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ADVANCE REPORT ON DURABLE GOODS MANUFACTURERS' SHIPMENTS AND ORDERS February 1998

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

• **NEW ORDERS** New orders for manufactured durable goods in February decreased \$3.2 billion or 1.7 percent to \$184.0 billion, the Department of Commerce, Bureau of the Census reported today. This follows a 1.5 percent January increase and is the second decrease in the last three months. Excluding transportation, new orders increased 0.5 percent, the third consecutive monthly increase. Year-to-date, new orders are 4.7 percent above the same period a year ago.

Transportation equipment, down two of the last three months, had the largest decrease, \$3.8 billion or 8.5 percent to \$41.6 billion; a large decrease in aircraft and parts more than offset an increase in motor vehicles and parts. This follows a 6.3 percent January increase. Electronic and other electrical equipment, down for the first month since November, decreased \$0.9 billion or 2.7 percent to \$30.4 billion, due to declines in communication equipment and electronic components. This follows a 2.2 percent January increase. Instruments and related products, down for the second consecutive month, also declined. Industrial machinery and equipment, up for the third consecutive month, increased \$1.1 billion or 3.2 percent to \$36.5 billion. This follows a 2.2 percent January increase. Primary metals increased \$0.3 billion or 2.1 percent to \$15.4 billion, following a 2.1 percent January decrease. This is the first increase since November.

• **SHIPMENTS** Shipments of durable goods in February increased \$4.1 billion or 2.2 percent to \$187.1 billion. This follows a 1.3 percent January decrease and is the second increase in the last three months. Year-to-date shipments are 6.9 percent above the same period a year ago.

Electronic and other electrical equipment, up two of the last three months, had the largest increase, \$1.3 billion or 4.3 percent to \$30.9 billion. This follows a 3.3 percent January decrease. Transportation equipment, up for the first month since November, increased \$1.1 billion or 2.7 percent to \$43.7 billion, due to motor vehicles and parts and railroad equipment. This follows a 1.9 percent January decrease. Industrial machinery and equipment, up for the third consecutive month, increased \$0.4 billion or 1.2 percent to \$36.1 billion. This follows a 0.4 percent January increase. Primary metals, up for the second consecutive month, increased \$0.1 billion or 0.9 percent to \$15.5 billion, following a 0.7 percent January increase.

• **UNFILLED ORDERS** Unfilled orders for durable goods in February decreased \$3.1 billion or 0.6 percent to \$516.3 billion. This follows a 0.8 percent January increase and is the second decrease in the last three months. Transportation equipment, down two of the last three months, had the largest decrease, \$2.1 billion or 0.8 percent to \$262.1 billion, due to aircraft and parts and shipbuilding and tanks. This follows a 1.1 percent January increase. Electronic and other electrical equipment decreased \$0.5 billion or 0.8 percent to \$56.2 billion. This follows a 3.0 percent January increase and is the fourth decline in the last five months. Primary metals decreased \$0.2 billion or 0.4 percent to \$33.7 billion. This follows a 1.0 percent January decrease and twelve consecutive monthly increases. Instruments and related products, down for the first month since October, also decreased. Industrial machinery and equipment, up for the first month since November, increased \$0.5 billion or 0.7 percent to \$73.1 billion, following a 0.3 percent January decrease.

• **CAPITAL GOODS INDUSTRIES, DEFENSE** New orders in February, down for the first month since October, decreased \$2.1 billion or 27.8 percent to \$5.4 billion, following an 8.0 percent January increase. Shipments, up five of the last six months, increased 0.4 percent to \$6.5 billion, following a 3.5 percent January increase. Unfilled orders, down for the first month since November, decreased \$1.1 billion or 1.1 percent to \$104.0 billion, following a 0.9 percent January increase.

• **CAPITAL GOODS INDUSTRIES, NONDEFENSE** New orders in February, down two of the last three months, decreased \$2.8 billion or 5.4 percent to \$49.2 billion, following a 13.1 percent January increase. Shipments, up for the third consecutive month, increased \$0.7 billion or 1.4 percent to \$49.9 billion. This follows a 1.6 percent January increase. Unfilled orders, down two of the last three months, decreased \$0.7 billion or 0.3 percent to \$266.9 billion, following a 1.0 percent January increase. Excluding aircraft and parts, new orders increased \$0.5 billion or 1.3 percent to \$42.8 billion, the third consecutive monthly increase; shipments increased \$0.9 billion or 2.1 percent to \$42.1 billion, the second increase in the last three months; and unfilled orders increased \$0.7 billion or 0.6 percent to \$103.4 billion, the seventh increase in the last eight months.

• **REVISED JANUARY DATA** Revised seasonally adjusted January figures for all manufacturing industries are: shipments, \$333.9 billion (revised from \$333.4 billion); new orders, \$337.7 billion (revised from \$337.4 billion); unfilled orders, \$545.3 billion (revised from \$545.4 billion); and total inventories, \$455.0 billion (revised from \$454.1 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 Feb.98/97
	Feb. 1998 ²	Jan. 1998 ¹	Dec. 1997	Jan.- Feb. ²	Dec.- Jan. ¹	Nov.- Dec.	Feb. 1998 ²	Jan. 1998 ¹	Feb. 1997	
DURABLE GOODS										
Total :										
Shipments	187,104	183,005	185,337	+2.2	-1.3	+1.4	187,926	159,974	175,478	+7.1
New orders	184,024	187,192	184,456	-1.7	+1.5	-5.3	185,967	172,272	181,281	+2.6
Unfilled orders	516,287	519,367	515,180	-0.6	+0.8	-0.2	520,526	522,485	504,426	+3.2
Excluding defense :										
Shipments	180,584	176,508	179,057	+2.3	-1.4	+1.8	181,248	154,668	168,978	+7.3
New orders	178,622	179,708	177,525	-0.6	+1.2	-5.9	180,565	164,894	175,677	+2.8
Unfilled orders	412,241	414,203	411,003	-0.5	+0.8	-0.4	415,745	416,428	393,300	+5.7
With unfilled orders :										
Shipments	154,150	150,963	151,888	+2.1	-0.6	+1.1	152,953	131,148	141,737	+7.9
New orders	151,070	155,150	151,007	-2.6	+2.7	-6.9	150,994	143,446	147,540	+2.3
Primary metals :										
Shipments	15,510	15,372	15,261	+0.9	+0.7	-0.5	15,925	14,630	15,664	+1.7
New orders	15,360	15,039	15,362	+2.1	-2.1	-3.5	16,536	15,682	16,619	-0.5
Unfilled orders	33,728	33,878	34,211	-0.4	-1.0	+0.3	35,000	34,389	30,884	+13.3
Industrial machinery and equipment:										
Shipments	36,059	35,643	35,507	+1.2	+0.4	+4.5	35,550	30,151	31,740	+12.0
New orders	36,546	35,409	34,635	+3.2	+2.2	+1.8	36,195	30,967	32,886	+10.1
Unfilled orders	73,093	72,606	72,840	+0.7	-0.3	-1.2	74,369	73,724	74,661	-0.4
Electronic and other electrical equipment :										
Shipments	30,860	29,600	30,605	+4.3	-3.3	+1.5	30,051	25,036	27,527	+9.2
New orders	30,390	31,242	30,583	-2.7	+2.2	+3.5	29,372	29,958	30,075	-2.3
Unfilled orders	56,209	56,679	55,037	-0.8	+3.0	0.0	57,104	57,783	54,172	+5.4
Transportation equipment :										
Shipments	43,746	42,607	43,447	+2.7	-1.9	-1.0	46,723	37,416	43,854	+6.5
New orders	41,642	45,487	42,776	-8.5	+6.3	-22.2	44,440	41,796	43,285	+2.7
Unfilled orders	262,146	264,250	261,370	-0.8	+1.1	-0.3	262,822	265,105	258,367	+1.7
CAPITAL GOODS INDUSTRIES³										
Total :										
Shipments	56,384	55,680	54,680	+1.3	+1.8	+1.5	54,517	44,938	48,202	+13.1
New orders	54,572	59,438	52,855	-8.2	+12.5	-18.4	52,841	51,111	50,361	+4.9
Unfilled orders	370,937	372,749	368,991	-0.5	+1.0	-0.5	372,895	374,571	367,650	+1.4
Nondefense :										
Shipments	49,864	49,183	48,400	+1.4	+1.6	+3.0	47,839	39,632	41,702	+14.7
New orders	49,170	51,954	45,924	-5.4	+13.1	-21.8	47,439	43,733	44,757	+6.0
Unfilled orders	266,891	267,585	264,814	-0.3	+1.0	-0.9	268,114	268,514	256,524	+4.5
Excluding aircraft and parts :										
Shipments	42,135	41,261	41,280	+2.1	0.0	+3.1	40,480	33,656	36,049	+12.3
New orders	42,787	42,248	41,132	+1.3	+2.7	+1.6	41,426	35,973	38,600	+7.3
Unfilled orders	103,423	102,771	101,784	+0.6	+1.0	-0.1	104,646	103,700	98,172	+6.6
Defense :										
Shipments	6,520	6,497	6,280	+0.4	+3.5	-9.2	6,678	5,306	6,500	+2.7
New orders	5,402	7,484	6,931	-27.8	+8.0	+14.1	5,402	7,378	5,604	-3.6
Unfilled orders	104,046	105,164	104,177	-1.1	+0.9	+0.6	104,781	106,057	111,126	-5.7

(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 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(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 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.

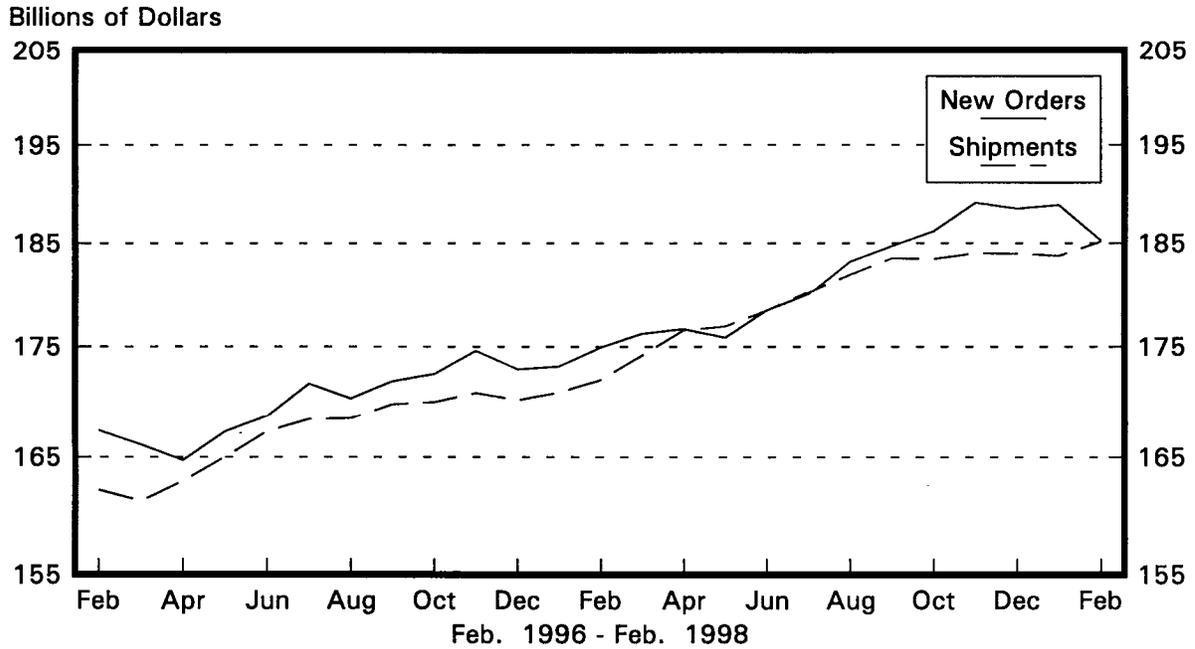
Table 2. AVERAGE REVISIONS TO PREVIOUSLY PUBLISHED MONTHLY PERCENT CHANGES
(Based on seasonally adjusted data)

Industry	Shipments			New Orders			Unfilled Orders		
	Year ago Feb. 1997	Feb. 1993-1997	Feb. 1997- Jan. 1998	Year ago Feb. 1997	Feb. 1993-1997	Feb. 1997- Jan. 1998	Year ago Feb. 1997	Feb. 1993-1997	Feb. 1997- Jan. 1998
Durable goods	0.5	0.2	0.3	0.7	0.3	0.5	0.5	0.2	0.2
Primary metals	0.0	0.2	0.3	0.2	1.0	0.7	0.1	0.6	0.3
Industrial machinery and equipment	0.4	0.7	0.6	0.1	0.5	0.7	0.3	0.2	0.3
Electronic and other electrical equipment	1.5	0.5	0.5	0.3	0.4	1.0	0.7	0.4	0.5
Transportation equipment	0.1	0.5	0.6	3.7	1.4	1.7	0.7	0.3	0.3
Nondefense capital goods	0.9	0.5	0.6	1.4	0.7	0.9	0.4	0.1	0.2
Defense capital goods	0.0	0.4	0.8	12.5	7.8	5.5	0.8	0.5	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.

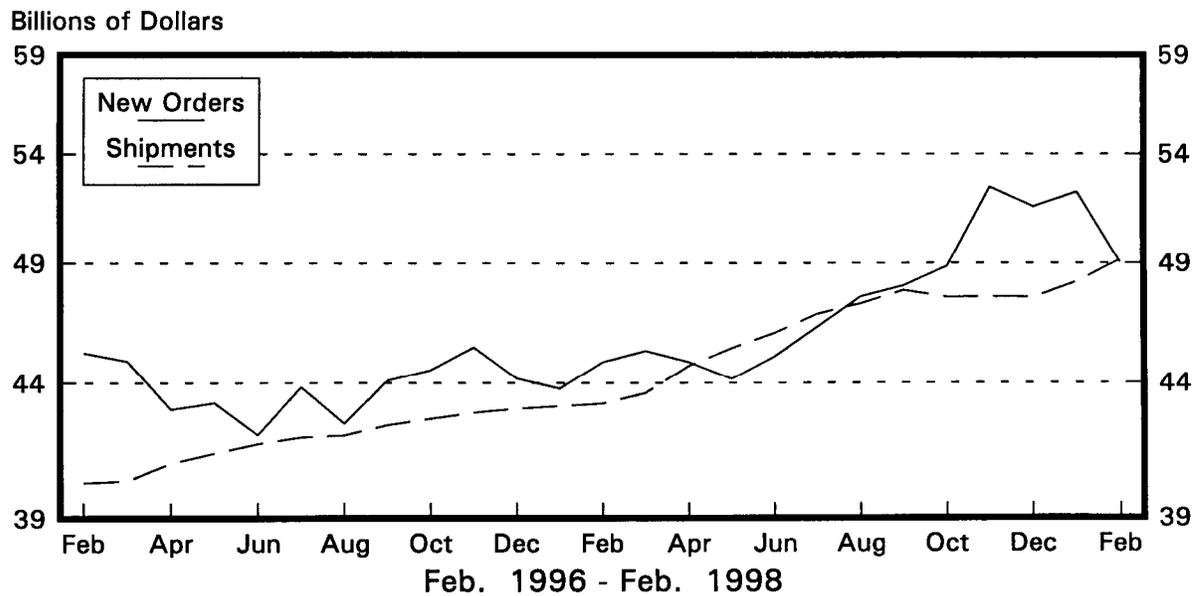
Total Durable Goods

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.