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**U.S. CENSUS BUREAU**

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**ADVANCE REPORT ON DURABLE GOODS MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS  
October 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 October decreased \$0.9 billion or 0.4 percent to \$196.3 billion, the Department of Commerce, U.S. Census Bureau reported today. This followed a 0.9 percent September increase. Excluding transportation, new orders decreased 0.7 percent. Excluding defense, new orders decreased 1.5 percent. Year-to-date, new orders for 2004 were 11.2 percent above the same period a year ago.

Computers and electronic products, down following two consecutive increases, had the largest decrease, \$2.1 billion or 5.7 percent to \$34.9 billion.

● **SHIPMENTS** of manufactured durable goods in October increased \$1.3 billion or 0.6 percent to \$200.5 billion. This followed a 1.1 percent September decrease. Year-to-date, shipments for 2004 were 10.4 percent above the same period a year ago.

Machinery, up four of the last five months, had the largest increase, \$1.2 billion or 4.6 percent to \$26.5 billion. This was at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 1.7 percent September increase.

● **UNFILLED ORDERS** for manufactured durable goods in October, up fourteen of the last fifteen months, increased \$3.0 billion or 0.6 percent to \$543.2 billion. This followed a 0.9 percent September increase and is at the highest level since April 2001.

Computers and electronic products, up eight of the last nine months, had the largest increase, \$2.1 billion or 1.5 percent to \$142.0 billion. This was also at the highest level since the series began in 1992 and followed a 3.7 percent September increase.

● **INVENTORIES** of manufactured durable goods in October, up eleven consecutive months, increased \$1.5 billion or 0.5 percent to \$279.4 billion. This followed a 0.3 percent September increase.

Primary metals, up twelve consecutive months, had the largest increase, \$0.6 billion or 3.0 percent to \$20.7 billion. Computers and electronic products, up eight consecutive months, increased \$0.4 billion or 0.9 percent to \$49.5 billion.

● **CAPITAL GOODS INDUSTRIES, DEFENSE** New orders in October increased \$2.0 billion or 18.5 percent to \$12.7 billion. Shipments increased \$0.2 billion or 3.0 percent to \$8.3 billion. Unfilled orders increased \$4.4 billion or 3.0 percent to \$148.6 billion. Inventories increased \$0.1 billion or 0.3 percent to \$19.5 billion.

● **CAPITAL GOODS INDUSTRIES, NONDEFENSE** New orders in October decreased \$2.2 billion or 3.3 percent to \$64.8 billion. Shipments increased \$1.9 billion or 3.0 percent to \$66.2 billion. Unfilled orders decreased \$1.4 billion or 0.6 percent to \$236.0 billion. Inventories increased \$0.3 billion or 0.3 percent to \$109.5 billion.

● **REVISED SEPTEMBER DATA** Revised seasonally adjusted September figures for all manufacturing industries are: new orders, \$369.6 billion (revised from \$368.3 billion); shipments, \$371.6 billion (revised from \$371.3 billion); unfilled orders, \$540.1 billion (revised from \$539.3 billion); and total inventories, \$462.7 billion (revised from \$463.3 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		
	Oct 2004 <sup>2</sup>	Sep 2004 <sup>r</sup>	Aug 2004	Sep - Oct <sup>2</sup>	Aug - Sep <sup>r</sup>	Jul - Aug	Oct 2004 <sup>2</sup>	Sep 2004 <sup>r</sup>	Oct 2003	2004	2003	Percent Change 04/03
<b>DURABLE GOODS</b>												
<b>Total:</b>												
Shipments.....	200,469	199,178	201,398	0.6	-1.1	1.9	204,832	215,625	192,632	1,968,378	1,782,306	10.4
New Orders <sup>4</sup> .....	196,317	197,181	195,435	-0.4	0.9	-0.5	198,872	208,654	193,408	1,929,220	1,735,410	11.2
<b>Excluding transportation:</b>												
Shipments.....	147,322	145,452	146,726	1.3	-0.9	0.9	149,098	157,446	135,091	1,425,288	1,266,450	12.5
New Orders <sup>4</sup> .....	143,785	144,824	140,917	-0.7	2.8	2.9	145,122	153,333	134,923	1,385,013	1,220,190	13.5
<b>Excluding defense:</b>												
Shipments.....	190,729	189,766	191,519	0.5	-0.9	1.9	195,356	205,215	183,662	1,872,044	1,694,216	10.5
New Orders <sup>4</sup> .....	182,637	185,485	185,925	-1.5	-0.2	-0.6	186,499	197,626	183,189	1,829,843	1,641,014	11.5
<b>Manufacturing with unfilled orders:</b>												
Shipments.....	137,752	136,157	137,288	1.2	-0.8	0.7	139,552	146,591	127,694	1,337,639	1,205,511	11.0
New Orders <sup>4</sup> .....	140,767	140,994	138,806	-0.2	1.6	-2.7	140,949	147,323	134,875	1,368,590	1,216,509	12.5
<b>Primary metals:</b>												
Shipments.....	14,503	14,510	14,511	0.0	0.0	2.1	14,861	14,859	11,636	137,951	110,659	24.7
New Orders.....	14,092	14,376	14,928	-2.0	-3.7	-0.6	13,708	14,342	12,200	140,626	111,095	26.6
<b>Fabricated metal products:</b>												
Shipments.....	23,034	23,210	23,162	-0.8	0.2	0.0	24,172	24,427	22,013	227,756	206,156	10.5
New Orders.....	23,959	23,238	23,556	3.1	-1.3	2.2	24,815	23,427	22,338	234,606	206,426	13.7
<b>Machinery:</b>												
Shipments.....	26,462	25,306	24,885	4.6	1.7	-0.9	26,052	26,427	21,515	245,232	211,181	16.1
New Orders.....	27,063	26,102	25,345	3.7	3.0	2.3	26,646	26,887	21,779	251,311	209,943	19.7
<b>Computers and electronic products:</b>												
Shipments.....	40,010	38,914	39,986	2.8	-2.7	1.6	39,282	45,072	35,956	380,914	337,422	12.9
New Orders <sup>4</sup> .....	34,922	37,026	32,584	-5.7	13.6	6.0	34,603	41,752	33,673	321,644	289,866	11.0
<b>Computers and related products:</b>												
Shipments.....	9,536	8,825	8,574	8.1	2.9	-0.8	9,895	10,963	8,612	84,792	74,878	13.2
New Orders.....	8,783	9,789	8,331	-10.3	17.5	0.8	9,140	11,768	8,340	84,235	75,318	11.8
<b>Communications equipment:</b>												
Shipments.....	7,052	6,885	7,489	2.4	-8.1	6.7	6,472	7,795	6,118	67,540	61,018	10.7
New Orders.....	10,312	9,555	7,062	7.9	35.3	7.0	10,281	10,590	9,619	72,538	69,624	4.2
<b>Semiconductors:</b>												
Shipments.....	7,167	6,834	7,481	4.9	-8.6	-0.5	7,357	7,703	6,405	70,109	57,894	21.1
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.....	8,968	8,921	9,197	0.5	-3.0	1.6	8,907	9,968	8,583	88,019	83,813	5.0
New Orders.....	8,852	9,177	9,436	-3.5	-2.7	4.4	8,961	9,960	8,877	89,810	84,115	6.8
<b>Transportation equipment:</b>												
Shipments.....	53,147	53,726	54,672	-1.1	-1.7	4.7	55,734	58,179	57,541	543,090	515,856	5.3
New Orders.....	52,532	52,357	54,518	0.3	-4.0	-8.3	53,750	55,321	58,485	544,207	515,220	5.6
<b>Motor vehicles and parts:</b>												
Shipments.....	37,441	38,226	38,617	-2.1	-1.0	5.3	40,750	40,881	43,550	388,793	373,302	4.1
New Orders.....	37,116	38,168	38,878	-2.8	-1.8	5.9	40,202	40,652	43,912	389,417	373,576	4.2
<b>Nondefense aircraft and parts:</b>												
Shipments.....	6,309	6,306	6,313	0.0	-0.1	6.9	5,767	6,994	4,904	58,458	54,441	7.4
New Orders.....	5,537	5,557	6,706	-0.4	-17.1	-46.2	4,555	6,634	4,635	62,718	47,169	33.0
<b>Defense aircraft and parts:</b>												
Shipments.....	3,496	3,427	3,724	2.0	-8.0	5.1	3,392	3,924	3,375	36,453	32,446	12.3
New Orders.....	3,256	2,408	2,779	35.2	-13.4	-7.6	2,593	2,141	3,131	28,928	35,698	-19.0
<b>All other durable goods:</b>												
Shipments.....	34,345	34,591	34,985	-0.7	-1.1	1.3	35,824	36,693	35,388	345,416	317,219	8.9
New Orders.....	34,897	34,905	35,068	0.0	-0.5	2.1	36,389	36,965	36,056	347,016	318,745	8.9
<b>Capital goods:<sup>3</sup></b>												
Shipments.....	74,486	72,342	72,997	3.0	-0.9	1.7	72,868	79,911	65,637	707,087	633,996	11.5
New Orders.....	77,467	77,675	73,402	-0.3	5.8	-5.9	75,666	83,234	70,139	727,293	646,385	12.5
<b>Nondefense capital goods:</b>												
Shipments.....	66,199	64,296	64,571	3.0	-0.4	1.8	64,740	71,233	57,776	624,804	558,809	11.8
New Orders.....	64,790	66,976	65,015	-3.3	3.0	-7.0	63,998	73,354	61,593	639,148	565,189	13.1
<b>Excluding aircraft:</b>												
Shipments.....	63,582	61,692	61,960	3.1	-0.4	0.9	62,576	68,465	55,836	601,162	534,498	12.5
New Orders.....	62,653	64,969	61,730	-3.6	5.2	0.7	62,754	70,794	59,798	610,587	546,276	11.8
<b>Defense capital goods:</b>												
Shipments.....	8,287	8,046	8,426	3.0	-4.5	1.3	8,128	8,678	7,861	82,283	75,187	9.4
New Orders.....	12,677	10,699	8,387	18.5	27.6	3.1	11,668	9,880	8,546	88,145	81,196	8.6

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
	Oct 2004 <sup>2</sup>	Sep 2004 <sup>r</sup>	Aug 2004	Sep - Oct <sup>2</sup>	Aug - Sep <sup>r</sup>	Jul - Aug	Oct 2004 <sup>2</sup>	Sep 2004 <sup>r</sup>	Oct 2003	
<b>DURABLE GOODS</b>										
<b>Total:</b>										
Unfilled Orders <sup>4</sup> .....	543,162	540,147	535,310	0.6	0.9	0.3	533,367	531,970	491,677	8.5
Total Inventories.....	279,362	277,863	277,119	0.5	0.3	0.8	280,340	276,976	263,266	6.5
<b>Excluding transportation:</b>										
Unfilled Orders <sup>4</sup> .....	285,614	281,984	275,778	1.3	2.3	0.6	280,969	277,588	247,897	13.3
Total Inventories.....	210,784	209,318	208,064	0.7	0.6	1.2	210,961	208,069	194,622	8.4
<b>Excluding defense:</b>										
Unfilled Orders <sup>4</sup> .....	377,050	377,975	375,422	-0.2	0.7	0.5	372,367	373,867	340,826	9.3
Total Inventories.....	255,127	253,704	253,217	0.6	0.2	1.0	255,916	252,713	239,604	6.8
<b>Manufacturing with unfilled orders:</b>										
Unfilled Orders <sup>4</sup> .....	543,162	540,147	535,310	0.6	0.9	0.3	533,367	531,970	491,677	8.5
Total Inventories.....	218,260	216,490	216,060	0.8	0.2	0.8	219,474	215,903	206,365	6.4
<b>Primary metals:</b>										
Unfilled Orders.....	19,598	20,009	20,143	-2.1	-0.7	2.1	18,677	19,830	14,895	25.4
Total Inventories.....	20,663	20,059	19,643	3.0	2.1	3.0	20,736	20,089	17,124	21.1
<b>Fabricated metal products:</b>										
Unfilled Orders.....	45,750	44,825	44,797	2.1	0.1	0.9	44,871	44,228	37,170	20.7
Total Inventories.....	34,565	34,315	34,005	0.7	0.9	1.6	34,464	34,238	30,820	11.8
<b>Machinery:</b>										
Unfilled Orders.....	49,872	49,271	48,475	1.2	1.6	1.0	48,961	48,367	41,182	18.9
Total Inventories.....	44,962	44,922	44,688	0.1	0.5	0.8	45,131	44,633	41,599	8.5
<b>Computers and electronic products:</b>										
Unfilled Orders <sup>4</sup> .....	141,997	139,918	134,972	1.5	3.7	0.1	139,995	137,317	129,155	8.4
Total Inventories.....	49,542	49,097	48,998	0.9	0.2	0.9	49,893	48,606	47,360	5.3
<b>Computers and related products:</b>										
Unfilled Orders.....	8,306	9,059	8,095	-8.3	11.9	-2.9	8,248	9,003	8,564	-3.7
Total Inventories.....	6,434	6,438	6,283	-0.1	2.5	1.3	6,511	6,513	6,128	6.3
<b>Communications equipment:</b>										
Unfilled Orders.....	55,317	52,057	49,387	6.3	5.4	-0.9	54,767	50,958	53,353	2.7
Total Inventories.....	10,991	10,794	10,883	1.8	-0.8	1.6	11,051	10,724	10,953	0.9
<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.....	15,173	15,289	15,033	-0.8	1.7	1.6	15,206	15,152	14,094	7.9
Total Inventories.....	13,060	13,060	13,047	0.0	0.1	1.8	12,901	12,687	12,164	6.1
<b>Transportation equipment:</b>										
Unfilled Orders.....	257,548	258,163	259,532	-0.2	-0.5	-0.1	252,398	254,382	243,780	3.5
Total Inventories.....	68,578	68,545	69,055	0.0	-0.7	-0.3	69,379	68,907	68,644	1.1
<b>Motor vehicles and parts:</b>										
Unfilled Orders.....	14,954	15,279	15,337	-2.1	-0.4	1.7	14,244	14,792	12,407	14.8
Total Inventories.....	21,895	21,934	21,666	-0.2	1.2	0.9	21,876	22,095	20,154	8.5
<b>Nondefense Aircraft and parts:</b>										
Unfilled Orders.....	109,852	110,624	111,373	-0.7	-0.7	0.4	109,331	110,543	104,222	4.9
Total Inventories.....	23,022	23,092	24,165	-0.3	-4.4	-1.1	23,639	23,221	25,525	-7.4
<b>Defense Aircraft and parts:</b>										
Unfilled Orders.....	55,023	55,263	56,282	-0.4	-1.8	-1.7	53,245	54,044	59,216	-10.1
Total Inventories.....	11,813	11,729	11,514	0.7	1.9	-0.8	11,926	11,764	11,190	6.6
<b>All other durable goods:</b>										
Unfilled Orders.....	13,224	12,672	12,358	4.4	2.5	0.7	13,259	12,694	11,401	16.3
Total Inventories.....	47,992	47,865	47,683	0.3	0.4	0.8	47,836	47,816	45,555	5.0
<b>Capital goods:<sup>3</sup></b>										
Unfilled Orders.....	384,608	381,627	376,294	0.8	1.4	0.1	378,003	375,205	351,100	7.7
Total Inventories.....	129,043	128,689	128,857	0.3	-0.1	0.3	130,044	128,288	125,624	3.5
<b>Nondefense capital goods:</b>										
Unfilled Orders.....	235,960	237,369	234,689	-0.6	1.1	0.2	233,891	234,633	219,782	6.4
Total Inventories.....	109,522	109,233	109,575	0.3	-0.3	0.5	110,471	108,832	106,596	3.6
<b>Excluding aircraft:</b>										
Unfilled Orders.....	150,257	151,186	147,909	-0.6	2.2	-0.2	148,709	148,531	140,049	6.2
Total Inventories.....	92,979	92,511	91,960	0.5	0.6	0.7	93,410	91,949	88,397	5.7
<b>Defense capital goods:</b>										
Unfilled Orders.....	148,648	144,258	141,605	3.0	1.9	0.0	144,112	140,572	131,318	9.7
Total Inventories.....	19,521	19,456	19,282	0.3	0.9	-0.5	19,573	19,456	19,028	2.9

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	