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## Advance Report on Durable Goods Manufacturers' Shipments, Inventories and Orders July 2006

### New Orders

New orders for manufactured durable goods in July decreased \$5.3 billion or 2.4 percent to \$212.0 billion, the U.S. Census Bureau announced today. This decrease follows two consecutive monthly increases, which includes a 3.5 percent June increase. Excluding transportation, new orders increased 0.5 percent. Excluding defense, new orders decreased 1.9 percent.

Transportation equipment, down three of the last four months, had the largest decrease, \$6.0 billion or 9.6 percent to \$56.6 billion.

### Shipments

Shipments of manufactured durable goods in July, down following two consecutive monthly increases, decreased \$2.8 billion or 1.3 percent to \$210.6 billion. This followed a 0.3 percent June increase.

Transportation equipment, down three of the last four months, had the largest decrease, \$3.7 billion or 6.4 percent to \$53.4 billion.

### Unfilled Orders

Unfilled orders for manufactured durable goods in July, up fourteen of the last fifteen months, increased \$8.4 billion or 1.4 percent to \$630.7 billion. This was at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 1.7 percent June increase.

Transportation equipment, up fourteen of the last fifteen months, had the largest increase, \$3.2 billion or

1.0 percent to \$329.7 billion. This was at the highest level since the series began.

### Inventories

Inventories of manufactured durable goods in July, up six of the last seven months, increased \$2.7 billion or 1.0 percent to \$285.9 billion. This followed a 0.8 percent June increase.

Transportation equipment, up five consecutive months, had the largest increase, \$0.8 billion or 1.2 percent to \$67.3 billion.

### Capital Goods

Nondefense new orders for capital goods in July increased \$0.2 billion or 0.2 percent to \$72.1 billion. Shipments increased \$0.3 billion or 0.4 percent to \$66.9 billion. Unfilled orders increased \$5.1 billion or 1.6 percent to \$324.8 billion. Inventories increased \$0.9 billion or 0.8 percent to \$110.8 billion.

Defense new orders for capital goods in July decreased \$1.6 billion or 15.1 percent to \$8.9 billion. Shipments decreased \$0.2 billion or 2.7 percent to \$7.8 billion. Unfilled orders increased \$1.1 billion or 0.8 percent to \$128.9 billion. Inventories increased \$0.3 billion or 2.2 percent to \$14.4 billion.

### Revised June Data

Revised seasonally adjusted June figures for all manufacturing industries are: new orders, \$407.6 billion (revised from \$406.0 billion); shipments, \$403.7 billion (revised from \$403.0 billion); unfilled orders, \$622.3 billion (revised from \$621.4 billion); and total inventories, \$469.7 billion (revised from \$469.4 billion).

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Figures in text, other than year-to-date, are in seasonally adjusted current dollars. Figures on new and unfilled orders exclude data for semiconductor manufacturing. For data, call (301) 763-4673 or go to <<http://www.census.gov/m3>>.

Revised and more detailed estimates, plus nondurable goods data, will be published on August 31, 2006, at 10:00 a.m. EDT. The advance report on durable goods for August is scheduled for release on September 27, 2006, at 8:30 a.m. EDT. See back page for survey description.

**Table 1. Durable Goods Manufacturers' Shipments and New Orders**  
[Millions of Dollars]

Item	Seasonally Adjusted						Not Seasonally Adjusted <sup>1</sup>					
	Monthly			Percent Change			Monthly			Year to Date		
	Jul 2006 <sup>2</sup>	Jun 2006 <sup>r</sup>	May 2006	Jun - Jul <sup>2</sup>	May - Jun <sup>r</sup>	Apr - May	Jul 2006 <sup>2</sup>	Jun 2006 <sup>r</sup>	Jul 2005	2006	2005	Percent Change 06/05
<b>DURABLE GOODS</b>												
<b>Total:</b>												
Shipments.....	210,581	213,353	212,676	-1.3	0.3	3.0	183,632	233,650	169,094	1,452,294	1,347,496	7.8
New Orders <sup>4</sup> .....	211,989	217,268	209,839	-2.4	3.5	0.3	184,148	233,218	165,735	1,463,398	1,338,605	9.3
<b>Excluding transportation:</b>												
Shipments.....	157,208	156,303	155,066	0.6	0.8	2.2	145,096	169,667	130,284	1,065,884	974,442	9.4
New Orders <sup>4</sup> .....	155,424	154,691	151,396	0.5	2.2	1.6	143,490	164,138	124,677	1,049,146	948,030	10.7
<b>Excluding defense:</b>												
Shipments.....	201,268	203,919	203,225	-1.3	0.3	3.2	175,059	223,397	161,085	1,388,457	1,287,257	7.9
New Orders <sup>4</sup> .....	201,408	205,282	201,715	-1.9	1.8	0.5	176,137	220,997	160,448	1,398,830	1,285,502	8.8
<b>Manufacturing with unfilled orders:</b>												
Shipments.....	147,350	147,398	146,256	0.0	0.8	2.6	130,474	161,264	116,633	1,000,140	914,477	9.4
New Orders <sup>4</sup> .....	155,761	157,948	150,454	-1.4	5.0	-0.6	137,208	167,982	118,912	1,058,330	947,951	11.6
<b>Primary metals:</b>												
Shipments.....	19,931	19,583	19,102	1.8	2.5	7.8	18,124	20,514	14,031	130,218	113,376	14.9
New Orders.....	20,158	19,919	19,700	1.2	1.1	6.2	18,304	20,348	14,055	132,500	111,712	18.6
<b>Fabricated metal products:</b>												
Shipments.....	24,723	24,893	24,744	-0.7	0.6	1.4	23,218	26,528	21,237	170,896	157,642	8.4
New Orders.....	25,064	26,728	25,296	-6.2	5.7	-0.2	23,532	27,610	21,507	177,668	162,895	9.1
<b>Machinery:</b>												
Shipments.....	27,673	27,398	26,934	1.0	1.7	1.3	25,912	30,046	22,681	189,226	169,498	11.6
New Orders.....	29,245	28,711	28,621	1.9	0.3	4.3	26,955	29,827	22,483	198,203	174,627	13.5
<b>Computers and electronic products:</b>												
Shipments.....	35,667	35,220	35,099	1.3	0.3	1.6	31,560	39,995	28,393	238,399	218,142	9.3
New Orders <sup>4</sup> .....	31,127	29,749	27,881	4.6	6.7	-1.9	27,362	33,726	22,371	198,676	181,434	9.5
<b>Computers and related products:</b>												
Shipments.....	6,812	6,277	6,266	8.5	0.2	-4.1	6,553	7,331	6,002	44,462	43,385	2.5
New Orders.....	6,969	6,386	6,232	9.1	2.5	-3.0	6,710	7,440	5,712	44,226	42,801	3.3
<b>Communications equipment:</b>												
Shipments.....	5,349	6,065	5,868	-11.8	3.4	-7.9	4,395	7,077	4,264	39,561	33,759	17.2
New Orders.....	5,898	6,593	5,724	-10.5	15.2	7.7	4,811	7,321	4,442	41,466	36,575	13.4
<b>Semiconductors:</b>												
Shipments.....	7,003	6,635	7,035	5.5	-5.7	16.1	6,218	7,150	5,638	47,086	42,365	11.1
New Orders <sup>4</sup> .....	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
<b>Electrical equipment, appliances, and components:</b>												
Shipments.....	10,319	10,238	10,410	0.8	-1.7	3.4	9,391	10,980	8,526	69,191	62,404	10.9
New Orders.....	10,740	10,817	11,062	-0.7	-2.2	2.6	10,092	11,282	8,759	73,608	63,948	15.1
<b>Transportation equipment:</b>												
Shipments.....	53,373	57,050	57,610	-6.4	-1.0	5.3	38,536	63,983	38,810	386,410	373,054	3.6
New Orders.....	56,565	62,577	58,443	-9.6	7.1	-2.8	40,658	69,080	41,058	414,252	390,575	6.1
<b>Motor vehicles and parts:</b>												
Shipments.....	37,484	40,466	40,792	-7.4	-0.8	4.3	25,208	44,821	26,362	274,693	273,443	0.5
New Orders.....	37,841	40,700	40,827	-7.0	-0.3	2.8	26,009	44,645	26,909	276,713	273,683	1.1
<b>Nondefense aircraft and parts:</b>												
Shipments.....	7,420	7,994	7,947	-7.2	0.6	20.7	5,856	9,671	4,997	52,436	40,065	30.9
New Orders.....	10,166	11,296	10,523	-10.0	7.3	-19.5	8,477	13,592	8,883	80,328	61,182	31.3
<b>Defense aircraft and parts:</b>												
Shipments.....	3,412	3,224	3,515	5.8	-8.3	3.1	3,067	3,727	2,722	22,850	22,155	3.1
New Orders.....	3,280	3,008	2,751	9.0	9.3	23.1	2,353	3,235	1,585	22,190	16,604	33.6
<b>All other durable goods:</b>												
Shipments.....	38,895	38,971	38,777	-0.2	0.5	1.0	36,891	41,604	35,416	267,954	253,380	5.8
New Orders.....	39,090	38,767	38,836	0.8	-0.2	0.8	37,245	41,345	35,502	268,491	253,414	5.9
<b>Capital goods:<sup>3</sup></b>												
Shipments.....	74,725	74,673	74,498	0.1	0.2	1.7	67,546	83,499	60,313	509,890	458,353	11.2
New Orders.....	80,924	82,342	77,308	-1.7	6.5	-2.5	71,304	89,841	62,347	547,913	486,311	12.7
<b>Nondefense capital goods:</b>												
Shipments.....	66,931	66,664	66,575	0.4	0.1	2.1	60,286	75,014	53,527	456,180	407,166	12.0
New Orders.....	72,065	71,910	70,435	0.2	2.1	-2.0	64,651	79,367	57,953	493,652	440,702	12.0
<b>Excluding aircraft:</b>												
Shipments.....	62,220	61,430	61,348	1.3	0.1	0.0	56,842	68,557	51,247	422,713	387,092	9.2
New Orders.....	64,712	63,785	62,931	1.5	1.4	1.3	58,890	69,114	51,489	438,520	397,651	10.3
<b>Defense capital goods:</b>												
Shipments.....	7,794	8,009	7,923	-2.7	1.1	-1.7	7,260	8,485	6,786	53,710	51,187	4.9
New Orders.....	8,859	10,432	6,873	-15.1	51.8	-7.1	6,653	10,474	4,394	54,261	45,609	19.0

NA Not Available <sup>r</sup> Revised

<sup>1</sup> Shipments and new orders are the totals for the period and are adjusted for trading-day and calendar-month variations; unfilled orders and total inventories are as of the end of the period and are not adjusted for trading-day or calendar-month variations

<sup>2</sup> 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: M3-3(05), "Manufacturers' Shipments, Inventories, and Orders: 1992-2005"

<sup>3</sup> The Capital Goods Industries include Nondefense: small arms and ordnance; farm machinery and equipment; construction machinery; mining, oil, and gas field machinery; industrial machinery; vending laundry, and other machinery; photographic equipment; metalworking machinery; turbines and generators; other power transmission equipment; pumps and compressors; material handling equipment; other machinery; electronic computers; computer storage devices; other computer peripheral equipment; communications equipment; search and navigation equipment; electromedical, measuring, and control instruments; electrical equipment; other electrical equipment, appliances, and components; heavy duty trucks; aircraft; railroad rolling stock; ships and boats; office and institutional furniture; and medical equipment and supplies

Defense Capital Goods include: small arms and ordnance, communications equipment, aircraft; missiles, space vehicles, and parts, ships and boats, and search and navigation equipment

<sup>4</sup> Data on new and unfilled orders are not available for the semiconductor industry. Estimates and percent changes for new orders and unfilled orders exclude semiconductor industry data. Inventories for semiconductor industry data are included in computers and electronic products and total durable goods industries, but are not shown separately

**Table 2. Durable Goods Manufacturers' Unfilled Orders and Total Inventories**  
 [Millions of Dollars]

Item	Seasonally Adjusted						Not Seasonally Adjusted <sup>1</sup>			
	Monthly			Percent Change			Monthly			Percent Change 2006/2005
	Jul 2006 <sup>2</sup>	Jun 2006 <sup>r</sup>	May 2006	Jun - Jul <sup>2</sup>	May - Jun <sup>r</sup>	Apr - May	Jul 2006 <sup>2</sup>	Jun 2006 <sup>r</sup>	Jul 2005	
<b>DURABLE GOODS</b>										
<b>Total:</b>										
Unfilled Orders <sup>4</sup> .....	630,697	622,286	611,736	1.4	1.7	0.7	630,618	623,884	524,711	20.2
Total Inventories.....	285,901	283,194	280,856	1.0	0.8	0.7	288,654	282,028	273,305	5.6
<b>Excluding transportation:</b>										
Unfilled Orders <sup>4</sup> .....	301,004	295,785	290,762	1.8	1.7	1.2	301,636	297,024	259,343	16.3
Total Inventories.....	218,640	216,756	215,278	0.9	0.7	0.7	220,506	216,372	208,077	6.0
<b>Excluding defense:</b>										
Unfilled Orders <sup>4</sup> .....	488,889	481,746	473,748	1.5	1.7	1.2	489,342	482,046	382,502	27.9
Total Inventories.....	266,800	264,407	261,674	0.9	1.0	0.7	269,384	263,128	253,871	6.1
<b>Manufacturing with unfilled orders:</b>										
Unfilled Orders <sup>4</sup> .....	630,697	622,286	611,736	1.4	1.7	0.7	630,618	623,884	524,711	20.2
Total Inventories.....	222,235	220,188	218,490	0.9	0.8	0.8	224,362	219,289	211,772	5.9
<b>Primary metals:</b>										
Unfilled Orders.....	27,778	27,551	27,215	0.8	1.2	2.2	27,556	27,376	20,118	37.0
Total Inventories.....	27,772	27,428	27,185	1.3	0.9	2.7	27,982	27,337	25,832	8.3
<b>Fabricated metal products:</b>										
Unfilled Orders.....	53,036	52,695	50,860	0.6	3.6	1.1	53,877	53,563	45,976	17.2
Total Inventories.....	36,202	35,994	35,519	0.6	1.3	0.6	36,616	36,258	34,895	4.9
<b>Machinery:</b>										
Unfilled Orders.....	71,176	69,604	68,291	2.3	1.9	2.5	70,682	69,639	57,194	23.6
Total Inventories.....	45,053	44,856	44,906	0.4	-0.1	0.8	45,113	44,613	43,186	4.5
<b>Computers and electronic products:</b>										
Unfilled Orders <sup>4</sup> .....	114,911	112,448	111,284	2.2	1.0	-0.2	114,938	112,918	106,977	7.4
Total Inventories.....	45,226	44,630	44,451	1.3	0.4	0.0	46,019	44,193	42,338	8.7
<b>Computers and related products:</b>										
Unfilled Orders.....	4,466	4,309	4,200	3.6	2.6	-0.8	4,466	4,309	4,350	2.7
Total Inventories.....	4,174	4,174	4,077	0.0	2.4	-0.6	4,261	4,069	4,433	-3.9
<b>Communications equipment:</b>										
Unfilled Orders.....	34,783	34,234	33,706	1.6	1.6	-0.4	34,917	34,501	34,519	1.2
Total Inventories.....	9,934	9,896	10,178	0.4	-2.8	-3.9	9,969	9,522	9,900	0.7
<b>Semiconductors:</b>										
Unfilled Orders <sup>4</sup> .....	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Total Inventories <sup>4</sup> .....	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
<b>Electrical equipment, appliances, and components:</b>										
Unfilled Orders.....	22,002	21,581	21,002	2.0	2.8	3.2	22,251	21,550	16,523	34.7
Total Inventories.....	13,775	13,603	13,325	1.3	2.1	0.2	13,823	13,640	12,504	10.5
<b>Transportation equipment:</b>										
Unfilled Orders.....	329,693	326,501	320,974	1.0	1.7	0.3	328,982	326,860	265,368	24.0
Total Inventories.....	67,261	66,438	65,578	1.2	1.3	0.7	68,148	65,656	65,228	4.5
<b>Motor vehicles and parts:</b>										
Unfilled Orders.....	19,083	18,726	18,492	1.9	1.3	0.2	19,112	18,311	15,700	21.7
Total Inventories.....	23,956	23,724	23,625	1.0	0.4	0.1	24,288	23,472	23,887	1.7
<b>Nondefense Aircraft and parts:</b>										
Unfilled Orders.....	195,728	192,982	189,680	1.4	1.7	1.4	195,326	192,705	129,391	51.0
Total Inventories.....	23,783	23,491	22,724	1.2	3.4	0.1	24,135	22,993	21,668	11.4
<b>Defense Aircraft and parts:</b>										
Unfilled Orders.....	44,661	44,793	45,009	-0.3	-0.5	-1.7	44,848	45,562	43,279	3.6
Total Inventories.....	11,847	11,714	11,719	1.1	0.0	2.0	11,983	11,798	11,629	3.0
<b>All other durable goods:</b>										
Unfilled Orders.....	12,101	11,906	12,110	1.6	-1.7	0.5	12,332	11,978	12,555	-1.8
Total Inventories.....	50,612	50,245	49,892	0.7	0.7	0.5	50,953	50,331	49,322	3.3
<b>Capital goods:<sup>3</sup></b>										
Unfilled Orders.....	453,734	447,535	439,866	1.4	1.7	0.6	452,718	448,960	375,828	20.5
Total Inventories.....	125,240	124,071	123,069	0.9	0.8	0.0	126,104	122,962	119,855	5.2
<b>Nondefense capital goods:</b>										
Unfilled Orders.....	324,836	319,702	314,456	1.6	1.7	1.2	324,386	320,021	245,508	32.1
Total Inventories.....	110,822	109,964	108,751	0.8	1.1	0.0	111,653	108,826	105,139	6.2
<b>Excluding aircraft:</b>										
Unfilled Orders.....	154,775	152,283	149,928	1.6	1.6	1.1	155,013	152,965	135,581	14.3
Total Inventories.....	92,662	92,010	91,455	0.7	0.6	0.0	93,231	91,360	89,112	4.6
<b>Defense capital goods:</b>										
Unfilled Orders.....	128,898	127,833	125,410	0.8	1.9	-0.8	128,332	128,939	130,320	-1.5
Total Inventories.....	14,418	14,107	14,318	2.2	-1.5	0.0	14,451	14,136	14,716	-1.8

See footnotes at end of Table 1

## Survey Description

This report is compiled from results of the U.S. Census Bureau's Manufacturers' Shipments, Inventories, and Orders (M3) survey. This survey provides statistics on manufacturers' value of shipments, new orders (net of cancellations), end-of-month order backlog (unfilled orders), end-of-month total inventory (at current cost or market value), and inventories by stage of fabrication (materials and supplies, work-in-process, and finished goods). The M3 includes approximately 4,200 reporting units. Units may be divisions of diversified large companies, large homogenous companies, or single-unit manufacturers in 89 industry categories. Due to the small monthly sample, these 89 categories have been combined into 59 publication levels. The survey methodology assumes that the month-to-month changes of the total operations of those companies in the monthly survey effectively represent the month-to-month movements of all establishments that make up the category. The current coverage levels in the survey show that reported data in the monthly survey represent approximately 62 percent of the shipments estimates at the total manufacturing level. Data published represent manufacturing in a calendar month. The data collection is based on a voluntary survey authorized by Title 13 of the United States Code.

The data presented in this release are based on data obtained from a panel of 4,200 reporting units and provide an indication of the activity within the manufacturing sector. The results differ from what would be obtained from a complete enumeration of all manufacturing companies. In addition, a different panel of 4,200 companies would yield different results. The M3 panel is comprised of companies with \$500 million or more in shipments and a limited number of smaller companies. From a statistical perspective, the panel is not a probability sample; therefore, the sampling errors that are normally provided with sample surveys cannot be measured. Nonsampling errors are attributable to many sources. The use of company or divisional reports to estimate the monthly change for establishments is one source of nonsampling error. The use of primarily large companies to represent the month-to-month movement of all companies is another potential source. Any corrections will be published in the full report. Corrections received after the full report will be released in the next month's advance report. Any revisions made later than two months will be reflected in the annual benchmark publication.

Additional survey documentation can be found on our web site: <http://www.census.gov/m3>.