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Advance Report on Durable Goods Manufacturers' Shipments, Inventories and Orders October 2009

New Orders

New orders for manufactured durable goods in October decreased \$1.0 billion or 0.6 percent to \$166.2 billion, the U.S. Census Bureau announced today. This was the second monthly decrease in the last three months. This followed a 2.0 percent September increase. Excluding transportation, new orders decreased 1.3 percent. Excluding defense, new orders increased 0.4 percent.

Machinery, down following two consecutive monthly increases, had the largest decrease, \$1.9 billion or 8.0 percent to \$21.8 billion.

Shipments

Shipments of manufactured durable goods in October, down two of the last three months, decreased \$0.3 billion or 0.2 percent to \$173.8 billion. This followed a 1.6 percent September increase.

Transportation equipment, also down two of the last three months, had the largest decrease, \$1.9 billion or 4.2 percent to \$43.4 billion. This was led by defense aircraft and parts, which decreased \$1.0 billion.

Unfilled Orders

Unfilled orders for manufactured durable goods in October, down thirteen consecutive months, decreased \$3.0 billion or 0.4 percent to \$730.4 billion. This was the longest streak of consecutive monthly decreases since the series was first published on a NAICS basis in 1992 and followed a 0.4 percent September decrease.

Transportation equipment, down twelve of the last thirteen months, had the largest decrease, \$2.2 billion or 0.5 percent to \$424.3 billion.

Inventories

Inventories of manufactured durable goods in October, down ten consecutive months, decreased \$0.1 billion to \$304.2 billion. This followed a 1.2 percent September decrease.

Fabricated metal products, down thirteen consecutive months, had the largest decrease, \$0.2 billion or 0.7 percent to \$36.7 billion.

Capital Goods

Nondefense new orders for capital goods in October increased \$0.6 billion or 1.2 percent to \$54.6 billion. Shipments decreased \$0.9 billion or 1.6 percent to \$56.0 billion. Unfilled orders decreased \$1.4 billion or 0.3 percent to \$418.2 billion. Inventories increased \$0.3 billion or 0.2 percent to \$132.3 billion.

Defense new orders for capital goods in October decreased \$1.9 billion or 18.4 percent to \$8.5 billion. Shipments decreased \$0.4 billion or 3.8 percent to \$11.0 billion. Unfilled orders decreased \$2.4 billion or 1.7 percent to \$137.3 billion. Inventories increased \$0.5 billion or 2.5 percent to \$20.3 billion.

Revised September Data

Revised seasonally adjusted September figures for all manufacturing industries were: new orders, \$357.2 billion (revised from \$356.1 billion); shipments, \$364.1 billion (revised from \$363.1 billion); unfilled orders, \$733.4 billion (revised from \$733.3 billion); and total inventories, \$491.7 billion (revised from \$492.6 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 4, 2009, at 10:00 a.m. EST. The advance report on durable goods for November is scheduled for release on December 24, 2009, at 8:30 a.m. EST. See back page for survey description and 2010 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 2009 ²	Sep 2009 ^r	Aug 2009	Sep - Oct ²	Aug - Sep ^r	Jul - Aug	Oct 2009 ²	Sep 2009 ^r	Oct 2008	2009	2008	Percent Change 09/08
DURABLE GOODS												
Total:												
Shipments.....	173,794	174,074	171,341	-0.2	1.6	-1.4	180,372	187,407	208,711	1,740,765	2,122,661	-18.0
New Orders ⁴	166,173	167,207	163,966	-0.6	2.0	-2.7	168,932	178,218	192,581	1,623,267	2,107,055	-23.0
Excluding transportation:												
Shipments.....	130,355	128,754	128,797	1.2	0.0	-1.4	135,325	138,441	157,591	1,304,634	1,595,326	-18.2
New Orders ⁴	124,903	126,552	124,311	-1.3	1.8	-0.5	127,900	136,345	143,710	1,238,231	1,555,596	-20.4
Excluding defense:												
Shipments.....	159,674	159,429	157,544	0.2	1.2	-1.6	166,374	171,735	196,783	1,607,161	2,007,440	-19.9
New Orders ⁴	154,380	153,719	151,073	0.4	1.8	-2.7	157,691	164,372	181,244	1,502,529	1,988,377	-24.4
Manufacturing with unfilled orders:												
Shipments.....	125,259	126,701	123,291	-1.1	2.8	-1.0	127,827	137,452	147,079	1,254,917	1,521,420	-17.5
New Orders ⁴	122,234	123,490	120,003	-1.0	2.9	-3.1	122,424	131,300	137,279	1,176,799	1,556,279	-24.4
Primary metals:												
Shipments.....	14,315	13,813	13,364	3.6	3.4	1.7	15,199	14,765	20,628	136,542	225,752	-39.5
New Orders.....	14,532	14,024	13,668	3.6	2.6	1.2	14,884	14,514	16,943	133,088	220,201	-39.6
Fabricated metal products:												
Shipments.....	23,930	23,803	23,669	0.5	0.6	-0.6	25,128	25,369	28,906	242,982	281,764	-13.8
New Orders.....	23,840	23,733	23,300	0.5	1.9	0.1	24,595	24,842	27,404	234,359	282,031	-16.9
Machinery:												
Shipments.....	21,932	22,512	22,102	-2.6	1.9	-1.4	22,349	23,422	28,759	232,360	293,419	-20.8
New Orders.....	21,810	23,705	21,793	-8.0	8.8	1.3	22,540	24,871	28,046	221,801	307,596	-27.9
Computers and electronic products:												
Shipments.....	30,103	28,514	29,235	5.6	-2.5	-2.8	30,783	31,943	31,304	283,894	316,381	-10.3
New Orders ⁴	24,548	25,074	25,135	-2.1	-0.2	-1.6	23,816	29,629	24,677	242,288	267,830	-9.5
Computers and related products:												
Shipments.....	4,079	4,149	4,237	-1.7	-2.1	-4.6	3,867	4,806	4,648	42,019	49,716	-15.5
New Orders.....	4,049	4,365	4,351	-7.2	0.3	-3.1	3,837	5,022	4,314	42,085	49,589	-15.1
Communications equipment:												
Shipments.....	5,183	4,908	5,101	5.6	-3.8	-4.4	4,736	6,051	4,719	48,136	55,722	-13.6
New Orders.....	5,060	5,072	5,354	-0.2	-5.3	-0.6	4,789	6,556	5,203	49,208	56,871	-13.5
Semiconductors:												
Shipments.....	4,596	3,656	4,087	25.7	-10.5	-8.5	6,037	3,037	6,330	39,380	50,465	-22.0
New Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:												
Shipments.....	8,234	8,159	8,235	0.9	-0.9	-3.4	8,561	8,942	10,588	84,740	106,944	-20.8
New Orders.....	8,328	8,113	8,267	2.7	-1.9	-1.7	8,670	8,513	9,436	83,043	107,095	-22.5
Transportation equipment:												
Shipments.....	43,439	45,320	42,544	-4.2	6.5	-1.2	45,047	48,966	51,120	436,131	527,335	-17.3
New Orders.....	41,270	40,655	39,655	1.5	2.5	-8.9	41,032	41,873	48,871	385,036	551,459	-30.2
Motor vehicles and parts:												
Shipments.....	23,554	23,810	23,490	-1.1	1.4	-0.7	26,226	25,457	33,256	241,766	334,685	-27.8
New Orders.....	23,821	23,835	23,473	-0.1	1.5	1.8	26,450	25,171	32,820	239,994	332,321	-27.8
Nondefense aircraft and parts:												
Shipments.....	7,772	8,560	7,097	-9.2	20.6	-5.2	6,734	9,332	6,284	75,520	80,403	-6.1
New Orders.....	7,503	4,976	4,921	50.8	1.1	-44.0	4,679	4,676	6,118	42,663	105,173	-59.4
Defense aircraft and parts:												
Shipments.....	5,561	6,528	5,636	-14.8	15.8	3.2	5,514	7,212	4,683	54,850	45,296	21.1
New Orders.....	5,329	5,701	4,956	-6.5	15.0	-11.8	5,264	5,602	5,166	51,880	47,662	8.8
All other durable goods:												
Shipments.....	31,841	31,953	32,192	-0.4	-0.7	-1.6	33,305	34,000	37,406	324,116	371,066	-12.7
New Orders.....	31,845	31,903	32,148	-0.2	-0.8	-1.7	33,395	33,976	37,204	323,652	370,843	-12.7
Capital goods: ³												
Shipments.....	66,915	68,279	66,111	-2.0	3.3	-1.8	66,159	74,232	72,868	669,281	759,476	-11.9
New Orders.....	63,111	64,413	62,200	-2.0	3.6	-6.6	60,936	68,567	69,652	602,395	795,781	-24.3
Nondefense capital goods:												
Shipments.....	55,965	56,895	55,365	-1.6	2.8	-2.6	55,340	62,241	63,669	565,980	670,590	-15.6
New Orders.....	54,567	53,944	52,286	1.2	3.2	-7.8	52,926	57,981	61,514	510,774	705,104	-27.6
Excluding aircraft:												
Shipments.....	51,828	51,906	51,745	-0.2	0.3	-2.2	51,932	56,787	60,782	525,963	628,006	-16.2
New Orders.....	50,892	52,408	51,069	-2.9	2.6	-1.0	51,617	57,002	58,930	505,860	640,227	-21.0
Defense capital goods:												
Shipments.....	10,950	11,384	10,746	-3.8	5.9	2.8	10,819	11,991	9,199	103,301	88,886	16.2
New Orders.....	8,544	10,469	9,914	-18.4	5.6	0.8	8,010	10,586	8,138	91,621	90,677	1.0

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 2009/ 2008
	Oct 2009 ²	Sep 2009 ^r	Aug 2009	Sep - Oct ²	Aug - Sep ^r	Jul - Aug	Oct 2009 ²	Sep 2009 ^r	Oct 2008	
<u>DURABLE GOODS</u>										
Total:										
Unfilled Orders ⁴	730,398	733,423	736,634	-0.4	-0.4	-0.4	720,635	726,038	806,675	-10.7
Total Inventories.....	304,217	304,301	308,133	0.0	-1.2	-1.5	305,554	302,968	342,379	-10.8
Excluding transportation:										
Unfilled Orders ⁴	306,057	306,913	305,459	-0.3	0.5	-0.1	303,895	305,283	345,756	-12.1
Total Inventories.....	214,384	215,390	217,035	-0.5	-0.8	-0.8	214,801	214,263	251,184	-14.5
Excluding defense:										
Unfilled Orders ⁴	576,888	577,586	579,640	-0.1	-0.4	-0.4	570,945	573,591	651,909	-12.4
Total Inventories.....	277,726	278,378	281,929	-0.2	-1.3	-1.6	278,978	277,063	317,507	-12.1
Manufacturing with unfilled orders:										
Unfilled Orders ⁴	730,398	733,423	736,634	-0.4	-0.4	-0.4	720,635	726,038	806,675	-10.7
Total Inventories.....	244,945	244,555	247,827	0.2	-1.3	-1.7	246,399	243,664	274,776	-10.3
Primary metals:										
Unfilled Orders.....	15,435	15,218	15,007	1.4	1.4	2.1	14,873	15,188	21,712	-31.5
Total Inventories.....	25,472	25,484	25,366	0.0	0.5	-0.4	25,654	25,788	34,682	-26.0
Fabricated metal products:										
Unfilled Orders.....	48,765	48,855	48,925	-0.2	-0.1	-0.7	48,112	48,645	59,686	-19.4
Total Inventories.....	36,651	36,895	37,395	-0.7	-1.3	-1.3	36,612	36,745	44,579	-17.9
Machinery:										
Unfilled Orders.....	87,431	87,553	86,360	-0.1	1.4	-0.4	87,352	87,161	104,564	-16.5
Total Inventories.....	48,220	48,403	49,017	-0.4	-1.3	-1.0	47,990	47,748	54,710	-12.3
Computers and electronic products:										
Unfilled Orders ⁴	123,223	124,182	123,966	-0.8	0.2	0.0	122,353	123,283	123,681	-1.1
Total Inventories.....	43,153	43,195	43,378	-0.1	-0.4	-0.4	43,685	42,888	48,086	-9.2
Computers and related products:										
Unfilled Orders.....	4,156	4,186	3,970	-0.7	5.4	3.0	4,156	4,186	3,590	15.8
Total Inventories.....	4,022	4,113	4,198	-2.2	-2.0	-1.0	4,057	4,090	4,935	-17.8
Communications equipment:										
Unfilled Orders.....	37,809	37,932	37,768	-0.3	0.4	0.7	37,826	37,773	37,566	0.7
Total Inventories.....	9,331	9,292	9,260	0.4	0.3	-0.5	9,422	9,129	9,962	-5.4
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.....	20,072	19,978	20,024	0.5	-0.2	0.2	19,902	19,793	23,215	-14.3
Total Inventories.....	12,299	12,489	12,603	-1.5	-0.9	-1.2	12,255	12,284	15,021	-18.4
Transportation equipment:										
Unfilled Orders.....	424,341	426,510	431,175	-0.5	-1.1	-0.7	416,740	420,755	460,919	-9.6
Total Inventories.....	89,833	88,911	91,098	1.0	-2.4	-3.1	90,753	88,705	91,195	-0.5
Motor vehicles and parts:										
Unfilled Orders.....	14,254	13,987	13,962	1.9	0.2	-0.1	13,877	13,653	16,201	-14.3
Total Inventories.....	17,969	18,122	18,391	-0.8	-1.5	-1.1	18,103	18,154	22,878	-20.9
Nondefense Aircraft and parts:										
Unfilled Orders.....	279,705	279,974	283,558	-0.1	-1.3	-0.8	275,253	277,308	305,385	-9.9
Total Inventories.....	45,115	44,387	45,869	1.6	-3.2	-4.8	45,741	44,256	42,721	7.1
Defense Aircraft and parts:										
Unfilled Orders.....	46,617	46,849	47,676	-0.5	-1.7	-1.4	45,257	45,507	45,668	-0.9
Total Inventories.....	15,960	15,456	15,901	3.3	-2.8	0.7	16,041	15,489	14,397	11.4
All other durable goods:										
Unfilled Orders.....	11,131	11,127	11,177	0.0	-0.4	-0.4	11,303	11,213	12,898	-12.4
Total Inventories.....	48,589	48,924	49,276	-0.7	-0.7	-0.8	48,605	48,810	54,106	-10.2
Capital goods: ³										
Unfilled Orders.....	555,492	559,296	563,162	-0.7	-0.7	-0.7	547,049	552,272	611,762	-10.6
Total Inventories.....	152,600	151,786	154,880	0.5	-2.0	-1.8	153,355	150,658	162,214	-5.5
Nondefense capital goods:										
Unfilled Orders.....	418,158	419,556	422,507	-0.3	-0.7	-0.7	413,064	415,478	473,329	-12.7
Total Inventories.....	132,323	132,012	134,753	0.2	-2.0	-1.9	133,074	130,935	142,971	-6.9
Excluding aircraft:										
Unfilled Orders.....	174,040	174,976	174,474	-0.5	0.3	-0.4	173,079	173,394	201,005	-13.9
Total Inventories.....	96,664	97,274	98,416	-0.6	-1.2	-0.7	96,963	96,248	109,464	-11.4
Defense capital goods:										
Unfilled Orders.....	137,334	139,740	140,655	-1.7	-0.7	-0.6	133,985	136,794	138,433	-3.2
Total Inventories.....	20,277	19,774	20,127	2.5	-1.8	-0.5	20,281	19,723	19,243	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>.

2010 Release Dates for M3 Survey

Survey Month	Advance 8:30 A.M.	Preliminary 10:00 A.M.
November 2009	Dec. 24, 2009	Jan. 5, 2010
December 2009	Jan. 28, 2010	Feb. 4, 2010
January 2010	Feb. 25, 2010	Mar. 4, 2010
February 2010	Mar. 24, 2010	Mar. 31, 2010
March 2010	Apr. 23, 2010	May 4, 2010
April 2010	May 26, 2010	Jun. 3, 2010
May 2010	Jun. 24, 2010	Jul. 2, 2010
June 2010	Jul. 28, 2010	Aug. 3, 2010
July 2010	Aug. 25, 2010	Sep. 2, 2010
August 2010	Sep. 24, 2010	Oct. 4, 2010
September 2010	Oct. 27, 2010	Nov. 3, 2010
October 2010	Nov. 24, 2010	Dec. 3, 2010
November 2010	Dec. 23, 2010	