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ADVANCE REPORT ON DURABLE GOODS MANUFACTURERS' SHIPMENTS AND ORDERS
July 1997

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

● **NEW ORDERS** New orders for manufactured durable goods in July decreased \$1.1 billion or 0.6 percent to \$180.5 billion, the Department of Commerce, Bureau of the Census reported today. This follows a 2.9 percent June increase and is the second decrease in the last three months. Excluding transportation, new orders increased 0.3 percent, the third increase in the last four months. Year to date, new orders are 5.7 percent above the same period a year ago.

Electronic and other electrical equipment, down four of the last five months, had the largest decrease, \$4.1 billion or 13.6 percent to \$26.0 billion, due to electronic components and communication equipment. This follows a 2.6 percent June decrease. Transportation equipment, down two of the last three months, decreased \$1.5 billion or 3.5 percent to \$41.4 billion; declines, led by aircraft and parts, more than offset an increase in motor vehicles and parts. This follows an 8.8 percent June increase. Industrial machinery and equipment increased \$2.0 billion or 5.9 percent to \$35.1 billion. This follows a 1.1 percent June increase. Primary metals, up eight of the last nine months, increased \$0.5 billion or 3.5 percent to \$16.2 billion, following a 0.8 percent June increase. Instruments and related products, up three of the last four months, also increased.

● **SHIPMENTS** of durable goods in July, up six of the last seven months, increased \$3.1 billion or 1.7 percent to \$183.6 billion, following a 2.6 percent June increase. Year to date, shipments are 7.5 percent above the same period a year ago.

Transportation equipment, up six of the last seven months, had the largest increase, \$1.8 billion or 4.1 percent to \$44.2 billion, due to motor vehicles and parts and aircraft and parts. Industrial machinery and equipment, up five of the last six months, increased \$0.5 billion or 1.4 percent to \$34.7 billion, following a 3.6 percent June increase. Primary metals, up three of the last four months, increased \$0.2 billion or 1.0 percent to \$15.6 billion, following a 1.7 percent June increase. Electronic and other electrical equipment, down following two consecutive increases, decreased \$0.3 billion or 1.2 percent to \$29.2 billion. This follows a 2.8 percent June increase.

● **UNFILLED ORDERS** Unfilled orders for durable goods in July decreased \$3.1 billion or 0.6 percent to \$495.2 billion. This follows a 0.2 percent June increase and is the first decline since April.

Electronic and other electrical equipment had the largest decrease, \$3.2 billion or 5.9 percent to \$51.3 billion, following increases of 1.0 percent and 4.1 percent in June and May respectively. Transportation equipment decreased \$2.8 billion or 1.1 percent to \$249.1 billion, mostly due to aircraft and parts. This follows a 0.2 percent June increase and is the fifth decrease in the last six months. Primary metals, up for the seventh consecutive month, increased \$0.6 billion or 2.0 percent to \$31.6 billion, following a 0.7 percent June increase. Industrial machinery and equipment, up for the first month since April, increased \$0.4 billion or 0.5 percent to \$73.2 billion, following a 1.5 percent June decrease. Instruments and related products, up eight of the last nine months, also increased.

● **CAPITAL GOODS INDUSTRIES, DEFENSE** New orders in July decreased \$0.4 billion or 6.6 percent to \$5.9 billion, the second decrease in the last three months. This follows a 13.5 percent June increase. Shipments, also down two of the last three months, decreased \$0.3 billion or 3.9 percent to \$6.4 billion, following a 5.5 percent June increase. Unfilled orders, down for the seventh consecutive month, decreased \$0.5 billion or 0.5 percent to \$107.5 billion, following a 0.4 percent June decrease.

● **CAPITAL GOODS INDUSTRIES, NONDEFENSE** New orders in July, down for the first month since April, decreased \$0.3 billion or 0.6 percent to \$46.9 billion, following a 6.7 percent June increase. Shipments, up five of the last six months, increased \$1.1 billion or 2.3 percent to \$47.8 billion. This follows a 2.4 percent June increase. Unfilled orders, down four of the last five months, decreased \$0.9 billion or 0.3 percent to \$251.4 billion, following a 0.2 percent June increase. Excluding aircraft and parts, new orders increased \$2.1 billion or 5.3 percent to \$41.6 billion, the second consecutive monthly increase; shipments increased \$0.2 billion or 0.5 percent to \$40.1 billion, the sixth consecutive monthly increase; and unfilled orders increased \$1.4 billion or 1.5 percent to \$98.9 billion, the first increase since April.

● **REVISED JUNE DATA** Revised seasonally adjusted June figures for all manufacturing industries are: shipments, \$327.7 billion (revised from \$326.4 billion); new orders, \$329.0 billion (revised from \$327.9 billion); unfilled orders, \$524.1 billion (unrevised); and total inventories, \$444.9 billion (revised from \$444.8 billion).

Our internet site address is: <http://www.census.gov/ftp/pub/indicator/www/m3/index.htm>

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

Item	Seasonally adjusted						Not seasonally adjusted ¹			
	Monthly			Percent Change			Monthly			Percent change July 97/96
	July 1997 ²	June 1997 ²	May 1997	June- July ²	May- June ²	Apr.- May	July 1997 ²	June 1997 ²	July 1996	
DURABLE GOODS										
Total :										
Shipments	183,598	180,511	175,900	+1.7	+2.6	-1.4	155,770	197,505	141,288	+10.2
New orders	180,503	181,572	176,443	-0.6	+2.9	-0.4	154,311	194,578	147,034	+4.9
Unfilled orders	495,180	498,275	497,214	-0.6	+0.2	+0.1	495,656	497,115	482,487	+2.7
Excluding defense :										
Shipments	177,196	173,849	169,584	+1.9	+2.5	-1.4	150,176	190,263	136,179	+10.3
New orders	174,650	175,305	170,920	-0.4	+2.6	0.0	150,512	188,165	143,873	+4.6
Unfilled orders	387,707	390,253	388,797	-0.7	+0.4	+0.3	388,712	388,376	373,695	+4.0
With unfilled orders :										
Shipments	149,240	147,869	144,587	+0.9	+2.3	-1.1	129,374	163,143	117,290	+10.3
New orders	146,145	148,930	145,130	-1.9	+2.6	+0.2	127,915	160,216	123,036	+4.0
Primary metals :										
Shipments	15,577	15,418	15,166	+1.0	+1.7	-1.7	14,131	16,227	13,154	+7.4
New orders	16,186	15,641	15,516	+3.5	+0.8	-2.4	14,743	15,698	13,451	+9.6
Unfilled orders	31,627	31,018	30,795	+2.0	+0.7	+1.1	31,636	31,024	29,386	+7.7
Industrial machinery and equipment:										
Shipments	34,713	34,232	33,053	+1.4	+3.6	-0.8	29,282	39,723	26,289	+11.4
New orders	35,077	33,116	32,753	+5.9	+1.1	-3.3	29,943	37,513	27,177	+10.2
Unfilled orders	73,213	72,849	73,965	+0.5	-1.5	-0.4	72,528	71,867	72,128	+0.6
Electronic and other electrical equipment :										
Shipments	29,168	29,512	28,716	-1.2	+2.8	+0.8	25,229	32,353	23,166	+8.9
New orders	25,960	30,056	30,851	-13.6	-2.6	+10.6	23,265	31,786	26,156	-11.1
Unfilled orders	51,279	54,487	53,943	-5.9	+1.0	+4.1	51,666	53,630	51,195	+0.9
Transportation equipment :										
Shipments	44,163	42,413	41,056	+4.1	+3.3	-3.0	32,002	45,576	27,765	+15.3
New orders	41,385	42,899	39,423	-3.5	+8.8	-0.7	28,506	45,570	28,973	-1.6
Unfilled orders	249,057	251,835	251,349	-1.1	+0.2	-0.6	248,818	252,314	245,549	+1.3
CAPITAL GOODS INDUSTRIES³										
Total :										
Shipments	54,202	53,367	51,917	+1.6	+2.8	-0.3	46,501	61,782	40,154	+15.8
New orders	52,780	53,454	49,734	-1.3	+7.5	-0.6	44,092	60,512	41,786	+5.5
Unfilled orders	358,828	360,250	360,163	-0.4	0.0	-0.6	357,884	360,293	353,400	+1.3
Nondefense :										
Shipments	47,800	46,705	45,601	+2.3	+2.4	-0.1	40,907	54,540	35,045	+16.7
New orders	46,927	47,187	44,211	-0.6	+6.7	+1.1	40,293	54,099	38,625	+4.3
Unfilled orders	251,355	252,228	251,746	-0.3	+0.2	-0.5	250,940	251,554	244,608	+2.6
Excluding aircraft and parts :										
Shipments	40,117	39,932	38,533	+0.5	+3.6	+0.3	34,206	46,733	30,692	+11.4
New orders	41,563	39,488	38,325	+5.3	+3.0	-0.6	35,911	45,366	32,245	+11.4
Unfilled orders	98,943	97,497	97,941	+1.5	-0.5	-0.2	98,528	96,823	96,642	+2.0
Defense :										
Shipments	6,402	6,662	6,316	-3.9	+5.5	-1.6	5,594	7,242	5,109	+9.5
New orders	5,853	6,267	5,523	-6.6	+13.5	-11.9	3,799	6,413	3,161	+20.2
Unfilled orders	107,473	108,022	108,417	-0.5	-0.4	-0.7	106,944	108,739	108,792	-1.7

(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 variation.

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(96), "Manufacturers' Shipments, Inventories, and Orders: 1987-1996."

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 industrial 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.

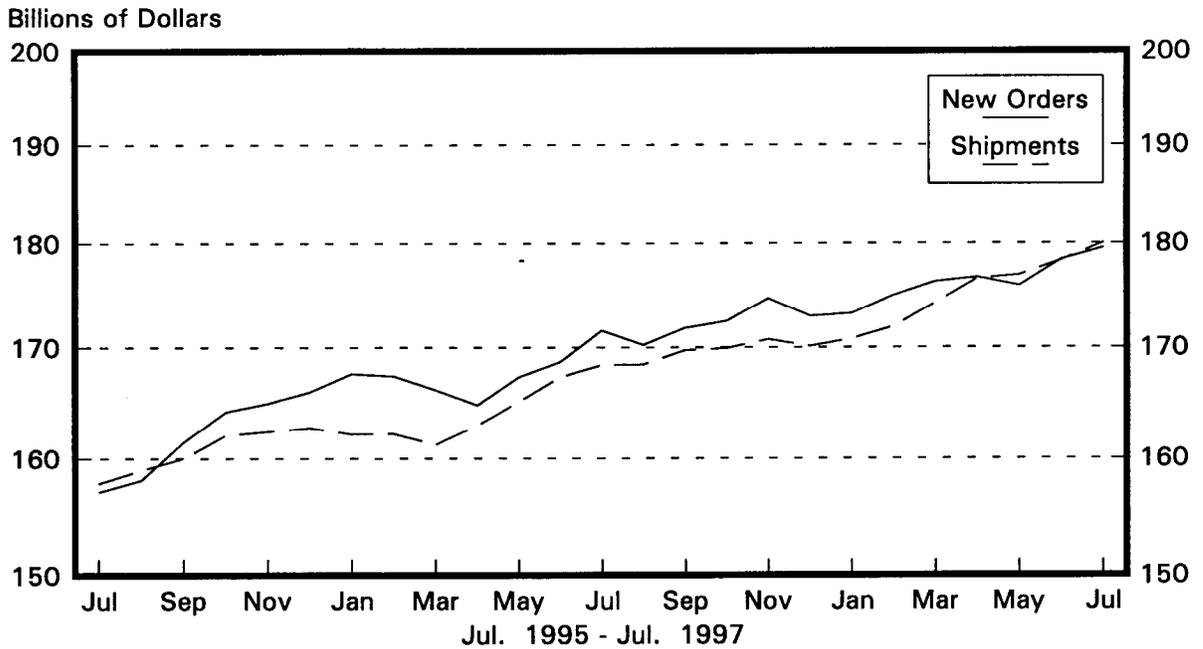
Table 2. AVERAGE REVISIONS TO PREVIOUSLY PUBLISHED MONTHLY PERCENT CHANGES
(Based on seasonally adjusted data)

Industry	Shipments			New Orders			Unfilled Orders		
	Year ago July 1996	July 1992-1996	July 1996- June 1997	Year ago July 1996	July 1992-1996	July 1996- June 1997	Year ago July 1996	July 1992-1996	July 1996- June 1997
Durable goods	0.2	0.3	0.2	0.2	0.5	0.4	0.0	0.1	0.1
Primary metals	0.7	0.3	0.3	0.5	0.5	0.9	0.5	0.3	0.4
Industrial machinery and equipment	0.6	0.9	0.5	0.9	0.9	0.9	0.1	0.1	0.3
Electronic and other electrical equipment	0.7	0.7	0.6	0.2	1.5	1.1	0.5	0.3	0.7
Transportation equipment	0.6	1.0	0.4	1.6	1.5	1.4	0.1	0.2	0.2
Nondefense capital goods	0.4	1.1	0.6	0.0	0.7	0.6	0.1	0.2	0.2
Defense capital goods	1.9	1.0	1.0	4.4	6.0	4.7	0.3	0.4	0.2

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 for the months specified.

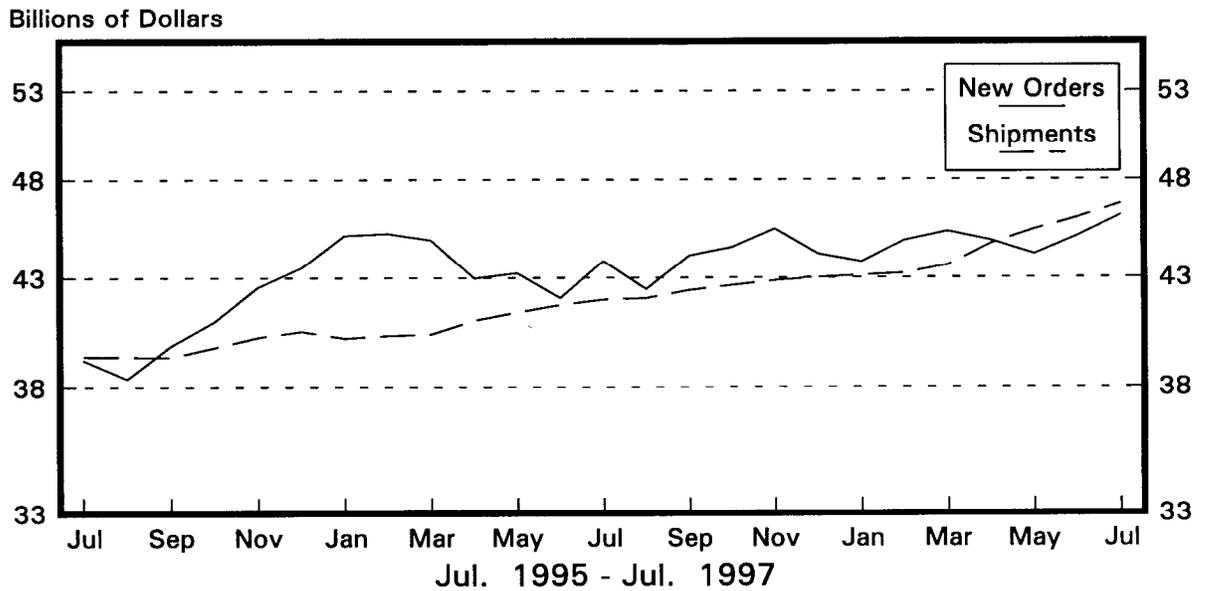
Total Durable Goods

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.