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MONTHLY WHOLESALE TRADE: SALES AND INVENTORIES June 2005

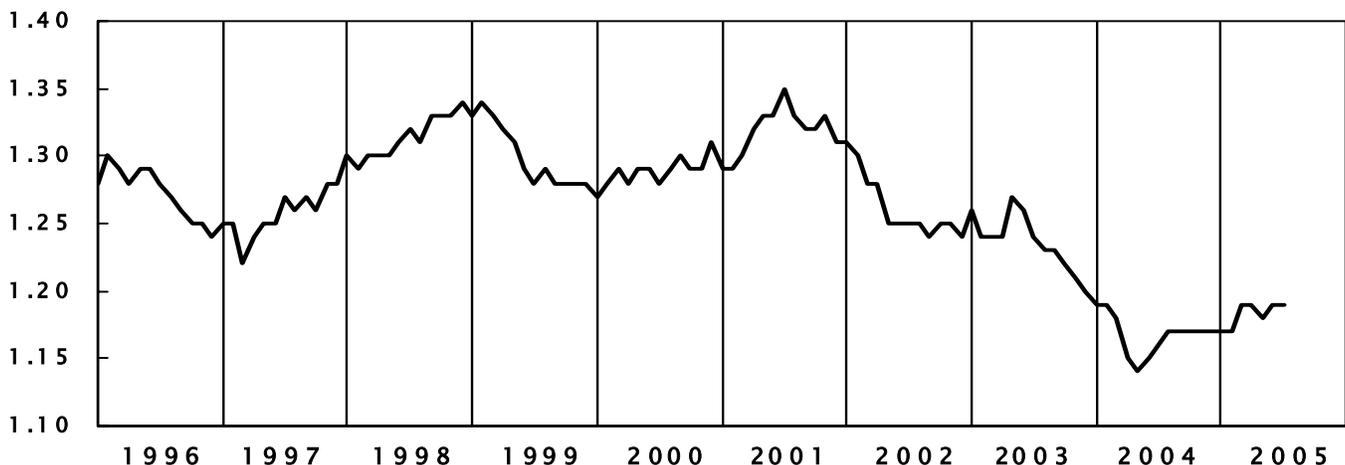
Sales. The U.S. Census Bureau announced today that June 2005 sales of merchant wholesalers, except manufacturers' sales branches and offices, after adjustment for seasonal variations and trading-day differences but not for price changes, were \$297.3 billion, up 0.6 percent (+/-0.7%)* from the revised May level and were up 7.8 percent (+/-1.3%) from the June 2004 level. The May preliminary estimate was revised upward \$0.1 billion. June sales of durable goods increased 0.3 percent (+/-1.0%)* from last month and were up 6.4 percent (+/-2.0%) from a year ago. June sales of nondurable goods increased 0.8 percent (+/-0.8%)* from last month and were up 9.2 percent (+/-1.5%) from last year. Sales of petroleum and petroleum products increased 3.5 percent from last month and sales of drugs and druggists' sundries increased 2.1 percent.

Inventories. Total inventories of merchant wholesalers, except manufacturers' sales branches and offices, after adjustment for seasonal variations but not for price changes, were \$353.1 billion at the end of June, up 0.7 percent (+/-0.3%) from last month and were up 10.2 percent (+/-5.1%) from a year ago. The May preliminary estimate was revised upward \$0.6 billion or 0.2 percent. End-of-month inventories of durable goods increased 0.9 percent (+/-0.5%) from May and were up 11.6 percent (+/-7.1%) from last June. Inventories of motor vehicle and motor vehicle parts and supplies increased 3.1 percent and inventories of machinery, equipment, and supplies were up 1.5 percent. End-of-month inventories of nondurable goods increased 0.3 percent (+/-0.5%)* from May and were up 8.0 percent (+/-1.5%) compared to last June. Inventories of drugs and druggists' sundries decreased 0.8 percent from last month.

Inventories/Sales Ratio. The June inventories/sales ratio for merchant wholesalers, except manufacturers' sales branches and offices, based on seasonally adjusted data, was 1.19. The June 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/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 July is scheduled to be released September 8, 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		
		Jun. 2005 (p)	May 2005 (r)	Jun. 2004 (r)	Jun./ May	May/ Apr.	Jun. 05/ Jun. 04	Jun. 2005 (p)	May 2005 (r)	Jun. 2004 (r)	Jun./ May	May/ Apr.	Jun. 05/ Jun. 04	Jun. 2005 (p)	May 2005 (r)	Jun. 2004 (r)
Adjusted²																
42	U.S. Total	297,339	295,647	275,861	0.6	0.1	7.8	353,083	350,764	320,389	0.7	0.3	10.2	1.19	1.19	1.16
423	Durable	148,834	148,374	139,885	0.3	0.1	6.4	222,716	220,810	199,646	0.9	0.6	11.6	1.50	1.49	1.43
4231	Automotive	23,721	23,441	22,994	1.2	1.9	3.2	33,860	32,849	31,665	3.1	1.4	6.9	1.43	1.40	1.38
4232	Furniture	5,378	5,301	5,009	1.5	0.1	7.4	7,518	7,586	7,278	-0.9	-0.6	3.3	1.40	1.43	1.45
4233	Lumber	11,967	11,858	11,875	0.9	-1.1	0.8	14,221	14,275	12,358	-0.4	0.7	15.1	1.19	1.20	1.04
4234	Prof. equip.	25,005	24,839	24,239	0.7	1.3	3.2	29,089	28,850	27,206	0.8	0.3	6.9	1.16	1.16	1.12
42343	Comp. equip.	13,844	13,846	13,340	0.0	2.5	3.8	10,832	10,684	10,057	1.4	-0.8	7.7	0.78	0.77	0.75
4235	Metals	10,967	11,104	10,009	-1.2	-0.8	9.6	20,514	20,735	15,940	-1.1	-0.7	28.7	1.87	1.87	1.59
4236	Electrical	22,355	22,356	21,737	0.0	-1.0	2.8	27,113	26,817	25,923	1.1	-0.1	4.6	1.21	1.20	1.19
4237	Hardware	6,809	6,750	6,513	0.9	0.3	4.5	12,833	12,765	11,401	0.5	0.6	12.6	1.88	1.89	1.75
4238	Machinery	26,508	26,172	22,821	1.3	-0.4	16.2	54,831	54,025	47,669	1.5	0.8	15.0	2.07	2.06	2.09
4239	Misc. Durable	16,124	16,553	14,688	-2.6	-0.8	9.8	22,737	22,908	20,206	-0.7	1.7	12.5	1.41	1.38	1.38
424	Nondurable	148,505	147,273	135,976	0.8	0.0	9.2	130,367	129,954	120,743	0.3	-0.1	8.0	0.88	0.88	0.89
4241	Paper	6,952	7,016	6,601	-0.9	1.1	5.3	7,201	7,129	6,218	1.0	1.1	15.8	1.04	1.02	0.94
4242	Drugs	27,847	27,269	24,554	2.1	0.2	13.4	28,070	28,302	30,430	-0.8	-0.6	-7.8	1.01	1.04	1.24
4243	Apparel	9,820	9,763	8,992	0.6	1.4	9.2	16,090	15,950	13,834	0.9	0.4	16.3	1.64	1.63	1.54
4244	Groceries	35,931	35,966	34,110	-0.1	1.2	5.3	23,058	23,255	22,328	-0.8	0.0	3.3	0.64	0.65	0.65
4245	Farm products	9,412	9,551	10,706	-1.5	-0.9	-12.1	11,798	11,646	11,263	1.3	-0.5	4.8	1.25	1.22	1.05
4246	Chemicals	6,957	6,897	6,064	0.9	-0.5	14.7	7,499	7,425	6,488	1.0	-1.2	15.6	1.08	1.08	1.07
4247	Petroleum	27,130	26,221	22,831	3.5	-3.6	18.8	8,050	7,894	4,944	2.0	0.7	62.8	0.30	0.30	0.22
4248	Alcohol	8,051	7,935	6,947	1.5	2.9	15.9	8,587	8,591	7,911	0.0	-0.5	8.5	1.07	1.08	1.14
4249	Misc. Nondur.	16,405	16,655	15,171	-1.5	1.5	8.1	20,014	19,762	17,327	1.3	0.2	15.5	1.22	1.19	1.14
													Sales to date			
													2005		2004	
42	U.S. Total	309,714	298,683	288,191	3.7	1.6	7.5	350,780	346,938	318,112	1.1	-1.0	10.3	1,750,615	1,618,458	
423	Durable	158,386	149,272	149,418	6.1	1.4	6.0	223,851	221,386	200,625	1.1	0.0	11.6	877,998	810,769	
4231	Automotive	25,073	23,746	24,627	5.6	0.4	1.8	33,792	32,586	31,570	3.7	-0.8	7.0	140,320	135,847	
4232	Furniture	5,604	5,280	5,174	6.1	2.8	8.3	7,563	7,594	7,322	-0.4	1.5	3.3	30,797	29,117	
4233	Lumber	13,248	12,522	13,110	5.8	1.8	1.1	14,633	14,832	12,716	-1.3	1.1	15.1	72,429	67,805	
4234	Prof. equip.	27,705	23,870	26,614	16.1	5.5	4.1	28,856	28,215	26,988	2.3	-1.7	6.9	144,640	141,591	
42343	Comp. equip.	15,602	13,057	14,928	19.5	6.7	4.5	10,832	10,428	10,057	3.9	-4.1	7.7	80,296	77,222	
4235	Metals	11,504	11,382	10,680	1.1	-0.4	7.7	20,391	20,839	15,860	-2.1	-0.5	28.6	67,005	56,673	
4236	Electrical	23,406	22,088	22,889	6.0	0.1	2.3	27,303	26,924	26,053	1.4	0.2	4.8	130,949	123,542	
4237	Hardware	7,422	7,034	7,164	5.5	3.7	3.6	12,948	12,944	11,515	0.0	1.1	12.4	40,598	38,060	
4238	Machinery	28,364	27,376	24,487	3.6	2.1	15.8	56,037	54,727	48,718	2.4	0.2	15.0	154,398	133,516	
4239	Misc. Durable	16,060	15,974	14,673	0.5	-2.5	9.5	22,328	22,725	19,883	-1.7	0.8	12.3	96,862	84,618	
424	Nondurable	151,328	149,411	138,773	1.3	1.8	9.0	126,929	125,552	117,487	1.1	-2.7	8.0	872,617	807,689	
4241	Paper	7,202	6,939	6,911	3.8	3.8	4.2	7,201	7,143	6,206	0.8	2.2	16.0	41,085	38,214	
4242	Drugs	28,209	26,860	25,119	5.0	1.2	12.3	27,565	27,085	29,913	1.8	-3.4	-7.8	161,146	144,160	
4243	Apparel	9,957	9,031	9,190	10.3	1.2	8.3	16,380	15,487	14,111	5.8	2.1	16.1	56,151	53,408	
4244	Groceries	36,829	37,261	34,724	-1.2	6.6	6.1	22,712	22,906	22,038	-0.8	-0.2	3.1	211,100	202,458	
4245	Farm products	8,640	9,045	10,096	-4.5	-3.6	-14.4	10,158	10,726	9,562	-5.3	-15.0	6.2	56,570	67,311	
4246	Chemicals	7,402	6,931	6,458	6.8	-0.8	14.6	7,499	7,462	6,501	0.5	-1.1	15.4	41,399	36,067	
4247	Petroleum	27,157	26,929	23,151	0.8	-5.0	17.3	7,825	7,381	4,796	6.0	-1.3	63.2	160,003	134,920	
4248	Alcohol	8,969	8,411	7,725	6.6	13.8	16.1	8,716	8,608	8,038	1.3	-1.8	8.4	44,505	39,876	
4249	Misc. Nondur.	16,963	18,004	15,399	-5.8	2.3	10.2	18,873	18,754	16,322	0.6	-4.1	15.6	100,658	91,275	

^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	1.5	0.4	0.2	0.8	3.1	1.3	1.0	0.6
423	Durable	1.3	1.7	1.3	1.7	0.6	0.3	1.2	4.3	1.3	1.2	0.8
4231	Automotive	3.3	4.1	3.3	4.0	1.1	0.8	1.3	1.7	3.2	3.2	1.1
4232	Furniture	7.4	9.8	7.5	9.8	1.7	0.7	2.9	3.7	7.5	7.9	2.2
4233	Lumber	5.9	7.3	6.2	7.2	1.4	1.1	3.8	21.1	5.6	5.0	1.8
4234	Prof. equip.	4.8	6.3	4.8	6.3	1.4	0.9	3.6	2.5	4.5	4.6	2.5
42343	Comp. equip.	10.2	13.3	10.0	13.3	2.5	1.8	4.1	2.8	10.1	8.4	2.7
4235	Metals	6.2	10.6	6.2	10.6	1.4	0.8	3.5	3.7	6.0	7.2	2.3
4236	Electrical	4.0	6.0	4.0	5.9	1.2	0.7	1.9	1.5	4.0	4.1	1.2
4237	Hardware	7.1	9.0	7.3	9.0	1.4	0.6	1.4	1.9	6.9	7.2	0.8
4238	Machinery	4.5	4.1	4.4	4.1	1.6	0.5	2.7	1.0	4.4	4.1	1.9
4239	Misc. Durable	4.1	8.1	4.1	7.9	1.4	0.7	2.5	2.5	4.1	4.1	1.7
424	Nondurable	2.2	2.3	2.2	2.3	0.5	0.3	0.9	0.9	2.1	1.8	0.9
4241	Paper	5.8	5.3	5.8	5.2	1.2	0.6	1.8	2.7	5.5	4.8	1.2
4242	Drugs	5.0	5.4	5.0	5.4	0.8	0.4	1.2	1.3	5.2	5.0	1.0
4243	Apparel	5.8	4.8	5.7	4.9	2.0	1.0	2.3	3.1	5.5	4.7	2.4
4244	Groceries	3.6	7.2	3.6	7.3	0.8	0.8	1.3	1.4	3.6	2.9	1.3
4245	Farm products	7.2	10.0	7.5	9.8	2.1	2.2	2.1	3.3	6.8	7.5	1.2
4246	Chemicals	5.0	6.7	5.0	6.9	1.1	0.7	1.6	2.1	5.0	5.1	1.2
4247	Petroleum	9.7	9.6	9.7	9.6	0.9	1.5	2.7	3.2	9.7	8.3	2.3
4248	Alcohol	4.6	5.3	4.7	5.3	1.2	0.7	1.5	1.7	4.8	4.4	1.4
4249	Misc. Nondur.	8.3	8.8	8.3	9.0	2.0	1.0	3.5	3.6	8.6	8.1	2.2

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/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	2005					2004
		Jul.	Jun.r	May r	Apr.	Mar.	Jun.r	Jul.	Jun.r	May r	Apr.	Mar.	Jun.r
42	U.S. Total ¹	0.958	1.041	1.011	0.993	1.075	1.043	0.999	0.991	0.987	1.003	1.006	0.991
423	Durable	0.964	1.061	1.004	0.989	1.084	1.065	1.011	1.002	1.001	1.010	1.002	1.003
4231	Automotive	0.967	1.057	1.013	1.028	1.114	1.071	0.998	0.998	0.992	1.014	1.020	0.997
4232	Furniture	0.956	1.042	0.996	0.970	1.055	1.033	1.026	1.006	1.001	0.980	0.978	1.006
4233	Lumber	1.018	1.107	1.056	1.026	1.064	1.104	1.008	1.029	1.039	1.035	1.038	1.029
4234	Prof. equip.	0.967	1.108	0.961	0.923	1.111	1.098	1.016	0.992	0.978	0.997	0.977	0.992
42343	Comp. equip.	0.965	1.127	0.943	0.906	1.102	1.119	1.029	1.000	0.976	1.010	0.975	1.000
4235	Metals	0.993	1.049	1.025	1.021	1.078	1.067	0.999	0.994	1.005	1.003	1.004	0.995
4236	Electrical	0.970	1.047	0.988	0.978	1.066	1.053	1.018	1.007	1.004	1.001	0.985	1.005
4237	Hardware	0.982	1.090	1.042	1.008	1.063	1.100	1.011	1.009	1.014	1.009	1.012	1.010
4238	Machinery	0.960	1.070	1.046	1.020	1.086	1.073	1.025	1.022	1.013	1.019	1.013	1.022
4239	Misc. Durable	0.906	0.996	0.965	0.982	1.099	0.999	1.001	0.982	0.992	1.001	0.985	0.984
424	Nondurable	0.953	1.018	1.014	0.996	1.070	1.017	0.978	0.970	0.963	0.989	1.011	0.970
4241	Paper	0.950	1.036	0.989	0.963	1.067	1.047	1.008	1.000	1.002	0.991	0.982	0.998
4242	Drugs	0.931	1.013	0.985	0.975	1.080	1.023	0.993	0.982	0.957	0.984	1.010	0.983
4243	Apparel	0.962	1.014	0.925	0.927	1.164	1.022	1.040	1.018	0.971	0.955	0.957	1.020
4244	Groceries	0.995	1.025	1.036	0.984	1.047	1.018	0.987	0.985	0.985	0.987	0.995	0.987
4245	Farm products	0.819	0.918	0.947	0.973	1.057	0.943	0.795	0.861	0.921	1.078	1.174	0.849
4246	Chemicals	0.968	1.064	1.005	1.008	1.086	1.065	1.008	1.000	1.005	1.004	1.003	1.002
4247	Petroleum	0.975	1.001	1.027	1.042	1.052	1.014	0.970	0.972	0.935	0.954	1.018	0.970
4248	Alcohol	0.984	1.114	1.060	0.959	1.029	1.112	1.017	1.015	1.002	1.015	0.982	1.016
4249	Misc. Nondur.	0.935	1.034	1.081	1.073	1.096	1.015	0.959	0.943	0.949	0.991	1.005	0.942

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 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>.