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MONTHLY ADVANCE ECONOMIC INDICATORS REPORT, AUGUST 2017

Release Number: CB17-164

> **Notice:** For information on the impact of Hurricanes Harvey and Irma on the compilation of this report, please see the following links: International Trade in Goods, Retail Inventories, and Wholesale Inventories.

September 28, 2017 — The U.S. Census Bureau announced the following international trade, wholesale inventories, and retail inventories advance statistics for August 2017:

	ADVANCE INTERNATIONAL TRADE: GOODS DEFICIT		ADVANCE WHOLESALE INVENTORIES		ADVANCE RETAIL INVENTORIES	
AUGUST 2017	$62.9 Billion	-1.4%°	$608.4 Billion	+1.0%	$625.0 Billion	+0.7%
JULY 2017	$63.9 Billion		$602.1 Billion (R)		$620.8 Billion (R)	

Next release: October 26, 2017.

* 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; Advance Economic Indicators Report, September 28, 2017.

Advance International Trade in Goods
The international trade deficit was $62.9 billion in August, down $0.9 billion from $63.9 billion in July. Exports of goods for August were $128.9 billion, $0.3 billion more than July exports. Imports of goods for August were $191.8 billion, $0.6 billion less than July imports.

Advance Wholesale Inventories
Wholesale inventories for August, adjusted for seasonal variations but not for price changes, were estimated at an end-of-month level of $608.4 billion, up 1.0 percent (±0.2 percent) from July 2017, and were up 4.6 percent (±0.7 percent) from August 2016. The June 2017 to July 2017 percentage change was unrevised at up 0.6 percent (±0.4 percent).

Advance Retail Inventories
Retail inventories for August, adjusted for seasonal variations but not for price changes, were estimated at an end-of-month level of $625.0 billion, up 0.7 percent (±0.2 percent) from July 2017, and were up 3.7 percent (±0.5 percent) from August 2016. The June 2017 to July 2017 percentage change was revised from down 0.1 percent (±0.2 percent)* to virtually unchanged (±0.2 percent)*.

The September 2017 Advance report is scheduled for release on October 26, 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/>.

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 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 46.3 percent provided data for this reporting period resulting in a total quantity response rate of 54.8 percent. For surveyed Wholesale companies, approximately 57.0 percent provided data for this reporting period resulting in a total quantity response rate of 59.4 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.

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 ±1.753 x 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 ±1.753 x CV x (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>.

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

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		
	August 2017 (a)	July 2017	June 2017	August 2016	August 2017/ July 2017	July 2017/ June 2017	August 2017/ August 2016
Seasonally Adjusted							
Balance	-62,943	-63,858	-63,940	-60,036	(X)	(X)	(X)
Exports	128,870	128,601	128,954	123,538	0.2	-0.3	4.3
Foods, Feeds, & Beverages	11,766	12,185	11,833	13,358	-3.4	3.0	-11.9
Industrial Supplies (3)	36,507	37,525	37,636	34,036	-2.7	-0.3	7.3
Capital Goods	45,419	44,884	43,942	42,344	1.2	2.1	7.3
Automotive Vehicles, etc.	13,022	12,967	13,564	12,910	0.4	-4.4	0.9
Consumer Goods	16,929	15,747	16,417	16,159	7.5	-4.1	4.8
Other Goods	5,227	5,294	5,561	4,730	-1.3	-4.8	10.5
Imports	191,813	192,459	192,894	183,573	-0.3	-0.2	4.5
Foods, Feeds, & Beverages	11,557	11,651	11,456	10,878	-0.8	1.7	6.2
Industrial Supplies (3)	39,851	40,589	41,303	38,004	-1.8	-1.7	4.9
Capital Goods	53,579	54,142	52,869	49,926	-1.0	2.4	7.3
Automotive Vehicles, etc.	30,029	29,375	30,202	28,890	2.2	-2.7	3.9
Consumer Goods	48,718	48,760	48,762	48,060	-0.1	0.0	1.4
Other Goods	8,079	7,942	8,302	7,814	1.7	-4.3	3.4
Not Seasonally Adjusted							
Balance	-72,240	-69,995	-65,262	-71,517	(X)	(X)	(X)
Exports	129,373	122,168	133,267	122,529	5.9	-8.3	5.6
Foods, Feeds, & Beverages	10,290	10,150	9,854	11,090	1.4	3.0	-7.2
Industrial Supplies (3)	37,792	37,155	38,286	35,152	1.7	-3.0	7.5
Capital Goods	45,994	43,584	46,096	42,446	5.5	-5.5	8.4
Automotive Vehicles, etc.	13,880	11,386	14,366	13,673	21.9	-20.7	1.5
Consumer Goods	16,190	14,613	19,084	15,436	10.8	-23.4	4.9
Other Goods	5,226	5,280	5,581	4,733	-1.0	-5.4	10.4
Imports	201,614	192,162	198,529	194,046	4.9	-3.2	3.9
Foods, Feeds, & Beverages	11,481	11,243	11,605	10,848	2.1	-3.1	5.8
Industrial Supplies (3)	42,655	41,952	43,045	40,555	1.7	-2.5	5.2
Capital Goods	55,668	54,272	55,789	52,131	2.6	-2.7	6.8
Automotive Vehicles, etc.	31,157	27,954	30,896	30,125	11.5	-9.5	3.4
Consumer Goods	52,522	49,167	48,630	52,552	6.8	1.1	-0.1
Other Goods	8,131	7,574	8,563	7,835	7.3	-11.5	3.8

(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>.
Source: U.S. Census Bureau; Advance Economic Indicators Report

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		
	August 2017 (a)	July 2017 (r)	August 2016 (r)	August 2017/ July 2017	July 2017/ June 2017	August 2017/ August 2016
Adjusted[1]						
Merchant wholesale[2] trade, total	608,420	602,126	581,736	1.0	0.6	4.6
Durable goods	372,155	368,609	354,375	1.0	0.9	5.0
Nondurable goods	236,265	233,517	227,361	1.2	0.0	3.9
Retail trade, total	625,007	620,838	602,839	0.7	0.0	3.7
Total (excl. motor veh. & parts)	399,712	398,165	393,164	0.4	-0.1	1.7
Motor vehicle & parts dealers	225,295	222,673	209,675	1.2	0.2	7.4
Not Adjusted						
Merchant wholesale[2] trade, total	597,359	595,734	571,984	0.3	0.5	4.4
Durable goods	373,500	371,454	355,553	0.6	1.6	5.0
Nondurable goods	223,859	224,280	216,431	-0.2	-1.3	3.4
Retail trade, total	611,121	604,148	589,468	1.2	-1.5	3.7
Total (excl. motor veh. & parts)	395,957	389,278	389,368	1.7	-0.2	1.7
Motor vehicle & parts dealers	215,164	214,870	200,100	0.1	-3.8	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		
	August 2017 (a)	July 2017 (r)	August 2016 (r)	August 2017/ July 2017	July 2017/ June 2017	August 2017/ August 2016
Merchant wholesale[2] trade, total	1.5	1.5	1.6	0.1	0.2	0.4
Durable goods	1.7	1.7	1.7	0.2	0.2	0.7
Nondurable goods	1.9	2.1	2.4	0.3	0.4	1.0
Retail trade, total	0.7	0.8	0.8	0.1	0.1	0.3
Total (excl. motor veh. & parts)	0.7	0.7	0.7	0.0	0.1	0.2
Motor vehicle & parts dealers	1.4	1.6	1.5	0.3	0.2	0.6

(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.

Source: U.S. Census Bureau; Advance Economic Indicators Report