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**ADVANCE REPORT ON DURABLE GOODS MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS
August 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 August decreased \$0.9 billion or 0.5 percent to \$195.4 billion, the Department of Commerce, U.S. Census Bureau reported today. This followed a 1.8 percent July increase. Excluding transportation, new orders increased 2.3 percent. Excluding defense, new orders decreased 0.6 percent. Year-to-date, new orders for 2004 were 12.4 percent above the same period a year ago.

Transportation equipment had the largest decrease, \$4.0 billion or 6.8 percent to \$55.4 billion, due to nondefense aircraft and parts, which decreased \$5.3 billion. The decrease in transportation equipment offsets increases in other industry categories.

● **SHIPMENTS** of manufactured durable goods in August, up three consecutive months, increased \$3.4 billion or 1.7 percent to \$201.0 billion. This followed a 0.4 percent July increase and is at the highest level since April 2000. Year-to-date, shipments for 2004 were 11.1 percent above the same period a year ago.

Transportation equipment had the largest increase, up three of the last four months, increased \$2.4 billion or 4.6 percent to \$54.6 billion. Wood products increased \$0.6 billion or 6.5 percent to \$9.7 billion.

● **UNFILLED ORDERS** for manufactured durable goods in August, up twelve of the last thirteen months, increased \$1.8 billion or 0.3 percent to \$535.5 billion. This followed a 1.2 percent July increase and is at the highest level since June 2001.

Transportation equipment, up five of the last six months, had the largest increase, \$0.8 billion or 0.3 percent to \$260.5 billion. Fabricated metal products, up eleven of the last thirteen months, increased \$0.7 billion or 1.7 percent to \$45.1 billion.

● **INVENTORIES** of manufactured durable goods in August, up nine consecutive months, increased \$1.7 billion or 0.6 percent to \$276.5 billion. This followed a 1.1 percent July increase.

Computers and electronic products, up six consecutive months, had the largest increase, \$0.6 billion or 1.2 percent to \$49.2 billion. Primary metals, up ten consecutive months, increased \$0.4 billion or 2.1 percent to \$19.5 billion.

● **CAPITAL GOODS INDUSTRIES, DEFENSE** New orders in August increased \$0.4 billion or 4.5 percent to \$8.5 billion. Shipments increased \$0.1 billion or 1.5 percent to \$8.4 billion. Unfilled orders increased \$0.1 billion to \$141.7 billion. Inventories decreased \$0.1 billion or 0.5 percent to \$19.3 billion.

● **CAPITAL GOODS INDUSTRIES, NONDEFENSE** New orders in August decreased \$5.2 billion or 7.4 percent to \$64.7 billion. Shipments increased \$0.9 billion or 1.4 percent to \$64.3 billion. Unfilled orders increased \$0.4 billion or 0.2 percent to \$234.6 billion. Inventories increased \$0.3 billion or 0.3 percent to \$109.3 billion.

● **REVISED JULY DATA** Revised seasonally adjusted July figures for all manufacturing industries are: new orders, \$370.3 billion (revised from \$369.6 billion); shipments, \$371.6 billion (revised from \$371.0 billion); unfilled orders, \$533.7 billion (revised from \$533.6 billion); and total inventories, \$458.3 billion (revised from \$458.0 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		
	Aug 2004 ²	Jul 2004 ^r	Jun 2004	Jul - Aug ²	Jun - Jul ^r	May - Jun	Aug 2004 ²	Jul 2004 ^r	Aug 2003	2004	2003	Percent Change 04/03
DURABLE GOODS												
Total:												
Shipments.....	200,977	197,547	196,708	1.7	0.4	1.2	201,708	173,525	177,143	1,547,126	1,392,261	11.1
New Orders ⁴	195,377	196,274	192,722	-0.5	1.8	1.3	191,666	170,553	170,725	1,520,923	1,352,927	12.4
Excluding transportation:												
Shipments.....	146,361	145,322	142,459	0.7	2.0	1.3	146,274	135,489	126,761	1,117,961	990,948	12.8
New Orders ⁴	139,945	136,816	136,874	2.3	0.0	-0.1	137,066	127,483	120,775	1,085,188	950,621	14.2
Excluding defense:												
Shipments.....	191,078	187,849	187,079	1.7	0.4	1.3	192,237	164,605	168,246	1,470,664	1,323,368	11.1
New Orders ⁴	185,710	186,887	181,586	-0.6	2.9	0.0	184,575	164,478	161,179	1,444,905	1,277,434	13.1
Manufacturing with unfilled orders:												
Shipments.....	137,228	136,293	134,058	0.7	1.7	1.6	136,624	121,757	119,157	1,051,145	945,208	11.2
New Orders ⁴	139,008	142,481	137,230	-2.4	3.8	1.6	133,671	125,236	118,920	1,079,740	950,887	13.6
Primary metals:												
Shipments.....	14,471	14,210	13,782	1.8	3.1	4.1	14,791	13,289	10,758	108,116	87,982	22.9
New Orders.....	14,914	14,982	13,973	-0.5	7.2	1.9	15,161	13,978	11,107	112,333	88,166	27.4
Fabricated metal products:												
Shipments.....	23,189	23,141	22,828	0.2	1.4	1.0	24,297	22,050	20,848	179,169	162,755	10.1
New Orders.....	23,928	22,960	23,123	4.2	-0.7	2.4	24,656	21,847	20,926	186,376	162,696	14.6
Machinery:												
Shipments.....	24,860	25,134	24,340	-1.1	3.3	4.7	24,054	23,736	20,304	192,778	167,578	15.0
New Orders.....	24,798	24,790	24,575	0.0	0.9	1.5	23,566	23,229	20,240	197,445	166,397	18.7
Computers and electronic products:												
Shipments.....	39,675	39,277	38,226	1.0	2.7	0.2	37,251	34,446	33,241	296,029	259,784	14.0
New Orders ⁴	31,982	30,716	32,090	4.1	-4.3	-1.2	27,911	26,155	27,155	244,793	219,611	11.5
Computers and related products:												
Shipments.....	8,546	8,641	8,117	-1.1	6.5	-0.8	7,772	8,063	6,962	63,921	55,949	14.2
New Orders.....	8,322	8,260	8,709	0.8	-5.2	0.2	7,650	7,452	7,528	63,319	56,651	11.8
Communications equipment:												
Shipments.....	7,557	7,035	6,798	7.4	3.5	-2.2	6,959	5,729	5,998	53,326	47,102	13.2
New Orders.....	7,067	6,620	6,285	6.8	5.3	-4.4	5,140	5,073	5,062	51,610	51,283	0.6
Semiconductors:												
Shipments.....	7,380	7,461	7,158	-1.1	4.2	-1.9	7,089	6,451	6,181	54,798	45,013	21.7
New Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:												
Shipments.....	9,174	9,048	8,741	1.4	3.5	-0.3	9,129	8,279	8,188	69,134	65,702	5.2
New Orders.....	9,202	9,042	8,473	1.8	6.7	-5.1	9,125	8,545	8,273	70,681	65,911	7.2
Transportation equipment:												
Shipments.....	54,616	52,225	54,249	4.6	-3.7	0.9	55,434	38,036	50,382	429,165	401,313	6.9
New Orders.....	55,432	59,458	55,848	-6.8	6.5	4.8	54,600	43,070	49,950	435,735	402,306	8.3
Motor vehicles and parts:												
Shipments.....	38,499	36,661	38,168	5.0	-3.9	1.5	39,965	24,925	36,471	307,140	289,385	6.1
New Orders.....	38,799	36,714	38,438	5.7	-4.5	1.1	39,989	25,176	36,176	308,554	289,049	6.7
Nondefense aircraft and parts:												
Shipments.....	6,335	5,907	6,226	7.2	-5.1	-5.8	5,922	4,647	5,048	45,717	43,321	5.5
New Orders.....	7,134	12,478	6,130	-42.8	103.6	-9.2	6,895	10,741	4,628	51,814	36,836	40.7
Defense aircraft and parts:												
Shipments.....	3,738	3,542	3,706	5.5	-4.4	1.1	3,514	3,198	3,358	29,135	25,213	15.6
New Orders.....	2,923	3,008	5,152	-2.8	-41.6	81.3	1,622	1,894	2,511	24,216	29,275	-17.3
All other durable goods:												
Shipments.....	34,992	34,512	34,542	1.4	-0.1	-0.3	36,752	33,689	33,422	272,735	247,147	10.4
New Orders.....	35,121	34,326	34,640	2.3	-0.9	-1.2	36,647	33,729	33,074	273,560	247,840	10.4
Capital goods:³												
Shipments.....	72,763	71,778	70,403	1.4	2.0	1.0	69,634	65,175	61,570	553,986	494,588	12.0
New Orders.....	73,186	78,014	73,591	-6.2	6.0	4.9	66,251	68,540	61,425	568,191	503,210	12.9
Nondefense capital goods:												
Shipments.....	64,321	63,459	62,363	1.4	1.8	1.8	61,469	57,415	53,890	488,493	435,777	12.1
New Orders.....	64,690	69,885	63,934	-7.4	9.3	1.5	59,877	63,249	53,039	501,551	437,843	14.6
Excluding aircraft:												
Shipments.....	61,703	61,416	60,055	0.5	2.3	2.6	59,124	55,894	51,781	469,767	416,206	12.9
New Orders.....	61,044	61,328	60,983	-0.5	0.6	1.8	56,330	55,691	51,010	476,565	423,354	12.6
Defense capital goods:												
Shipments.....	8,442	8,319	8,040	1.5	3.5	-4.3	8,165	7,760	7,680	65,493	58,811	11.4
New Orders.....	8,496	8,129	9,657	4.5	-15.8	34.7	6,374	5,291	8,386	66,640	65,367	1.9

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
	Aug 2004 ²	Jul 2004 ^r	Jun 2004	Jul - Aug ²	Jun - Jul ^r	May - Jun	Aug 2004 ²	Jul 2004 ^r	Aug 2003	
DURABLE GOODS										
Total:										
Unfilled Orders ⁴	535,505	533,725	527,537	0.3	1.2	0.6	531,011	533,964	486,358	9.2
Total Inventories.....	276,468	274,750	271,849	0.6	1.1	0.9	279,395	276,845	265,538	5.2
Excluding transportation:										
Unfilled Orders ⁴	275,001	274,037	275,082	0.4	-0.4	0.6	273,160	275,279	240,949	13.4
Total Inventories.....	207,628	205,502	203,338	1.0	1.1	1.1	209,617	206,776	197,024	6.4
Excluding defense:										
Unfilled Orders ⁴	375,483	373,471	366,972	0.5	1.8	0.5	373,498	374,071	335,213	11.4
Total Inventories.....	252,561	250,705	247,574	0.7	1.3	1.1	255,128	252,450	242,137	5.4
Manufacturing with unfilled orders:										
Unfilled Orders ⁴	535,505	533,725	527,537	0.3	1.2	0.6	531,011	533,964	486,358	9.2
Total Inventories.....	215,575	214,392	211,893	0.6	1.2	0.9	217,991	216,131	207,963	4.8
Primary metals:										
Unfilled Orders.....	20,138	19,695	18,923	2.2	4.1	1.0	20,219	19,849	14,643	38.1
Total Inventories.....	19,472	19,068	18,829	2.1	1.3	1.6	19,606	19,187	17,782	10.3
Fabricated metal products:										
Unfilled Orders.....	45,087	44,348	44,529	1.7	-0.4	0.7	45,228	44,869	36,841	22.8
Total Inventories.....	33,731	33,389	32,903	1.0	1.5	1.3	33,861	33,663	31,048	9.1
Machinery:										
Unfilled Orders.....	47,942	48,004	48,348	-0.1	-0.7	0.5	47,549	48,037	41,239	15.3
Total Inventories.....	44,634	44,303	43,837	0.7	1.1	1.4	44,934	44,206	41,654	7.9
Computers and electronic products:										
Unfilled Orders ⁴	134,589	134,902	136,002	-0.2	-0.8	0.8	132,718	134,969	123,657	7.3
Total Inventories.....	49,234	48,650	48,222	1.2	0.9	1.4	50,440	49,378	48,132	4.8
Computers and related products:										
Unfilled Orders.....	8,115	8,339	8,720	-2.7	-4.4	7.3	8,203	8,325	8,826	-7.1
Total Inventories.....	6,230	6,201	6,082	0.5	2.0	3.4	6,626	6,247	6,528	1.5
Communications equipment:										
Unfilled Orders.....	49,331	49,821	50,236	-1.0	-0.8	-1.0	48,053	49,872	48,928	-1.8
Total Inventories.....	10,876	10,685	10,601	1.8	0.8	-1.1	11,088	10,842	11,115	-0.2
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.....	14,830	14,802	14,808	0.2	0.0	-1.8	14,962	14,966	14,001	6.9
Total Inventories.....	12,983	12,814	12,629	1.3	1.5	1.0	12,961	12,847	12,307	5.3
Transportation equipment:										
Unfilled Orders.....	260,504	259,688	252,455	0.3	2.9	0.6	257,851	258,685	245,409	5.1
Total Inventories.....	68,840	69,248	68,511	-0.6	1.1	0.4	69,778	70,069	68,514	1.8
Motor vehicles and parts:										
Unfilled Orders.....	15,377	15,077	15,024	2.0	0.4	1.8	15,034	15,010	11,797	27.4
Total Inventories.....	21,649	21,475	21,561	0.8	-0.4	1.7	21,895	21,845	20,624	6.2
Nondefense Aircraft and parts:										
Unfilled Orders.....	111,779	110,980	104,409	0.7	6.3	-0.1	111,168	110,195	105,009	5.9
Total Inventories.....	23,984	24,426	23,542	-1.8	3.8	0.2	24,328	24,513	25,242	-3.6
Defense Aircraft and parts:										
Unfilled Orders.....	56,413	57,228	57,762	-1.4	-0.9	2.6	55,851	57,743	60,026	-7.0
Total Inventories.....	11,493	11,608	11,683	-1.0	-0.6	0.9	11,708	11,857	11,008	6.4
All other durable goods:										
Unfilled Orders.....	12,415	12,286	12,472	1.0	-1.5	0.8	12,484	12,589	10,568	18.1
Total Inventories.....	47,574	47,278	46,918	0.6	0.8	0.3	47,815	47,495	46,101	3.7
Capital goods:³										
Unfilled Orders.....	376,313	375,890	369,654	0.1	1.7	0.9	372,002	375,385	347,333	7.1
Total Inventories.....	128,576	128,371	127,041	0.2	1.0	0.7	130,492	129,032	126,455	3.2
Nondefense capital goods:										
Unfilled Orders.....	234,619	234,250	227,824	0.2	2.8	0.7	232,605	234,197	215,468	8.0
Total Inventories.....	109,276	108,983	107,324	0.3	1.5	0.9	110,963	109,427	107,506	3.2
Excluding aircraft:										
Unfilled Orders.....	147,485	148,144	148,232	-0.4	-0.1	0.6	146,082	148,876	135,419	7.9
Total Inventories.....	91,868	91,209	90,436	0.7	0.9	1.1	93,315	91,661	89,591	4.2
Defense capital goods:										
Unfilled Orders.....	141,694	141,640	141,830	0.0	-0.1	1.2	139,397	141,188	131,865	5.7
Total Inventories.....	19,300	19,388	19,717	-0.5	-1.7	0.1	19,529	19,605	18,949	3.1

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/>.