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MANUFACTURING AND TRADE INVENTORIES AND SALES May 2006

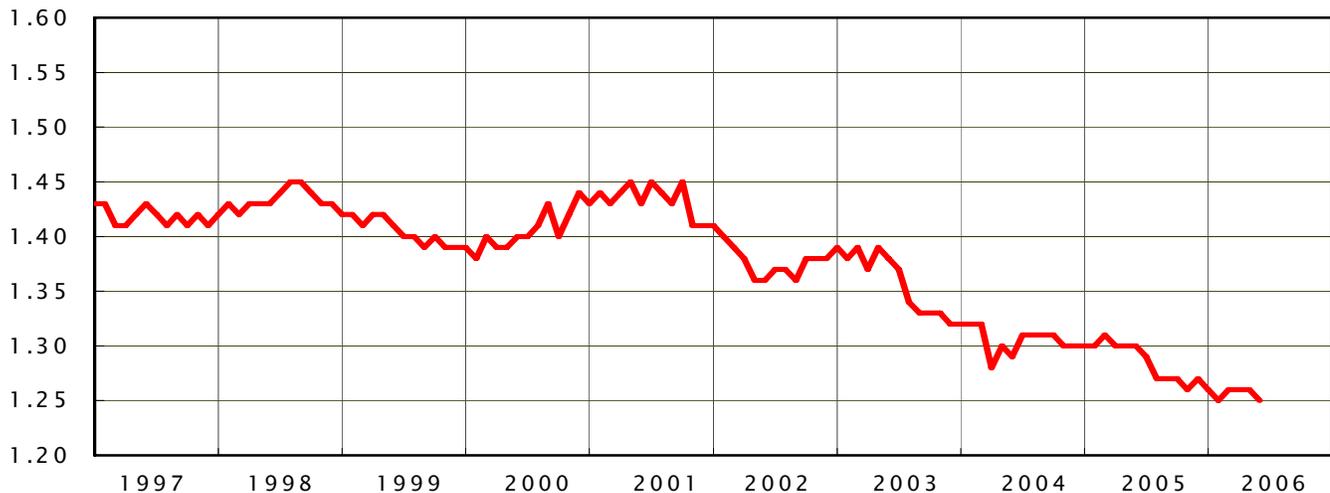
Sales. The U.S. Census Bureau announced today that the combined value of distributive trade sales and manufacturers' shipments for May, adjusted for seasonal and trading-day differences but not for price changes, was estimated at \$1,057.4 billion, up 1.4 percent ($\pm 0.2\%$) from April and up 8.8 percent ($\pm 0.4\%$) from May 2005.

Inventories. Manufacturers' and trade inventories adjusted for seasonal variations but not for price changes, were estimated at an end-of-month level of \$1,324.1 billion, up 0.8 percent ($\pm 0.1\%$) from April and up 5.1 percent ($\pm 0.3\%$) from May 2005.

Inventories/Sales Ratio. The total business inventories/sales ratio based on seasonally adjusted data at the end of May was 1.25. The May 2005 ratio was 1.30.

Total Business Inventories/Sales Ratios: 1997 to 2006

(Data adjusted for seasonal, holiday and trading-day differences but not for price changes)



The Manufacturing and Trade Inventories and Sales Report for June is scheduled to be released August 11, 2006 at 10:00 a.m. EDT.

For information, visit the Census Bureau's Web site at <<http://www.census.gov/bussales>>. This report is also available the day of issue through the Department of Commerce's STAT-USA (202-482-1986).

* The 90 percent confidence interval includes zero. The Census Bureau does not have sufficient statistical evidence to conclude that the actual change is different from zero.

Table 1. Estimated Monthly Sales and Inventories for Manufacturers, Retailers, and Merchant Wholesalers
(In millions of dollars)

	Sales			Inventories ¹			Inventories/Sales Ratios		
	May 2006	Apr. 2006	May 2005	May 2006	Apr. 2006	May 2005	May 2006	Apr. 2006	May 2005
	(p)	(r)	(s)	(p)	(r)	(s)			
Adjusted²									
Total business.....	1,057,442	1,043,191	972,103	1,324,108	1,313,526	1,260,158	1.25	1.26	1.30
Manufacturers ³	403,113	394,480	376,001	462,301	462,308	444,876	1.15	1.17	1.18
Retailers.....	328,782	328,369	305,736	485,999	478,542	466,650	1.48	1.46	1.53
Merchant wholesalers.....	325,547	320,342	290,366	375,808	372,676	348,632	1.15	1.16	1.20
Not Adjusted									
Total business.....	1,097,443	1,013,442	987,457	1,325,109	1,323,380	1,260,278	1.21	1.31	1.28
Manufacturers ³	415,277	382,577	380,690	466,259	465,440	448,310	1.12	1.22	1.18
Retailers.....	343,493	321,775	313,573	486,225	484,876	466,530	1.42	1.51	1.49
Merchant wholesalers.....	338,673	309,090	293,194	372,625	373,064	345,438	1.10	1.21	1.18

See footnotes and notes at the end of Table 3.

(p) Preliminary.

(r) Revised.

(s) Adjusted data were revised due to concurrent seasonal adjustment. No revisions were made to Not Adjusted data.

Table 2. Percent Changes for Sales and Inventories — Manufacturers, Retailers, and Merchant Wholesalers

	Adjusted						Not Adjusted					
	Sales			Inventories			Sales			Inventories		
	May 06/ Apr. 06	Apr. 06/ Mar. 06	May 06/ May 05	May 06/ Apr. 06	Apr. 06/ Mar. 06	May 06/ May 05	May 06/ Apr. 06	Apr. 06/ Mar. 06	May 06/ May 05	May 06/ Apr. 06	Apr. 06/ Mar. 06	May 06/ May 05
Total business.....	1.4	0.6	8.8	0.8	0.7	5.1	8.3	-7.5	11.1	0.1	0.8	5.1
Manufacturers.....	2.2	-0.1	7.2	0.0	1.0	3.9	8.5	-10.0	9.1	0.2	1.8	4.0
Retailers.....	0.1	0.7	7.5	1.6	-0.1	4.1	6.7	-2.7	9.5	0.3	-0.1	4.2
Merchant wholesalers..	1.6	1.5	12.1	0.8	1.3	7.8	9.6	-9.0	15.5	-0.1	0.8	7.9

Table 3. Estimated Monthly Retail Sales, Inventories, and Inventories/Sales Ratios, By Kind of Business
(In millions of dollars)

NAICS Code	Kind of Business	Sales			Inventories ¹			Percent Change In Inventories			Inventories/Sales Ratios		
		May 2006 (p)	Apr. 2006 (r)	May 2005 (s)	May 2006 (p)	Apr. 2006 (r)	May 2005 (s)	May 06/ Apr. 06	Apr. 06/ Mar. 06	May 06/ May 05	May 06	Apr. 06	May 05
	Adjusted ²												
	Retail trade, total.....	328,782	328,369	305,736	485,999	478,542	466,650	1.6	-0.1	4.1	1.48	1.46	1.53
	Total (excl. motor veh. & parts).....	254,013	251,998	231,700	326,034	323,530	313,021	0.8	0.2	4.2	1.28	1.28	1.35
441	Motor vehicle & parts dealers.....	74,769	76,371	74,036	159,965	155,012	153,629	3.2	-0.6	4.1	2.14	2.03	2.08
442,3	Furniture, home furn., elect. & appl. stores.....	18,716	18,653	17,382	31,294	31,218	29,754	0.2	0.4	5.2	1.67	1.67	1.71
444	Building materials, garden equip & supplies.....	30,048	30,206	27,110	47,490	47,432	43,993	0.1	0.4	7.9	1.58	1.57	1.62
445	Food & beverage stores.....	45,131	44,887	42,999	34,169	33,950	33,392	0.6	0.4	2.3	0.76	0.76	0.78
448	Clothing & clothing access. stores.....	17,620	17,555	16,585	44,225	43,753	41,598	1.1	0.8	6.3	2.51	2.49	2.51
452	General merchandise stores.....	45,941	45,813	43,423	72,590	72,065	73,078	0.7	-1.1	-0.7	1.58	1.57	1.68
4521	Dept. str. (excl. leased depts.).....	17,788	17,777	17,823	35,976	36,166	37,607	-0.5	-0.5	-4.3	2.02	2.03	2.11
	Not Adjusted												
	Retail trade, total.....	343,493	321,775	313,573	486,225	484,876	466,530	0.3	-0.1	4.2	1.42	1.51	1.49
	Total (excl. motor veh. & parts).....	260,862	244,543	234,462	319,963	320,139	306,979	-0.1	-0.1	4.2	1.23	1.31	1.31
441	Motor vehicle & parts dealers.....	82,631	77,232	79,111	166,262	164,737	159,551	0.9	-0.1	4.2	2.01	2.13	2.02
442,3	Furniture, home furn., elect. & appl. stores.....	17,850	16,487	16,332	30,637	30,500	29,099	0.4	1.4	5.3	1.72	1.85	1.78
444	Building materials, garden equip & supplies.....	36,370	32,846	31,891	49,105	49,804	45,533	-1.4	0.6	7.8	1.35	1.52	1.43
445	Food & beverage stores.....	46,486	43,968	43,796	33,813	33,465	33,050	1.0	-0.4	2.3	0.73	0.76	0.75
448	Clothing & clothing access. stores.....	17,176	16,930	16,032	42,854	42,878	40,267	-0.1	0.0	6.4	2.49	2.53	2.51
452	General merchandise stores.....	45,308	44,151	42,706	69,838	70,226	70,319	-0.6	-1.5	-0.7	1.54	1.59	1.65
4521	Dept. str. (excl. leased depts.).....	16,968	16,773	16,905	34,249	35,153	35,877	-2.6	-0.6	-4.5	2.02	2.10	2.12

(p) Preliminary.

(r) Revised.

(s) Adjusted data were revised due to concurrent seasonal adjustment. No revisions were made to Not Adjusted data.

¹ Inventories are on a non-LIFO basis as of the end of the month.

² Adjusted for seasonal variations and, in the case of sales, for trading-day differences and holiday variations. Concurrent seasonal adjustment is being used to adjust all sales, shipment and inventory estimates. Concurrent seasonal adjustment uses all available unadjusted estimates as input to the X-12-ARIMA program. The factors derived from the program are applied to the current and previous month estimates and for retail and wholesale estimates a year ago as well. For retail sales, concurrent seasonal adjustment is also used to adjust the advance estimates (published one month before the preliminary estimates) and the estimates one year before the advance month. This explains the revision to retail estimates from a year ago.

³ Manufacturers sales refer to the value of shipments by manufacturers. The shipments data from individual manufacturers are adjusted prior to tabulation for the number of trading days as well as for any variations in the length of the reporting period.

Note: U.S. and group totals include kinds of business not shown. The Manufacturing and Trade Inventory and Sales estimates are based on data from three surveys: the Monthly Retail Trade Survey, the Monthly Wholesale Trade Survey, and the Manufacturers' Shipments, Inventories, and Orders Survey. The sampling variability for retailers and merchant wholesalers can be used to construct a 90 percent confidence interval for the estimates. Over all possible samples, 90 percent of such intervals will cover the true estimate. These intervals are given in parentheses for the estimates on the front page. If, for example, the estimate is up 0.8 percent and the margin of sampling error is ± 1.2 percent, the 90 percent confidence interval is -0.4 percent to +2.0 percent. If the range contains 0, it is uncertain whether there was an increase or decrease. Measures of reliability for Retail and Wholesale sales and inventory levels and changes are included in the detailed monthly press releases for those Industries. Manufacturers do not contribute to estimates of sampling variability because the manufacturer's mail panel is not a probability sample from a known frame and standard errors of the industry estimates cannot be calculated. Estimates from all three surveys are also subject to nonsampling errors, which can arise in any stage of the survey. Such errors include coverage error (failure to accurately represent all population units in the sample) response errors, coding errors, and nonresponse. Although no direct measurement of these errors has been obtained, precautionary steps were taken in all phases of the collection, processing, and tabulation of the data to minimize their influence.