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Advance Report on Durable Goods Manufacturers' Shipments, Inventories and Orders December 2012

New Orders

New orders for manufactured durable goods in December increased \$10.0 billion or 4.6 percent to \$230.7 billion, the U.S. Census Bureau announced today. This increase, up seven of the last eight months, followed a 0.7 percent November increase. Excluding transportation, new orders increased 1.3 percent. Excluding defense, new orders increased 1.2 percent.

Transportation equipment, up following two consecutive monthly decreases, had the largest increase, \$8.1 billion or 11.9 percent to \$75.9 billion.

Shipments

Shipments of manufactured durable goods in December, up five of the last six months, increased \$2.9 billion or 1.3 percent to \$230.6 billion. This followed a 1.8 percent November increase.

Primary metals, up three of the last four months, had the largest increase, \$1.2 billion or 4.2 percent to \$30.7 billion. This followed a 5.0 percent November increase.

Unfilled Orders

Unfilled orders for manufactured durable goods in December, up six of the last seven months, increased \$8.2 billion or 0.8 percent to \$992.0 billion. This increase followed a slight November increase.

Transportation equipment, also up six of the last seven months, drove the increase, \$9.0 billion or 1.6 percent to \$588.8 billion.

Inventories

Inventories of manufactured durable goods in December, down following 14 consecutive monthly increases, decreased \$0.1 billion to \$374.5 billion. This decrease followed a 0.1 percent November increase.

Machinery, down four consecutive months, drove the decrease, \$0.4 billion or 0.6 percent to \$66.1 billion.

Capital Goods

Nondefense new orders for capital goods in December increased \$2.7 billion or 3.8 percent to \$73.8 billion. Shipments increased \$0.5 billion or 0.7 percent to \$71.9 billion. Unfilled orders increased \$1.9 billion or 0.3 percent to \$585.7 billion. Inventories decreased \$0.6 billion or 0.3 percent to \$173.0 billion.

Defense new orders for capital goods in December increased \$8.7 billion or 110.4 percent to \$16.5 billion. Shipments increased \$0.5 billion or 6.1 percent to \$9.1 billion. Unfilled orders increased \$7.5 billion or 4.6 percent to \$171.5 billion. Inventories decreased \$0.3 billion or 1.4 percent to \$21.2 billion.

Revised November Data

Revised seasonally adjusted November figures for all manufacturing industries were: new orders, \$477.4 billion (revised from \$477.6 billion); shipments, \$484.3 billion (revised from \$483.7 billion); unfilled orders, \$983.9 billion (revised from \$984.5 billion); and total inventories, \$614.9 billion (revised from \$615.2 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 February 4, 2013, at 10:00 a.m. EST. The advance report on durable goods for January is scheduled for release on February 27, 2013, at 8:30 a.m. EST. 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		
	Dec 2012 ²	Nov 2012 ¹	Oct 2012	Nov - Dec ²	Oct - Nov ¹	Sep - Oct	Dec 2012 ²	Nov 2012 ¹	Dec 2011	2012	2011	Percent Change 12/11
DURABLE GOODS												
Total:												
Shipments.....	230,573	227,624	223,498	1.3	1.8	0.0	222,950	220,269	215,229	2,691,437	2,515,078	7.0
New Orders ⁴	230,742	220,696	219,202	4.6	0.7	1.1	239,766	209,736	239,243	2,628,747	2,525,211	4.1
Excluding transportation:												
Shipments.....	163,724	161,886	159,303	1.1	1.6	0.1	156,418	154,776	155,264	1,919,788	1,821,044	5.4
New Orders ⁴	154,855	152,883	151,031	1.3	1.2	1.8	150,091	143,879	155,604	1,824,130	1,784,780	2.2
Excluding defense:												
Shipments.....	219,177	216,611	212,644	1.2	1.9	0.0	210,192	209,063	202,822	2,560,813	2,381,168	7.5
New Orders ⁴	212,143	209,596	208,368	1.2	0.6	1.2	215,286	200,498	225,509	2,491,380	2,386,739	4.4
Manufacturing with unfilled orders:												
Shipments.....	162,562	160,647	157,791	1.2	1.8	0.4	159,984	155,136	156,007	1,894,535	1,779,631	6.5
New Orders.....	170,716	161,099	161,073	6.0	0.0	2.0	183,186	151,288	184,721	1,918,125	1,869,280	2.6
Primary metals:												
Shipments.....	30,740	29,495	28,094	4.2	5.0	-0.5	25,951	27,112	26,126	343,145	304,926	12.5
New Orders.....	29,800	28,777	28,645	3.6	0.5	2.4	25,741	26,998	28,425	336,905	307,778	9.5
Fabricated metal products:												
Shipments.....	27,317	27,400	27,286	-0.3	0.4	0.3	24,803	26,321	25,362	329,311	317,125	3.8
New Orders.....	28,208	27,872	27,173	1.2	2.6	0.6	25,856	25,703	25,529	333,753	323,096	3.3
Machinery:												
Shipments.....	33,461	33,637	32,593	-0.5	3.2	1.2	33,942	31,872	32,601	389,395	356,866	9.1
New Orders.....	31,658	31,537	30,976	0.4	1.8	3.5	31,362	29,295	34,628	374,308	388,402	-3.6
Computers and electronic products⁴:												
Shipments.....	28,488	27,752	27,948	2.7	-0.7	-0.4	30,432	26,815	30,333	338,592	340,812	-0.7
New Orders.....	21,547	20,868	20,685	3.3	0.9	1.8	26,668	19,025	26,361	259,889	260,496	-0.2
Computers and related products:												
Shipments.....	2,550	2,389	2,370	6.7	0.8	-12.0	3,633	2,222	4,275	32,847	37,402	-12.2
New Orders.....	2,509	2,522	2,423	-0.5	4.1	-10.9	3,592	2,355	4,263	33,025	37,294	-11.4
Communications equipment:												
Shipments.....	3,115	3,091	3,290	0.8	-6.0	9.3	3,988	3,086	4,116	37,488	39,373	-4.8
New Orders.....	3,868	3,659	3,489	5.7	4.9	24.8	5,117	2,858	4,132	41,479	37,932	9.4
Electrical equipment, appliances, and components:												
Shipments.....	10,082	10,008	9,850	0.7	1.6	0.5	9,681	9,840	9,502	119,410	116,336	2.6
New Orders.....	9,999	10,241	9,966	-2.4	2.8	5.5	9,348	10,013	9,839	119,104	119,935	-0.7
Transportation equipment:												
Shipments.....	66,849	65,738	64,195	1.7	2.4	-0.3	66,532	65,493	59,965	771,649	694,034	11.2
New Orders.....	75,887	67,813	68,171	11.9	-0.5	-0.6	89,675	65,857	83,639	804,617	740,431	8.7
Motor vehicles and parts:												
Shipments.....	44,754	44,277	42,792	1.1	3.5	-0.6	39,939	44,065	37,234	521,918	466,050	12.0
New Orders.....	44,349	44,157	42,692	0.4	3.4	-0.1	40,043	44,413	38,034	520,699	466,625	11.6
Nondefense aircraft and parts:												
Shipments.....	10,779	10,518	10,477	2.5	0.4	0.5	14,109	10,555	10,907	117,735	95,944	22.7
New Orders.....	14,048	12,762	14,652	10.1	-12.9	0.2	27,672	11,895	32,192	150,407	140,147	7.3
Defense aircraft and parts:												
Shipments.....	4,926	4,744	4,526	3.8	4.8	1.6	5,834	4,811	5,335	55,642	54,081	2.9
New Orders.....	7,914	5,060	5,669	56.4	-10.7	-4.3	10,387	4,766	6,753	62,142	57,300	8.5
All other durable goods:												
Shipments.....	33,636	33,594	33,532	0.1	0.2	-0.1	31,609	32,816	31,340	399,935	384,979	3.9
New Orders.....	33,643	33,588	33,586	0.2	0.0	-0.1	31,116	32,845	30,822	400,171	385,073	3.9
Capital goods³:												
Shipments.....	80,965	79,929	78,627	1.3	1.7	-0.1	87,835	77,670	83,948	944,069	892,865	5.7
New Orders.....	90,323	78,927	80,406	14.4	-1.8	1.4	110,026	72,104	105,929	971,879	968,096	0.4
Nondefense capital goods:												
Shipments.....	71,906	71,388	70,288	0.7	1.6	0.2	78,022	68,952	74,616	842,895	786,619	7.2
New Orders.....	73,790	71,070	72,800	3.8	-2.4	2.6	88,884	66,051	96,109	865,281	858,049	0.8
Excluding aircraft:												
Shipments.....	64,616	64,431	63,074	0.3	2.2	0.4	67,921	61,880	67,517	764,522	729,178	4.8
New Orders.....	63,845	63,687	61,830	0.2	3.0	3.0	66,804	59,360	69,733	759,229	761,475	-0.3
Defense capital goods:												
Shipments.....	9,059	8,541	8,339	6.1	2.4	-2.6	9,813	8,718	9,332	101,174	106,246	-4.8
New Orders.....	16,533	7,857	7,606	110.4	3.3	-9.3	21,142	6,053	9,820	106,598	110,047	-3.1

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 2012/ 2011
	Dec 2012 ²	Nov 2012 ^r	Oct 2012	Nov - Dec ²	Oct - Nov ^r	Sep - Oct	Dec 2012 ²	Nov 2012 ^r	Dec 2011	
<u>DURABLE GOODS</u>										
Total:										
Unfilled Orders ⁴	992,012	983,858	983,406	0.8	0.0	0.3	989,513	966,311	965,923	2.4
Total Inventories.....	374,497	374,568	374,011	0.0	0.1	0.3	363,423	375,181	348,124	4.4
Excluding transportation:										
Unfilled Orders ⁴	403,208	404,092	405,715	-0.2	-0.4	-0.2	395,879	395,820	405,257	-2.3
Total Inventories.....	259,872	260,036	260,480	-0.1	-0.2	0.1	252,542	260,192	246,171	2.6
Excluding defense:										
Unfilled Orders ⁴	794,852	793,901	793,536	0.1	0.0	0.4	793,255	781,775	776,408	2.2
Total Inventories.....	348,509	348,275	348,389	0.1	0.0	0.4	337,627	348,854	322,646	4.6
Manufacturing with unfilled orders:										
Unfilled Orders.....	992,012	983,858	983,406	0.8	0.0	0.3	989,513	966,311	965,923	2.4
Total Inventories.....	303,791	303,815	303,298	0.0	0.2	0.3	294,325	304,151	280,981	4.7
Primary metals:										
Unfilled Orders.....	30,299	31,239	31,957	-3.0	-2.2	1.8	29,762	29,972	36,002	-17.3
Total Inventories.....	34,931	34,570	34,543	1.0	0.1	0.8	34,034	33,931	34,199	-0.5
Fabricated metal products:										
Unfilled Orders.....	84,116	83,225	82,753	1.1	0.6	-0.1	81,813	80,760	77,371	5.7
Total Inventories.....	46,146	46,052	46,214	0.2	-0.4	0.3	45,154	45,676	44,740	0.9
Machinery:										
Unfilled Orders.....	122,129	123,932	126,032	-1.5	-1.7	-1.3	119,375	121,955	134,462	-11.2
Total Inventories.....	66,115	66,494	66,857	-0.6	-0.5	-0.2	63,452	67,079	59,511	6.6
Computers and electronic products⁴:										
Unfilled Orders.....	138,278	137,234	136,738	0.8	0.4	0.2	137,689	135,067	130,112	5.8
Total Inventories.....	46,529	46,571	46,501	-0.1	0.2	-0.2	45,234	47,160	44,055	2.7
Computers and related products:										
Unfilled Orders.....	1,334	1,375	1,242	-3.0	10.7	4.5	1,334	1,375	1,156	15.4
Total Inventories.....	3,884	3,860	3,878	0.6	-0.5	1.9	3,596	3,995	3,787	-5.0
Communications equipment:										
Unfilled Orders.....	35,046	34,293	33,725	2.2	1.7	0.6	34,952	33,823	30,961	12.9
Total Inventories.....	8,222	8,275	8,427	-0.6	-1.8	-2.1	8,088	8,542	8,276	-2.3
Electrical equipment, appliances, and components:										
Unfilled Orders.....	21,019	21,102	20,869	-0.4	1.1	0.6	20,422	20,755	20,728	-1.5
Total Inventories.....	15,538	15,640	15,731	-0.7	-0.6	1.1	14,930	15,538	14,379	3.8
Transportation equipment:										
Unfilled Orders.....	588,804	579,766	577,691	1.6	0.4	0.7	593,634	570,491	560,666	5.9
Total Inventories.....	114,625	114,532	113,531	0.1	0.9	0.7	110,881	114,989	101,953	8.8
Motor vehicles and parts:										
Unfilled Orders.....	15,499	15,904	16,024	-2.5	-0.7	-0.6	15,899	15,795	17,118	-7.1
Total Inventories.....	25,837	25,643	25,560	0.8	0.3	1.1	24,953	25,916	23,700	5.3
Nondefense Aircraft and parts:										
Unfilled Orders.....	413,440	410,171	407,927	0.8	0.6	1.0	418,429	404,866	385,757	8.5
Total Inventories.....	62,074	62,067	61,858	0.0	0.3	1.1	59,655	62,169	53,034	12.5
Defense Aircraft and parts:										
Unfilled Orders.....	66,151	63,163	62,847	4.7	0.5	1.9	65,856	61,303	59,356	11.0
Total Inventories.....	13,829	13,629	13,178	1.5	3.4	0.1	13,665	13,652	12,954	5.5
All other durable goods:										
Unfilled Orders.....	7,367	7,360	7,366	0.1	-0.1	0.7	6,818	7,311	6,582	3.6
Total Inventories.....	50,613	50,709	50,634	-0.2	0.1	0.0	49,738	50,808	49,287	0.9
Capital goods³:										
Unfilled Orders.....	757,258	747,900	748,902	1.3	-0.1	0.2	757,256	735,065	729,446	3.8
Total Inventories.....	194,180	195,085	194,342	-0.5	0.4	0.3	187,564	196,796	175,959	6.6
Nondefense capital goods:										
Unfilled Orders.....	585,737	583,853	584,171	0.3	-0.1	0.4	586,501	575,639	564,115	4.0
Total Inventories.....	173,008	173,603	173,455	-0.3	0.1	0.4	166,420	175,303	155,306	7.2
Excluding aircraft:										
Unfilled Orders.....	232,240	233,011	233,755	-0.3	-0.3	-0.5	228,114	229,231	233,407	-2.3
Total Inventories.....	121,135	121,582	121,682	-0.4	-0.1	0.2	116,843	123,212	111,202	5.1
Defense capital goods:										
Unfilled Orders.....	171,521	164,047	164,731	4.6	-0.4	-0.4	170,755	159,426	165,331	3.3
Total Inventories.....	21,172	21,482	20,887	-1.4	2.8	-0.8	21,144	21,493	20,653	2.4

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 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>.

Benchmark Notice

Revised historical data for Manufacturers' Shipments, Inventories, and Orders will be issued on May 17, 2013. These revisions reflect:

- benchmarking the shipments and inventories data to the 2011 Annual Survey of Manufactures (ASM) data, as well as revised ASM benchmarks for prior years;
- incorporating the unfilled orders to shipments ratios obtained from the 2010/2011 Manufacturers' Unfilled Orders Survey by applying these ratios to the respective ASM shipments data, as well as incorporating revised unfilled orders to shipments ratios for prior years;
- adjusting the new orders data to be consistent with the benchmarked shipments and unfilled orders data;
- correcting monthly data for late receipts, reclassifications of reported data, and revisions to previously reported data;
- migrating the data processing environment from a server having a Linux Red Hat 4 operating system that supports SAS[®] 9.1.3 to a server having a Linux Red Hat 5 operating system that supports SAS[®] 9.2; and
- updating the seasonally adjusted data, based on the results of benchmarking and the recent annual review of the seasonal adjustment models.

An accompanying press release will include the revised 2013 January through March data. Please call Jessica Young on (301) 763-4832 with any questions.