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**U.S. CENSUS BUREAU**

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**ADVANCE REPORT ON DURABLE GOODS MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS  
September 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 September increased \$0.4 billion or 0.2 percent to \$195.7 billion, the Department of Commerce, U.S. Census Bureau reported today. This followed a 0.6 percent August decrease. Excluding transportation, new orders increased 1.7 percent. Excluding defense, new orders decreased 0.9 percent. Year-to-date, new orders for 2004 were 12.1 percent above the same period a year ago.

Computers and electronic products, up seven of the last ten months, had the largest increase, \$3.0 billion or 9.3 percent to \$35.6 billion, due to communications equipment, which increased \$2.5 billion.

● **SHIPMENTS** of manufactured durable goods in September decreased \$2.3 billion or 1.2 percent to \$199.1 billion. This followed a 1.9 percent August increase. Year-to-date, shipments for 2004 were 10.9 percent above the same period a year ago.

Computers and electronic products, down following three consecutive increases, had the largest decrease, \$1.4 billion or 3.6 percent to \$38.5 billion. Transportation equipment decreased \$0.7 billion or 1.3 percent to \$53.9 billion.

● **UNFILLED ORDERS** for manufactured durable goods in September, up thirteen of the last fourteen months, increased \$3.8 billion or 0.7 percent to \$539.0 billion. This followed a 0.3 percent August increase and is at the highest level since May 2001.

Computers and electronic products, up seven of the last eight months, had the largest increase, \$4.2 billion or 3.1 percent to \$139.2 billion. This was at the highest level since the series was first stated on a NAICS basis in 1992 and followed a 0.1 percent August increase.

● **INVENTORIES** of manufactured durable goods in September, up ten consecutive months, increased \$0.8 billion or 0.3 percent to \$277.7 billion. This followed a 0.8 percent August increase.

Computers and electronic products, up seven consecutive months, had the largest increase, \$0.5 billion or 1.0 percent to \$49.5 billion. Primary metals, up eleven consecutive months, increased \$0.3 billion or 1.6 percent to \$19.9 billion.

● **CAPITAL GOODS INDUSTRIES, DEFENSE** New orders in September increased \$2.2 billion or 26.5 percent to \$10.6 billion. Shipments decreased \$0.3 billion or 3.4 percent to \$8.1 billion. Unfilled orders increased \$2.5 billion or 1.7 percent to \$144.1 billion. Inventories increased 0.1 percent to \$19.3 billion.

● **CAPITAL GOODS INDUSTRIES, NONDEFENSE** New orders in September increased \$0.4 billion or 0.6 percent to \$65.2 billion. Shipments decreased \$1.1 billion or 1.7 percent to \$63.4 billion. Unfilled orders increased \$1.7 billion or 0.7 percent to \$236.3 billion. Inventories decreased \$0.4 billion or 0.4 percent to \$109.1 billion.

● **REVISED AUGUST DATA** Revised seasonally adjusted August figures for all manufacturing industries are: new orders, \$369.9 billion (revised from \$370.5 billion); shipments, \$376.0 billion (revised from \$376.1 billion); unfilled orders, \$535.2 billion (revised from \$535.6 billion); and total inventories, \$461.4 billion (revised from \$460.9 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		
	Sep 2004 <sup>2</sup>	Aug 2004 <sup>r</sup>	Jul 2004	Aug - Sep <sup>2</sup>	Jul - Aug <sup>r</sup>	Jun - Jul	Sep 2004 <sup>2</sup>	Aug 2004 <sup>r</sup>	Sep 2003	2004	2003	Percent Change 04/03
<b>DURABLE GOODS</b>												
<b>Total:</b>												
Shipments.....	199,082	201,412	197,698	-1.2	1.9	0.5	214,739	202,481	197,413	1,762,741	1,589,674	10.9
New Orders <sup>4</sup> .....	195,700	195,283	196,431	0.2	-0.6	1.9	206,585	192,378	189,075	1,728,287	1,542,002	12.1
<b>Excluding transportation:</b>												
Shipments.....	145,163	146,770	145,465	-1.1	0.9	2.1	156,572	147,038	140,411	1,275,391	1,131,359	12.7
New Orders <sup>4</sup> .....	143,167	140,783	136,967	1.7	2.8	0.1	151,317	138,371	134,646	1,237,868	1,085,267	14.1
<b>Excluding defense:</b>												
Shipments.....	189,575	191,527	188,000	-1.0	1.9	0.5	204,234	193,025	187,186	1,675,789	1,510,554	10.9
New Orders <sup>4</sup> .....	184,037	185,775	187,041	-0.9	-0.7	3.0	195,477	185,327	180,391	1,641,201	1,457,825	12.6
<b>Manufacturing with unfilled orders:</b>												
Shipments.....	135,930	137,321	136,338	-1.0	0.7	1.7	145,784	137,043	132,609	1,197,365	1,077,817	11.1
New Orders <sup>4</sup> .....	139,719	138,691	142,593	0.7	-2.7	3.9	145,653	134,210	130,747	1,225,983	1,081,634	13.3
<b>Primary metals:</b>												
Shipments.....	14,577	14,521	14,217	0.4	2.1	3.2	14,894	14,919	11,041	123,136	99,023	24.4
New Orders.....	14,600	14,925	15,020	-2.2	-0.6	7.5	14,324	15,396	10,729	126,911	98,895	28.3
<b>Fabricated metal products:</b>												
Shipments.....	23,240	23,182	23,173	0.3	0.0	1.5	24,409	24,288	21,388	203,598	184,143	10.6
New Orders.....	23,054	23,528	23,047	-2.0	2.1	-0.3	23,329	24,590	21,392	209,708	184,088	13.9
<b>Machinery:</b>												
Shipments.....	25,300	24,879	25,116	1.7	-0.9	3.2	26,413	24,038	22,088	219,178	189,666	15.6
New Orders.....	25,933	25,196	24,783	2.9	1.7	0.8	26,716	23,813	21,767	224,408	188,164	19.3
<b>Computers and electronic products:</b>												
Shipments.....	38,542	39,972	39,372	-3.6	1.5	3.0	44,181	37,730	41,682	340,743	301,466	13.0
New Orders <sup>4</sup> .....	35,562	32,545	30,741	9.3	5.9	-4.2	40,042	28,434	36,582	285,336	256,193	11.4
<b>Computers and related products:</b>												
Shipments.....	8,051	8,548	8,643	-5.8	-1.1	6.5	9,881	7,784	10,317	73,815	66,266	11.4
New Orders.....	8,630	8,305	8,261	3.9	0.5	-5.1	10,391	7,657	10,327	73,718	66,978	10.1
<b>Communications equipment:</b>												
Shipments.....	6,914	7,489	7,019	-7.7	6.7	3.3	7,710	6,927	7,798	60,983	54,900	11.1
New Orders.....	9,576	7,060	6,597	35.6	7.0	5.0	10,522	5,218	8,722	62,189	60,005	3.6
<b>Semiconductors:</b>												
Shipments.....	7,171	7,499	7,522	-4.4	-0.3	5.1	8,023	7,270	6,476	63,072	51,489	22.5
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.....	8,868	9,192	9,054	-3.5	1.5	3.6	9,889	9,137	9,528	79,031	75,230	5.1
New Orders.....	8,993	9,447	9,040	-4.8	4.5	6.7	9,766	9,331	9,327	80,653	75,238	7.2
<b>Transportation equipment:</b>												
Shipments.....	53,919	54,642	52,233	-1.3	4.6	-3.7	58,167	55,443	57,002	487,350	458,315	6.3
New Orders.....	52,533	54,500	59,464	-3.6	-8.3	6.5	55,268	54,007	54,429	490,419	456,735	7.4
<b>Motor vehicles and parts:</b>												
Shipments.....	38,266	38,617	36,671	-0.9	5.3	-3.9	40,832	39,971	40,367	347,991	329,752	5.5
New Orders.....	38,215	38,889	36,723	-1.7	5.9	-4.5	40,518	39,991	40,615	349,087	329,664	5.9
<b>Nondefense aircraft and parts:</b>												
Shipments.....	6,271	6,312	5,904	-0.6	6.9	-5.2	6,938	5,906	6,216	52,635	49,537	6.3
New Orders.....	5,614	6,705	12,475	-16.3	-46.3	103.5	6,580	6,614	5,698	58,109	42,534	36.6
<b>Defense aircraft and parts:</b>												
Shipments.....	3,498	3,730	3,542	-6.2	5.3	-4.4	4,001	3,516	3,858	33,138	29,071	14.0
New Orders.....	2,549	2,789	3,007	-8.6	-7.2	-41.6	2,281	1,600	3,292	26,475	32,567	-18.7
<b>All other durable goods:</b>												
Shipments.....	34,636	35,024	34,533	-1.1	1.4	0.0	36,786	36,926	34,684	309,705	281,831	9.9
New Orders.....	35,025	35,142	34,336	-0.3	2.3	-0.9	37,140	36,807	34,849	310,852	282,689	10.0
<b>Capital goods:<sup>3</sup></b>												
Shipments.....	71,583	72,945	71,777	-1.9	1.6	2.0	78,687	69,961	73,771	632,981	568,359	11.4
New Orders.....	75,785	73,203	78,012	3.5	-6.2	6.0	81,278	66,380	73,036	649,562	576,246	12.7
<b>Nondefense capital goods:</b>												
Shipments.....	63,440	64,513	63,458	-1.7	1.7	1.8	69,911	61,813	65,256	558,729	501,033	11.5
New Orders.....	65,179	64,818	69,879	0.6	-7.2	9.3	71,318	60,047	65,753	573,003	503,596	13.8
<b>Excluding aircraft:</b>												
Shipments.....	60,860	61,902	61,415	-1.7	0.8	2.3	67,153	59,484	62,456	537,261	478,662	12.2
New Orders.....	63,106	61,533	61,322	2.6	0.3	0.6	68,768	56,729	63,124	545,696	486,478	12.2
<b>Defense capital goods:</b>												
Shipments.....	8,143	8,432	8,319	-3.4	1.4	3.5	8,776	8,148	8,515	74,252	67,326	10.3
New Orders.....	10,606	8,385	8,133	26.5	3.1	-15.8	9,960	6,333	7,283	76,559	72,650	5.4

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
	Sep 2004 <sup>2</sup>	Aug 2004 <sup>r</sup>	Jul 2004	Aug - Sep <sup>2</sup>	Jul - Aug <sup>r</sup>	Jun - Jul	Sep 2004 <sup>2</sup>	Aug 2004 <sup>r</sup>	Sep 2003	
<b>DURABLE GOODS</b>										
<b>Total:</b>										
Unfilled Orders <sup>4</sup> .....	538,951	535,162	533,792	0.7	0.3	1.2	531,034	531,165	484,496	9.6
Total Inventories.....	277,715	276,954	274,834	0.3	0.8	1.1	276,949	279,838	260,534	6.3
<b>Excluding transportation:</b>										
Unfilled Orders <sup>4</sup> .....	280,793	275,618	274,106	1.9	0.6	-0.4	276,684	273,916	241,660	14.5
Total Inventories.....	209,410	207,919	205,585	0.7	1.1	1.1	208,281	209,742	192,823	8.0
<b>Excluding defense:</b>										
Unfilled Orders <sup>4</sup> .....	376,915	375,282	373,535	0.4	0.5	1.8	372,943	373,677	334,894	11.4
Total Inventories.....	253,757	253,085	250,788	0.3	0.9	1.3	252,881	255,600	237,330	6.6
<b>Manufacturing with unfilled orders:</b>										
Unfilled Orders <sup>4</sup> .....	538,951	535,162	533,792	0.7	0.3	1.2	531,034	531,165	484,496	9.6
Total Inventories.....	216,328	215,931	214,428	0.2	0.7	1.2	216,073	218,286	204,114	5.9
<b>Primary metals:</b>										
Unfilled Orders.....	20,153	20,130	19,726	0.1	2.0	4.2	19,777	20,347	14,331	38.0
Total Inventories.....	19,936	19,630	19,070	1.6	2.9	1.3	20,033	19,658	17,374	15.3
<b>Fabricated metal products:</b>										
Unfilled Orders.....	44,563	44,749	44,403	-0.4	0.8	-0.3	44,131	45,211	36,845	19.8
Total Inventories.....	34,235	33,968	33,470	0.8	1.5	1.7	34,103	34,179	30,656	11.2
<b>Machinery:</b>										
Unfilled Orders.....	48,965	48,332	48,015	1.3	0.7	-0.7	48,112	47,809	40,918	17.6
Total Inventories.....	44,944	44,686	44,315	0.6	0.8	1.1	44,645	44,934	40,992	8.9
<b>Computers and electronic products:</b>										
Unfilled Orders <sup>4</sup> .....	139,156	134,965	134,893	3.1	0.1	-0.8	136,821	132,937	125,033	9.4
Total Inventories.....	49,464	48,953	48,583	1.0	0.8	0.7	49,224	50,042	46,467	5.9
<b>Computers and related products:</b>										
Unfilled Orders.....	8,674	8,095	8,338	7.2	-2.9	-4.4	8,708	8,198	8,836	-1.4
Total Inventories.....	6,462	6,279	6,203	2.9	1.2	2.0	6,552	6,637	6,125	7.0
<b>Communications equipment:</b>										
Unfilled Orders.....	52,047	49,385	49,814	5.4	-0.9	-0.8	50,975	48,163	49,852	2.3
Total Inventories.....	10,744	10,883	10,712	-1.3	1.6	1.0	10,695	11,100	11,007	-2.8
<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.....	15,174	15,049	14,794	0.8	1.7	-0.1	15,037	15,160	13,800	9.0
Total Inventories.....	13,042	13,020	12,820	0.2	1.6	1.5	12,660	13,019	11,935	6.1
<b>Transportation equipment:</b>										
Unfilled Orders.....	258,158	259,544	259,686	-0.5	-0.1	2.9	254,350	257,249	242,836	4.7
Total Inventories.....	68,305	69,035	69,249	-1.1	-0.3	1.1	68,668	70,096	67,711	1.4
<b>Motor vehicles and parts:</b>										
Unfilled Orders.....	15,297	15,348	15,076	-0.3	1.8	0.3	14,716	15,030	12,045	22.2
Total Inventories.....	21,923	21,679	21,478	1.1	0.9	-0.4	22,088	21,894	20,266	9.0
<b>Nondefense Aircraft and parts:</b>										
Unfilled Orders.....	110,716	111,373	110,980	-0.6	0.4	6.3	110,545	110,903	104,491	5.8
Total Inventories.....	23,061	24,165	24,426	-4.6	-1.1	3.8	23,192	24,661	25,086	-7.6
<b>Defense Aircraft and parts:</b>										
Unfilled Orders.....	55,337	56,286	57,227	-1.7	-1.6	-0.9	54,107	55,827	59,460	-9.0
Total Inventories.....	11,560	11,486	11,609	0.6	-1.1	-0.6	11,601	11,706	10,971	5.7
<b>All other durable goods:</b>										
Unfilled Orders.....	12,782	12,393	12,275	3.1	1.0	-1.6	12,806	12,452	10,733	19.3
Total Inventories.....	47,789	47,662	47,327	0.3	0.7	0.9	47,616	47,910	45,399	4.9
<b>Capital goods:<sup>3</sup></b>										
Unfilled Orders.....	380,349	376,147	375,889	1.1	0.1	1.7	374,378	371,787	346,598	8.0
Total Inventories.....	128,395	128,812	128,454	-0.3	0.3	1.1	128,098	130,779	123,999	3.3
<b>Nondefense capital goods:</b>										
Unfilled Orders.....	236,289	234,550	234,245	0.7	0.1	2.8	233,821	232,414	215,965	8.3
Total Inventories.....	109,132	109,563	109,066	-0.4	0.5	1.6	108,834	111,277	105,299	3.4
<b>Excluding aircraft:</b>										
Unfilled Orders.....	150,016	147,770	148,139	1.5	-0.2	-0.1	147,719	146,104	136,087	8.5
Total Inventories.....	92,427	91,948	91,292	0.5	0.7	0.9	91,962	93,295	87,425	5.2
<b>Defense capital goods:</b>										
Unfilled Orders.....	144,060	141,597	141,644	1.7	0.0	-0.1	140,557	139,373	130,633	7.6
Total Inventories.....	19,263	19,249	19,388	0.1	-0.7	-1.7	19,264	19,502	18,700	3.0

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	