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

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

● **NEW ORDERS** New orders for manufactured durable goods in May decreased \$1.1 billion or 0.6 percent to \$176.1 billion, the Department of Commerce, Bureau of the Census reported today. This follows a 1.8 percent April increase and is the second decrease in the last three months. Excluding transportation, new orders increased 0.2 percent, the fourth increase in the last five months. Year to date, new orders are 5.8 percent above the same period a year ago.

Transportation equipment, down three of the last four months, had the largest decline, \$1.3 billion or 3.3 percent to \$38.4 billion, due to motor vehicles and parts and aircraft and parts. This follows a 2.8 percent April increase. Primary metals, down for the first month since October, decreased \$0.4 billion or 2.4 percent to \$15.5 billion, following a 2.3 percent April increase. Industrial machinery and equipment, down two of the last three months, decreased \$0.3 billion or 1.0 percent to \$33.5 billion. This follows a 2.9 percent April increase. Electronic and other electrical equipment, up following two consecutive monthly declines, increased \$2.9 billion or 10.4 percent to \$30.8 billion, due to electronic components and communication equipment. This follows a 3.2 percent April decrease.

● **SHIPMENTS** of durable goods in May, down for the first month since December, decreased \$2.2 billion or 1.2 percent to \$176.3 billion, following a 1.3 percent April increase. Year to date, shipments are 7.3 percent above the same period a year ago.

Transportation equipment, down for the first month since December, had the largest decrease, \$1.4 billion or 3.4 percent to \$40.9 billion, mostly due to motor vehicles and parts. This follows a 3.2 percent April increase. Primary metals, down two of the last three months, decreased \$0.3 billion or 1.7 percent to \$15.2 billion, following a 1.4 percent April increase. Electronic and other electrical equipment, up three of the last four months, increased \$0.1 billion or 0.3 percent to \$28.6 billion, following a 3.4 percent April decrease. Industrial machinery and equipment, up for the fourth consecutive month, increased 0.1 percent to \$33.4 billion, following a 2.0 percent April increase.

● **UNFILLED ORDERS** Unfilled orders for durable goods in May decreased \$0.2 billion to \$496.5 billion. This follows a 0.3 percent April decline and is the third consecutive monthly decline.

Transportation equipment, down for the fourth consecutive month, had the largest decrease, \$2.5 billion or 1.0 percent to \$250.5 billion, mostly due to aircraft and parts. This follows a 1.0 percent April decrease. Electronic and other electrical equipment had the largest increase, \$2.2 billion or 4.3 percent to \$54.0 billion, following decreases of 1.1 percent in April and 1.3 percent in March. Primary metals, up for the fifth consecutive month, increased \$0.3 billion or 1.1 percent to \$30.8 billion, following a 1.5 percent April increase. Industrial machinery and equipment, up for the fifth consecutive month, increased \$0.1 billion or 0.2 percent to \$74.4 billion, following a 0.7 percent April increase.

● **CAPITAL GOODS INDUSTRIES, DEFENSE** New orders in May decreased \$0.8 billion or 12.8 percent to \$5.5 billion, the fifth decrease in the last six months. This follows a 27.5 percent April increase. Shipments, down two of the last three months, decreased \$0.1 billion or 2.1 percent to \$6.3 billion, following a 2.4 percent April increase. Unfilled orders, down for the fifth consecutive month, decreased \$0.8 billion or 0.7 percent to \$108.4 billion, following a 0.1 percent April decrease.

● **CAPITAL GOODS INDUSTRIES, NONDEFENSE** New orders in May, up for the first month since February, increased \$0.3 billion or 0.7 percent to \$44.0 billion, following a 1.7 percent April decrease. Shipments, up for the fourth consecutive month, increased 0.1 percent to \$45.7 billion. This follows a 1.6 percent April increase. Unfilled orders, down for the third consecutive month, decreased \$1.7 billion or 0.7 percent to \$251.5 billion, following a 0.8 percent April decrease. Excluding aircraft and parts, new orders increased \$0.2 billion or 0.6 percent to \$38.8 billion, the first increase since February; shipments increased \$0.2 billion or 0.6 percent to \$38.7 billion, the sixth increase in the last seven months; and unfilled orders increased \$0.1 billion or 0.1 percent to \$98.3 billion, the fifth consecutive monthly increase.

● **REVISED April DATA** Revised seasonally adjusted April figures for all manufacturing industries are: shipments, \$327.4 billion; new orders, \$326.1 billion; unfilled orders, \$522.3 billion; and total inventories, \$441.4 billion.

NOTE: The data in this press release are consistent with the revised historical series released June 18, 1997. A report which includes these data from 1987 through 1996 is available on our internet site, on STAT-USA, on diskettes, or from Census Bureau's customer services. Please call (301) 457-4100 to order the book, or (301) 457-1227 to order diskettes. Our internet site address is: <http://www.census.gov/ftp/pub/indicator/www/m3/index.htm>

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 July 2, 1997. The advance report on durable goods for June is scheduled for July 25, 1997. 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)

	Seasonally adjusted						Not seasonally adjusted ¹			
	Monthly			Percent Change			Monthly			Percent change May97/96
	May 1997 ²	Apr. 1997 ²	Mar. 1997	Apr.- May ²	Mar.- Apr. ²	Feb.- Mar.	May 1997 ²	Apr. 1997 ²	May 1996	
DURABLE GOODS										
Total :										
Shipments	176,320	178,513	176,224	-1.2	+1.3	+0.8	177,538	177,815	170,750	+4.0
New orders	176,097	177,155	173,944	-0.6	+1.8	-2.8	175,345	177,345	171,243	+2.4
Unfilled orders	496,460	496,683	498,041	0.0	-0.3	-0.5	499,397	501,590	477,606	+4.6
Excluding defense :										
Shipments	170,034	172,095	169,956	-1.2	+1.3	+1.0	171,439	171,795	164,872	+4.0
New orders	170,628	170,883	169,024	-0.1	+1.1	-2.4	171,382	171,791	166,435	+3.0
Unfilled orders	388,065	387,471	388,683	+0.2	-0.3	-0.2	389,813	389,870	368,578	+5.8
With unfilled orders :										
Shipments	144,986	146,195	144,652	-0.8	+1.1	+1.0	143,964	143,098	136,414	+5.5
New orders	144,763	144,837	142,372	-0.1	+1.7	-3.3	141,771	142,628	136,907	+3.6
Primary metals :										
Shipments	15,159	15,425	15,206	-1.7	+1.4	-0.4	15,673	16,000	15,144	+3.5
New orders	15,491	15,878	15,524	-2.4	+2.3	+0.4	15,415	16,282	14,953	+3.1
Unfilled orders	30,751	30,419	29,966	+1.1	+1.5	+1.1	31,406	31,664	28,931	+8.6
Industrial machinery and equipment:										
Shipments	33,375	33,333	32,690	+0.1	+2.0	+1.6	32,799	32,251	30,732	+6.7
New orders	33,515	33,842	32,890	-1.0	+2.9	-0.9	32,920	32,759	30,959	+6.3
Unfilled orders	74,376	74,236	73,727	+0.2	+0.7	+0.3	74,336	74,215	72,208	+2.9
Electronic and other electrical equipment :										
Shipments	28,572	28,480	29,488	+0.3	-3.4	+3.9	27,687	26,632	25,876	+7.0
New orders	30,798	27,895	28,805	+10.4	-3.2	-6.1	29,658	27,053	24,597	+20.6
Unfilled orders	54,050	51,824	52,409	+4.3	-1.1	-1.3	54,438	52,467	49,860	+9.2
Transportation equipment :										
Shipments	40,918	42,340	41,009	-3.4	+3.2	0.0	42,585	44,282	43,026	-1.0
New orders	38,413	39,712	38,618	-3.3	+2.8	-4.8	38,576	41,546	44,207	-12.7
Unfilled orders	250,478	252,983	255,611	-1.0	-1.0	-0.9	251,459	255,468	241,586	+4.1
CAPITAL GOODS INDUSTRIES³										
Total :										
Shipments	51,965	52,074	51,195	-0.2	+1.7	+2.4	49,801	48,910	46,223	+7.7
New orders	49,492	50,008	49,425	-1.0	+1.2	-5.0	45,999	46,636	47,310	-2.8
Unfilled orders	359,864	362,337	364,403	-0.7	-0.6	-0.5	361,187	364,989	350,732	+3.0
Nondefense :										
Shipments	45,679	45,656	44,927	+0.1	+1.6	+3.4	43,702	42,890	40,345	+8.3
New orders	44,023	43,736	44,505	+0.7	-1.7	-3.8	42,036	41,082	42,502	-1.1
Unfilled orders	251,469	253,125	255,045	-0.7	-0.8	-0.2	251,603	253,269	241,704	+4.1
Excluding aircraft and parts :										
Shipments	38,660	38,418	38,271	+0.6	+0.4	+2.1	37,077	35,720	34,591	+7.2
New orders	38,794	38,555	39,157	+0.6	-1.5	-1.7	37,201	35,969	34,208	+8.7
Unfilled orders	98,272	98,138	98,001	+0.1	+0.1	+0.9	98,406	98,282	96,382	+2.1
Defense :										
Shipments	6,286	6,418	6,268	-2.1	+2.4	-4.1	6,099	6,020	5,878	+3.8
New orders	5,469	6,272	4,920	-12.8	+27.5	-14.7	3,963	5,554	4,808	-17.6
Unfilled orders	108,395	109,212	109,358	-0.7	-0.1	-1.2	109,584	111,720	109,028	+0.5

(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)

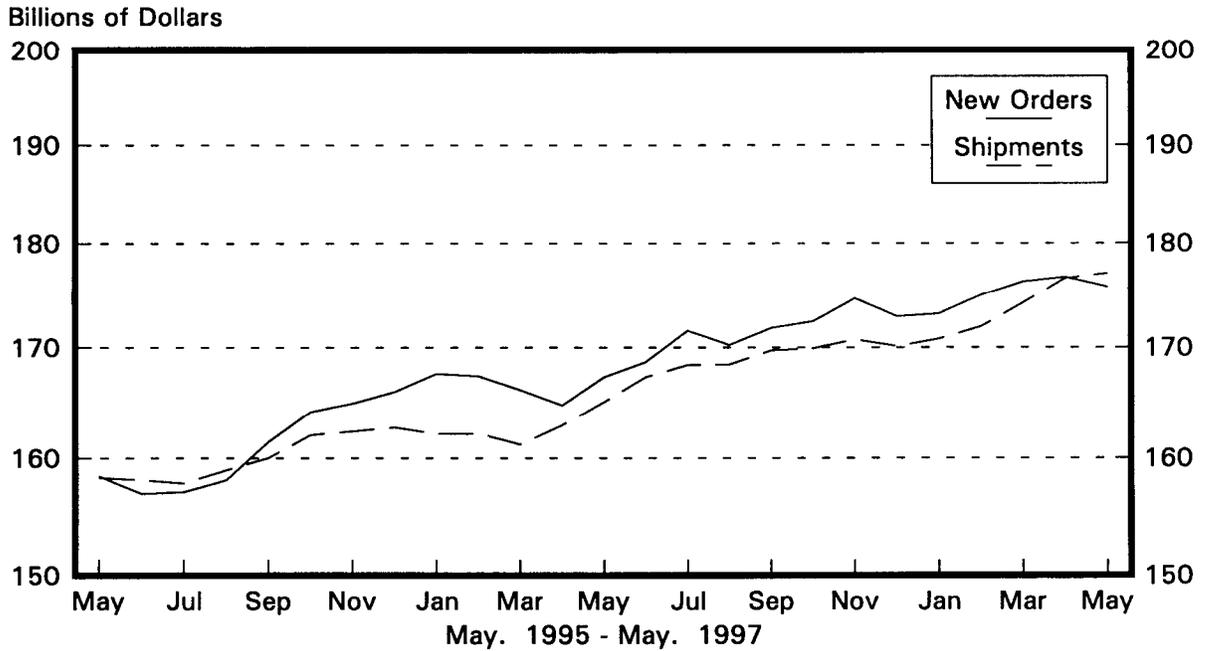
Industry	Shipments			New Orders			Unfilled Orders		
	Year ago	May	May 1996-	Year ago	May	May 1996-	Year ago	May	May 1996-
	May 1996	1992-1996	Apr. 1997	May 1996	1992-1996	Apr. 1997	May 1996	1992-1996	Apr. 1997
Durable goods	0.2	0.1	0.2	0.9	0.5	0.4	0.3	0.2	0.1
Primary metals . Item	0.5	0.3	0.4	0.6	0.9	1.0	0.4	0.4	0.5
Industrial machinery and equipment	1.4	0.6	0.5	1.2	0.4	0.8	0.2	0.1	0.3
Electronic and other electrical equipment	0.1	0.3	0.6	1.6	0.9	1.2	0.6	0.3	0.7
Transportation equipment	0.8	0.4	0.4	2.7	1.2	1.3	0.2	0.1	0.2
Nondefense capital goods	0.8	0.3	0.6	1.5	0.8	0.7	0.2	0.1	0.2
Defense capital goods	0.1	0.5	1.0	5.4	3.4	5.2	0.5	0.2	0.3

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

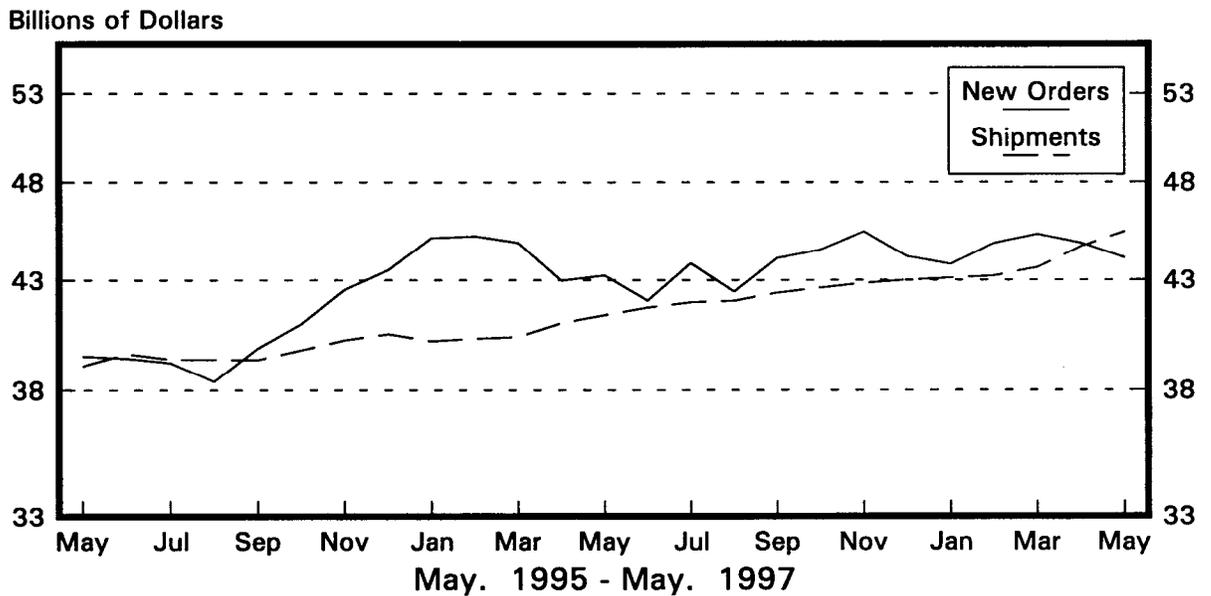
Three Month Moving Averages



Nondefense Capital Goods

New Orders and Shipments

Three Month Moving Averages



Note: All Charts based on seasonally adjusted current dollars.