0.949	0.960	0.965	0.990
4214	Prof. equip.	0.892	0.883	1.112	0.967	0.972	0.908	0.997	1.002	0.988	1.014	1.016	1.001
42143	Comp. equip.	0.885	0.896	1.154	0.919	0.965	0.916	0.981	0.991	0.992	1.020	1.011	0.989
4215	Metals	0.947	0.921	0.893	0.938	0.999	0.961	1.002	1.003	1.016	0.992	0.987	1.002
4216	Electrical	0.910	0.890	0.974	1.028	1.040	0.920	0.989	0.992	0.981	0.996	1.000	0.993
4217	Hardware	0.890	0.888	0.904	0.985	1.028	0.917	1.004	0.988	0.987	0.978	0.987	0.988
4218	Machinery	0.888	0.865	1.041	0.939	0.986	0.897	0.999	0.983	0.983	0.983	0.983	0.981
4219	Misc. Durable	0.929	0.891	1.004	1.106	1.046	0.915	0.997	1.013	0.984	1.005	1.028	1.012
422	Nondurable	0.930	0.941	1.026	1.003	1.008	0.965	1.015	1.045	1.044	1.035	1.025	1.045
4221	Paper	0.916	0.945	1.005	1.003	1.018	0.967	0.991	1.003	1.019	1.005	1.010	1.003
4222	Drugs	0.920	0.968	1.070	1.026	0.997	1.002	0.984	1.029	1.037	1.010	1.012	1.036
4223	Apparel	1.020	0.867	0.871	0.985	1.071	0.901	0.997	1.027	0.987	0.969	0.999	1.026
4224	Groceries	0.904	0.931	1.018	1.012	0.996	0.944	0.987	1.006	1.017	1.030	1.030	1.006
4225	Farm products	0.971	1.043	1.150	1.139	1.076	1.092	1.192	1.232	1.202	1.201	1.099	1.231
4226	Chemicals	0.942	0.963	0.947	0.963	0.985	1.000	1.005	1.003	1.008	0.999	0.995	1.002
4227	Petroleum	0.951	0.977	0.990	0.951	1.009	1.002	1.033	1.085	1.148	1.013	0.996	1.072
4228	Alcohol	0.831	0.746	1.226	1.052	0.996	0.784	0.967	0.969	0.936	1.048	1.060	0.967
4229	Misc. Nondur.	0.954	0.931	0.991	0.931	0.932	0.936	1.043	1.063	1.067	1.040	1.015	1.058

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>.