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MONTHLY WHOLESALE TRADE: SALES AND INVENTORIES October 2005

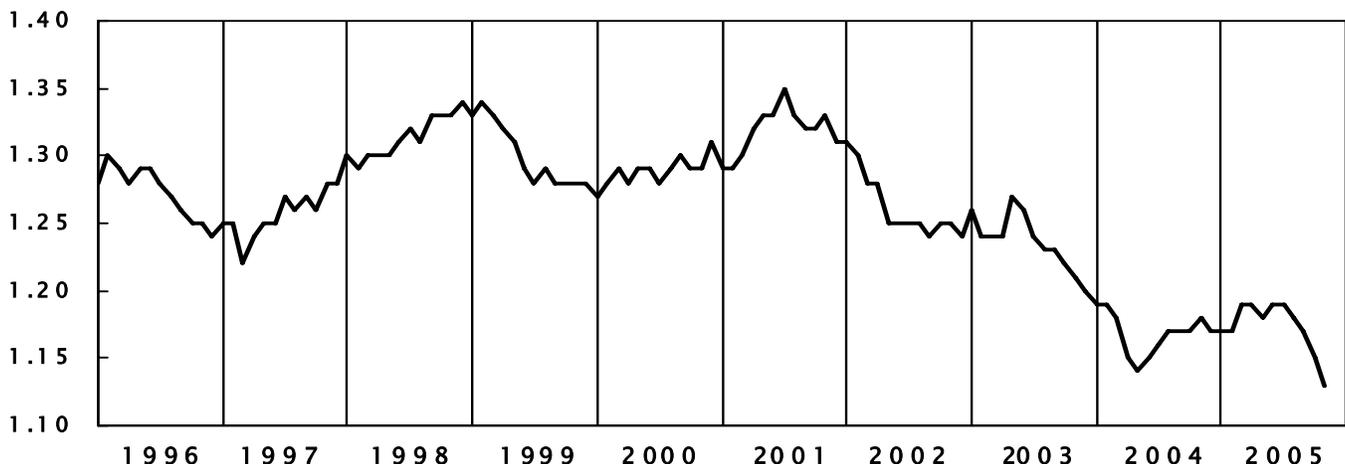
Sales. The U.S. Census Bureau announced today that October 2005 sales of merchant wholesalers, except manufacturers' sales branches and offices, after adjustment for seasonal variations and trading-day differences but not for price changes, were \$314.9 billion, up 1.2 percent (+/-0.7%) from the revised September level and were up 10.7 percent (+/-1.2%) from the October 2004 level. The September preliminary estimate was revised upward \$0.1 billion. October sales of durable goods increased 1.9 percent (+/-1.0%) from last month and were up 9.0 percent (+/-1.7%) from a year ago. Sales of metals and minerals, except petroleum increased 5.7 percent from last month and furniture and home furnishings were up 4.4 percent. October sales of nondurable goods increased 0.5 percent (+/-0.8%)* from last month and were up 12.5 percent (+/-1.5%) from last year. Sales of apparel, piece goods, and notions increased 5.5 percent from last month, while sales of drugs and druggists' sundries decreased 1.6 percent.

Inventories. Total inventories of merchant wholesalers, except manufacturers' sales branches and offices, after adjustment for seasonal variations but not for price changes, were \$357.0 billion at the end of October, up 0.2 percent (+/-0.3%)* from last month, and were up 6.6 percent (+/-1.0%) from a year ago. The September preliminary estimate was revised downward \$0.2 billion. End-of-month inventories of durable goods increased 0.9 percent (+/-0.5%) from September and were up 7.0 percent (+/-1.2%) from last October. Inventories of lumber and other construction materials increased 2.7 percent and inventories of hardware, and plumbing and heating equipment and supplies were up 2.0 percent. End-of-month inventories of nondurable goods decreased 1.1 percent (+/-0.5%) from September, but were up 6.1 percent (+/-1.3%) compared to last October. Inventories of drugs and druggists' sundries were down 3.1 percent.

Inventories/Sales Ratio. The October inventories/sales ratio for merchant wholesalers, except manufacturers' sales branches and offices, based on seasonally adjusted data, was 1.13. The October 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



Monthly Wholesale Trade for November is scheduled to be released January 10, 2006 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 total			Percent change			Monthly total			Percent change			Ratios		
		Oct. 2005 (p)	Sep. 2005 (r)	Oct. 2004 (r)	Oct./Sep.	Sep./Aug.	Oct. 05/Oct. 04	Oct. 2005 (p)	Sep. 2005 (r)	Oct. 2004 (r)	Oct./Sep.	Sep./Aug.	Oct. 05/Oct. 04	Oct. 2005 (p)	Sep. 2005 (r)	Oct. 2004 (r)
Adjusted²																
42	U.S. Total	314,886	311,199	284,409	1.2	2.4	10.7	356,993	356,354	334,739	0.2	0.6	6.6	1.13	1.15	1.18
423	Durable	156,079	153,194	143,249	1.9	0.9	9.0	225,911	223,841	211,167	0.9	0.4	7.0	1.45	1.46	1.47
4231	Automotive	25,121	24,743	23,313	1.5	-3.1	7.8	34,140	33,518	32,208	1.9	0.3	6.0	1.36	1.35	1.38
4232	Furniture	5,645	5,408	5,143	4.4	0.6	9.8	7,775	7,672	7,410	1.3	0.1	4.9	1.38	1.42	1.44
4233	Lumber	12,728	12,398	11,691	2.7	2.0	8.9	14,238	13,858	13,425	2.7	-2.6	6.1	1.12	1.12	1.15
4234	Prof. equip.	26,168	26,160	24,267	0.0	1.5	7.8	28,788	28,943	28,467	-0.5	0.5	1.1	1.10	1.11	1.17
42343	Comp. equip.	14,046	14,286	13,303	-1.7	1.8	5.6	10,935	10,901	10,657	0.3	3.9	2.6	0.78	0.76	0.80
4235	Metals	11,533	10,911	10,738	5.7	2.6	7.4	19,217	19,345	19,179	-0.7	-1.7	0.2	1.67	1.77	1.79
4236	Electrical	23,113	22,650	21,453	2.0	-0.4	7.7	27,457	27,541	26,262	-0.3	-0.2	4.6	1.19	1.22	1.22
4237	Hardware	7,415	7,107	6,509	4.3	1.0	13.9	13,386	13,127	12,208	2.0	1.2	9.6	1.81	1.85	1.88
4238	Machinery	27,463	27,178	24,336	1.0	2.1	12.8	57,558	57,022	50,040	0.9	1.0	15.0	2.10	2.10	2.06
4239	Misc. Durable	16,893	16,639	15,799	1.5	4.6	6.9	23,352	22,815	21,968	2.4	3.1	6.3	1.38	1.37	1.39
424	Nondurable	158,807	158,005	141,160	0.5	3.9	12.5	131,082	132,513	123,572	-1.1	0.8	6.1	0.83	0.84	0.88
4241	Paper	7,356	7,457	6,764	-1.4	2.9	8.8	7,225	7,264	6,716	-0.5	-0.4	7.6	0.98	0.97	0.99
4242	Drugs	28,476	28,948	25,945	-1.6	6.4	9.8	26,652	27,507	30,047	-3.1	2.5	-11.3	0.94	0.95	1.16
4243	Apparel	10,114	9,588	9,007	5.5	1.8	12.3	16,606	16,473	15,099	0.8	0.2	10.0	1.64	1.72	1.68
4244	Groceries	35,892	36,142	34,928	-0.7	0.6	2.8	23,630	23,602	22,839	0.1	1.1	3.5	0.66	0.65	0.65
4245	Farm products	9,560	9,611	10,140	-0.5	4.7	-5.7	11,499	11,764	9,310	-2.3	-2.6	23.5	1.20	1.22	0.92
4246	Chemicals	7,193	7,180	6,361	0.2	0.9	13.1	7,615	7,550	6,970	0.9	0.2	9.3	1.06	1.05	1.10
4247	Petroleum	34,751	34,289	25,486	1.3	8.2	36.4	9,233	9,430	6,280	-2.1	1.2	47.0	0.27	0.28	0.25
4248	Alcohol	8,073	8,039	7,264	0.4	0.5	11.1	9,027	8,949	7,938	0.9	0.7	13.7	1.12	1.11	1.09
4249	Misc. Nondur.	17,392	16,751	15,265	3.8	3.2	13.9	19,595	19,974	18,373	-1.9	1.2	6.7	1.13	1.19	1.20
Not Adjusted																
Sales to date																
2005 2004																
42	U.S. Total	319,490	317,294	288,126	0.7	-0.4	10.9	358,127	353,656	336,092	1.3	0.8	6.6	2,991,873	2,754,974	
423	Durable	158,554	158,701	145,452	-0.1	-0.3	9.0	225,353	222,619	210,675	1.2	-0.4	7.0	1,497,093	1,389,315	
4231	Automotive	25,171	24,075	23,546	4.6	-9.2	6.9	34,345	32,613	32,433	5.3	2.0	5.9	239,717	226,965	
4232	Furniture	5,888	5,759	5,318	2.2	-2.1	10.7	7,853	7,833	7,484	0.3	-1.2	4.9	53,543	50,666	
4233	Lumber	13,033	13,266	12,007	-1.8	-3.9	8.5	13,626	13,622	12,861	0.0	-4.2	5.9	124,878	119,237	
4234	Prof. equip.	25,828	28,881	23,757	-10.6	10.8	8.7	29,393	29,030	29,036	1.3	-0.2	1.2	248,336	239,919	
42343	Comp. equip.	13,779	16,229	12,957	-15.1	14.9	6.3	11,165	10,803	10,849	3.4	2.8	2.9	136,604	131,623	
4235	Metals	11,498	11,053	10,867	4.0	-3.4	5.8	18,833	19,113	18,834	-1.5	-2.4	0.0	111,306	100,345	
4236	Electrical	24,130	23,760	22,483	1.6	-1.2	7.3	27,457	27,954	26,288	-1.8	-0.7	4.4	224,521	212,181	
4237	Hardware	7,675	7,285	6,730	5.4	-4.8	14.0	13,239	13,061	12,049	1.4	0.1	9.9	70,082	64,863	
4238	Machinery	27,188	27,966	24,044	-2.8	-0.4	13.1	56,695	56,395	49,239	0.5	-1.5	15.1	263,287	229,034	
4239	Misc. Durable	18,143	16,656	16,700	8.9	5.7	8.6	23,912	22,998	22,451	4.0	3.4	6.5	161,423	146,105	
424	Nondurable	160,936	158,593	142,674	1.5	-0.4	12.8	132,774	131,037	125,417	1.3	3.0	5.9	1,494,780	1,365,659	
4241	Paper	7,562	7,785	6,920	-2.9	-1.0	9.3	7,254	7,271	6,743	-0.2	-0.9	7.6	70,935	65,485	
4242	Drugs	28,419	29,585	25,815	-3.9	7.0	10.1	26,972	27,535	30,438	-2.0	7.6	-11.4	271,531	245,394	
4243	Apparel	10,913	10,182	9,682	7.2	-3.9	12.7	16,722	17,115	15,190	-2.3	-1.1	10.1	97,568	91,737	
4244	Groceries	36,251	35,889	34,823	1.0	-4.8	4.1	24,410	23,649	23,524	3.2	1.9	3.8	356,238	341,602	
4245	Farm products	10,459	8,881	11,164	17.8	6.6	-6.3	11,602	9,517	9,571	21.9	1.1	21.2	92,429	106,170	
4246	Chemicals	7,078	7,281	6,266	-2.8	-4.5	13.0	7,539	7,459	6,907	1.1	-0.4	9.2	70,130	61,419	
4247	Petroleum	35,620	34,941	26,531	1.9	3.2	34.3	9,030	9,835	6,142	-8.2	5.3	47.0	293,607	233,268	
4248	Alcohol	7,903	7,951	7,170	-0.6	-8.8	10.2	9,532	9,101	8,382	4.7	2.8	13.7	76,605	68,557	
4249	Misc. Nondur.	16,731	16,098	14,303	3.9	-4.9	17.0	19,713	19,555	18,520	0.8	4.8	6.4	165,737	152,027	

^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	1.4	1.5	1.4	1.5	0.4	0.2	0.7	0.6	1.3	1.0	0.5
423	Durable	1.3	1.8	1.4	1.8	0.6	0.3	1.0	0.7	1.3	1.1	0.5
4231	Automotive	3.3	4.6	3.3	4.3	1.2	0.8	1.5	1.8	3.2	3.2	1.1
4232	Furniture	7.7	10.2	7.6	10.1	1.7	0.6	2.9	3.0	7.5	7.6	1.9
4233	Lumber	5.7	7.1	5.7	7.2	1.6	0.9	2.3	2.8	5.5	5.4	1.4
4234	Prof. equip.	4.3	6.3	4.5	6.3	1.3	0.6	3.2	2.4	4.1	4.4	1.8
42343	Comp. equip.	9.6	11.8	9.8	13.3	2.0	1.0	3.6	3.2	9.2	9.1	2.3
4235	Metals	6.4	10.7	6.3	10.6	1.5	0.8	3.2	3.1	6.1	7.3	1.8
4236	Electrical	4.1	6.3	4.0	6.2	1.2	0.7	1.7	1.6	4.0	4.0	1.0
4237	Hardware	7.0	8.8	7.1	8.7	1.4	0.6	1.6	1.9	6.8	7.2	1.1
4238	Machinery	4.7	4.2	4.6	4.2	1.5	0.5	2.8	1.1	4.6	4.3	1.8
4239	Misc. Durable	4.1	8.1	4.1	7.9	1.4	0.7	2.4	2.6	3.9	3.9	1.6
424	Nondurable	2.2	2.3	2.2	2.3	0.5	0.3	0.9	0.8	2.3	1.9	0.8
4241	Paper	6.3	5.5	6.1	5.4	1.1	0.6	1.8	2.2	5.9	5.0	1.2
4242	Drugs	5.3	5.5	5.2	5.5	0.8	0.4	1.2	1.0	5.3	5.0	1.1
4243	Apparel	6.1	4.8	5.8	4.8	2.0	0.9	2.4	2.7	5.9	5.0	2.1
4244	Groceries	3.7	7.2	3.7	7.2	0.9	0.8	1.4	1.6	3.6	2.9	1.1
4245	Farm products	7.0	9.8	7.0	9.8	1.9	2.2	2.0	3.4	6.7	7.5	1.2
4246	Chemicals	5.0	5.9	5.0	6.0	0.9	0.6	1.7	1.9	4.9	5.1	1.3
4247	Petroleum	9.8	10.2	9.8	10.2	0.8	1.5	2.3	3.7	9.9	8.9	1.8
4248	Alcohol	5.0	5.3	4.8	5.3	1.3	0.7	1.9	1.8	5.1	4.8	1.5
4249	Misc. Nondur.	7.9	9.0	7.9	9.0	2.0	1.1	2.9	2.8	8.0	8.2	1.5

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
		Nov.	Oct.r	Sep.r	Aug.	Jul.	Oct.r	Nov.	Oct.r	Sep.r	Aug.	Jul.	Oct.r
42	U.S. Total ¹	1.001	1.017	1.021	1.047	0.956	1.013	1.007	1.006	0.991	0.988	0.997	1.006
423	Durable	0.998	1.017	1.037	1.055	0.959	1.016	0.993	0.998	0.994	1.002	1.012	0.998
4231	Automotive	1.023	1.002	0.973	1.039	0.966	1.010	1.011	1.006	0.973	0.957	1.003	1.007
4232	Furniture	1.029	1.043	1.065	1.094	0.959	1.034	0.988	1.010	1.021	1.035	1.025	1.010
4233	Lumber	0.932	1.024	1.070	1.136	1.022	1.027	0.954	0.957	0.983	0.999	1.011	0.958
4234	Prof. equip.	0.989	0.987	1.104	1.012	0.945	0.979	1.020	1.021	1.003	1.010	1.012	1.020
42343	Comp. equip.	0.948	0.981	1.136	1.007	0.945	0.974	1.025	1.021	0.991	1.001	1.015	1.018
4235	Metals	0.956	0.997	1.013	1.076	0.988	1.012	0.984	0.980	0.988	0.995	1.001	0.982
4236	Electrical	1.027	1.044	1.049	1.057	0.965	1.048	0.993	1.000	1.015	1.020	1.019	1.001
4237	Hardware	0.983	1.035	1.025	1.087	0.977	1.034	0.982	0.989	0.995	1.005	1.009	0.987
4238	Machinery	0.935	0.990	1.029	1.054	0.962	0.988	0.985	0.985	0.989	1.014	1.021	0.984
4239	Misc. Durable	1.116	1.074	1.001	0.991	0.896	1.057	1.003	1.024	1.008	1.005	1.003	1.022
424	Nondurable	1.007	1.018	1.001	1.039	0.953	1.012	1.027	1.016	0.985	0.966	0.972	1.018
4241	Paper	1.002	1.028	1.044	1.085	0.946	1.023	0.999	1.004	1.001	1.006	0.995	1.004
4242	Drugs	1.021	0.998	1.022	1.017	0.923	0.995	1.014	1.012	1.001	0.954	0.987	1.013
4243	Apparel	1.010	1.079	1.062	1.125	0.981	1.075	0.970	1.007	1.039	1.053	1.037	1.006
4244	Groceries	1.003	1.010	0.993	1.049	0.990	0.997	1.032	1.033	1.002	0.994	0.981	1.030
4245	Farm products	1.150	1.094	0.924	0.907	0.834	1.101	1.074	1.009	0.809	0.780	0.807	1.028
4246	Chemicals	0.966	0.984	1.014	1.072	0.966	0.985	0.998	0.990	0.988	0.994	1.005	0.991
4247	Petroleum	0.979	1.025	1.019	1.069	0.983	1.041	0.999	0.978	1.043	1.003	0.976	0.978
4248	Alcohol	1.056	0.979	0.989	1.090	0.974	0.987	1.046	1.056	1.017	0.997	1.015	1.056
4249	Misc. Nondur.	0.924	0.962	0.961	1.043	0.943	0.937	1.037	1.006	0.979	0.946	0.944	1.008

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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>.