




**MONTHLY ADVANCE ECONOMIC INDICATORS REPORT, AUGUST 2018**

Release Number: CB18-150

**September 27, 2018** — The U.S. Census Bureau announced the following international trade, wholesale inventories, and retail inventories advance statistics for August 2018:

	 <b>ADVANCE INTERNATIONAL TRADE: GOODS DEFICIT</b>	 <b>ADVANCE WHOLESALE INVENTORIES</b>	 <b>ADVANCE RETAIL INVENTORIES</b>
<b>AUGUST 2018</b>	<b>\$75.8 Billion</b> <b>+5.3%<sup>o</sup></b>	<b>\$641.5 Billion</b> <b>+0.8%</b>	<b>\$643.0 Billion</b> <b>+0.7%</b>
<b>JULY 2018</b>	<b>\$72.0 Billion</b>	<b>\$636.3 Billion (R)</b>	<b>\$638.3 Billion (R)</b>
<b>Next release: October 25, 2018.</b>			
<small>* The 90 percent confidence interval includes zero. There is insufficient evidence to conclude that the actual change is different from zero.  <sup>o</sup> Statistical significance is not applicable or not measurable.            Data adjusted for seasonality but not price changes.            Source: U.S. Census Bureau; Advance Economic Indicators Report, September 27, 2018.</small>			

**Advance International Trade in Goods**

The international trade deficit was \$75.8 billion in August, up \$3.8 billion from \$72.0 billion in July. Exports of goods for August were \$137.9 billion, \$2.3 billion less than July exports. Imports of goods for August were \$213.7 billion, \$1.5 billion more than July imports.

**Advance Wholesale Inventories**

Wholesale inventories for August, adjusted for seasonal variations but not for price changes, were estimated at an end-of-month level of \$641.5 billion, up 0.8 percent ( $\pm 0.2$  percent) from July 2018, and were up 5.1 percent ( $\pm 3.7$  percent) from August 2017. The June 2018 to July 2018 percentage change was unrevised from the preliminary estimate of up 0.6 percent ( $\pm 0.2$  percent).

**Advance Retail Inventories**

Retail inventories for August, adjusted for seasonal variations but not for price changes, were estimated at an end-of-month level of \$643.0 billion, up 0.7 percent ( $\pm 0.2$  percent) from July 2018, and were up 2.3 percent ( $\pm 1.6$  percent) from August 2017. The June 2018 to July 2018 percentage change was revised from up 0.5 percent ( $\pm 0.2$  percent) to up 0.6 percent ( $\pm 0.2$  percent).

The September 2018 Advance report is scheduled for release on October 25, 2018. View the full schedule in the Economic Briefing Room: <[www.census.gov/economic-indicators/](http://www.census.gov/economic-indicators/)>. The full text and tables of this release can be found at <[www.census.gov/econ/indicators/](http://www.census.gov/econ/indicators/)>.

**Data Inquiries**International Trade Indicator Branch: 301-763-2311 [eid.international.trade.data@census.gov](mailto:eid.international.trade.data@census.gov)Retail Indicator Branch: 301-763-2713 [eid.retail.indicator.branch@census.gov](mailto:eid.retail.indicator.branch@census.gov)Wholesale Indicator Branch: 301-763-6856 [eid.wholesale.indicator.branch@census.gov](mailto:eid.wholesale.indicator.branch@census.gov)**Media Inquiries**

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## EXPLANATORY NOTES

### International Trade in Goods

#### **Goods (Census Basis)**

Data for goods on a Census basis are compiled from the documents collected by the U.S. Customs and Border Protection and reflect the movement of goods between foreign countries and the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, and U.S. Foreign Trade Zones. They include government and non-government shipments of goods and exclude shipments between the United States and its territories and possessions; transactions with U.S. military, diplomatic, and consular installations abroad; U.S. goods returned to the United States by its Armed Forces; personal and household effects of travelers; and in-transit shipments. Data for U.S. exports to Canada are derived from import data compiled by Canada. For more information on the data exchange and substitution please refer to the FT-900. The General Imports value reflects the total arrival of merchandise from foreign countries that immediately enters consumption channels, warehouses, or Foreign Trade Zones.

For imports, the value reported is the U.S. Customs and Border Protection appraised value of merchandise—generally, the price paid for merchandise for export to the United States. Import duties, freight, insurance, and other charges incurred in bringing merchandise to the United States are excluded.

Exports are valued at the free alongside ship value of merchandise at the U.S. port of export, based on the transaction price including inland freight, insurance, and other charges incurred in placing the merchandise alongside the carrier at the U.S. port of exportation.

Additional information on coverage and valuation are available in the Guide to Foreign Trade Statistics, <[www.census.gov/foreign-trade/guide/sec2.html#coverage](http://www.census.gov/foreign-trade/guide/sec2.html#coverage)> and <[www.census.gov/foreign-trade/guide/sec2.html#valuation](http://www.census.gov/foreign-trade/guide/sec2.html#valuation)>, respectively.

#### **Nonsampling Errors**

Goods data are a complete enumeration of documents collected by the U.S. Customs and Border Protection and are not subject to sampling errors. This report presents current month statistics which reflect nearly complete coverage. Current month statistics reflecting complete coverage will be published in the upcoming U.S. International Trade in Goods and Services report (FT-900). Statistics for other months shown reflect complete coverage and appear in the most recently published FT-900. Quality assurance procedures are performed at every stage of collection, processing, and tabulation. However, the data are still subject to several types of nonsampling errors. Information on nonsampling errors and other quality issues are available in the Guide to Foreign Trade Statistics, <[www.census.gov/foreign-trade/guide/sec2.html](http://www.census.gov/foreign-trade/guide/sec2.html)>.

The U.S. Census Bureau recommends that data users incorporate this information into their analyses, as nonsampling errors could impact the conclusion drawn from the results. For a detailed discussion of errors

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affecting the goods data, see U.S. Merchandise Trade Statistics: A Quality Profile (October 2014), available at [www.census.gov/foreign-trade/aip/quality\\_profile10032014.pdf](http://www.census.gov/foreign-trade/aip/quality_profile10032014.pdf) or from the Economic Indicators Division, U.S. Census Bureau.

### **Adjustments for Seasonal and Trading-Day Variations**

Goods data are presented on a seasonally adjusted and not seasonally adjusted basis. Seasonally adjusted (and/or trading day adjusted data) are produced using X-13ARIMA-SEATS software to develop monthly adjustment factors. Goods data are initially classified under the Harmonized Commodity Description and Coding System (Harmonized System), which is an internationally accepted standard for the commodity classification of traded goods. Combining trade into approximately 140 export and 140 import end-use categories makes it possible to examine goods according to their principal uses. These categories are used as the basis for computing the seasonal and trading-day adjusted data. These adjusted data are then summed to the six end-use aggregates for publication.

For more information, visit the seasonal adjustment section of the Guide to Foreign Trade here:

[www.census.gov/foreign-trade/guide/sec2.html#seasonal](http://www.census.gov/foreign-trade/guide/sec2.html#seasonal)

### **Retail and Wholesale Inventories**

National estimates of end-of-month inventories are based on data from the Monthly Retail Trade Survey and the Monthly Wholesale Trade Survey. Additional information for each survey can be found at [www.census.gov/retail](http://www.census.gov/retail) and [www.census.gov/wholesale](http://www.census.gov/wholesale). The advance estimates contained in this report are not incorporated into the full MRTS and MWTS time series.

The MRTS and MWTS samples selected to measure inventories consist of a stratified simple random sampling method of approximately 11,000 retail firms and 4,200 wholesale firms located in the United States. The retail and wholesale samples include firms of all sizes and are updated on a quarterly basis to account for new retail and wholesale firms, deaths, and other changes to the universe.

Data for nonresponding firms are imputed based on data for similar-sized firms classified in the same kind of business. For surveyed Retail companies, approximately 48.0 percent provided data for this reporting period resulting in a total quantity response rate of 51.4 percent. For surveyed Wholesale companies, approximately 55.7 percent provided data for this reporting period resulting in a total quantity response rate of 58.3 percent.

MRTS estimates cover companies with one or more establishments that sell merchandise and related services to final consumers. Nonemployers are represented in the retail estimates through benchmarking to prior annual survey estimates that include nonemployer sales based on administrative records.

MWTS estimates cover wholesale merchants who sell goods on their own account and include such businesses as wholesale merchants or jobbers, industrial distributors, exporters, and importers. Sales offices

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and branches maintained by manufacturing, refining, or mining firms for the purpose of marketing their products are not covered in this report. Also excluded is NAICS Industry Group 4251: Wholesale Electronic Markets and Agents and Brokers.

### **Reliability of Estimates**

Because the retail and wholesale estimates are based on a sample survey, they contain sampling error and nonsampling error.

Sampling error is the difference between the estimate and the result that would be obtained from a complete enumeration of the sampling frame conducted under the same survey conditions. This error occurs because only a subset of the entire sampling frame is measured in a sample survey. Standard errors and coefficients of variation are estimated measures of sampling variation.

The margin of sampling error gives a range about the estimate which is a 90 percent confidence interval. If, for example, the percentage change estimate is +1.2 percent and its estimated standard error is 0.9 percent, then the margin of sampling error is  $\pm 1.753 \times 0.9$  percent or  $\pm 1.6$  percent, and the 90 percent confidence interval is -0.4 percent to +2.8 percent. If the interval contains 0, then one does not have sufficient evidence to conclude at the 90 percent confidence level that the change is different from zero and therefore the change is not statistically significant. Estimated changes are statistically significant unless otherwise noted. For a monthly total, the estimated coefficient of variation is given. The resulting confidence interval is the estimated value  $\pm 1.753 \times CV \times$  (the estimated monthly total).

Nonsampling error encompasses all other factors that contribute to the total error of a sample survey estimate. This type of error can occur because of nonresponse, insufficient coverage of the universe of businesses, mistakes in the recording and coding of data, and other errors of collection, response, coverage, or processing. Although nonsampling error is not measured directly, the Census Bureau employs quality control procedures throughout the process to minimize this type of error.

The U.S. Census Bureau recommends that individuals using retail and wholesale estimates incorporate this information into their analyses, as sampling error and nonsampling error could affect the conclusions drawn from the estimates.

### **Adjustments for Seasonal Variations**

Concurrent seasonal adjustment is used to adjust the retail and wholesale inventories estimates for seasonal variations. Concurrent seasonal adjustment uses all available unadjusted estimates as input to the X-13ARIMA-SEATS program. The factors derived from the program are applied to the retail and wholesale estimates of current and previous month inventories and for inventories estimates a year ago as well.

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## Data Availability

The Advance Economic Indicators Report is available at <[www.census.gov/econ/indicators/index.html](http://www.census.gov/econ/indicators/index.html)>. For archived versions of the Advance Economic Indicators Report please visit the Historical Data tab at the following: <[census.gov/econ/indicators/historical\\_data.html](http://census.gov/econ/indicators/historical_data.html)>.

## RESOURCES

### API

The Census Bureau's application programming interface lets developers create custom apps to reach new users and makes key demographic, socio-economic and housing statistics more accessible than ever before. <[www.census.gov/developers/](http://www.census.gov/developers/)>

### FRED Mobile App



Receive the latest updates on the nation's key economic indicators by downloading the FRED App <<https://fred.stlouisfed.org/fred-mobile/>> for both Apple and Android devices. FRED, the signature database of the Federal Reserve Bank of St. Louis, now incorporates the Census Bureau's 13 economic indicators.

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\* The 90 percent confidence interval includes zero. There is insufficient statistical evidence to conclude that the actual change is different from zero.

° Statistical significance is not applicable or not measurable for this survey.

(R) Revised from the last published Monthly Retail Trade Report and Monthly Wholesale Trade: Sales and Inventories Report

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**Table 1. U.S. International Trade in Goods by Principal End-Use Category (1)**

In millions of dollars. Details may not equal totals due to seasonal adjustment and rounding. (X) - Not applicable

	Goods - Census Basis (2)						
	Monthly				Percent change		
	August 2018 (a)	July 2018	June 2018	August 2017	August 2018/ July 2018	July 2018/ June 2018	August 2018/ August 2017
<b>Seasonally Adjusted</b>							
Balance	-75,830	-72,046	-67,903	-64,478	(X)	(X)	(X)
Exports	137,912	140,199	142,505	128,076	-1.6	-1.6	7.7
Foods, Feeds, & Beverages	11,925	13,175	14,055	11,207	-9.5	-6.3	6.4
Industrial Supplies (3)	43,769	46,530	46,316	36,898	-5.9	0.5	18.6
Capital Goods	46,496	46,335	47,284	45,247	0.3	-2.0	2.8
Automotive Vehicles, etc.	12,705	13,068	12,855	13,102	-2.8	1.7	-3.0
Consumer Goods	17,621	15,974	16,362	16,749	10.3	-2.4	5.2
Other Goods	5,396	5,118	5,633	4,872	5.4	-9.1	10.8
Imports	213,742	212,246	210,408	192,553	0.7	0.9	11.0
Foods, Feeds, & Beverages	12,296	12,440	12,174	11,546	-1.2	2.2	6.5
Industrial Supplies (3)	49,368	49,289	48,758	40,373	0.2	1.1	22.3
Capital Goods	57,614	58,159	57,494	53,723	-0.9	1.2	7.2
Automotive Vehicles, etc.	31,684	30,710	30,207	29,974	3.2	1.7	5.7
Consumer Goods	53,286	52,618	53,396	49,155	1.3	-1.5	8.4
Other Goods	9,494	9,030	8,380	7,782	5.1	7.8	22.0
<b>Not Seasonally Adjusted</b>							
Balance	-83,157	-83,473	-67,642	-72,635	(X)	(X)	(X)
Exports	139,164	133,457	145,134	129,186	4.3	-8.0	7.7
Foods, Feeds, & Beverages	10,974	10,934	11,072	10,333	0.4	-1.2	6.2
Industrial Supplies (3)	45,072	46,402	46,227	37,884	-2.9	0.4	19.0
Capital Goods	47,250	44,774	49,598	45,949	5.5	-9.7	2.8
Automotive Vehicles, etc.	13,610	11,639	13,573	14,008	16.9	-14.3	-2.8
Consumer Goods	16,822	14,703	18,899	16,108	14.4	-22.2	4.4
Other Goods	5,437	5,004	5,764	4,904	8.6	-13.2	10.9
Imports	222,322	216,930	212,775	201,821	2.5	2.0	10.2
Foods, Feeds, & Beverages	12,122	12,247	12,160	11,491	-1.0	0.7	5.5
Industrial Supplies (3)	51,937	52,067	50,328	42,869	-0.3	3.5	21.2
Capital Goods	59,610	59,868	59,643	55,788	-0.4	0.4	6.9
Automotive Vehicles, etc.	32,801	29,329	30,455	31,153	11.8	-3.7	5.3
Consumer Goods	56,306	54,571	51,732	52,643	3.2	5.5	7.0
Other Goods	9,546	8,847	8,458	7,878	7.9	4.6	21.2

(a) Advance statistics

(1) For a listing of the detail included in each end-use category, see <[www.census.gov/foreign-trade/reference/codes/enduse/exeumstr.txt](http://www.census.gov/foreign-trade/reference/codes/enduse/exeumstr.txt)>.

(2) Data are presented on a Census basis. The information needed to convert to a balance of payment basis is not available.

(3) Includes petroleum and petroleum products.

NOTES:

\* Current month statistics reflect nearly complete coverage; current month statistics reflecting complete coverage will be published in the upcoming U.S. International Trade in Goods and Services report (FT-900). Statistics for other months shown reflect complete coverage and appear in the most recently published FT-900.

\* For information on data sources, nonsampling errors, and definitions, see the explanatory notes in this release or at <[www.census.gov/econ/indicators/advance\\_report.pdf](http://www.census.gov/econ/indicators/advance_report.pdf)>.

Source: U.S. Census Bureau; Advance Economic Indicators Report, September 27, 2018.

## Table 2. Levels and Percent Changes for Inventories

Inventories estimates are shown in millions of dollars. Estimates are based on data from the Monthly Wholesale Trade Survey and the Monthly Retail Trade Survey.

	Inventories					
	Monthly			Percent change		
	August 2018 (a)	July 2018 (r)	August 2017 (r)	August 2018/ July 2018	July 2018/ June 2018	August 2018/ August 2017
<b>Adjusted<sup>1</sup></b>						
Merchant wholesale <sup>2</sup> trade, total	641,546	636,339	610,632	0.8	0.6	5.1
Durable goods	389,939	386,645	367,157	0.9	0.7	6.2
Nondurable goods	251,607	249,694	243,475	0.8	0.4	3.3
Retail trade, total	642,968	638,279	628,660	0.7	0.6	2.3
Total (excl. motor veh. & parts)	408,704	408,499	402,364	0.1	0.1	1.6
Motor vehicle & parts dealers	234,264	229,780	226,296	2.0	1.4	3.5
<b>Not Adjusted</b>						
Merchant wholesale <sup>2</sup> trade, total	630,555	629,199	600,836	0.2	0.5	4.9
Durable goods	392,402	390,387	369,191	0.5	1.7	6.3
Nondurable goods	238,153	238,812	231,645	-0.3	-1.4	2.8
Retail trade, total	630,691	621,781	616,362	1.4	-1.0	2.3
Total (excl. motor veh. & parts)	404,802	398,779	398,586	1.5	-0.3	1.6
Motor vehicle & parts dealers	225,889	223,002	217,776	1.3	-2.3	3.7

(a) Advance estimate

(r) Revised estimate

See footnotes and notes at the end of Table 3.

## Table 3. Estimated Measures of Sampling Variability

Estimates are shown as percents and are based on data from the Monthly Wholesale Trade Survey and the Monthly Retail Trade Survey.

	Inventories					
	Monthly			Standard Error of		
	Coefficient of Variation			Percent Change		
August 2018 (a)	July 2018 (r)	August 2017 (r)	August 2018/ July 2018	July 2018/ June 2018	August 2018/ August 2017	
Merchant wholesale <sup>2</sup> trade, total	1.4	1.4	1.5	0.1	0.1	2.1
Durable goods	2.2	2.2	1.7	0.2	0.2	3.0
Nondurable goods	1.3	1.4	1.9	0.2	0.2	1.9
Retail trade, total	0.7	0.6	0.7	0.1	0.1	0.9
Total (excl. motor veh. & parts)	0.6	0.6	0.7	0.1	0.1	0.9
Motor vehicle & parts dealers	1.5	1.4	1.4	0.3	0.3	1.7

(a) Advance estimate

(r) Revised estimate

(1) Estimates are concurrently adjusted for seasonal variation, but not for price changes. Concurrent seasonal adjustment uses all available not adjusted estimates as input to the X-13ARIMA-SEATS program. The factors derived from the program are used in calculating all seasonally adjusted estimates shown in this table.

(2) The 2012 North American Industry Classification System (NAICS) defines merchant wholesalers as including manufacturers' sales branches and offices. However, the estimates included in this release exclude manufacturers' sales branches and offices. Note that this is not a change in coverage from prior releases and is consistent with the description used in the Monthly Wholesale Trade Survey data products.

### NOTES:

Estimated measures of sampling variability are based on estimates not adjusted for seasonal variation. Additional information on confidentiality protection, sampling error, nonsampling error, sample design, and definitions may be found at [www.census.gov/wholesale/www/how\\_surveys\\_are\\_collected/monthly\\_methodology.html](http://www.census.gov/wholesale/www/how_surveys_are_collected/monthly_methodology.html) for wholesale and at [www.census.gov/retail/mrts/how\\_surveys\\_are\\_collected.html](http://www.census.gov/retail/mrts/how_surveys_are_collected.html) for retail.