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

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

● **NEW ORDERS** New orders for manufactured durable goods in October decreased \$3.3 billion or 1.7 percent to \$189.5 billion, the Department of Commerce, Bureau of the Census reported today. This follows a 1.3 percent September increase and is the first decline since May. Excluding transportation, new orders decreased 1.7 percent, the second decrease in the last three months. Year-to-date, new orders are 3.9 percent above the same period a year ago.

Industrial machinery and equipment, down two of the last three months, had the largest decrease, \$3.3 billion or 8.4 percent to \$35.7 billion. This follows a 4.2 percent September increase. Transportation equipment, down for the second consecutive month, decreased \$0.8 billion or 1.7 percent to \$44.4 billion, mostly due to railroad equipment and shipbuilding and tanks. This follows a 3.4 percent September decrease. Primary metals, down five of the last six months, decreased \$0.5 billion or 3.6 percent to \$13.5 billion, following a 3.1 percent September decrease. Electronic and other electrical equipment, up four of the last five months, increased \$0.7 billion or 2.0 percent to \$33.6 billion, due to electronic components. This follows a 5.8 percent September increase.

● **SHIPMENTS** Shipments of durable goods in October increased \$1.2 billion or 0.6 percent to \$194.1 billion. This follows a 2.2 percent September increase and is the fifth consecutive monthly increase. Year-to-date, shipments are 5.2 percent above the same period a year ago.

Transportation equipment, up for the third consecutive month, had the largest increase, \$1.3 billion or 2.7 percent to \$47.9 billion. This follows a 5.0 percent September increase. Industrial machinery and equipment, up for the second consecutive month, increased \$0.3 billion or 0.7 percent to \$37.1 billion. This follows a 0.2 percent September increase. Primary metals, down seven of the last eight months, decreased \$0.3 billion or 2.0 percent to \$14.7 billion, following a 0.6 percent September decrease. Electronic and other electrical equipment, down for the first month since May, decreased \$0.3 billion or 0.9 percent to \$32.2 billion, following a 4.0 percent September increase.

● **UNFILLED ORDERS** Unfilled orders for durable goods in October decreased \$4.6 billion or 0.9 percent to \$501.3 billion. This follows a slight September decrease and is the fifth decline in the last six months. Transportation equipment, down five of the last six months, had the largest decrease, \$3.5 billion or 1.4 percent to \$247.9 billion. This follows a 0.6 percent September decrease. Industrial machinery and equipment, down for the first month since July, decreased \$1.3 billion or 1.8 percent to \$74.3 billion, following a 3.0 percent September increase. Primary metals, down eight consecutive months, decreased \$1.2 billion or 3.9 percent to \$29.5 billion. This follows a 3.1 percent September decrease. Electronic and other electrical equipment, up three of the last four months, increased \$1.4 billion or 2.4 percent to \$60.6 billion. This follows a 0.8 percent September increase.

● **CAPITAL GOODS INDUSTRIES, DEFENSE** New orders in October, down three of the last four months, decreased \$0.7 billion or 9.8 percent to \$6.4 billion, following a 42.9 percent September increase. Shipments, up three of the last four months, increased \$0.4 billion or 6.3 percent to \$7.0 billion, following a 1.2 percent September decrease. Unfilled orders, down five of the last six months, decreased \$0.7 billion or 0.7 percent to \$96.4 billion, following a 0.5 percent September increase.

● **CAPITAL GOODS INDUSTRIES, NONDEFENSE** New orders in October, down three of the last four months, decreased \$3.8 billion or 7.2 percent to \$49.7 billion, following a 3.3 percent September decrease. Shipments, up for the second consecutive month, increased \$0.2 billion or 0.4 percent to \$53.7 billion. This follows a 4.4 percent September increase. Unfilled orders, down for the first month since July, decreased \$3.9 billion or 1.5 percent to \$262.7 billion, following a slight September increase. Excluding aircraft and parts, new orders decreased \$4.4 billion or 9.2 percent to \$43.3 billion, the first decline since July; shipments decreased \$0.1 billion or 0.3 percent to \$44.9 billion, the third decrease in the last four months; and unfilled orders decreased \$1.6 billion or 1.5 percent to \$106.4 billion, the first decline since July.

● **REVISED SEPTEMBER DATA** Revised seasonally adjusted September figures for all manufacturing industries are: shipments, \$340.6 billion (revised from \$339.4 billion); new orders, \$340.5 billion (revised from \$339.2 billion); unfilled orders, \$530.3 billion (revised from \$530.2 billion); and total inventories, \$468.3 billion (revised from \$468.6 billion).

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

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.98/97 |
| | Oct. 1998 ² | Sept. 1998 ² | Aug. 1998 | Sept.- Oct. ² | Aug.- Sept. ² | July- Aug. | Oct. 1998 ² | Sept. 1998 ² | Oct. 1997 | |
| DURABLE GOODS | | | | | | | | | | |
| Total : | | | | | | | | | | |
| Shipments | 194,119 | 192,946 | 188,789 | +0.6 | +2.2 | +1.0 | 199,788 | 209,073 | 187,885 | +6.3 |
| New orders | 189,490 | 192,766 | 190,304 | -1.7 | +1.3 | +2.0 | 198,709 | 205,112 | 193,365 | +2.8 |
| Unfilled orders | 501,304 | 505,933 | 506,113 | -0.9 | 0.0 | +0.3 | 499,811 | 500,890 | 498,555 | +0.3 |
| Excluding defense : | | | | | | | | | | |
| Shipments | 187,095 | 186,337 | 182,101 | +0.4 | +2.3 | +0.9 | 192,794 | 201,980 | 181,677 | +6.1 |
| New orders | 183,137 | 185,719 | 185,371 | -1.4 | +0.2 | +2.4 | 192,994 | 197,583 | 188,946 | +2.1 |
| Unfilled orders | 404,921 | 408,879 | 409,497 | -1.0 | -0.2 | +0.8 | 405,648 | 405,448 | 398,179 | +1.9 |
| With unfilled orders : | | | | | | | | | | |
| Shipments | 160,870 | 159,614 | 156,165 | +0.8 | +2.2 | 0.0 | 163,134 | 174,010 | 152,474 | +7.0 |
| New orders | 156,241 | 159,434 | 157,680 | -2.0 | +1.1 | +1.2 | 162,055 | 170,049 | 157,954 | +2.6 |
| Primary metals : | | | | | | | | | | |
| Shipments | 14,658 | 14,959 | 15,056 | -2.0 | -0.6 | +0.6 | 14,981 | 15,408 | 16,264 | -7.9 |
| New orders | 13,468 | 13,965 | 14,413 | -3.6 | -3.1 | +1.0 | 13,268 | 13,795 | 15,919 | -16.7 |
| Unfilled orders | 29,485 | 30,675 | 31,669 | -3.9 | -3.1 | -2.0 | 27,949 | 29,662 | 33,102 | -15.6 |
| Industrial machinery and equipment: | | | | | | | | | | |
| Shipments | 37,069 | 36,796 | 36,711 | +0.7 | +0.2 | -2.9 | 35,519 | 40,691 | 33,894 | +4.8 |
| New orders | 35,739 | 39,012 | 37,450 | -8.4 | +4.2 | -0.5 | 35,019 | 43,032 | 34,829 | +0.5 |
| Unfilled orders | 74,308 | 75,638 | 73,422 | -1.8 | +3.0 | +1.0 | 74,346 | 74,846 | 74,267 | +0.1 |
| Electronic and other electrical equipment : | | | | | | | | | | |
| Shipments | 32,179 | 32,470 | 31,228 | -0.9 | +4.0 | 0.0 | 32,446 | 36,701 | 30,031 | +8.0 |
| New orders | 33,582 | 32,916 | 31,116 | +2.0 | +5.8 | -5.2 | 37,870 | 34,536 | 33,018 | +14.7 |
| Unfilled orders | 60,650 | 59,247 | 58,801 | +2.4 | +0.8 | -0.2 | 62,955 | 57,531 | 57,706 | +9.1 |
| Transportation equipment : | | | | | | | | | | |
| Shipments | 47,887 | 46,623 | 44,403 | +2.7 | +5.0 | +9.5 | 51,668 | 49,471 | 44,797 | +15.3 |
| New orders | 44,354 | 45,136 | 46,745 | -1.7 | -3.4 | +17.5 | 47,497 | 47,915 | 46,652 | +1.8 |
| Unfilled orders | 247,861 | 251,394 | 252,881 | -1.4 | -0.6 | +0.9 | 245,955 | 250,126 | 243,259 | +1.1 |
| CAPITAL GOODS INDUSTRIES³ | | | | | | | | | | |
| Total : | | | | | | | | | | |
| Shipments | 60,693 | 60,070 | 57,910 | +1.0 | +3.7 | +0.2 | 58,231 | 67,068 | 51,694 | +12.6 |
| New orders | 56,082 | 60,609 | 60,304 | -7.5 | +0.5 | +7.1 | 53,773 | 67,622 | 53,593 | +0.3 |
| Unfilled orders | 359,127 | 363,738 | 363,199 | -1.3 | +0.1 | +0.7 | 356,883 | 361,341 | 353,168 | +1.1 |
| Nondefense : | | | | | | | | | | |
| Shipments | 53,669 | 53,461 | 51,222 | +0.4 | +4.4 | -0.2 | 51,237 | 59,975 | 45,486 | +12.6 |
| New orders | 49,729 | 53,562 | 55,371 | -7.2 | -3.3 | +9.1 | 48,058 | 60,093 | 49,174 | -2.3 |
| Unfilled orders | 262,744 | 266,684 | 266,583 | -1.5 | 0.0 | +1.6 | 262,720 | 265,899 | 252,792 | +3.9 |
| Excluding aircraft and parts : | | | | | | | | | | |
| Shipments | 44,911 | 45,042 | 43,715 | -0.3 | +3.0 | -0.9 | 42,911 | 50,931 | 39,724 | +8.0 |
| New orders | 43,302 | 47,664 | 44,785 | -9.2 | +6.4 | +2.5 | 42,063 | 53,570 | 41,768 | +0.7 |
| Unfilled orders | 106,392 | 108,001 | 105,379 | -1.5 | +2.5 | +1.0 | 106,368 | 107,216 | 103,128 | +3.1 |
| Defense : | | | | | | | | | | |
| Shipments | 7,024 | 6,609 | 6,688 | +6.3 | -1.2 | +3.0 | 6,994 | 7,093 | 6,208 | +12.7 |
| New orders | 6,353 | 7,047 | 4,933 | -9.8 | +42.9 | -10.7 | 5,715 | 7,529 | 4,419 | +29.3 |
| Unfilled orders | 96,383 | 97,054 | 96,616 | -0.7 | +0.5 | -1.8 | 94,163 | 95,442 | 100,376 | -6.2 |

(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 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.

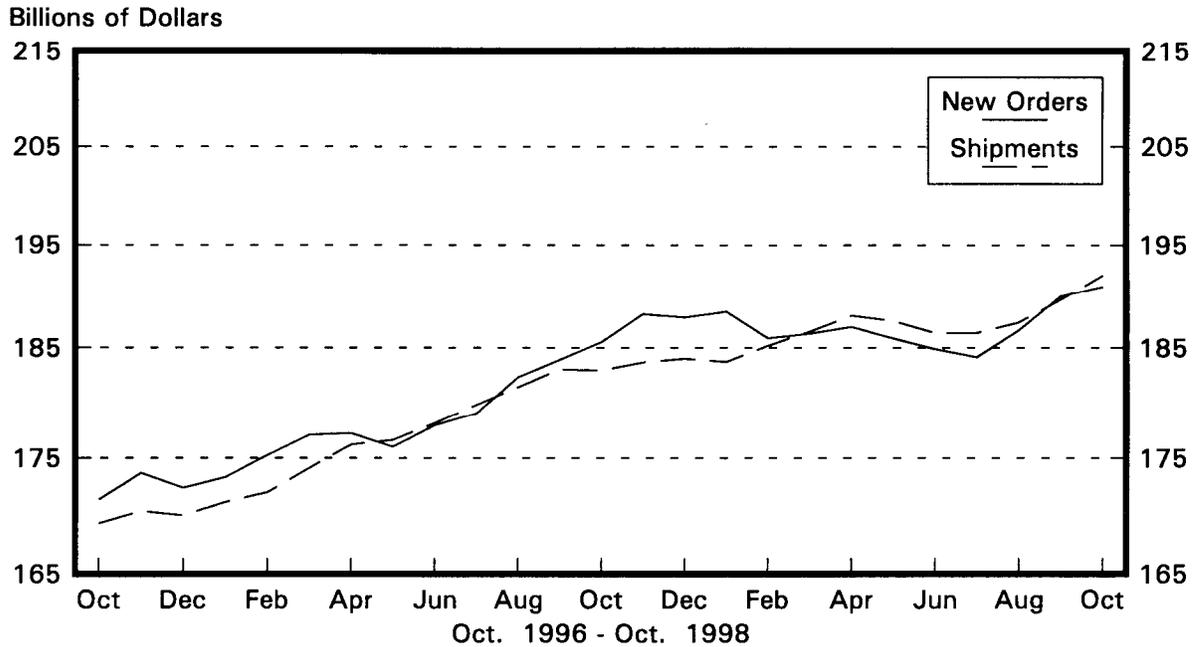
Table 2. AVERAGE REVISIONS TO PREVIOUSLY PUBLISHED MONTHLY PERCENT CHANGES
(Based on seasonally adjusted data)

| Industry | Shipments | | | New Orders | | | Unfilled Orders | | |
|---|-----------------------|-------------------|--------------------------|-----------------------|-------------------|--------------------------|-----------------------|-------------------|--------------------------|
| | Year ago Oct. 1997 | Oct. 1993-1997 | Oct. 1997- Sept. 1998 | Year ago Oct. 1997 | Oct. 1993-1997 | Oct. 1997- Sept. 1998 | Year ago Oct. 1997 | Oct. 1993-1997 | Oct. 1997- Sept. 1998 |
| Durable goods | 0.3 | 0.2 | 0.4 | 0.2 | 0.4 | 0.7 | 0.2 | 0.1 | 0.2 |
| Primary metals | 0.2 | 0.4 | 0.4 | 0.4 | 1.1 | 0.8 | 0.3 | 0.5 | 0.3 |
| Industrial machinery and equipment | 0.7 | 0.4 | 0.8 | 0.2 | 0.7 | 0.7 | 0.3 | 0.4 | 0.3 |
| Electronic and other electrical equipment | 0.3 | 0.8 | 0.8 | 1.0 | 1.6 | 2.3 | 0.3 | 0.4 | 0.7 |
| Transportation equipment | 0.2 | 0.3 | 1.5 | 0.7 | 0.7 | 1.6 | 0.1 | 0.1 | 0.2 |
| Nondefense capital goods | 0.1 | 0.2 | 0.9 | 1.8 | 0.9 | 1.0 | 0.3 | 0.2 | 0.2 |
| Defense capital goods | 1.8 | 1.3 | 0.9 | 4.2 | 4.9 | 6.4 | 0.3 | 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 for the months specified.

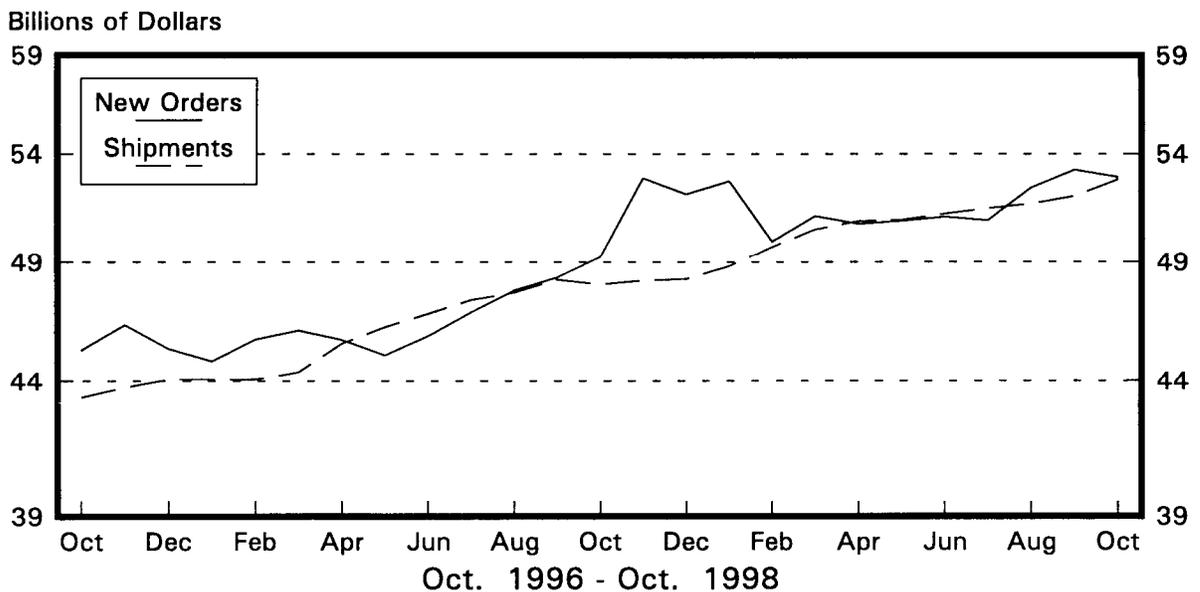
Total Durable Goods

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.