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U.S. CENSUS BUREAU

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ADVANCE REPORT ON DURABLE GOODS MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS
December 2002

(All figures in text below are in seasonally adjusted current dollars and exclude data for semiconductor manufacturing)

● **NEW ORDERS** for manufactured durable goods in December increased \$0.4 billion or 0.2 percent to \$170.1 billion, the Department of Commerce, U.S. Census Bureau reported today. This followed a 1.3 percent November decrease. Excluding transportation, new orders increased 1.1 percent. Excluding defense, new orders decreased 0.2 percent. New orders for 2002 were 0.1 percent below the prior year.

Computers and electronic products had the largest increase, \$0.8 billion or 3.2 percent to \$26.0 billion, due to computers and related products, which increased by \$0.8 billion. Transportation equipment had the largest decrease, \$0.9 billion or 1.9 percent to \$49.5 billion, due to motor vehicles and parts, which decreased by \$1.6 billion.

● **SHIPMENTS** of manufactured durable goods in December decreased \$2.6 billion or 1.5 percent to \$170.8 billion. This followed a 1.6 percent November decrease. Shipments for 2002 were 0.6 percent below the prior year.

Transportation equipment, at the lowest level since September 2001, had the largest decrease, \$2.3 billion or 4.4 percent to \$49.0 billion, led by motor vehicles and parts, which decreased by \$1.5 billion.

● **UNFILLED ORDERS** for manufactured durable goods in December, down four consecutive months, decreased \$0.7 billion or 0.2 percent to \$476.9 billion and were at the lowest level since September 1996. This followed a 0.8 percent November decrease.

Fabricated metal products had the largest decrease, \$0.6 billion or 1.7 percent to \$37.7 billion, the lowest level since February 1997. Machinery decreased \$0.3 billion or 0.7 percent to \$44.7 billion, the lowest level since March 1994. Primary metals decreased \$0.3 billion or 2.2 percent to \$14.9 billion, and was the lowest level since the current series began in 1992.

● **INVENTORIES** of manufactured durable goods in December increased \$2.5 billion or 0.9 percent to \$265.1 billion. This followed a 0.2 percent November decrease and was the first increase since January 2001.

Transportation equipment had the largest increase, \$2.7 billion or 3.9 percent to \$72.9 billion, led by nondefense aircraft and parts, which increased by \$1.9 billion.

● **CAPITAL GOODS INDUSTRIES, DEFENSE** New orders in December increased \$1.0 billion or 17.4 percent to \$6.7 billion. Shipments decreased \$0.7 billion or 10.0 percent to \$6.3 billion. Unfilled orders increased \$0.4 billion or 0.3 percent to \$122.9 billion. Inventories increased \$0.5 billion or 2.7 percent to \$19.0 billion.

● **CAPITAL GOODS INDUSTRIES, NONDEFENSE** New orders in December increased \$1.5 billion or 2.8 percent to \$56.0 billion. Shipments decreased \$0.6 billion or 1.1 percent to \$55.5 billion. Unfilled orders increased \$0.6 billion or 0.3 percent to \$209.0 billion. Inventories increased \$0.9 billion or 0.8 percent to \$112.6 billion, which was the first increase since January 2001.

● **REVISED November DATA** Revised seasonally adjusted November figures for all manufacturing industries are: new orders, \$319.7 billion (revised from \$319.3 billion); shipments, \$323.4 billion (revised from \$323.7 billion); unfilled orders, \$477.7 billion (revised from \$476.9 billion); and total inventories, \$428.0 billion (revised from \$427.8 billion).

Effective with the January 2003 press release, there will be some minor changes to the advance press release. Year-to-date comparisons in the text will be based on the sum of data that has not been seasonally adjusted. Table 1 will show two new columns of year-to-date data, and the percent change will be based on year-to-date rather than same month current year over prior year.

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			Percent Change Dec 02/01
	Dec 2002 ²	Nov 2002 ¹	Oct 2002	Nov - Dec ²	Oct - Nov ¹	Sep - Oct	Dec 2002 ²	Nov 2002 ¹	Dec 2001	
DURABLE GOODS										
Total: ⁴										
Shipments.....	170,806	173,418	176,241	-1.5	-1.6	1.3	168,048	170,577	170,394	-1.4
New Orders.....	170,063	169,691	171,895	0.2	-1.3	1.7	170,242	166,339	170,067	0.1
Excluding transportation: ⁴										
Shipments.....	121,814	122,150	122,547	-0.3	-0.3	0.8	121,979	119,082	120,879	0.9
New Orders.....	120,550	119,231	121,719	1.1	-2.0	1.6	120,629	116,195	119,776	0.7
Excluding defense: ⁴										
Shipments.....	163,160	165,026	168,471	-1.1	-2.0	1.5	159,023	161,858	161,230	-1.4
New Orders.....	162,257	162,572	166,367	-0.2	-2.3	3.8	157,145	159,345	158,060	-0.6
Manufacturing with unfilled orders: ⁴										
Shipments.....	118,925	121,319	122,706	-2.0	-1.1	0.4	119,933	119,358	123,205	-2.7
New Orders.....	118,182	117,592	118,360	0.5	-0.6	0.9	122,127	115,120	122,878	-0.6
Primary metals:										
Shipments.....	11,146	11,187	11,381	-0.4	-1.7	0.3	9,626	10,652	9,208	4.5
New Orders.....	10,812	10,627	11,210	1.7	-5.2	-1.2	9,603	9,963	9,457	1.5
Fabricated metal products:										
Shipments.....	20,973	21,052	21,330	-0.4	-1.3	0.0	19,122	20,500	18,824	1.6
New Orders.....	20,328	20,564	21,449	-1.1	-4.1	1.7	18,045	19,973	18,247	-1.1
Machinery:										
Shipments.....	22,350	22,683	22,769	-1.5	-0.4	-0.1	22,198	21,349	22,159	0.2
New Orders.....	22,014	21,910	22,519	0.5	-2.7	2.4	21,222	20,575	21,465	-1.1
Computers and electronic products: ⁴										
Shipments.....	25,956	26,103	26,356	-0.6	-1.0	1.0	31,733	26,086	33,802	-6.1
New Orders.....	25,957	25,156	25,521	3.2	-1.4	2.7	32,796	25,356	34,236	-4.2
Computers and related products:										
Shipments.....	6,567	6,695	7,105	-1.9	-5.8	5.3	8,817	6,270	9,282	-5.0
New Orders.....	7,527	6,712	7,138	12.1	-6.0	-3.3	9,469	6,654	8,842	7.1
Communications equipment:										
Shipments.....	5,108	5,516	5,165	-7.4	6.8	-3.7	7,199	5,686	8,753	-17.8
New Orders.....	3,927	4,984	5,302	-21.2	-6.0	69.1	6,285	5,453	8,761	-28.3
Semiconductors: ⁵										
Shipments.....	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
New Orders.....	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:										
Shipments.....	8,966	9,113	9,014	-1.6	1.1	1.3	9,146	8,958	9,438	-3.1
New Orders.....	8,983	8,891	8,957	1.0	-0.7	-1.8	9,043	8,734	9,090	-0.5
Transportation equipment:										
Shipments.....	48,992	51,268	53,694	-4.4	-4.5	2.3	46,069	51,495	49,515	-7.0
New Orders.....	49,513	50,460	50,176	-1.9	0.6	1.8	49,613	50,144	50,291	-1.3
Motor vehicles and parts:										
Shipments.....	35,036	36,522	39,307	-4.1	-7.1	3.6	29,395	36,263	30,891	-4.8
New Orders.....	35,049	36,695	39,060	-4.5	-6.1	3.6	29,785	36,582	31,284	-4.8
Nondefense aircraft and parts:										
Shipments.....	5,954	6,085	6,331	-2.2	-3.9	0.4	7,559	6,264	9,570	-21.0
New Orders.....	6,882	5,667	4,641	21.4	22.1	-1.7	8,318	5,536	8,387	-0.8
Defense aircraft and parts:										
Shipments.....	2,576	3,215	2,914	-19.9	10.3	-6.9	3,268	3,497	3,218	1.6
New Orders.....	2,662	2,928	2,625	-9.1	11.5	-8.1	4,520	2,737	3,387	33.5
All other durable goods:										
Shipments.....	32,423	32,012	31,697	1.3	1.0	1.9	30,154	31,537	27,448	9.9
New Orders.....	32,456	32,083	32,063	1.2	0.1	2.2	29,920	31,594	27,281	9.7
Capital goods: ³										
Shipments.....	61,807	63,105	63,667	-2.1	-0.9	0.9	69,301	61,629	73,444	-5.6
New Orders.....	62,747	60,227	59,476	4.2	1.3	-1.6	73,103	59,018	73,539	-0.6
Nondefense capital goods:										
Shipments.....	55,462	56,057	57,057	-1.1	-1.8	1.2	61,936	54,267	65,466	-5.4
New Orders.....	56,030	54,504	55,213	2.8	-1.3	4.4	61,738	53,197	62,899	-1.8
Excluding aircraft:										
Shipments.....	52,709	53,180	53,890	-0.9	-1.3	1.4	58,180	51,261	59,400	-2.1
New Orders.....	51,819	51,860	53,517	-0.1	-3.1	5.4	56,524	50,424	57,509	-1.7
Defense capital goods:										
Shipments.....	6,345	7,048	6,610	-10.0	6.6	-1.3	7,365	7,362	7,978	-7.7
New Orders.....	6,717	5,723	4,263	17.4	34.2	-43.5	11,365	5,821	10,640	6.8

NA Not Available ¹ 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(01), "Manufacturers' Shipments, Inventories, and Orders: 1992-2001."

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 Aggregate estimates and percent changes exclude semiconductor industry data. Due to the number of large semiconductor manufacturers choosing not to participate in this voluntary monthly survey, the Census Bureau cannot currently produce monthly estimates of semiconductor shipments, orders, or inventories.

⁵ Due to the number of large semiconductor manufacturers choosing not to participate in this voluntary monthly survey, the Census Bureau cannot currently produce monthly estimates of semiconductor shipments, orders, or inventories.

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 Dec 02/01
	Dec 2002 ²	Nov 2002 ¹	Oct 2002	Nov - Dec ²	Oct - Nov ¹	Sep - Oct	Dec 2002 ²	Nov 2002 ¹	Dec 2001	
DURABLE GOODS										
Total: ⁴										
Unfilled Orders.....	476,935	477,678	481,405	-0.2	-0.8	-0.9	471,373	469,179	501,958	-6.1
Total Inventories.....	265,123	262,630	263,040	0.9	-0.2	-0.2	258,191	264,262	267,754	-3.6
Excluding transportation: ⁴										
Unfilled Orders.....	228,868	230,132	233,051	-0.5	-1.3	-0.4	225,234	226,584	248,327	-9.3
Total Inventories.....	192,219	192,464	192,142	-0.1	0.2	-0.2	187,420	192,979	195,542	-4.2
Excluding defense: ⁴										
Unfilled Orders.....	333,505	334,408	336,862	-0.3	-0.7	-0.6	328,328	330,206	361,260	-9.1
Total Inventories.....	242,423	240,694	241,100	0.7	-0.2	-0.1	236,101	242,228	245,743	-3.9
Manufacturing with unfilled orders: ⁴										
Unfilled Orders.....	476,935	477,678	481,405	-0.2	-0.8	-0.9	471,373	469,179	501,958	-6.1
Total Inventories.....	215,897	213,441	213,786	1.2	-0.2	-0.1	210,527	214,911	220,024	-4.3
Primary metals:										
Unfilled Orders.....	14,879	15,213	15,773	-2.2	-3.6	-1.1	14,273	14,296	16,103	-11.4
Total Inventories.....	18,697	18,630	18,476	0.4	0.8	0.4	18,966	18,815	19,308	-1.8
Fabricated metal products:										
Unfilled Orders.....	37,675	38,320	38,808	-1.7	-1.3	0.3	36,718	37,795	39,809	-7.8
Total Inventories.....	30,744	30,855	30,870	0.4	0.0	0.1	30,083	30,592	31,055	-3.1
Machinery:										
Unfilled Orders.....	44,742	45,078	45,851	-0.7	-1.7	-0.5	43,725	44,701	53,414	-18.1
Total Inventories.....	44,844	44,418	44,472	1.0	-0.1	-0.4	43,504	44,789	45,764	-4.9
Computers and electronic products: ⁴										
Unfilled Orders.....	107,250	107,249	108,196	0.0	-0.9	-0.8	106,720	105,657	113,951	-6.3
Total Inventories.....	42,007	42,657	42,430	-1.5	0.5	-0.2	40,220	43,107	44,058	-8.7
Computers and related products:										
Unfilled Orders.....	7,829	6,869	6,852	14.0	0.2	0.5	7,703	7,051	6,804	13.2
Total Inventories.....	7,116	7,105	7,013	0.2	1.3	-4.0	6,522	7,388	6,739	-3.2
Communications equipment:										
Unfilled Orders.....	37,537	38,718	39,250	-3.1	-1.4	0.4	37,303	38,217	42,253	-11.7
Total Inventories.....	8,722	9,269	9,091	-5.9	2.0	-0.9	8,381	9,393	10,971	-23.6
Semiconductors: ⁵										
Unfilled Orders.....	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Total Inventories.....	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:										
Unfilled Orders.....	14,493	14,476	14,698	0.1	-1.5	-0.4	14,212	14,315	14,876	-4.5
Total Inventories.....	12,422	12,521	12,577	-0.8	-0.4	-1.3	11,979	12,478	13,140	-8.8
Transportation equipment:										
Unfilled Orders.....	248,067	247,546	248,354	0.2	-0.3	-1.4	246,139	242,595	253,631	-3.0
Total Inventories.....	72,904	70,166	70,898	3.9	-1.0	-0.1	70,771	71,283	72,212	-2.0
Motor vehicles and parts:										
Unfilled Orders.....	12,299	12,286	12,113	0.1	1.4	-2.0	12,173	11,783	12,193	-0.2
Total Inventories.....	20,709	20,578	20,673	0.6	-0.5	-0.2	20,356	20,711	19,705	3.3
Nondefense Aircraft and parts:										
Unfilled Orders.....	113,206	112,278	112,696	0.8	-0.4	-1.5	112,022	111,263	123,343	-9.2
Total Inventories.....	30,013	28,163	28,741	6.6	-2.0	0.1	28,894	29,044	30,808	6.2
Defense Aircraft and parts:										
Unfilled Orders.....	57,240	57,154	57,441	0.2	-0.5	-0.5	56,095	54,843	51,283	9.4
Total Inventories.....	11,241	10,750	10,810	4.6	-0.6	-1.0	10,870	10,829	10,506	3.5
All other durable goods:										
Unfilled Orders.....	9,829	9,796	9,725	0.3	0.7	3.9	9,586	9,820	10,174	-5.8
Total Inventories.....	43,505	43,383	43,317	0.3	0.2	-0.2	42,668	43,198	42,217	1.1
Capital goods: ³										
Unfilled Orders.....	331,916	330,976	333,854	0.3	-0.9	-1.2	330,816	327,014	355,438	-6.9
Total Inventories.....	131,557	130,138	130,466	1.1	-0.3	-0.8	127,195	131,847	136,553	-6.9
Nondefense capital goods:										
Unfilled Orders.....	208,975	208,407	209,960	0.3	-0.7	-0.9	207,263	207,461	230,788	-10.2
Total Inventories.....	112,560	111,645	112,027	0.8	-0.3	-0.8	108,614	113,414	118,137	-8.1
Excluding aircraft:										
Unfilled Orders.....	123,760	124,650	125,970	-0.7	-1.0	-0.3	122,048	123,704	136,907	-10.9
Total Inventories.....	89,795	89,895	89,916	-0.1	0.0	-0.8	86,763	90,801	93,687	-7.4
Defense capital goods:										
Unfilled Orders.....	122,941	122,569	123,894	0.3	-1.1	-1.9	123,553	119,553	124,650	-0.9
Total Inventories.....	18,997	18,493	18,439	2.7	0.3	-0.5	18,581	18,433	18,516	0.4

See footnotes at end of Table 1