

U.S. Census Bureau News

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

FOR IMMEDIATE RELEASE

WEDNESDAY, NOVEMBER 28, 2007, AT 8:30 A.M. EST

Chris Savage or Jessica Young
Manufacturing and Construction Division
(301) 763-4832

M3-1 (07)-10
CB07-165

Advance Report on Durable Goods Manufacturers' Shipments, Inventories and Orders October 2007

New Orders

New orders for manufactured durable goods in October decreased \$0.9 billion or 0.4 percent to \$214.5 billion, the U.S. Census Bureau announced today. This was the third consecutive monthly decrease and followed a 1.4 percent September decrease. Excluding transportation, new orders decreased 0.7 percent. Excluding defense, new orders decreased 0.9 percent.

Computers and electronic products, down two of the last three months, had the largest decrease, \$2.5 billion or 8.4 percent to \$27.1 billion. This was led by communications equipment, which decreased \$1.4 billion.

Shipments

Shipments of manufactured durable goods in October, up following two consecutive monthly decreases, increased \$1.2 billion or 0.6 percent to \$213.4 billion. This followed a 1.7 percent September decrease.

Computers and electronic products, up three of the last four months, had the largest increase, \$0.6 billion or 1.8 percent to \$33.5 billion.

Unfilled Orders

Unfilled orders for manufactured durable goods in October, up twenty-nine of the last thirty months, increased \$7.6 billion or 1.0 percent to \$779.3 billion. This was at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 1.1 percent September increase.

Transportation equipment, up twenty-one consecutive months, had the largest increase, \$5.2 billion or 1.2 percent to \$451.3 billion.

Inventories

Inventories of manufactured durable goods in October, up three of the last four months, increased \$0.8 billion or 0.2 percent to \$314.3 billion. This was also at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 0.3 percent September increase.

Fabricated metal products, up three of the last four months, had the largest increase, \$0.4 billion or 0.9 percent to \$42.0 billion.

Capital Goods

Nondefense new orders for capital goods in October decreased \$2.3 billion or 3.1 percent to \$72.5 billion. Shipments decreased \$0.4 billion or 0.6 percent to \$67.6 billion. Unfilled orders increased \$4.9 billion or 1.1 percent to \$439.4 billion. Inventories increased \$0.4 billion or 0.3 percent to \$123.4 billion.

Defense new orders for capital goods in October increased \$1.3 billion or 16.1 percent to \$9.3 billion. Shipments increased 0.5 percent to \$8.1 billion. Unfilled orders increased \$1.2 billion or 0.8 percent to \$147.5 billion. Inventories increased \$0.3 billion or 1.5 percent to \$17.4 billion.

Revised September Data

Revised seasonally adjusted September figures for all manufacturing industries were: new orders, \$420.9 billion (revised from \$420.7 billion); shipments, \$417.7 billion (revised from \$417.4 billion); unfilled orders, \$771.8 billion (revised from \$771.6 billion); and total inventories, \$519.7 billion (revised from \$519.5 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 December 5, 2007, at 10:00 a.m. EST. The advance report on durable goods for November is scheduled for release on December 27, 2007, at 8:30 a.m. EST. See back page for survey description and 2008 release schedule.

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		
	Oct 2007 ²	Sep 2007 ¹	Aug 2007	Sep - Oct ²	Aug - Sep ¹	Jul - Aug	Oct 2007 ²	Sep 2007 ¹	Oct 2006	2007	2006	Percent Change 07/06
<u>DURABLE GOODS</u>												
Total:												
Shipments.....	213,380	212,167	215,919	0.6	-1.7	-1.9	220,014	219,417	214,118	2,131,067	2,121,944	0.4
New Orders ⁴	214,452	215,348	218,362	-0.4	-1.4	-5.3	219,863	218,280	213,221	2,151,868	2,136,319	0.7
Excluding transportation:												
Shipments.....	156,504	155,527	156,291	0.6	-0.5	-0.6	160,239	161,477	155,717	1,554,892	1,546,690	0.5
New Orders ⁴	152,425	153,473	151,862	-0.7	1.1	-1.8	156,362	157,286	151,344	1,513,531	1,511,544	0.1
Excluding defense:												
Shipments.....	203,520	202,535	205,787	0.5	-1.6	-1.9	210,431	209,027	204,661	2,034,667	2,029,504	0.3
New Orders ⁴	203,445	205,207	204,675	-0.9	0.3	-6.3	208,935	209,350	204,353	2,056,907	2,038,494	0.9
Manufacturing with unfilled orders:												
Shipments.....	149,427	149,173	150,674	0.2	-1.0	-1.5	151,891	155,604	147,012	1,487,541	1,460,226	1.9
New Orders ⁴	156,989	157,894	159,385	-0.6	-0.9	-6.4	158,700	160,010	153,681	1,572,430	1,542,107	2.0
Primary metals:												
Shipments.....	20,422	20,072	20,070	1.7	0.0	-2.5	21,163	19,914	20,039	204,778	197,355	3.8
New Orders.....	20,501	19,906	19,813	3.0	0.5	-2.9	20,864	19,233	19,417	203,375	197,531	3.0
Fabricated metal products:												
Shipments.....	26,128	25,964	26,484	0.6	-2.0	-0.7	27,343	26,609	26,238	263,828	257,741	2.4
New Orders.....	26,666	26,067	26,679	2.3	-2.3	-1.6	27,403	26,100	25,499	267,726	263,210	1.7
Machinery:												
Shipments.....	28,110	28,574	27,979	-1.6	2.1	-1.3	28,339	28,402	27,967	277,712	275,013	1.0
New Orders.....	29,651	30,170	28,996	-1.7	4.0	-4.1	30,747	29,317	30,881	287,436	287,431	0.0
Computers and electronic products:												
Shipments.....	33,542	32,944	33,137	1.8	-0.6	0.7	33,172	37,057	31,793	324,859	323,724	0.4
New Orders ⁴	27,050	29,536	28,014	-8.4	5.4	-1.1	26,522	33,733	24,937	267,096	265,770	0.5
Computers and related products:												
Shipments.....	5,647	5,888	5,335	-4.1	10.4	16.0	5,690	6,766	4,187	53,036	54,342	-2.4
New Orders.....	5,072	5,984	5,562	-15.2	7.6	14.1	5,115	6,862	4,227	53,024	54,013	-1.8
Communications equipment:												
Shipments.....	5,220	5,647	5,709	-7.6	-1.1	-2.3	4,789	6,846	5,158	53,340	54,168	-1.5
New Orders.....	4,772	6,163	5,985	-22.6	3.0	-11.4	4,582	7,748	4,987	55,527	56,655	-2.0
Semiconductors:												
Shipments.....	6,490	5,540	6,268	17.1	-11.6	-8.5	6,960	5,543	7,566	64,088	67,506	-5.1
New Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:												
Shipments.....	10,944	10,817	10,928	1.2	-1.0	-0.3	11,158	11,584	10,441	108,738	102,356	6.2
New Orders.....	10,924	10,489	10,847	4.1	-3.3	1.5	11,308	10,821	10,979	110,781	106,601	3.9
Transportation equipment:												
Shipments.....	56,876	56,640	59,628	0.4	-5.0	-5.2	59,775	57,940	58,401	576,175	575,254	0.2
New Orders.....	62,027	61,875	66,500	0.2	-7.0	-12.4	63,501	60,994	61,877	638,337	624,775	2.2
Motor vehicles and parts:												
Shipments.....	37,713	38,320	40,211	-1.6	-4.7	-6.9	41,844	38,158	42,255	396,420	410,159	-3.3
New Orders.....	37,472	37,985	39,342	-1.4	-3.4	-8.3	41,385	37,629	42,140	393,666	411,829	-4.4
Nondefense aircraft and parts:												
Shipments.....	9,369	8,815	9,704	6.3	-9.2	0.8	8,389	9,246	6,709	85,831	72,267	18.8
New Orders.....	14,263	15,042	12,996	-5.2	15.7	-41.0	11,880	15,489	10,785	149,336	114,901	30.0
Defense aircraft and parts:												
Shipments.....	3,522	3,276	3,449	7.5	-5.0	-10.3	3,339	3,714	3,319	33,366	31,878	4.7
New Orders.....	3,653	4,087	5,745	-10.6	-28.9	44.5	3,280	3,633	2,981	30,593	28,888	5.9
All other durable goods:												
Shipments.....	37,358	37,156	37,693	0.5	-1.4	-0.2	39,064	37,911	39,239	374,977	390,501	-4.0
New Orders.....	37,633	37,305	37,513	0.9	-0.6	-0.9	39,518	38,082	39,631	377,117	391,001	-3.6
Capital goods: ³												
Shipments.....	75,700	76,081	75,888	-0.5	0.3	1.1	74,582	80,556	71,728	736,626	730,197	0.9
New Orders.....	81,778	82,841	82,318	-1.3	0.6	-9.9	81,056	84,717	78,994	810,100	794,541	2.0
Nondefense capital goods:												
Shipments.....	67,583	68,006	67,451	-0.6	0.8	1.6	66,621	72,015	63,792	655,934	652,412	0.5
New Orders.....	72,511	74,858	71,417	-3.1	4.8	-12.0	71,656	77,992	71,664	731,241	711,107	2.8
Excluding aircraft:												
Shipments.....	61,762	62,521	61,472	-1.2	1.7	1.9	61,591	66,425	59,837	603,993	607,122	-0.5
New Orders.....	61,977	63,450	62,677	-2.3	1.2	0.1	63,197	66,469	63,951	618,648	629,576	-1.7
Defense capital goods:												
Shipments.....	8,117	8,075	8,437	0.5	-4.3	-2.8	7,961	8,541	7,936	80,692	77,785	3.7
New Orders.....	9,267	7,983	10,901	16.1	-26.8	6.3	9,400	6,725	7,330	78,859	83,434	-5.5

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 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(06), "Manufacturers' Shipments, Inventories, and Orders: 2001-2006."

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 2007/ 2006
	Oct 2007 ²	Sep 2007 ^r	Aug 2007	Sep - Oct ²	Aug - Sep ^r	Jul - Aug	Oct 2007 ²	Sep 2007 ^r	Oct 2006	
<u>DURABLE GOODS</u>										
Total:										
Unfilled Orders ⁴	779,334	771,772	763,051	1.0	1.1	1.2	766,731	759,922	649,286	18.1
Total Inventories.....	314,346	313,591	312,577	0.2	0.3	-0.1	315,048	312,389	308,521	2.1
Excluding transportation:										
Unfilled Orders ⁴	328,003	325,592	322,106	0.7	1.1	0.6	323,571	320,488	295,812	9.4
Total Inventories.....	236,157	235,631	234,920	0.2	0.3	-0.2	235,806	233,999	233,081	1.2
Excluding defense:										
Unfilled Orders ⁴	617,717	611,302	603,090	1.0	1.4	0.9	609,807	604,343	498,073	22.4
Total Inventories.....	292,808	292,240	291,528	0.2	0.2	-0.1	293,356	290,855	286,653	2.3
Manufacturing with unfilled orders:										
Unfilled Orders ⁴	779,334	771,772	763,051	1.0	1.1	1.2	766,731	759,922	649,286	18.1
Total Inventories.....	248,404	247,612	246,913	0.3	0.3	0.1	249,071	246,627	241,391	3.2
Primary metals:										
Unfilled Orders.....	26,425	26,346	26,512	0.3	-0.6	-1.0	25,289	25,588	26,416	-4.3
Total Inventories.....	31,123	31,397	31,651	-0.9	-0.8	-0.6	30,836	31,235	31,120	-0.9
Fabricated metal products:										
Unfilled Orders.....	57,762	57,224	57,121	0.9	0.2	0.3	57,023	56,963	53,597	6.4
Total Inventories.....	41,993	41,604	41,255	0.9	0.8	-0.5	41,529	41,167	40,643	2.2
Machinery:										
Unfilled Orders.....	88,058	86,517	84,921	1.8	1.9	1.2	86,612	84,204	74,689	16.0
Total Inventories.....	51,691	51,521	51,120	0.3	0.8	0.3	51,666	51,179	48,864	5.7
Computers and electronic products:										
Unfilled Orders ⁴	117,655	117,657	115,525	0.0	1.8	1.0	116,517	116,207	106,642	9.3
Total Inventories.....	43,197	43,274	43,116	-0.2	0.4	0.3	43,784	43,073	44,580	-1.8
Computers and related products:										
Unfilled Orders.....	3,395	3,970	3,874	-14.5	2.5	6.2	3,395	3,970	3,281	3.5
Total Inventories.....	4,425	4,483	4,444	-1.3	0.9	1.0	4,586	4,467	4,550	0.8
Communications equipment:										
Unfilled Orders.....	35,230	35,678	35,162	-1.3	1.5	0.8	35,077	35,284	32,620	7.5
Total Inventories.....	7,170	7,271	7,368	-1.4	-1.3	2.2	7,317	7,223	7,828	-6.5
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.....	23,949	23,969	24,297	-0.1	-1.3	-0.3	23,779	23,629	21,884	8.7
Total Inventories.....	14,496	14,294	14,351	1.4	-0.4	-0.6	14,327	13,886	13,935	2.8
Transportation equipment:										
Unfilled Orders.....	451,331	446,180	440,945	1.2	1.2	1.6	443,160	439,434	353,474	25.4
Total Inventories.....	78,189	77,960	77,657	0.3	0.4	0.1	79,242	78,390	75,440	5.0
Motor vehicles and parts:										
Unfilled Orders.....	18,955	19,196	19,531	-1.3	-1.7	-4.3	18,213	18,672	19,595	-7.1
Total Inventories.....	24,152	24,239	24,373	-0.4	-0.5	-1.1	24,145	24,315	25,269	-4.4
Nondefense Aircraft and parts:										
Unfilled Orders.....	285,541	280,647	274,420	1.7	2.3	1.2	282,055	278,564	199,035	41.7
Total Inventories.....	31,607	31,475	31,125	0.4	1.1	1.1	32,402	31,696	27,156	19.3
Defense Aircraft and parts:										
Unfilled Orders.....	44,046	43,915	43,104	0.3	1.9	5.6	42,250	42,309	39,978	5.7
Total Inventories.....	12,791	12,852	12,823	-0.5	0.2	-0.1	12,918	12,981	12,732	1.5
All other durable goods:										
Unfilled Orders.....	14,154	13,879	13,730	2.0	1.1	-1.3	14,351	13,897	12,584	14.0
Total Inventories.....	53,657	53,541	53,427	0.2	0.2	-0.3	53,664	53,459	53,939	-0.5
Capital goods: ³										
Unfilled Orders.....	586,895	580,817	574,057	1.0	1.2	1.1	577,364	570,890	475,431	21.4
Total Inventories.....	140,876	140,209	139,507	0.5	0.5	0.3	141,892	139,786	134,945	5.1
Nondefense capital goods:										
Unfilled Orders.....	439,377	434,449	427,597	1.1	1.6	0.9	433,998	428,963	335,833	29.2
Total Inventories.....	123,441	123,026	122,676	0.3	0.3	0.4	124,430	122,549	117,851	5.6
Excluding aircraft:										
Unfilled Orders.....	181,615	181,400	180,471	0.1	0.5	0.7	179,575	177,969	161,511	11.2
Total Inventories.....	99,309	98,953	98,708	0.4	0.2	0.3	99,650	98,174	96,359	3.4
Defense capital goods:										
Unfilled Orders.....	147,518	146,368	146,460	0.8	-0.1	1.7	143,366	141,927	139,598	2.7
Total Inventories.....	17,435	17,183	16,831	1.5	2.1	-0.8	17,462	17,237	17,094	2.2

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>.

2008 Release Dates for M3 Survey

Survey Month	Advance 8:30 A.M.	Preliminary 10:00 A.M.
Nov 2007	December 27, 2007	January 3, 2008
Dec 2007	January 29, 2008	February 4, 2008
Jan 2008	February 27, 2008	March 5, 2008
Feb 2008	March 26, 2008	April 2, 2008
Mar 2008	April 24, 2008	May 2, 2008
Apr 2008	May 28, 2008	June 3, 2008
May 2008	June 25, 2008	July 2, 2008
Jun 2008	July 25, 2008	August 4, 2008
Jul 2008	August 27, 2008	September 3, 2008
Aug 2008	September 25, 2008	October 2, 2008
Sep 2008	October 29, 2008	November 4, 2008
Oct 2008	November 26, 2008	December 4, 2008
Nov 2008	December 24, 2008	