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MONTHLY WHOLESALE TRADE: SALES AND INVENTORIES February 2005

Notice of Revised Wholesale Data: Monthly wholesale sales, inventories, and inventories/sales ratios were 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 were released on March 31, 2005 and can be found on our website at <http://www.census.gov/whl>. To be consistent with the 2002 Economic Census, we have started using the 2002 North American Industry Classification System (NAICS) codes with the revision on March 31. The industry coverage remains the same; however, the numerical codes assigned to each industry have changed.

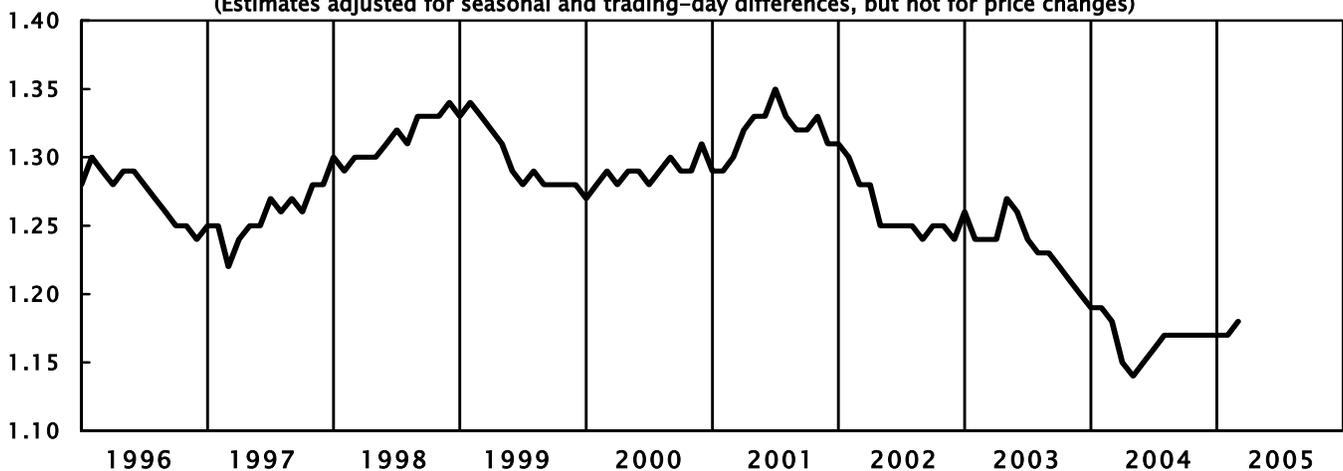
Sales. The U.S. Census Bureau announced today that February 2005 sales of merchant wholesalers, except manufacturers' sales branches and offices, after adjustment for seasonal variations and trading-day differences but not for price changes, were \$291.4 billion, down 0.4 percent (+/-0.7%)* from the revised January level and were up 10.6 percent (+/-1.3%) from the February 2004 level. The January preliminary estimate was revised downward \$0.1 billion or 0.1 percent. February sales of durable goods decreased 0.5 percent (+/-1.0%)* from last month, but were up 12.6 percent (+/-2.1%) from a year ago. Compared to last month, sales of electrical and electronic goods decreased 4.7 percent, while sales of motor vehicle and motor vehicle parts and supplies increased 2.6 percent. February sales of nondurable goods were down 0.2 percent (+/-0.8%)* from last month, but were up 8.6 percent (+/-1.7%) from last year.

Inventories. Total inventories of merchant wholesalers, except manufacturers' sales branches and offices, after adjustment for seasonal variations but not for price changes, were \$345.1 billion at the end of February, up 0.6 percent (+/-0.3%) from last month and were up 11.1 percent (+/-5.1%) from a year ago. The January preliminary estimate was virtually unchanged. End-of-month inventories of durable goods increased 0.6 percent (+/-0.5%) from January and were up 14.6 percent (+/-7.1%) from last February. Inventories of lumber and other construction materials increased 3.4 percent from last month and inventories of machinery, equipment, and supplies increased 1.2 percent. End-of-month inventories of nondurable goods increased 0.5 percent (+/-0.5%)* from January and were up 5.6 percent (+/-1.5%) compared to last February. Inventories of farm product raw materials increased 4.9 percent from last month and inventories of petroleum and petroleum products increased 2.9 percent.

Inventories/Sales Ratio. The February inventories/sales ratio for merchant wholesalers, except manufacturers' sales branches and offices, based on seasonally adjusted data, was 1.18. The February 2004 ratio was 1.18.

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/04-A Current Business Reports.

Monthly Inventories/Sales Ratios of Merchant Wholesalers, Except Manufacturers' Sales Branches and Offices: 1996 to 2005 (Estimates adjusted for seasonal and trading-day differences, but not for price changes)



Monthly Wholesale Trade for March is scheduled to be released May 9, 2005 at 10:00 a.m. EDT.

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, Except Manufacturers' Sales Branches and Offices

[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		
		Feb. 2005 (p)	Jan. 2005 (r)	Feb. 2004 (r)	Feb./ Jan.	Jan./ Dec.	Feb. 05/ Feb. 04	Feb. 2005 (p)	Jan. 2005 (r)	Feb. 2004 (r)	Feb./ Jan.	Jan./ Dec.	Feb. 05/ Feb. 04	Feb. 2005 (p)	Jan. 2005 (r)	Feb. 2004 (r)
Adjusted²																
42	U.S. Total	291,361	292,430	263,485	-0.4	0.3	10.6	345,110	343,126	310,581	0.6	1.0	11.1	1.18	1.17	1.18
423	Durable	147,602	148,383	131,078	-0.5	-0.6	12.6	218,686	217,363	190,854	0.6	1.2	14.6	1.48	1.46	1.46
4231	Automotive	23,901	23,299	22,343	2.6	0.4	7.0	32,781	32,852	31,225	-0.2	2.1	5.0	1.37	1.41	1.40
4232	Furniture	5,242	5,259	4,853	-0.3	-0.4	8.0	7,574	7,544	7,212	0.4	0.6	5.0	1.44	1.43	1.49
4233	Lumber	12,761	12,804	10,563	-0.3	1.9	20.8	14,520	14,043	10,988	3.4	2.7	32.1	1.14	1.10	1.04
4234	Prof. equip.	24,410	24,390	23,882	0.1	-3.8	2.2	28,550	28,790	26,499	-0.8	0.3	7.7	1.17	1.18	1.11
42343	Comp. equip.	13,805	13,873	12,943	-0.5	-4.6	6.7	10,782	10,837	9,416	-0.5	-1.0	14.5	0.78	0.78	0.73
4235	Metals	11,079	11,235	8,416	-1.4	0.2	31.6	20,443	20,431	13,552	0.1	2.2	50.8	1.85	1.82	1.61
4236	Electrical	21,588	22,656	20,099	-4.7	1.8	7.4	27,034	26,703	24,689	1.2	0.6	9.5	1.25	1.18	1.23
4237	Hardware	6,899	6,872	6,073	0.4	1.6	13.6	12,639	12,566	10,962	0.6	0.7	15.3	1.83	1.83	1.81
4238	Machinery	25,169	25,148	21,049	0.1	-2.6	19.6	52,421	51,806	46,555	1.2	0.5	12.6	2.08	2.06	2.21
4239	Misc. Durable	16,553	16,720	13,800	-1.0	-0.5	19.9	22,724	22,628	19,172	0.4	1.9	18.5	1.37	1.35	1.39
424	Nondurable	143,759	144,047	132,407	-0.2	1.3	8.6	126,424	125,763	119,727	0.5	0.7	5.6	0.88	0.87	0.90
4241	Paper	7,038	6,973	6,308	0.9	1.0	11.6	6,951	6,892	5,848	0.9	1.3	18.9	0.99	0.99	0.93
4242	Drugs	27,046	27,269	23,503	-0.8	5.6	15.1	28,587	29,108	30,425	-1.8	-1.8	-6.0	1.06	1.07	1.29
4243	Apparel	9,193	9,273	9,077	-0.9	-3.6	1.3	15,403	15,356	14,103	0.3	2.6	9.2	1.68	1.66	1.55
4244	Groceries	35,456	35,250	33,561	0.6	-0.1	5.6	23,116	23,000	21,633	0.5	0.4	6.9	0.65	0.65	0.64
4245	Farm products	9,496	9,658	11,185	-1.7	-2.3	-15.1	10,331	9,848	12,825	4.9	5.7	-19.4	1.09	1.02	1.15
4246	Chemicals	6,773	6,769	5,802	0.1	2.2	16.7	7,325	7,206	6,418	1.7	2.6	14.1	1.08	1.06	1.11
4247	Petroleum	25,064	25,334	21,746	-1.1	1.4	15.3	7,019	6,821	4,735	2.9	2.8	48.2	0.28	0.27	0.22
4248	Alcohol	7,475	7,481	6,823	-0.1	2.2	9.6	8,488	8,413	7,641	0.9	1.3	11.1	1.14	1.12	1.12
4249	Misc. Nondur.	16,218	16,040	14,402	1.1	1.9	12.6	19,204	19,119	16,099	0.4	-0.6	19.3	1.18	1.19	1.12
													Sales to date			
													2005		2004	
42	U.S. Total	266,467	266,885	244,470	-0.2	-9.8	9.0	347,919	347,016	313,298	0.3	1.7	11.1	533,352	486,876	
423	Durable	132,760	130,991	119,492	1.4	-12.6	11.1	219,515	216,234	191,498	1.5	2.3	14.6	263,751	235,143	
4231	Automotive	21,583	20,200	20,578	6.8	-16.6	4.9	33,830	33,082	32,224	2.3	4.1	5.0	41,783	39,404	
4232	Furniture	4,665	4,617	4,387	1.0	-9.7	6.3	7,468	7,423	7,104	0.6	0.8	5.1	9,282	8,777	
4233	Lumber	10,860	10,666	9,116	1.8	2.3	19.1	14,665	13,804	11,087	6.2	6.1	32.3	21,526	17,851	
4234	Prof. equip.	21,725	21,634	21,542	0.4	-23.4	0.8	28,379	28,905	26,367	-1.8	2.1	7.6	43,359	43,235	
42343	Comp. equip.	12,107	12,486	11,480	-3.0	-25.6	5.5	10,556	10,794	9,209	-2.2	-0.8	14.6	24,593	23,236	
4235	Metals	10,359	10,449	7,995	-0.9	4.1	29.6	20,504	20,574	13,566	-0.3	1.3	51.1	20,808	15,582	
4236	Electrical	19,516	20,232	18,471	-3.5	-7.1	5.7	26,737	26,409	24,417	1.2	1.5	9.5	39,748	36,484	
4237	Hardware	6,147	6,082	5,478	1.1	-0.5	12.2	12,690	12,390	10,995	2.4	0.8	15.4	12,229	11,049	
4238	Machinery	22,627	22,130	19,091	2.2	-18.0	18.5	52,473	50,770	46,508	3.4	0.3	12.8	44,757	37,493	
4239	Misc. Durable	15,278	14,981	12,834	2.0	-11.3	19.0	22,769	22,877	19,230	-0.5	5.1	18.4	30,259	25,268	
424	Nondurable	133,707	135,894	124,978	-1.6	-7.0	7.0	128,404	130,782	121,800	-1.8	0.7	5.4	269,601	251,733	
4241	Paper	6,454	6,555	5,829	-1.5	-5.2	10.7	6,902	6,885	5,807	0.2	-0.5	18.9	13,009	11,723	
4242	Drugs	24,828	26,342	21,834	-5.7	-4.7	13.7	27,987	30,301	29,847	-7.6	-1.5	-6.2	51,170	44,808	
4243	Apparel	9,303	8,142	9,277	14.3	-2.6	0.3	15,295	15,786	13,976	-3.1	6.4	9.4	17,445	17,227	
4244	Groceries	32,052	32,818	30,775	-2.3	-8.8	4.1	22,815	23,092	21,352	-1.2	-0.9	6.9	64,870	62,557	
4245	Farm products	9,230	10,247	10,961	-9.9	-10.9	-15.8	12,480	11,798	15,275	5.8	6.9	-18.3	19,477	23,107	
4246	Chemicals	6,373	6,491	5,500	-1.8	3.0	15.9	7,391	7,199	6,463	2.7	1.8	14.4	12,864	11,301	
4247	Petroleum	23,811	24,802	21,202	-4.0	0.3	12.3	7,335	7,339	4,915	-0.1	-3.8	49.2	48,613	42,567	
4248	Alcohol	6,249	5,596	5,745	11.7	-37.8	8.8	8,208	8,135	7,374	0.9	4.6	11.3	11,845	11,232	
4249	Misc. Nondur.	15,407	14,901	13,855	3.4	-5.1	11.2	19,991	20,247	16,791	-1.3	-1.3	19.1	30,308	27,211	

^p Preliminary estimate. ^r Revised estimate.

¹ For a full description of the NAICS codes used in this table, see the 2002 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	1.5	1.3	1.6	0.4	0.2	0.8	3.1	1.2	1.1	0.8
423	Durable	1.3	1.7	1.2	1.6	0.6	0.3	1.3	4.3	1.4	1.3	1.3
4231	Automotive	3.3	4.0	3.3	4.0	1.1	0.7	1.3	1.6	3.5	3.7	1.8
4232	Furniture	7.5	9.8	7.5	9.8	1.7	1.0	3.1	3.5	7.4	8.6	2.6
4233	Lumber	6.9	8.0	6.5	7.4	1.6	1.1	5.0	21.1	5.6	5.2	3.0
4234	Prof. equip.	4.8	6.3	4.6	6.3	1.4	1.0	3.8	2.4	4.7	5.4	3.3
42343	Comp. equip.	9.5	12.7	9.0	11.9	2.5	1.9	4.9	3.1	9.9	8.1	3.5
4235	Metals	6.7	10.6	6.9	10.6	1.7	0.8	5.6	3.6	6.0	6.0	3.8
4236	Electrical	4.0	5.4	3.8	5.3	1.2	0.7	2.1	1.7	4.1	3.9	1.6
4237	Hardware	7.4	9.3	7.5	9.3	1.3	0.6	1.4	1.9	7.0	7.6	1.4
4238	Machinery	4.4	4.0	4.4	3.9	1.6	0.5	2.5	1.0	4.4	3.9	2.4
4239	Misc. Durable	4.1	7.9	4.1	7.9	1.4	1.0	2.8	2.6	4.1	4.1	2.5
424	Nondurable	2.2	2.3	2.2	2.4	0.5	0.3	1.0	0.9	2.1	1.7	0.9
4241	Paper	5.5	5.1	5.0	4.9	1.2	0.7	1.8	2.7	6.5	4.9	2.0
4242	Drugs	5.0	5.4	5.0	5.4	1.0	0.4	1.3	1.4	5.0	5.0	1.0
4243	Apparel	5.6	5.0	5.5	5.1	2.1	0.9	2.2	3.5	5.6	5.0	2.2
4244	Groceries	3.5	7.6	3.5	8.1	0.9	0.8	1.2	1.3	3.8	3.3	1.1
4245	Farm products	7.8	10.0	8.0	9.6	2.1	2.2	3.2	3.4	7.4	7.5	1.9
4246	Chemicals	4.9	6.8	4.8	6.9	1.1	0.9	1.7	2.1	5.3	5.1	1.5
4247	Petroleum	9.2	9.6	8.9	9.6	1.1	1.6	2.9	2.8	9.6	8.1	2.4
4248	Alcohol	4.6	5.3	4.6	5.3	1.1	0.6	1.1	1.3	4.7	4.4	1.2
4249	Misc. Nondur.	8.3	9.0	8.3	9.0	2.0	0.9	4.0	3.6	7.7	7.6	3.1

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.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
		Mar.	Feb.r	Jan.r	Dec.	Nov.	Feb.r	Mar.	Feb.r	Jan.r	Dec.	Nov.	Feb.r
42	U.S. Total ¹	1.081	0.915	0.914	1.017	0.998	0.928	1.006	1.007	1.012	1.005	1.007	1.006
423	Durable	1.091	0.906	0.885	1.006	0.995	0.918	1.002	1.002	0.994	0.984	0.993	1.002
4231	Automotive	1.111	0.903	0.867	1.043	1.014	0.921	1.027	1.032	1.007	0.988	1.008	1.032
4232	Furniture	1.063	0.890	0.878	0.968	1.041	0.904	0.979	0.986	0.984	0.982	0.987	0.985
4233	Lumber	1.076	0.851	0.833	0.830	0.916	0.863	1.029	1.010	0.983	0.951	0.956	1.009
4234	Prof. equip.	1.115	0.890	0.887	1.114	0.976	0.902	0.981	0.994	1.004	0.986	1.016	0.995
42343	Comp. equip.	1.108	0.877	0.900	1.154	0.931	0.887	0.975	0.979	0.996	0.994	1.016	0.978
4235	Metals	1.090	0.935	0.930	0.895	0.937	0.950	1.001	1.003	1.007	1.016	0.992	1.001
4236	Electrical	1.070	0.904	0.893	0.979	1.023	0.919	0.982	0.989	0.989	0.980	0.995	0.989
4237	Hardware	1.084	0.891	0.885	0.903	0.981	0.902	1.012	1.004	0.986	0.985	0.978	1.003
4238	Machinery	1.093	0.899	0.880	1.045	0.948	0.907	1.012	1.001	0.980	0.982	0.982	0.999
4239	Misc. Durable	1.111	0.923	0.896	1.005	1.103	0.930	0.984	1.002	1.011	0.980	0.999	1.003
424	Nondurable	1.075	0.930	0.945	1.027	1.003	0.941	1.011	1.015	1.042	1.042	1.032	1.013
4241	Paper	1.071	0.917	0.940	1.002	0.996	0.924	0.991	0.993	0.999	1.018	1.005	0.993
4242	Drugs	1.086	0.918	0.966	1.070	1.018	0.929	1.009	0.979	1.041	1.038	1.014	0.981
4243	Apparel	1.177	1.012	0.878	0.869	0.990	1.022	0.956	0.993	1.028	0.992	0.967	0.991
4244	Groceries	1.049	0.904	0.931	1.020	1.012	0.917	0.997	0.987	1.004	1.017	1.029	0.987
4245	Farm products	1.068	0.972	1.061	1.164	1.140	0.980	1.161	1.208	1.198	1.184	1.136	1.191
4246	Chemicals	1.095	0.941	0.959	0.951	0.962	0.948	1.002	1.009	0.999	1.007	0.999	1.007
4247	Petroleum	1.036	0.950	0.979	0.990	0.946	0.975	0.994	1.045	1.076	1.149	1.013	1.038
4248	Alcohol	1.021	0.836	0.748	1.229	1.051	0.842	0.986	0.967	0.967	0.936	1.044	0.965
4249	Misc. Nondur.	1.097	0.950	0.929	0.997	0.926	0.962	1.021	1.041	1.059	1.066	1.042	1.043

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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 who sell goods on their own account and include such businesses as wholesale merchants or jobbers, industrial distributors, exporters, and importers. Sales offices and branches maintained by manufacturing, refining, or mining firms for the purpose of marketing their products are not covered in this report. Also excluded is NAICS Industry Group 4251: Wholesale Electronic Markets and Agents and Brokers.

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 31% of the total sales estimate and 33% 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>.