

U.S. Census Bureau News

U.S. Department of Commerce • Washington, D.C. 20233

FOR IMMEDIATE RELEASE TUESDAY, OCTOBER 10, 2006 AT 10:00 A.M. EDT

John Miller /Joseph Murphy
Service Sector Statistics Division
(301) 763-2747

CB06-153

MONTHLY WHOLESALE TRADE: SALES AND INVENTORIES August 2006

Special Notice – Beginning with the December 11, 2006 release for October 2006, data will be based on a new sample. In addition, a special release providing historic data on a new sample basis will be provided in November after the November 9, 2006 release covering September 2006 data. A new sample for the Monthly Wholesale Trade Report is selected about once every five years. For further information on the sample revision, see our website at <http://www.census.gov/mwts/www/mwts.html>.

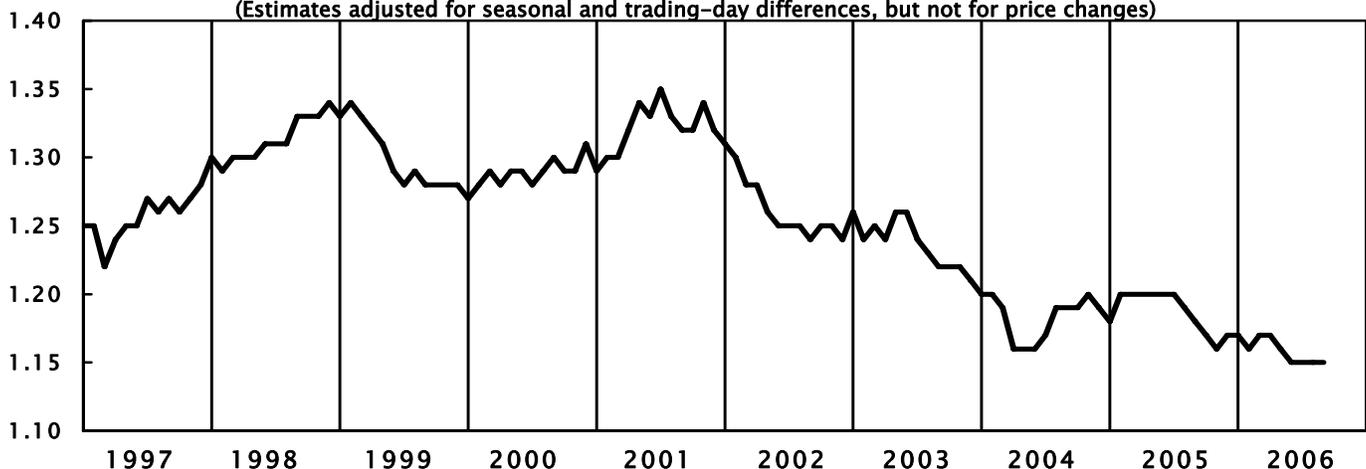
Sales. The U.S. Census Bureau announced today that August 2006 sales of merchant wholesalers, except manufacturers' sales branches and offices, after adjustment for seasonal variations and trading-day differences but not for price changes, were \$335.6 billion, up 1.1 percent (+/-0.5%) from the revised July level and were up 12.5 percent (+/-1.0%) from the August 2005 level. The July preliminary estimate was revised upward \$0.2 billion or 0.1 percent. August sales of durable goods increased 1.4 percent (+/-0.7%) from last month and were up 10.6 percent (+/-1.2%) from a year ago. Compared to last month, sales of electrical and electrical goods were up 4.3 percent and machinery, equipment, and supplies increased 2.8 percent. August sales of nondurable goods were up 0.9 percent (+/-0.7%) from last month, and were up 14.4 percent (+/-1.5%) from last year. Sales of grocery and related products grew 3.7 percent from last month and drugs and druggists' sundries increased 2.6 percent.

Inventories. Total inventories of merchant wholesalers, except manufacturers' sales branches and offices, after adjustment for seasonal variations but not for price changes, were \$386.6 billion at the end of August, up 1.1 percent (+/-0.3%) from last month and were up 9.7 percent (+/-1.0%) from a year ago. The July preliminary estimate was revised upward \$0.4 billion or 0.1 percent. End-of-month inventories of durable goods increased 0.9 percent (+/-0.3%) from July and were up 10.0 percent (+/-1.3%) from last August. Compared to last month, inventories of metals and minerals, except petroleum, increased 4.1 percent and professional and commercial equipment and supplies increased 1.2 percent. End-of-month inventories of nondurable goods grew 1.5 percent (+/-0.5%) from July and were up 9.1 percent (+/-1.2%) compared to last August. Inventories of drugs and druggists' sundries increased 5.7 percent from last month and inventories of grocery and related products were up 2.1 percent.

Inventories/Sales Ratio. The August inventories/sales ratio for merchant wholesalers, except manufacturers' sales branches and offices, based on seasonally adjusted data, was 1.15. The August 2005 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/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 September is scheduled to be released November 9, 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		
		Aug. 2006 (p)	Jul. 2006 (r)	Aug. 2005 (r)	Aug./Jul.	Jul./Jun.	Aug. 06/ Aug. 05	Aug. 2006 (p)	Jul. 2006 (r)	Aug. 2005 (r)	Aug./Jul.	Jul./Jun.	Aug. 06/ Aug. 05	Aug. 2006 (p)	Jul. 2006 (r)	Aug. 2005 (r)
Adjusted²																
42	U.S. Total	335,606	331,886	298,211	1.1	0.5	12.5	386,639	382,384	352,472	1.1	0.9	9.7	1.15	1.15	1.18
423	Durable	163,411	161,194	147,707	1.4	0.5	10.6	244,087	241,958	221,807	0.9	0.9	10.0	1.49	1.50	1.50
4231	Automotive	26,920	26,515	25,743	1.5	-0.3	4.6	36,648	36,997	34,258	-0.9	0.3	7.0	1.36	1.40	1.33
4232	Furniture	5,632	5,637	5,092	-0.1	1.4	10.6	8,156	8,134	7,665	0.3	0.7	6.4	1.45	1.44	1.51
4233	Lumber	11,408	11,446	11,052	-0.3	-1.8	3.2	16,718	16,540	14,616	1.1	0.7	14.4	1.47	1.45	1.32
4234	Prof. equip.	26,953	26,766	25,970	0.7	0.3	3.8	31,074	30,707	28,742	1.2	1.4	8.1	1.15	1.15	1.11
42343	Comp. equip.	13,651	13,522	13,472	1.0	-0.2	1.3	10,777	10,593	10,299	1.7	1.2	4.6	0.79	0.78	0.76
4235	Metals	12,991	13,059	10,700	-0.5	-0.1	21.4	22,752	21,861	19,027	4.1	3.5	19.6	1.75	1.67	1.78
4236	Electrical	25,331	24,283	22,029	4.3	2.9	15.0	30,383	30,207	28,021	0.6	2.4	8.4	1.20	1.24	1.27
4237	Hardware	7,939	7,833	7,070	1.4	0.7	12.3	14,813	14,661	12,803	1.0	1.2	15.7	1.87	1.87	1.81
4238	Machinery	27,657	26,895	24,396	2.8	0.8	13.4	61,841	61,401	55,568	0.7	0.3	11.3	2.24	2.28	2.28
4239	Misc. Durable	18,580	18,760	15,655	-1.0	-0.2	18.7	21,702	21,450	21,107	1.2	-1.5	2.8	1.17	1.14	1.35
424	Nondurable	172,195	170,692	150,504	0.9	0.5	14.4	142,552	140,426	130,665	1.5	0.8	9.1	0.83	0.82	0.87
4241	Paper	7,953	7,987	7,574	-0.4	-0.5	5.0	7,417	7,448	7,367	-0.4	1.1	0.7	0.93	0.93	0.97
4242	Drugs	32,132	31,322	27,095	2.6	0.3	18.6	32,493	30,739	28,016	5.7	0.1	16.0	1.01	0.98	1.03
4243	Apparel	10,798	10,728	9,360	0.7	-0.1	15.4	15,794	15,708	15,920	0.5	1.8	-0.8	1.46	1.46	1.70
4244	Groceries	38,141	36,774	35,416	3.7	-0.3	7.7	26,089	25,561	23,292	2.1	1.5	12.0	0.68	0.70	0.66
4245	Farm products	10,477	10,682	8,670	-1.9	3.8	20.8	12,804	12,694	11,529	0.9	3.7	11.1	1.22	1.19	1.33
4246	Chemicals	8,011	8,002	7,372	0.1	1.4	8.7	8,746	8,601	8,139	1.7	-0.9	7.5	1.09	1.07	1.10
4247	Petroleum	37,830	38,445	30,412	-1.6	1.5	24.4	10,166	10,867	9,265	-6.5	-0.6	9.7	0.27	0.28	0.30
4248	Alcohol	8,419	8,259	7,992	1.9	-1.9	5.3	9,418	9,394	8,887	0.3	0.5	6.0	1.12	1.14	1.11
4249	Misc. Nondur.	18,434	18,493	16,613	-0.3	-0.6	11.0	19,625	19,414	18,250	1.1	0.0	7.5	1.06	1.05	1.10
													Sales to date			
													2006		2005	
42	U.S. Total	352,801	317,593	313,760	11.1	-7.7	12.4	383,349	381,910	349,492	0.4	1.1	9.7	2,582,228	2,314,246	
423	Durable	171,860	153,404	155,203	12.0	-10.3	10.7	244,605	245,251	222,202	-0.3	1.7	10.1	1,264,523	1,149,920	
4231	Automotive	28,051	25,295	26,798	10.9	-9.9	4.7	34,852	37,330	32,545	-6.6	1.7	7.1	212,213	192,237	
4232	Furniture	6,150	5,451	5,561	12.8	-6.4	10.6	8,433	8,321	7,926	1.3	2.4	6.4	44,041	39,595	
4233	Lumber	12,766	11,446	12,323	11.5	-9.9	3.6	16,618	16,772	14,528	-0.9	-1.3	14.4	95,437	88,021	
4234	Prof. equip.	27,654	24,999	26,386	10.6	-14.0	4.8	31,540	31,106	29,173	1.4	3.6	8.1	208,522	196,097	
42343	Comp. equip.	13,815	12,751	13,593	8.3	-15.2	1.6	10,788	10,741	10,350	0.4	3.5	4.2	105,106	102,672	
4235	Metals	14,004	12,667	11,492	10.6	-10.1	21.9	22,866	22,036	19,103	3.8	3.6	19.7	101,409	89,157	
4236	Electrical	27,054	23,239	23,527	16.4	-6.0	15.0	31,143	31,023	28,693	0.4	4.7	8.5	186,672	172,863	
4237	Hardware	8,590	7,567	7,643	13.5	-11.4	12.4	14,828	14,734	12,816	0.6	1.0	15.7	61,995	55,050	
4238	Machinery	29,067	25,631	25,787	13.4	-11.6	12.7	62,645	62,629	56,290	0.0	0.1	11.3	214,298	191,281	
4239	Misc. Durable	18,524	17,109	15,686	8.3	-10.0	18.1	21,680	21,300	21,128	1.8	-0.1	2.6	139,936	125,619	
424	Nondurable	180,941	164,189	158,557	10.2	-5.2	14.1	138,744	136,659	127,290	1.5	0.1	9.0	1,317,705	1,164,326	
4241	Paper	8,470	7,476	8,142	13.3	-10.3	4.0	7,461	7,426	7,411	0.5	1.5	0.7	63,192	57,536	
4242	Drugs	32,582	28,910	27,556	12.7	-9.4	18.2	31,486	30,001	27,091	4.9	-3.0	16.2	243,061	210,882	
4243	Apparel	12,299	10,535	10,633	16.7	-3.2	15.7	16,710	16,368	16,859	2.1	5.1	-0.9	83,012	75,972	
4244	Groceries	40,010	36,590	37,187	9.3	-3.2	7.6	25,985	24,922	23,199	4.3	0.7	12.0	294,757	280,277	
4245	Farm products	9,471	9,112	7,898	3.9	-3.2	19.9	10,320	10,688	9,235	-3.4	0.4	11.7	76,716	69,311	
4246	Chemicals	8,596	7,746	7,910	11.0	-7.9	8.7	8,729	8,627	8,115	1.2	-1.4	7.6	62,579	57,869	
4247	Petroleum	40,894	37,945	33,119	7.8	-0.1	23.5	10,136	10,987	9,228	-7.7	3.4	9.8	282,250	215,370	
4248	Alcohol	9,337	7,937	8,751	17.6	-16.5	6.7	9,371	9,488	8,851	-1.2	0.6	5.9	64,299	60,971	
4249	Misc. Nondur.	19,282	17,938	17,361	7.5	-5.4	11.1	18,546	18,152	17,301	2.2	-1.9	7.2	147,839	136,138	

^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	1.7	1.5	1.6	0.3	0.2	0.6	0.6	1.5	1.5	0.4
423	Durable	1.3	2.0	1.4	1.9	0.4	0.2	0.7	0.8	1.3	1.4	0.4
4231	Automotive	3.3	4.4	3.3	4.4	0.9	0.7	1.6	1.7	3.2	3.3	1.3
4232	Furniture	7.3	9.7	7.3	9.7	1.7	0.6	2.4	1.4	7.0	7.1	2.1
4233	Lumber	5.8	7.2	5.9	7.2	1.2	0.8	1.8	2.1	6.0	5.8	1.2
4234	Prof. equip.	4.3	7.0	4.2	6.9	1.3	0.5	2.4	2.3	4.3	4.4	1.4
42343	Comp. equip.	8.9	10.4	9.0	10.5	1.9	1.0	3.7	3.5	8.9	9.6	1.6
4235	Metals	6.6	11.5	6.6	11.5	1.5	0.5	2.5	2.1	6.2	6.7	1.6
4236	Electrical	4.3	7.1	4.3	7.2	1.4	0.6	1.8	1.4	4.2	4.7	1.3
4237	Hardware	7.0	8.8	7.0	8.8	1.2	0.4	1.9	2.3	6.9	6.6	1.4
4238	Machinery	5.2	4.4	5.3	4.4	1.5	0.5	1.8	1.2	5.2	4.9	1.0
4239	Misc. Durable	4.7	7.9	4.7	7.9	1.8	0.6	2.7	1.8	4.6	4.3	2.2
424	Nondurable	2.6	2.4	2.6	2.4	0.4	0.3	0.9	0.7	2.7	2.4	0.7
4241	Paper	6.7	6.0	6.6	6.0	1.2	0.5	1.7	1.3	6.5	5.4	1.1
4242	Drugs	6.1	5.8	6.1	5.8	0.8	0.5	1.5	0.9	6.2	5.4	1.2
4243	Apparel	7.4	5.4	7.2	5.4	1.7	0.6	2.7	1.5	7.5	5.8	2.1
4244	Groceries	4.2	7.3	4.2	7.3	0.8	0.9	1.1	1.7	4.3	4.4	0.7
4245	Farm products	7.2	8.9	7.0	9.0	2.0	1.6	2.3	2.8	6.9	6.8	1.6
4246	Chemicals	5.1	5.7	5.0	5.7	1.1	0.5	1.9	1.5	5.3	5.1	1.2
4247	Petroleum	10.2	11.3	10.1	11.7	0.8	1.3	1.6	2.6	9.9	10.0	1.4
4248	Alcohol	5.9	5.0	5.8	5.3	1.1	0.5	1.6	1.1	6.0	5.6	1.0
4249	Misc. Nondur.	8.0	9.3	8.0	9.4	1.8	0.9	2.4	1.9	8.7	9.2	1.8

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
		Sep.	Aug.r	Jul.r	Jun.	May	Aug.r	Sep.	Aug.r	Jul.r	Jun.	May	Aug.r
42	U.S. Total ¹	0.999	1.052	0.957	1.043	1.039	1.051	0.993	0.990	0.998	0.995	0.989	0.990
423	Durable	1.009	1.056	0.954	1.065	1.034	1.054	0.994	1.000	1.012	1.005	1.003	1.001
4231	Automotive	0.953	1.042	0.954	1.055	1.039	1.041	0.970	0.951	1.009	0.995	1.000	0.950
4232	Furniture	1.022	1.092	0.967	1.047	1.023	1.092	1.023	1.034	1.023	1.006	0.997	1.034
4233	Lumber	1.017	1.119	1.000	1.090	1.075	1.115	0.977	0.994	1.014	1.034	1.038	0.994
4234	Prof. equip.	1.076	1.026	0.934	1.089	0.985	1.016	1.002	1.015	1.013	0.991	0.983	1.015
42343	Comp. equip.	1.108	1.012	0.943	1.110	0.969	1.009	0.991	1.001	1.014	0.991	0.978	1.005
4235	Metals	0.981	1.078	0.970	1.078	1.062	1.074	0.999	1.005	1.008	1.007	1.009	1.004
4236	Electrical	1.040	1.068	0.957	1.047	1.021	1.068	1.017	1.025	1.027	1.004	1.007	1.024
4237	Hardware	0.990	1.082	0.966	1.098	1.065	1.081	0.993	1.001	1.005	1.007	1.012	1.001
4238	Machinery	0.987	1.051	0.953	1.086	1.068	1.057	0.988	1.013	1.020	1.022	1.008	1.013
4239	Misc. Durable	0.986	0.997	0.912	1.011	1.013	1.002	1.007	0.999	0.993	0.979	0.987	1.001
424	Nondurable	0.986	1.048	0.959	1.018	1.042	1.049	0.991	0.974	0.972	0.978	0.967	0.973
4241	Paper	1.020	1.065	0.936	1.038	1.027	1.075	1.000	1.006	0.997	0.993	1.001	1.006
4242	Drugs	0.988	1.014	0.923	1.022	1.029	1.017	1.019	0.969	0.976	1.008	0.964	0.967
4243	Apparel	1.042	1.139	0.982	1.014	0.951	1.136	1.048	1.058	1.042	1.009	0.968	1.059
4244	Groceries	0.976	1.049	0.995	1.025	1.062	1.050	1.002	0.996	0.975	0.982	0.978	0.996
4245	Farm products	0.911	0.904	0.853	0.915	1.002	0.911	0.817	0.806	0.842	0.870	0.925	0.801
4246	Chemicals	0.990	1.073	0.968	1.065	1.045	1.073	0.989	0.998	1.003	1.008	1.008	0.997
4247	Petroleum	1.007	1.081	0.987	1.003	1.027	1.089	0.999	0.997	1.011	0.972	0.925	0.996
4248	Alcohol	0.954	1.109	0.961	1.129	1.102	1.095	1.018	0.995	1.010	1.009	1.005	0.996
4249	Misc. Nondur.	0.942	1.046	0.970	1.019	1.116	1.045	0.973	0.945	0.935	0.953	0.965	0.948

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>.