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ADVANCE REPORT ON DURABLE GOODS MANUFACTURERS' SHIPMENTS AND ORDERS February 1999

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

• **NEW ORDERS** New orders for manufactured durable goods in February decreased \$10.1 billion or 5.0 percent to \$191.8 billion, the Department of Commerce, Bureau of the Census reported today. This follows a 3.3 percent January increase. The February decrease is the first since October and the largest since the 6.5 percent decrease in December 1991. Excluding transportation, new orders decreased 1.7 percent, the first decline since October. Year-to-date, new orders are 5.5 percent above the same period a year ago.

Transportation equipment, down for the first month since October, had the largest decrease, \$7.5 billion or 14.3 percent to \$44.9 billion; all component industries decreased, led by aircraft and parts. This follows a 13.5 percent January increase. Electronic and other electrical equipment, down for the first month since November, decreased \$3.0 billion or 8.5 percent to \$32.0 billion. The decrease was mostly due to electronic components. This follows a 3.4 percent January increase. Industrial machinery and equipment, down for the second consecutive month, decreased \$0.2 billion or 0.4 percent to \$37.1 billion, following a 2.6 percent January decrease. Fabricated metal products and instruments and related products also decreased. Primary metals, up for the first month since November, increased \$1.0 billion or 7.2 percent to \$14.7 billion. This follows a 3.0 percent January decrease.

• **SHIPMENTS** Shipments of durable goods in February decreased \$0.3 billion or 0.1 percent to \$194.0 billion, following a 0.6 percent January decrease. This is the second consecutive decrease following seven consecutive increases. Year-to-date, shipments are 5.1 percent above the same period a year ago.

Electronic and other electrical equipment, down for the second consecutive month, had the largest decrease, \$0.6 billion or 1.9 percent to \$32.3 billion. This follows a 0.1 percent January decrease. Primary metals, down ten of the last twelve months, decreased \$0.1 billion or 0.4 percent to \$14.3 billion. This follows a 0.7 percent January increase. Transportation equipment, down for the third consecutive month, decreased slightly to \$47.2 billion, following a 1.4 percent January decrease. Industrial machinery and equipment, up two of the last three months, increased \$0.2 billion or 0.5 percent to \$36.7 billion, following a 1.0 percent January decrease.

• **UNFILLED ORDERS** Unfilled orders for durable goods in February decreased \$2.2 billion or 0.4 percent to \$500.6 billion, the first decrease since November. This follows a 1.5 percent January increase. Transportation equipment, down five of the last six months, had the largest decrease, \$2.3 billion or 0.9 percent to \$246.0 billion. This follows a 2.1 percent January increase. Electronic and other electrical equipment, down for the first month since November, decreased \$0.3 billion or 0.5 percent to \$62.3 billion. This follows a 3.4 percent January increase. Instruments and related products also declined. Primary metals, up for the first month since November, increased \$0.4 billion or 1.4 percent to \$29.3 billion. This follows a 2.2 percent January decrease. Industrial machinery and equipment, up for the third consecutive month, increased \$0.4 billion or 0.5 percent to \$75.6 billion, following a 1.0 percent January increase.

• **CAPITAL GOODS INDUSTRIES, DEFENSE** New orders in February, down for the first month since November, decreased \$3.0 billion or 37.9 percent to \$5.0 billion. This follows a 7.4 percent January increase and is the largest decrease since the 41.0 percent decrease in July 1996. Shipments, down three of the last four months, decreased 0.2 percent to \$6.7 billion, following a 3.0 percent January increase. Unfilled orders, down for the first month since November, decreased \$1.8 billion or 1.8 percent to \$95.4 billion, following a 1.3 percent January increase.

• **CAPITAL GOODS INDUSTRIES, NONDEFENSE** New orders in February, down for the first month since October, decreased \$4.0 billion or 7.1 percent to \$53.0 billion, following a 9.6 percent January increase. Shipments, down for the third consecutive month, decreased \$0.3 billion or 0.5 percent to \$52.8 billion. This follows a 1.9 percent January decrease. Unfilled orders, up for the second consecutive month, increased \$0.2 billion or 0.1 percent to \$261.6 billion, following a 1.5 percent January increase. Excluding aircraft and parts, new orders decreased \$0.4 billion or 0.8 percent to \$45.1 billion, the second consecutive monthly decline; shipments decreased \$0.1 billion or 0.1 percent to \$44.4 billion, the fourth decrease in the last five months; and unfilled orders increased \$0.7 billion or 0.6 percent to \$108.5 billion, the third consecutive monthly increase.

• **REVISED JANUARY DATA** Revised seasonally adjusted January figures for all manufacturing industries are: shipments, \$341.6 billion (revised from \$341.5 billion); new orders, \$349.5 billion (revised from \$349.6 billion); unfilled orders, \$526.9 billion (revised from \$527.2 billion); and total inventories, \$465.0 billion (revised from \$465.6 billion).

Our internet site address is: <http://www.census.gov/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 Feb.99/98
	Feb. 1999 ²	Jan. 1999 ³	Dec. 1998	Jan.- Feb. ²	Dec.- Jan. ²	Nov.- Dec.	Feb. 1999 ²	Jan. 1999 ³	Feb. 1998	
DURABLE GOODS										
Total :										
Shipments	194,029	194,295	195,531	-0.1	-0.6	+0.4	194,639	170,655	188,429	+3.3
New orders	191,833	201,945	195,574	-5.0	+3.3	+3.4	192,527	188,235	188,167	+2.3
Unfilled orders	500,624	502,820	495,172	-0.4	+1.5	0.0	505,508	507,620	518,273	-2.5
Excluding defense :										
Shipments	187,302	187,555	188,989	-0.1	-0.8	+0.6	187,905	165,161	181,817	+3.3
New orders	186,867	193,944	188,125	-3.6	+3.1	+2.5	188,132	179,704	182,509	+3.1
Unfilled orders	405,177	405,612	399,225	-0.1	+1.6	-0.2	409,097	408,870	415,028	-1.4
With unfilled orders :										
Shipments	159,619	160,119	161,454	-0.3	-0.8	-0.1	157,870	139,435	154,211	+2.4
New orders	157,423	167,769	161,497	-6.2	+3.9	+3.5	155,758	157,015	153,949	+1.2
Primary metals :										
Shipments	14,254	14,318	14,222	-0.4	+0.7	-0.4	14,675	13,590	16,331	-10.1
New orders	14,654	13,670	14,087	+7.2	-3.0	-3.4	16,009	13,958	17,460	-8.3
Unfilled orders	29,306	28,906	29,554	+1.4	-2.2	-0.5	30,549	29,215	36,460	-16.2
Industrial machinery and equipment:										
Shipments	36,716	36,526	36,880	+0.5	-1.0	+0.7	35,632	30,351	35,503	+0.4
New orders	37,092	37,248	38,246	-0.4	-2.6	+7.5	36,286	31,918	36,109	+0.5
Unfilled orders	75,556	75,180	74,458	+0.5	+1.0	+1.9	76,662	76,008	74,878	+2.4
Electronic and other electrical equipment :										
Shipments	32,328	32,957	33,006	-1.9	-0.1	+1.1	31,304	27,907	30,112	+4.0
New orders	32,040	35,003	33,859	-8.5	+3.4	+6.0	30,139	34,831	29,795	+1.2
Unfilled orders	62,288	62,576	60,530	-0.5	+3.4	+1.4	63,565	64,730	57,826	+9.9
Transportation equipment :										
Shipments	47,225	47,246	47,908	0.0	-1.4	-0.9	50,470	42,654	46,542	+8.4
New orders	44,889	52,408	46,166	-14.3	+13.5	+2.5	47,573	50,040	44,939	+5.9
Unfilled orders	246,031	248,367	243,205	-0.9	+2.1	-0.7	247,073	249,970	257,338	-4.0
CAPITAL GOODS INDUSTRIES³										
Total :										
Shipments	59,508	59,773	60,612	-0.4	-1.4	-0.9	56,720	48,567	54,917	+3.3
New orders	57,958	65,014	59,454	-10.9	+9.4	+5.5	54,971	56,643	54,362	+1.1
Unfilled orders	357,018	358,568	353,329	-0.4	+1.5	-0.3	359,122	360,871	369,019	-2.7
Nondefense :										
Shipments	52,781	53,033	54,070	-0.5	-1.9	-0.2	49,986	43,073	48,305	+3.5
New orders	52,992	57,013	52,005	-7.1	+9.6	+2.6	50,576	48,112	48,704	+3.8
Unfilled orders	261,571	261,360	257,382	+0.1	+1.5	-0.8	262,711	262,121	265,774	-1.2
Excluding aircraft and parts :										
Shipments	44,428	44,487	45,380	-0.1	-2.0	+1.5	42,124	35,965	41,193	+2.3
New orders	45,113	45,465	47,132	-0.8	-3.5	+7.7	43,188	38,002	42,573	+1.4
Unfilled orders	108,538	107,853	106,877	+0.6	+0.9	+1.7	109,678	108,614	106,833	+2.7
Defense :										
Shipments	6,727	6,740	6,542	-0.2	+3.0	-5.9	6,734	5,494	6,612	+1.8
New orders	4,966	8,001	7,449	-37.9	+7.4	+31.7	4,395	8,531	5,658	-22.3
Unfilled orders	95,447	97,208	95,947	-1.8	+1.3	+1.0	96,411	98,750	103,245	-6.6

(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)

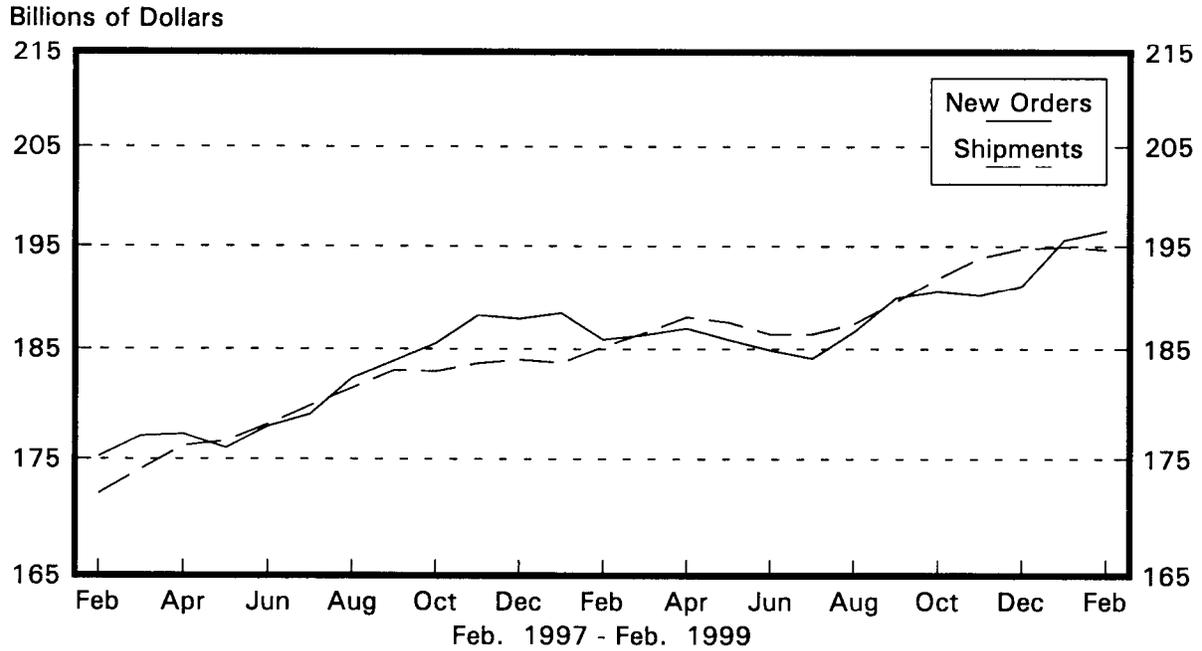
Industry	Shipments			New Orders			Unfilled Orders		
	Year ago Feb. 1998	Feb. 1994-1998	Feb. 1998- Jan. 1999	Year ago Feb. 1998	Feb. 1994-1998	Feb. 1998- Jan. 1999	Year ago Feb. 1998	Feb. 1994-1998	Feb. 1998- Jan. 1999
Durable goods	0.7	0.3	0.4	0.9	0.5	1.5	0.1	0.2	0.3
Primary metals	0.1	0.1	0.6	0.7	1.0	1.6	0.4	0.5	0.5
Industrial machinery and equipment	0.0	0.6	0.8	0.1	0.5	0.8	0.0	0.1	0.3
Electronic and other electrical equipment	0.4	0.5	1.0	1.7	0.7	3.4	0.6	0.5	1.1
Transportation equipment	1.7	0.7	1.5	1.8	1.5	3.8	0.1	0.3	0.4
Nondefense capital goods	0.4	0.6	0.9	1.8	1.0	2.4	0.4	0.2	0.3
Defense capital goods	0.5	0.5	1.1	1.6	7.4	10.7	0.1	0.5	0.6

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 sign, for the months specified.

Total Durable Goods

New Orders and Shipments

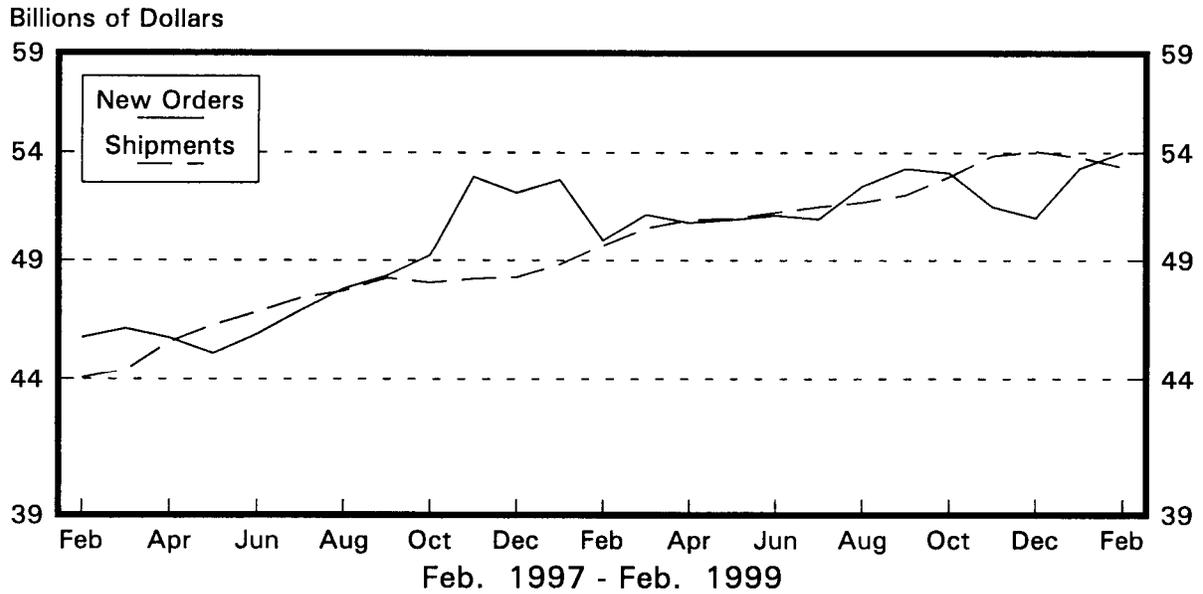
Three Month Moving Averages



Nondefense Capital Goods

New Orders and Shipments

Three Month Moving Averages



Note: All Charts based on seasonally adjusted current dollars.