

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

**ECONOMICS  
AND  
STATISTICS  
ADMINISTRATION**

**U.S. CENSUS BUREAU**

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M3-1(04)-06

For Release 8:30 A.M. EDT  
July 28, 2004  
CB-04-127

**ADVANCE REPORT ON DURABLE GOODS MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS  
June 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 June increased \$1.4 billion or 0.7 percent to \$191.7 billion, the Department of Commerce, U.S. Census Bureau reported today. This followed a 0.9 percent May decrease. Excluding transportation, new orders decreased 0.6 percent. Excluding defense, new orders decreased 0.4 percent. Year-to-date, new orders for 2004 were 12.2 percent above the same period a year ago.

Transportation equipment had the largest increase, \$2.2 billion or 4.2 percent to \$55.5 billion, due to defense aircraft and parts, which increased \$2.2 billion. Fabricated metal products increased \$0.7 billion or 3.3 percent to \$23.3 billion.

● **SHIPMENTS** of manufactured durable goods in June increased \$1.3 billion or 0.7 percent to \$195.7 billion. This followed a 0.6 percent May decrease. Year-to-date, shipments for 2004 were 10.8 percent above the same period a year ago.

Machinery had the largest increase, \$0.7 billion or 3.1 percent to \$24.0 billion. Primary metals increased \$0.4 billion or 2.9 percent to \$13.6 billion.

● **UNFILLED ORDERS** for manufactured durable goods in June, up ten of the last eleven months, increased \$3.1 billion or 0.6 percent to \$527.5 billion. This followed a 0.6 percent May increase.

Transportation equipment, up three of the last four months, had the largest increase, \$1.4 billion or 0.6 percent to \$252.2 billion. Computers and electronic products, up five consecutive months, increased \$1.0 billion or 0.7 percent to \$136.0 billion.

● **INVENTORIES** of manufactured durable goods in June, up seven consecutive months, increased \$1.9 billion or 0.7 percent to \$271.1 billion. This followed a 0.7 percent May increase.

Computers and electronic products, up four consecutive months, had the largest increase, \$0.7 billion or 1.4 percent to \$48.2 billion. Machinery, up seven consecutive months, increased \$0.3 billion or 0.8 percent to \$43.6 billion.

● **CAPITAL GOODS INDUSTRIES, DEFENSE** New orders in June increased \$2.2 billion or 30.4 percent to \$9.4 billion. This was the largest percent increase in defense capital goods since August 2003. Shipments decreased \$0.4 billion or 4.9 percent to \$8.0 billion. Unfilled orders increased \$1.4 billion or 1.0 percent to \$141.6 billion. Inventories increased 0.2 percent to \$19.7 billion.

● **CAPITAL GOODS INDUSTRIES, NONDEFENSE** New orders in June increased \$0.7 billion or 1.1 percent to \$63.7 billion. Shipments increased \$0.8 billion or 1.4 percent to \$62.1 billion. Unfilled orders increased \$1.6 billion or 0.7 percent to \$227.8 billion. Inventories increased \$0.8 billion or 0.8 percent to \$107.2 billion.

● **REVISED MAY DATA** Revised seasonally adjusted May figures for all manufacturing industries are: new orders, \$360.9 billion (revised from \$358.2 billion); shipments, \$365.0 billion (revised from \$363.6 billion); unfilled orders, \$524.4 billion (revised from \$523.1 billion); and total inventories, \$449.5 billion (revised from \$448.7 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 <sup>1</sup>					
	Monthly			Percent Change			Monthly			Year to Date		
	Jun 2004 <sup>2</sup>	May 2004 <sup>r</sup>	Apr 2004	May - Jun <sup>2</sup>	Apr - May <sup>r</sup>	Mar - Apr	Jun 2004 <sup>2</sup>	May 2004 <sup>r</sup>	Jun 2003	2004	2003	Percent Change 04/03
<b>DURABLE GOODS</b>												
<b>Total:</b>												
Shipments.....	195,711	194,372	195,512	0.7	-0.6	-0.8	214,407	194,686	192,530	1,170,915	1,056,958	10.8
New Orders <sup>4</sup> .....	191,659	190,250	192,067	0.7	-0.9	-2.7	204,732	189,509	183,096	1,156,891	1,031,303	12.2
<b>Excluding transportation:</b>												
Shipments.....	141,608	140,634	141,965	0.7	-0.9	0.7	155,485	139,688	137,327	835,869	744,766	12.2
New Orders <sup>4</sup> .....	136,166	136,974	137,790	-0.6	-0.6	-1.7	145,974	136,507	128,439	819,940	715,048	14.7
<b>Excluding defense:</b>												
Shipments.....	186,131	184,602	186,086	0.8	-0.8	-0.6	204,104	184,960	182,693	1,112,821	1,005,387	10.7
New Orders <sup>4</sup> .....	180,843	181,609	182,748	-0.4	-0.6	-2.1	194,424	182,700	173,735	1,094,510	971,017	12.7
<b>Manufacturing with unfilled orders:</b>												
Shipments.....	132,828	131,903	132,384	0.7	-0.4	-0.4	145,299	132,263	130,189	792,057	716,941	10.5
New Orders <sup>4</sup> .....	135,911	135,076	136,010	0.6	-0.7	-2.8	143,290	134,007	127,425	819,311	725,707	12.9
<b>Primary metals:</b>												
Shipments.....	13,621	13,231	13,248	2.9	-0.1	-0.5	14,473	13,659	10,934	79,987	67,067	19.3
New Orders.....	13,638	13,689	13,337	-0.4	2.6	-4.4	14,286	14,093	11,024	83,087	66,923	24.2
<b>Fabricated metal products:</b>												
Shipments.....	22,741	22,564	22,612	0.8	-0.2	-0.7	24,069	22,915	21,088	132,861	122,040	8.9
New Orders.....	23,310	22,568	23,963	3.3	-5.8	-1.1	23,880	23,561	20,568	139,953	121,512	15.2
<b>Machinery:</b>												
Shipments.....	23,976	23,248	23,904	3.1	-2.7	-0.1	26,756	24,141	23,110	144,659	127,467	13.5
New Orders.....	24,273	24,195	24,192	0.3	0.0	-4.1	26,017	24,913	21,833	150,179	126,376	18.8
<b>Computers and electronic products:</b>												
Shipments.....	38,357	38,153	38,766	0.5	-1.6	2.5	43,829	35,551	39,941	224,799	196,310	14.5
New Orders <sup>4</sup> .....	32,175	32,501	32,443	-1.0	0.2	-1.9	35,909	29,796	32,768	190,978	167,308	14.1
<b>Computers and related products:</b>												
Shipments.....	8,303	8,180	9,068	1.5	-9.8	9.7	9,967	6,705	9,281	48,498	41,621	16.5
New Orders.....	8,800	8,689	8,615	1.3	0.9	7.4	10,420	7,728	9,411	48,554	42,456	14.4
<b>Communications equipment:</b>												
Shipments.....	6,750	6,955	7,068	-2.9	-1.6	5.2	7,737	6,815	7,692	40,607	35,708	13.7
New Orders.....	6,298	6,589	7,887	-4.4	-16.5	20.2	6,274	6,333	6,564	41,360	40,473	2.2
<b>Semiconductors:</b>												
Shipments.....	7,135	7,295	7,071	-2.2	3.2	3.5	7,666	6,921	6,670	41,278	34,421	19.9
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.....	8,698	8,768	8,806	-0.8	-0.4	2.0	9,545	8,794	9,059	51,725	49,747	4.0
New Orders.....	8,543	8,934	9,383	-4.4	-4.8	4.7	9,125	8,994	8,945	53,132	49,768	6.8
<b>Transportation equipment:</b>												
Shipments.....	54,103	53,738	53,547	0.7	0.4	-4.7	58,922	54,998	55,203	335,046	312,192	7.3
New Orders.....	55,493	53,276	54,277	4.2	-1.8	-5.2	58,758	53,002	54,657	336,951	316,255	6.5
<b>Motor vehicles and parts:</b>												
Shipments.....	38,210	37,580	38,605	1.7	-2.7	-4.5	41,302	38,918	38,294	241,933	226,656	6.7
New Orders.....	38,495	37,986	39,012	1.3	-2.6	-3.8	41,266	38,998	38,016	243,075	226,204	7.5
<b>Nondefense aircraft and parts:</b>												
Shipments.....	6,326	6,608	5,487	-4.3	20.4	-6.7	7,348	6,342	7,060	35,241	33,550	5.0
New Orders.....	6,209	6,751	5,889	-8.0	14.6	-7.8	7,204	6,357	7,024	34,229	28,207	21.3
<b>Defense aircraft and parts:</b>												
Shipments.....	3,677	3,664	3,514	0.4	4.3	-11.2	4,018	3,523	3,920	22,380	18,937	18.2
New Orders.....	5,087	2,841	2,295	79.1	23.8	-9.7	5,016	2,248	3,651	20,458	24,912	-17.9
<b>All other durable goods:</b>												
Shipments.....	34,215	34,670	34,629	-1.3	0.1	0.4	36,813	34,628	33,195	201,838	182,135	10.8
New Orders.....	34,227	35,087	34,472	-2.5	1.8	-0.7	36,757	35,150	33,301	202,611	183,161	10.6
<b>Capital goods:<sup>3</sup></b>												
Shipments.....	70,115	69,683	70,679	0.6	-1.4	0.6	78,976	68,249	72,431	419,051	373,646	12.2
New Orders.....	73,054	70,185	72,097	4.1	-2.7	-2.7	78,676	67,264	70,536	432,548	385,350	12.2
<b>Nondefense capital goods:</b>												
Shipments.....	62,122	61,278	62,529	1.4	-2.0	0.8	70,548	59,847	64,336	369,465	329,880	12.0
New Orders.....	63,699	63,013	63,908	1.1	-1.4	-1.3	69,863	61,718	62,497	378,018	333,114	13.5
<b>Excluding aircraft:</b>												
Shipments.....	59,709	58,539	60,199	2.0	-2.8	1.4	67,608	56,998	60,649	354,513	314,612	12.7
New Orders.....	60,664	59,940	61,128	1.2	-1.9	-2.1	66,328	58,663	59,398	364,087	322,788	12.8
<b>Defense capital goods:</b>												
Shipments.....	7,993	8,405	8,150	-4.9	3.1	-0.7	8,428	8,402	8,095	49,586	43,766	13.3
New Orders.....	9,355	7,172	8,189	30.4	-12.4	-12.8	8,813	5,546	8,039	54,530	52,236	4.4

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
	Jun 2004 <sup>2</sup>	May 2004 <sup>r</sup>	Apr 2004	May - Jun <sup>2</sup>	Apr - May <sup>r</sup>	Mar - Apr	Jun 2004 <sup>2</sup>	May 2004 <sup>r</sup>	Jun 2003	
<b>DURABLE GOODS</b>										
<b>Total:</b>										
Unfilled Orders <sup>4</sup> .....	527,467	524,384	521,211	0.6	0.6	0.7	529,670	531,679	489,445	8.2
Total Inventories.....	271,087	269,169	267,206	0.7	0.7	0.6	270,354	272,023	264,092	2.4
<b>Excluding transportation:</b>										
Unfilled Orders <sup>4</sup> .....	275,224	273,531	269,896	0.6	1.3	1.1	276,484	278,329	240,966	14.7
Total Inventories.....	202,732	200,938	198,876	0.9	1.0	0.6	202,386	203,427	196,754	2.9
<b>Excluding defense:</b>										
Unfilled Orders <sup>4</sup> .....	367,173	365,326	361,024	0.5	1.2	1.0	367,426	369,440	336,185	9.3
Total Inventories.....	246,809	244,804	242,998	0.8	0.7	0.7	245,915	247,656	241,040	2.0
<b>Manufacturing with unfilled orders:</b>										
Unfilled Orders <sup>4</sup> .....	527,467	524,384	521,211	0.6	0.6	0.7	529,670	531,679	489,445	8.2
Total Inventories.....	211,229	209,787	208,497	0.7	0.6	0.7	210,759	211,732	207,548	1.5
<b>Primary metals:</b>										
Unfilled Orders.....	18,737	18,720	18,262	0.1	2.5	0.5	19,102	19,289	14,315	33.4
Total Inventories.....	18,776	18,522	18,342	1.4	1.0	1.6	18,733	18,452	18,056	3.7
<b>Fabricated metal products:</b>										
Unfilled Orders.....	44,827	44,258	44,254	1.3	0.0	3.1	45,113	45,302	36,372	24.0
Total Inventories.....	32,708	32,414	31,929	0.9	1.5	1.6	32,833	32,732	31,403	4.6
<b>Machinery:</b>										
Unfilled Orders.....	48,392	48,095	47,148	0.6	2.0	0.6	48,402	49,141	41,329	17.1
Total Inventories.....	43,568	43,225	42,632	0.8	1.4	0.3	43,263	43,567	41,590	4.0
<b>Computers and electronic products:</b>										
Unfilled Orders <sup>4</sup> .....	135,958	135,005	133,362	0.7	1.2	0.6	136,613	136,867	124,236	10.0
Total Inventories.....	48,216	47,537	47,411	1.4	0.3	0.5	47,892	48,412	47,257	1.3
<b>Computers and related products:</b>										
Unfilled Orders.....	8,625	8,128	7,619	6.1	6.7	-5.6	8,861	8,408	8,959	-1.1
Total Inventories.....	6,101	5,884	5,777	3.7	1.9	-1.8	6,036	6,153	6,104	-1.1
<b>Communications equipment:</b>										
Unfilled Orders.....	50,311	50,763	51,129	-0.9	-0.7	1.6	50,522	51,985	49,512	2.0
Total Inventories.....	10,670	10,722	10,766	-0.5	-0.4	1.9	10,480	10,965	11,123	-5.8
<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.....	14,926	15,081	14,915	-1.0	1.1	4.0	14,822	15,242	13,813	7.3
Total Inventories.....	12,612	12,501	12,310	0.9	1.6	-0.2	12,674	12,916	12,507	1.3
<b>Transportation equipment:</b>										
Unfilled Orders.....	252,243	250,853	251,315	0.6	-0.2	0.3	253,186	253,350	248,479	1.9
Total Inventories.....	68,355	68,231	68,330	0.2	-0.1	0.5	67,968	68,596	67,338	0.9
<b>Motor vehicles and parts:</b>										
Unfilled Orders.....	15,036	14,751	14,345	1.9	2.8	2.9	14,762	14,798	11,681	26.4
Total Inventories.....	21,458	21,181	21,131	1.3	0.2	0.3	21,234	21,314	20,053	5.9
<b>Nondefense Aircraft and parts:</b>										
Unfilled Orders.....	104,388	104,505	104,362	-0.1	0.1	0.4	104,059	104,203	106,151	-2.0
Total Inventories.....	23,476	23,498	23,793	-0.1	-1.2	0.8	23,185	23,721	25,211	-8.0
<b>Defense Aircraft and parts:</b>										
Unfilled Orders.....	57,726	56,316	57,139	2.5	-1.4	-2.1	58,848	57,850	61,939	-5.0
Total Inventories.....	11,659	11,584	11,595	0.6	-0.1	-0.3	11,778	11,460	10,739	9.7
<b>All other durable goods:</b>										
Unfilled Orders.....	12,384	12,372	11,955	0.1	3.5	-1.3	12,432	12,488	10,901	14.0
Total Inventories.....	46,852	46,739	46,252	0.2	1.1	0.3	46,991	47,348	45,941	2.3
<b>Capital goods:<sup>3</sup></b>										
Unfilled Orders.....	369,412	366,473	365,971	0.8	0.1	0.4	371,294	371,594	350,415	6.0
Total Inventories.....	126,925	126,080	125,060	0.7	0.8	0.0	126,260	127,401	125,412	0.7
<b>Nondefense capital goods:</b>										
Unfilled Orders.....	227,837	226,260	224,525	0.7	0.8	0.6	228,100	228,785	216,636	5.3
Total Inventories.....	107,193	106,381	105,556	0.8	0.8	0.2	106,410	107,644	106,594	-0.2
<b>Excluding aircraft:</b>										
Unfilled Orders.....	148,266	147,311	145,910	0.6	1.0	0.6	148,858	150,138	136,447	9.1
Total Inventories.....	90,360	89,449	88,414	1.0	1.2	0.1	89,850	90,724	88,533	1.5
<b>Defense capital goods:</b>										
Unfilled Orders.....	141,575	140,213	141,446	1.0	-0.9	0.0	143,194	142,809	133,779	7.0
Total Inventories.....	19,732	19,699	19,504	0.2	1.0	-1.1	19,850	19,757	18,818	5.5

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/>.