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**ADVANCE REPORT ON DURABLE GOODS MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS
December 2004**

(Figures in text, other than year-to-date, are in seasonally adjusted current dollars. Figures on new and unfilled orders exclude data for semiconductor manufacturing.)

● **NEW ORDERS** for manufactured durable goods in December increased \$1.2 billion or 0.6 percent to \$200.3 billion, the Department of Commerce, U.S. Census Bureau reported today. This followed a 1.8 percent November increase. Excluding transportation, new orders increased 2.1 percent. Excluding defense, new orders increased 1.2 percent. New orders for 2004 were 11.6 percent above prior year.

Computers and electronic products, up following two consecutive decreases, had the largest increase, \$2.1 billion or 6.4 percent to \$34.5 billion.

● **SHIPMENTS** of manufactured durable goods in December increased \$4.2 billion or 2.1 percent to \$204.5 billion and was at the highest level since the series was first stated on a NAICS basis in 1992. This followed a 0.1 percent November increase. Shipments for 2004 were 10.5 percent above prior year.

Transportation equipment, up following three consecutive decreases, had the largest increase, \$1.7 billion or 3.3 percent to \$54.6 billion.

● **UNFILLED ORDERS** for manufactured durable goods in December, up sixteen of the last seventeen months, increased \$2.8 billion or 0.5 percent to \$551.9 billion and was also at the highest level since the series began in 1992. This followed a 1.1 percent November increase.

Computers and electronic products, up nine of the last eleven months, had the largest increase, \$1.3 billion or 0.9 percent to \$141.9 billion. This was also at the highest level since the series began in 1992.

● **INVENTORIES** of manufactured durable goods in December, down following twelve consecutive increases, decreased \$0.1 billion to \$282.5 billion. This followed a 0.9 percent November increase.

Transportation equipment, down following two consecutive increases, had the largest decrease, \$0.6 billion or 0.9 percent to \$69.1 billion.

● **CAPITAL GOODS INDUSTRIES, DEFENSE** New orders in December decreased \$0.7 billion or 8.8 percent to \$7.7 billion. Shipments decreased \$0.1 billion or 1.3 percent to \$8.1 billion. Unfilled orders decreased \$0.4 billion or 0.3 percent to \$148.4 billion. Inventories increased 0.1 percent to \$19.8 billion.

● **CAPITAL GOODS INDUSTRIES, NONDEFENSE** New orders in December decreased \$1.4 billion or 1.9 percent to \$68.4 billion. Shipments increased \$2.1 billion or 3.3 percent to \$66.2 billion. Unfilled orders increased \$2.2 billion or 0.9 percent to \$244.3 billion. Inventories decreased \$0.4 billion or 0.3 percent to \$110.6 billion.

● **REVISED NOVEMBER DATA** Revised seasonally adjusted November figures for all manufacturing industries are: new orders, \$377.9 billion (revised from \$377.4 billion); shipments, \$379.1 billion (revised from \$379.0 billion); unfilled orders, \$549.1 billion (revised from \$548.8 billion); and total inventories, \$470.1 billion (revised from \$469.7 billion).

SEE BACK PAGE FOR SURVEY DESCRIPTION
Our internet site address is: <http://www.census.gov/m3>

Table 1. Durable Goods Manufacturers' Shipments and New Orders
[Millions of Dollars]

Item	Seasonally Adjusted						Not Seasonally Adjusted ¹					
	Monthly			Percent Change			Monthly			Year to Date		
	Dec 2004 ²	Nov 2004 ^r	Oct 2004	Nov - Dec ²	Oct - Nov ^r	Sep - Oct	Dec 2004 ²	Nov 2004 ^r	Dec 2003	2004	2003	Percent Change 04/03
DURABLE GOODS												
Total:												
Shipments.....	204,504	200,300	200,030	2.1	0.1	0.3	206,624	197,023	189,282	2,371,474	2,150,638	10.3
New Orders ⁴	200,347	199,103	195,526	0.6	1.8	-1.0	207,024	195,038	189,999	2,330,314	2,101,512	10.9
Excluding transportation:												
Shipments.....	149,888	147,428	146,849	1.7	0.4	0.9	153,945	144,617	138,487	1,723,014	1,531,968	12.5
New Orders ⁴	144,500	141,537	142,873	2.1	-0.9	-1.4	147,707	138,342	132,055	1,669,774	1,475,977	13.1
Excluding defense:												
Shipments.....	195,101	190,761	190,250	2.3	0.3	0.2	195,882	187,308	178,532	2,254,642	2,042,696	10.4
New Orders ⁴	191,482	189,268	181,823	1.2	4.1	-2.1	192,342	185,472	173,301	2,206,601	1,980,158	11.4
Manufacturing with unfilled orders:												
Shipments.....	138,644	136,573	137,392	1.5	-0.6	0.8	141,668	134,342	129,448	1,613,327	1,456,316	10.8
New Orders ⁴	141,429	142,678	140,124	-0.9	1.8	-0.8	149,316	140,055	136,535	1,657,255	1,478,053	12.1
Primary metals:												
Shipments.....	15,121	14,892	14,478	1.5	2.9	-0.7	13,508	14,156	10,278	165,655	131,307	26.2
New Orders.....	14,982	14,936	14,199	0.3	5.2	-1.7	13,682	14,160	10,737	168,463	132,850	26.8
Fabricated metal products:												
Shipments.....	23,042	23,251	22,903	-0.9	1.5	-1.3	21,509	22,971	19,569	272,011	245,469	10.8
New Orders.....	23,475	23,491	23,740	-0.1	-1.0	2.2	21,485	22,926	19,699	278,799	246,590	13.1
Machinery:												
Shipments.....	26,378	25,017	26,063	5.4	-4.0	2.7	26,149	23,149	22,509	294,139	253,516	16.0
New Orders.....	26,694	25,686	26,977	3.9	-4.8	3.0	25,997	23,923	23,142	301,247	253,978	18.6
Computers and electronic products:												
Shipments.....	40,153	40,259	40,217	-0.3	0.1	3.4	48,350	40,208	45,005	469,472	418,651	12.1
New Orders ⁴	34,496	32,414	34,382	6.4	-5.7	-6.8	43,272	31,987	38,337	396,254	358,127	10.6
Computers and related products:												
Shipments.....	9,430	9,286	9,565	1.6	-2.9	8.5	12,414	8,489	11,090	105,708	93,449	13.1
New Orders.....	10,154	9,334	8,817	8.8	5.9	-9.8	13,072	8,821	11,024	106,141	94,130	12.8
Communications equipment:												
Shipments.....	6,786	6,892	7,096	-1.5	-2.9	3.0	8,528	7,165	8,907	83,257	76,761	8.5
New Orders.....	7,237	6,141	10,222	17.8	-39.9	6.8	8,643	6,505	6,168	87,624	81,783	7.1
Semiconductors:												
Shipments.....	6,942	7,302	7,236	-4.9	0.9	5.9	7,248	7,698	6,370	85,088	70,863	20.1
New Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:												
Shipments.....	8,919	9,056	8,940	-1.5	1.3	0.2	9,262	9,176	9,057	106,415	101,415	4.9
New Orders.....	8,763	9,334	8,896	-6.1	4.9	-3.1	8,706	9,509	8,534	107,966	101,038	6.9
Transportation equipment:												
Shipments.....	54,616	52,872	53,181	3.3	-0.6	-1.1	52,679	52,406	50,795	648,460	618,670	4.8
New Orders.....	55,847	57,566	52,653	-3.0	9.3	0.1	59,317	56,696	57,944	660,540	625,535	5.6
Motor vehicles and parts:												
Shipments.....	39,606	37,939	37,433	4.4	1.4	-2.2	35,654	37,134	34,010	461,680	442,840	4.3
New Orders.....	39,534	37,800	36,913	4.6	2.4	-3.9	36,056	37,225	34,672	462,779	444,327	4.2
Nondefense aircraft and parts:												
Shipments.....	5,842	5,503	6,253	6.2	-12.0	-0.8	7,015	5,675	6,534	71,144	67,305	5.7
New Orders.....	8,006	9,615	5,837	-16.7	64.7	5.0	10,853	9,608	8,602	83,213	60,882	36.7
Defense aircraft and parts:												
Shipments.....	3,186	3,376	3,487	-5.6	-3.2	1.8	3,841	3,428	4,153	43,723	39,856	9.7
New Orders.....	2,139	3,158	3,303	-32.3	-4.4	37.2	3,825	2,848	5,838	35,629	44,662	-20.2
All other durable goods:												
Shipments.....	36,275	34,953	34,248	3.8	2.1	-1.0	35,167	34,957	32,069	415,322	381,610	8.8
New Orders.....	36,090	35,676	34,679	1.2	2.9	-0.7	34,565	35,837	31,606	417,045	383,394	8.8
Capital goods:³												
Shipments.....	74,273	72,282	74,127	2.8	-2.5	2.4	83,275	69,726	76,896	859,793	775,078	10.9
New Orders.....	76,076	78,180	77,539	-2.7	0.8	-0.3	89,845	75,449	82,675	892,706	794,164	12.4
Nondefense capital goods:												
Shipments.....	66,223	64,130	65,798	3.3	-2.5	2.2	74,277	61,397	67,929	760,143	683,195	11.3
New Orders.....	68,408	69,768	64,911	-1.9	7.5	-3.2	76,967	67,151	67,808	783,327	689,340	13.6
Excluding aircraft:												
Shipments.....	63,409	62,063	63,207	2.2	-1.8	2.4	70,306	59,215	64,516	730,348	652,339	12.0
New Orders.....	64,196	63,055	62,482	1.8	0.9	-4.0	69,924	60,502	63,025	741,074	663,352	11.7
Defense capital goods:												
Shipments.....	8,050	8,152	8,329	-1.3	-2.1	3.5	8,998	8,329	8,967	99,650	91,883	8.5
New Orders.....	7,668	8,412	12,628	-8.8	-33.4	18.1	12,878	8,298	14,867	109,379	104,824	4.3

NA Not Available ^r Revised

¹ Shipments and new orders are the totals for the period and are adjusted for trading-day and calendar-month variations; unfilled orders and total inventories are as of the end of the period and are not adjusted for trading-day or calendar-month variations.

² Based on advance sample. Estimates of manufacturers' shipments, inventories, and orders are subject to survey error and revision. One major component of survey error is nonsampling error, which includes errors of coverage, response and nonreporting. Since the survey panel is not a probability sample, estimates of sampling error cannot be calculated. Further details on survey design, methodology, and data limitations are contained in our most recent annual benchmark publication, Current Industrial Reports: M3-1(02), "Manufacturers' Shipments, Inventories, and Orders: 1992-2002."

³ The Capital Goods Industries include Nondefense: small arms and ordnance; farm machinery and equipment; construction machinery; mining, oil, and gas field machinery; industrial machinery; vending, laundry, and other machinery; photographic equipment; metalworking machinery; turbines and generators; other power transmission equipment; pumps and compressors; material handling equipment; all other machinery; electronic computers; computer storage devices; other computer peripheral equipment; communications equipment; search and navigation equipment; electromedical, measuring, and control instruments; electrical equipment; other electrical equipment, appliances, and components; heavy duty trucks; aircraft; railroad rolling stock; ships and boats; office and institutional furniture; and medical equipment and supplies.

Defense Capital Goods include: small arms and ordnance, communications equipment, aircraft: missiles, space vehicles, and parts, ships and boats, and search and navigation equipment.

⁴ Data on new and unfilled orders are not available for the semiconductor industry. Estimates and percent changes for new orders and unfilled orders exclude semiconductor industry data. Inventories for semiconductor industry data are included in computers and electronic products and total durable goods industries, but are not shown separately.

Table 2. Durable Goods Manufacturers' Unfilled Orders and Total Inventories
 [Millions of Dollars]

Item	Seasonally Adjusted						Not Seasonally Adjusted ¹			
	Monthly			Percent Change			Monthly			Percent Change 2004/2003
	Dec 2004 ²	Nov 2004 ^r	Oct 2004	Nov - Dec ²	Oct - Nov ^r	Sep - Oct	Dec 2004 ²	Nov 2004 ^r	Dec 2003	
DURABLE GOODS										
Total:										
Unfilled Orders ⁴	551,866	549,081	542,976	0.5	1.1	0.5	546,344	538,696	502,416	8.7
Total Inventories.....	282,470	282,586	280,101	0.0	0.9	0.8	275,253	283,771	255,969	7.5
Excluding transportation:										
Unfilled Orders ⁴	288,121	286,567	285,156	0.5	0.5	1.2	282,983	281,973	251,135	12.7
Total Inventories.....	213,384	212,861	211,399	0.2	0.7	0.9	208,627	213,423	190,823	9.3
Excluding defense:										
Unfilled Orders ⁴	386,019	382,696	376,887	0.9	1.5	-0.3	381,506	377,798	344,459	10.8
Total Inventories.....	257,604	258,092	255,862	-0.2	0.9	0.8	250,891	259,274	232,321	8.0
Manufacturing with unfilled orders:										
Unfilled Orders ⁴	551,866	549,081	542,976	0.5	1.1	0.5	546,344	538,696	502,416	8.7
Total Inventories.....	221,482	220,878	218,656	0.3	1.0	0.9	216,336	222,197	200,434	7.9
Primary metals:										
Unfilled Orders.....	19,633	19,772	19,728	-0.7	0.2	-1.4	18,810	18,636	16,002	17.5
Total Inventories.....	21,589	21,303	20,823	1.3	2.3	3.3	21,862	21,519	17,420	25.5
Fabricated metal products:										
Unfilled Orders.....	46,340	45,907	45,667	0.9	0.5	1.9	44,809	44,833	38,021	17.9
Total Inventories.....	35,496	35,088	34,664	1.2	1.2	0.9	34,968	34,784	30,504	14.6
Machinery:										
Unfilled Orders.....	51,201	50,885	50,216	0.6	1.3	1.9	49,990	50,142	42,882	16.6
Total Inventories.....	46,001	45,674	44,994	0.7	1.5	0.2	44,841	46,090	40,512	10.7
Computers and electronic products:										
Unfilled Orders ⁴	141,939	140,654	141,197	0.9	-0.4	1.0	141,026	138,856	129,156	9.2
Total Inventories.....	49,130	49,529	49,648	-0.8	-0.2	1.1	47,446	50,153	45,945	3.3
Computers and related products:										
Unfilled Orders.....	9,083	8,359	8,311	8.7	0.6	-8.3	9,238	8,580	8,805	4.9
Total Inventories.....	6,400	6,402	6,412	0.0	-0.2	-0.4	6,013	6,754	5,639	6.6
Communications equipment:										
Unfilled Orders.....	54,891	54,440	55,191	0.8	-1.4	6.0	54,136	54,021	49,769	8.8
Total Inventories.....	11,056	10,975	11,054	0.7	-0.7	2.4	10,701	11,341	10,679	0.2
Semiconductors:										
Unfilled Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Total Inventories ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:										
Unfilled Orders.....	15,367	15,523	15,245	-1.0	1.8	-0.3	14,966	15,522	13,415	11.6
Total Inventories.....	12,885	12,920	12,993	-0.3	-0.6	-0.5	12,364	12,798	11,949	3.5
Transportation equipment:										
Unfilled Orders.....	263,745	262,514	257,820	0.5	1.8	-0.2	263,361	256,723	251,281	4.8
Total Inventories.....	69,086	69,725	68,702	-0.9	1.5	0.2	66,626	70,348	65,146	2.3
Motor vehicles and parts:										
Unfilled Orders.....	14,736	14,808	14,947	-0.5	-0.9	-3.4	14,719	14,317	13,620	8.1
Total Inventories.....	21,641	21,987	21,955	-1.6	0.1	0.0	20,757	22,049	19,604	5.9
Nondefense Aircraft and parts:										
Unfilled Orders.....	116,484	114,320	110,208	1.9	3.7	-0.4	117,140	113,302	105,071	11.5
Total Inventories.....	23,178	23,665	23,044	-2.1	2.7	-0.2	22,168	24,171	22,997	-3.6
Defense Aircraft and parts:										
Unfilled Orders.....	53,813	54,860	55,078	-1.9	-0.4	-0.3	52,676	52,692	60,770	-13.3
Total Inventories.....	12,295	11,901	11,840	3.3	0.5	0.9	12,067	11,886	11,296	6.8
All other durable goods:										
Unfilled Orders.....	13,641	13,826	13,103	-1.3	5.5	3.4	13,382	13,984	11,659	14.8
Total Inventories.....	48,283	48,347	48,277	-0.1	0.1	0.8	47,146	48,079	44,493	6.0
Capital goods:³										
Unfilled Orders.....	392,774	390,971	385,073	0.5	1.5	0.9	390,710	384,140	357,797	9.2
Total Inventories.....	130,422	130,756	129,087	-0.3	1.3	0.3	126,820	132,608	121,399	4.5
Nondefense capital goods:										
Unfilled Orders.....	244,344	242,159	236,521	0.9	2.4	-0.4	242,731	240,041	219,547	10.6
Total Inventories.....	110,573	110,929	109,534	-0.3	1.3	0.3	107,170	112,766	102,129	4.9
Excluding aircraft:										
Unfilled Orders.....	152,279	151,492	150,500	0.5	0.7	-0.5	150,010	150,392	139,284	7.7
Total Inventories.....	93,978	93,885	92,985	0.1	1.0	0.5	91,340	95,235	85,879	6.4
Defense capital goods:										
Unfilled Orders.....	148,430	148,812	148,552	-0.3	0.2	3.0	147,979	144,099	138,250	7.0
Total Inventories.....	19,849	19,827	19,553	0.1	1.4	0.5	19,650	19,842	19,270	2.0

See footnotes at end of Table 1

Survey Description

This report is compiled from results of the U.S. Census Bureau's Manufacturers' Shipments, Inventories, and Orders (M3) survey. This survey provides statistics on manufacturers' value of shipments, new orders (net of cancellations), end-of-month order backlog (unfilled orders), and end-of-month total inventory (at current cost or market value). The M3 includes approximately 4,000 reporting units. Units may be divisions of diversified large companies, large homogenous companies, or single-unit manufacturers in 89 industry categories. Due to the small monthly sample, these 89 categories have been combined into 59 publication levels. The survey methodology assumes that the month-to-month changes of the total operations of those companies in the monthly survey effectively represent the month-to-month movements of all establishments that make up the category. The current coverage levels in the survey show that reported data in the monthly survey represent approximately 60 percent of the shipments estimates at the total manufacturing level. Data published represent manufacturing in a calendar month. The data collection is based on a voluntary survey authorized by Title 13 of the United States Code.

The data presented in this release are based on data obtained from a panel of 4,000 reporting units and provide an indication of the activity within the manufacturing sector. The results differ from what would be obtained from a complete enumeration of all manufacturing companies. In addition, a different panel of 4,000 companies would yield different results. The M3 panel is comprised of companies with \$500 million or more in shipments and a limited number of smaller companies. From a statistical perspective, the panel is not a probability sample; therefore, the sampling errors that are normally provided with sample surveys cannot be measured. Nonsampling errors are attributable to many sources. The use of company or divisional reports to estimate the monthly change for establishments is one source of nonsampling error. The use of primarily large companies to represent the month-to-month movement of all companies is another potential source.

Additional survey documentation can be found on our web site: <http://www.census.gov/m3/>.

2005 Release Dates for M3 Survey

Survey Month	Advance 8:30 A.M.	Preliminary 10:00 A.M.
Dec 2004	1/27/05	2/3/05
Jan 2005	2/24/05	3/4/05
Feb 2005	3/24/05	3/31/05
Mar 2005	4/27/05	5/3/05
Apr 2005	5/25/05	6/2/05
May 2005	6/24/05	7/5/05
Jun 2005	7/27/05	8/2/05
Jul 2005	8/24/05	8/30/05
Aug 2005	9/28/05	10/4/05
Sep 2005	10/27/05	11/3/05
Oct 2005	11/29/05	12/6/05
Nov 2005	12/23/05	