




MONTHLY ADVANCE ECONOMIC INDICATORS REPORT, JULY 2016

Release Number: CB16-144

August 26, 2016 — The U.S. Census Bureau announced the following international trade, wholesale inventories, and retail inventories advance statistics for July 2016:

	 ADVANCE INTERNATIONAL TRADE: GOODS DEFICIT	 ADVANCE WHOLESALE INVENTORIES	 ADVANCE RETAIL INVENTORIES
JULY 2016	\$59.3 Billion -8.1%^o	\$590.2 Billion 0.0%*	\$600.6 Billion -0.4%
JUNE 2016	\$64.5 Billion	\$590.3 Billion (R)	\$602.9 Billion (R)
Next Advance Indicator Release: September 29, 2016. <small>Source: U.S. Census Bureau; U.S. International Trade in Goods; Monthly Wholesale Trade Survey; Monthly Retail Trade Survey. All data adjusted for seasonality but not for price changes. * The 90 percent confidence interval includes zero. ^o Statistical significance is not applicable or not measurable.</small>			

Advance International Trade in Goods

The international trade deficit was \$59.3 billion in July, down \$5.2 billion from \$64.5 billion in June. Exports of goods for July were \$122.8 billion, \$2.9 billion more than June exports. Imports of goods for July were \$182.1 billion, \$2.4 billion less than June imports.

Advance Wholesale Inventories

Wholesale inventories for July, adjusted for seasonal variations but not for price changes, were estimated at an end-of-month level of \$590.2 billion, virtually unchanged (± 0.2 percent)* from June 2016, and were up 0.3 percent (± 1.8 percent)* from July 2015. The May 2016 to June 2016 percentage change was revised from up 0.3 percent (± 0.2 %) to up 0.2 percent (± 0.2 %)*.

Advance Retail Inventories

Retail inventories for July, adjusted for seasonal variations but not for price changes, were estimated at an end-of-month level of \$600.6 billion, a decrease of 0.4 percent (± 0.2 percent) from June 2016, and were up 4.2 percent (± 0.7 percent) from July 2015. The May 2016 to June 2016 percentage change was revised from up 0.5 percent (± 0.2 percent) to up 0.3 percent (± 0.2 percent).

Next release: September 29, 2016. View the full schedule in the Economic Briefing Room:

www.census.gov/economic-indicators/.

EXPLANATORY NOTES**International Trade in Goods****Goods (Census Basis)**

Data for goods on a Census basis are compiled from the documents collected by the U.S. Customs and Border Protection and reflect the movement of goods between foreign countries and the 50 states, the

Data Inquiries

International Trade Indicator Branch: 301-763-2311 eid.international.trade.data@census.gov

Retail Indicator Branch: 301-763-2713 eid.retail.indicator.branch@census.gov

Wholesale Indicator Branch: 301-763-6856 eid.wholesale.indicator.branch@census.gov

Media Inquiries

Public Information Office

301-763-3030

pio@census.gov

District of Columbia, Puerto Rico, the U.S. Virgin Islands, and U.S. Foreign Trade Zones. They include government and non-government shipments of goods and exclude shipments between the United States and its territories and possessions; transactions with U.S. military, diplomatic, and consular installations abroad; U.S. goods returned to the United States by its Armed Forces; personal and household effects of travelers; and in-transit shipments. Data for U.S. exports to Canada are derived from import data compiled by Canada. For more information on the data exchange and substitution please refer to the FT-900. The General Imports value reflects the total arrival of merchandise from foreign countries that immediately enters consumption channels, warehouses, or Foreign Trade Zones.

For imports, the value reported is the U.S. Customs and Border Protection appraised value of merchandise—generally, the price paid for merchandise for export to the United States. Import duties, freight, insurance, and other charges incurred in bringing merchandise to the United States are excluded.

Exports are valued at the f.a.s. (free alongside ship) value of merchandise at the U.S. port of export, based on the transaction price including inland freight, insurance, and other charges incurred in placing the merchandise alongside the carrier at the U.S. port of exportation.

Additional information on coverage and valuation are available in the Guide to Foreign Trade Statistics, <www.census.gov/foreign-trade/guide/sec2.html#coverage> and <www.census.gov/foreign-trade/guide/sec2.html#valuation>, respectively.

Non Sampling Errors

Goods data are a complete enumeration of documents collected by the U.S. Customs and Border Protection and are not subject to sampling errors. This report presents current month statistics which reflect nearly complete coverage. Current month statistics reflecting complete coverage will be published in the upcoming U.S. International Trade in Goods and Services report (FT-900). Statistics for other months shown reflect complete coverage and appear in the most recently published FT-900. Quality assurance procedures are performed at every stage of collection, processing, and tabulation. However, the data are still subject to several types of nonsampling errors. Information on nonsampling errors and other quality issues are available in the Guide to Foreign Trade Statistics, <www.census.gov/foreign-trade/guide/sec2.html>.

The U.S. Census Bureau recommends that data users incorporate this information into their analyses, as nonsampling errors could impact the conclusion drawn from the results. For a detailed discussion of errors affecting the goods data, see “U.S. Merchandise Trade Statistics: A Quality Profile,” available at <www.census.gov/foreign-trade/aip/quality_profile10032014.pdf> or from the Economic Indicators Division, U.S. Census Bureau.

Adjustments for Seasonal and Trading-Day Variations

Goods data are presented on a seasonally adjusted and not seasonally adjusted basis. Seasonally adjusted (and/or trading day adjusted data) are produced using X-13ARIMA-SEATS software to develop monthly

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adjustment factors. Goods data are initially classified under the Harmonized Commodity Description and Coding System (Harmonized System), which is an internationally accepted standard for the commodity classification of traded goods. Combining trade into approximately 140 export and 140 import end-use categories makes it possible to examine goods according to their principal uses. These categories are used as the basis for computing the seasonal and trading-day adjusted data. These adjusted data are then summed to the six end-use aggregates for publication.

For more information, visit the seasonal adjustment section of the Guide to Foreign Trade here:

<www.census.gov/foreign-trade/guide/sec2.html#seasonal>

Retail and Wholesale Inventories

National estimates of end-of-month inventories are based on data from the Monthly Retail Trade Survey (MRTS) and the Monthly Wholesale Trade Survey (MWTS). Additional information for each survey can be found at <www.census.gov/retail> and <www.census.gov/wholesale>. The advance estimates contained in this report are not incorporated into the full MWTS and MRTS time series.

The MRTS and MWTS samples consist of a stratified simple random sampling method of approximately 10,000 retail firms and 4,200 wholesale firms located in the United States. The retail and wholesale samples include firms of all sizes and are updated on a quarterly basis to account for new retail and wholesale firms, deaths, and other changes to the universe.

Data for nonresponding firms are imputed based on data for similar-sized firms classified in the same kind of business. For surveyed Wholesale companies, approximately 57.0 percent provided data for this reporting period resulting in a total quantity response rate of 55.7 percent. For surveyed Retail companies, approximately 48.7 percent provided data for this reporting period resulting in a total quantity response rate of 59.5 percent.

MRTS estimates cover companies with one or more establishments that sell merchandise and related services to final consumers. Nonemployers are represented in the retail estimates through benchmarking to prior annual survey estimates that include nonemployer sales based on administrative records.

MWTS estimates cover 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.

Reliability of Estimates

Because the retail and wholesale estimates are based on a sample survey, they contain sampling error and nonsampling error.

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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) are estimated measures of sampling variation.

The margin of sampling error gives a range about the estimate which is a 90 percent confidence interval. If, for example, the percentage change estimate is +1.2 percent and its estimated standard error is 0.9 percent, then the margin of sampling error is $\pm 1.753 \times 0.9$ percent or ± 1.6 percent, and the 90 percent confidence interval is -0.4 percent to +2.8 percent. If the interval contains 0, then one does not have sufficient evidence to conclude at the 90 percent confidence level that the change is different from zero and therefore the change is not statistically significant. Estimated changes are statistically significant unless otherwise noted. For a monthly total, the estimated coefficient of variation is given. The resulting confidence interval is the estimated value $\pm 1.753 \times CV \times$ (the estimated monthly total).

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 businesses, mistakes in the recording and coding of data, 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.

The U.S. Census Bureau recommends that individuals using retail and wholesale estimates incorporate this information into their analyses, as sampling error and nonsampling error could affect the conclusions drawn from the estimates.

Adjustments for Seasonal Variations

Concurrent seasonal adjustment is used to adjust the retail and wholesale inventories estimates for seasonal variations. Concurrent seasonal adjustment uses all available unadjusted estimates as input to the X-13ARIMA-SEATS program. The factors derived from the program are applied to the retail and wholesale estimates of current and previous month inventories and for inventories estimates a year ago as well.

Data Availability

The Advance Economic Indicators Report is available at www.census.gov/econ/indicators/index.html. For archived versions of the Advance Economic Indicators Report please visit the Historical Data tab at the following: census.gov/econ/indicators/historical_data.html.

America's Economy Mobile App

The America's Economy app provides real-time updates for 19 key economic indicators released from the U.S. Census Bureau, Bureau of Labor Statistics, and Bureau of Economic Analysis.

www.census.gov/mobile/economy/

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API

The Census Bureau's application programming interface (API) lets developers create custom apps to reach new users and makes key demographic, socio-economic and housing statistics more accessible than ever before.

www.census.gov/developers/

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* The 90 percent confidence interval includes zero. In such cases, there is insufficient statistical evidence to conclude that the actual change is different from zero.

° Statistical significance is not applicable or not measurable for this survey.

(R) Revised from the last published Monthly Retail Trade Report and Monthly Wholesale Trade: Sales and Inventories Report

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Table 1. U.S. International Trade in Goods by Principal End-Use Category (1)

In millions of dollars. Details may not equal totals due to seasonal adjustment and rounding. (X) - Not applicable

	Goods - Census Basis (2)						
	Monthly				Percent change		
	July 2016 (a)	June 2016	May 2016	July 2015	July 2016/ June 2016	June 2016/ May 2016	July 2016/ July 2015
Seasonally Adjusted							
Balance	-59,323	-64,538	-61,024	-60,027	(X)	(X)	(X)
Exports	122,757	119,906	119,193	126,967	2.4	0.6	-3.3
Foods, Feeds, & Beverages	14,391	10,960	10,373	10,935	31.3	5.7	31.6
Industrial Supplies (3)	32,597	32,443	32,535	36,914	0.5	-0.3	-11.7
Capital Goods	42,618	43,034	42,696	44,238	-1.0	0.8	-3.7
Automotive Vehicles, etc.	12,315	12,172	12,605	13,081	1.2	-3.4	-5.9
Consumer Goods	15,976	15,995	15,567	16,313	-0.1	2.7	-2.1
Other Goods	4,859	5,301	5,418	5,486	-8.3	-2.2	-11.4
Imports	182,080	184,444	180,218	186,993	-1.3	2.3	-2.6
Foods, Feeds, & Beverages	10,618	10,464	10,800	10,550	1.5	-3.1	0.6
Industrial Supplies (3)	38,291	38,466	36,170	42,146	-0.5	6.3	-9.1
Capital Goods	49,144	49,725	48,699	49,744	-1.2	2.1	-1.2
Automotive Vehicles, etc.	28,356	28,460	29,001	29,824	-0.4	-1.9	-4.9
Consumer Goods	48,136	49,808	47,942	47,537	-3.4	3.9	1.3
Other Goods	7,535	7,520	7,606	7,191	0.2	-1.1	4.8
Not Seasonally Adjusted							
Balance	-66,222	-63,827	-63,921	-69,418	(X)	(X)	(X)
Exports	115,298	125,024	119,663	124,188	-7.8	4.5	-7.2
Foods, Feeds, & Beverages	10,269	9,602	9,368	9,412	6.9	2.5	9.1
Industrial Supplies (3)	32,331	33,123	33,404	37,723	-2.4	-0.8	-14.3
Capital Goods	41,942	45,412	42,479	44,179	-7.6	6.9	-5.1
Automotive Vehicles, etc.	10,828	13,031	13,558	11,741	-16.9	-3.9	-7.8
Consumer Goods	15,079	18,546	15,431	15,656	-18.7	20.2	-3.7
Other Goods	4,849	5,310	5,423	5,477	-8.7	-2.1	-11.5
Imports	181,520	188,851	183,583	193,606	-3.9	2.9	-6.2
Foods, Feeds, & Beverages	10,220	10,758	11,299	10,520	-5.0	-4.8	-2.9
Industrial Supplies (3)	39,255	39,794	37,769	44,626	-1.4	5.4	-12.0
Capital Goods	49,110	52,137	49,536	51,506	-5.8	5.3	-4.7
Automotive Vehicles, etc.	26,961	29,258	29,222	29,250	-7.9	0.1	-7.8
Consumer Goods	48,724	49,136	48,301	50,442	-0.8	1.7	-3.4
Other Goods	7,250	7,768	7,455	7,261	-6.7	4.2	-0.2

(a) Advance statistics

(1) For a listing of the detail included in each end-use category, see www.census.gov/foreign-trade/reference/codes/enduse/exeumstr.txt.

(2) Data are presented on a Census basis. The information needed to convert to a balance of payment basis is not available.

(3) Includes petroleum and petroleum products.

NOTES:

* Current month statistics reflect nearly complete coverage; current month statistics reflecting complete coverage will be published in the upcoming U.S. International Trade in Goods and Services report (FT-900). Statistics for other months shown reflect complete coverage and appear in the most recently published FT-900.

* For information on data sources, nonsampling errors, and definitions, see the explanatory notes in this release or at www.census.gov/econ/indicators/advance_report.pdf.

Table 2. Levels and Percent Changes for Inventories

Inventories estimates are shown in millions of dollars. Estimates are based on data from the Monthly Wholesale Trade Survey and the Monthly Retail Trade Survey.

	Inventories					
	Monthly			Percent change		
	July 2016 (a)	June 2016 (r)	July 2015 (r)	July 2016/ June 2016	June 2016/ May 2016	July 2016/ July 2015
Adjusted¹						
Merchant wholesale ² trade, total	590,159	590,286	588,483	0.0	0.2	0.3
Durable goods	355,684	354,499	362,673	0.3	-0.3	-1.9
Nondurable goods	234,475	235,787	225,810	-0.6	0.9	3.8
Retail trade, total	600,551	602,859	576,122	-0.4	0.3	4.2
Total (excl. motor veh. & parts)	391,345	393,130	383,782	-0.5	0.1	2.0
Motor vehicle & parts dealers	209,206	209,729	192,340	-0.2	0.8	8.8
Not Adjusted						
Merchant wholesale ² trade, total	583,822	583,807	582,894	0.0	-0.2	0.2
Durable goods	358,186	354,528	365,251	1.0	-0.4	-1.9
Nondurable goods	225,636	229,279	217,643	-1.6	0.2	3.7
Retail trade, total	585,441	594,828	561,865	-1.6	0.2	4.2
Total (excl. motor veh. & parts)	382,805	384,545	375,697	-0.5	-0.1	1.9
Motor vehicle & parts dealers	202,636	210,283	186,168	-3.6	0.7	8.8

(a) Advance estimate

(r) Revised estimate

See footnotes and notes at the end of Table 3.

Table 3. Estimated Measures of Sampling Variability

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

	Inventories					
	Monthly			Standard Error of		
	Coefficient of Variation			Percent Change		
	July 2016 (a)	June 2016 (r)	July 2015 (r)	July 2016/ June 2016	June 2016/ May 2016	July 2016/ July 2015
Merchant wholesale ² trade, total	1.6	1.6	1.5	0.1	0.1	1.0
Durable goods	1.8	1.7	2.0	0.1	0.1	1.0
Nondurable goods	2.3	2.4	1.5	0.3	0.3	1.6
Retail trade, total	0.8	0.8	0.7	0.1	0.1	0.4
Total (excl. motor veh. & parts)	0.7	0.7	0.6	0.0	0.1	0.3
Motor vehicle & parts dealers	1.5	1.5	1.3	0.2	0.2	1.1

(a) Advance estimate

(r) Revised estimate

(1) Estimates are concurrently adjusted for seasonal variation, but not for price changes. Concurrent seasonal adjustment uses all available not adjusted estimates as input to the X-13ARIMA-SEATS program. The factors derived from the program are used in calculating all seasonally adjusted estimates shown in this table.

(2) The 2007 North American Industry Classification System (NAICS) defines merchant wholesalers as including manufacturers' sales branches and offices. However, the estimates included in this release exclude manufacturers' sales branches and offices. Note that this is not a change in coverage from prior releases and is consistent with the description used in the Monthly Wholesale Trade Survey data products.

NOTES:

Estimated measures of sampling variability are based on estimates not adjusted for seasonal variation. 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 for wholesale and at http://www.census.gov/retail/mrts/how_surveys_are_collected.html for retail.