




**MONTHLY ADVANCE ECONOMIC INDICATORS REPORT, DECEMBER 2018**

Release Number: CB19-14

**Special Notice:** To facilitate a faster return to the normal processing and release schedule following the lapse in funding, there will not be an Advance Economic Indicator Report issued for January or February 2019. The Advance Economic Indicator Report will resume for the March 2019 reference period.

Due to the updated processing and release schedules for the economic indicators following the lapse in funding, monthly wholesale inventories estimates in this release are identical to the estimates released on February 25, 2019 in the Monthly Wholesale Trade Report.

**February 27, 2019** — The U.S. Census Bureau announced the following international trade, wholesale inventories, and retail inventories advance statistics for December 2018:

	 <b>ADVANCE INTERNATIONAL TRADE: GOODS DEFICIT</b>	 <b>ADVANCE WHOLESALE INVENTORIES</b>	 <b>ADVANCE RETAIL INVENTORIES</b>
<b>DECEMBER 2018</b>	\$79.5 Billion +12.8% <sup>o</sup>	\$661.8 Billion +1.1%	\$651.1 Billion +0.9%
<b>NOVEMBER 2018</b>	\$70.5 Billion	\$654.7 Billion (R)	\$645.5 Billion (R)
<b>Next release: TBD.</b>			
<small>* The 90 percent confidence interval includes zero. There is insufficient evidence to conclude that the actual change is different from zero.  <sup>o</sup> 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, February 27, 2019.</small>			

**Advance International Trade in Goods**

The international trade deficit was \$79.5 billion in December, up \$9.0 billion from \$70.5 billion in November. Exports of goods for December were \$135.7 billion, \$4.0 billion less than November exports. Imports of goods for December were \$215.2 billion, \$5.0 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 \$661.8 billion, up 1.1 percent ( $\pm 0.4$  percent) from November 2018, and were up 7.3 percent ( $\pm 0.9$  percent) from December 2017. The October 2018 to November 2018 percentage change was revised from up 0.3 percent ( $\pm 0.2$  percent) to up 0.4 percent ( $\pm 0.2$  percent).

**Advance Retail Inventories****Data Inquiries**International Trade Indicator Branch: 301-763-2311 [eid.international.trade.data@census.gov](mailto:eid.international.trade.data@census.gov)Retail Indicator Branch: 301-763-2713 [eid.retail.indicator.branch@census.gov](mailto:eid.retail.indicator.branch@census.gov)Wholesale Indicator Branch: 301-763-6856 [eid.wholesale.indicator.branch@census.gov](mailto:eid.wholesale.indicator.branch@census.gov)**Media Inquiries**

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Retail inventories for December, adjusted for seasonal variations but not for price changes, were estimated at an end-of-month level of \$651.1 billion, up 0.9 percent ( $\pm 0.2$  percent) from November 2018, and were up 3.9 percent ( $\pm 0.5$  percent) from December 2017. The October 2018 to November 2018 percentage change was unrevised from the preliminary estimate of down 0.4 percent ( $\pm 0.2$  percent).

View the full schedule in the Economic Briefing Room: <[www.census.gov/economic-indicators/](http://www.census.gov/economic-indicators/)>. The full text and tables of this release can be found at <[www.census.gov/econ/indicators/](http://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](http://www.census.gov/foreign-trade/guide/sec2.html#coverage)> and <[www.census.gov/foreign-trade/guide/sec2.html#valuation](http://www.census.gov/foreign-trade/guide/sec2.html#valuation)>, respectively.

#### **Nonsampling Errors**

##### **Data Inquiries**

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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](http://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](http://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](http://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](http://www.census.gov/retail)> and <[www.census.gov/wholesale](http://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 selected to measure inventories consist of a stratified simple random sampling method of approximately 11,000 retail firms and 4,200 wholesale firms located in the United

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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 45.8 percent provided data for this reporting period resulting in a total quantity response rate of 63.8 percent. For surveyed Wholesale companies, approximately 60.0 percent provided data for this reporting period resulting in a total quantity response rate of 65.9 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  $\pm 1.753 \times 0.9$  percent or  $\pm 1.6$  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).

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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](http://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](http://census.gov/econ/indicators/historical_data.html)>.

## **RESOURCES**

### **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/](http://www.census.gov/developers/)>

### **FRED Mobile App**



Receive the latest updates on the nation's key economic indicators by downloading the FRED App <<https://fred.stlouisfed.org/fred-mobile/>> for both Apple and Android devices. FRED, the signature database of the Federal Reserve Bank of St. Louis, now incorporates the Census Bureau's 13 economic indicators.

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\* The 90 percent confidence interval includes zero. 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		
	December 2018 (a)	November 2018	October 2018	December 2017	December 2018/ November 2018	November 2018/ October 2018	December 2018/ December 2017
<b>Seasonally Adjusted</b>							
Balance	-79,492	-70,478	-77,116	-72,441	(X)	(X)	(X)
Exports	135,718	139,686	140,900	136,081	-2.8	-0.9	-0.3
Foods, Feeds, & Beverages	10,261	10,446	10,385	10,857	-1.8	0.6	-5.5
Industrial Supplies (3)	43,675	45,878	47,240	42,794	-4.8	-2.9	2.1
Capital Goods	46,690	48,375	46,964	47,041	-3.5	3.0	-0.7
Automotive Vehicles, etc.	12,297	12,336	12,711	13,509	-0.3	-2.9	-9.0
Consumer Goods	17,144	17,046	17,949	16,751	0.6	-5.0	2.4
Other Goods	5,650	5,604	5,651	5,129	0.8	-0.8	10.2
Imports	215,211	210,164	218,016	208,522	2.4	-3.6	3.2
Foods, Feeds, & Beverages	12,580	12,153	12,299	11,865	3.5	-1.2	6.0
Industrial Supplies (3)	45,837	45,997	49,413	45,465	-0.3	-6.9	0.8
Capital Goods	59,854	57,254	56,909	57,084	4.5	0.6	4.9
Automotive Vehicles, etc.	32,138	32,083	31,840	30,673	0.2	0.8	4.8
Consumer Goods	55,452	53,128	57,407	54,980	4.4	-7.5	0.9
Other Goods	9,350	9,549	10,146	8,457	-2.1	-5.9	10.6
<b>Not Seasonally Adjusted</b>							
Balance	-72,555	-73,542	-89,421	-64,270	(X)	(X)	(X)
Exports	134,279	140,428	146,983	136,014	-4.4	-4.5	-1.3
Foods, Feeds, & Beverages	10,679	11,786	11,939	11,837	-9.4	-1.3	-9.8
Industrial Supplies (3)	42,723	45,243	47,816	41,810	-5.6	-5.4	2.2
Capital Goods	48,161	47,651	49,116	48,945	1.1	-3.0	-1.6
Automotive Vehicles, etc.	11,035	12,831	13,588	12,248	-14.0	-5.6	-9.9
Consumer Goods	15,732	17,277	18,723	15,674	-8.9	-7.7	0.4
Other Goods	5,950	5,641	5,802	5,500	5.5	-2.8	8.2
Imports	206,834	213,971	236,404	200,285	-3.3	-9.5	3.3
Foods, Feeds, & Beverages	12,582	12,055	12,775	11,773	4.4	-5.6	6.9
Industrial Supplies (3)	42,947	44,314	50,535	42,698	-3.1	-12.3	0.6
Capital Goods	58,937	58,345	60,559	56,135	1.0	-3.7	5.0
Automotive Vehicles, etc.	31,944	33,157	34,276	30,508	-3.7	-3.3	4.7
Consumer Goods	51,644	56,416	67,291	51,205	-8.5	-16.2	0.9
Other Goods	8,781	9,683	10,968	7,966	-9.3	-11.7	10.2

(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](http://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](http://www.census.gov/econ/indicators/advance_report.pdf)>.

Source: U.S. Census Bureau; Advance Economic Indicators Report, February 27, 2019.

## 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 2018 (a)	November 2018 (r)	December 2017 (r)	December 2018/ November 2018	November 2018/ October 2018	December 2018/ December 2017
<b>Adjusted<sup>1</sup></b>						
Merchant wholesale <sup>2</sup> trade, total	661,843	654,714	616,821	1.1	0.4	7.3
Durable goods	410,639	404,382	371,327	1.5	0.7	10.6
Nondurable goods	251,204	250,332	245,494	0.3	-0.1	2.3
Retail trade, total	651,097	645,459	626,534	0.9	-0.4	3.9
Total (excl. motor veh. & parts)	410,660	406,614	406,636	1.0	-0.9	1.0
Motor vehicle & parts dealers	240,437	238,845	219,898	0.7	0.5	9.3
<b>Not Adjusted</b>						
Merchant wholesale <sup>2</sup> trade, total	663,782	658,773	618,729	0.8	0.5	7.3
Durable goods	404,582	404,601	365,584	0.0	0.1	10.7
Nondurable goods	259,200	254,172	253,145	2.0	1.1	2.4
Retail trade, total	644,224	675,815	619,516	-4.7	0.2	4.0
Total (excl. motor veh. & parts)	403,210	433,952	398,892	-7.1	-0.8	1.1
Motor vehicle & parts dealers	241,014	241,863	220,624	-0.4	2.1	9.2

(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 2018 (a)	November 2018 (r)	December 2017 (r)	December 2018/ November 2018	November 2018/ October 2018	December 2018/ December 2017	
Merchant wholesale <sup>2</sup> trade, total	1.6	1.5	1.6	0.2	0.1	0.5
Durable goods	2.3	2.2	1.8	0.2	0.1	0.9
Nondurable goods	1.6	1.5	2.0	0.3	0.3	0.4
Retail trade, total	0.6	0.6	0.7	0.1	0.1	0.3
Total (excl. motor veh. & parts)	0.6	0.6	0.7	0.1	0.1	0.4
Motor vehicle & parts dealers	1.4	1.4	1.4	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 2012 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](http://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](http://www.census.gov/retail/mrts/how_surveys_are_collected.html) for retail.