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MONTHLY WHOLESALE TRADE: SALES AND INVENTORIES December 2005

Intention to Revise Wholesale Data: Monthly wholesale sales, inventories, and inventories/sales ratios will be revised based on the results of the 2004 Annual Trade Survey and the final results of the 2002 Census of Wholesale Trade. Revised unadjusted and corresponding adjusted data are scheduled for release on March 30, 2006 and can be found on our website at <http://www.census.gov/whl>.

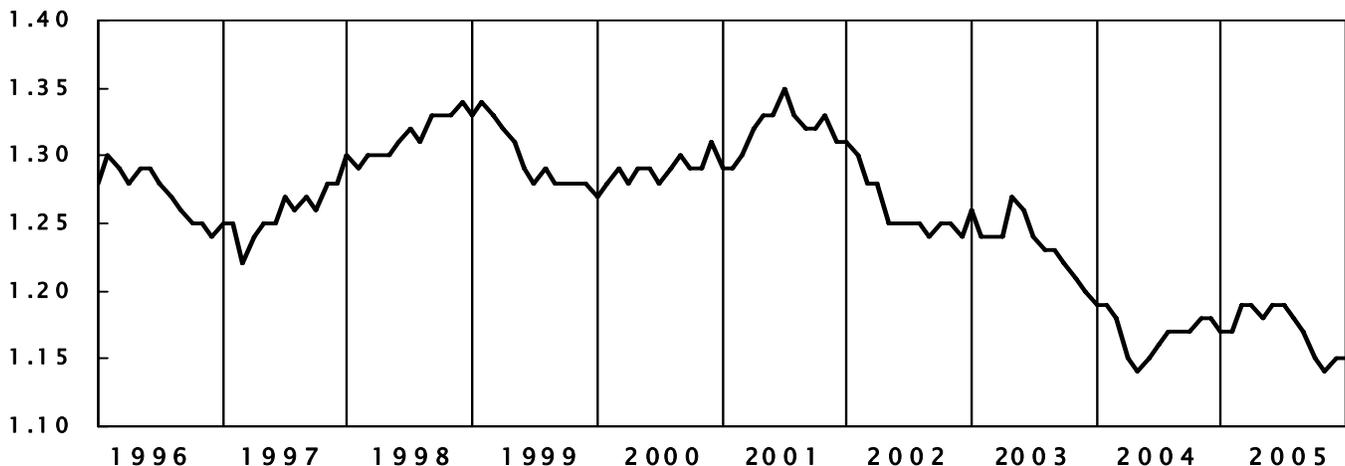
Sales. The U.S. Census Bureau announced today that December 2005 sales of merchant wholesalers, except manufacturers' sales branches and offices, after adjustment for seasonal variations and trading-day differences but not for price changes, were \$314.9 billion, up 1.0 percent (+/-0.7%) from the revised November level and were up 8.3 percent (+/-1.2%) from the December 2004 level. The November preliminary estimate was virtually unchanged. December sales of durable goods increased 1.3 percent (+/-0.8%) from last month and were up 6.1 percent (+/-1.5%) from a year ago. Compared to last month, sales of professional and commercial equipment and supplies increased 2.5 percent. December sales of nondurable goods were up 0.7 percent (+/-0.8%)* from last month and were up 10.5 percent (+/-1.5%) from last year. Compared to last month, sales of petroleum and petroleum products were up 4.4 percent, while sales of farm product raw materials were down 4.6 percent.

Inventories. Total inventories of merchant wholesalers, except manufacturers' sales branches and offices, after adjustment for seasonal variations but not for price changes, were \$362.5 billion at the end of December, up 1.0 percent (+/-0.3%) from last month and were up 6.7 percent (+/-1.0%) from a year ago. The November preliminary estimate was revised upward \$0.4 billion or 0.1 percent. End-of-month inventories of durable goods increased 0.6 percent (+/-0.5%) from November and were up 6.9 percent (+/-1.3%) from last December. Inventories of lumber and other construction materials increased 4.0 percent from last month and inventories of hardware, and plumbing and heating equipment and supplies increased 2.5 percent. End-of-month inventories of nondurable goods increased 1.6 percent (+/-0.5%) from November and were up 6.4 percent (+/-1.3%) compared to last December. Inventories of farm product raw materials increased 5.6 percent from last month and inventories of drugs and druggists' sundries increased 3.9 percent.

Inventories/Sales Ratio. The December inventories/sales ratio for merchant wholesalers, except manufacturers' sales branches and offices, based on seasonally adjusted data, was 1.15. The December 2004 ratio was 1.17.

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 January is scheduled to be released March 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			Percent change			Monthly			Percent change			Ratios		
		Dec. 2005 (p)	Nov. 2005 (r)	Dec. 2004 (r)	Dec./Nov.	Nov./Oct.	Dec. 05/Dec. 04	Dec. 2005 (p)	Nov. 2005 (r)	Dec. 2004 (r)	Dec./Nov.	Nov./Oct.	Dec. 05/Dec. 04	Dec. 2005 (p)	Nov. 2005 (r)	Dec. 2004 (r)
Adjusted²																
42	U.S. Total	314,911	311,731	290,830	1.0	-0.7	8.3	362,482	359,041	339,714	1.0	0.5	6.7	1.15	1.15	1.17
423	Durable	157,349	155,340	148,252	1.3	-0.2	6.1	229,311	227,942	214,545	0.6	0.8	6.9	1.46	1.47	1.45
4231	Automotive	25,416	24,976	23,057	1.8	-0.6	10.2	34,799	34,394	31,978	1.2	0.7	8.8	1.37	1.38	1.39
4232	Furniture	5,657	5,536	5,242	2.2	-1.9	7.9	7,809	7,813	7,489	-0.1	-0.5	4.3	1.38	1.41	1.43
4233	Lumber	13,352	13,120	12,239	1.8	2.6	9.1	15,182	14,601	13,662	4.0	2.3	11.1	1.14	1.11	1.12
4234	Prof. equip.	26,365	25,730	25,247	2.5	-0.5	4.4	28,785	28,773	28,670	0.0	0.0	0.4	1.09	1.12	1.14
42343	Comp. equip.	14,095	13,841	14,491	1.8	-0.6	-2.7	10,635	10,707	10,900	-0.7	-1.5	-2.4	0.75	0.77	0.75
4235	Metals	11,781	11,485	11,075	2.6	-0.8	6.4	18,947	18,995	20,113	-0.3	-0.9	-5.8	1.61	1.65	1.82
4236	Electrical	22,627	22,837	22,234	-0.9	-1.0	1.8	27,504	27,460	26,580	0.2	0.1	3.5	1.22	1.20	1.20
4237	Hardware	7,517	7,470	6,686	0.6	0.8	12.4	13,936	13,593	12,443	2.5	1.4	12.0	1.85	1.82	1.86
4238	Machinery	28,042	27,693	25,717	1.3	1.0	9.0	58,777	58,669	51,476	0.2	1.5	14.2	2.10	2.12	2.00
4239	Misc. Durable	16,592	16,493	16,755	0.6	-1.4	-1.0	23,572	23,644	22,134	-0.3	1.4	6.5	1.42	1.43	1.32
424	Nondurable	157,562	156,391	142,578	0.7	-1.3	10.5	133,171	131,099	125,169	1.6	0.1	6.4	0.85	0.84	0.88
4241	Paper	7,603	7,444	6,841	2.1	1.0	11.1	7,424	7,407	6,767	0.2	2.1	9.7	0.98	1.00	0.99
4242	Drugs	29,268	29,014	25,780	0.9	1.8	13.5	27,519	26,493	29,383	3.9	-0.4	-6.3	0.94	0.91	1.14
4243	Apparel	10,261	9,998	9,550	2.6	-1.3	7.4	16,191	16,401	15,112	-1.3	-1.0	7.1	1.58	1.64	1.58
4244	Groceries	36,322	36,466	35,325	-0.4	1.4	2.8	24,434	24,126	22,664	1.3	2.0	7.8	0.67	0.66	0.64
4245	Farm products	9,074	9,512	9,949	-4.6	-0.7	-8.8	11,839	11,209	9,834	5.6	-1.8	20.4	1.30	1.18	0.99
4246	Chemicals	7,334	7,323	6,626	0.2	1.2	10.7	7,532	7,595	7,072	-0.8	0.1	6.5	1.03	1.04	1.07
4247	Petroleum	33,271	31,856	25,184	4.4	-7.4	32.1	8,968	9,109	6,851	-1.5	-1.9	30.9	0.27	0.29	0.27
4248	Alcohol	7,913	8,006	7,453	-1.2	-0.9	6.2	9,088	9,118	8,317	-0.3	0.9	9.3	1.15	1.14	1.12
4249	Misc. Nondur.	16,516	16,772	15,870	-1.5	-2.0	4.1	20,176	19,641	19,169	2.7	0.4	5.3	1.22	1.17	1.21
													Sales to date			
													2005		2004	
42	U.S. Total	312,049	310,397	295,928	0.5	-2.8	5.4	364,211	359,891	341,284	1.2	0.4	6.7	3,614,195	3,338,350	
423	Durable	155,412	154,237	149,800	0.8	-2.5	3.7	225,966	226,463	211,440	-0.2	0.4	6.9	1,806,401	1,683,810	
4231	Automotive	25,950	25,351	24,210	2.4	0.7	7.2	34,521	34,738	31,786	-0.6	1.2	8.6	291,013	274,097	
4232	Furniture	5,419	5,663	5,111	-4.3	-3.8	6.0	7,676	7,727	7,362	-0.7	-2.5	4.3	64,623	61,152	
4233	Lumber	11,015	12,241	10,428	-10.0	-6.1	5.6	14,438	13,740	13,006	5.1	0.7	11.0	148,143	140,577	
4234	Prof. equip.	28,922	25,164	28,251	14.9	-1.7	2.4	28,440	29,348	28,297	-3.1	-0.2	0.5	302,206	292,384	
42343	Comp. equip.	15,955	13,011	16,781	22.6	-5.0	-4.9	10,656	10,996	10,878	-3.1	-1.4	-2.0	165,488	161,488	
4235	Metals	10,438	10,899	10,034	-4.2	-5.2	4.0	19,136	18,710	20,314	2.3	-0.6	-5.8	132,647	120,751	
4236	Electrical	21,677	23,476	21,789	-7.7	-2.7	-0.5	26,926	27,295	26,022	-1.4	-0.6	3.5	269,666	256,376	
4237	Hardware	6,758	7,380	6,111	-8.4	-3.9	10.6	13,797	13,308	12,294	3.7	0.5	12.2	84,224	77,490	
4238	Machinery	28,575	25,838	26,977	10.6	-4.9	5.9	57,837	57,906	50,601	-0.1	1.9	14.3	317,668	279,314	
4239	Misc. Durable	16,658	18,225	16,889	-8.6	1.0	-1.4	23,195	23,691	21,758	-2.1	-1.0	6.6	196,211	181,669	
424	Nondurable	156,637	156,160	146,128	0.3	-3.1	7.2	138,245	133,428	129,844	3.6	0.5	6.5	1,807,794	1,654,540	
4241	Paper	7,428	7,414	6,916	0.2	-2.0	7.4	7,587	7,466	6,923	1.6	3.1	9.6	85,779	79,267	
4242	Drugs	30,292	29,652	27,636	2.2	4.3	9.6	28,840	26,731	30,764	7.9	-0.9	-6.3	331,475	299,797	
4243	Apparel	8,763	10,048	8,356	-12.8	-7.9	4.9	15,867	15,942	14,840	-0.5	-4.6	6.9	116,380	109,060	
4244	Groceries	36,540	36,758	35,996	-0.6	1.3	1.5	25,143	24,922	23,299	0.9	2.5	7.9	429,587	413,098	
4245	Farm products	10,154	11,129	11,501	-8.8	6.4	-11.7	13,118	11,915	11,034	10.1	2.3	18.9	113,712	129,018	
4246	Chemicals	6,791	7,096	6,301	-4.3	-0.3	7.8	7,532	7,580	7,072	-0.6	0.9	6.5	84,053	74,089	
4247	Petroleum	31,508	30,104	24,731	4.7	-16.2	27.4	9,972	9,136	7,625	9.2	0.4	30.8	355,507	282,872	
4248	Alcohol	9,140	8,462	8,996	8.0	6.9	1.6	8,497	9,565	7,776	-11.2	0.4	9.3	94,220	85,207	
4249	Misc. Nondur.	16,021	15,497	15,695	3.4	-6.4	2.1	21,689	20,171	20,511	7.5	2.1	5.7	197,081	182,132	

^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	1.1	0.5
423	Durable	1.3	1.8	1.3	1.8	0.5	0.3	0.9	0.8	1.3	1.1	0.4
4231	Automotive	3.3	4.6	3.3	4.6	1.2	0.8	1.6	1.9	3.1	3.1	1.0
4232	Furniture	7.6	10.2	7.6	10.2	1.7	0.6	2.7	2.2	7.4	7.5	1.9
4233	Lumber	5.7	7.1	5.7	7.1	1.6	0.9	2.0	2.7	5.6	5.5	1.2
4234	Prof. equip.	4.2	6.3	4.3	6.3	1.3	0.5	3.0	2.3	4.0	4.5	1.7
42343	Comp. equip.	9.2	10.6	9.6	10.5	1.9	0.9	3.6	3.5	9.0	9.4	2.1
4235	Metals	6.5	10.9	6.5	10.8	1.6	0.8	2.8	2.7	6.2	7.0	1.5
4236	Electrical	4.2	6.9	4.1	6.6	1.1	0.7	1.6	1.6	4.0	4.3	0.9
4237	Hardware	7.0	8.7	7.0	8.7	1.4	0.6	1.9	2.1	6.8	7.1	1.0
4238	Machinery	4.8	4.3	4.8	4.2	1.5	0.5	2.6	1.2	4.7	4.3	1.4
4239	Misc. Durable	4.1	7.8	4.1	7.9	1.4	0.7	2.4	2.7	3.9	3.7	1.4
424	Nondurable	2.4	2.3	2.3	2.3	0.5	0.3	0.9	0.8	2.3	1.9	0.7
4241	Paper	6.1	5.7	6.1	5.6	1.2	0.6	1.8	1.7	6.0	5.2	1.1
4242	Drugs	5.5	5.6	5.4	5.6	0.9	0.4	1.3	0.9	5.4	5.0	1.2
4243	Apparel	6.2	4.9	6.2	4.8	2.0	0.8	2.6	2.5	6.1	5.1	2.0
4244	Groceries	3.8	7.2	3.7	7.2	0.9	0.8	1.6	1.7	3.7	3.1	1.0
4245	Farm products	7.0	9.4	7.0	9.6	1.9	2.0	2.1	3.2	6.8	7.4	1.2
4246	Chemicals	4.9	5.7	5.0	5.8	0.9	0.6	1.8	1.9	4.9	5.0	1.4
4247	Petroleum	9.8	11.0	9.8	11.0	0.8	1.5	2.2	3.4	10.0	9.1	1.5
4248	Alcohol	5.2	5.5	5.1	5.3	1.3	0.7	1.9	1.7	5.2	4.8	1.4
4249	Misc. Nondur.	7.9	9.2	7.8	9.1	2.0	1.0	2.7	2.4	7.8	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							
		2006	2005					2004	2006	2005					2004
		Jan.	Dec.r	Nov.r	Oct.	Sep.	Dec.r	Jan.	Dec.r	Nov.r	Oct.	Sep.	Dec.r		
42	U.S. Total ¹	0.939	0.997	0.999	1.017	1.021	1.019	1.012	1.005	1.005	1.006	0.991	1.005		
423	Durable	0.916	0.988	0.995	1.016	1.037	1.010	0.996	0.985	0.993	0.997	0.994	0.985		
4231	Automotive	0.901	1.021	1.015	1.002	0.973	1.050	1.012	0.992	1.010	1.005	0.973	0.994		
4232	Furniture	0.907	0.958	1.023	1.043	1.065	0.975	0.988	0.983	0.989	1.010	1.021	0.983		
4233	Lumber	0.889	0.825	0.933	1.020	1.070	0.852	0.993	0.951	0.941	0.956	0.983	0.952		
4234	Prof. equip.	0.910	1.097	0.978	0.990	1.104	1.119	1.003	0.988	1.020	1.022	1.003	0.987		
42343	Comp. equip.	0.922	1.132	0.940	0.984	1.136	1.158	1.000	1.002	1.027	1.025	0.991	0.998		
4235	Metals	0.983	0.886	0.949	0.993	1.013	0.906	1.004	1.010	0.985	0.982	0.988	1.010		
4236	Electrical	0.914	0.958	1.028	1.046	1.049	0.980	0.990	0.979	0.994	1.001	1.015	0.979		
4237	Hardware	0.939	0.899	0.988	1.036	1.025	0.914	0.992	0.990	0.979	0.988	0.995	0.988		
4238	Machinery	0.916	1.019	0.933	0.990	1.029	1.049	0.979	0.984	0.987	0.983	0.989	0.983		
4239	Misc. Durable	0.915	1.004	1.105	1.079	1.001	1.008	1.015	0.984	1.002	1.026	1.008	0.983		
424	Nondurable	0.964	1.005	1.004	1.019	1.001	1.027	1.038	1.040	1.024	1.017	0.985	1.040		
4241	Paper	0.967	0.977	0.996	1.026	1.044	1.011	1.000	1.022	1.008	0.998	1.001	1.023		
4242	Drugs	1.010	1.035	1.022	0.997	1.022	1.072	1.043	1.048	1.009	1.014	1.001	1.047		
4243	Apparel	0.895	0.854	1.005	1.077	1.062	0.875	1.020	0.980	0.972	1.009	1.039	0.982		
4244	Groceries	0.941	1.006	1.008	1.009	0.993	1.019	1.008	1.029	1.033	1.028	1.002	1.028		
4245	Farm products	1.103	1.119	1.170	1.092	0.924	1.156	1.169	1.108	1.063	1.020	0.809	1.122		
4246	Chemicals	0.988	0.926	0.969	0.983	1.014	0.951	0.995	1.000	0.998	0.990	0.988	1.000		
4247	Petroleum	1.006	0.947	0.945	1.044	1.019	0.982	1.046	1.112	1.003	0.980	1.043	1.113		
4248	Alcohol	0.774	1.155	1.057	0.980	0.989	1.207	0.966	0.935	1.049	1.054	1.017	0.935		
4249	Misc. Nondur.	0.933	0.970	0.924	0.967	0.961	0.989	1.067	1.075	1.027	1.010	0.979	1.070		

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>.