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U.S. Census Bureau
For Data - (301) 763-4673
For Questions - Derrick Roy or Patrick Kent (301) 763-4832
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**ADVANCE REPORT ON DURABLE GOODS MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS
January 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 January decreased \$3.2 billion or 1.8 percent to \$181.0 billion, the Department of Commerce, U.S. Census Bureau reported today. This followed a 1.6 percent December increase. Excluding transportation, new orders increased 2.0 percent. Excluding defense, new orders decreased 1.0 percent.

Transportation equipment had the largest decrease, \$5.8 billion or 10.4 percent to \$49.5 billion. All component transportation industries decreased, except ships and boats. This was the largest percent decline in transportation equipment since September 2002. Computers and electronic products increased \$2.1 billion or 7.1 percent to \$31.7 billion, due to communications equipment, which increased \$3.0 billion or 73.3 percent. This was the largest percent increase in communications equipment since January 1997.

● **SHIPMENTS** of manufactured durable goods in January decreased \$0.1 billion to \$188.1 billion. This followed a 2.2 percent December increase.

Transportation equipment had the largest decrease, \$1.5 billion or 2.8 percent to \$51.6 billion, led by motor vehicles and parts, which decreased by \$1.6 billion. Computers and electronic products, up seven of the last eight months, increased \$0.8 billion or 2.2 percent to \$38.3 billion.

● **UNFILLED ORDERS** for manufactured durable goods in January, down following five consecutive increases, decreased \$0.7 billion or 0.1 percent to \$505.2 billion. This followed a 0.4 percent December increase.

Transportation equipment had the largest decrease, \$2.0 billion or 0.8 percent to \$249.9 billion. Fabricated metal products, up six consecutive months, increased \$1.1 billion or 2.7 percent to \$40.0 billion.

● **INVENTORIES** of manufactured durable goods in January, up three of the last four months, increased \$0.2 billion or 0.1 percent to \$263.0 billion. This followed a 0.5 percent December increase.

Machinery, up for the third consecutive month, had the largest increase, \$0.3 billion or 0.7 percent to \$41.9 billion.

● **CAPITAL GOODS INDUSTRIES, DEFENSE** New orders in January decreased \$1.3 billion or 13.7 percent to \$8.2 billion. Shipments increased \$0.1 billion or 1.0 percent to \$8.0 billion. Unfilled orders increased \$0.2 billion or 0.1 percent to \$138.4 billion. Inventories decreased \$0.1 billion or 0.4 percent to \$19.5 billion.

● **CAPITAL GOODS INDUSTRIES, NONDEFENSE** New orders in January increased \$0.9 billion or 1.5 percent to \$61.1 billion. Shipments increased \$1.1 billion or 1.8 percent to \$61.7 billion. Unfilled orders decreased \$0.6 billion or 0.3 percent to \$220.3 billion. Inventories decreased \$0.4 billion or 0.4 percent to \$105.2 billion.

● **REVISED December DATA** Revised seasonally adjusted December figures for all manufacturing industries are: new orders, \$345.0 billion (revised from \$342.4 billion); shipments, \$348.9 billion (revised from \$346.5 billion); unfilled orders, \$505.9 billion (revised from \$505.8 billion); and total inventories, \$439.5 billion (revised from \$438.1 billion).

SEE BACK PAGE FOR SURVEY DESCRIPTION

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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		
	Jan 2004 ²	Dec 2003 ^r	Nov 2003	Dec - Jan ²	Nov - Dec ^r	Oct - Nov	Jan 2004 ²	Dec 2003 ^r	Jan 2003	2004	2003	Percent Change 04/03
DURABLE GOODS												
Total:												
Shipments.....	188,110	188,193	184,074	0.0	2.2	0.2	168,020	189,514	159,049	168,020	159,049	5.6
New Orders ⁴	180,984	184,226	181,346	-1.8	1.6	-2.4	169,335	189,869	159,786	169,335	159,786	6.0
Excluding transportation:												
Shipments.....	136,550	135,122	130,829	1.1	3.3	-0.4	121,500	138,690	111,676	121,500	111,676	8.8
New Orders ⁴	131,468	128,935	126,831	2.0	1.7	-3.3	121,401	131,894	110,701	121,401	110,701	9.7
Excluding defense:												
Shipments.....	178,764	178,838	175,275	0.0	2.0	0.3	160,268	178,701	152,004	160,268	152,004	5.4
New Orders ⁴	171,952	173,617	170,450	-1.0	1.9	-2.3	159,521	173,356	151,721	159,521	151,721	5.1
Manufacturing with unfilled orders:												
Shipments.....	128,892	126,803	124,212	1.6	2.1	0.5	114,593	129,679	107,234	114,593	107,234	6.9
New Orders ⁴	128,176	128,882	127,774	-0.5	0.9	-3.1	121,853	136,404	113,107	121,853	113,107	7.7
Primary metals:												
Shipments.....	11,863	11,568	11,069	2.6	4.5	0.9	11,606	10,269	11,231	11,606	11,231	3.3
New Orders.....	11,915	11,622	11,811	2.5	-1.6	-1.1	12,335	10,715	11,665	12,335	11,665	5.7
Fabricated metal products:												
Shipments.....	21,308	21,047	20,423	1.2	3.1	-0.5	19,592	19,530	19,199	19,592	19,199	2.0
New Orders.....	22,363	21,843	21,089	2.4	3.6	-0.5	21,322	19,668	19,282	21,322	19,282	10.6
Machinery:												
Shipments.....	23,402	22,926	21,260	2.1	7.8	-1.1	20,410	22,734	18,230	20,410	18,230	12.0
New Orders.....	23,703	24,165	22,269	-1.9	8.5	2.6	21,945	23,349	19,094	21,945	19,094	14.9
Computers and electronic products:												
Shipments.....	38,325	37,487	36,348	2.2	3.1	-0.5	33,024	45,044	27,810	33,024	27,810	18.7
New Orders ⁴	31,708	29,604	29,471	7.1	0.5	-12.5	28,482	37,965	25,234	28,482	25,234	12.9
Computers and related products:												
Shipments.....	8,762	8,494	8,172	3.2	3.9	-3.3	7,717	11,090	6,262	7,717	6,262	23.2
New Orders.....	8,503	8,686	8,139	-2.1	6.7	-0.9	7,260	11,024	5,976	7,260	5,976	21.5
Communications equipment:												
Shipments.....	6,977	6,742	6,667	3.5	1.1	-1.5	5,648	8,907	4,744	5,648	4,744	19.1
New Orders.....	7,182	4,145	5,122	73.3	-19.1	-46.4	6,676	6,168	6,642	6,676	6,642	0.5
Semiconductors:												
Shipments.....	6,410	6,046	6,290	6.0	-3.9	0.3	5,945	6,370	5,136	5,945	5,136	15.8
New Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:												
Shipments.....	8,545	8,620	8,627	-0.9	-0.1	0.8	7,353	9,040	7,438	7,353	7,438	-1.1
New Orders.....	8,532	8,228	8,464	3.7	-2.8	-2.3	7,502	8,499	7,447	7,502	7,447	0.7
Transportation equipment:												
Shipments.....	51,560	53,071	53,245	-2.8	-0.3	1.6	46,520	50,824	47,373	46,520	47,373	-1.8
New Orders.....	49,516	55,291	54,515	-10.4	1.4	-0.2	47,934	57,975	49,085	47,934	49,085	-2.3
Motor vehicles and parts:												
Shipments.....	36,832	38,450	37,591	-4.2	2.3	-0.6	34,956	34,033	36,776	34,956	36,776	-4.9
New Orders.....	36,666	38,631	37,868	-5.1	2.0	-1.2	35,255	34,695	37,193	35,255	37,193	-5.2
Nondefense aircraft and parts:												
Shipments.....	5,362	5,323	5,861	0.7	-9.2	6.8	3,932	6,534	3,556	3,932	3,556	10.6
New Orders.....	4,398	6,098	4,930	-27.9	23.7	-12.4	3,783	8,602	4,704	3,783	4,704	-19.6
Defense aircraft and parts:												
Shipments.....	3,503	3,488	3,016	0.4	15.6	-10.8	2,903	4,159	2,566	2,903	2,566	13.1
New Orders.....	2,501	3,787	3,733	-34.0	1.4	-5.0	2,961	5,846	2,899	2,961	2,899	2.1
All other durable goods:												
Shipments.....	33,107	33,474	33,102	-1.1	1.1	-0.5	29,515	32,073	27,768	29,515	27,768	6.3
New Orders.....	33,247	33,473	33,727	-0.7	-0.8	-0.7	29,815	31,698	27,979	29,815	27,979	6.6
Capital goods:³												
Shipments.....	69,727	68,534	66,183	1.7	3.6	-0.5	59,721	77,190	52,632	59,721	52,632	13.5
New Orders.....	69,270	69,684	67,084	-0.6	3.9	-5.5	64,007	82,539	56,704	64,007	56,704	12.9
Nondefense capital goods:												
Shipments.....	61,705	60,590	58,684	1.8	3.2	0.1	52,962	68,166	46,523	52,962	46,523	13.8
New Orders.....	61,093	60,204	57,862	1.5	4.0	-6.2	55,280	67,865	49,791	55,280	49,791	11.0
Excluding aircraft:												
Shipments.....	59,653	58,120	55,823	2.6	4.1	-0.7	51,673	64,753	45,298	51,673	45,298	14.1
New Orders.....	59,721	57,657	55,553	3.6	3.8	-5.8	53,856	63,082	47,721	53,856	47,721	12.9
Defense capital goods:												
Shipments.....	8,022	7,944	7,499	1.0	5.9	-5.3	6,759	9,024	6,109	6,759	6,109	10.6
New Orders.....	8,177	9,480	9,222	-13.7	2.8	-1.2	8,727	14,674	6,913	8,727	6,913	26.2

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
	Jan 2004 ²	Dec 2003 ^r	Nov 2003	Dec - Jan ²	Nov - Dec ^r	Oct - Nov	Jan 2004 ²	Dec 2003 ^r	Jan 2003	
DURABLE GOODS										
Total:										
Unfilled Orders ⁴	505,232	505,948	503,869	-0.1	0.4	0.7	509,314	502,054	486,552	4.7
Total Inventories.....	263,022	262,827	261,414	0.1	0.5	-0.4	262,333	255,909	270,014	-2.8
Excluding transportation:										
Unfilled Orders ⁴	255,370	254,042	254,183	0.5	-0.1	0.9	256,617	250,771	240,424	6.7
Total Inventories.....	195,307	195,394	194,396	0.0	0.5	-0.2	195,195	190,780	202,420	-3.6
Excluding defense:										
Unfilled Orders ⁴	346,955	347,357	346,532	-0.1	0.2	0.4	349,543	344,345	340,987	2.5
Total Inventories.....	238,920	238,568	237,831	0.1	0.3	-0.5	238,553	232,274	248,811	-4.1
Manufacturing with unfilled orders:										
Unfilled Orders ⁴	505,232	505,948	503,869	-0.1	0.4	0.7	509,314	502,054	486,552	4.7
Total Inventories.....	205,363	205,543	204,731	-0.1	0.4	-0.3	204,592	200,399	212,929	-3.9
Primary metals:										
Unfilled Orders.....	16,490	16,438	16,384	0.3	0.3	4.7	16,718	15,989	14,893	12.3
Total Inventories.....	17,464	17,300	17,276	0.9	0.1	0.7	17,607	17,420	19,246	-8.5
Fabricated metal products:										
Unfilled Orders.....	39,990	38,935	38,139	2.7	2.1	1.8	39,759	38,029	36,983	7.5
Total Inventories.....	30,864	30,979	30,995	-0.4	-0.1	-0.1	30,949	30,473	31,790	-2.6
Machinery:										
Unfilled Orders.....	44,203	43,902	42,663	0.7	2.9	2.4	44,399	42,864	43,284	2.6
Total Inventories.....	41,894	41,589	41,220	0.7	0.9	-0.6	41,967	40,527	42,979	-2.4
Computers and electronic products:										
Unfilled Orders ⁴	128,958	129,165	131,002	-0.2	-1.4	-0.4	130,148	128,745	121,377	7.2
Total Inventories.....	47,267	47,734	47,130	-1.0	1.3	-0.1	46,927	45,928	50,148	-6.4
Computers and related products:										
Unfilled Orders.....	8,584	8,843	8,651	-2.9	2.2	-0.4	8,348	8,805	7,838	6.5
Total Inventories.....	6,022	6,145	6,021	-2.0	2.1	-0.8	5,799	5,639	6,150	-5.7
Communications equipment:										
Unfilled Orders.....	50,468	50,263	52,860	0.4	-4.9	-2.8	50,797	49,769	46,645	8.9
Total Inventories.....	10,593	11,030	11,092	-4.0	-0.6	0.8	10,551	10,679	12,625	-16.4
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.....	13,592	13,605	13,997	-0.1	-2.8	-1.2	13,546	13,397	13,801	-1.8
Total Inventories.....	12,431	12,386	12,372	0.4	0.1	0.7	12,418	11,956	12,692	-2.2
Transportation equipment:										
Unfilled Orders.....	249,862	251,906	249,686	-0.8	0.9	0.5	252,697	251,283	246,128	2.7
Total Inventories.....	67,715	67,433	67,018	0.4	0.6	-0.8	67,138	65,129	67,594	-0.7
Motor vehicles and parts:										
Unfilled Orders.....	13,319	13,485	13,304	-1.2	1.4	2.1	13,919	13,620	12,550	10.9
Total Inventories.....	20,662	20,222	20,054	2.2	0.8	0.1	20,662	19,598	20,857	-0.9
Nondefense Aircraft and parts:										
Unfilled Orders.....	103,711	104,675	103,900	-0.9	0.7	-0.9	104,922	105,071	112,642	-6.9
Total Inventories.....	23,943	24,012	24,173	-0.3	-0.7	-2.6	23,660	22,997	26,280	-10.0
Defense Aircraft and parts:										
Unfilled Orders.....	61,137	62,139	61,840	-1.6	0.5	1.2	60,830	60,772	56,297	8.1
Total Inventories.....	11,532	11,623	11,169	-0.8	4.1	1.3	11,325	11,285	9,660	17.2
All other durable goods:										
Unfilled Orders.....	12,137	11,997	11,998	1.2	0.0	5.5	12,047	11,747	10,086	19.4
Total Inventories.....	45,387	45,406	45,403	0.0	0.0	-0.6	45,327	44,476	45,565	-0.5
Capital goods:³										
Unfilled Orders.....	358,672	359,129	357,979	-0.1	0.3	0.3	361,653	357,367	342,783	5.5
Total Inventories.....	124,629	125,084	124,473	-0.4	0.5	-0.2	123,801	121,408	129,082	-4.1
Nondefense capital goods:										
Unfilled Orders.....	220,291	220,903	221,289	-0.3	-0.2	-0.4	221,685	219,367	216,670	2.3
Total Inventories.....	105,151	105,530	105,252	-0.4	0.3	-0.4	104,495	102,140	111,393	-6.2
Excluding aircraft:										
Unfilled Orders.....	141,104	141,036	141,499	0.0	-0.3	-0.2	141,287	139,104	130,694	8.1
Total Inventories.....	88,069	88,535	88,210	-0.5	0.4	0.1	87,551	85,890	91,973	-4.8
Defense capital goods:										
Unfilled Orders.....	138,381	138,226	136,690	0.1	1.1	1.3	139,968	138,000	126,113	11.0
Total Inventories.....	19,478	19,554	19,221	-0.4	1.7	1.2	19,306	19,268	17,689	9.1

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 3,500 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 3,500 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 3,500 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/>.