

U.S. Census Bureau News

U.S. Department of Commerce • Washington, D.C. 20233

FOR IMMEDIATE RELEASE
THURSDAY, JANUARY 29, 2009, AT 8:30 A.M. EST

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M3-1 (08)-12
CB09-17

Advance Report on Durable Goods Manufacturers' Shipments, Inventories and Orders December 2008

New Orders

New orders for manufactured durable goods in December decreased \$4.7 billion or 2.6 percent to \$176.8 billion, the U.S. Census Bureau announced today. This was the fifth consecutive monthly decrease and followed a 3.7 percent November decrease. Excluding transportation, new orders decreased 3.6 percent. Excluding defense, new orders decreased 4.9 percent.

Computers and electronic products, down three of the last four months, had the largest decrease, \$1.9 billion or 7.2 percent to \$24.9 billion.

Shipments

Shipments of manufactured durable goods in December, down five consecutive months, decreased \$1.4 billion or 0.7 percent to \$191.3 billion. This followed a 4.2 percent November decrease.

Primary metals, down five consecutive months, had the largest decrease, \$1.3 billion or 7.4 percent to \$16.7 billion.

Unfilled Orders

Unfilled orders for manufactured durable goods in December, down three consecutive months, decreased \$10.3 billion or 1.3 percent to \$803.2 billion. This followed a 0.9 percent November decrease.

Machinery, down three consecutive months, had the largest decrease, \$3.7 billion or 3.6 percent to \$100.7 billion.

Inventories

Inventories of manufactured durable goods in December, up seventeen of the last eighteen months, increased \$1.3 billion or 0.4 percent to \$343.5 billion. This was at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 0.3 percent November increase.

Transportation equipment, up twenty-three of the last twenty-four months, had the largest increase, \$2.7 billion or 2.9 percent to \$95.4 billion.

Capital Goods

Nondefense new orders for capital goods in December decreased \$3.6 billion or 5.9 percent to \$57.0 billion. Shipments increased \$2.1 billion or 3.4 percent to \$65.2 billion. Unfilled orders decreased \$8.2 billion or 1.7 percent to \$470.2 billion. Inventories increased \$3.8 billion or 2.6 percent to \$147.5 billion.

Defense new orders for capital goods in December increased \$2.8 billion or 32.9 percent to \$11.3 billion. Shipments decreased \$0.5 billion or 5.9 percent to \$8.5 billion. Unfilled orders increased \$2.8 billion or 2.0 percent to \$143.8 billion. Inventories increased \$0.1 billion or 0.5 percent to \$19.6 billion.

Revised November Data

Revised seasonally adjusted November figures for all manufacturing industries were: new orders, \$379.8 billion (revised from \$384.6 billion); shipments, \$391.0 billion (revised from \$393.8 billion); unfilled orders, \$813.4 billion (revised from \$815.4 billion); and total inventories, \$552.6 billion (revised from \$553.4 billion).

Figures in text 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 February 5, 2009, at 10:00 a.m. EST. The advance report on durable goods for January is scheduled for release on February 26, 2009, at 8:30 a.m. EST. See back page for survey description and 2009 release dates.

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

Item	Seasonally Adjusted						Not Seasonally Adjusted ¹					
	Monthly			Percent Change			Monthly			Year to Date		
	Dec 2008 ²	Nov 2008 ^r	Oct 2008	Nov - Dec ²	Oct - Nov ^r	Sep - Oct	Dec 2008 ²	Nov 2008 ^r	Dec 2007	2008	2007	Percent Change 08/07
DURABLE GOODS												
Total:												
Shipments.....	191,258	192,700	201,119	-0.7	-4.2	-3.4	189,988	181,442	208,047	2,494,091	2,562,863	-2.7
New Orders ⁴	176,797	181,509	188,534	-2.6	-3.7	-8.5	187,861	169,134	233,900	2,464,050	2,612,952	-5.7
Excluding transportation:												
Shipments.....	144,685	146,744	153,046	-1.4	-4.1	-2.8	142,757	137,089	154,007	1,875,172	1,869,827	0.3
New Orders ⁴	133,464	138,417	140,762	-3.6	-1.7	-6.9	131,090	127,650	154,208	1,814,336	1,831,560	-0.9
Excluding defense:												
Shipments.....	179,823	180,914	189,021	-0.6	-4.3	-3.6	177,206	169,281	197,170	2,353,927	2,448,855	-3.9
New Orders ⁴	162,095	170,371	177,336	-4.9	-3.9	-6.8	166,844	158,478	214,905	2,313,699	2,494,284	-7.2
Manufacturing with unfilled orders:												
Shipments.....	138,045	138,469	144,247	-0.3	-4.0	-4.2	137,885	130,496	147,853	1,789,801	1,787,073	0.2
New Orders ⁴	127,793	131,209	136,694	-2.6	-4.0	-10.2	139,718	121,724	178,266	1,817,721	1,901,011	-4.4
Primary metals:												
Shipments.....	16,659	17,989	19,843	-7.4	-9.3	-10.9	14,087	15,999	17,540	255,838	241,511	5.9
New Orders.....	14,882	15,979	16,834	-6.9	-5.1	-16.3	12,600	14,246	18,593	247,047	241,829	2.2
Fabricated metal products:												
Shipments.....	26,099	26,991	27,563	-3.3	-2.1	-1.0	23,816	24,998	24,115	330,578	326,685	1.2
New Orders.....	25,120	26,048	26,667	-3.6	-2.3	-2.9	22,561	23,153	25,230	327,745	330,855	-0.9
Machinery:												
Shipments.....	29,063	28,356	28,461	2.5	-0.4	-5.5	28,448	25,496	28,503	347,363	331,451	4.8
New Orders.....	25,350	26,691	27,206	-5.0	-1.9	-11.2	24,049	24,010	30,643	355,655	343,454	3.6
Computers and electronic products:												
Shipments.....	29,472	29,491	31,260	-0.1	-5.7	2.2	34,519	28,409	38,130	379,309	386,897	-2.0
New Orders ⁴	24,865	26,797	25,627	-7.2	4.6	-4.9	31,229	25,369	35,222	324,428	330,062	-1.7
Computers and related products:												
Shipments.....	4,545	4,228	4,626	7.5	-8.6	-1.6	6,093	3,792	7,452	59,601	65,627	-9.2
New Orders.....	4,634	4,775	4,292	-3.0	11.3	-9.1	6,182	4,339	7,606	60,110	65,859	-8.7
Communications equipment:												
Shipments.....	5,411	5,720	5,458	-5.4	4.8	-3.4	6,972	5,869	7,499	68,563	68,504	0.1
New Orders.....	5,482	5,764	5,699	-4.9	1.1	8.1	7,071	5,397	7,858	69,339	69,871	-0.8
Semiconductors:												
Shipments.....	4,209	3,931	5,032	7.1	-21.9	29.0	3,960	3,536	4,560	57,961	63,849	-9.2
New Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:												
Shipments.....	9,577	9,436	10,330	1.5	-8.7	-1.9	9,098	8,959	10,119	125,001	126,995	-1.6
New Orders.....	9,519	8,698	9,155	9.4	-5.0	-10.2	8,592	8,026	9,711	123,713	128,209	-3.5
Transportation equipment:												
Shipments.....	46,573	45,956	48,073	1.3	-4.4	-5.4	47,231	44,353	54,040	618,919	693,036	-10.7
New Orders.....	43,333	43,092	47,772	0.6	-9.8	-12.8	56,771	41,484	79,692	649,714	781,392	-16.9
Motor vehicles and parts:												
Shipments.....	27,755	29,066	29,519	-4.5	-1.5	-5.2	25,229	27,215	33,202	387,129	479,703	-19.3
New Orders.....	27,104	28,603	29,214	-5.2	-2.1	-5.2	24,928	26,917	33,489	384,166	477,835	-19.6
Nondefense aircraft and parts:												
Shipments.....	8,043	6,134	6,861	31.1	-10.6	-10.8	9,946	6,164	10,181	96,513	101,127	-4.6
New Orders.....	2,728	4,839	9,003	-43.6	-46.3	-8.7	13,490	5,347	28,458	124,010	184,484	-32.8
Defense aircraft and parts:												
Shipments.....	4,840	4,539	4,757	6.6	-4.6	-8.5	5,753	4,726	3,938	55,775	39,700	40.5
New Orders.....	5,800	4,982	5,356	16.4	-7.0	-8.3	7,961	5,087	8,079	60,710	40,855	48.6
All other durable goods:												
Shipments.....	33,815	34,481	35,589	-1.9	-3.1	-1.4	32,789	33,228	35,600	437,083	456,288	-4.2
New Orders.....	33,728	34,204	35,273	-1.4	-3.0	-1.6	32,059	32,846	34,809	435,748	457,151	-4.7
Capital goods:³												
Shipments.....	73,711	72,105	73,765	2.2	-2.3	-3.9	79,632	68,269	82,300	907,377	889,599	2.0
New Orders.....	68,300	69,052	71,326	-1.1	-3.2	-10.9	86,213	64,700	108,064	946,694	988,684	-4.2
Nondefense capital goods:												
Shipments.....	65,224	63,084	64,469	3.4	-2.1	-4.5	70,574	58,923	73,755	800,087	796,439	0.5
New Orders.....	56,983	60,535	63,487	-5.9	-4.6	-6.5	69,598	56,749	91,579	831,451	891,459	-6.7
Excluding aircraft:												
Shipments.....	60,880	60,354	61,218	0.9	-1.4	-3.7	64,623	56,167	67,794	748,796	739,632	1.2
New Orders.....	57,730	59,390	58,373	-2.8	1.7	-6.7	60,248	54,628	68,869	755,103	755,394	0.0
Defense capital goods:												
Shipments.....	8,487	9,021	9,296	-5.9	-3.0	1.0	9,058	9,346	8,545	107,290	93,160	15.2
New Orders.....	11,317	8,517	7,839	32.9	8.6	-35.4	16,615	7,951	16,485	115,243	97,225	18.5

NA Not Available ^r Revised

¹ 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.

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: M3-3(07), "Manufacturers' Shipments, Inventories, and Orders: 2004-2007."

³ 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; all 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.

⁴ 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 ¹			
	Monthly			Percent Change			Monthly			Percent Change 2008/2007
	Dec 2008 ²	Nov 2008 ^r	Oct 2008	Nov - Dec ²	Oct - Nov ^r	Sep - Oct	Dec 2008 ²	Nov 2008 ^r	Dec 2007	
DURABLE GOODS										
Total:										
Unfilled Orders ⁴	803,160	813,412	820,672	-1.3	-0.9	-0.9	799,736	797,903	771,816	3.6
Total Inventories.....	343,465	342,179	341,168	0.4	0.3	0.4	333,438	343,121	311,601	7.0
Excluding transportation:										
Unfilled Orders ⁴	339,157	346,169	350,565	-2.0	-1.3	-2.0	332,146	339,853	335,021	-0.9
Total Inventories.....	248,084	249,479	251,032	-0.6	-0.6	0.0	242,088	249,728	233,424	3.7
Excluding defense:										
Unfilled Orders ⁴	642,125	655,644	662,256	-2.1	-1.0	-1.0	638,240	644,642	620,507	2.9
Total Inventories.....	318,191	316,975	316,396	0.4	0.2	0.3	308,536	317,900	288,346	7.0
Manufacturing with unfilled orders:										
Unfilled Orders ⁴	803,160	813,412	820,672	-1.3	-0.9	-0.9	799,736	797,903	771,816	3.6
Total Inventories.....	275,867	274,491	273,466	0.5	0.4	0.3	267,827	275,298	247,138	8.4
Primary metals:										
Unfilled Orders.....	19,416	21,193	23,203	-8.4	-8.7	-11.5	18,472	19,959	27,263	-32.2
Total Inventories.....	32,363	33,715	34,793	-4.0	-3.1	-1.1	32,123	33,665	30,577	5.1
Fabricated metal products:										
Unfilled Orders.....	58,738	59,717	60,660	-1.6	-1.6	-1.5	56,586	57,841	59,419	-4.8
Total Inventories.....	43,694	44,384	44,726	-1.6	-0.8	-0.5	42,699	43,861	41,384	3.2
Machinery:										
Unfilled Orders.....	100,692	104,405	106,070	-3.6	-1.6	-1.2	98,679	103,078	90,387	9.2
Total Inventories.....	55,278	55,168	54,869	0.2	0.5	0.4	53,481	55,507	50,487	5.9
Computers and electronic products:										
Unfilled Orders ⁴	125,399	125,797	124,560	-0.3	1.0	-0.5	124,847	124,177	121,767	2.5
Total Inventories.....	48,001	47,383	47,419	1.3	-0.1	0.8	46,650	48,166	43,788	6.5
Computers and related products:										
Unfilled Orders.....	4,226	4,137	3,590	2.2	15.2	-8.5	4,226	4,137	3,717	13.7
Total Inventories.....	5,255	4,938	4,853	6.4	1.8	-3.7	4,924	5,143	4,706	4.6
Communications equipment:										
Unfilled Orders.....	37,745	37,674	37,630	0.2	0.1	0.6	37,193	37,094	36,417	2.1
Total Inventories.....	10,339	9,853	9,806	4.9	0.5	1.6	10,217	10,217	9,218	10.8
Semiconductors:										
Unfilled Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Total Inventories ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:										
Unfilled Orders.....	22,635	22,693	23,431	-0.3	-3.1	-4.8	21,776	22,282	23,064	-5.6
Total Inventories.....	14,913	14,937	15,172	-0.2	-1.5	-1.3	14,419	14,789	14,391	0.2
Transportation equipment:										
Unfilled Orders.....	464,003	467,243	470,107	-0.7	-0.6	-0.1	467,590	458,050	436,795	7.1
Total Inventories.....	95,381	92,700	90,136	2.9	2.8	1.8	91,350	93,393	78,177	16.9
Motor vehicles and parts:										
Unfilled Orders.....	15,623	16,274	16,737	-4.0	-2.8	-1.8	15,602	15,903	18,565	-16.0
Total Inventories.....	21,742	22,369	22,837	-2.8	-2.0	-0.3	20,535	22,396	23,357	-12.1
Nondefense Aircraft and parts:										
Unfilled Orders.....	304,639	309,954	311,249	-1.7	-0.4	0.7	308,112	304,568	280,615	9.8
Total Inventories.....	47,679	44,281	41,947	7.7	5.6	3.4	45,546	44,871	31,154	46.2
Defense Aircraft and parts:										
Unfilled Orders.....	48,472	47,512	47,069	2.0	0.9	1.3	48,237	46,029	43,302	11.4
Total Inventories.....	14,592	14,718	14,292	-0.9	3.0	2.4	14,373	14,724	13,213	8.8
All other durable goods:										
Unfilled Orders.....	12,277	12,364	12,641	-0.7	-2.2	-2.4	11,786	12,516	13,121	-10.2
Total Inventories.....	53,835	53,892	54,053	-0.1	-0.3	0.1	52,716	53,740	52,797	-0.2
Capital goods:³										
Unfilled Orders.....	614,002	619,413	622,466	-0.9	-0.5	-0.4	614,774	608,193	575,457	6.8
Total Inventories.....	167,114	163,214	161,112	2.4	1.3	1.2	161,995	164,868	142,487	13.7
Nondefense capital goods:										
Unfilled Orders.....	470,178	478,419	480,968	-1.7	-0.5	-0.2	470,179	471,155	438,815	7.1
Total Inventories.....	147,473	143,678	141,864	2.6	1.3	1.1	142,507	145,321	124,001	14.9
Excluding aircraft:										
Unfilled Orders.....	198,918	202,068	203,032	-1.6	-0.5	-1.4	195,091	199,466	188,784	3.3
Total Inventories.....	109,746	108,893	108,972	0.8	-0.1	0.3	106,504	110,051	100,652	5.8
Defense capital goods:										
Unfilled Orders.....	143,824	140,994	141,498	2.0	-0.4	-1.0	144,595	137,038	136,642	5.8
Total Inventories.....	19,641	19,536	19,248	0.5	1.5	2.0	19,488	19,547	18,486	5.4

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 4,300 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 61 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 4,300 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 4,300 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>.

2009 Release Dates for M3 Survey

Survey Month	Advance 8:30 A.M.	Preliminary 10:00 A.M.
November 2008	Dec. 24, 2008	Jan. 6, 2009
December 2008	Jan. 29, 2009	Feb. 5, 2009
January 2009	Feb. 26, 2009	Mar. 5, 2009
February 2009	Mar. 25, 2009	Apr. 2, 2009
March 2009	Apr. 24, 2009	May 1, 2009
April 2009	May 28, 2009	Jun. 3, 2009
May 2009	Jun. 24, 2009	Jul. 2, 2009
June 2009	Jul. 29, 2009	Aug. 5, 2009
July 2009	Aug. 26, 2009	Sep. 2, 2009
August 2009	Sep. 25, 2009	Oct. 2, 2009
September 2009	Oct. 28, 2009	Nov. 3, 2009
October 2009	Nov. 25, 2009	Dec. 4, 2009
November 2009	Dec. 24, 2009	