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INTRODUCTION OF NEW SAMPLE MONTHLY WHOLESALE TRADE: SALES AND INVENTORIES September 2006

The U.S. Census Bureau of the Department of Commerce released revisions today to the monthly wholesale trade sales and inventories estimates for September 2006, August 2006, and September 2005. These revisions reflect the introduction of a new sample beginning with the restatement of the September 2006 estimates, and provide a consistent time series between the old and new samples. Estimates adjusted for seasonal variation and trading-day differences were revised for September 2006, August 2006, and September 2005. Estimates not adjusted for seasonality were revised for September 2006.

Sales. September 2006 sales of merchant wholesalers, except manufacturers' sales branches and offices, after adjustment for seasonal variation and trading-day differences but not for price changes, were \$331.6 billion, revised upward \$1.4 billion or 0.4 percent from the original September 2006 sales estimate that was released on November 9, 2006.

Inventories. September 2006 inventories of merchant wholesalers, except manufacturers' sales branches and offices, after adjustment for seasonal variation and trading-day differences but not for price changes, were \$390.6 billion, revised upward \$0.4 billion or 0.1 percent from the original September 2006 inventories estimate that was released on November 9, 2006.

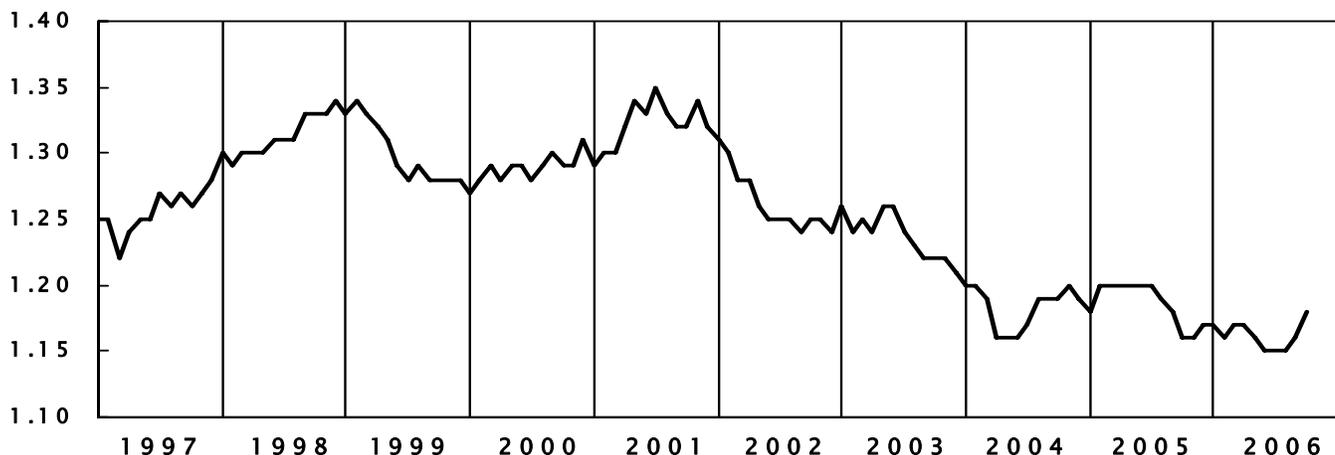
Inventories/Sales Ratio. The September 2006 inventories/sales ratio for merchant wholesalers, except manufacturers' sales branches and offices, based on seasonally adjusted data, was 1.18, unchanged from the ratio that was released on November 9, 2006.

The Census Bureau redesigns and reselects the monthly wholesale trade sample about once every five years. This is designed to reflect the results of the latest economic census, ensure that the sample remains representative of the wholesale industry, and redistribute respondent burden for small and medium size companies. The previous sample was introduced with the March 2001 data month.

More information on the estimates, the sample revision, and general survey methodology are available 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).

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 October is scheduled to be released December 11, 2006 at 10:00 a.m. EST.

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		
		Sep. 2006 (p)	Aug. 2006 (r)	Sep. 2005 (r)	Sep./Aug.	Aug./Jul.	Sep. 06/ Sep. 05	Sep. 2006 (p)	Aug. 2006 (r)	Sep. 2005 (r)	Sep./Aug.	Aug./Jul.	Sep. 06/ Sep. 05	Sep. 2006 (p)	Aug. 2006 (r)	Sep. 2005 (r)
Adjusted²																
42	U.S. Total	331,582	334,528	305,146	-0.9	0.8	8.7	390,632	387,251	355,220	0.9	1.3	10.0	1.18	1.16	1.16
423	Durable	163,262	163,029	148,678	0.1	1.1	9.8	248,676	244,822	222,431	1.6	1.2	11.8	1.52	1.50	1.50
4231	Automotive	26,486	26,871	25,055	-1.4	1.3	5.7	37,381	36,697	34,117	1.9	-0.8	9.6	1.41	1.37	1.36
4232	Furniture	5,759	5,654	5,086	1.9	0.3	13.2	8,216	8,165	7,669	0.6	0.4	7.1	1.43	1.44	1.51
4233	Lumber	10,993	11,317	11,217	-2.9	-1.1	-2.0	16,916	16,718	14,238	1.2	1.1	18.8	1.54	1.48	1.27
4234	Prof. equip.	27,390	27,113	26,162	1.0	1.3	4.7	31,723	31,163	28,867	1.8	1.5	9.9	1.16	1.15	1.10
42343	Comp. equip.	13,947	13,735	13,594	1.5	1.6	2.6	11,158	10,788	10,684	3.4	1.8	4.4	0.80	0.79	0.79
4235	Metals	13,227	12,903	10,885	2.5	-1.2	21.5	23,768	22,950	18,814	3.6	5.0	26.3	1.80	1.78	1.73
4236	Electrical	25,351	25,032	21,983	1.3	3.1	15.3	30,986	30,517	27,961	1.5	1.0	10.8	1.22	1.22	1.27
4237	Hardware	7,907	7,934	7,125	-0.3	1.3	11.0	14,908	14,815	12,925	0.6	1.1	15.3	1.89	1.87	1.81
4238	Machinery	27,863	27,726	24,849	0.5	3.1	12.1	62,802	61,960	56,079	1.4	0.9	12.0	2.25	2.23	2.26
4239	Misc. Durable	18,286	18,479	16,316	-1.0	-1.5	12.1	21,976	21,837	21,761	0.6	1.8	1.0	1.20	1.18	1.33
424	Nondurable	168,320	171,499	156,468	-1.9	0.5	7.6	141,956	142,429	132,789	-0.3	1.4	6.9	0.84	0.83	0.85
4241	Paper	7,877	7,968	7,733	-1.1	-0.2	1.9	7,528	7,426	7,344	1.4	-0.3	2.5	0.96	0.93	0.95
4242	Drugs	31,324	31,775	28,646	-1.4	1.4	9.3	31,638	32,566	29,004	-2.8	5.9	9.1	1.01	1.02	1.01
4243	Apparel	10,895	10,830	9,480	0.6	1.0	14.9	15,961	15,805	15,894	1.0	0.6	0.4	1.46	1.46	1.68
4244	Groceries	38,248	38,153	35,577	0.2	3.7	7.5	26,066	25,997	23,623	0.3	1.7	10.3	0.68	0.68	0.66
4245	Farm products	10,520	10,476	9,095	0.4	-1.9	15.7	12,412	12,697	11,383	-2.2	0.0	9.0	1.18	1.21	1.25
4246	Chemicals	8,065	8,041	7,473	0.3	0.5	7.9	8,757	8,728	8,151	0.3	1.5	7.4	1.09	1.09	1.09
4247	Petroleum	34,312	37,362	33,474	-8.2	-2.8	2.5	10,392	10,183	9,792	2.1	-6.3	6.1	0.30	0.27	0.29
4248	Alcohol	8,482	8,420	7,995	0.7	1.9	6.1	9,585	9,441	8,935	1.5	0.5	7.3	1.13	1.12	1.12
4249	Misc. Nondur.	18,597	18,474	16,995	0.7	-0.1	9.4	19,617	19,586	18,663	0.2	0.9	5.1	1.05	1.06	1.10
													Sales to date			
													2006		2005	
42	U.S. Total	329,277	351,952	311,155	-6.4	10.8	5.8	387,921	383,568	352,710	1.1	0.4	10.0	2,910,656	2,625,401	
423	Durable	164,628	171,285	154,542	-3.9	11.7	6.5	247,548	244,795	221,467	1.1	-0.2	11.8	1,428,576	1,304,462	
4231	Automotive	25,135	28,053	24,278	-10.4	10.9	3.5	36,334	34,789	33,196	4.4	-6.8	9.5	237,350	216,515	
4232	Furniture	5,938	6,140	5,442	-3.3	12.6	9.1	8,405	8,434	7,845	-0.3	1.4	7.1	49,969	45,037	
4233	Lumber	11,048	12,766	11,845	-13.5	11.5	-6.7	16,510	16,618	13,925	-0.6	-0.9	18.6	106,485	99,866	
4234	Prof. equip.	29,746	27,655	29,249	7.6	10.6	1.7	31,850	31,475	28,982	1.2	1.2	9.9	238,269	225,346	
42343	Comp. equip.	15,676	13,817	15,647	13.5	8.4	0.2	11,158	10,712	10,673	4.2	-0.3	4.5	120,784	118,319	
4235	Metals	13,015	13,819	11,103	-5.8	9.1	17.2	23,744	22,973	18,795	3.4	4.3	26.3	114,239	100,260	
4236	Electrical	26,365	26,659	23,258	-1.1	14.7	13.4	31,575	31,219	28,492	1.1	0.6	10.8	212,642	196,121	
4237	Hardware	7,812	8,592	7,275	-9.1	13.5	7.4	14,804	14,830	12,835	-0.2	0.7	15.3	69,809	62,325	
4238	Machinery	27,612	29,085	25,694	-5.1	13.5	7.5	62,174	62,642	55,462	-0.7	0.0	12.1	241,928	216,975	
4239	Misc. Durable	17,957	18,516	16,398	-3.0	8.2	9.5	22,152	21,815	21,935	1.5	2.4	1.0	157,885	142,017	
424	Nondurable	164,649	180,667	156,613	-8.9	10.0	5.1	140,373	138,773	131,243	1.2	1.5	7.0	1,482,080	1,320,939	
4241	Paper	7,964	8,542	8,058	-6.8	14.3	-1.2	7,543	7,441	7,344	1.4	0.2	2.7	71,228	65,594	
4242	Drugs	30,604	32,315	29,076	-5.3	11.8	5.3	31,859	31,654	29,149	0.6	5.5	9.3	273,398	239,958	
4243	Apparel	11,440	12,281	10,182	-6.8	16.6	12.4	16,743	16,690	16,657	0.3	2.0	0.5	94,434	86,154	
4244	Groceries	37,483	40,023	35,435	-6.3	9.4	5.8	26,170	25,841	23,670	1.3	3.7	10.6	332,253	315,712	
4245	Farm products	9,615	9,428	8,422	2.0	3.5	14.2	10,141	10,361	9,334	-2.1	-3.1	8.6	86,288	77,733	
4246	Chemicals	7,984	8,644	7,585	-7.6	11.6	5.3	8,661	8,711	8,069	-0.6	1.0	7.3	70,611	65,454	
4247	Petroleum	33,832	40,874	33,374	-17.2	7.7	1.4	10,402	10,163	9,802	2.4	-7.5	6.1	316,062	248,744	
4248	Alcohol	8,134	9,329	7,979	-12.8	17.5	1.9	9,786	9,384	9,096	4.3	-1.1	7.6	72,425	68,950	
4249	Misc. Nondur.	17,593	19,231	16,502	-8.5	7.2	6.6	19,068	18,528	18,122	2.9	2.1	5.2	165,381	152,640	

^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	0.8	0.6	0.8
423	Durable	1.5	1.6	1.5	1.6	0.6	0.2	1.2	1.3	1.4	1.3	1.2
4231	Automotive	2.7	4.9	2.4	4.8	0.8	0.6	1.7	6.3	2.5	1.8	1.8
4232	Furniture	3.2	4.5	3.5	4.5	1.6	0.9	3.2	6.4	3.2	4.1	4.1
4233	Lumber	4.2	7.8	4.1	7.5	0.8	0.7	2.7	6.9	4.2	6.3	3.9
4234	Prof. equip.	3.2	4.2	3.1	4.2	1.1	0.6	2.0	3.5	3.1	2.8	2.2
42343	Comp. equip.	5.4	5.7	4.7	5.6	2.0	1.2	3.9	7.4	4.6	4.1	4.1
4235	Metals	3.7	5.5	3.5	5.5	1.0	0.6	2.9	5.3	3.4	2.4	3.4
4236	Electrical	3.1	2.5	3.1	2.5	1.1	0.4	3.5	2.3	2.7	1.7	3.6
4237	Hardware	4.3	4.7	4.5	4.7	1.2	0.7	5.2	4.6	4.2	3.4	6.1
4238	Machinery	3.0	2.5	3.0	2.5	1.6	0.7	2.7	3.2	2.8	2.6	3.0
4239	Misc. Durable	4.6	5.4	4.4	5.2	1.5	0.5	5.5	3.7	4.4	2.7	7.0
424	Nondurable	1.3	1.9	1.3	1.9	0.7	0.3	1.4	2.1	1.3	1.1	1.6
4241	Paper	6.3	5.2	5.9	4.9	2.0	0.9	4.3	3.1	5.8	3.8	4.7
4242	Drugs	3.0	4.9	2.9	5.0	0.5	0.4	2.8	5.9	2.7	2.1	2.7
4243	Apparel	4.2	5.0	4.2	5.0	2.2	1.4	3.2	3.7	3.7	4.1	3.0
4244	Groceries	3.5	6.1	3.5	5.9	1.7	0.7	2.3	6.4	3.5	3.4	2.8
4245	Farm products	5.0	8.5	4.6	8.6	1.6	1.4	4.3	4.3	4.6	4.8	4.7
4246	Chemicals	6.8	6.2	6.7	6.2	1.3	0.7	6.9	7.5	6.7	4.8	8.3
4247	Petroleum	3.3	3.7	3.3	3.5	1.3	1.2	4.6	5.0	3.1	2.6	5.1
4248	Alcohol	7.6	3.7	7.6	3.9	1.1	1.0	2.1	2.9	7.6	8.0	2.1
4249	Misc. Nondur.	4.5	5.7	4.4	5.7	0.9	0.8	3.9	5.8	4.3	1.9	4.5

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
		Oct.	Sep.r	Aug.r	Jul.	Jun.	Sep.r	Oct.	Sep.r	Aug.r	Jul.	Jun.	Sep.r
42	U.S. Total ¹	1.045	0.996	1.055	0.957	1.043	1.022	1.006	0.993	0.990	0.998	0.995	0.993
423	Durable	1.051	1.009	1.055	0.954	1.065	1.039	0.999	0.995	0.999	1.012	1.005	0.995
4231	Automotive	1.036	0.949	1.044	0.954	1.055	0.969	1.003	0.972	0.948	1.009	0.995	0.973
4232	Furniture	1.077	1.031	1.086	0.967	1.047	1.070	1.017	1.023	1.033	1.023	1.006	1.023
4233	Lumber	1.048	1.005	1.128	1.000	1.090	1.056	0.950	0.976	0.994	1.014	1.034	0.978
4234	Prof. equip.	1.020	1.086	1.020	0.934	1.089	1.118	1.031	1.004	1.010	1.013	0.991	1.004
42343	Comp. equip.	1.003	1.124	1.006	0.943	1.110	1.151	1.034	1.000	0.993	1.014	0.991	0.999
4235	Metals	1.043	0.984	1.071	0.970	1.078	1.020	0.990	0.999	1.001	1.008	1.007	0.999
4236	Electrical	1.082	1.040	1.065	0.957	1.047	1.058	1.001	1.019	1.023	1.027	1.004	1.019
4237	Hardware	1.081	0.988	1.083	0.966	1.098	1.021	0.987	0.993	1.001	1.005	1.007	0.993
4238	Machinery	1.032	0.991	1.049	0.953	1.086	1.034	0.986	0.990	1.011	1.020	1.022	0.989
4239	Misc. Durable	1.084	0.982	1.002	0.912	1.011	1.005	1.031	1.008	0.999	0.993	0.979	1.008
424	Nondurable	1.040	0.979	1.053	0.959	1.018	1.000	1.013	0.988	0.977	0.972	0.978	0.987
4241	Paper	1.053	1.011	1.072	0.936	1.038	1.042	1.003	1.002	1.002	0.997	0.993	1.000
4242	Drugs	1.036	0.977	1.017	0.923	1.022	1.015	1.011	1.007	0.972	0.976	1.008	1.005
4243	Apparel	1.119	1.050	1.134	0.982	1.014	1.074	1.019	1.049	1.056	1.042	1.009	1.048
4244	Groceries	1.022	0.980	1.049	0.995	1.025	0.996	1.030	1.004	0.994	0.975	0.982	1.002
4245	Farm products	1.144	0.914	0.900	0.853	0.915	0.926	1.005	0.817	0.816	0.842	0.870	0.820
4246	Chemicals	1.015	0.990	1.075	0.968	1.065	1.015	0.988	0.989	0.998	1.003	1.008	0.990
4247	Petroleum	1.056	0.986	1.094	0.987	1.003	0.997	0.970	1.001	0.998	1.011	0.972	1.001
4248	Alcohol	1.028	0.959	1.108	0.961	1.129	0.998	1.056	1.021	0.994	1.010	1.009	1.018
4249	Misc. Nondur.	0.978	0.946	1.041	0.970	1.019	0.971	0.996	0.972	0.946	0.935	0.953	0.971

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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 27% of the total sales estimate and 29% 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>.