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Advance Report on Durable Goods Manufacturers' Shipments, Inventories and Orders December 2013

New Orders

New orders for manufactured durable goods in December decreased \$10.3 billion or 4.3 percent to \$229.3 billion, the U.S. Census Bureau announced today. This decrease, down two of the last three months, followed a 2.6 percent November increase. Excluding transportation, new orders decreased 1.6 percent. Excluding defense, new orders decreased 3.7 percent.

Transportation equipment, also down two of the last three months, led the decrease, \$7.7 billion or 9.5 percent to \$73.1 billion. This was led by nondefense aircraft and parts, which decreased \$3.8 billion.

Shipments

Shipments of manufactured durable goods in December, down following four consecutive monthly increases, decreased \$4.5 billion or 1.9 percent to \$232.8 billion. This followed a 1.3 percent November increase.

Transportation equipment, also down following four consecutive monthly increases, led the decrease, \$4.1 billion or 5.7 percent to \$68.3 billion.

Unfilled Orders

Unfilled orders for manufactured durable goods in December, up ten of the last eleven months, increased \$3.9 billion or 0.4 percent to \$1,061.5 billion. This was at the highest level since the series was first published on a NAICS basis in 1992, and followed a 0.9 percent November increase.

Transportation equipment, up four consecutive months, drove the increase, \$4.8 billion or 0.7 percent to \$659.1 billion.

Inventories

Inventories of manufactured durable goods in December, up eight of the last nine months, increased \$3.0 billion or 0.8 percent to \$387.8 billion. This was at the highest level since the series was first published on a NAICS basis, and followed a 0.3 percent November increase.

Transportation equipment, up nineteen of the last twenty months, led the increase, \$1.3 billion or 1.1 percent to \$122.1 billion.

Capital Goods

Nondefense new orders for capital goods in December decreased \$4.3 billion or 5.0 percent to \$82.5 billion. Shipments increased \$0.6 billion or 0.8 percent to \$75.4 billion. Unfilled orders increased \$7.1 billion or 1.1 percent to \$642.7 billion. Inventories increased \$1.2 billion or 0.7 percent to \$176.7 billion.

Defense new orders for capital goods in December decreased \$1.9 billion or 21.5 percent to \$6.8 billion. Shipments decreased \$1.3 billion or 11.5 percent to \$9.6 billion. Unfilled orders decreased \$2.8 billion or 1.7 percent to \$161.9 billion. Inventories increased \$0.5 billion or 2.1 percent to \$22.9 billion.

Revised November Data

Revised seasonally adjusted November figures for all manufacturing industries were: new orders, \$495.9 billion (revised from \$497.9 billion); shipments, \$493.6 billion (revised from \$494.6 billion); unfilled orders, \$1,057.6 billion (revised from \$1,058.5 billion); and total inventories \$633.8 billion (revised from \$633.4 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, 2014, at 10:00 a.m. EST. The Advance Report on durable goods for January is scheduled for release on February 27, 2014, 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. Discover the U.S. Census Bureau's economic statistics through the Economic Indicator Webinar Series. Each of the 13 economic indicators in this webinar series will provide an in-depth description of how the critical economic indicator data are collected and how you can access and use these statistics. Sessions include construction, housing, international trade, retail trade and more. For more information go to www.census.gov/econ/webinar.

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 2013 ²	Nov 2013 ¹	Oct 2013	Nov - Dec ²	Oct - Nov ¹	Sep - Oct	Dec 2013 ²	Nov 2013 ¹	Dec 2012	2013	2012	Percent Change 2013/2012
DURABLE GOODS												
Total:												
Shipments.....	232,801	237,347	234,238	-1.9	1.3	0.6	228,070	228,512	221,534	2,761,834	2,671,564	3.4
New Orders ⁴	229,319	239,633	233,565	-4.3	2.6	-0.7	242,749	228,531	241,119	2,747,453	2,619,731	4.9
Excluding transportation:												
Shipments.....	164,507	164,925	162,932	-0.3	1.2	0.2	159,928	157,365	155,570	1,939,179	1,907,606	1.7
New Orders ⁴	156,191	158,807	158,663	-1.6	0.1	0.7	153,150	149,098	148,688	1,878,032	1,814,049	3.5
Excluding defense:												
Shipments.....	221,285	224,180	222,184	-1.3	0.9	0.8	215,480	215,063	207,348	2,616,038	2,524,435	3.6
New Orders ⁴	220,668	229,160	223,059	-3.7	2.7	0.2	228,152	219,829	213,037	2,620,420	2,461,403	6.5
Manufacturing with unfilled orders:												
Shipments.....	162,036	164,205	164,004	-1.3	0.1	0.5	162,285	157,980	160,210	1,933,898	1,901,358	1.7
New Orders.....	165,959	173,775	169,962	-4.5	2.2	-1.4	183,236	165,345	186,323	2,002,923	1,937,248	3.4
Primary metals:												
Shipments.....	26,299	26,266	26,232	0.1	0.1	1.2	23,524	24,484	22,626	304,351	302,427	0.6
New Orders.....	26,063	26,619	26,787	-2.1	-0.6	1.6	24,007	25,073	22,781	308,246	296,597	3.9
Fabricated metal products:												
Shipments.....	28,906	29,133	29,085	-0.8	0.2	0.6	26,467	27,661	25,751	346,923	342,323	1.3
New Orders.....	27,352	28,144	28,979	-2.8	-2.9	-1.6	25,070	25,941	27,608	351,783	347,672	1.2
Machinery:												
Shipments.....	35,163	35,306	34,073	-0.4	3.6	0.3	35,479	32,984	34,623	411,018	399,283	2.9
New Orders.....	36,018	35,719	34,662	0.8	3.0	0.9	35,648	32,865	31,421	416,748	386,627	7.8
Computers and electronic products⁴:												
Shipments.....	27,997	27,933	27,436	0.2	1.8	-1.8	30,590	27,449	31,212	332,022	343,142	-3.2
New Orders.....	20,313	22,039	22,023	-7.8	0.1	2.4	24,925	20,504	26,584	255,321	262,666	-2.8
Computers and related products:												
Shipments.....	2,179	2,292	2,216	-4.9	3.4	-9.8	3,343	2,045	3,926	27,508	29,911	-8.0
New Orders.....	2,133	2,311	2,240	-7.7	3.2	-8.4	3,297	2,064	3,844	27,610	30,395	-9.2
Communications equipment:												
Shipments.....	3,738	3,701	3,961	1.0	-6.6	-1.3	4,554	3,629	4,704	47,164	45,530	3.6
New Orders.....	4,357	4,639	4,228	-6.1	9.7	0.4	5,338	4,001	5,549	52,260	49,421	5.7
Electrical equipment, appliances, and components:												
Shipments.....	10,292	10,365	10,386	-0.7	-0.2	3.2	9,918	10,142	9,843	123,183	123,293	-0.1
New Orders.....	10,467	10,183	10,589	2.8	-3.8	4.8	9,879	9,891	9,403	124,092	123,234	0.7
Transportation equipment:												
Shipments.....	68,294	72,422	71,306	-5.7	1.6	1.6	68,142	71,147	65,964	822,655	763,958	7.7
New Orders.....	73,128	80,826	74,902	-9.5	7.9	-3.5	89,599	79,433	92,431	869,421	805,682	7.9
Motor vehicles and parts:												
Shipments.....	45,337	48,185	47,227	-5.9	2.0	2.5	40,108	46,961	37,369	541,757	492,154	10.1
New Orders.....	45,268	48,057	46,989	-5.8	2.3	2.3	40,506	47,102	37,761	541,381	491,062	10.2
Nondefense aircraft and parts:												
Shipments.....	11,695	11,192	12,200	4.5	-8.3	1.8	15,935	11,106	15,009	136,502	126,677	7.8
New Orders.....	18,039	21,868	18,061	-17.5	21.1	-5.3	34,480	23,002	28,631	200,722	160,725	24.9
Defense aircraft and parts:												
Shipments.....	3,960	5,539	4,767	-28.5	16.2	-1.4	4,577	5,668	6,051	56,433	57,611	-2.0
New Orders.....	3,667	4,210	3,638	-12.9	15.7	-28.4	6,545	3,413	10,729	48,959	64,448	-24.0
All other durable goods:												
Shipments.....	35,850	35,922	35,720	-0.2	0.6	-0.4	33,950	34,645	31,515	421,682	397,138	6.2
New Orders.....	35,978	36,103	35,623	-0.3	1.3	-0.4	33,621	34,824	30,891	421,842	397,253	6.2
Capital goods³:												
Shipments.....	85,037	85,654	83,952	-0.7	2.0	-0.2	93,476	82,335	91,586	1,003,280	983,028	2.1
New Orders.....	89,315	95,498	89,148	-6.5	7.1	-2.6	111,947	90,598	114,498	1,066,447	1,018,299	4.7
Nondefense capital goods:												
Shipments.....	75,438	74,805	74,134	0.8	0.9	-0.1	83,190	71,231	80,342	884,838	865,252	2.3
New Orders.....	82,517	86,834	80,524	-5.0	7.8	-0.8	100,678	83,340	89,920	964,693	891,037	8.3
Excluding aircraft:												
Shipments.....	66,929	67,067	65,590	-0.2	2.3	-0.2	70,887	63,668	69,328	789,327	777,887	1.5
New Orders.....	67,586	68,497	66,790	-1.3	2.6	-0.6	70,681	63,839	67,043	809,388	775,671	4.3
Defense capital goods:												
Shipments.....	9,599	10,849	9,818	-11.5	10.5	-1.5	10,286	11,104	11,244	118,442	117,776	0.6
New Orders.....	6,798	8,664	8,624	-21.5	0.5	-16.5	11,269	7,258	24,578	101,754	127,262	-20.0

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, 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 2013/ 2012
	Dec 2013 ²	Nov 2013 ¹	Oct 2013	Nov - Dec ²	Oct - Nov ¹	Sep - Oct	Dec 2013 ²	Nov 2013 ¹	Dec 2012	
<u>DURABLE GOODS</u>										
Total:										
Unfilled Orders ⁴	1,061,530	1,057,607	1,048,037	0.4	0.9	0.6	1,059,889	1,038,938	990,864	7.0
Total Inventories.....	387,758	384,721	383,463	0.8	0.3	0.3	377,513	385,381	363,832	3.8
Excluding transportation:										
Unfilled Orders ⁴	402,397	403,308	402,142	-0.2	0.3	0.6	393,594	394,100	371,335	6.0
Total Inventories.....	265,663	263,939	263,187	0.7	0.3	0.0	259,106	264,209	255,620	1.4
Excluding defense:										
Unfilled Orders ⁴	869,700	862,912	850,648	0.8	1.4	0.9	868,298	849,354	780,510	11.2
Total Inventories.....	359,647	357,130	355,404	0.7	0.5	0.3	349,578	357,708	337,261	3.7
Manufacturing with unfilled orders:										
Unfilled Orders.....	1,061,530	1,057,607	1,048,037	0.4	0.9	0.6	1,059,889	1,038,938	990,864	7.0
Total Inventories.....	317,683	314,967	314,364	0.9	0.2	0.4	308,864	315,143	295,920	4.4
Primary metals:										
Unfilled Orders.....	36,642	36,878	36,525	-0.6	1.0	1.5	36,022	35,539	32,127	12.1
Total Inventories.....	35,282	34,971	34,937	0.9	0.1	-1.0	34,902	34,515	36,066	-3.2
Fabricated metal products:										
Unfilled Orders.....	88,039	89,593	90,582	-1.7	-1.1	-0.1	83,812	85,209	78,952	6.2
Total Inventories.....	48,169	47,921	47,741	0.5	0.4	0.2	47,249	47,524	46,275	2.1
Machinery:										
Unfilled Orders.....	109,608	108,753	108,340	0.8	0.4	0.5	107,520	107,351	101,790	5.6
Total Inventories.....	66,348	66,044	66,190	0.5	-0.2	-0.2	63,875	66,561	64,057	-0.3
Computers and electronic products⁴:										
Unfilled Orders.....	138,108	138,387	136,997	-0.2	1.0	0.9	137,367	136,760	130,662	5.1
Total Inventories.....	47,630	47,056	46,655	1.2	0.9	-0.4	46,403	47,759	44,765	3.7
Computers and related products:										
Unfilled Orders.....	3,329	3,375	3,356	-1.4	0.6	0.7	3,329	3,375	3,227	3.2
Total Inventories.....	4,682	4,575	4,467	2.3	2.4	0.4	4,345	4,824	3,998	8.7
Communications equipment:										
Unfilled Orders.....	35,789	35,170	34,232	1.8	2.7	0.8	35,526	34,742	30,430	16.7
Total Inventories.....	7,807	7,561	7,443	3.3	1.6	-1.6	7,661	7,768	7,346	4.3
Electrical equipment, appliances, and components:										
Unfilled Orders.....	22,500	22,325	22,507	0.8	-0.8	0.9	21,883	21,922	20,974	4.3
Total Inventories.....	16,884	16,981	17,058	-0.6	-0.5	1.9	16,197	16,905	15,813	2.4
Transportation equipment:										
Unfilled Orders.....	659,133	654,299	645,895	0.7	1.3	0.6	666,295	644,838	619,529	7.5
Total Inventories.....	122,095	120,782	120,276	1.1	0.4	1.1	118,407	121,172	108,212	9.4
Motor vehicles and parts:										
Unfilled Orders.....	16,213	16,282	16,410	-0.4	-0.8	-1.4	16,409	16,011	16,785	-2.2
Total Inventories.....	25,158	25,203	25,443	-0.2	-0.9	-0.1	24,539	25,608	25,229	-2.7
Nondefense Aircraft and parts:										
Unfilled Orders.....	488,831	482,487	471,811	1.3	2.3	1.3	495,576	477,031	431,356	14.9
Total Inventories.....	68,493	67,538	66,267	1.4	1.9	1.7	65,760	67,410	55,536	18.4
Defense Aircraft and parts:										
Unfilled Orders.....	64,373	64,666	65,995	-0.5	-2.0	-1.7	64,885	62,917	72,359	-10.3
Total Inventories.....	13,267	12,970	13,381	2.3	-3.1	-0.5	13,118	12,996	13,166	-0.4
All other durable goods:										
Unfilled Orders.....	7,500	7,372	7,191	1.7	2.5	-1.3	6,990	7,319	6,830	2.3
Total Inventories.....	51,350	50,966	50,606	0.8	0.7	0.3	50,480	50,945	48,644	3.8
Capital goods³:										
Unfilled Orders.....	804,577	800,299	790,455	0.5	1.2	0.7	804,381	785,910	741,214	8.5
Total Inventories.....	199,614	197,942	197,385	0.8	0.3	0.6	192,855	199,429	182,232	5.8
Nondefense capital goods:										
Unfilled Orders.....	642,679	635,600	623,571	1.1	1.9	1.0	643,126	625,638	563,271	14.2
Total Inventories.....	176,729	175,531	174,401	0.7	0.6	0.7	169,997	176,962	160,704	5.8
Excluding aircraft:										
Unfilled Orders.....	233,933	233,276	231,846	0.3	0.6	0.5	227,900	228,106	207,839	9.7
Total Inventories.....	120,412	120,005	119,875	0.3	0.1	0.1	116,411	121,608	116,151	0.2
Defense capital goods:										
Unfilled Orders.....	161,898	164,699	166,884	-1.7	-1.3	-0.7	161,255	160,272	177,943	-9.4
Total Inventories.....	22,885	22,411	22,984	2.1	-2.5	-0.1	22,858	22,467	21,528	6.2

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 4,300 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.