

**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)-03

For Release 8:30 A.M. EDT
April 23, 2004
CB-04-64

**ADVANCE REPORT ON DURABLE GOODS MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS
March 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 March increased \$6.3 billion or 3.4 percent to \$192.7 billion, the Department of Commerce, U.S. Census Bureau reported today. This followed a 3.8 percent February increase. Excluding transportation, new orders increased 3.3 percent. Excluding defense, new orders increased 3.8 percent. Year-to-date, new orders for 2004 were 11.1 percent above the same period a year ago.

Transportation equipment, up three of the last four months, had the largest increase, \$2.0 billion or 3.6 percent to \$57.0 billion. Fabricated metal products, up three of the last four months, increased \$1.1 billion or 5.2 percent to \$22.9 billion. This was the largest percent increase in fabricated metal products since March 2000.

● **SHIPMENTS** of manufactured durable goods in March, up six of the last seven months, increased \$6.0 billion or 3.2 percent to \$195.2 billion. This followed a 1.7 percent February increase. Year-to-date, shipments for 2004 were 9.8 percent above the same period a year ago.

Fabricated metal products had the largest increase, \$1.5 billion or 7.3 percent to \$22.1 billion. This was the largest percent increase since the current series began in 1992. Primary metals, up for the seventh consecutive month, increased \$1.1 billion or 9.3 percent to \$13.2 billion. This was the largest percent increase since the current series began in 1992.

● **UNFILLED ORDERS** for manufactured durable goods in March, up seven of the last eight months, increased \$4.3 billion or 0.8 percent to \$514.5 billion. This followed a 0.8 percent February increase.

Machinery, up eight consecutive months, had the largest increase, \$1.1 billion or 2.4 percent to \$46.6 billion. Transportation equipment increased \$1.0 billion or 0.4 percent to \$250.5 billion.

● **INVENTORIES** of manufactured durable goods in March, up four consecutive months, increased \$0.3 billion or 0.1 percent to \$264.7 billion. This followed a 0.4 percent February increase.

Primary metals, up five consecutive months, had the largest increase, \$0.3 billion or 1.4 percent to \$18.0 billion.

● **CAPITAL GOODS INDUSTRIES, DEFENSE** New orders in March decreased \$0.6 billion or 6.1 percent to \$9.7 billion. Shipments decreased \$1.1 billion or 11.6 percent to \$8.2 billion. Unfilled orders increased \$1.5 billion or 1.1 percent to \$141.7 billion. Inventories increased \$0.1 billion or 0.6 percent to \$19.8 billion.

● **CAPITAL GOODS INDUSTRIES, NONDEFENSE** New orders in March increased \$1.3 billion or 2.1 percent to \$62.5 billion. Shipments increased \$1.4 billion or 2.4 percent to \$61.8 billion. Unfilled orders increased \$0.7 billion or 0.3 percent to \$221.1 billion. Inventories decreased \$0.2 billion or 0.2 percent to \$104.9 billion.

● **REVISED February DATA** Revised seasonally adjusted February figures for all manufacturing industries are: new orders, \$345.1 billion (revised from \$343.0 billion); shipments, \$347.9 billion (revised from \$346.8 billion); unfilled orders, \$510.1 billion (revised from \$509.0 billion); and total inventories, \$442.3 billion (revised from \$442.4 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 ¹					
	Monthly			Percent Change			Monthly			Year to Date		
	Mar 2004 ²	Feb 2004 ^r	Jan 2004	Feb - Mar ²	Jan - Feb ^r	Dec - Jan	Mar 2004 ²	Feb 2004 ^r	Mar 2003	2004	2003	Percent Change 04/03
DURABLE GOODS												
Total:												
Shipments.....	195,225	189,199	186,115	3.2	1.7	-1.0	216,573	184,523	189,651	567,266	516,545	9.8
New Orders ⁴	192,712	186,416	179,506	3.4	3.8	-2.6	216,222	184,279	186,435	568,095	511,443	11.1
Excluding transportation:												
Shipments.....	139,255	133,744	134,600	4.1	-0.6	-0.2	152,418	128,243	133,263	400,333	361,474	10.8
New Orders ⁴	135,708	131,400	129,947	3.3	1.1	0.7	149,077	128,636	127,518	397,188	351,939	12.9
Excluding defense:												
Shipments.....	185,362	178,354	176,709	3.9	0.9	-1.1	205,774	173,936	180,059	538,114	491,795	9.4
New Orders ⁴	181,834	175,149	169,779	3.8	3.2	-2.2	201,748	173,111	172,377	531,987	478,989	11.1
Manufacturing with unfilled orders:												
Shipments.....	131,745	127,927	127,015	3.0	0.7	0.3	145,931	124,715	129,456	383,647	351,021	9.3
New Orders ⁴	136,072	131,867	126,901	3.2	3.9	-1.6	152,845	131,346	132,296	404,577	362,750	11.5
Primary metals:												
Shipments.....	13,156	12,033	11,809	9.3	1.9	2.1	14,176	12,277	11,532	38,001	33,592	13.1
New Orders.....	13,553	12,638	12,173	7.2	3.8	4.4	14,676	13,515	11,006	40,678	33,850	20.2
Fabricated metal products:												
Shipments.....	22,050	20,542	20,930	7.3	-1.9	-0.6	23,040	20,293	20,911	62,559	59,981	4.3
New Orders.....	22,907	21,772	22,050	5.2	-1.3	0.9	24,201	21,971	20,854	67,237	59,974	12.1
Machinery:												
Shipments.....	23,448	22,473	22,654	4.3	-0.8	-0.5	26,791	21,315	23,220	67,978	61,223	11.0
New Orders.....	24,549	23,807	22,935	3.1	3.8	-4.5	28,016	23,138	23,418	72,537	62,528	16.0
Computers and electronic products:												
Shipments.....	38,189	37,630	37,908	1.5	-0.7	1.2	43,991	35,293	37,467	111,712	95,123	17.4
New Orders ⁴	32,093	32,044	31,199	0.2	2.7	4.2	37,635	30,653	32,304	95,637	83,172	15.0
Computers and related products:												
Shipments.....	8,281	8,178	8,396	1.3	-2.6	-1.0	9,867	6,691	7,925	23,902	19,793	20.8
New Orders.....	8,116	8,114	7,927	0.0	2.4	-8.7	9,613	6,844	8,099	23,125	19,700	17.4
Communications equipment:												
Shipments.....	6,819	6,926	7,086	-1.5	-2.3	4.9	8,350	6,403	7,283	20,485	17,350	18.1
New Orders.....	6,678	7,304	6,855	-8.6	6.5	64.8	8,494	7,344	8,421	21,796	21,577	1.0
Semiconductors:												
Shipments.....	6,840	6,723	6,495	1.7	3.5	7.4	7,265	6,875	6,056	20,101	16,831	19.4
New Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:												
Shipments.....	8,590	8,457	8,543	1.6	-1.0	-1.0	9,408	8,023	8,978	24,784	24,251	2.2
New Orders.....	8,888	8,819	8,563	0.8	3.0	3.8	9,604	8,662	9,059	25,793	24,573	5.0
Transportation equipment:												
Shipments.....	55,970	55,455	51,515	0.9	7.6	-2.9	64,155	56,280	56,388	166,933	155,071	7.6
New Orders.....	57,004	55,016	49,559	3.6	11.0	-10.3	67,145	55,643	58,917	170,907	159,504	7.1
Motor vehicles and parts:												
Shipments.....	40,369	38,863	36,944	3.9	5.2	-3.9	46,242	40,179	39,648	121,383	113,574	6.9
New Orders.....	40,590	39,174	36,940	3.6	6.0	-4.3	46,431	40,652	39,433	122,470	114,100	7.3
Nondefense aircraft and parts:												
Shipments.....	5,886	5,635	5,200	4.5	8.4	-2.3	7,199	5,610	7,044	16,730	16,509	1.3
New Orders.....	6,126	5,483	4,114	11.7	33.3	-32.5	7,271	5,125	4,340	16,166	12,815	26.1
Defense aircraft and parts:												
Shipments.....	3,907	4,864	3,528	-19.7	37.9	1.2	4,176	4,467	3,649	11,553	9,016	28.1
New Orders.....	2,626	3,634	2,417	-27.7	50.4	-36.0	4,217	3,388	6,360	10,596	12,092	-12.4
All other durable goods:												
Shipments.....	33,822	32,609	32,756	3.7	-0.4	-2.1	35,012	31,042	31,155	95,299	87,304	9.2
New Orders.....	33,718	32,320	33,027	4.3	-2.1	-1.0	34,945	30,697	30,877	95,306	87,842	8.5
Capital goods:³												
Shipments.....	69,993	69,650	68,244	0.5	2.1	-0.1	80,409	65,594	70,333	204,485	180,775	13.1
New Orders.....	72,189	71,533	67,409	0.9	6.1	-3.5	85,032	68,639	74,826	215,735	191,484	12.7
Nondefense capital goods:												
Shipments.....	61,776	60,353	60,170	2.4	0.3	-0.4	71,363	56,433	62,204	179,500	159,638	12.4
New Orders.....	62,492	61,208	58,564	2.1	4.5	-2.7	72,091	58,585	62,393	183,447	163,175	12.4
Excluding aircraft:												
Shipments.....	59,094	57,645	58,251	2.5	-1.0	0.5	67,922	53,936	58,804	172,284	152,316	13.1
New Orders.....	60,443	59,037	57,441	2.4	2.8	-0.4	69,451	56,958	61,368	177,763	159,131	11.7
Defense capital goods:												
Shipments.....	8,217	9,297	8,074	-11.6	15.1	2.0	9,046	9,161	8,129	24,985	21,137	18.2
New Orders.....	9,697	10,325	8,845	-6.1	16.7	-8.1	12,941	10,054	12,433	32,288	28,309	14.1

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
	Mar 2004 ²	Feb 2004 ^r	Jan 2004	Feb - Mar ²	Jan - Feb ^r	Dec - Jan	Mar 2004 ²	Feb 2004 ^r	Mar 2003	
DURABLE GOODS										
Total:										
Unfilled Orders ⁴	514,451	510,124	506,184	0.8	0.8	0.0	523,346	516,432	492,408	6.3
Total Inventories.....	264,678	264,426	263,276	0.1	0.4	0.1	264,122	267,427	267,955	-1.4
Excluding transportation:										
Unfilled Orders ⁴	263,912	260,619	256,240	1.3	1.7	0.7	268,091	264,167	243,559	10.1
Total Inventories.....	196,584	196,282	195,381	0.2	0.5	-0.1	196,755	198,905	200,803	-2.0
Excluding defense:										
Unfilled Orders ⁴	353,923	350,611	347,093	0.9	1.0	-0.1	358,433	355,194	340,159	5.4
Total Inventories.....	240,309	240,220	239,215	0.0	0.4	0.2	240,130	243,059	245,732	-2.3
Manufacturing with unfilled orders:										
Unfilled Orders ⁴	514,451	510,124	506,184	0.8	0.8	0.0	523,346	516,432	492,408	6.3
Total Inventories.....	206,131	206,075	205,408	0.0	0.3	-0.1	205,244	207,939	210,814	-2.6
Primary metals:										
Unfilled Orders.....	17,841	17,444	16,839	2.3	3.6	2.2	18,679	18,179	14,717	26.9
Total Inventories.....	17,997	17,740	17,507	1.4	1.3	1.2	17,899	17,766	18,999	-5.8
Fabricated metal products:										
Unfilled Orders.....	42,161	41,304	40,074	2.1	3.1	2.9	42,699	41,538	36,893	15.7
Total Inventories.....	31,183	31,338	30,955	-0.5	1.2	-0.2	31,655	31,757	32,088	-1.3
Machinery:										
Unfilled Orders.....	46,623	45,522	44,188	2.4	3.0	0.6	47,441	46,216	43,725	8.5
Total Inventories.....	42,316	42,143	41,857	0.4	0.7	0.7	42,636	42,964	42,633	0.0
Computers and electronic products:										
Unfilled Orders ⁴	131,200	130,456	129,319	0.6	0.9	-0.2	133,182	132,273	123,697	7.7
Total Inventories.....	46,767	46,817	46,936	-0.1	-0.3	-1.8	45,824	47,347	48,162	-4.9
Computers and related products:										
Unfilled Orders.....	8,154	8,319	8,383	-2.0	-0.8	-5.3	8,028	8,282	8,031	0.0
Total Inventories.....	5,925	5,952	6,028	-0.5	-1.3	-1.9	5,681	6,031	6,080	-6.6
Communications equipment:										
Unfilled Orders.....	50,268	50,409	50,031	-0.3	0.8	-0.5	51,080	50,936	48,974	4.3
Total Inventories.....	10,241	10,464	10,539	-2.1	-0.7	-4.7	10,046	10,623	11,800	-14.9
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.....	14,301	14,003	13,641	2.1	2.7	0.1	14,424	14,228	14,114	2.2
Total Inventories.....	12,295	12,266	12,483	0.2	-1.7	0.8	12,479	12,612	12,777	-2.3
Transportation equipment:										
Unfilled Orders.....	250,539	249,505	249,944	0.4	-0.2	-0.8	255,255	252,265	248,849	2.6
Total Inventories.....	68,094	68,144	67,895	-0.1	0.4	0.6	67,367	68,522	67,152	0.3
Motor vehicles and parts:										
Unfilled Orders.....	14,014	13,793	13,482	1.6	2.3	0.0	14,707	14,518	12,659	16.2
Total Inventories.....	21,069	20,943	20,828	0.6	0.6	3.0	21,033	21,105	20,384	3.2
Nondefense Aircraft and parts:										
Unfilled Orders.....	103,677	103,437	103,589	0.2	-0.1	-1.0	104,507	104,435	107,800	-3.1
Total Inventories.....	23,677	23,931	23,965	-1.1	-0.1	-0.2	23,330	23,940	25,341	-7.9
Defense Aircraft and parts:										
Unfilled Orders.....	58,510	59,791	61,021	-2.1	-2.0	-1.8	59,813	59,772	59,040	1.3
Total Inventories.....	11,647	11,497	11,509	1.3	-0.1	-1.1	11,393	11,756	10,218	11.5
All other durable goods:										
Unfilled Orders.....	11,786	11,890	12,179	-0.9	-2.4	2.3	11,666	11,733	10,413	12.0
Total Inventories.....	46,026	45,978	45,643	0.1	0.7	0.5	46,262	46,459	46,144	0.3
Capital goods:³										
Unfilled Orders.....	362,734	360,538	358,655	0.6	0.5	-0.2	369,047	364,424	349,420	5.6
Total Inventories.....	124,762	124,843	124,514	-0.1	0.3	-0.5	123,749	125,977	127,020	-2.6
Nondefense capital goods:										
Unfilled Orders.....	221,052	220,336	219,481	0.3	0.4	-0.7	223,494	222,766	216,939	3.0
Total Inventories.....	104,946	105,138	105,061	-0.2	0.1	-0.5	104,200	106,288	109,098	-4.5
Excluding aircraft:										
Unfilled Orders.....	143,151	141,802	140,410	1.0	1.0	-0.6	144,763	143,234	135,086	7.2
Total Inventories.....	87,897	87,973	87,957	-0.1	0.0	-0.7	87,377	89,053	90,371	-3.3
Defense capital goods:										
Unfilled Orders.....	141,682	140,202	139,174	1.1	0.7	0.6	145,553	141,658	132,481	9.9
Total Inventories.....	19,816	19,705	19,453	0.6	1.3	-0.5	19,549	19,689	17,922	9.1

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/>.