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**ADVANCE REPORT ON DURABLE GOODS MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS**  
**May 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 May decreased \$3.2 billion or 1.6 percent to \$189.1 billion, the Department of Commerce, U.S. Census Bureau reported today. This followed a 2.6 percent April decrease. Excluding transportation, new orders decreased 0.7 percent. Excluding defense, new orders decreased 1.3 percent. Year-to-date, new orders for 2004 were 12.2 percent above the same period a year ago.

Transportation equipment, down two consecutive months, had the largest decrease, \$2.2 billion or 4.1 percent to \$52.4 billion. Computers and electronic products decreased \$0.6 billion or 1.8 percent to \$31.9 billion, due to communications equipment. Fabricated metal products decreased \$0.6 billion or 2.4 percent to \$23.2 billion.

● **SHIPMENTS** of manufactured durable goods in May decreased \$1.4 billion or 0.7 percent to \$194.2 billion. This followed a 0.8 percent April decrease. Year-to-date, shipments for 2004 were 10.7 percent above the same period a year ago.

Computers and electronic products had the largest decrease, \$0.7 billion or 1.7 percent to \$38.1 billion, due to computer related products. Machinery decreased \$0.6 billion or 2.3 percent to \$23.4 billion.

● **UNFILLED ORDERS** for manufactured durable goods in May, up nine of the last ten months, increased \$2.3 billion or 0.4 percent to \$523.6 billion. This followed a 0.7 percent April increase.

Computers and electronic products, up four consecutive months, had the largest increase, \$1.1 billion or 0.8 percent to \$134.5 billion. Machinery increased \$0.7 billion or 1.5 percent to \$47.8 billion.

● **INVENTORIES** of manufactured durable goods in May, up six consecutive months, increased \$1.1 billion or 0.4 percent to \$268.2 billion. This followed a 0.6 percent April increase.

Machinery, up six consecutive months, had the largest increase, \$0.5 billion or 1.2 percent to \$43.1 billion. Fabricated metal products, up four consecutive months, increased \$0.3 billion or 1.0 percent to \$32.2 billion.

● **CAPITAL GOODS INDUSTRIES, DEFENSE** New orders in May decreased \$0.9 billion or 10.5 percent to \$7.3 billion. Shipments increased \$0.3 billion or 3.4 percent to \$8.4 billion. Unfilled orders decreased \$1.1 billion or 0.8 percent to \$140.4 billion. Inventories increased \$0.1 billion or 0.5 percent to \$19.6 billion.

● **CAPITAL GOODS INDUSTRIES, NONDEFENSE** New orders in May decreased \$1.7 billion or 2.6 percent to \$62.3 billion. Shipments decreased \$1.3 billion or 2.0 percent to \$61.3 billion. Unfilled orders increased \$1.0 billion or 0.4 percent to \$225.6 billion. Inventories increased \$0.6 billion or 0.6 percent to \$106.2 billion.

● **REVISED APRIL DATA** Revised seasonally adjusted April figures for all manufacturing industries are: new orders, \$358.4 billion (revised from \$356.9 billion); shipments, \$361.7 billion (revised from \$361.2 billion); unfilled orders, \$521.4 billion (revised from \$520.3 billion); and total inventories, \$446.2 billion (unrevised).

**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		
	May 2004 <sup>2</sup>	Apr 2004 <sup>r</sup>	Mar 2004	Apr - May <sup>2</sup>	Mar - Apr <sup>r</sup>	Feb - Mar	May 2004 <sup>2</sup>	Apr 2004 <sup>r</sup>	May 2003	2004	2003	Percent Change 04/03
<b>DURABLE GOODS</b>												
<b>Total:</b>												
Shipments.....	194,164	195,589	197,139	-0.7	-0.8	4.4	194,840	193,538	177,433	956,682	864,428	10.7
New Orders <sup>4</sup> .....	189,120	192,292	197,360	-1.6	-2.6	5.9	188,615	191,302	170,635	951,671	848,207	12.2
<b>Excluding transportation:</b>												
Shipments.....	140,725	142,008	140,975	-0.9	0.7	5.7	139,943	139,554	124,767	680,614	607,439	12.0
New Orders <sup>4</sup> .....	136,732	137,672	140,113	-0.7	-1.7	6.6	136,470	136,821	118,767	673,909	586,609	14.9
<b>Excluding defense:</b>												
Shipments.....	184,370	186,171	187,283	-1.0	-0.6	5.2	185,104	184,601	168,732	908,894	822,694	10.5
New Orders <sup>4</sup> .....	180,598	182,968	186,754	-1.3	-2.0	6.6	182,076	182,003	162,479	899,881	797,282	12.9
<b>Manufacturing with unfilled orders:</b>												
Shipments.....	131,858	132,460	132,873	-0.5	-0.3	4.2	132,666	130,776	119,985	647,199	586,752	10.3
New Orders <sup>4</sup> .....	134,113	136,235	139,923	-1.6	-2.6	6.1	133,321	135,104	118,805	675,759	598,282	12.9
<b>Primary metals:</b>												
Shipments.....	13,308	13,250	13,314	0.4	-0.5	10.5	13,815	13,761	11,326	65,670	56,133	17.0
New Orders.....	13,822	13,341	13,946	3.6	-4.3	9.4	14,254	13,557	11,056	68,962	55,899	23.4
<b>Fabricated metal products:</b>												
Shipments.....	22,660	22,644	22,771	0.1	-0.6	10.8	23,029	22,588	20,803	108,935	100,952	7.9
New Orders.....	23,214	23,791	24,228	-2.4	-1.8	10.5	24,041	24,104	21,215	116,593	100,944	15.5
<b>Machinery:</b>												
Shipments.....	23,362	23,916	23,917	-2.3	0.0	6.2	24,327	25,260	21,730	118,071	104,357	13.1
New Orders.....	24,046	24,199	25,216	-0.6	-4.0	5.5	24,898	25,916	20,652	124,123	104,543	18.7
<b>Computers and electronic products:</b>												
Shipments.....	38,094	38,750	37,836	-1.7	2.4	1.7	35,575	35,014	31,305	180,967	156,369	15.7
New Orders <sup>4</sup> .....	31,874	32,471	33,062	-1.8	-1.8	4.3	29,407	29,680	26,237	154,653	134,540	14.9
<b>Computers and related products:</b>												
Shipments.....	8,095	9,068	8,266	-10.7	9.7	1.2	6,669	7,921	6,116	38,495	32,340	19.0
New Orders.....	8,301	8,615	8,018	-3.6	7.4	-1.1	7,403	7,274	7,138	37,809	33,045	14.4
<b>Communications equipment:</b>												
Shipments.....	6,991	7,067	6,721	-1.1	5.1	0.4	6,752	6,326	5,554	32,807	28,016	17.1
New Orders.....	6,951	7,946	6,561	-12.5	21.1	-8.1	6,641	7,885	5,979	35,394	33,909	4.4
<b>Semiconductors:</b>												
Shipments.....	7,299	7,072	6,829	3.2	3.6	1.5	6,880	6,564	5,618	33,571	27,751	21.0
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.....	8,795	8,813	8,630	-0.2	2.1	2.0	8,819	8,565	8,361	42,207	40,688	3.7
New Orders.....	9,044	9,390	8,958	-3.7	4.8	1.5	9,132	9,183	8,193	44,147	40,823	8.1
<b>Transportation equipment:</b>												
Shipments.....	53,439	53,581	56,164	-0.3	-4.6	1.3	54,897	53,984	52,666	276,068	256,989	7.4
New Orders.....	52,388	54,620	57,247	-4.1	-4.6	4.1	52,145	54,481	51,868	277,762	261,598	6.2
<b>Motor vehicles and parts:</b>												
Shipments.....	37,681	38,644	40,421	-2.5	-4.4	4.0	39,010	40,218	38,468	200,767	188,362	6.6
New Orders.....	37,803	39,360	40,569	-4.0	-3.0	3.5	38,761	40,722	37,978	201,997	188,188	7.3
<b>Nondefense aircraft and parts:</b>												
Shipments.....	6,211	5,485	5,880	13.2	-6.7	4.3	6,202	4,801	5,187	27,753	26,490	4.8
New Orders.....	6,188	5,874	6,387	5.3	-8.0	16.1	6,099	4,360	4,214	26,767	21,183	26.4
<b>Defense aircraft and parts:</b>												
Shipments.....	3,677	3,513	3,958	4.7	-11.2	-18.7	3,530	3,230	3,119	18,369	15,017	22.3
New Orders.....	2,629	2,307	2,541	14.0	-9.2	-29.8	1,980	2,610	4,484	15,174	21,261	-28.6
<b>All other durable goods:</b>												
Shipments.....	34,506	34,635	34,507	-0.4	0.4	5.9	34,378	34,366	31,242	164,764	148,940	10.6
New Orders.....	34,732	34,480	34,703	0.7	-0.6	7.4	34,738	34,381	31,414	165,431	149,860	10.4
<b>Capital goods:<sup>3</sup></b>												
Shipments.....	69,677	70,674	70,245	-1.4	0.6	1.4	68,234	67,877	61,407	340,025	301,215	12.9
New Orders.....	69,590	72,145	74,113	-3.5	-2.7	3.9	66,825	69,780	61,506	353,392	314,814	12.3
<b>Nondefense capital goods:</b>												
Shipments.....	61,255	62,532	62,035	-2.0	0.8	3.4	59,840	60,082	53,989	298,888	265,544	12.6
New Orders.....	62,260	63,951	64,726	-2.6	-1.2	6.2	61,213	61,723	54,603	307,622	270,617	13.7
<b>Excluding aircraft:</b>												
Shipments.....	58,535	60,204	59,350	-2.8	1.4	3.6	57,031	58,158	51,541	286,916	253,963	13.0
New Orders.....	59,346	61,186	62,426	-3.0	-2.0	6.2	58,290	60,192	52,923	297,358	263,390	12.9
<b>Defense capital goods:</b>												
Shipments.....	8,422	8,142	8,210	3.4	-0.8	-11.7	8,394	7,795	7,418	41,137	35,671	15.3
New Orders.....	7,330	8,194	9,387	-10.5	-12.7	-9.3	5,612	8,057	6,903	45,770	44,197	3.6

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
	May 2004 <sup>2</sup>	Apr 2004 <sup>r</sup>	Mar 2004	Apr - May <sup>2</sup>	Mar - Apr <sup>r</sup>	Feb - Mar	May 2004 <sup>2</sup>	Apr 2004 <sup>r</sup>	May 2003	
<b>DURABLE GOODS</b>										
<b>Total:</b>										
Unfilled Orders <sup>4</sup> .....	523,615	521,360	517,585	0.4	0.7	1.4	530,976	530,321	492,209	7.9
Total Inventories.....	268,247	267,122	265,607	0.4	0.6	0.4	271,588	269,000	270,686	0.3
<b>Excluding transportation:</b>										
Unfilled Orders <sup>4</sup> .....	273,042	269,736	267,000	1.2	1.0	2.3	278,001	274,594	243,184	14.3
Total Inventories.....	200,019	198,778	197,619	0.6	0.6	0.6	202,849	200,448	201,767	0.5
<b>Excluding defense:</b>										
Unfilled Orders <sup>4</sup> .....	364,687	361,160	357,291	1.0	1.1	1.8	369,017	365,165	338,473	9.0
Total Inventories.....	243,950	242,914	241,289	0.4	0.7	0.4	247,216	244,793	248,033	-0.3
<b>Manufacturing with unfilled orders:</b>										
Unfilled Orders <sup>4</sup> .....	523,615	521,360	517,585	0.4	0.7	1.4	530,976	530,321	492,209	7.9
Total Inventories.....	209,181	208,410	207,022	0.4	0.7	0.4	211,517	209,534	212,806	-0.6
<b>Primary metals:</b>										
Unfilled Orders.....	18,778	18,264	18,173	2.8	0.5	3.6	19,294	18,855	14,225	35.6
Total Inventories.....	18,493	18,335	18,053	0.9	1.6	1.7	18,494	18,276	18,717	-1.2
<b>Fabricated metal products:</b>										
Unfilled Orders.....	44,604	44,050	42,903	1.3	2.7	3.5	45,679	44,667	36,892	23.8
Total Inventories.....	32,177	31,862	31,436	1.0	1.4	0.2	32,490	32,148	31,803	2.2
<b>Machinery:</b>										
Unfilled Orders.....	47,827	47,143	46,860	1.5	0.6	2.9	48,934	48,363	42,606	14.9
Total Inventories.....	43,087	42,579	42,498	1.2	0.2	0.8	43,490	42,898	42,625	2.0
<b>Computers and electronic products:</b>										
Unfilled Orders <sup>4</sup> .....	134,486	133,407	132,614	0.8	0.6	1.6	136,413	135,701	124,739	9.4
Total Inventories.....	47,336	47,429	47,195	-0.2	0.5	0.8	48,395	47,783	49,229	-1.7
<b>Computers and related products:</b>										
Unfilled Orders.....	7,825	7,619	8,072	2.7	-5.6	-3.0	8,119	7,385	8,829	-8.0
Total Inventories.....	5,785	5,777	5,885	0.1	-1.8	-1.0	6,122	5,761	6,529	-6.2
<b>Communications equipment:</b>										
Unfilled Orders.....	51,149	51,189	50,310	-0.1	1.7	-0.3	52,356	52,467	50,640	3.4
Total Inventories.....	10,749	10,771	10,567	-0.2	1.9	0.4	10,979	10,822	11,868	-7.5
<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.....	15,164	14,915	14,338	1.7	4.0	2.3	15,355	15,042	13,927	10.3
Total Inventories.....	12,332	12,312	12,335	0.2	-0.2	0.5	12,786	12,707	12,986	-1.5
<b>Transportation equipment:</b>										
Unfilled Orders.....	250,573	251,624	250,585	-0.4	0.4	0.4	252,975	255,727	249,025	1.6
Total Inventories.....	68,228	68,344	67,988	-0.2	0.5	-0.2	68,739	68,552	68,919	-0.3
<b>Motor vehicles and parts:</b>										
Unfilled Orders.....	14,776	14,654	13,938	0.8	5.1	1.1	14,850	15,099	11,959	24.2
Total Inventories.....	21,135	21,124	21,059	0.1	0.3	0.5	21,304	21,294	20,547	3.7
<b>Nondefense Aircraft and parts:</b>										
Unfilled Orders.....	104,326	104,349	103,960	0.0	0.4	0.5	104,085	104,188	106,187	-2.0
Total Inventories.....	23,615	23,811	23,610	-0.8	0.9	-1.3	23,868	23,841	26,524	-10.0
<b>Defense Aircraft and parts:</b>										
Unfilled Orders.....	56,104	57,152	58,358	-1.8	-2.1	-2.4	57,575	59,125	62,208	-7.4
Total Inventories.....	11,480	11,595	11,625	-1.0	-0.3	1.1	11,460	11,542	10,486	9.3
<b>All other durable goods:</b>										
Unfilled Orders.....	12,183	11,957	12,112	1.9	-1.3	1.6	12,326	11,966	10,795	14.2
Total Inventories.....	46,594	46,261	46,102	0.7	0.3	0.2	47,194	46,636	46,407	1.7
<b>Capital goods:<sup>3</sup></b>										
Unfilled Orders.....	365,937	366,024	364,553	0.0	0.4	1.1	371,164	372,573	352,310	5.4
Total Inventories.....	125,773	125,051	125,015	0.6	0.0	0.1	127,380	125,664	128,695	-1.0
<b>Nondefense capital goods:</b>										
Unfilled Orders.....	225,570	224,565	223,146	0.4	0.6	1.2	228,281	226,908	218,475	4.5
Total Inventories.....	106,163	105,547	105,300	0.6	0.2	0.1	107,618	106,082	110,252	-2.4
<b>Excluding aircraft:</b>										
Unfilled Orders.....	146,774	145,963	144,981	0.6	0.7	2.2	149,726	148,467	137,698	8.7
Total Inventories.....	89,140	88,387	88,310	0.9	0.1	0.2	90,586	88,917	91,235	-0.7
<b>Defense capital goods:</b>										
Unfilled Orders.....	140,367	141,459	141,407	-0.8	0.0	0.8	142,883	145,665	133,835	6.8
Total Inventories.....	19,610	19,504	19,715	0.5	-1.1	0.1	19,762	19,582	18,443	7.2

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/>.