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## Full Report on Manufacturers' Shipments, Inventories and Orders October 2008

### Summary

New orders for manufactured goods in October, down three consecutive months, decreased \$21.9 billion or 5.1 percent to \$407.4 billion, the U.S. Census Bureau reported today. This followed a 3.1 percent September decrease. Excluding transportation, new orders decreased 4.2 percent.

Shipments, also down three consecutive months, decreased \$13.8 billion or 3.2 percent to \$417.7 billion. This followed a 3.1 percent September decrease.

Unfilled orders, down for the first time in twenty-six months, decreased \$5.1 billion or 0.6 percent to \$823.1 billion. This followed a 0.2 percent September increase. The unfilled orders-to-shipments ratio was 5.69, up from 5.50 in September.

Inventories, down two consecutive months, decreased \$3.2 billion or 0.6 percent to \$555.1 billion. This followed a 0.8 percent September decrease. The inventories-to-shipments ratio was 1.33, up from 1.29 in September.

### New Orders

New orders for manufactured durable goods in October, down three consecutive months, decreased \$14.3 billion or 6.9 percent to \$191.7 billion, revised from the previously published 6.2 percent decrease. This followed a slight September decrease.

Transportation equipment, down two of the last three months, had the largest decrease, \$6.1 billion or 11.2 percent to \$48.7 billion.

New orders for manufactured nondurable goods decreased \$7.6 billion or 3.4 percent to \$215.6 billion.

### Shipments

Shipments of manufactured durable goods in October, down three consecutive months, decreased \$6.2 billion or 3.0 percent to \$202.1 billion, revised from the previously published 2.4 percent decrease. This followed a slight September decrease.

Transportation equipment, down two of the last three months, had the largest decrease, \$2.6 billion or 5.2 percent to \$48.2 billion.

Shipments of manufactured nondurable goods, down three consecutive months, decreased \$7.6 billion or 3.4 percent to \$215.6 billion. This followed a 5.8 percent September decrease. This decrease was led by petroleum and coal products, which decreased \$6.5 billion or 12.2 percent to \$47.2 billion.

### Unfilled Orders

Unfilled orders for manufactured durable goods in October, down for the first time in twenty-six months, decreased \$5.1 billion or 0.6 percent to \$823.1 billion, unchanged from the previously published decrease. This followed a 0.2 percent September increase.

Primary metals, down three consecutive months, had the largest decrease, \$2.9 billion or 11.2 percent to \$23.3 billion.

### Inventories

Inventories of manufactured durable goods in October, up fifteen of the last sixteen months, increased \$1.5 billion or 0.4 percent to \$341.3 billion, unchanged from the previously published increase. This was at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 0.2 percent September increase.

Transportation equipment, up twenty-one of the last twenty-two months, had the largest increase, \$1.4 billion or 1.6 percent to \$90.0 billion.

Inventories of manufactured nondurable goods, down two consecutive months, decreased \$4.7 billion or 2.1 percent to \$213.9 billion. This followed a 2.3 percent September decrease. Petroleum and coal products drove the decrease, down \$4.8 billion or 12.0 percent to \$35.1 billion.

By stage of fabrication, October materials and supplies increased 0.2 percent in durable goods and decreased 3.2 percent in nondurable goods. Work in process increased 1.2 percent in durable goods and decreased 5.5 percent in nondurable goods. Finished goods decreased 0.3 percent in durable goods and increased slightly in nondurable goods.

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Figures in text are in seasonally adjusted current dollars. Figures on new and unfilled orders exclude data for semiconductor manufacturing. For data, call (301) 763-4673 or go to <<http://www.census.gov/m3>>.

The advance report on durable goods for November is scheduled for release on December 24, 2008, at 8:30 a.m. EST and the full report on January 6, 2009, at 10:00 a.m. EST. See back page for survey description and 2009 release dates.





**Table 3. Value of Manufacturers' Unfilled Orders for Industry Groups**

[Millions of Dollars]

Industry	Seasonally Adjusted						Not Seasonally Adjusted					Percent Change Oct. 08/07
	Monthly			Percent Change			Monthly					
	Oct. 2008 <sup>p</sup>	Sept. 2008 <sup>r</sup>	Aug. 2008	Sept. - Oct.	Aug. - Sept.	July - Aug.	Oct. 2008 <sup>p</sup>	Sept. 2008 <sup>r</sup>	Aug. 2008	Oct. 2007		
All manufacturing industries <sup>1</sup> .....	823,094	828,225	826,529	-0.6	0.2	0.3	807,783	816,475	819,953	734,765	9.9	
Excluding transportation <sup>1</sup> .....	352,202	357,817	360,103	-1.6	-0.6	0.0	346,785	353,307	357,858	330,114	5.1	
Excluding defense <sup>1</sup> .....	664,233	668,909	670,708	-0.7	-0.3	0.2	652,780	661,118	667,113	589,248	10.8	
Durable goods industries <sup>1</sup> .....	823,094	828,225	826,529	-0.6	0.2	0.3	807,783	816,475	819,953	734,765	9.9	
Primary metals.....	23,269	26,212	28,359	-11.2	-7.6	-5.8	21,757	25,397	28,397	25,486	-14.6	
Iron and steel mills.....	13,439	15,885	17,713	-15.4	-10.3	-8.2	12,481	15,385	17,920	15,171	-17.7	
Aluminum and nonferrous metals.....	6,875	7,268	7,600	-5.4	-4.4	-2.6	6,427	7,035	7,476	7,372	-12.8	
Ferrous metal foundries.....	2,955	3,059	3,046	-3.4	0.4	1.5	2,849	2,977	3,001	2,943	-3.2	
Fabricated metal products.....	60,926	61,556	61,934	-1.0	-0.6	-0.3	59,781	61,188	62,154	58,666	1.9	
Machinery.....	106,610	107,325	106,787	-0.7	0.5	1.5	104,879	105,277	105,613	87,541	19.8	
Construction machinery.....	15,227	15,563	15,143	-2.2	2.8	2.3	14,273	14,703	14,722	10,945	30.4	
Mining, oil field, and gas field machinery.....	7,354	7,437	7,173	-1.1	3.7	3.5	7,403	7,410	7,195	4,435	66.9	
Industrial machinery.....	16,463	16,784	16,886	-1.9	-0.6	0.3	16,335	16,296	16,651	14,956	9.2	
Photographic equipment.....	1,872	1,856	1,694	0.9	9.6	-1.9	1,879	1,874	1,702	1,627	15.5	
Ventilation, heating, air-conditioning, and refrigeration equipment.....	17,400	17,064	17,236	2.0	-1.0	2.9	17,440	17,227	17,449	12,281	42.0	
Metalworking machinery.....	8,577	8,725	8,721	-1.7	0.0	1.8	8,482	8,614	8,660	7,419	14.3	
Turbines, generators, and other power transmission equipment.....	14,539	14,357	14,374	1.3	-0.1	-0.7	14,160	14,080	14,422	12,969	9.2	
Material handling equipment.....	9,985	10,133	10,205	-1.5	-0.7	3.1	9,616	9,899	9,734	9,565	0.5	
Computers and electronic products <sup>1</sup> .....	124,817	125,161	124,884	-0.3	0.2	0.7	123,876	123,978	123,374	120,971	2.4	
Computers.....	3,594	3,924	3,904	-8.4	0.5	2.1	3,594	3,924	3,904	3,495	2.8	
Nondefense communications equipment.....	29,404	29,114	29,533	1.0	-1.4	2.4	29,341	28,781	29,069	29,502	-0.5	
Defense communications equipment.....	8,256	8,275	8,235	-0.2	0.5	0.0	8,221	8,301	8,130	7,355	11.8	
Semiconductors <sup>1</sup> .....	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	
Electronic components.....	10,610	10,789	10,790	-1.7	0.0	1.2	10,639	10,840	10,964	10,655	-0.2	
Nondefense search and navigation equipment.....	7,788	7,606	7,681	2.4	-1.0	2.8	7,745	7,593	7,562	6,783	14.2	
Defense search and navigation equipment.....	37,216	37,409	36,924	-0.5	1.3	0.0	36,542	36,783	36,074	36,310	0.6	
Electromedical, measuring, and control instruments.....	27,949	28,044	27,817	-0.3	0.8	-0.9	27,794	27,756	27,671	26,871	3.4	
Electrical equipment, appliances, and components.....	23,819	24,606	24,943	-3.2	-1.4	-1.0	23,556	24,367	25,090	23,587	-0.1	
Electric lighting equipment.....	2,566	2,714	2,609	-5.5	4.0	-2.3	2,494	2,711	2,718	2,460	1.4	
Household appliances.....	476	701	672	-32.1	4.3	-1.8	489	691	695	854	-42.7	
Electrical equipment.....	15,401	15,645	15,817	-1.6	-1.1	-0.8	15,378	15,550	15,884	15,133	1.6	
Transportation equipment.....	470,892	470,408	466,426	0.1	0.9	0.5	460,998	463,168	462,095	404,651	13.9	
Motor vehicle bodies, parts, and trailers.....	16,879	17,042	17,345	-1.0	-1.7	-0.2	16,183	16,637	17,192	17,868	-9.4	
Nondefense aircraft and parts.....	311,580	309,107	306,936	0.8	0.7	-0.2	305,391	305,551	304,766	253,743	20.4	
Defense aircraft and parts.....	46,970	46,470	45,832	1.1	1.4	1.1	45,668	45,185	45,191	39,809	14.7	
Ships and boats.....	20,829	21,553	19,823	-3.4	8.7	-1.4	19,981	20,723	19,137	20,021	-0.2	
Furniture and related products.....	6,896	7,204	7,469	-4.3	-3.5	0.9	7,071	7,347	7,503	7,594	-6.9	

<sup>p</sup> Preliminary<sup>r</sup> Revised

NA Not available.

<sup>1</sup> Data on unfilled orders are not available for the semiconductor industry. Estimates and percent changes for unfilled orders exclude semiconductor industry data. See note at end of Table 2 relating to survey error and revision.







**Table 7. Ratios of Manufacturers' Inventories to Shipments and Unfilled Orders to Shipments, by Industry Group**

[Based on Seasonally Adjusted data]

Industry	Inventory/Shipments ratio				Unfilled Orders/Shipments ratio <sup>1</sup>			
	Oct 2008 <sup>p</sup>	Sep 2008 <sup>r</sup>	Aug 2008	Jul 2008	Oct 2008 <sup>p</sup>	Sep 2008 <sup>r</sup>	Aug 2008	Jul 2008
All manufacturing industries <sup>2</sup> .....	1.33	1.29	1.26	1.21	(X)	(X)	(X)	(X)
Durable goods industries <sup>2</sup> .....	1.69	1.63	1.63	1.55	5.69	5.50	5.50	5.25
Wood products.....	1.32	1.34	1.30	1.27	(X)	(X)	(X)	(X)
Nonmetallic mineral products.....	1.34	1.31	1.30	1.26	(X)	(X)	(X)	(X)
Primary metals.....	1.75	1.58	1.52	1.42	1.16	1.18	1.23	1.26
Fabricated metal products.....	1.63	1.61	1.60	1.55	2.28	2.28	2.29	2.25
Machinery.....	1.91	1.81	1.88	1.86	4.21	4.06	4.17	4.04
Computers and electronic products <sup>2</sup> ..	1.50	1.54	1.50	1.40	5.35	5.32	5.27	5.08
Electrical equipment, appliances, and components.....	1.46	1.46	1.45	1.37	2.50	2.56	2.58	2.48
Transportation equipment.....	1.87	1.74	1.78	1.63	14.18	13.48	13.60	12.32
Furniture and related products.....	1.28	1.24	1.23	1.21	1.29	1.29	1.33	1.29
Miscellaneous products.....	1.88	1.86	1.79	1.75	(X)	(X)	(X)	(X)
Nondurable goods industries.....	0.99	0.98	0.94	0.91	(X)	(X)	(X)	(X)
Food products.....	0.72	0.72	0.72	0.72	(X)	(X)	(X)	(X)
Beverage and tobacco products.....	1.30	1.30	1.29	1.27	(X)	(X)	(X)	(X)
Textiles.....	1.36	1.32	1.28	1.26	(X)	(X)	(X)	(X)
Textile products.....	1.58	1.54	1.48	1.43	(X)	(X)	(X)	(X)
Apparel.....	1.74	1.69	1.69	1.67	(X)	(X)	(X)	(X)
Leather and allied products.....	2.19	2.06	2.13	2.14	(X)	(X)	(X)	(X)
Paper products.....	1.09	1.06	1.05	1.05	(X)	(X)	(X)	(X)
Printing.....	0.82	0.83	0.82	0.81	(X)	(X)	(X)	(X)
Petroleum and coal products.....	0.74	0.74	0.67	0.62	(X)	(X)	(X)	(X)
Chemical products.....	1.19	1.20	1.16	1.14	(X)	(X)	(X)	(X)
Plastics and rubber products.....	1.32	1.29	1.31	1.25	(X)	(X)	(X)	(X)

<sup>p</sup> Preliminary

<sup>r</sup> Revised

X Not Applicable

<sup>1</sup> Excludes the following industries with no unfilled orders: Wood products; nonmetallic mineral products; medical equipment and supplies; office supplies; other miscellaneous manufacturing; cutlery and handtools; farm and garden machinery; computer storage and peripheral devices; audio and video equipment; manufacturing and reproducing magnetic and optical media; batteries; automobiles; light trucks and utility vehicles; heavy duty trucks; and miscellaneous furniture.

<sup>2</sup> Unfilled orders to shipments ratio excludes semiconductor manufacturing.

**Table 8. Revisions to Previously Published Monthly Percent Changes**

[Based on Seasonally Adjusted data]

Industry	Shipments		New Orders		Unfilled Orders		Inventories	
	Oct <sup>1</sup> 2008	Oct <sup>2</sup> 2007- Sep 2008						
All manufacturing industries.....	(X)	0.2	(X)	0.4	(X)	0.1	(X)	0.1
Durable goods industries.....	-0.6	0.4	-0.7	0.7	0.0	0.1	0.0	0.1
Wood products.....	(X)	0.6	(X)	(NA)	(X)	(NA)	(X)	0.7
Nonmetallic mineral products.....	(X)	0.5	(X)	(NA)	(X)	(NA)	(X)	0.3
Primary metals.....	-1.8	0.5	-2.7	0.9	-0.3	0.6	0.1	0.2
Fabricated metal products.....	0.0	0.4	-0.1	0.8	0.0	0.3	0.0	0.2
Machinery.....	-1.6	0.3	-2.2	1.1	-0.1	0.4	0.2	0.2
Computers and electronic products .....	0.1	0.9	-1.0	0.8	-0.2	0.2	0.2	0.2
Electrical equipment, appliances, and components.....	0.4	0.4	0.3	3.0	-0.1	1.3	-0.2	0.5
Transportation equipment.....	-0.6	0.6	-0.1	1.2	0.0	0.1	0.1	0.1
Furniture and related products.....	(X)	0.5	(X)	0.7	(X)	0.4	(X)	0.3
Miscellaneous products.....	(X)	0.6	(X)	0.9	(X)	0.9	(X)	0.2
Nondurable goods industries.....	(X)	0.3	(X)	(NA)	(X)	(NA)	(X)	0.2
Food products.....	(X)	0.2	(X)	(NA)	(X)	(NA)	(X)	0.2
Beverage and tobacco products.....	(X)	0.3	(X)	(NA)	(X)	(NA)	(X)	0.2
Textiles.....	(X)	0.6	(X)	(NA)	(X)	(NA)	(X)	0.5
Textile products.....	(X)	0.5	(X)	(NA)	(X)	(NA)	(X)	0.3
Apparel.....	(X)	1.6	(X)	(NA)	(X)	(NA)	(X)	0.4
Leather and allied products.....	(X)	1.2	(X)	(NA)	(X)	(NA)	(X)	0.9
Paper products.....	(X)	0.5	(X)	(NA)	(X)	(NA)	(X)	0.2
Printing.....	(X)	0.7	(X)	(NA)	(X)	(NA)	(X)	1.1
Petroleum and coal products.....	(X)	1.1	(X)	(NA)	(X)	(NA)	(X)	0.7
Chemical products.....	(X)	0.4	(X)	(NA)	(X)	(NA)	(X)	0.3
Plastics and rubber products.....	(X)	0.4	(X)	(NA)	(X)	(NA)	(X)	0.4

X Not Applicable

NA Not Available

<sup>1</sup> The current month revisions are the difference between the advance percent change and the percent change as shown in this publication.

<sup>2</sup> The twelve month revisions are the differences between the month-to-month percent changes of the preliminary and final estimates. The monthly averages are the simple averages of the absolute values of the differences for the months specified. The advance to final percent change revisions for the durable goods industries are shown in the advance report for the month.

## **Survey Description**

This report is compiled from results of the U.S. Census Bureau's Manufacturers' Shipments, Inventories, and Orders (M3) survey. This survey provides statistics on manufacturers' value of shipments, new orders (net of cancellations), end-of-month order backlog (unfilled orders), end-of-month total inventory (at current cost or market value), and inventories by stage of fabrication (materials and supplies, work-in-process, and finished goods). The M3 includes approximately 4,300 reporting units. Units may be divisions of diversified large companies, large homogenous companies, or single-unit manufacturers in 89 industry categories. Due to the small monthly sample, these 89 categories have been combined into 59 publication levels. The survey methodology assumes that the month-to-month changes of the total operations of those companies in the monthly survey effectively represent the month-to-month movements of all establishments that make up the category. The current coverage levels in the survey show that reported data in the monthly survey represent approximately 61 percent of the shipments estimates at the total manufacturing level. Data published represent manufacturing in a calendar month. The data collection is based on a voluntary survey authorized by Title 13 of the United States Code.

The data presented in this release are based on data obtained from a panel of 4,300 reporting units and provide an indication of the activity within the manufacturing sector. The results differ from what would be obtained from a complete enumeration of all manufacturing companies. In addition, a different panel of 4,300 companies would yield different results. The M3 panel is comprised of companies with \$500 million or more in shipments and a limited number of smaller companies. From a statistical perspective, the panel is not a probability sample; therefore, the sampling errors that are normally provided with sample surveys cannot be measured. Nonsampling errors are attributable to many sources. The use of company or divisional reports to estimate the monthly change for establishments is one source of nonsampling error. The use of primarily large companies to represent the month-to-month movement of all companies is another potential source. Any corrections in the data will be released in the next month's advance report. Any revisions made later than two months will be reflected in the annual benchmark publication.

Additional survey documentation can be found on our web site: <http://www.census.gov/m3>.

### **2009 Release Dates for M3 Survey**

<b>Survey Month</b>	<b>Advance 8:30 A.M.</b>	<b>Preliminary 10:00 A.M.</b>
November 2008	Dec. 24, 2008	Jan. 6, 2009
December 2008	Jan. 29, 2009	Feb. 5, 2009
January 2009	Feb. 26, 2009	Mar. 5, 2009
February 2009	Mar. 25, 2009	Apr. 2, 2009
March 2009	Apr. 24, 2009	May 1, 2009
April 2009	May 28, 2009	Jun. 3, 2009
May 2009	Jun. 24, 2009	Jul. 2, 2009
June 2009	Jul. 29, 2009	Aug. 5, 2009
July 2009	Aug. 26, 2009	Sep. 2, 2009
August 2009	Sep. 25, 2009	Oct. 2, 2009
September 2009	Oct. 28, 2009	Nov. 3, 2009
October 2009	Nov. 25, 2009	Dec. 4, 2009
November 2009	Dec. 24, 2009	