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**ADVANCE REPORT ON DURABLE GOODS MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS
February 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 February increased \$4.5 billion or 2.5 percent to \$183.8 billion, the Department of Commerce, U.S. Census Bureau reported today. This followed a 2.7 percent January decrease. Excluding transportation, new orders decreased 0.3 percent. Excluding defense, new orders increased 2.0 percent. Year-to-date, new orders for 2004 were 8.0 percent above the same period a year ago.

Transportation equipment had the largest increase, \$4.9 billion or 9.9 percent to \$54.4 billion. This was the largest percent increase in transportation equipment since July 2002. Computers and electronic products, up nine of the last ten months, increased \$0.4 billion or 1.2 percent to \$31.6 billion, mostly due to communications equipment, which increased by \$0.4 billion.

● **SHIPMENTS** of manufactured durable goods in February, up five of the last six months, increased \$1.4 billion or 0.8 percent to \$187.6 billion. This followed a 1.0 percent January decrease. Year-to-date, shipments for 2004 were 7.2 percent above the same period a year ago.

Transportation equipment had the largest increase, \$3.3 billion or 6.4 percent to \$54.9 billion, led by motor vehicles and parts, which increased by \$1.5 billion. Machinery, down three of the last four months, decreased \$0.7 billion or 3.1 percent to \$21.9 billion. This was the largest percent decline in machinery since June 2002.

● **UNFILLED ORDERS** for manufactured durable goods in February, up six of the last seven months, increased \$2.8 billion or 0.6 percent to \$508.8 billion. This followed a 0.1 percent January decrease.

Machinery, up seven consecutive months, had the largest increase, \$1.3 billion or 2.9 percent to \$45.4 billion. Fabricated metal products, up seven consecutive months, increased \$0.7 billion or 1.7 percent to \$40.8 billion.

● **INVENTORIES** of manufactured durable goods in February, up four of the last five months, increased \$1.2 billion or 0.4 percent to \$264.3 billion. This followed a 0.1 percent January increase.

Transportation equipment, up four of the last five months, had the largest increase, \$0.3 billion or 0.5 percent to \$68.2 billion.

● **CAPITAL GOODS INDUSTRIES, DEFENSE** New orders in February increased \$1.0 billion or 11.6 percent to \$9.8 billion. Shipments increased \$1.2 billion or 14.4 percent to \$9.2 billion. Unfilled orders increased \$0.6 billion or 0.4 percent to \$139.6 billion. Inventories increased \$0.5 billion or 2.4 percent to \$19.9 billion.

● **CAPITAL GOODS INDUSTRIES, NONDEFENSE** New orders in February increased \$1.7 billion or 2.9 percent to \$60.3 billion. Shipments decreased \$0.4 billion or 0.6 percent to \$59.9 billion. Unfilled orders increased \$0.5 billion or 0.2 percent to \$219.9 billion. Inventories increased slightly to \$105.0 billion.

● **REVISED January DATA** Revised seasonally adjusted January figures for all manufacturing industries are: new orders, \$342.0 billion (revised from \$343.2 billion); shipments, \$348.9 billion (revised from \$350.1 billion); unfilled orders, \$505.9 billion (revised from \$505.8 billion); and total inventories, \$439.4 billion (unrevised).

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		
	Feb 2004 ²	Jan 2004 ^r	Dec 2003	Jan - Feb ²	Dec - Jan ^r	Nov - Dec	Feb 2004 ²	Jan 2004 ^r	Feb 2003	2004	2003	Percent Change 04/03
DURABLE GOODS												
Total:												
Shipments.....	187,591	186,176	187,978	0.8	-1.0	2.1	184,146	166,232	167,845	350,378	326,894	7.2
New Orders ⁴	183,820	179,337	184,361	2.5	-2.7	1.7	183,349	167,523	165,222	350,872	325,008	8.0
Excluding transportation:												
Shipments.....	132,737	134,621	134,935	-1.4	-0.2	3.1	127,901	119,672	116,535	247,573	228,211	8.5
New Orders ⁴	129,462	129,867	129,104	-0.3	0.6	1.8	127,792	119,504	113,720	247,296	224,421	10.2
Excluding defense:												
Shipments.....	176,883	176,783	178,658	0.1	-1.0	1.9	173,735	158,469	159,732	332,204	311,736	6.6
New Orders ⁴	173,104	169,751	173,608	2.0	-2.2	1.9	172,837	157,113	154,891	329,950	306,612	7.6
Manufacturing with unfilled orders:												
Shipments.....	127,115	127,120	126,597	0.0	0.4	1.9	124,446	113,075	114,331	237,521	221,565	7.2
New Orders ⁴	129,933	126,756	129,026	2.5	-1.8	1.0	130,424	120,324	117,347	250,748	230,454	8.8
Primary metals:												
Shipments.....	11,915	11,807	11,564	0.9	2.1	4.5	12,242	11,547	10,829	23,789	22,060	7.8
New Orders.....	12,303	12,148	11,655	1.3	4.2	-1.3	13,343	12,475	11,179	25,818	22,844	13.0
Fabricated metal products:												
Shipments.....	20,599	20,927	21,049	-1.6	-0.6	3.1	20,355	19,208	19,871	39,563	39,070	1.3
New Orders.....	21,295	22,049	21,864	-3.4	0.8	3.7	21,511	21,075	19,838	42,586	39,120	8.9
Machinery:												
Shipments.....	21,947	22,652	22,776	-3.1	-0.5	7.1	21,070	19,871	19,773	40,941	38,003	7.7
New Orders.....	23,208	22,912	24,020	1.3	-4.6	7.9	22,961	21,382	20,016	44,343	39,110	13.4
Computers and electronic products:												
Shipments.....	37,543	37,950	37,463	-1.1	1.3	3.1	35,332	32,447	29,846	67,779	57,656	17.6
New Orders ⁴	31,580	31,198	29,948	1.2	4.2	1.6	30,468	27,388	25,634	57,856	50,868	13.7
Computers and related products:												
Shipments.....	8,178	8,442	8,482	-3.1	-0.5	3.8	6,845	7,344	5,606	14,189	11,868	19.6
New Orders.....	8,140	7,973	8,683	2.1	-8.2	6.7	6,998	6,668	5,625	13,666	11,601	17.8
Communications equipment:												
Shipments.....	6,941	7,095	6,757	-2.2	5.0	1.3	6,433	5,736	5,323	12,169	10,067	20.9
New Orders.....	7,241	6,866	4,159	5.5	65.1	-18.8	7,466	5,962	6,514	13,428	13,156	2.1
Semiconductors:												
Shipments.....	6,589	6,475	6,046	1.8	7.1	-3.9	6,775	5,958	5,639	12,733	10,775	18.2
New Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:												
Shipments.....	8,431	8,547	8,627	-1.4	-0.9	0.0	8,040	7,354	7,835	15,394	15,273	0.8
New Orders.....	8,508	8,545	8,251	-0.4	3.6	-2.5	8,411	7,520	8,067	15,931	15,514	2.7
Transportation equipment:												
Shipments.....	54,854	51,555	53,043	6.4	-2.8	-0.4	56,245	46,560	51,310	102,805	98,683	4.2
New Orders.....	54,358	49,470	55,257	9.9	-10.5	1.4	55,557	48,019	51,502	103,576	100,587	3.0
Motor vehicles and parts:												
Shipments.....	38,477	36,985	38,433	4.0	-3.8	2.2	40,273	35,024	37,150	75,297	73,926	1.9
New Orders.....	38,740	36,898	38,615	5.0	-4.4	2.0	40,769	35,335	37,474	76,104	74,667	1.9
Nondefense aircraft and parts:												
Shipments.....	5,584	5,200	5,322	7.4	-2.3	-9.2	5,609	3,921	5,909	9,530	9,465	0.7
New Orders.....	5,504	4,114	6,097	33.8	-32.5	23.7	5,124	3,770	3,771	8,894	8,475	4.9
Defense aircraft and parts:												
Shipments.....	4,791	3,527	3,486	35.8	1.2	15.6	4,412	2,910	2,801	7,322	5,367	36.4
New Orders.....	3,819	2,370	3,778	61.1	-37.3	1.2	3,325	2,943	2,833	6,268	5,732	9.4
All other durable goods:												
Shipments.....	32,302	32,738	33,456	-1.3	-2.1	1.1	30,862	29,245	28,381	60,107	56,149	7.0
New Orders.....	32,568	33,015	33,366	-1.4	-1.1	-1.1	31,098	29,664	28,986	60,762	56,965	6.7
Capital goods:³												
Shipments.....	69,097	68,313	68,334	1.1	0.0	3.3	65,522	58,489	57,810	124,011	110,442	12.3
New Orders.....	70,113	67,366	69,845	4.1	-3.5	4.1	67,986	62,057	59,954	130,043	116,658	11.5
Nondefense capital goods:												
Shipments.....	59,877	60,251	60,421	-0.6	-0.3	3.0	56,482	51,714	50,911	108,196	97,434	11.0
New Orders.....	60,343	58,615	60,219	2.9	-2.7	4.1	58,525	52,772	50,991	111,297	100,782	10.4
Excluding aircraft:												
Shipments.....	57,201	58,332	57,952	-1.9	0.7	3.8	53,985	50,436	48,214	104,421	93,512	11.7
New Orders.....	58,132	57,492	57,673	1.1	-0.3	3.8	56,898	51,355	50,042	108,253	97,763	10.7
Defense capital goods:												
Shipments.....	9,220	8,062	7,913	14.4	1.9	5.5	9,040	6,775	6,899	15,815	13,008	21.6
New Orders.....	9,770	8,751	9,626	11.6	-9.1	4.4	9,461	9,285	8,963	18,746	15,876	18.1

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
	Feb 2004 ²	Jan 2004 ^r	Dec 2003	Jan - Feb ²	Dec - Jan ^r	Nov - Dec	Feb 2004 ²	Jan 2004 ^r	Feb 2003	
DURABLE GOODS										
Total:										
Unfilled Orders ⁴	508,752	505,934	506,298	0.6	-0.1	0.5	515,643	509,665	489,568	5.3
Total Inventories.....	264,337	263,161	262,947	0.4	0.1	0.6	267,319	262,255	273,111	-2.1
Excluding transportation:										
Unfilled Orders ⁴	259,433	256,119	254,398	1.3	0.7	0.1	263,591	256,925	243,248	8.4
Total Inventories.....	196,106	195,279	195,489	0.4	-0.1	0.6	198,760	194,913	204,611	-2.9
Excluding defense:										
Unfilled Orders ⁴	349,781	346,971	347,528	0.8	-0.2	0.3	354,938	349,061	341,785	3.8
Total Inventories.....	239,887	239,101	238,671	0.3	0.2	0.4	242,713	238,478	250,967	-3.3
Manufacturing with unfilled orders:										
Unfilled Orders ⁴	508,752	505,934	506,298	0.6	-0.1	0.5	515,643	509,665	489,568	5.3
Total Inventories.....	206,132	205,360	205,645	0.4	-0.1	0.4	207,952	204,504	214,834	-3.2
Primary metals:										
Unfilled Orders.....	17,204	16,816	16,475	2.3	2.1	0.6	18,031	16,930	15,243	18.3
Total Inventories.....	17,739	17,501	17,301	1.4	1.2	0.1	17,809	17,627	19,244	-7.5
Fabricated metal products:										
Unfilled Orders.....	40,772	40,076	38,954	1.7	2.9	2.1	41,044	39,888	36,950	11.1
Total Inventories.....	31,168	30,914	31,021	0.8	-0.3	0.1	31,573	30,897	32,079	-1.6
Machinery:										
Unfilled Orders.....	45,428	44,167	43,907	2.9	0.6	2.9	46,284	44,393	43,527	6.3
Total Inventories.....	42,043	41,846	41,583	0.5	0.6	0.9	42,907	41,864	43,603	-1.6
Computers and electronic products:										
Unfilled Orders ⁴	129,882	129,256	129,533	0.5	-0.2	-1.1	131,966	130,055	122,804	7.5
Total Inventories.....	47,170	46,974	47,777	0.4	-1.7	1.4	47,645	46,616	50,532	-5.7
Computers and related products:										
Unfilled Orders.....	8,345	8,383	8,852	-0.5	-5.3	2.3	8,282	8,129	7,857	5.4
Total Inventories.....	5,981	6,030	6,145	-0.8	-1.9	2.1	6,042	5,819	6,412	-5.8
Communications equipment:										
Unfilled Orders.....	50,333	50,033	50,262	0.6	-0.5	-4.9	51,028	49,995	47,836	6.7
Total Inventories.....	10,611	10,553	11,056	0.5	-4.5	-0.3	10,709	10,487	12,410	-13.7
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.....	13,696	13,619	13,621	0.6	0.0	-2.7	13,952	13,581	14,033	-0.6
Total Inventories.....	12,193	12,476	12,383	-2.3	0.8	0.1	12,546	12,459	12,987	-3.4
Transportation equipment:										
Unfilled Orders.....	249,319	249,815	251,900	-0.2	-0.8	0.9	252,052	252,740	246,320	2.3
Total Inventories.....	68,231	67,882	67,458	0.5	0.6	0.7	68,559	67,342	68,500	0.1
Motor vehicles and parts:										
Unfilled Orders.....	13,662	13,399	13,486	2.0	-0.6	1.4	14,427	13,931	12,874	12.1
Total Inventories.....	20,899	20,808	20,230	0.4	2.9	0.9	21,068	20,820	21,018	0.2
Nondefense Aircraft and parts:										
Unfilled Orders.....	103,509	103,589	104,675	-0.1	-1.0	0.7	104,435	104,920	110,504	-5.5
Total Inventories.....	23,973	23,965	24,013	0.0	-0.2	-0.7	23,940	23,666	26,035	-8.0
Defense Aircraft and parts:										
Unfilled Orders.....	60,003	60,975	62,132	-1.6	-1.9	0.5	59,716	60,803	56,329	6.0
Total Inventories.....	11,567	11,516	11,639	0.4	-1.1	4.2	11,800	11,362	10,341	14.1
All other durable goods:										
Unfilled Orders.....	12,451	12,185	11,908	2.2	2.3	-0.8	12,314	12,078	10,691	15.2
Total Inventories.....	45,793	45,568	45,424	0.5	0.3	0.0	46,280	45,450	46,166	0.2
Capital goods:³										
Unfilled Orders.....	359,559	358,543	359,490	0.3	-0.3	0.4	363,829	361,365	344,927	5.5
Total Inventories.....	124,919	124,447	125,112	0.4	-0.5	0.5	125,999	123,584	130,003	-3.1
Nondefense capital goods:										
Unfilled Orders.....	219,917	219,451	221,087	0.2	-0.7	-0.1	222,648	220,605	216,750	2.7
Total Inventories.....	105,015	105,002	105,554	0.0	-0.5	0.3	106,116	104,305	112,021	-5.3
Excluding aircraft:										
Unfilled Orders.....	141,311	140,380	141,220	0.7	-0.6	-0.2	143,116	140,203	132,522	8.0
Total Inventories.....	87,832	87,898	88,558	-0.1	-0.7	0.4	88,881	87,355	92,907	-4.3
Defense capital goods:										
Unfilled Orders.....	139,642	139,092	138,403	0.4	0.5	1.3	141,181	140,760	128,177	10.1
Total Inventories.....	19,904	19,445	19,558	2.4	-0.6	1.8	19,883	19,279	17,982	10.6

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 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/>.