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**ADVANCE REPORT ON DURABLE GOODS MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS
November 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 November increased \$3.1 billion or 1.6 percent to \$198.9 billion, the Department of Commerce, U.S. Census Bureau reported today. This followed a 0.9 percent October decrease. Excluding transportation, new orders decreased 0.8 percent. Excluding defense, new orders increased 3.7 percent. Year-to-date, new orders for 2004 were 11.1 percent above the same period a year ago.

Transportation equipment had the largest increase, \$4.3 billion or 8.2 percent to \$57.1 billion, due to nondefense aircraft and parts, which increased \$3.8 billion.

● **SHIPMENTS** of manufactured durable goods in November decreased \$0.5 billion or 0.2 percent to \$199.4 billion. This followed a 0.3 percent October increase. Year-to-date, shipments for 2004 were 10.4 percent above the same period a year ago.

Machinery, down following two consecutive increases, had the largest decrease, \$0.9 billion or 3.5 percent to \$24.9 billion.

● **UNFILLED ORDERS** for manufactured durable goods in November, up fifteen of the last sixteen months, increased \$6.8 billion or 1.2 percent to \$550.1 billion. This followed a 0.6 percent October increase and was at the highest level since the series was first stated on a NAICS basis in 1992.

Transportation equipment, up following three consecutive decreases, had the largest increase, \$4.4 billion or 1.7 percent to \$262.3 billion. This was at the highest level since June 2001.

● **INVENTORIES** of manufactured durable goods in November, up twelve consecutive months, increased \$2.7 billion or 1.0 percent to \$283.1 billion. This followed a 0.9 percent October increase.

Transportation equipment, up two consecutive months, had the largest increase, \$1.1 billion or 1.7 percent to \$69.9 billion. Primary metals, up thirteen consecutive months, increased \$0.5 billion or 2.3 percent to \$21.3 billion and was at the highest level since April 2001.

● **CAPITAL GOODS INDUSTRIES, DEFENSE** New orders in November decreased \$4.0 billion or 31.8 percent to \$8.6 billion. Shipments decreased \$0.2 billion or 2.0 percent to \$8.2 billion. Unfilled orders increased \$0.4 billion or 0.3 percent to \$149.0 billion. Inventories increased \$0.3 billion or 1.3 percent to \$19.8 billion.

● **CAPITAL GOODS INDUSTRIES, NONDEFENSE** New orders in November increased \$5.3 billion or 8.1 percent to \$70.1 billion. Shipments decreased \$1.6 billion or 2.4 percent to \$64.0 billion. Unfilled orders increased \$6.1 billion or 2.6 percent to \$242.7 billion. Inventories increased \$1.7 billion or 1.5 percent to \$111.4 billion.

● **REVISED OCTOBER DATA** Revised seasonally adjusted October figures for all manufacturing industries are: new orders, \$372.5 billion (revised from \$371.5 billion); shipments, \$376.6 billion (revised from \$375.9 billion); unfilled orders, \$543.3 billion (revised from \$543.0 billion); and total inventories, \$465.7 billion (revised from \$464.6 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		
	Nov 2004 ²	Oct 2004 ^r	Sep 2004	Oct - Nov ²	Sep - Oct ^r	Aug - Sep	Nov 2004 ²	Oct 2004 ^r	Nov 2003	2004	2003	Percent Change 04/03
DURABLE GOODS												
Total:												
Shipments.....	199,433	199,911	199,341	-0.2	0.3	-1.0	196,548	204,159	179,050	2,164,461	1,961,356	10.4
New Orders ⁴	198,855	195,719	197,440	1.6	-0.9	1.0	195,052	197,817	176,103	2,123,607	1,911,513	11.1
Excluding transportation:												
Shipments.....	146,740	146,741	145,559	0.0	0.8	-0.8	144,137	148,250	127,031	1,568,710	1,393,481	12.6
New Orders ⁴	141,760	142,950	144,842	-0.8	-1.3	2.8	138,695	143,903	123,732	1,522,622	1,343,922	13.3
Excluding defense:												
Shipments.....	189,906	190,142	189,929	-0.1	0.1	-0.8	186,932	194,642	169,948	2,058,470	1,864,164	10.4
New Orders ⁴	188,797	182,044	185,750	3.7	-2.0	-0.1	185,669	185,355	165,843	2,014,758	1,806,857	11.5
Manufacturing with unfilled orders:												
Shipments.....	136,272	137,238	136,310	-0.7	0.7	-0.7	134,116	139,040	121,357	1,471,418	1,326,868	10.9
New Orders ⁴	143,048	140,303	141,244	2.0	-0.7	1.8	140,339	140,129	125,009	1,508,466	1,341,518	12.4
Primary metals:												
Shipments.....	14,679	14,478	14,585	1.4	-0.7	0.5	14,037	14,819	10,370	152,042	121,029	25.6
New Orders.....	14,596	14,045	14,449	3.9	-2.8	-3.2	13,704	13,611	11,018	154,330	122,113	26.4
Fabricated metal products:												
Shipments.....	23,284	22,970	23,195	1.4	-1.0	0.1	22,918	24,026	19,744	250,528	225,900	10.9
New Orders.....	23,718	23,803	23,228	-0.4	2.5	-1.4	23,080	24,677	20,465	257,552	226,891	13.5
Machinery:												
Shipments.....	24,946	25,857	25,369	-3.5	1.9	1.9	23,163	25,504	19,826	267,847	231,007	15.9
New Orders.....	25,901	26,798	26,196	-3.3	2.3	3.4	24,239	26,536	20,893	275,435	230,836	19.3
Computers and electronic products:												
Shipments.....	40,338	40,271	38,889	0.2	3.6	-2.7	40,376	39,423	36,224	421,431	373,646	12.8
New Orders ⁴	33,186	34,642	36,878	-4.2	-6.1	13.2	33,022	34,021	29,924	354,084	319,790	10.7
Computers and related products:												
Shipments.....	9,201	9,566	8,814	-3.8	8.5	2.8	8,450	9,908	7,481	93,255	82,359	13.2
New Orders.....	9,183	8,818	9,778	4.1	-9.8	17.4	8,778	9,153	7,788	93,026	83,106	11.9
Communications equipment:												
Shipments.....	6,819	7,045	6,892	-3.2	2.2	-8.0	6,915	6,496	6,836	74,479	67,854	9.8
New Orders.....	6,721	10,341	9,570	-35.0	8.1	35.5	6,965	10,219	5,991	79,441	75,615	5.1
Semiconductors:												
Shipments.....	7,354	7,257	6,835	1.3	6.2	-8.6	7,719	7,431	6,599	77,902	64,493	20.8
New Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:												
Shipments.....	9,057	8,941	8,920	1.3	0.2	-3.0	9,159	8,864	8,545	97,133	92,358	5.2
New Orders.....	9,297	8,887	9,176	4.6	-3.1	-2.8	9,430	8,901	8,389	99,178	92,504	7.2
Transportation equipment:												
Shipments.....	52,693	53,170	53,782	-0.9	-1.1	-1.6	52,411	55,909	52,019	595,751	567,875	4.9
New Orders.....	57,095	52,769	52,598	8.2	0.3	-3.5	56,357	53,914	52,371	600,985	567,591	5.9
Motor vehicles and parts:												
Shipments.....	37,675	37,446	38,282	0.6	-2.2	-0.9	37,179	40,783	35,528	426,080	408,830	4.2
New Orders.....	37,532	37,015	38,412	1.4	-3.6	-1.2	37,261	40,137	36,079	426,870	409,655	4.2
Nondefense aircraft and parts:												
Shipments.....	5,601	6,253	6,306	-10.4	-0.8	-0.1	5,677	5,763	6,330	64,131	60,771	5.5
New Orders.....	9,587	5,837	5,557	64.2	5.0	-17.1	9,610	4,589	5,111	72,362	52,280	38.4
Defense aircraft and parts:												
Shipments.....	3,393	3,485	3,427	-2.6	1.7	-8.0	3,406	3,393	3,257	39,860	35,703	11.6
New Orders.....	3,386	3,305	2,407	2.5	37.3	-13.4	2,845	2,621	3,126	31,801	38,824	-18.1
All other durable goods:												
Shipments.....	34,436	34,224	34,601	0.6	-1.1	-1.1	34,484	35,614	32,322	379,729	349,541	8.6
New Orders.....	35,062	34,775	34,915	0.8	-0.4	-0.4	35,220	36,157	33,043	382,043	351,788	8.6
Capital goods:³												
Shipments.....	72,153	73,916	72,403	-2.4	2.1	-0.8	69,649	72,474	64,186	776,339	698,182	11.2
New Orders.....	78,696	77,421	77,770	1.6	-0.4	6.0	75,975	75,641	65,104	803,237	711,489	12.9
Nondefense capital goods:												
Shipments.....	64,003	65,596	64,357	-2.4	1.9	-0.3	61,397	64,306	56,457	685,764	615,266	11.5
New Orders.....	70,104	64,823	67,076	8.1	-3.4	3.2	67,857	63,914	56,343	706,915	621,532	13.7
Excluding aircraft:												
Shipments.....	61,934	63,005	61,753	-1.7	2.0	-0.3	59,215	62,142	53,325	659,940	587,823	12.3
New Orders.....	63,515	62,394	65,069	1.8	-4.1	5.4	61,208	62,670	54,051	671,705	600,327	11.9
Defense capital goods:												
Shipments.....	8,150	8,320	8,046	-2.0	3.4	-4.5	8,252	8,168	7,729	90,575	82,916	9.2
New Orders.....	8,592	12,598	10,694	-31.8	17.8	27.5	8,118	11,727	8,761	96,322	89,957	7.1

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
	Nov 2004 ²	Oct 2004 ^r	Sep 2004	Oct - Nov ²	Sep - Oct ^r	Aug - Sep	Nov 2004 ²	Oct 2004 ^r	Nov 2003	
DURABLE GOODS										
Total:										
Unfilled Orders ⁴	550,085	543,309	540,244	1.2	0.6	0.9	539,464	533,241	495,329	8.9
Total Inventories.....	283,076	280,381	278,013	1.0	0.9	0.3	284,089	281,173	262,264	8.3
Excluding transportation:										
Unfilled Orders ⁴	287,736	285,362	281,896	0.8	1.2	2.2	282,949	280,672	251,197	12.6
Total Inventories.....	213,208	211,649	209,456	0.7	1.0	0.7	213,744	211,763	194,700	9.8
Excluding defense:										
Unfilled Orders ⁴	383,482	377,237	378,078	1.7	-0.2	0.7	378,649	372,193	343,320	10.3
Total Inventories.....	258,648	256,142	253,855	1.0	0.9	0.3	259,591	256,803	238,717	8.7
Manufacturing with unfilled orders:										
Unfilled Orders ⁴	550,085	543,309	540,244	1.2	0.6	0.9	539,464	533,241	495,329	8.9
Total Inventories.....	221,433	218,883	216,623	1.2	1.0	0.3	222,596	219,933	205,635	8.2
Primary metals:										
Unfilled Orders.....	19,491	19,574	20,007	-0.4	-2.2	-0.7	18,290	18,623	15,543	17.7
Total Inventories.....	21,323	20,843	20,161	2.3	3.4	2.6	21,539	20,930	17,343	24.2
Fabricated metal products:										
Unfilled Orders.....	46,097	45,663	44,830	1.0	1.9	0.1	45,045	44,883	37,891	18.9
Total Inventories.....	34,815	34,657	34,339	0.5	0.9	1.0	34,590	34,588	30,778	12.4
Machinery:										
Unfilled Orders.....	51,198	50,243	49,302	1.9	1.9	1.7	50,470	49,394	42,249	19.5
Total Inventories.....	45,531	45,094	44,925	1.0	0.4	0.5	46,011	45,207	41,579	10.7
Computers and electronic products:										
Unfilled Orders ⁴	141,626	141,424	139,796	0.1	1.2	3.6	139,711	139,346	129,454	7.9
Total Inventories.....	50,082	49,745	49,095	0.7	1.3	0.2	50,559	50,056	47,613	6.2
Computers and related products:										
Unfilled Orders.....	8,293	8,311	9,059	-0.2	-8.3	11.9	8,576	8,248	8,871	-3.3
Total Inventories.....	6,653	6,509	6,439	2.2	1.1	2.5	7,021	6,546	6,278	11.8
Communications equipment:										
Unfilled Orders.....	55,263	55,361	52,065	-0.2	6.3	5.4	54,731	54,681	52,508	4.2
Total Inventories.....	11,008	11,007	10,798	0.0	1.9	-0.8	11,179	11,113	11,342	-1.4
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.....	15,475	15,235	15,289	1.6	-0.4	1.7	15,460	15,189	13,938	10.9
Total Inventories.....	12,950	13,008	13,059	-0.4	-0.4	0.1	12,822	12,865	12,253	4.6
Transportation equipment:										
Unfilled Orders.....	262,349	257,947	258,348	1.7	-0.2	-0.5	256,515	252,569	244,132	5.1
Total Inventories.....	69,868	68,732	68,557	1.7	0.3	-0.7	70,345	69,410	67,564	4.1
Motor vehicles and parts:										
Unfilled Orders.....	14,893	15,036	15,467	-1.0	-2.8	0.8	14,410	14,328	12,958	11.2
Total Inventories.....	22,115	21,962	21,947	0.7	0.1	1.3	22,004	21,918	20,137	9.3
Nondefense Aircraft and parts:										
Unfilled Orders.....	114,194	110,208	110,624	3.6	-0.4	-0.7	113,302	109,369	103,003	10.0
Total Inventories.....	23,705	23,044	23,092	2.9	-0.2	-4.4	24,168	23,641	24,652	-2.0
Defense Aircraft and parts:										
Unfilled Orders.....	55,075	55,082	55,262	0.0	-0.3	-1.8	52,711	53,272	59,085	-10.8
Total Inventories.....	11,841	11,840	11,729	0.0	0.9	1.9	11,887	11,927	11,135	6.8
All other durable goods:										
Unfilled Orders.....	13,849	13,223	12,672	4.7	4.3	2.5	13,973	13,237	12,122	15.3
Total Inventories.....	48,507	48,302	47,877	0.4	0.9	0.4	48,223	48,117	45,134	6.8
Capital goods:³										
Unfilled Orders.....	391,709	385,166	381,661	1.7	0.9	1.4	384,695	378,369	352,018	9.3
Total Inventories.....	131,172	129,214	128,690	1.5	0.4	-0.1	132,831	130,016	125,836	5.6
Nondefense capital goods:										
Unfilled Orders.....	242,736	236,635	237,408	2.6	-0.3	1.2	240,698	234,238	219,668	9.6
Total Inventories.....	111,359	109,661	109,235	1.5	0.4	-0.3	112,989	110,497	106,691	5.9
Excluding aircraft:										
Unfilled Orders.....	152,195	150,614	151,225	1.0	-0.4	2.2	151,049	149,056	140,775	7.3
Total Inventories.....	94,275	93,112	92,513	1.2	0.6	0.6	95,458	93,436	89,143	7.1
Defense capital goods:										
Unfilled Orders.....	148,973	148,531	144,253	0.3	3.0	1.9	143,997	144,131	132,350	8.8
Total Inventories.....	19,813	19,553	19,455	1.3	0.5	0.9	19,842	19,519	19,145	3.6

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	