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Advance Report on Durable Goods Manufacturers' Shipments, Inventories and Orders June 2016

New Orders

New orders for manufactured durable goods in June decreased \$9.3 billion or 4.0 percent to \$219.8 billion, the U.S. Census Bureau announced today. This decrease, down two consecutive months, followed a 2.8 percent May decrease. Excluding transportation, new orders decreased 0.5 percent. Excluding defense, new orders decreased 3.9 percent.

Transportation equipment, also down two consecutive months, led the decrease, \$8.5 billion or 10.5 percent to \$72.2 billion.

Shipments

Shipments of manufactured durable goods in June, up two of the last three months, increased \$0.9 billion or 0.4 percent to \$232.5 billion. This followed a 0.3 percent May decrease.

Transportation equipment, also up two of the last three months, drove the increase, \$1.1 billion or 1.4 percent to \$81.2 billion.

Unfilled Orders

Unfilled orders for manufactured durable goods in June, down following three consecutive monthly increases, decreased \$9.7 billion or 0.9 percent to \$1,127.9 billion. This followed a virtually unchanged May increase.

Transportation equipment, also down following three consecutive monthly increases, led the decrease, \$9.0 billion or 1.1 percent to \$774.9 billion.

Inventories

Inventories of manufactured durable goods in June, down eleven of the last twelve months, decreased \$0.7 billion or 0.2 percent to \$381.5 billion. This followed a 0.4 percent May decrease.

Transportation equipment, down five consecutive months, drove the decrease, \$1.1 billion or 0.9 percent to \$123.0 billion.

Capital Goods

Nondefense new orders for capital goods in June decreased \$8.2 billion or 11.3 percent to \$64.8 billion. Shipments decreased \$1.0 billion or 1.3 percent to \$71.8 billion. Unfilled orders decreased \$7.0 billion or 1.0 percent to \$700.5 billion. Inventories decreased \$1.1 billion or 0.6 percent to \$169.6 billion.

Defense new orders for capital goods in June decreased \$1.9 billion or 20.7 percent to \$7.3 billion. Shipments increased \$0.4 billion or 3.8 percent to \$10.3 billion. Unfilled orders decreased \$3.0 billion or 2.1 percent to \$136.9 billion. Inventories decreased \$0.4 billion or 1.8 percent to \$20.4 billion.

Revised May Data

Revised seasonally adjusted May figures for all manufacturing industries were: new orders, \$454.1 billion (revised from \$455.2 billion); shipments, \$456.6 billion (revised from \$456.5 billion); unfilled orders, \$1,137.6 billion (revised from \$1,138.9 billion); and total inventories, \$619.6 billion (revised from \$619.7 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 August 4, 2016, at 10:00 a.m. EDT. The Advance Report on durable goods for July is scheduled for release on August 25, 2016 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. To learn more about this release and the other indicators the U.S. Census Bureau publishes, join us for the Investigating Economic Indicators Webinar Series. For more information, visit www.census.gov/econ/webinar. "Virtually unchanged" indicates that the change is less than 0.05 percent for a percent increase or decrease.

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		
	Jun 2016 ²	May 2016 ¹	Apr 2016	May - Jun ²	Apr - May ¹	Mar - Apr	Jun 2016 ²	May 2016 ¹	Jun 2015	2016	2015	Percent Change 2016/2015
DURABLE GOODS												
Total:												
Shipments.....	232,464	231,589	232,208	0.4	-0.3	0.4	254,086	233,716	259,029	1,399,840	1,405,910	-0.4
New Orders ⁴	219,754	229,014	235,729	-4.0	-2.8	3.2	241,569	227,099	258,679	1,370,880	1,370,336	0.0
Excluding transportation:												
Shipments.....	151,302	151,550	151,813	-0.2	-0.2	0.3	164,401	153,282	170,052	909,684	926,818	-1.8
New Orders ⁴	147,596	148,390	148,984	-0.5	-0.4	0.3	159,468	150,053	165,611	903,690	914,061	-1.1
Excluding defense:												
Shipments.....	219,982	219,519	220,824	0.2	-0.6	1.0	240,092	222,037	244,990	1,327,750	1,336,692	-0.7
New Orders ⁴	209,110	217,658	221,094	-3.9	-1.6	3.6	226,961	217,884	242,864	1,296,815	1,306,099	-0.7
Manufacturing with unfilled orders:												
Shipments.....	165,698	165,172	163,915	0.3	0.8	0.4	182,167	166,815	182,832	989,415	996,380	-0.7
New Orders.....	156,012	165,581	170,375	-5.8	-2.8	4.1	172,274	162,649	185,164	978,130	979,435	-0.1
Primary metals:												
Shipments.....	17,745	17,610	17,631	0.8	-0.1	-0.2	18,734	18,000	20,336	108,056	121,832	-11.3
New Orders.....	17,561	17,788	18,016	-1.3	-1.3	-0.8	18,343	17,870	20,355	110,389	122,223	-9.7
Fabricated metal products:												
Shipments.....	29,771	29,990	29,997	-0.7	0.0	1.6	31,782	30,753	31,690	179,208	178,055	0.6
New Orders.....	29,810	29,904	30,091	-0.3	-0.6	3.2	31,209	31,067	31,405	182,805	179,192	2.0
Machinery:												
Shipments.....	30,139	30,253	30,536	-0.4	-0.9	-0.3	32,780	31,011	35,662	185,651	196,691	-5.6
New Orders.....	29,372	29,392	29,255	-0.1	0.5	-2.5	31,334	29,660	34,012	183,546	193,695	-5.2
Computers and electronic products⁴:												
Shipments.....	26,523	26,537	26,391	-0.1	0.6	0.4	30,155	25,315	29,849	155,564	150,627	3.3
New Orders.....	23,606	24,143	24,379	-2.2	-1.0	2.9	27,468	23,049	27,274	142,648	137,674	3.6
Computers and related products:												
Shipments.....	1,686	1,844	1,914	-8.6	-3.7	7.6	2,441	1,623	3,364	10,696	13,023	-17.9
New Orders.....	1,682	1,850	1,907	-9.1	-3.0	7.4	2,437	1,629	3,423	10,656	13,168	-19.1
Communications equipment:												
Shipments.....	3,580	3,378	3,267	6.0	3.4	-2.6	4,357	3,249	4,147	19,886	20,096	-1.0
New Orders.....	3,646	3,730	3,546	-2.3	5.2	3.1	4,287	3,333	4,180	21,806	22,408	-2.7
Electrical equipment, appliances, and components:												
Shipments.....	9,418	9,433	9,458	-0.2	-0.3	1.5	10,248	9,505	11,016	56,281	61,295	-8.2
New Orders.....	9,492	9,413	9,434	0.8	-0.2	-0.3	10,413	9,501	11,079	57,730	61,733	-6.5
Transportation equipment:												
Shipments.....	81,162	80,039	80,395	1.4	-0.4	0.6	89,685	80,434	88,977	490,156	479,092	2.3
New Orders.....	72,158	80,624	86,745	-10.5	-7.1	8.5	82,101	77,046	93,068	467,190	456,275	2.4
Motor vehicles and parts:												
Shipments.....	55,041	53,594	55,550	2.7	-3.5	2.2	59,169	54,522	58,061	337,443	321,743	4.9
New Orders.....	55,074	53,676	55,408	2.6	-3.1	1.8	58,703	54,643	57,492	335,917	321,105	4.6
Nondefense aircraft and parts:												
Shipments.....	13,818	14,532	13,615	-4.9	6.7	4.0	16,768	14,031	16,647	80,635	83,027	-2.9
New Orders.....	6,745	16,354	17,309	-58.8	-5.5	69.3	9,215	13,358	20,434	59,845	67,881	-11.8
Defense aircraft and parts:												
Shipments.....	4,128	4,298	3,561	-4.0	20.7	-23.2	4,894	4,115	6,193	24,946	27,391	-8.9
New Orders.....	3,652	3,945	5,628	-7.4	-29.9	-9.1	5,664	2,504	6,667	27,264	23,407	16.5
All other durable goods:												
Shipments.....	37,706	37,727	37,800	-0.1	-0.2	-0.2	40,702	38,698	41,499	224,924	218,318	3.0
New Orders.....	37,755	37,750	37,809	0.0	-0.2	-0.6	40,701	38,906	41,486	226,572	219,544	3.2
Capital goods³:												
Shipments.....	82,063	82,640	81,520	-0.7	1.4	0.4	91,727	81,871	95,866	488,342	506,814	-3.6
New Orders.....	72,027	82,148	87,303	-12.3	-5.9	7.5	83,203	78,310	99,329	476,483	493,185	-3.4
Nondefense capital goods:												
Shipments.....	71,798	72,749	71,914	-1.3	1.2	1.0	80,482	72,194	84,803	429,475	451,816	-4.9
New Orders.....	64,766	72,988	74,184	-11.3	-1.6	8.3	73,153	70,369	86,075	415,063	440,552	-5.8
Excluding aircraft:												
Shipments.....	62,762	63,029	63,367	-0.4	-0.5	0.6	69,334	62,829	73,576	378,923	396,733	-4.5
New Orders.....	62,330	62,221	62,546	0.2	-0.5	-0.9	68,336	61,377	71,346	383,239	398,255	-3.8
Defense capital goods:												
Shipments.....	10,265	9,891	9,606	3.8	3.0	-3.9	11,245	9,677	11,063	58,867	54,998	7.0
New Orders.....	7,261	9,160	13,119	-20.7	-30.2	3.3	10,050	7,941	13,254	61,420	52,633	16.7

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 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 2016/ 2015
	Jun 2016 ²	May 2016 ¹	Apr 2016	May - Jun ²	Apr - May ¹	Mar - Apr	Jun 2016 ²	May 2016 ¹	Jun 2015	
<u>DURABLE GOODS</u>										
Total:										
Unfilled Orders ⁴	1,127,885	1,137,571	1,137,162	-0.9	0.0	0.6	1,128,415	1,138,308	1,150,624	-1.9
Total Inventories.....	381,504	382,222	383,677	-0.2	-0.4	-0.4	378,948	385,603	393,334	-3.7
Excluding transportation:										
Unfilled Orders ⁴	353,029	353,711	353,887	-0.2	0.0	0.0	356,523	358,832	357,348	-0.2
Total Inventories.....	258,535	258,117	258,742	0.2	-0.2	-0.4	257,205	260,468	268,318	-4.1
Excluding defense:										
Unfilled Orders ⁴	954,602	962,450	961,327	-0.8	0.1	0.3	953,223	963,730	972,477	-2.0
Total Inventories.....	356,279	356,537	357,907	-0.1	-0.4	-0.5	353,481	359,762	366,486	-3.5
Manufacturing with unfilled orders:										
Unfilled Orders.....	1,127,885	1,137,571	1,137,162	-0.9	0.0	0.6	1,128,415	1,138,308	1,150,624	-1.9
Total Inventories.....	309,637	311,106	312,288	-0.5	-0.4	-0.4	308,145	314,222	320,332	-3.8
Primary metals:										
Unfilled Orders.....	32,564	32,748	32,570	-0.6	0.5	1.2	32,946	33,337	33,506	-1.7
Total Inventories.....	31,267	31,242	31,266	0.1	-0.1	-1.9	30,978	31,043	35,817	-13.5
Fabricated metal products:										
Unfilled Orders.....	73,836	73,797	73,883	0.1	-0.1	0.1	75,044	75,617	75,251	-0.3
Total Inventories.....	48,530	48,550	48,590	0.0	-0.1	-0.3	48,505	49,023	49,698	-2.4
Machinery:										
Unfilled Orders.....	92,628	93,395	94,256	-0.8	-0.9	-1.3	92,851	94,297	100,721	-7.8
Total Inventories.....	65,798	65,427	65,906	0.6	-0.7	-1.1	65,275	66,300	67,568	-3.4
Computers and electronic products⁴:										
Unfilled Orders.....	128,213	128,106	127,516	0.1	0.5	0.7	128,950	129,013	122,045	5.7
Total Inventories.....	42,734	42,720	42,786	0.0	-0.2	0.1	42,358	43,410	43,151	-1.8
Computers and related products:										
Unfilled Orders.....	2,407	2,411	2,405	-0.2	0.2	-0.3	2,407	2,411	2,425	-0.7
Total Inventories.....	3,606	3,579	3,595	0.8	-0.4	-1.7	3,568	3,685	4,045	-11.8
Communications equipment:										
Unfilled Orders.....	34,491	34,425	34,073	0.2	1.0	0.8	34,682	34,752	31,315	10.8
Total Inventories.....	4,672	4,695	4,680	-0.5	0.3	1.2	4,587	4,737	5,021	-8.6
Electrical equipment, appliances, and components:										
Unfilled Orders.....	17,386	17,312	17,332	0.4	-0.1	-0.1	17,752	17,587	17,190	3.3
Total Inventories.....	16,168	16,291	16,335	-0.8	-0.3	0.5	16,190	16,553	16,831	-3.8
Transportation equipment:										
Unfilled Orders.....	774,856	783,860	783,275	-1.1	0.1	0.8	771,892	779,476	793,276	-2.7
Total Inventories.....	122,969	124,105	124,935	-0.9	-0.7	-0.2	121,743	125,135	125,016	-2.6
Motor vehicles and parts:										
Unfilled Orders.....	22,462	22,429	22,347	0.1	0.4	-0.6	22,033	22,499	23,357	-5.7
Total Inventories.....	34,557	33,637	33,799	2.7	-0.5	-2.0	33,567	33,509	34,264	-2.0
Nondefense Aircraft and parts:										
Unfilled Orders.....	593,918	600,991	599,169	-1.2	0.3	0.6	589,846	597,399	600,753	-1.8
Total Inventories.....	62,451	63,857	64,399	-2.2	-0.8	0.2	62,049	65,040	62,893	-1.3
Defense Aircraft and parts:										
Unfilled Orders.....	70,399	70,875	71,228	-0.7	-0.5	3.0	70,936	70,166	66,022	7.4
Total Inventories.....	10,781	11,132	11,458	-3.2	-2.8	3.1	10,777	11,214	11,785	-8.6
All other durable goods:										
Unfilled Orders.....	8,402	8,353	8,330	0.6	0.3	0.1	8,980	8,981	8,635	4.0
Total Inventories.....	54,038	53,887	53,859	0.3	0.1	0.4	53,899	54,139	55,253	-2.5
Capital goods³:										
Unfilled Orders.....	837,406	847,442	847,934	-1.2	-0.1	0.7	839,017	847,541	868,981	-3.4
Total Inventories.....	190,063	191,533	192,714	-0.8	-0.6	-0.2	189,526	194,200	196,101	-3.4
Nondefense capital goods:										
Unfilled Orders.....	700,482	707,514	707,275	-1.0	0.0	0.3	700,060	707,389	725,385	-3.5
Total Inventories.....	169,633	170,735	171,839	-0.6	-0.6	-0.4	168,850	173,328	173,985	-3.0
Excluding aircraft:										
Unfilled Orders.....	219,971	220,403	221,211	-0.2	-0.4	-0.4	222,002	223,000	227,301	-2.3
Total Inventories.....	118,341	118,035	118,561	0.3	-0.4	-0.6	117,664	119,551	121,543	-3.2
Defense capital goods:										
Unfilled Orders.....	136,924	139,928	140,659	-2.1	-0.5	2.6	138,957	140,152	143,596	-3.2
Total Inventories.....	20,430	20,798	20,875	-1.8	-0.4	1.5	20,676	20,872	22,116	-6.5

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, which is a voluntary survey authorized by Title 13 of the United States Code. This survey provides statistics on a calendar-month basis for 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). Data published from the M3 survey are based on a panel of approximately 4,800 reporting units that represent approximately 3,000 companies and provide an indication of month-to-month change for the Manufacturing Sector. These reporting units may be divisions of diversified large companies, large homogenous companies, or single-unit manufacturers in 92 industry categories, which are combined into 65 publication levels due to the small monthly panel size. The survey methodology assumes that the month-to-month changes of the total operations of the reporting units in the M3 panel effectively represent the month-to-month movements of all establishments that make up the category.

The companies for which shipments data are currently reported or imputed in the M3 survey represent approximately 61 percent of the total value of shipments for manufacturing establishments in the 2012 Economic Census, and these companies include almost two-thirds of the manufacturing companies with \$500 million or more in shipments in the 2012 Economic Census. The companies for which shipments data are currently reported in the M3 survey represent approximately 54 percent of the total value of shipments for manufacturing establishments in the 2012 Economic Census. Statistics based on the M3 panel differ from the results that would be obtained from a complete enumeration of all manufacturing companies. The M3 panel is not based on 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>.