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MONTHLY WHOLESALE TRADE: SALES AND INVENTORIES May 2006

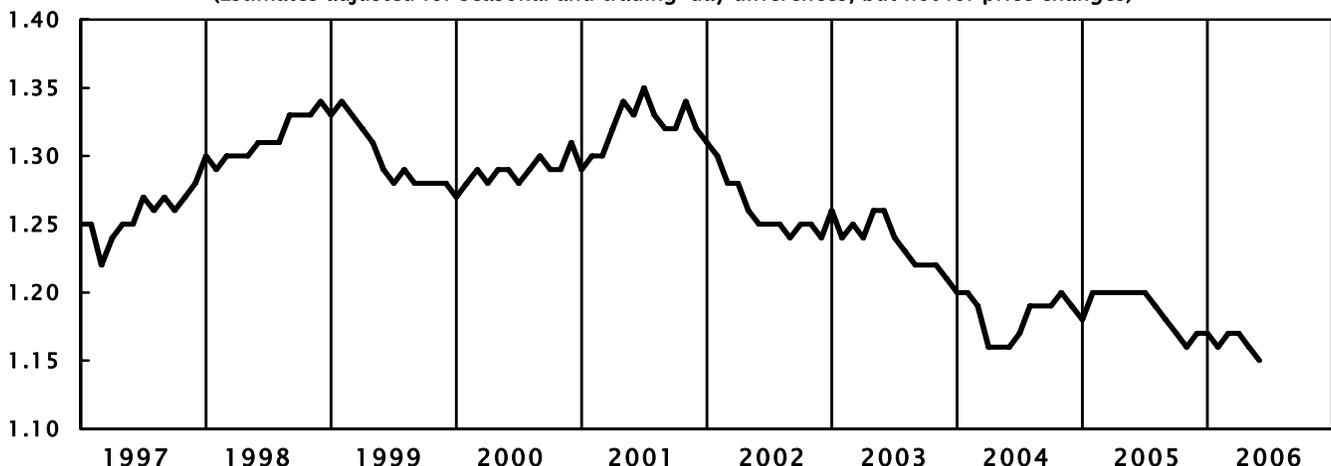
Sales. The U.S. Census Bureau announced today that May 2006 sales of merchant wholesalers, except manufacturers' sales branches and offices, after adjustment for seasonal variations and trading-day differences but not for price changes, were \$325.5 billion, up 1.6 percent (+/-0.5%) from the revised April level and were up 12.1 percent (+/-1.0%) from the May 2005 level. The April preliminary estimate was revised upward \$0.5 billion or 0.1 percent. May sales of durable goods increased 2.6 percent (+/-0.8%) from last month and were up 10.9 percent (+/-1.2%) from a year ago. Sales of metals and minerals, except petroleum, increased 4.6 percent from last month and sales of electrical and electrical goods increased 3.9 percent. May sales of nondurable goods increased 0.7 percent (+/-0.8%)* from last month and were up 13.3 percent (+/-1.5%) from last year. Sales of paper and paper products grew 3.3 percent from last month and sales of drugs and druggists' sundries increased 2.2 percent.

Inventories. Total inventories of merchant wholesalers, except manufacturers' sales branches and offices, after adjustment for seasonal variations but not for price changes, were \$375.8 billion at the end of May, up 0.8 percent (+/-0.3%) from last month and were up 7.8 percent (+/-1.0%) from a year ago. The April preliminary estimate was revised upward \$1.4 billion or 0.4 percent. End-of-month inventories of durable goods increased 0.8 percent (+/-0.5%) from April and were up 8.7 percent (+/-1.3%) from last May. Inventories of metals and minerals, except petroleum, increased 2.9 percent from last month and inventories of furniture and home furnishings were up 2.7 percent. End-of-month inventories of nondurable goods increased 0.9 percent (+/-0.5%) from April and were up 6.2 percent (+/-1.2%) compared to last May. Inventories of petroleum and petroleum products grew 7.1 percent from last month and inventories of farm product raw materials increased 3.5 percent.

Inventories/Sales Ratio. The May inventories/sales ratio for merchant wholesalers, except manufacturers' sales branches and offices, based on seasonally adjusted data, was 1.15. The May 2005 ratio was 1.20.

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/05-A Current Business Reports.

Monthly Inventories/Sales Ratios of Merchant Wholesalers, Except Manufacturers'
Sales Branches and Offices: 1997 to 2006
(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, 2006 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			Percent change			Monthly			Percent change			Ratios		
		May 2006 (p)	Apr. 2006 (r)	May 2005 (r)	May/Apr.	Apr./Mar.	May 06/May 05	May 2006 (p)	Apr. 2006 (r)	May 2005 (r)	May/Apr.	Apr./Mar.	May 06/May 05	May 2006 (p)	Apr. 2006 (r)	May 2005 (r)
Adjusted²																
42	U.S. Total	325,547	320,342	290,366	1.6	1.5	12.1	375,808	372,676	348,632	0.8	1.3	7.8	1.15	1.16	1.20
423	Durable	160,352	156,251	144,591	2.6	0.2	10.9	238,082	236,210	218,926	0.8	1.6	8.7	1.48	1.51	1.51
4231	Automotive	26,939	26,157	23,762	3.0	0.1	13.4	37,220	37,750	33,267	-1.4	3.5	11.9	1.38	1.44	1.40
4232	Furniture	5,572	5,504	4,990	1.2	0.1	11.7	7,975	7,763	7,606	2.7	-0.5	4.9	1.43	1.41	1.52
4233	Lumber	11,682	11,687	10,710	0.0	-1.5	9.1	16,009	15,978	14,565	0.2	1.6	9.9	1.37	1.37	1.36
4234	Prof. equip.	26,652	26,512	25,347	0.5	-2.4	5.1	30,554	29,938	28,624	2.1	0.8	6.7	1.15	1.13	1.13
42343	Comp. equip.	13,168	13,366	13,433	-1.5	-2.4	-2.0	10,765	10,489	10,290	2.6	-1.6	4.6	0.82	0.78	0.77
4235	Metals	12,589	12,034	10,984	4.6	0.8	14.6	20,458	19,884	20,046	2.9	4.5	2.1	1.63	1.65	1.83
4236	Electrical	23,660	22,771	21,834	3.9	-0.3	8.4	29,520	29,183	27,319	1.2	1.5	8.1	1.25	1.28	1.25
4237	Hardware	7,954	7,738	6,761	2.8	3.0	17.6	14,241	14,179	12,544	0.4	0.6	13.5	1.79	1.83	1.86
4238	Machinery	26,384	26,532	24,137	-0.6	0.5	9.3	60,242	59,600	53,131	1.1	1.2	13.4	2.28	2.25	2.20
4239	Misc. Durable	18,920	17,316	16,066	9.3	3.9	17.8	21,863	21,935	21,824	-0.3	-0.4	0.2	1.16	1.27	1.36
424	Nondurable	165,195	164,091	145,775	0.7	2.7	13.3	137,726	136,466	129,706	0.9	0.8	6.2	0.83	0.83	0.89
4241	Paper	8,161	7,901	7,269	3.3	-0.3	12.3	7,432	7,469	7,201	-0.5	0.4	3.2	0.91	0.95	0.99
4242	Drugs	30,941	30,277	26,672	2.2	0.5	16.0	29,663	29,645	29,620	0.1	0.9	0.1	0.96	0.98	1.11
4243	Apparel	10,028	10,123	9,750	-0.9	1.9	2.9	15,253	15,392	15,597	-0.9	-1.1	-2.2	1.52	1.52	1.60
4244	Groceries	36,413	36,794	35,450	-1.0	0.6	2.7	24,545	24,524	23,330	0.1	0.1	5.2	0.67	0.67	0.66
4245	Farm products	10,101	10,012	8,973	0.9	1.4	12.6	11,932	11,525	11,205	3.5	1.6	6.5	1.18	1.15	1.25
4246	Chemicals	7,700	7,541	7,165	2.1	-0.4	7.5	8,558	8,560	8,007	0.0	0.8	6.9	1.11	1.14	1.12
4247	Petroleum	35,464	35,060	25,578	1.2	7.8	38.7	10,926	10,201	8,037	7.1	3.8	35.9	0.31	0.29	0.31
4248	Alcohol	8,149	8,156	7,971	-0.1	2.0	2.2	9,519	9,382	8,586	1.5	1.4	10.9	1.17	1.15	1.08
4249	Misc. Nondur.	18,238	18,227	16,947	0.1	5.9	7.6	19,898	19,768	18,123	0.7	1.0	9.8	1.09	1.08	1.07
Not Adjusted																
Sales to date																
2006																
2005																
42	U.S. Total	338,673	309,090	293,194	9.6	-9.0	15.5	372,625	373,064	345,438	-0.1	0.8	7.9	1,567,260	1,414,786	
423	Durable	165,928	149,303	145,322	11.1	-12.1	14.2	239,054	238,044	219,756	0.4	2.2	8.8	768,367	701,716	
4231	Automotive	27,990	25,686	23,976	9.0	-11.2	16.7	37,108	38,392	33,167	-3.3	3.8	11.9	130,867	116,254	
4232	Furniture	5,695	5,168	4,990	10.2	-10.8	14.1	7,959	7,584	7,591	4.9	-0.6	4.8	26,637	23,809	
4233	Lumber	12,546	11,430	11,181	9.8	-9.6	12.2	16,697	16,649	15,162	0.3	2.1	10.1	58,509	52,842	
4234	Prof. equip.	26,226	23,728	24,232	10.5	-21.0	8.2	30,065	29,669	28,137	1.3	2.4	6.9	126,840	118,526	
42343	Comp. equip.	12,799	11,896	12,614	7.6	-21.2	1.5	10,507	10,489	10,064	0.2	0.4	4.4	63,438	62,359	
4235	Metals	13,445	11,890	11,434	13.1	-8.2	17.6	20,683	20,003	20,226	3.4	4.6	2.3	60,649	55,752	
4236	Electrical	24,157	21,291	21,637	13.5	-13.1	11.6	29,638	29,154	27,456	1.7	3.1	7.9	111,695	105,252	
4237	Hardware	8,479	7,475	7,025	13.4	-4.8	20.7	14,426	14,349	12,720	0.5	0.1	13.4	37,313	33,133	
4238	Machinery	28,205	26,081	25,151	8.1	-9.6	12.1	60,965	60,375	53,822	1.0	1.5	13.3	130,546	115,853	
4239	Misc. Durable	19,185	16,554	15,696	15.9	-9.8	22.2	21,513	21,869	21,475	-1.6	0.7	0.2	85,311	80,295	
424	Nondurable	172,745	159,787	147,872	8.1	-5.9	16.8	133,571	135,020	125,682	-1.1	-1.6	6.3	798,893	713,070	
4241	Paper	8,373	7,285	7,182	14.9	-14.3	16.6	7,425	7,417	7,215	0.1	2.0	2.9	38,941	35,070	
4242	Drugs	31,776	28,430	26,379	11.8	-12.9	20.5	28,803	29,556	28,672	-2.5	-1.5	0.5	149,443	130,525	
4243	Apparel	9,637	9,151	8,970	5.3	-17.4	7.4	14,780	14,653	15,098	0.9	-1.2	-2.1	49,304	45,749	
4244	Groceries	38,671	35,653	36,762	8.5	-6.6	5.2	24,103	24,254	22,910	-0.6	-0.5	5.2	180,414	171,925	
4245	Farm products	10,121	9,481	8,578	6.8	-9.4	18.0	11,049	11,928	10,275	-7.4	-9.3	7.5	48,689	45,452	
4246	Chemicals	8,047	7,239	7,194	11.2	-11.9	11.9	8,644	8,620	8,087	0.3	1.1	6.9	37,835	35,256	
4247	Petroleum	36,634	35,165	25,911	4.2	2.7	41.4	10,107	9,252	7,442	9.2	-6.0	35.8	165,109	127,635	
4248	Alcohol	9,005	7,479	8,441	20.4	-7.6	6.7	9,538	9,513	8,603	0.3	4.4	10.9	37,519	35,665	
4249	Misc. Nondur.	20,481	19,904	18,455	2.9	8.6	11.0	19,122	19,827	17,380	-3.6	-1.2	10.0	91,639	85,793	

^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/mwts/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	1.5	1.6	1.5	1.6	0.3	0.2	0.6	0.6	1.5	1.4	0.4
423	Durable	1.4	1.9	1.4	1.9	0.5	0.3	0.7	0.8	1.4	1.4	0.4
4231	Automotive	3.2	4.5	3.2	4.6	1.0	0.8	1.6	1.9	3.1	3.2	1.4
4232	Furniture	7.3	9.9	7.4	10.0	1.7	0.6	2.5	1.6	7.0	7.0	2.1
4233	Lumber	5.8	7.2	5.8	7.2	1.3	0.7	1.8	2.1	5.7	5.8	1.3
4234	Prof. equip.	4.2	6.4	4.2	6.4	1.2	0.5	2.5	2.3	4.3	4.7	1.8
42343	Comp. equip.	8.9	10.4	9.0	10.4	1.8	0.9	4.0	3.5	9.0	10.1	2.2
4235	Metals	6.6	11.3	6.6	11.3	1.5	0.8	2.5	2.2	6.4	6.6	1.4
4236	Electrical	4.3	7.2	4.2	7.2	1.3	0.7	1.7	1.6	4.3	4.8	1.2
4237	Hardware	6.9	8.7	6.9	8.7	1.3	0.5	1.9	2.3	7.0	6.7	1.4
4238	Machinery	5.1	4.4	5.1	4.3	1.5	0.5	2.1	1.2	5.1	4.6	1.0
4239	Misc. Durable	4.4	7.8	4.4	7.8	1.7	0.6	2.7	1.8	4.6	4.2	2.4
424	Nondurable	2.6	2.4	2.6	2.4	0.5	0.3	0.9	0.7	2.6	2.3	0.7
4241	Paper	6.5	6.1	6.5	5.9	1.2	0.6	1.7	1.5	6.5	5.5	1.1
4242	Drugs	6.0	5.7	5.9	5.7	0.9	0.5	1.5	0.8	6.2	5.3	1.3
4243	Apparel	6.8	5.2	6.8	5.2	1.5	0.7	2.7	1.9	6.9	5.5	2.1
4244	Groceries	4.1	7.3	4.1	7.3	0.8	0.8	1.4	1.7	4.5	4.4	0.9
4245	Farm products	7.1	8.9	7.0	9.3	2.0	1.7	2.1	3.1	6.9	6.9	1.5
4246	Chemicals	5.0	5.6	5.0	5.7	1.0	0.5	2.0	1.5	5.2	5.1	1.4
4247	Petroleum	10.2	11.6	10.0	11.7	0.8	1.3	1.8	2.8	9.9	9.9	1.5
4248	Alcohol	5.8	5.6	5.8	5.6	1.2	0.7	2.0	1.3	6.1	5.6	1.4
4249	Misc. Nondur.	8.0	9.3	8.0	9.3	1.8	0.9	2.4	2.1	9.1	9.6	2.1

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 <http://www.census.gov/mwts/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					
		2006					2005	2006					2005
		Jun.	May r	Apr.r	Mar.	Feb.	May r	Jun.	May r	Apr.r	Mar.	Feb.	May r
42	U.S. Total ¹	1.040	1.041	0.962	1.072	0.915	1.011	0.993	0.991	1.003	1.005	1.009	0.990
423	Durable	1.064	1.033	0.955	1.086	0.907	1.004	1.004	1.003	1.009	1.001	1.006	1.003
4231	Automotive	1.055	1.039	0.982	1.107	0.912	1.009	1.000	0.997	1.017	1.014	1.036	0.997
4232	Furniture	1.053	1.022	0.939	1.054	0.898	1.000	1.005	0.998	0.977	0.978	0.988	0.998
4233	Lumber	1.087	1.074	0.978	1.066	0.884	1.044	1.028	1.043	1.042	1.037	1.028	1.041
4234	Prof. equip.	1.083	0.984	0.895	1.106	0.877	0.956	0.995	0.984	0.991	0.975	0.997	0.983
42343	Comp. equip.	1.097	0.972	0.890	1.102	0.874	0.939	0.994	0.976	1.000	0.980	0.986	0.978
4235	Metals	1.071	1.068	0.988	1.085	0.944	1.041	1.005	1.011	1.006	1.005	1.003	1.009
4236	Electrical	1.052	1.021	0.935	1.072	0.907	0.991	1.008	1.004	0.999	0.983	0.989	1.005
4237	Hardware	1.104	1.066	0.966	1.045	0.907	1.039	1.008	1.013	1.012	1.017	1.012	1.014
4238	Machinery	1.082	1.069	0.983	1.093	0.897	1.042	1.019	1.012	1.013	1.010	0.996	1.013
4239	Misc. Durable	1.007	1.014	0.956	1.102	0.936	0.977	0.976	0.984	0.997	0.986	0.999	0.984
424	Nondurable	1.014	1.046	0.972	1.063	0.926	1.014	0.975	0.970	0.990	1.013	1.015	0.968
4241	Paper	1.033	1.026	0.922	1.073	0.919	0.988	1.001	0.999	0.993	0.978	0.990	1.002
4242	Drugs	1.019	1.027	0.939	1.083	0.930	0.989	0.997	0.971	0.997	1.021	0.986	0.968
4243	Apparel	0.992	0.961	0.904	1.115	0.994	0.920	1.014	0.969	0.952	0.953	0.984	0.968
4244	Groceries	1.021	1.062	0.969	1.044	0.906	1.037	0.978	0.982	0.989	0.995	0.992	0.982
4245	Farm products	0.924	1.002	0.947	1.059	0.965	0.956	0.880	0.926	1.035	1.159	1.203	0.917
4246	Chemicals	1.062	1.045	0.960	1.086	0.936	1.004	1.005	1.010	1.007	1.004	1.004	1.010
4247	Petroleum	0.994	1.033	1.003	1.053	0.915	1.013	0.963	0.925	0.907	1.002	1.042	0.926
4248	Alcohol	1.116	1.105	0.917	1.012	0.830	1.059	1.013	1.002	1.014	0.985	0.963	1.002
4249	Misc. Nondur.	1.009	1.123	1.092	1.065	0.952	1.089	0.955	0.961	1.003	1.025	1.036	0.959

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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>.