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ADVANCE REPORT ON DURABLE GOODS MANUFACTURERS' SHIPMENTS AND ORDERS
October 1996

(All figures in text below are in seasonally adjusted current dollars)

• **NEW ORDERS** New orders for manufactured durable goods in October increased \$0.3 billion or 0.1 percent to \$174.2 billion, the Department of Commerce, Bureau of the Census reported today. This follows a 4.6 percent September increase and is the third increase in the last four months. Excluding transportation, new orders increased 2.9 percent, the sixth increase in the last seven months. Year to date, new orders are 6.0 percent above the same period a year ago.

Electronic and other electrical equipment, up four of the last five months, had the largest increase, \$4.6 billion or 17.3 percent to \$31.3 billion, mostly due to electronic components and communication equipment. This follows a 0.2 percent September increase. Transportation equipment decreased \$3.5 billion or 7.9 percent to \$41.1 billion, with all component industries declining. This follows a 19.0 percent September increase and is the fourth decrease in the last five months. Industrial machinery and equipment, down for the third consecutive month, decreased \$0.7 billion or 2.3 percent to \$31.5 billion. This follows a 0.2 percent September decrease. Primary metals, also down for the third consecutive month, decreased \$0.1 billion or 0.7 percent to \$14.6 billion, following a 3.1 percent September decline.

• **SHIPMENTS** of durable goods in October, down for the first month since June, decreased \$2.0 billion or 1.2 percent to \$168.7 billion, following a 1.3 percent September increase. Year to date, shipments are 4.4 percent above the same period a year ago.

Transportation equipment, down for the first month since June, had the largest decrease, \$2.0 billion or 5.0 percent to \$38.8 billion; led by motor vehicles and parts, all component industries declined. This follows a 2.6 percent September increase. Industrial machinery and equipment, down for the first month since July, decreased \$0.6 billion or 2.0 percent to \$31.9 billion, following a 1.5 percent September increase. Electronic and other electrical equipment increased \$0.3 billion or 1.1 percent to \$27.5 billion, the fifth increase in the last six months. Primary metals increased \$0.2 billion or 1.2 percent to \$15.0 billion, following a 0.4 percent September decrease.

• **UNFILLED ORDERS** Unfilled orders for durable goods in October increased \$5.5 billion or 1.1 percent to \$486.6 billion. This follows a 0.7 percent September increase and is the fifth increase in the last six months.

Electronic and other electrical equipment had the largest increase, \$3.7 billion or 7.6 percent to \$52.9 billion, following a 1.1 percent September decline. Transportation equipment, up five of the last six months, increased \$2.3 billion or 1.0 percent to \$246.0 billion; a large increase in aircraft and parts more than offset declines in the remaining segments. This follows a 1.6 percent September increase. Primary metals decreased \$0.4 billion or 1.1 percent to \$31.3 billion, following a 0.3 percent September decrease. Industrial machinery and equipment decreased \$0.3 billion or 0.4 percent to \$72.5 billion, following a 0.3 percent September decrease.

• **CAPITAL GOODS INDUSTRIES, DEFENSE** New orders in October decreased \$0.4 billion or 8.4 percent to \$4.8 billion, the first decline since July. This follows a 7.4 percent September increase. Shipments, also down for the first month since July, decreased \$0.4 billion or 6.6 percent to \$5.7 billion, following a 2.5 percent September increase. Unfilled orders, down for the fourth consecutive month, decreased \$0.9 billion or 0.8 percent to \$105.3 billion, following a 0.8 percent September decline.

• **CAPITAL GOODS INDUSTRIES, NONDEFENSE** New orders in October decreased \$0.3 billion or 0.6 percent to \$47.2 billion, following a 15.4 percent September increase. This is the second decline in the last three months. Shipments decreased \$1.0 billion or 2.2 percent to \$43.1 billion. This follows a 1.8 percent September increase and is the first decrease since July. Unfilled orders, up three of the last four months, increased \$4.1 billion or 1.7 percent to \$251.2 billion. Excluding aircraft and parts, new orders increased \$0.6 billion or 1.6 percent to \$38.3 billion, the fourth increase in the last five months; shipments decreased \$0.8 billion or 2.2 percent to \$37.6 billion, the first decrease since July; unfilled orders increased \$0.7 billion or 0.7 percent to \$98.0 billion, the first increase since July.

• **REVISED SEPTEMBER DATA** Revised seasonally adjusted September figures for all manufacturing industries are: shipments, \$315.3 billion (unrevised); new orders, \$318.6 billion (revised from \$319.0 billion); unfilled orders, \$505.1 billion (revised from \$505.6 billion); and total inventories, \$436.7 billion (revised from \$437.1 billion).

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This report presents advance information on two key business indicators: durable goods manufacturers' shipments and orders. Revised and more detailed estimates plus nondurable goods and inventory data will be published December 6, 1996. The advance report on durable goods for November is scheduled for December 27, 1996. This report is available on the day of issue through the Department of Commerce's online Economic Bulletin Board (N-8-1) (202-482-3870).

Table 1. DURABLE GOODS MANUFACTURERS' SHIPMENTS AND ORDERS
(Millions of dollars)

Item	Seasonally adjusted						Not seasonally adjusted ¹			
	Monthly			Percent Change			Monthly			Percent change Oct.96/95
	Oct. 1996 ²	Sept. 1996 ²	Aug. 1996	Sept.- Oct. ²	Aug.- Sept. ²	July- Aug.	Oct. 1996 ²	Sept. 1996 ²	Oct. 1995	
DURABLE GOODS										
Total :										
Shipments	168,692	170,718	168,471	-1.2	+1.3	+0.4	172,708	183,339	165,231	+4.5
New orders	174,209	173,951	166,267	+0.1	+4.6	-3.6	180,620	182,137	168,310	+7.3
Unfilled orders	486,571	481,054	477,821	+1.1	+0.7	-0.5	483,691	475,779	445,638	+8.5
Excluding defense :										
Shipments	163,007	164,634	162,534	-1.0	+1.3	+0.3	167,137	176,710	159,421	+4.8
New orders	169,387	168,686	161,366	+0.4	+4.5	-3.7	175,836	176,546	162,856	+8.0
Unfilled orders	381,308	374,928	370,876	+1.7	+1.1	-0.3	379,930	371,231	343,668	+10.6
With unfilled orders :										
Shipments	136,668	137,559	136,304	-0.6	+0.9	+0.6	138,513	149,213	132,625	+4.4
New orders	142,185	140,792	134,100	+1.0	+5.0	-4.3	146,425	148,011	135,704	+7.9
Primary metals :										
Shipments	14,968	14,793	14,845	+1.2	-0.4	-1.6	15,371	15,242	15,640	-1.7
New orders	14,613	14,713	15,177	-0.7	-3.1	-3.9	14,606	14,279	15,510	-5.8
Unfilled orders	31,288	31,643	31,723	-1.1	-0.3	+1.1	29,457	30,222	27,030	+9.0
Industrial machinery and equipment:										
Shipments	31,864	32,507	32,037	-2.0	+1.5	+1.2	30,789	35,771	29,399	+4.7
New orders	31,543	32,287	32,354	-2.3	-0.2	-0.7	31,523	35,053	30,039	+4.9
Unfilled orders	72,491	72,812	73,032	-0.4	-0.3	+0.4	72,416	71,682	70,394	+2.9
Electronic and other electrical equipment :										
Shipments	27,521	27,210	26,637	+1.1	+2.2	+0.2	27,913	30,290	26,232	+6.4
New orders	31,262	26,646	26,596	+17.3	+0.2	-5.3	33,834	27,722	29,134	+16.1
Unfilled orders	52,940	49,199	49,763	+7.6	-1.1	-0.1	53,693	47,772	52,339	+2.6
Transportation equipment :										
Shipments	38,786	40,806	39,771	-5.0	+2.6	+1.3	40,294	42,636	39,309	+2.5
New orders	41,114	44,639	37,503	-7.9	+19.0	-8.8	42,508	46,004	39,488	+7.6
Unfilled orders	246,003	243,675	239,842	+1.0	+1.6	-0.9	244,526	242,312	212,608	+15.0
CAPITAL GOODS INDUSTRIES³										
Total :										
Shipments	48,789	50,148	49,241	-2.7	+1.8	+2.5	46,728	55,821	44,807	+4.3
New orders	52,034	52,780	46,073	-1.4	+14.6	-9.2	51,091	57,496	46,017	+11.0
Unfilled orders	356,441	353,196	350,564	+0.9	+0.8	-0.9	354,835	350,472	321,500	+10.4
Nondefense :										
Shipments	43,104	44,064	43,304	-2.2	+1.8	+2.4	41,157	49,192	38,997	+5.5
New orders	47,212	47,515	41,172	-0.6	+15.4	-10.4	46,307	51,905	40,563	+14.2
Unfilled orders	251,178	247,070	243,619	+1.7	+1.4	-0.9	251,074	245,924	219,530	+14.4
Excluding aircraft and parts :										
Shipments	37,593	38,424	37,564	-2.2	+2.3	+1.1	36,104	43,140	34,510	+4.6
New orders	38,289	37,676	36,847	+1.6	+2.2	-4.9	37,842	41,654	35,391	+6.9
Unfilled orders	98,044	97,348	98,096	+0.7	-0.8	-0.7	97,940	96,202	95,758	+2.3
Defense :										
Shipments	5,685	6,084	5,937	-6.6	+2.5	+3.7	5,571	6,629	5,810	-4.1
New orders	4,822	5,265	4,901	-8.4	+7.4	+2.0	4,784	5,591	5,454	-12.3
Unfilled orders	105,263	106,126	106,945	-0.8	-0.8	-1.0	103,761	104,548	101,970	+1.8

(NA) Not available. ¹ Revised.

¹ Shipments and new orders are the totals for the period and are adjusted for trading-day and calendar-month variations; unfilled orders are as of the end of the period and are not adjusted for trading-day or calendar-month variations.
² Based on advance sample. Estimates of manufacturers' shipments, inventories, and orders are subject to survey error and revision. One major component of survey error is nonsampling error, which includes errors of coverage, response and nonreporting. Since the survey panel is not a probability sample, estimates of sampling error cannot be calculated. Further details on survey design, methodology, and data limitations are contained in our most recent annual benchmark publication, Current Industrial Reports: M3-1(95), "Manufacturers' Shipments, Inventories, and Orders: 1982-1995."

³ The Capital Goods Industries include Nondefense : ordnance and accessories, steam engines and turbines, internal combustion engines, construction mining and material handling equipment, metalworking machinery, special industry machinery, general industrial machinery, computer and office equipment, refrigeration, heating and service industry machinery, electrical transmission and distribution equipment, electrical industrial apparatus, communication equipment, complete aircraft, missiles, and space vehicles, aircraft missiles, and space vehicle engines and parts, ships and tank components, railroad equipment, and search and navigation equipment.
Defense capital goods include : ordnance, communication equipment, aircraft, missiles, space vehicles, and parts, ships, tanks and tank components, search and navigation equipment.

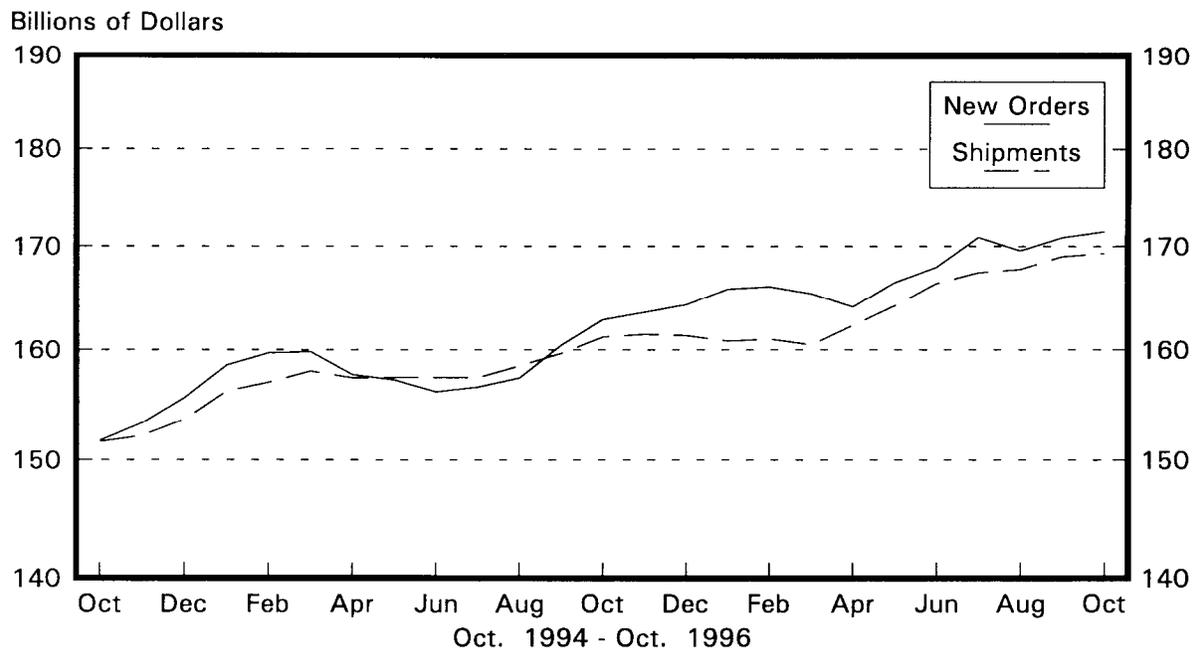
Table 2. AVERAGE REVISIONS TO PREVIOUSLY PUBLISHED MONTHLY PERCENT CHANGES
(Based on seasonally adjusted data)

Industry	Shipments			New Orders			Unfilled Orders		
	Year ago	Oct.	Oct. 1995-	Year ago	Oct.	Oct. 1995-	Year ago	Oct.	Oct. 1995-
	Oct. 1995	1991-1995	Sept. 1996	Oct. 1995	1991-1995	Sept. 1996	Oct. 1995	1991-1995	Sept. 1996
Durable goods	0.4	0.3	0.3	0.5	0.5	0.6	0.1	0.1	0.1
Primary metals	0.8	0.5	0.5	1.3	1.0	0.8	0.3	0.5	0.4
Industrial machinery and equipment	0.1	0.6	0.7	0.6	1.1	1.0	0.5	0.4	0.3
Electronic and other electrical equipment	0.3	0.9	0.6	0.9	1.4	1.0	0.4	0.4	0.4
Transportation equipment	0.8	0.5	0.6	1.3	0.7	1.9	0.1	0.0	0.3
Nondefense capital goods	0.1	0.1	0.6	0.1	0.7	1.4	0.1	0.2	0.3
Defense capital goods	0.8	1.1	1.1	4.2	3.0	6.7	0.2	0.1	0.4

Note : The revisions are the differences between the month-to-month percent changes of the advance and final estimates. The monthly averages are the simple averages of the differences, without regard to the months specified.

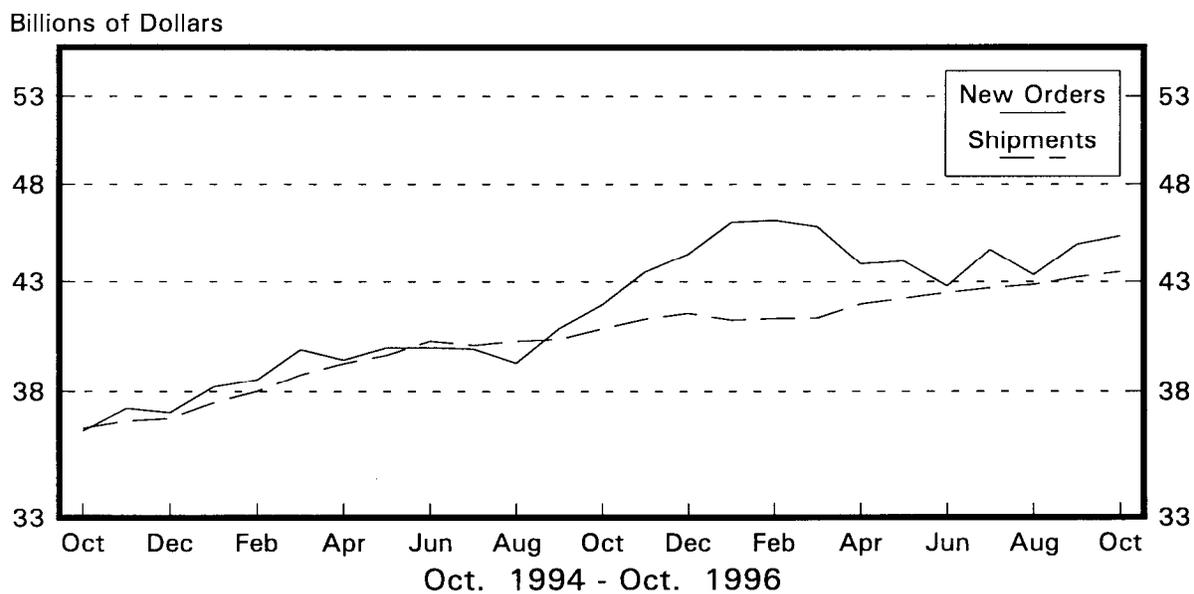
Total Durable Goods

New Orders and Shipments
Three Month Moving Averages



Nondefense Capital Goods

New Orders and Shipments
Three Month Moving Averages



Note: All Charts based on seasonally adjusted current dollars.