




MONTHLY ADVANCE ECONOMIC INDICATORS REPORT, SEPTEMBER 2016

Release Number: CB16-181

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

	 ADVANCE INTERNATIONAL TRADE: GOODS DEFICIT	 ADVANCE WHOLESALE INVENTORIES	 ADVANCE RETAIL INVENTORIES
SEPTEMBER 2016	\$56.1 Billion -5.2%[°]	\$590.7 Billion +0.2%*	\$607.6 Billion +0.3%
AUGUST 2016	\$59.1 Billion	\$589.5 Billion (R)	\$605.8 Billion (R)
Next release: November 25, 2016.			
<small>* The 90 percent confidence interval includes zero. ° Statistical significance is not applicable or not measurable. All data adjusted for seasonality but not price changes. Source: U.S. Census Bureau; U.S. International Trade in Goods; Monthly Wholesale Trade Survey; Monthly Retail Trade Survey.</small>			

Advance International Trade in Goods

The international trade deficit was \$56.1 billion in September, down \$3.1 billion from \$59.1 billion in August. Exports of goods for September were \$125.6 billion, \$1.1 billion more than August exports. Imports of goods for September were \$181.7 billion, \$2.0 billion less than August imports.

Advance Wholesale Inventories

Wholesale inventories for September, adjusted for seasonal variations but not for price changes, were estimated at an end-of-month level of \$590.7 billion, up 0.2 percent (± 0.4 percent)* from August 2016, and virtually unchanged (± 1.9 percent)* from September 2015. The July 2016 to August 2016 percentage change was revised from down 0.2 percent (± 0.4 percent)* to down 0.1 percent (± 0.4 percent)*.

Advance Retail Inventories

Retail inventories for September, adjusted for seasonal variations but not for price changes, were estimated at an end-of-month level of \$607.6 billion, up 0.3 percent (± 0.2 percent) from August 2016, and were up 4.0 percent (± 0.5 percent) from September 2015. The July 2016 to August 2016 percentage change was unrevised at up 0.6 percent (± 0.2 percent).

The October 2016 Advance report is scheduled for release on November 25, 2016. View the full schedule in the Economic Briefing Room: <www.census.gov/economic-indicators/>.

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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 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 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 (October 2014), available

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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 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 and the Monthly Wholesale Trade Survey. 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 MRTS and MWTS 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 Retail companies, approximately 45.4 percent provided data for this reporting period resulting in a total quantity response rate of 48.7 percent. For surveyed Wholesale companies, approximately 54.0 percent provided data for this reporting period resulting in a total quantity response rate of 51.8 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

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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.

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 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: www.census.gov/econ/indicators/historical_data.html.

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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/

API

The Census Bureau's application programming interface 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		
	September 2016 (a)	August 2016	July 2016	September 2015	September 2016/ August 2016	August 2016/ July 2016	September 2016/ September 2015
Seasonally Adjusted							
Balance	-56,083	-59,149	-58,755	-60,680	(X)	(X)	(X)
Exports	125,647	124,565	123,778	124,952	0.9	0.6	0.6
Foods, Feeds, & Beverages	12,503	14,333	14,672	10,482	-12.8	-2.3	19.3
Industrial Supplies (3)	35,054	34,281	32,911	34,674	2.3	4.2	1.1
Capital Goods	43,718	42,101	42,807	45,137	3.8	-1.6	-3.1
Automotive Vehicles, etc.	12,451	12,908	12,522	12,764	-3.5	3.1	-2.4
Consumer Goods	16,798	16,085	15,981	16,881	4.4	0.7	-0.5
Other Goods	5,123	4,857	4,885	5,014	5.5	-0.6	2.2
Imports	181,730	183,714	182,534	185,632	-1.1	0.6	-2.1
Foods, Feeds, & Beverages	10,888	10,922	10,669	10,712	-0.3	2.4	1.6
Industrial Supplies (3)	37,490	38,046	38,884	38,183	-1.5	-2.2	-1.8
Capital Goods	48,346	50,167	49,007	49,315	-3.6	2.4	-2.0
Automotive Vehicles, etc.	29,829	28,609	28,365	28,984	4.3	0.9	2.9
Consumer Goods	47,160	48,021	48,310	51,043	-1.8	-0.6	-7.6
Other Goods	8,017	7,950	7,299	7,395	0.8	8.9	8.4
Not Seasonally Adjusted							
Balance	-60,925	-71,306	-65,767	-66,653	(X)	(X)	(X)
Exports	124,719	122,765	116,218	124,827	1.6	5.6	-0.1
Foods, Feeds, & Beverages	10,942	11,086	10,474	9,770	-1.3	5.8	12.0
Industrial Supplies (3)	34,673	35,368	32,657	34,162	-2.0	8.3	1.5
Capital Goods	43,970	42,436	42,124	45,379	3.6	0.7	-3.1
Automotive Vehicles, etc.	12,962	13,603	11,002	13,260	-4.7	23.6	-2.2
Consumer Goods	17,082	15,404	15,085	17,269	10.9	2.1	-1.1
Other Goods	5,090	4,868	4,875	4,987	4.6	-0.2	2.1
Imports	185,643	194,071	181,985	191,480	-4.3	6.6	-3.0
Foods, Feeds, & Beverages	10,240	10,900	10,271	10,189	-6.1	6.1	0.5
Industrial Supplies (3)	37,452	40,552	39,852	38,574	-7.6	1.8	-2.9
Capital Goods	48,761	52,120	48,977	49,907	-6.4	6.4	-2.3
Automotive Vehicles, etc.	29,135	30,092	26,971	28,476	-3.2	11.6	2.3
Consumer Goods	51,713	52,565	48,890	56,598	-1.6	7.5	-8.6
Other Goods	8,342	7,842	7,023	7,735	6.4	11.7	7.8

(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		
	September 2016 (a)	August 2016 (r)	September 2015 (r)	September 2016/ August 2016	August 2016/ July 2016	September 2016/ September 2015
Adjusted¹						
Merchant wholesale ² trade, total	590,691	589,459	590,728	0.2	-0.1	0.0
Durable goods	355,134	356,084	361,640	-0.3	0.0	-1.8
Nondurable goods	235,557	233,375	229,088	0.9	-0.4	2.8
Retail trade, total	607,647	605,831	584,042	0.3	0.6	4.0
Total (excl. motor veh. & parts)	393,592	393,171	387,574	0.1	0.3	1.6
Motor vehicle & parts dealers	214,055	212,660	196,468	0.7	1.3	9.0
Not Adjusted						
Merchant wholesale ² trade, total	586,760	578,941	586,758	1.4	-1.1	0.0
Durable goods	356,112	357,055	362,787	-0.3	-0.4	-1.8
Nondurable goods	230,648	221,886	223,971	3.9	-2.1	3.0
Retail trade, total	609,179	591,338	586,222	3.0	0.8	3.9
Total (excl. motor veh. & parts)	402,451	388,593	396,595	3.6	1.3	1.5
Motor vehicle & parts dealers	206,728	202,745	189,627	2.0	-0.1	9.0

(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		
	September 2016 (a)	August 2016 (r)	September 2015 (r)	September 2016/ August 2016	August 2016/ July 2016	September 2016/ September 2015
Merchant wholesale ² trade, total	1.5	1.6	1.5	0.2	0.2	1.1
Durable goods	1.7	1.7	1.9	0.2	0.2	0.9
Nondurable goods	2.3	2.4	1.6	0.3	0.3	2.0
Retail trade, total	0.8	0.8	0.7	0.1	0.1	0.3
Total (excl. motor veh. & parts)	0.6	0.7	0.6	0.0	0.1	0.3
Motor vehicle & parts dealers	1.5	1.5	1.4	0.2	0.3	1.0

(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.