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Advance Report on Durable Goods Manufacturers' Shipments, Inventories and Orders February 2014

New Orders

New orders for manufactured durable goods in February increased \$5.0 billion or 2.2 percent to \$229.4 billion, the U.S. Census Bureau announced today. This increase, up following two consecutive monthly decreases, followed a 1.3 percent January decrease. Excluding transportation, new orders increased 0.2 percent. Excluding defense, new orders increased 1.8 percent.

Transportation equipment, also up following two consecutive monthly decreases, led the increase, \$4.6 billion or 6.9 percent to \$71.4 billion. This was led by nondefense aircraft and parts, which increased \$1.8 billion.

Shipments

Shipments of manufactured durable goods in February, up following two consecutive monthly decreases, increased \$2.0 billion or 0.9 percent to \$234.0 billion. This followed a 0.6 percent January decrease.

Transportation equipment, also up following two consecutive monthly decreases, led the increase, \$0.9 billion or 1.3 percent to \$68.6 billion.

Unfilled Orders

Unfilled orders for manufactured durable goods in February, up twelve of the last thirteen months, increased \$2.9 billion or 0.3 percent to \$1,062.6 billion. This was at the highest level since the series was first published on a NAICS basis in 1992, and followed a slight January increase.

Transportation equipment, up five of the last six months, led the increase, \$2.8 billion or 0.4 percent to \$659.6 billion.

Inventories

Inventories of manufactured durable goods in February, up ten of the last eleven months, increased \$3.2 billion or 0.8 percent to \$392.3 billion. This was at the highest level since the series was first published on a NAICS basis, and followed a 0.3 percent January increase.

Transportation equipment, up twenty-one of the last twenty-two months, led the increase, \$1.9 billion or 1.5 percent to \$125.0 billion.

Capital Goods

Nondefense new orders for capital goods in February decreased \$2.2 billion or 2.8 percent to \$75.1 billion. Shipments increased \$0.1 billion or 0.1 percent to \$74.8 billion. Unfilled orders increased \$0.3 billion or 0.1 percent to \$644.4 billion. Inventories increased \$1.1 billion or 0.6 percent to \$178.1 billion.

Defense new orders for capital goods in February increased \$0.9 billion or 13.5 percent to \$8.0 billion. Shipments decreased \$0.2 billion or 1.7 percent to \$9.5 billion. Unfilled orders decreased \$1.5 billion or 0.9 percent to \$156.6 billion. Inventories increased \$0.9 billion or 4.0 percent to \$23.6 billion.

Revised January Data

Revised seasonally adjusted January figures for all manufacturing industries were: new orders, \$482.0 billion (revised from \$483.0 billion); shipments, \$489.6 billion (revised from \$490.7 billion); unfilled orders, \$1,059.7 billion (revised from \$1,059.9 billion); and total inventories \$637.9 billion (revised from \$637.7 billion).

Figures in text are adjusted for seasonality, but not for inflation. 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 April 2, 2014, at 10:00 a.m. EDT. The Advance Report on durable goods for March is scheduled for release on April 24, 2014, at 8:30 a.m. EDT. See back page for survey description. To receive the latest updates on the Nation's key economic indicators, download the America's Economy app for Apple and Android smartphones and tablets.

Table 1. Durable Goods Manufacturers' Shipments and New Orders ¹

[Estimates are shown in millions of dollars and are based on data from the Manufacturers' Shipments, Inventories, and Orders Survey.]

Item	Seasonally Adjusted						Not Seasonally Adjusted					
	Monthly			Percent Change			Monthly			Year to Date		
	Feb 2014 ²	Jan 2014 ¹	Dec 2013	Jan - Feb ²	Dec- Jan ¹	Nov - Dec	Feb 2014 ²	Jan 2014 ¹	Feb 2013	2014	2013	Percent Change 2014/2013
DURABLE GOODS												
Total:												
Shipments.....	233,969	231,973	233,355	0.9	-0.6	-1.7	219,282	210,909	211,765	430,191	416,326	3.3
New Orders ⁴	229,379	224,381	227,318	2.2	-1.3	-5.3	223,638	206,560	224,497	430,198	426,669	0.8
Excluding transportation:												
Shipments.....	165,374	164,286	165,357	0.7	-0.6	0.2	153,215	151,994	148,513	305,209	296,574	2.9
New Orders ⁴	157,942	157,573	156,106	0.2	0.9	-1.8	153,122	149,206	150,532	302,328	299,456	1.0
Excluding defense:												
Shipments.....	222,376	220,080	221,562	1.0	-0.7	-1.2	208,220	201,278	200,344	409,498	395,447	3.6
New Orders ⁴	219,398	215,542	219,746	1.8	-1.9	-4.3	213,495	199,503	213,021	412,998	406,307	1.6
Manufacturing with unfilled orders:												
Shipments.....	163,397	162,640	162,543	0.5	0.1	-1.1	153,552	146,541	148,466	300,093	291,305	3.0
New Orders.....	166,343	162,766	164,240	2.2	-0.9	-5.6	163,952	151,406	166,627	315,358	314,888	0.1
Primary metals:												
Shipments.....	26,022	25,873	26,140	0.6	-1.0	-0.3	25,434	25,899	24,309	51,333	49,462	3.8
New Orders.....	26,013	25,550	25,998	1.8	-1.7	-2.3	26,254	26,978	26,467	53,232	51,799	2.8
Fabricated metal products:												
Shipments.....	29,302	28,971	28,760	1.1	0.7	-1.2	27,329	27,085	26,792	54,414	54,002	0.8
New Orders.....	28,518	28,437	26,262	0.3	8.3	-6.5	28,753	27,003	29,913	55,756	60,333	-7.6
Machinery:												
Shipments.....	35,064	34,498	35,608	1.6	-3.1	0.9	32,930	30,582	32,410	63,512	62,591	1.5
New Orders.....	35,823	36,375	36,841	-1.5	-1.3	3.0	34,884	34,892	33,077	69,776	67,268	3.7
Computers and electronic products⁴:												
Shipments.....	28,363	28,743	28,791	-1.3	-0.2	2.5	24,708	26,756	23,980	51,464	49,191	4.6
New Orders.....	21,024	20,931	20,285	0.4	3.2	-8.7	19,822	17,918	19,466	37,740	37,615	0.3
Computers and related products:												
Shipments.....	2,234	2,427	2,434	-8.0	-0.3	3.4	1,506	1,702	1,578	3,208	3,159	1.6
New Orders.....	2,230	2,241	2,448	-0.5	-8.5	3.2	1,502	1,516	1,822	3,018	3,392	-11.0
Communications equipment:												
Shipments.....	3,722	4,002	3,789	-7.0	5.6	2.4	3,220	3,260	3,462	6,480	6,631	-2.3
New Orders.....	4,206	4,323	4,374	-2.7	-1.2	-5.7	4,222	3,612	3,810	7,834	7,682	2.0
Electrical equipment, appliances, and components:												
Shipments.....	10,145	10,211	10,175	-0.6	0.4	-1.8	9,348	9,195	9,592	18,543	18,882	-1.8
New Orders.....	10,233	10,330	10,743	-0.9	-3.8	5.6	9,835	9,970	9,960	19,805	19,814	0.0
Transportation equipment:												
Shipments.....	68,595	67,687	67,998	1.3	-0.5	-6.1	66,067	58,915	63,252	124,982	119,752	4.4
New Orders.....	71,437	66,808	71,212	6.9	-6.2	-12.1	70,516	57,354	73,965	127,870	127,213	0.5
Motor vehicles and parts:												
Shipments.....	45,649	43,929	44,794	3.9	-1.9	-7.0	45,317	40,697	43,605	86,014	83,133	3.5
New Orders.....	45,641	44,040	44,895	3.6	-1.9	-6.6	45,706	40,991	44,208	86,697	83,786	3.5
Nondefense aircraft and parts:												
Shipments.....	11,372	12,012	11,603	-5.3	3.5	3.7	10,000	8,929	8,408	18,929	16,164	17.1
New Orders.....	15,024	13,230	16,987	13.6	-22.1	-22.3	14,643	8,688	19,526	23,331	25,172	-7.3
Defense aircraft and parts:												
Shipments.....	4,335	4,623	4,151	-6.2	11.4	-25.0	3,900	3,609	4,253	7,509	7,626	-1.5
New Orders.....	4,562	3,767	3,213	21.1	17.2	-22.6	4,292	3,111	2,532	7,403	6,246	18.5
All other durable goods:												
Shipments.....	36,478	35,990	35,883	1.4	0.3	-0.2	33,466	32,477	31,430	65,943	62,446	5.6
New Orders.....	36,331	35,950	35,977	1.1	-0.1	-0.4	33,574	32,445	31,649	66,019	62,627	5.4
Capital goods³:												
Shipments.....	84,260	84,342	85,871	-0.1	-1.8	0.2	77,918	72,135	75,626	150,053	145,911	2.8
New Orders.....	83,106	84,345	87,613	-1.5	-3.7	-8.5	81,078	74,049	90,261	155,127	163,678	-5.2
Nondefense capital goods:												
Shipments.....	74,808	74,731	75,995	0.1	-1.7	1.5	68,672	64,283	66,088	132,955	128,730	3.3
New Orders.....	75,144	77,330	81,647	-2.8	-5.3	-6.3	72,710	68,493	80,388	141,203	147,487	-4.3
Excluding aircraft:												
Shipments.....	66,893	66,546	67,505	0.5	-1.4	0.6	61,876	58,962	60,895	120,838	118,832	1.7
New Orders.....	67,410	68,313	67,749	-1.3	0.8	-1.6	65,562	63,961	64,035	129,523	129,390	0.1
Defense capital goods:												
Shipments.....	9,452	9,611	9,876	-1.7	-2.7	-8.9	9,246	7,852	9,538	17,098	17,181	-0.5
New Orders.....	7,962	7,015	5,966	13.5	17.6	-30.7	8,368	5,556	9,873	13,924	16,191	-14.0

¹ Revised data due to late receipts and concurrent seasonal adjustment.² Estimates of shipments and new orders are for the duration of the period, while estimates of unfilled orders and total inventories are for the end of the period. Not seasonally adjusted estimates of shipments and new orders include adjusted data for non-calendar reporters. Seasonally adjusted estimates include concurrent adjustments for holiday and trading-day differences, where appropriate, as well as seasonal variation, based on the results of the latest annual review of the model parameters. Estimates are not adjusted for price changes.³ 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. For further details on survey design, methodology, and data limitations, see <http://www.census.gov/manufacturing/m3>.⁴ 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.

⁵ Estimates of shipments for the semiconductor industry are no longer shown separately. Estimates and percent changes of shipments and inventories for the semiconductor industry are included in computers and electronic products, and all other applicable aggregate totals. Estimates and percent changes for new orders and unfilled orders exclude semiconductor industry data.

Table 2. Durable Goods Manufacturers' Unfilled Orders and Total Inventories ¹

[Estimates are shown in millions of dollars and are based on data from the Manufacturers' Shipments, Inventories, and Orders Survey.]

Item	Seasonally Adjusted						Not Seasonally Adjusted			
	Monthly			Percent Change			Monthly			Percent Change 2014/ 2013
	Feb 2014 ²	Jan 2014 ^r	Dec 2013	Jan - Feb ²	Dec - Jan ^r	Nov - Dec	Feb 2014 ²	Jan 2014 ^r	Feb 2013	
<u>DURABLE GOODS</u>										
Total:										
Unfilled Orders ⁴	1,062,596	1,059,650	1,059,524	0.3	0.0	0.2	1,075,543	1,065,143	1,014,447	6.0
Total Inventories.....	392,341	389,114	388,025	0.8	0.3	0.9	394,750	387,970	378,561	4.3
Excluding transportation:										
Unfilled Orders ⁴	402,985	402,881	401,876	0.0	0.3	-0.4	406,214	400,263	387,457	4.8
Total Inventories.....	267,298	265,963	266,061	0.5	0.0	0.8	269,213	265,226	263,630	2.1
Excluding defense:										
Unfilled Orders ⁴	876,842	872,284	869,104	0.5	0.4	0.7	888,132	876,813	804,610	10.4
Total Inventories.....	363,390	361,112	359,791	0.6	0.4	0.8	365,723	359,928	350,703	4.3
Manufacturing with unfilled orders:										
Unfilled Orders.....	1,062,596	1,059,650	1,059,524	0.3	0.0	0.2	1,075,543	1,065,143	1,014,447	6.0
Total Inventories.....	321,460	318,573	317,824	0.9	0.2	0.9	322,904	317,428	308,953	4.5
Primary metals:										
Unfilled Orders.....	36,424	36,433	36,756	0.0	-0.9	-0.4	37,952	37,132	34,464	10.1
Total Inventories.....	35,735	35,438	35,357	0.8	0.2	1.0	35,988	35,410	36,295	-0.8
Fabricated metal products:										
Unfilled Orders.....	85,759	86,543	87,077	-0.9	-0.6	-2.8	85,139	83,715	85,283	-0.2
Total Inventories.....	48,604	48,389	48,264	0.4	0.3	0.7	48,694	48,230	47,057	3.5
Machinery:										
Unfilled Orders.....	112,701	111,942	110,065	0.7	1.7	1.1	114,011	112,057	106,467	7.1
Total Inventories.....	66,407	65,907	66,392	0.8	-0.7	0.6	67,207	65,599	66,925	0.4
Computers and electronic products⁴:										
Unfilled Orders.....	137,730	137,533	137,627	0.1	-0.1	-0.6	138,505	137,347	132,326	4.7
Total Inventories.....	47,958	47,605	47,700	0.7	-0.2	1.5	47,976	47,268	46,007	4.3
Computers and related products:										
Unfilled Orders.....	3,199	3,203	3,389	-0.1	-5.5	0.4	3,199	3,203	3,460	-7.5
Total Inventories.....	4,636	4,630	4,720	0.1	-1.9	3.1	4,691	4,513	4,442	5.6
Communications equipment:										
Unfilled Orders.....	36,560	36,076	35,755	1.3	0.9	1.7	36,881	35,879	31,481	17.2
Total Inventories.....	7,719	7,681	7,818	0.5	-1.8	3.4	7,880	7,756	7,709	2.2
Electrical equipment, appliances, and components:										
Unfilled Orders.....	23,092	23,004	22,885	0.4	0.5	2.5	23,552	23,065	21,906	7.5
Total Inventories.....	16,655	16,751	16,786	-0.6	-0.2	-1.0	16,850	16,769	17,034	-1.1
Transportation equipment:										
Unfilled Orders.....	659,611	656,769	657,648	0.4	-0.1	0.5	669,329	664,880	626,990	6.8
Total Inventories.....	125,043	123,151	121,964	1.5	1.0	1.0	125,537	122,744	114,931	9.2
Motor vehicles and parts:										
Unfilled Orders.....	16,493	16,501	16,390	0.0	0.7	0.6	17,199	16,810	17,438	-1.4
Total Inventories.....	26,066	25,881	25,227	0.7	2.6	0.2	26,437	26,293	25,770	2.6
Nondefense Aircraft and parts:										
Unfilled Orders.....	492,741	489,089	487,871	0.7	0.2	1.1	500,110	495,467	440,364	13.6
Total Inventories.....	69,801	69,030	68,297	1.1	1.1	1.1	69,815	68,113	60,608	15.2
Defense Aircraft and parts:										
Unfilled Orders.....	63,042	62,815	63,671	0.4	-1.3	-1.5	64,405	64,013	70,979	-9.3
Total Inventories.....	14,224	13,338	13,278	6.6	0.5	2.4	14,194	13,231	13,977	1.6
All other durable goods:										
Unfilled Orders.....	7,279	7,426	7,466	-2.0	-0.5	1.3	7,055	6,947	7,011	0.6
Total Inventories.....	51,939	51,873	51,562	0.1	0.6	1.1	52,498	51,950	50,312	4.3
Capital goods³:										
Unfilled Orders.....	801,092	802,246	802,243	-0.1	0.0	0.2	809,519	806,359	758,981	6.7
Total Inventories.....	201,759	199,785	199,911	1.0	-0.1	1.0	202,676	198,346	193,230	4.9
Nondefense capital goods:										
Unfilled Orders.....	644,443	644,107	641,508	0.1	0.4	0.9	652,119	648,081	582,028	12.0
Total Inventories.....	178,130	177,057	176,914	0.6	0.1	0.8	178,941	175,471	170,684	4.8
Excluding aircraft:										
Unfilled Orders.....	236,060	235,543	233,776	0.2	0.8	0.1	237,330	233,644	218,397	8.7
Total Inventories.....	120,416	119,943	120,571	0.4	-0.5	0.5	121,396	119,356	121,350	0.0
Defense capital goods:										
Unfilled Orders.....	156,649	158,139	160,735	-0.9	-1.6	-2.4	157,400	158,278	176,953	-11.0
Total Inventories.....	23,629	22,728	22,997	4.0	-1.2	2.6	23,735	22,875	22,546	5.3

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 65 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 60 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>.

Notice of Revisions Due to Updated Seasonal Adjustment Models

On May 15, 2014, monthly seasonally adjusted data for Manufacturers' Shipments, Inventories, and Orders, based on the North American Industry Classification System, will be revised for January 1992 through March 2014. There will be no accompanying press release containing revised seasonally adjusted data for January through March of 2014, and historical data not seasonally adjusted will be unchanged. These revisions to the historical seasonally adjusted data will be based on the results of the recent annual review of the seasonal adjustment models. These updated models will also be used to produce seasonally adjusted data from the Manufacturers' Shipments, Inventories, and Orders Survey, beginning with the April 2014 Advance Report on Durable Goods scheduled for release on May 27, 2014 and the full report scheduled for release on June 3, 2014.

Please call Chris Savage on (301) 763-4832 with any questions regarding this notice.