

**UNITED STATES DEPARTMENT OF  
COMMERCE  
NEWS**  
WASHINGTON, DC 20230

**ECONOMICS  
AND  
STATISTICS  
ADMINISTRATION**

**U.S. CENSUS BUREAU**

U.S. Census Bureau  
For Data - (301) 763-4673  
For Questions - Chris Savage or Patrick Kent (301) 763-4832  
M3-1(04)-07

For Release 8:30 A.M. EDT  
August 25, 2004  
CB-04-142

**ADVANCE REPORT ON DURABLE GOODS MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS  
July 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 July increased \$3.2 billion or 1.7 percent to \$195.6 billion, the Department of Commerce, U.S. Census Bureau reported today. This followed a 1.1 percent June increase. Excluding transportation, new orders increased 0.1 percent. Excluding defense, new orders increased 2.7 percent. Year-to-date, new orders for 2004 were 12.4 percent above the same period a year ago.

Transportation equipment had the largest increase, \$3.1 billion or 5.6 percent to \$58.9 billion, due to non-defense aircraft and parts, which increased \$6.2 billion. Primary metals increased \$0.8 billion or 5.8 percent to \$14.8 billion.

● **SHIPMENTS** of manufactured durable goods in July increased \$0.3 billion or 0.1 percent to \$196.8 billion. This followed a 1.1 percent June increase. Year-to-date, shipments for 2004 were 10.7 percent above the same period a year ago.

Machinery had the largest increase, \$0.8 billion or 3.2 percent to \$25.0 billion. Computers and electronic products increased \$0.7 billion or 1.7 percent to \$38.8 billion.

● **UNFILLED ORDERS** for manufactured durable goods in July, up eleven of the last twelve months, increased \$6.2 billion or 1.2 percent to \$533.5 billion. This followed a 0.6 percent June increase.

Transportation equipment, up four of the last five months, had the largest increase, \$6.8 billion or 2.7 percent to \$259.2 billion. Primary metals, up fourteen consecutive months, increased \$0.6 billion or 3.4 percent to \$19.5 billion.

● **INVENTORIES** of manufactured durable goods in July, up eight consecutive months, increased \$2.2 billion or 0.8 percent to \$273.7 billion. This followed a 0.8 percent June increase.

Transportation equipment, up three of the last four months, had the largest increase, \$0.6 billion or 0.9 percent to \$69.0 billion. Computers and electronic products, up five consecutive months, increased \$0.5 billion or 1.0 percent to \$48.7 billion.

● **CAPITAL GOODS INDUSTRIES, DEFENSE** New orders in July decreased \$1.6 billion or 16.2 percent to \$8.1 billion. Shipments increased \$0.2 billion or 3.1 percent to \$8.3 billion. Unfilled orders decreased \$0.2 billion or 0.1 percent to \$141.6 billion. Inventories decreased 0.1 billion or 0.6 percent to \$19.6 billion.

● **CAPITAL GOODS INDUSTRIES, NONDEFENSE** New orders in July increased \$5.8 billion or 9.0 percent to \$69.5 billion. Shipments increased \$0.4 billion or 0.6 percent to \$62.7 billion. Unfilled orders increased \$6.7 billion or 3.0 percent to \$234.4 billion. Inventories increased \$1.2 billion or 1.1 percent to \$108.3 billion.

● **REVISED JUNE DATA** Revised seasonally adjusted June figures for all manufacturing industries are: new orders, \$363.7 billion (revised from \$363.2 billion); shipments, \$367.9 billion (revised from \$367.2 billion); unfilled orders, \$527.3 billion (revised from \$527.5 billion); and total inventories, \$453.1 billion (revised from \$452.9 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 <sup>1</sup>					
	Monthly			Percent Change			Monthly			Year to Date		
	Jul 2004 <sup>2</sup>	Jun 2004 <sup>r</sup>	May 2004	Jun - Jul <sup>2</sup>	May - Jun <sup>r</sup>	Apr - May	Jul 2004 <sup>2</sup>	Jun 2004 <sup>r</sup>	Jul 2003	2004	2003	Percent Change 04/03
<b>DURABLE GOODS</b>												
<b>Total:</b>												
Shipments.....	196,838	196,584	194,389	0.1	1.1	-0.6	173,451	215,285	158,160	1,345,175	1,215,118	10.7
New Orders <sup>4</sup> .....	195,586	192,362	190,245	1.7	1.1	-0.9	170,287	206,306	150,899	1,328,675	1,182,202	12.4
<b>Excluding transportation:</b>												
Shipments.....	144,712	142,347	140,634	1.7	1.2	-0.9	135,500	155,693	119,421	971,508	864,187	12.4
New Orders <sup>4</sup> .....	136,674	136,568	136,949	0.1	-0.3	-0.6	127,592	146,443	114,798	947,924	829,846	14.2
<b>Excluding defense:</b>												
Shipments.....	187,170	186,953	184,620	0.1	1.3	-0.8	164,561	205,001	149,735	1,278,210	1,155,122	10.7
New Orders <sup>4</sup> .....	186,183	181,233	181,605	2.7	-0.2	-0.6	164,328	195,523	145,238	1,259,860	1,116,255	12.9
<b>Manufacturing with unfilled orders:</b>												
Shipments.....	135,908	133,998	131,960	1.4	1.5	-0.3	121,884	145,925	109,110	914,554	826,051	10.7
New Orders <sup>4</sup> .....	142,110	136,938	135,114	3.8	1.3	-0.7	125,133	144,599	106,260	945,732	831,967	13.7
<b>Primary metals:</b>												
Shipments.....	14,122	13,771	13,236	2.5	4.0	-0.1	13,297	14,519	10,157	93,330	77,224	20.9
New Orders.....	14,758	13,952	13,706	5.8	1.8	2.8	13,923	14,390	10,136	97,114	77,059	26.0
<b>Fabricated metal products:</b>												
Shipments.....	23,264	22,885	22,593	1.7	1.3	-0.1	22,329	24,041	19,867	155,157	141,907	9.3
New Orders.....	23,084	23,201	22,573	-0.5	2.8	-5.8	22,317	23,775	20,258	162,161	141,770	14.4
<b>Machinery:</b>												
Shipments.....	25,046	24,276	23,258	3.2	4.4	-2.7	23,743	26,997	19,807	168,643	147,274	14.5
New Orders.....	24,999	24,483	24,223	2.1	1.1	0.1	23,394	26,360	19,781	173,918	146,157	19.0
<b>Computers and electronic products:</b>												
Shipments.....	38,816	38,164	38,148	1.7	0.0	-1.6	34,167	43,277	30,233	258,415	226,543	14.1
New Orders <sup>4</sup> .....	30,691	31,897	32,468	-3.8	-1.8	0.1	25,917	35,554	25,148	216,531	192,456	12.5
<b>Computers and related products:</b>												
Shipments.....	8,377	8,105	8,180	3.4	-0.9	-9.8	7,926	9,555	7,366	56,012	48,987	14.3
New Orders.....	8,118	8,697	8,689	-6.7	0.1	0.9	7,315	10,083	6,667	55,532	49,123	13.0
<b>Communications equipment:</b>												
Shipments.....	6,873	6,799	6,954	1.1	-2.2	-1.6	5,729	7,768	5,396	46,367	41,104	12.8
New Orders.....	6,605	6,287	6,574	5.1	-4.4	-16.6	5,147	6,311	5,748	46,544	46,221	0.7
<b>Semiconductors:</b>												
Shipments.....	7,454	7,162	7,298	4.1	-1.9	3.2	6,413	7,653	4,411	47,678	38,832	22.8
New Orders <sup>4</sup> .....	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
<b>Electrical equipment, appliances, and components:</b>												
Shipments.....	9,111	8,754	8,769	4.1	-0.2	-0.4	8,401	9,564	7,767	60,144	57,514	4.6
New Orders.....	8,860	8,441	8,930	5.0	-5.5	-4.8	8,346	9,007	7,870	61,359	57,638	6.5
<b>Transportation equipment:</b>												
Shipments.....	52,126	54,237	53,755	-3.9	0.9	0.4	37,951	59,592	38,739	373,667	350,931	6.5
New Orders.....	58,912	55,794	53,296	5.6	4.7	-1.8	42,695	59,863	36,101	380,751	352,356	8.1
<b>Motor vehicles and parts:</b>												
Shipments.....	36,554	38,098	37,597	-4.1	1.3	-2.6	24,916	41,530	26,258	267,077	252,914	5.6
New Orders.....	36,320	38,334	38,006	-5.3	0.9	-2.6	24,881	41,471	26,669	268,161	252,873	6.0
<b>Nondefense aircraft and parts:</b>												
Shipments.....	5,817	6,280	6,608	-7.4	-5.0	20.4	4,564	7,361	4,723	39,818	38,273	4.0
New Orders.....	12,330	6,152	6,751	100.4	-8.9	14.6	10,767	7,225	4,001	45,017	32,208	39.8
<b>Defense aircraft and parts:</b>												
Shipments.....	3,534	3,709	3,664	-4.7	1.2	4.3	3,201	4,065	2,918	25,628	21,855	17.3
New Orders.....	3,178	5,155	2,841	-38.4	81.5	23.8	1,894	5,262	1,852	22,598	26,764	-15.6
<b>All other durable goods:</b>												
Shipments.....	34,353	34,497	34,630	-0.4	-0.4	0.0	33,563	37,295	31,590	235,819	213,725	10.3
New Orders.....	34,282	34,594	35,049	-0.9	-1.3	1.7	33,695	37,357	31,605	236,841	214,766	10.3
<b>Capital goods:<sup>3</sup></b>												
Shipments.....	71,015	70,367	69,672	0.9	1.0	-1.4	64,795	79,115	59,372	483,984	433,018	11.8
New Orders.....	77,544	73,358	70,167	5.7	4.5	-2.7	67,998	79,452	56,435	501,323	441,785	13.5
<b>Nondefense capital goods:</b>												
Shipments.....	62,728	62,328	61,268	0.6	1.7	-2.0	57,068	70,705	52,007	426,689	381,887	11.7
New Orders.....	69,461	63,711	62,996	9.0	1.1	-1.4	62,823	70,194	51,690	441,173	384,804	14.6
<b>Excluding aircraft:</b>												
Shipments.....	60,811	59,966	58,529	1.4	2.5	-2.8	55,630	67,751	49,813	410,285	364,425	12.6
New Orders.....	61,088	60,738	59,923	0.6	1.4	-2.0	55,239	66,637	49,556	419,636	372,344	12.7
<b>Defense capital goods:</b>												
Shipments.....	8,287	8,039	8,404	3.1	-4.3	3.1	7,727	8,410	7,365	57,295	51,131	12.1
New Orders.....	8,083	9,647	7,171	-16.2	34.5	-12.4	5,175	9,258	4,745	60,150	56,981	5.6

NA Not Available <sup>r</sup> Revised

<sup>1</sup> 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.

<sup>2</sup> 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."

<sup>3</sup> 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.

<sup>4</sup> 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 <sup>1</sup>			
	Monthly			Percent Change			Monthly			Percent Change 2004/2003
	Jul 2004 <sup>2</sup>	Jun 2004 <sup>r</sup>	May 2004	Jun - Jul <sup>2</sup>	May - Jun <sup>r</sup>	Apr - May	Jul 2004 <sup>2</sup>	Jun 2004 <sup>r</sup>	Jul 2003	
<b>DURABLE GOODS</b>										
<b>Total:</b>										
Unfilled Orders <sup>4</sup> .....	533,507	527,305	524,365	1.2	0.6	0.6	533,594	530,345	486,595	9.7
Total Inventories.....	273,726	271,552	269,308	0.8	0.8	0.8	275,709	270,453	265,774	3.7
<b>Excluding transportation:</b>										
Unfilled Orders <sup>4</sup> .....	274,308	274,892	273,509	-0.2	0.5	1.3	275,229	276,724	240,754	14.3
Total Inventories.....	204,768	203,209	201,058	0.8	1.1	1.1	206,046	202,591	197,537	4.3
<b>Excluding defense:</b>										
Unfilled Orders <sup>4</sup> .....	373,216	366,749	365,307	1.8	0.4	1.2	373,787	367,607	336,099	11.2
Total Inventories.....	249,465	247,273	244,942	0.9	1.0	0.8	251,213	246,044	242,498	3.6
<b>Manufacturing with unfilled orders:</b>										
Unfilled Orders <sup>4</sup> .....	533,507	527,305	524,365	1.2	0.6	0.6	533,594	530,345	486,595	9.7
Total Inventories.....	213,698	211,601	209,906	1.0	0.8	0.7	215,268	210,813	208,280	3.4
<b>Primary metals:</b>										
Unfilled Orders.....	19,549	18,913	18,732	3.4	1.0	2.6	19,786	19,160	14,294	38.4
Total Inventories.....	19,093	18,827	18,529	1.4	1.6	1.0	19,215	18,744	17,963	7.0
<b>Fabricated metal products:</b>										
Unfilled Orders.....	44,370	44,550	44,234	-0.4	0.7	0.0	45,025	45,037	36,763	22.5
Total Inventories.....	33,217	32,861	32,481	1.1	1.2	1.7	33,399	32,922	31,165	7.2
<b>Machinery:</b>										
Unfilled Orders.....	48,273	48,320	48,113	-0.1	0.4	2.0	48,157	48,506	41,303	16.6
Total Inventories.....	44,206	43,828	43,249	0.9	1.3	1.4	44,118	43,487	41,690	5.8
<b>Computers and electronic products:</b>										
Unfilled Orders <sup>4</sup> .....	135,204	135,875	134,980	-0.5	0.7	1.2	134,950	136,787	123,562	9.2
Total Inventories.....	48,653	48,157	47,534	1.0	1.3	0.3	49,414	47,715	48,091	2.8
<b>Computers and related products:</b>										
Unfilled Orders.....	8,461	8,720	8,128	-3.0	7.3	6.7	8,325	8,936	8,260	0.8
Total Inventories.....	6,181	6,078	5,883	1.7	3.3	1.8	6,229	5,996	6,122	1.7
<b>Communications equipment:</b>										
Unfilled Orders.....	49,969	50,237	50,749	-0.5	-1.0	-0.7	49,946	50,528	49,864	0.2
Total Inventories.....	10,779	10,604	10,723	1.7	-1.1	-0.4	10,956	10,377	11,351	-3.5
<b>Semiconductors:</b>										
Unfilled Orders <sup>4</sup> .....	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Total Inventories <sup>4</sup> .....	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
<b>Electrical equipment, appliances, and components:</b>										
Unfilled Orders.....	14,512	14,763	15,076	-1.7	-2.1	1.1	14,630	14,685	13,916	5.1
Total Inventories.....	12,689	12,616	12,504	0.6	0.9	1.6	12,742	12,666	12,406	2.7
<b>Transportation equipment:</b>										
Unfilled Orders.....	259,199	252,413	250,856	2.7	0.6	-0.2	258,365	253,621	245,841	5.1
Total Inventories.....	68,958	68,343	68,250	0.9	0.1	-0.1	69,663	67,862	68,237	2.1
<b>Motor vehicles and parts:</b>										
Unfilled Orders.....	14,756	14,990	14,754	-1.6	1.6	2.9	14,704	14,739	12,092	21.6
Total Inventories.....	21,329	21,502	21,200	-0.8	1.4	0.3	21,685	21,322	20,616	5.2
<b>Nondefense Aircraft and parts:</b>										
Unfilled Orders.....	110,890	104,377	104,505	6.2	-0.1	0.1	110,270	104,067	105,429	4.6
Total Inventories.....	24,155	23,425	23,498	3.1	-0.3	-1.2	24,257	23,054	25,048	-3.2
<b>Defense Aircraft and parts:</b>										
Unfilled Orders.....	57,406	57,762	56,316	-0.6	2.6	-1.4	57,740	59,047	60,873	-5.1
Total Inventories.....	11,715	11,687	11,584	0.2	0.9	-0.1	11,861	11,767	11,012	7.7
<b>All other durable goods:</b>										
Unfilled Orders.....	12,400	12,471	12,374	-0.6	0.8	3.5	12,681	12,549	10,916	16.2
Total Inventories.....	46,910	46,920	46,761	0.0	0.3	1.1	47,158	47,057	46,222	2.0
<b>Capital goods:<sup>3</sup></b>										
Unfilled Orders.....	375,986	369,457	366,466	1.8	0.8	0.1	375,136	371,933	347,478	8.0
Total Inventories.....	127,927	126,897	126,109	0.8	0.6	0.8	128,530	126,090	125,636	2.3
<b>Nondefense capital goods:</b>										
Unfilled Orders.....	234,369	227,636	226,253	3.0	0.6	0.8	234,031	228,276	216,319	8.2
Total Inventories.....	108,335	107,180	106,409	1.1	0.7	0.8	108,828	106,259	106,840	1.9
<b>Excluding aircraft:</b>										
Unfilled Orders.....	148,353	148,076	147,304	0.2	0.5	1.0	148,635	149,026	136,190	9.1
Total Inventories.....	90,836	90,409	89,477	0.5	1.0	1.2	91,308	89,831	89,167	2.4
<b>Defense capital goods:</b>										
Unfilled Orders.....	141,617	141,821	140,213	-0.1	1.1	-0.9	141,105	143,657	131,159	7.6
Total Inventories.....	19,592	19,717	19,700	-0.6	0.1	1.0	19,702	19,831	18,796	4.8

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/>.