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MONTHLY WHOLESALE TRADE: SALES AND INVENTORIES October 2006

Notice of Sample Revision: A new sample was introduced effective with the restated [preliminary September 2006](#) estimates that were released on November 21, 2006. This release, and all subsequent monthly wholesale estimates, will be based on this new sample. For more detailed information please visit <http://www.census.gov/whl>.

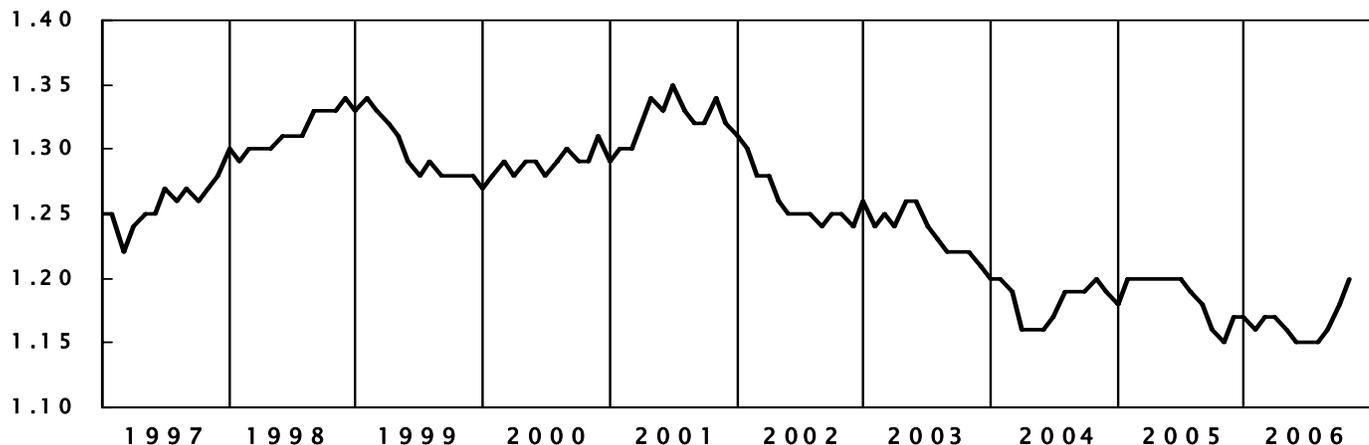
Sales. The U.S. Census Bureau announced today that October 2006 sales of merchant wholesalers, except manufacturers' sales branches and offices, after adjustment for seasonal variations and trading-day differences but not for price changes, were \$327.8 billion, down 0.5 percent (+/-0.7%)* from the revised September level, but were up 5.9 percent (+/-1.2%) from the October 2005 level. The September preliminary estimate was revised downward \$2.2 billion or 0.7 percent. October sales of durable goods decreased 0.4 percent (+/-0.8%)* from last month, but were up 6.3 percent (+/-1.8%) from a year ago. Compared to last month, sales of machinery, equipment and supplies were down 3.3 percent, while sales of motor vehicle and motor vehicle parts and supplies, increased 2.5 percent. October sales of nondurable goods were down 0.6 percent (+/-0.8%)* from last month, but were up 5.5 percent (+/-2.1%) from last year. Compared to last month, sales of petroleum and petroleum products decreased 5.1 percent.

Inventories. Total inventories of merchant wholesalers, except manufacturers' sales branches and offices, after adjustment for seasonal variations but not for price changes, were \$392.9 billion at the end of October, up 0.8 percent (+/-0.3%) from last month and were up 10.1 percent (+/-1.7%) from a year ago. The September preliminary estimate was revised downward \$0.8 billion or 0.2 percent. End-of-month inventories of durable goods increased 0.7 percent (+/-0.3%) from September and were up 11.0 percent (+/-2.1%) from last October. Compared to last month, inventories of electrical and electronic goods increased 2.8 percent. End-of-month inventories of nondurable goods increased 0.9 percent (+/-0.5%) from September and were up 8.4 percent (+/-3.5%) compared to last October. Inventories of farm product raw materials increased 23.2 percent from last month.

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

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 November is scheduled to be released January 10, 2007 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, 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		
		Oct. 2006 (p)	Sep. 2006 (r)	Oct. 2005 (r)	Oct./Sep.	Sep./Aug.	Oct. 06/ Oct. 05	Oct. 2006 (p)	Sep. 2006 (r)	Oct. 2005 (r)	Oct./Sep.	Sep./Aug.	Oct. 06/ Oct. 05	Oct. 2006 (p)	Sep. 2006 (r)	Oct. 2005 (r)
Adjusted²																
42	U.S. Total	327,784	329,432	309,534	-0.5	-1.5	5.9	392,924	389,874	356,974	0.8	0.7	10.1	1.20	1.18	1.15
423	Durable	161,233	161,873	151,701	-0.4	-0.7	6.3	250,223	248,464	225,376	0.7	1.5	11.0	1.55	1.53	1.49
4231	Automotive	27,245	26,577	25,316	2.5	-1.1	7.6	37,792	37,459	34,737	0.9	2.1	8.8	1.39	1.41	1.37
4232	Furniture	5,855	5,802	5,293	0.9	2.6	10.6	8,273	8,268	7,836	0.1	1.3	5.6	1.41	1.43	1.48
4233	Lumber	10,354	10,617	11,634	-2.5	-6.2	-11.0	16,792	16,773	14,686	0.1	0.3	14.3	1.62	1.58	1.26
4234	Prof. equip.	27,905	27,544	26,110	1.3	1.6	6.9	31,885	31,719	29,187	0.5	1.8	9.2	1.14	1.15	1.12
42343	Comp. equip.	14,635	14,490	13,338	1.0	5.5	9.7	11,484	11,222	10,681	2.3	4.0	7.5	0.78	0.77	0.80
4235	Metals	13,106	13,154	11,589	-0.4	1.9	13.1	24,022	23,701	18,723	1.4	3.3	28.3	1.83	1.80	1.62
4236	Electrical	24,797	25,080	22,536	-1.1	0.2	10.0	31,940	31,085	27,953	2.8	1.9	14.3	1.29	1.24	1.24
4237	Hardware	7,390	7,538	7,497	-2.0	-5.0	-1.4	14,653	14,726	13,224	-0.5	-0.6	10.8	1.98	1.95	1.76
4238	Machinery	26,612	27,533	25,380	-3.3	-0.7	4.9	63,682	63,076	56,698	1.0	1.8	12.3	2.39	2.29	2.23
4239	Misc. Durable	17,969	18,028	16,346	-0.3	-2.4	9.9	21,184	21,657	22,332	-2.2	-0.8	-5.1	1.18	1.20	1.37
424	Nondurable	166,551	167,559	157,833	-0.6	-2.3	5.5	142,701	141,410	131,598	0.9	-0.7	8.4	0.86	0.84	0.83
4241	Paper	8,038	7,840	7,653	2.5	-1.6	5.0	7,656	7,585	7,291	0.9	2.1	5.0	0.95	0.97	0.95
4242	Drugs	31,330	30,528	28,187	2.6	-3.9	11.2	30,281	31,107	28,297	-2.7	-4.5	7.0	0.97	1.02	1.00
4243	Apparel	11,254	10,975	9,965	2.5	1.3	12.9	15,740	15,861	16,023	-0.8	0.4	-1.8	1.40	1.45	1.61
4244	Groceries	37,986	38,305	35,565	-0.8	0.4	6.8	26,115	26,344	23,712	-0.9	1.3	10.1	0.69	0.69	0.67
4245	Farm products	10,678	10,643	9,025	0.3	1.6	18.3	15,219	12,357	11,254	23.2	-2.7	35.2	1.43	1.16	1.25
4246	Chemicals	8,034	8,065	7,528	-0.4	0.3	6.7	8,566	8,715	8,216	-1.7	-0.1	4.3	1.07	1.08	1.09
4247	Petroleum	32,449	34,183	34,050	-5.1	-8.5	-4.7	10,302	10,409	9,373	-1.0	2.2	9.9	0.32	0.30	0.28
4248	Alcohol	8,626	8,632	8,050	-0.1	2.5	7.2	9,399	9,505	9,062	-1.1	0.7	3.7	1.09	1.10	1.13
4249	Misc. Nondur.	18,156	18,388	17,810	-1.3	-0.5	1.9	19,423	19,527	18,370	-0.5	-0.3	5.7	1.07	1.06	1.03
													Sales to date			
													2006		2005	
42	U.S. Total	341,344	328,253	312,923	4.0	-6.7	9.1	393,996	387,873	358,252	1.6	1.1	10.0	3,250,976	2,938,324	
423	Durable	168,876	163,279	153,798	3.4	-4.7	9.8	250,129	247,297	225,246	1.1	1.0	11.0	1,596,103	1,458,260	
4231	Automotive	28,362	25,115	25,417	12.9	-10.5	11.6	38,019	36,373	34,945	4.5	4.6	8.8	265,692	241,932	
4232	Furniture	6,359	5,953	5,563	6.8	-3.0	14.3	8,422	8,466	7,961	-0.5	0.4	5.8	56,343	50,600	
4233	Lumber	10,685	10,691	11,646	-0.1	-16.3	-8.3	15,919	16,421	13,952	-3.1	-1.2	14.1	116,813	111,512	
4234	Prof. equip.	28,603	29,885	26,006	-4.3	8.1	10.0	32,873	31,846	30,033	3.2	1.2	9.5	267,011	251,352	
42343	Comp. equip.	14,825	16,432	13,205	-9.8	18.9	12.3	11,897	11,166	11,012	6.5	4.2	8.0	136,365	131,524	
4235	Metals	13,617	12,957	11,554	5.1	-6.2	17.9	23,806	23,725	18,517	0.3	3.3	28.6	127,798	111,814	
4236	Electrical	26,781	26,083	23,618	2.7	-2.2	13.4	32,004	31,551	28,009	1.4	1.1	14.3	239,141	219,739	
4237	Hardware	7,811	7,432	7,669	5.1	-13.5	1.9	14,433	14,638	13,012	-1.4	-1.3	10.9	77,240	69,994	
4238	Machinery	27,251	27,478	24,949	-0.8	-5.5	9.2	62,918	62,382	55,904	0.9	-0.4	12.5	269,045	241,924	
4239	Misc. Durable	19,407	17,685	17,376	9.7	-4.5	11.7	21,735	21,895	22,913	-0.7	0.4	-5.1	177,020	159,393	
424	Nondurable	172,468	164,974	159,125	4.5	-8.7	8.4	143,867	140,576	133,006	2.3	1.3	8.2	1,654,873	1,480,064	
4241	Paper	8,504	7,934	7,829	7.2	-7.1	8.6	7,694	7,608	7,313	1.1	2.2	5.2	79,702	73,423	
4242	Drugs	32,333	29,887	27,933	8.2	-7.5	15.8	30,432	31,667	28,552	-3.9	0.0	6.6	305,014	267,891	
4243	Apparel	12,773	11,425	10,862	11.8	-7.0	17.6	15,992	16,654	16,263	-4.0	-0.2	-1.7	107,192	97,016	
4244	Groceries	38,746	37,577	35,850	3.1	-6.1	8.1	26,898	26,607	24,400	1.1	3.0	10.2	371,093	351,562	
4245	Farm products	12,258	9,706	9,919	26.3	2.9	23.6	15,280	10,083	11,423	51.5	-2.7	33.8	98,637	87,652	
4246	Chemicals	8,138	8,000	7,423	1.7	-7.5	9.6	8,463	8,637	8,134	-2.0	-0.8	4.0	78,765	72,877	
4247	Petroleum	33,422	34,627	34,391	-3.5	-15.3	-2.8	9,952	10,576	9,082	-5.9	4.1	9.6	350,279	283,135	
4248	Alcohol	8,919	8,313	7,945	7.3	-10.9	12.3	9,888	9,705	9,524	1.9	3.4	3.8	81,523	76,895	
4249	Misc. Nondur.	17,375	17,505	16,973	-0.7	-9.0	2.4	19,268	19,039	18,315	1.2	2.8	5.2	182,668	169,613	

^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	0.9	1.3	0.9	1.3	0.4	0.2	0.7	1.0	0.9	0.6	0.7
423	Durable	1.5	1.7	1.5	1.6	0.5	0.2	1.1	1.3	1.5	1.3	1.2
4231	Automotive	2.7	4.9	2.5	4.9	1.1	0.6	1.9	6.2	2.5	1.8	1.7
4232	Furniture	3.2	4.5	3.3	4.5	1.6	0.8	3.2	6.3	3.0	3.8	3.6
4233	Lumber	4.3	8.0	4.1	7.7	0.8	0.7	2.7	7.3	4.1	6.0	3.5
4234	Prof. equip.	3.4	4.3	3.2	4.2	1.4	0.7	2.3	3.6	3.4	2.8	2.2
42343	Comp. equip.	5.4	5.7	5.0	5.6	2.4	1.1	4.7	7.6	5.0	4.0	4.5
4235	Metals	3.6	5.5	3.5	5.5	1.0	0.5	2.9	5.4	3.3	2.4	3.2
4236	Electrical	3.0	2.6	3.2	2.6	1.0	0.4	3.3	2.4	2.7	1.7	3.5
4237	Hardware	4.5	4.8	4.5	4.8	1.3	0.7	5.0	4.6	4.3	3.0	5.2
4238	Machinery	3.0	2.5	3.0	2.4	1.4	0.7	2.7	3.2	3.0	2.5	3.0
4239	Misc. Durable	4.6	5.3	4.5	5.3	1.6	0.6	5.4	3.7	4.4	2.7	6.4
424	Nondurable	1.3	1.9	1.3	1.9	0.5	0.3	1.3	2.1	1.3	1.0	1.5
4241	Paper	6.4	5.4	6.0	5.1	1.5	0.9	4.5	3.2	5.9	3.8	4.7
4242	Drugs	2.9	4.9	2.9	4.9	1.0	0.5	2.7	6.1	2.7	2.1	2.5
4243	Apparel	4.3	5.0	4.2	4.9	2.3	1.2	3.2	3.7	3.7	4.1	2.9
4244	Groceries	3.5	6.1	3.5	6.0	1.3	0.7	2.1	6.5	3.4	3.3	2.5
4245	Farm products	5.3	8.0	4.8	8.6	1.7	1.4	4.4	4.5	4.8	4.5	4.6
4246	Chemicals	6.7	6.2	6.7	6.2	1.3	0.6	6.7	7.5	6.6	4.9	7.9
4247	Petroleum	3.3	3.8	3.2	3.6	1.1	1.0	4.0	5.1	3.1	2.5	4.5
4248	Alcohol	7.6	3.7	7.6	3.8	1.2	1.0	2.1	3.1	7.5	7.8	1.8
4249	Misc. Nondur.	4.5	5.6	4.4	5.5	1.0	0.7	3.9	5.7	4.3	1.9	4.3

Note: Estimated measures of sampling variability are based on estimates not adjusted for seasonal variation or trading-day differences and are derived from estimates for the period July 2006 to present. 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
		Nov.	Oct.r	Sep.r	Aug.	Jul.	Oct.r	Nov.	Oct.r	Sep.r	Aug.	Jul.	Oct.r
42	U.S. Total ¹	0.993	1.041	0.997	1.055	0.957	1.012	1.005	1.006	0.994	0.990	0.998	1.006
423	Durable	0.990	1.050	1.009	1.055	0.954	1.015	0.994	0.999	0.995	0.999	1.012	0.998
4231	Automotive	0.997	1.041	0.945	1.044	0.954	1.004	1.011	1.006	0.971	0.948	1.009	1.006
4232	Furniture	1.029	1.086	1.026	1.086	0.967	1.051	0.993	1.018	1.024	1.033	1.023	1.016
4233	Lumber	0.929	1.032	1.007	1.128	1.000	1.001	0.942	0.948	0.979	0.994	1.014	0.950
4234	Prof. equip.	0.994	1.025	1.085	1.020	0.934	0.996	1.020	1.031	1.004	1.010	1.013	1.029
42343	Comp. equip.	0.955	1.013	1.134	1.006	0.943	0.990	1.035	1.036	0.995	0.993	1.014	1.031
4235	Metals	0.942	1.039	0.985	1.071	0.970	0.997	0.991	0.991	1.001	1.001	1.008	0.989
4236	Electrical	1.017	1.080	1.040	1.065	0.957	1.048	0.995	1.002	1.015	1.023	1.027	1.002
4237	Hardware	0.976	1.057	0.986	1.083	0.966	1.023	0.977	0.985	0.994	1.001	1.005	0.984
4238	Machinery	0.927	1.024	0.998	1.049	0.953	0.983	0.991	0.988	0.989	1.011	1.020	0.986
4239	Misc. Durable	1.093	1.080	0.981	1.002	0.912	1.063	1.004	1.026	1.011	0.999	0.993	1.026
424	Nondurable	0.995	1.039	0.982	1.053	0.959	1.015	1.022	1.013	0.988	0.977	0.972	1.015
4241	Paper	0.998	1.058	1.012	1.072	0.936	1.023	1.015	1.005	1.003	1.002	0.997	1.003
4242	Drugs	1.013	1.032	0.979	1.017	0.923	0.991	1.008	1.005	1.018	0.972	0.976	1.009
4243	Apparel	0.998	1.135	1.041	1.134	0.982	1.090	0.976	1.016	1.050	1.056	1.042	1.015
4244	Groceries	1.014	1.020	0.981	1.049	0.995	1.008	1.037	1.030	1.010	0.994	0.975	1.029
4245	Farm products	1.126	1.148	0.912	0.900	0.853	1.099	1.055	1.004	0.816	0.816	0.842	1.015
4246	Chemicals	0.976	1.013	0.992	1.075	0.968	0.986	0.993	0.988	0.991	0.998	1.003	0.990
4247	Petroleum	0.907	1.030	1.013	1.094	0.987	1.010	0.971	0.966	1.016	0.998	1.011	0.969
4248	Alcohol	1.059	1.034	0.963	1.108	0.961	0.987	1.048	1.052	1.021	0.994	1.010	1.051
4249	Misc. Nondur.	0.928	0.957	0.952	1.041	0.970	0.953	1.016	0.992	0.975	0.946	0.935	0.997

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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 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 employer firms selected in a probability sample of approximately 4,500. 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 30% 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/whl>.