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MONTHLY WHOLESALE TRADE: SALES AND INVENTORIES January 2014

Intention to Revise: Monthly Wholesale sales, inventories, and inventories/sales ratios will be revised based on the results of the 2012 Annual Wholesale Trade Survey. Revised unadjusted and corresponding adjusted estimates are scheduled to be released on our website on March 31, 2014 at 10:00 a.m. EDT.

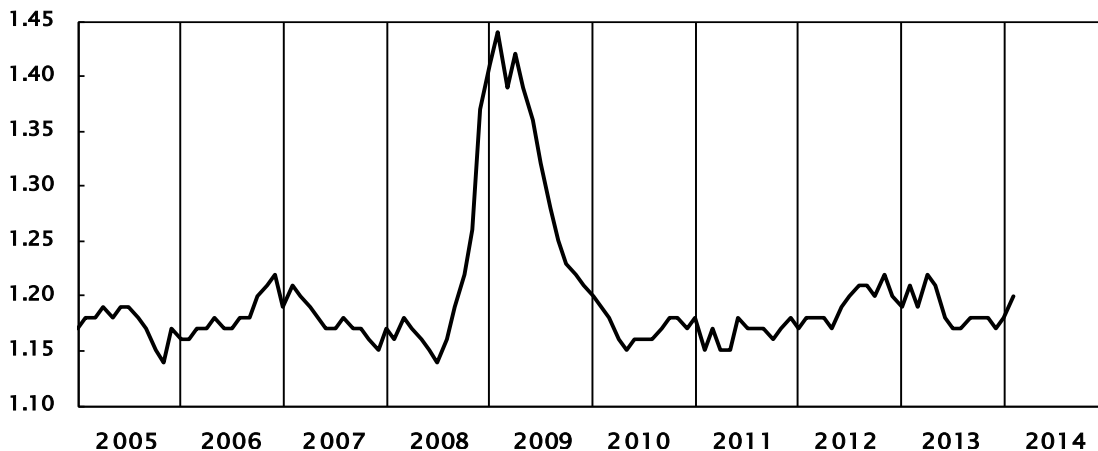
Sales. The U.S. Census Bureau announced today that January 2014 sales of merchant wholesalers, except manufacturers' sales branches and offices, after adjustment for seasonal variations and trading-day differences but not for price changes, were \$432.6 billion, down 1.9 percent (+/-0.5%) from the revised December level, but were up 3.9 percent (+/-1.2%) from the January 2013 level. The December preliminary estimate was revised downward \$1.4 billion or 0.3 percent. January sales of durable goods were down 0.4 percent (+/-0.7%)* from last month, but were up 3.9 percent (+/-1.2%) from a year ago. Sales of nondurable goods were down 3.2 percent (+/-0.5%) from December, but were up 3.9 percent (+/-1.8%) from last January. Sales of petroleum and petroleum products were down 7.5 percent from last month and sales of paper and paper products were down 2.9 percent.

Inventories. Total inventories of merchant wholesalers, except manufacturers' sales branches and offices, after adjustment for seasonal variations but not for price changes, were \$521.2 billion at the end of January, up 0.6 percent (+/-0.4%) from the revised December level and were up 3.6 percent (+/-0.9%) from the January 2013 level. The December preliminary estimate was revised upward \$0.3 billion or 0.1 percent. January inventories of durable goods were up 0.4 percent (+/-0.5%)* from last month and were up 4.9 percent (+/-1.4%) from a year ago. Inventories of motor vehicle and motor vehicle parts and supplies were up 2.2 percent from last month, while inventories of electrical and electronic goods were down 2.4 percent. Inventories of nondurable goods were up 0.8 percent (+/-0.5%) from December and were up 1.8 percent (+/-0.9%) from last January. Inventories of paper and paper products were up 2.8 percent from last month and inventories of drugs and druggists' sundries were up 2.7 percent.

Inventories/Sales Ratio. The January inventories/sales ratio for merchant wholesalers, except manufacturers' sales branches and offices, based on seasonally adjusted data, was 1.20. The January 2013 ratio was 1.21.

Data in this report are based on a sample and, therefore, are subject to sampling and nonsampling error. A discussion of the reliability of the estimates and general survey methodology can be found at: <http://www.census.gov/wholesale/www/how_surveys_are_collected/monthly_methodology.html>.

**Monthly Inventories/Sales Ratios of Merchant Wholesalers, Except Manufacturers'
Sales Branches and Offices: 2005 to 2014**
(Estimates adjusted for seasonal and trading-day differences, but not for price changes)



Monthly Wholesale Trade for February is scheduled to be released April 9, 2014 at 10:00 a.m. EDT.

For customized wholesale time series estimates by industry, visit the Census Bureau's web site at <<http://www.census.gov/timeseries>>.

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.

For additional survey information, visit <<http://www.census.gov/wholesale>>.

* 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 2. Estimated Measures of Sampling Variability of Monthly Wholesale Sales and Inventory Estimates

[Estimates are shown as percents and are based on data from the Monthly Wholesale Trade Survey.]

NAICS code	Kind of Business	Coefficient of variation for monthly total				Standard error for monthly total				Coefficient of variation for total		Standard error for percent change
		Preliminary estimates		Final estimates		Ratio of two consecutive months		Current month to current month last year		Sales to date		Current year sales to date to previous year sales to date
		Sales	Inv.	Sales	Inv.	Sales	Inv.	Sales	Inv.	Current year	Previous year	
42	U.S. Total	1.0	1.7	1.0	1.7	0.3	0.2	0.7	0.5	1.0	1.0	0.7
423	.Durable	1.1	1.8	1.2	1.7	0.4	0.3	0.7	0.8	1.1	1.2	0.7
4231	..Automotive	2.2	4.3	2.4	4.0	0.8	0.7	1.7	1.7	2.2	2.1	1.7
4232	..Furniture	6.2	5.6	5.2	5.4	3.0	0.7	4.6	1.3	6.2	4.0	4.6
4233	..Lumber	3.9	5.5	3.8	5.4	1.2	0.5	1.7	2.0	3.9	3.3	1.7
4234	..Prof. equip.	2.8	4.3	3.2	4.2	0.9	0.7	1.5	2.1	2.8	2.5	1.5
42343	...Comp. equip.	2.3	4.3	3.0	3.8	1.3	0.8	1.6	2.1	2.3	1.7	1.6
4235	..Metals	5.1	9.3	5.0	9.2	1.1	0.6	2.4	2.0	5.1	3.8	2.4
4236	..Electrical	2.4	3.3	2.4	3.2	1.0	0.4	1.4	1.4	2.4	2.6	1.4
4237	..Hardware	2.8	4.8	2.8	4.8	1.3	0.4	2.1	2.6	2.8	2.3	2.1
4238	..Machinery	3.6	3.4	3.6	3.4	1.8	0.6	3.2	1.9	3.6	3.8	3.2
4239	..Misc. Durable	4.0	5.2	4.4	5.5	1.4	0.6	2.2	1.9	4.0	3.5	2.2
424	.Nondurable	1.8	2.2	1.7	2.1	0.3	0.3	1.0	0.5	1.8	1.5	1.0
4241	..Paper	4.5	6.2	4.3	6.1	1.1	0.5	2.3	1.6	4.5	3.0	2.3
4242	..Drugs	3.7	3.5	2.5	3.9	1.3	0.4	1.3	1.3	3.7	2.6	1.3
4243	..Apparel	5.2	4.8	6.2	5.0	2.4	0.7	4.0	1.9	5.2	6.4	4.0
4244	..Groceries	3.9	6.5	3.8	6.4	0.9	0.5	2.5	2.6	3.9	3.7	2.5
4245	..Farm products	1.9	3.9	1.6	3.7	1.6	0.9	2.1	1.6	1.9	3.1	2.1
4246	..Chemicals	4.3	4.8	4.6	5.0	1.2	1.3	2.1	2.1	4.3	4.2	2.1
4247	..Petroleum	4.5	3.3	3.9	3.3	0.5	0.7	2.6	1.2	4.5	2.9	2.6
4248	..Alcohol	4.0	4.5	3.6	4.4	0.9	0.7	1.2	1.5	4.0	3.9	1.2
4249	..Misc. Nondur.	4.4	6.5	4.6	6.2	1.2	0.8	1.9	2.0	4.4	4.2	1.9

Note:

Estimated measures of sampling variability are based on estimates not adjusted for seasonal variation, trading-day differences, or moving holidays. Additional information on confidentiality protection, sampling error, nonsampling error, sample design, and definitions may be found at http://www.census.gov/wholesale/www/how_surveys_are_collected/monthly_methodology.html.

Reliability of the Estimates

Because the estimates presented in this report are based on a sample survey, they contain sampling error and nonsampling error.

Sampling error is the difference between the estimate and the result that would be obtained from a complete enumeration of the sampling frame conducted under the same survey conditions. This error occurs because only a subset of the entire sampling frame is measured in a sample survey. Standard errors and coefficients of variation (CV), as given in Table 2 of this report, are estimated measures of sampling variation.

The margin of sampling error, as used on page 1, gives a range about the estimate, which can be used to construct a 90-percent confidence interval. If, for example, the percent change estimate is +1.2 percent and its estimated standard error is 0.8 percent, then the margin of sampling error is $\pm 1.753 \times 0.8$ percent or ± 1.4 percent, and the 90 percent confidence interval is 1.2 ± 1.4 or -0.2 percent to 2.6 percent. If the interval contains 0, then one does not have sufficient statistical evidence to conclude at the 90 percent confidence level that the actual change is different from zero. Estimated changes shown in the text are statistically significant unless otherwise noted. For a monthly total, the estimated coefficient of variation is given. The resulting confidence interval is the estimated monthly total $\pm 1.753 \times CV \times$ (the estimated monthly total). The Census Bureau recommends that individuals using estimates in this report incorporate this information into their analyses, as sampling error could affect the conclusions drawn from the estimates.

Nonsampling error encompasses all other factors that contribute to the total error of a sample survey estimate. This type of error can occur because of nonresponse, insufficient coverage of the universe of wholesale businesses, mistakes in the recording and coding of data, model error, and other errors of collection, response, coverage, or processing. Although nonsampling error is not measured directly, the Census Bureau employs quality control procedures throughout the process to minimize this type of error.

Table 3. Combined¹ Adjustment Factors for Monthly Wholesale Sales and Inventory Estimates

Combined adjustment factors are computed using the Census Bureau's X-13 ARIMA-SEATS program and are based on data from the Monthly Wholesale Trade Survey.]

NAICS code	Kind of Business	Sales						Inventories					
		2014		2013				2014		2013			
		Feb.	Jan.r	Dec.r	Nov.	Oct.	Jan.r	Feb.	Jan.r	Dec.r	Nov.	Oct.	Jan.r
42	U.S. Total²	0.903	0.962	0.999	0.973	1.062	0.964	1.014	1.014	1.006	1.010	1.012	1.013
423	.Durable	0.885	0.946	1.006	0.964	1.080	0.950	1.000	0.995	0.986	1.000	1.011	0.994
4231	..Automotive	0.923	0.937	1.033	0.978	1.064	0.937	1.027	1.008	0.999	1.042	1.019	1.009
4232	..Furniture	0.883	0.956	0.939	0.989	1.124	0.966	0.984	0.995	0.990	1.001	1.019	0.995
4233	..Lumber	0.828	0.865	0.809	0.896	1.110	0.860	1.028	0.979	0.931	0.927	0.942	0.975
4234	..Prof. equip.	0.853	0.931	1.103	0.965	1.072	0.936	0.994	1.005	0.984	1.009	1.027	1.004
42343	...Comp. equip.	0.826	0.920	1.134	0.976	1.091	0.926	0.970	0.997	0.975	1.016	1.057	0.997
4235	..Metals	0.934	1.027	0.891	0.909	1.052	1.033	0.998	0.998	1.002	0.980	0.986	0.996
4236	..Electrical	0.880	0.947	0.979	1.042	1.112	0.950	0.983	0.991	0.997	0.999	1.030	0.990
4237	..Hardware	0.871	0.937	0.895	0.915	1.067	0.946	1.000	0.983	0.983	0.982	0.991	0.984
4238	..Machinery	0.887	0.943	1.058	0.887	1.050	0.941	0.998	0.989	0.981	0.998	1.004	0.987
4239	..Misc. Durable	0.910	0.994	0.986	1.033	1.110	1.001	0.991	1.007	0.970	0.994	1.033	1.006
424	.Nondurable	0.918	0.983	0.988	0.975	1.046	0.988	1.035	1.047	1.040	1.025	1.012	1.045
4241	..Paper ³	0.906	0.988	0.979	0.962	1.101	0.988	1.000	1.000	1.000	1.000	1.000	1.000
4242	..Drugs	0.916	1.046	1.018	0.974	1.076	1.047	0.962	0.998	1.068	1.008	1.000	0.991
4243	..Apparel	0.965	0.929	0.856	1.012	1.182	0.940	0.991	1.019	0.975	0.961	1.002	1.018
4244	..Groceries	0.919	0.979	0.988	0.969	1.021	0.981	0.988	1.000	1.013	1.030	1.026	1.000
4245	..Farm products	0.947	1.093	1.106	1.109	1.160	1.115	1.197	1.262	1.231	1.226	1.135	1.259
4246	..Chemicals ³	0.923	1.045	0.898	0.927	1.036	1.047	1.000	1.000	1.000	1.000	1.000	1.000
4247	..Petroleum	0.911	1.004	1.001	0.961	0.998	0.998	1.038	1.010	1.020	0.952	0.951	1.011
4248	..Alcohol	0.831	0.792	1.157	1.013	1.060	0.792	0.973	0.971	0.925	1.028	1.031	0.971
4249	..Misc. Nondur.	0.877	0.866	0.876	0.889	1.001	0.880	1.129	1.069	0.991	0.961	0.942	1.064

Footnotes:

¹ Revised factors.

¹ Combined factors for sales include the effects of seasonal variation, trading day differences, and moving holidays. Combined factors for inventories include only the effects of seasonal variation.

² Adjusted sales and inventories estimates for detailed kind-of-business levels in Table 1 are computed by dividing each "Not Adjusted" estimate by the combined adjustment factor for the corresponding kind of business and month. Adjusted estimates for broad kind-of-business levels are obtained by summing adjusted estimates at the appropriate detailed levels. Combined factors shown for broad kind-of-business levels may be used to approximate adjusted estimates at these levels, but the resulting estimates may differ slightly from the published estimates.

³ No discernible seasonal pattern for this NAICS code was detected in the latest annual review of the seasonal adjustment for inventories. Therefore, the combined adjustment factors for inventories are set to one for this NAICS code.

Note:

The seasonal adjustment factors shown are estimates derived from a model that uses sample survey data as input. Therefore, these estimates may contain sampling error and nonsampling error. Additional information on the general form of the model and the X-13 ARIMA-SEATS program may be found at <http://www.census.gov/srd/www/x13as/>.

Description of the Survey

The Census Bureau conducts the Monthly Wholesale Trade Survey (MWTS) to provide national estimates of monthly sales, end-of-month inventories, and inventories-to-sales ratios by kind of business for wholesale firms located in the United States. Specifically, the MWTS covers wholesale merchants who sell goods on their own account and include such businesses as wholesale merchants or jobbers, industrial distributors, exporters, and importers. Sales offices and branches maintained by manufacturing, refining, or mining firms for the purpose of marketing their products are not covered in this report. Also excluded is NAICS Industry Group 4251: Wholesale Electronic Markets and Agents and Brokers.

The MWTS sample was selected using a stratified, one-stage design with strata defined by kind of business (e.g., Automotive, Furniture, Lumber, etc.) and annual sales size. The sample includes firms of all sizes and is updated on a quarterly basis to account for new wholesale firms, deaths, and other changes to the wholesale universe. Each month, questionnaires are mailed to employer firms selected in a probability sample of approximately 4,200. Approximately 70% of those mailed provided data for this reporting period. Data for nonresponding firms are imputed based on data for similar-sized firms classified in the same kind of business. Approximately 30% of the total sales estimate and 33% of the total end-of-month inventories estimate is based on imputed data.

Monthly sales and inventories estimates are obtained by summing weighted data (either reported or imputed). The monthly estimates are benchmarked to annual survey estimates and are adjusted for seasonal variation and trading-day differences. Individuals who use estimates in this report to create new estimates should cite the Census Bureau as the source of only the original estimates. Additional information on the MWTS can be found on the Census Bureau website at: <http://www.census.gov/wholesale>.