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**ADVANCE REPORT ON DURABLE GOODS MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS
August 2003**

(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 August, down for the first time since April, decreased \$1.6 billion or 0.9 percent to \$173.3 billion, the Department of Commerce, U.S. Census Bureau reported today. This followed a 1.5 percent July increase. Excluding transportation, new orders decreased 0.3 percent. Excluding defense, new orders decreased 2.6 percent. Year-to-date, new orders for 2003 were 0.4 percent below the same period a year ago.

Transportation had the largest decrease, \$1.2 billion or 2.2 percent to \$51.0 billion, led by motor vehicles and parts, which decreased by \$2.9 billion.

● **SHIPMENTS** of manufactured durable goods in August, down for the first time since April, decreased \$5.3 billion or 2.9 percent to \$176.3 billion. This followed a 2.8 percent July increase and was the largest decrease since September 2001. Year-to-date, shipments for 2003 were 1.2 percent below the same period a year ago.

Transportation equipment had the largest decrease, \$3.6 billion or 6.7 percent to \$49.6 billion, led by motor vehicles and parts, which decreased by \$2.7 billion. This was the first decrease since April in transportation and was the largest percent decrease since January 2001.

● **UNFILLED ORDERS** for manufactured durable goods in August, up six of the past seven months, increased \$3.3 billion or 0.7 percent to \$489.1 billion. This followed a 0.3 percent July decrease. This was the largest percent increase since October 2001.

Transportation equipment, up six of the past seven months, had the largest increase, \$1.4 billion or 0.6 percent to \$247.9 billion, led by defense ships and boats. Computers and electronic products also increased \$1.4 billion or 1.1 percent to \$125.0 billion, led by defense search and navigation equipment.

● **INVENTORIES** of manufactured durable goods in August, down thirty of the past thirty-one months, decreased \$1.2 billion or 0.4 percent to \$263.5 billion. This followed a 0.6 percent July decrease.

Transportation equipment had the largest decrease, \$0.3 billion or 0.5 percent to \$67.4 billion, led by defense aircraft and parts, which decreased by \$0.3 billion. Machinery also decreased \$0.3 billion or 0.8 percent to 41.6 billion.

● **CAPITAL GOODS INDUSTRIES, DEFENSE** New orders in August increased \$2.6 billion or 35.3 percent to \$10.1 billion. Shipments decreased \$0.5 billion or 6.6 percent to \$7.7 billion. Unfilled orders increased \$2.4 billion or 1.8 percent to \$134.0 billion. Inventories decreased \$0.1 billion or 0.7 percent to \$18.5 billion.

● **CAPITAL GOODS INDUSTRIES, NONDEFENSE** New orders in August decreased \$1.2 billion or 2.0 percent to \$57.0 billion. Shipments decreased \$1.8 billion or 3.0 percent to \$56.3 billion. Unfilled orders increased \$0.7 billion or 0.3 percent to \$217.2 billion. Inventories decreased \$0.4 billion or 0.4 percent to \$106.2 billion.

● **REVISED JULY DATA** Revised seasonally adjusted July figures for all manufacturing industries are: new orders, \$330.3 billion (revised from \$329.4 billion); shipments, \$337.1 billion (revised from \$336.9 billion); unfilled orders, \$485.9 billion (revised from \$485.3 billion); and total inventories, \$440.6 billion (revised from \$440.4 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		
	Aug 2003 ²	Jul 2003 ^r	Jun 2003	Jul - Aug ²	Jun - Jul ^r	May - Jun	Aug 2003 ²	Jul 2003 ^r	Aug 2002	2003	2002	Percent Change 03/02
DURABLE GOODS												
Total:												
Shipments.....	176,345	181,672	176,782	-2.9	2.8	1.7	177,233	158,057	182,062	1,392,248	1,409,073	-1.2
New Orders ⁴	173,315	174,883	172,237	-0.9	1.5	2.5	170,579	150,753	175,910	1,352,635	1,358,524	-0.4
Excluding transportation:												
Shipments.....	126,761	128,534	125,798	-1.4	2.2	1.2	126,758	119,366	126,832	990,890	994,641	-0.4
New Orders ⁴	122,322	122,740	119,932	-0.3	2.3	1.4	120,543	114,702	116,765	950,293	943,704	0.7
Excluding defense:												
Shipments.....	167,254	172,113	167,964	-2.8	2.5	1.8	168,398	149,632	174,523	1,323,417	1,348,766	-1.9
New Orders ⁴	161,568	165,818	162,650	-2.6	1.9	2.6	160,969	145,094	169,366	1,277,080	1,295,525	-1.4
Manufacturing with unfilled orders:												
Shipments.....	119,377	123,382	119,631	-3.2	3.1	1.2	119,400	109,013	123,549	945,354	969,574	-2.5
New Orders ⁴	122,662	121,881	121,162	0.6	0.6	2.3	118,801	106,115	122,114	950,623	955,228	-0.5
Primary metals:												
Shipments.....	10,620	10,825	10,488	-1.9	3.2	-3.1	10,823	10,158	11,949	88,048	91,687	-4.0
New Orders.....	11,097	10,785	10,598	2.9	1.8	-0.5	11,169	10,137	11,773	88,229	91,551	-3.6
Fabricated metal products:												
Shipments.....	19,969	20,886	20,179	-4.4	3.5	-0.2	20,937	19,873	22,421	162,850	168,149	-3.2
New Orders.....	19,970	20,707	19,873	-3.6	4.2	-1.6	20,652	20,243	21,455	162,407	167,911	-3.3
Machinery:												
Shipments.....	21,029	21,255	20,854	-1.1	1.9	0.0	20,338	19,790	20,843	167,595	171,535	-2.3
New Orders.....	21,068	21,206	20,502	-0.7	3.4	2.7	20,341	19,779	19,799	166,496	163,967	1.5
Computers and electronic products:												
Shipments.....	34,983	35,122	34,884	-0.4	0.7	4.9	33,077	30,217	30,803	259,604	250,752	3.5
New Orders ⁴	30,031	30,061	29,328	-0.1	2.5	3.7	27,039	25,099	23,527	219,446	209,016	5.0
Computers and related products:												
Shipments.....	7,665	8,568	7,632	-10.5	12.3	9.1	6,854	7,358	6,219	55,833	51,061	9.3
New Orders.....	7,957	8,148	7,896	-2.3	3.2	3.4	7,426	6,653	6,215	56,535	50,509	11.9
Communications equipment:												
Shipments.....	6,499	6,562	6,657	-1.0	-1.4	14.9	5,989	5,395	5,851	47,092	51,759	-9.0
New Orders.....	6,770	7,114	6,383	-4.8	11.5	0.9	5,049	5,727	4,477	51,249	49,647	3.2
Semiconductors:												
Shipments.....	6,315	5,288	6,076	19.4	-13.0	0.1	6,055	4,406	4,717	44,882	36,203	24.0
New Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:												
Shipments.....	8,244	8,534	8,286	-3.4	3.0	-0.3	8,195	7,748	8,573	65,690	68,250	-3.8
New Orders.....	8,439	8,328	8,389	1.3	-0.7	2.0	8,371	7,850	8,500	65,989	67,991	-2.9
Transportation equipment:												
Shipments.....	49,584	53,138	50,984	-6.7	4.2	3.0	50,475	38,691	55,230	401,358	414,432	-3.2
New Orders.....	50,993	52,143	52,305	-2.2	-0.3	5.1	50,036	36,051	59,145	402,342	414,820	-3.0
Motor vehicles and parts:												
Shipments.....	35,434	38,097	36,102	-7.0	5.5	2.7	36,589	26,210	41,611	289,455	302,068	-4.2
New Orders.....	35,369	38,251	36,095	-7.5	6.0	3.3	36,334	26,621	41,011	289,159	302,257	-4.3
Nondefense aircraft and parts:												
Shipments.....	5,311	5,899	6,033	-10.0	-2.2	11.3	5,020	4,723	5,316	43,293	50,410	-14.1
New Orders.....	5,021	5,554	6,242	-9.6	-11.0	37.6	4,615	4,001	8,847	36,823	43,861	-16.0
Defense aircraft and parts:												
Shipments.....	3,404	3,448	3,316	-1.3	4.0	3.2	3,365	2,918	2,895	25,220	22,073	14.3
New Orders.....	3,492	3,193	3,920	9.4	-18.5	-15.2	2,520	1,850	2,265	29,282	28,050	4.4
All other durable goods:												
Shipments.....	31,916	31,912	31,107	0.0	2.6	1.0	33,388	31,580	32,243	247,103	244,268	1.2
New Orders.....	31,717	31,653	31,242	0.2	1.3	1.1	32,971	31,594	31,711	247,726	243,268	1.8
Capital goods:³												
Shipments.....	64,048	66,363	64,324	-3.5	3.2	3.4	61,651	59,337	60,389	494,634	492,903	0.4
New Orders.....	67,129	65,656	65,768	2.2	-0.2	3.8	61,714	56,388	60,885	503,452	473,798	6.3
Nondefense capital goods:												
Shipments.....	56,327	58,098	56,869	-3.0	2.2	3.8	54,032	51,972	54,071	435,884	441,829	-1.3
New Orders.....	56,981	58,157	57,351	-2.0	1.4	3.6	53,276	51,645	55,253	438,035	424,344	3.2
Excluding aircraft:												
Shipments.....	53,955	55,245	53,903	-2.3	2.5	2.8	51,951	49,778	51,659	416,341	415,771	0.1
New Orders.....	54,560	54,987	54,728	-0.8	0.5	1.9	51,261	49,511	49,295	423,560	405,592	4.4
Defense capital goods:												
Shipments.....	7,721	8,265	7,455	-6.6	10.9	0.2	7,619	7,365	6,318	58,750	51,074	15.0
New Orders.....	10,148	7,499	8,417	35.3	-10.9	4.9	8,438	4,743	5,632	65,417	49,454	32.3

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 2003/2002
	Aug 2003 ²	Jul 2003 ^r	Jun 2003	Jul - Aug ²	Jun - Jul ^r	May - Jun	Aug 2003 ²	Jul 2003 ^r	Aug 2002	
DURABLE GOODS										
Total:										
Unfilled Orders ⁴	489,144	485,859	487,360	0.7	-0.3	0.3	485,948	486,547	498,174	-2.5
Total Inventories.....	263,450	264,634	266,154	-0.4	-0.6	-0.9	265,983	265,763	274,889	-3.2
Excluding transportation:										
Unfilled Orders ⁴	241,221	239,345	239,851	0.8	-0.2	0.1	240,548	240,708	246,339	-2.4
Total Inventories.....	196,083	196,938	197,993	-0.4	-0.5	-0.9	197,543	197,545	207,196	-4.7
Excluding defense:										
Unfilled Orders ⁴	335,693	335,064	336,071	0.2	-0.3	0.2	334,679	336,053	353,810	-5.4
Total Inventories.....	240,617	241,591	243,109	-0.4	-0.6	-1.1	242,550	242,490	253,325	-4.3
Manufacturing with unfilled orders:										
Unfilled Orders ⁴	489,144	485,859	487,360	0.7	-0.3	0.3	485,948	486,547	498,174	-2.5
Total Inventories.....	206,421	207,477	209,126	-0.5	-0.8	-1.0	208,444	208,283	217,170	-4.0
Primary metals:										
Unfilled Orders.....	14,514	14,037	14,077	3.4	-0.3	0.8	14,640	14,294	16,164	-9.4
Total Inventories.....	17,858	17,981	18,222	-0.7	-1.3	-3.7	17,852	17,961	18,663	-4.3
Fabricated metal products:										
Unfilled Orders.....	35,939	35,938	36,117	0.0	-0.5	-0.8	36,457	36,742	39,486	-7.7
Total Inventories.....	31,079	31,121	31,479	-0.1	-1.1	-0.6	31,063	31,169	31,885	-2.6
Machinery:										
Unfilled Orders.....	41,423	41,384	41,433	0.1	-0.1	-0.8	41,321	41,318	45,944	-10.1
Total Inventories.....	41,590	41,908	42,032	-0.8	-0.3	-1.0	41,681	41,692	43,694	-4.6
Computers and electronic products:										
Unfilled Orders ⁴	124,950	123,587	123,360	1.1	0.2	0.4	123,541	123,524	120,950	2.1
Total Inventories.....	47,346	47,505	47,791	-0.3	-0.6	-0.6	48,582	48,097	54,223	-10.4
Computers and related products:										
Unfilled Orders.....	8,686	8,394	8,814	3.5	-4.8	3.1	8,826	8,254	6,623	33.3
Total Inventories.....	6,131	6,084	6,289	0.8	-3.3	2.4	6,513	6,120	6,788	-4.1
Communications equipment:										
Unfilled Orders.....	49,952	49,681	49,129	0.5	1.1	-0.6	48,904	49,844	47,847	2.2
Total Inventories.....	10,906	11,164	11,359	-2.3	-1.7	-2.3	11,127	11,351	15,118	-26.4
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.....	13,986	13,791	13,997	1.4	-1.5	0.7	14,091	13,915	14,193	-0.7
Total Inventories.....	12,350	12,394	12,526	-0.4	-1.1	-0.9	12,295	12,401	13,140	-6.4
Transportation equipment:										
Unfilled Orders.....	247,923	246,514	247,509	0.6	-0.4	0.5	245,400	245,839	251,835	-2.6
Total Inventories.....	67,367	67,696	68,161	-0.5	-0.7	-0.7	68,440	68,218	67,693	1.1
Motor vehicles and parts:										
Unfilled Orders.....	12,003	12,068	11,914	-0.5	1.3	-0.1	11,837	12,092	12,275	-3.6
Total Inventories.....	20,355	20,270	20,378	0.4	-0.5	-0.9	20,576	20,600	20,653	-0.4
Nondefense Aircraft and parts:										
Unfilled Orders.....	105,798	106,088	106,433	-0.3	-0.3	0.2	105,024	105,429	116,249	-9.7
Total Inventories.....	24,927	25,065	25,673	-0.6	-2.4	-2.6	25,216	25,048	26,305	-4.1
Defense Aircraft and parts:										
Unfilled Orders.....	60,380	60,292	60,547	0.1	-0.4	1.0	60,026	60,871	56,981	5.3
Total Inventories.....	10,574	10,874	10,811	-2.8	0.6	3.1	11,006	11,009	10,056	9.4
All other durable goods:										
Unfilled Orders.....	10,409	10,608	10,867	-1.9	-2.4	1.3	10,498	10,915	9,602	9.3
Total Inventories.....	45,860	46,029	45,943	-0.4	0.2	-0.2	46,070	46,225	45,591	1.1
Capital goods:³										
Unfilled Orders.....	351,201	348,120	348,827	0.9	-0.2	0.4	347,529	347,466	345,496	0.6
Total Inventories.....	124,700	125,284	126,711	-0.5	-1.1	-0.5	126,543	125,640	134,688	-6.0
Nondefense capital goods:										
Unfilled Orders.....	217,175	216,521	216,462	0.3	0.0	0.2	215,553	216,309	221,246	-2.6
Total Inventories.....	106,158	106,603	107,844	-0.4	-1.2	-1.1	107,560	106,847	116,599	-7.8
Excluding aircraft:										
Unfilled Orders.....	136,338	135,733	135,991	0.4	-0.2	0.6	135,490	136,180	134,763	0.5
Total Inventories.....	88,479	88,862	89,379	-0.4	-0.6	-0.6	89,671	89,174	96,778	-7.3
Defense capital goods:										
Unfilled Orders.....	134,026	131,599	132,365	1.8	-0.6	0.7	131,976	131,157	124,250	6.2
Total Inventories.....	18,542	18,681	18,867	-0.7	-1.0	3.3	18,983	18,793	18,089	4.9

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/>.