




MONTHLY ADVANCE ECONOMIC INDICATORS REPORT, DECEMBER 2016

Release Number: CB17-16

January 26, 2017 — The U.S. Census Bureau announced the following international trade, wholesale inventories, and retail inventories advance statistics for December 2016:

	 ADVANCE INTERNATIONAL TRADE: GOODS DEFICIT	 ADVANCE WHOLESALE INVENTORIES	 ADVANCE RETAIL INVENTORIES
DECEMBER 2016	\$65.0 Billion -0.5%[°]	\$601.1 Billion +1.0%	\$608.3 Billion 0.0%*
NOVEMBER 2016	\$65.3 Billion	\$595.2 Billion (R)	\$608.4 Billion (R)
Next release: February 28, 2017.			
<small>* The 90 percent confidence interval includes zero. There is insufficient evidence to conclude that the actual change is different from zero. [°] Statistical significance is not applicable or not measurable. 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 \$65.0 billion in December, down \$0.3 billion from \$65.3 billion in November. Exports of goods for December were \$125.5 billion, \$3.7 billion more than November exports. Imports of goods for December were \$190.5 billion, \$3.4 billion more than November imports.

Advance Wholesale Inventories

Wholesale inventories for December, adjusted for seasonal variations but not for price changes, were estimated at an end-of-month level of \$601.1 billion, up 1.0 percent (± 0.4 percent) from November 2016, and were up 2.6 percent (± 1.4 percent) from December 2015. The October 2016 to November 2016 percentage change was unrevised at up 1.0 percent (± 0.2 percent).

Advance Retail Inventories

Retail inventories for December, adjusted for seasonal variations but not for price changes, were estimated at an end-of-month level of \$608.3 billion, virtually unchanged (± 0.2 percent)* from November 2016, and were up 3.4 percent (± 0.5 percent) from December 2015. The October 2016 to November 2016 percentage change was revised from up 1.0 percent (± 0.2 percent) to up 0.8 percent (± 0.2 percent).

The January 2017 Advance report is scheduled for release on February 28, 2017. View the full schedule in the Economic Briefing Room: <www.census.gov/economic-indicators/>. The full text and tables of this release can be found at <www.census.gov/econ/indicators/>.

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GENERAL INFORMATION

Intention to Revise: Revisions to the Wholesale and Retail adjusted and not adjusted monthly estimates are scheduled for release in March 2017 and April 2017, respectively. Estimates will be revised to reflect the results of the 2015 Annual Wholesale and Annual Retail Trade Surveys. Revisions to the Monthly Wholesale estimates will be reflected in the February 2017 Advance Economic Indicators release scheduled for March 28, 2017. Revisions to the Monthly Retail estimates will be reflected in the March 2017 Advance Economic Indicators release scheduled for April 27, 2017.

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

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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 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 44.9 percent provided data for this reporting period resulting in a total quantity response rate of 47.5 percent. For surveyed Wholesale companies, approximately 51.4 percent provided data for this reporting period resulting in a total quantity response rate of 48.8 percent.

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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.

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-

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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/

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. There is insufficient 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		
	December 2016 (a)	November 2016	October 2016	December 2015	December 2016/ November 2016	November 2016/ October 2016	December 2016/ December 2015
Seasonally Adjusted							
Balance	-65,000	-65,304	-61,761	-61,858	(X)	(X)	(X)
Exports	125,524	121,846	122,861	120,127	3.0	-0.8	4.5
Foods, Feeds, & Beverages	10,929	11,049	11,244	9,873	-1.1	-1.7	10.7
Industrial Supplies (3)	35,654	35,176	33,713	32,228	1.4	4.3	10.6
Capital Goods	44,987	41,936	43,708	44,037	7.3	-4.1	2.2
Automotive Vehicles, etc.	12,114	12,113	12,413	12,271	0.0	-2.4	-1.3
Consumer Goods	16,350	16,401	15,920	16,772	-0.3	3.0	-2.5
Other Goods	5,491	5,172	5,863	4,947	6.2	-11.8	11.0
Imports	190,524	187,150	184,622	181,985	1.8	1.4	4.7
Foods, Feeds, & Beverages	11,309	11,163	10,935	10,579	1.3	2.1	6.9
Industrial Supplies (3)	40,733	39,870	37,624	36,276	2.2	6.0	12.3
Capital Goods	50,390	49,404	49,535	49,280	2.0	-0.3	2.3
Automotive Vehicles, etc.	30,854	29,272	29,132	30,074	5.4	0.5	2.6
Consumer Goods	49,383	49,486	49,571	48,367	-0.2	-0.2	2.1
Other Goods	7,855	7,955	7,824	7,410	-1.3	1.7	6.0
Not Seasonally Adjusted							
Balance	-58,345	-67,873	-63,367	-59,786	(X)	(X)	(X)
Exports	125,356	123,475	128,722	119,939	1.5	-4.1	4.5
Foods, Feeds, & Beverages	12,154	13,778	14,120	10,842	-11.8	-2.4	12.1
Industrial Supplies (3)	34,702	34,065	33,834	31,496	1.9	0.7	10.2
Capital Goods	46,597	41,383	45,216	45,589	12.6	-8.5	2.2
Automotive Vehicles, etc.	11,091	12,629	13,171	11,368	-12.2	-4.1	-2.4
Consumer Goods	15,271	16,428	16,505	15,653	-7.0	-0.5	-2.4
Other Goods	5,541	5,192	5,876	4,991	6.7	-11.6	11.0
Imports	183,701	191,348	192,089	179,725	-4.0	-0.4	2.2
Foods, Feeds, & Beverages	11,278	11,135	10,931	10,831	1.3	1.9	4.1
Industrial Supplies (3)	38,432	38,457	37,059	35,019	-0.1	3.8	9.7
Capital Goods	50,113	50,930	50,661	50,374	-1.6	0.5	-0.5
Automotive Vehicles, etc.	30,231	30,559	30,654	29,751	-1.1	-0.3	1.6
Consumer Goods	46,007	52,425	54,967	46,381	-12.2	-4.6	-0.8
Other Goods	7,639	7,841	7,817	7,369	-2.6	0.3	3.7

(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		
	December 2016 (a)	November 2016 (r)	December 2015 (r)	December 2016/ November 2016	November 2016/ October 2016	December 2016/ December 2015
Adjusted¹						
Merchant wholesale ² trade, total	601,082	595,155	585,886	1.0	1.0	2.6
Durable goods	361,670	358,164	357,894	1.0	1.1	1.1
Nondurable goods	239,412	236,991	227,992	1.0	0.9	5.0
Retail trade, total	608,338	608,367	588,561	0.0	0.8	3.4
Total (excl. motor veh. & parts)	394,947	393,992	390,408	0.2	0.4	1.2
Motor vehicle & parts dealers	213,391	214,375	198,153	-0.5	1.6	7.7
Not Adjusted						
Merchant wholesale ² trade, total	602,943	601,586	586,721	0.2	1.2	2.8
Durable goods	355,412	358,524	351,648	-0.9	0.7	1.1
Nondurable goods	247,531	243,062	235,073	1.8	1.8	5.3
Retail trade, total	601,688	640,789	581,931	-6.1	1.7	3.4
Total (excl. motor veh. & parts)	385,631	422,538	380,982	-8.7	1.0	1.2
Motor vehicle & parts dealers	216,057	218,251	200,949	-1.0	3.0	7.5

(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		
	December 2016 (a)	November 2016 (r)	December 2015 (r)	December 2016/ November 2016	November 2016/ October 2016	December 2016/ December 2015
Merchant wholesale ² trade, total	1.6	1.6	1.5	0.2	0.1	0.8
Durable goods	1.8	1.6	1.9	0.2	0.2	0.8
Nondurable goods	2.3	2.3	1.8	0.2	0.3	1.4
Retail trade, total	0.8	0.7	0.7	0.1	0.1	0.3
Total (excl. motor veh. & parts)	0.6	0.6	0.6	0.1	0.0	0.3
Motor vehicle & parts dealers	1.5	1.5	1.5	0.2	0.2	0.8

(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 www.census.gov/wholesale/www/how_surveys_are_collected/monthly_methodology.html for wholesale and at www.census.gov/retail/mrts/how_surveys_are_collected.html for retail.