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

(Figures in text, other than year-to-date, are in seasonally adjusted current dollars.
All figures **exclude data for semiconductor manufacturing**)

● **NEW ORDERS** for manufactured durable goods in February decreased \$2.1 billion or 1.2 percent to \$170.2 billion, the Department of Commerce, U.S. Census Bureau reported today. This followed a 1.9 percent January increase. Excluding transportation, new orders decreased 2.1 percent. Excluding defense, new orders decreased 2.7 percent. Year to date, new orders for 2003 were 1.4 percent above the same period a year ago.

Computers and electronic products had the largest decrease, \$0.8 billion or 2.9 percent to \$26.0 billion, due to computers and related products, which decreased by \$0.9 billion. Machinery decreased \$0.6 billion or 2.5 percent to \$21.9 billion.

● **SHIPMENTS** of manufactured durable goods in February decreased \$2.8 billion or 1.6 percent to \$171.5 billion. This followed a 2.7 percent January increase. Year to date, shipments for 2003 were 1.0 percent above the same period a year ago.

Computers and electronic products had the largest decrease, \$1.2 billion or 4.6 percent to \$25.7 billion, led by computers and related products, which decreased by \$1.0 billion. This was the largest percent decrease in computers and electronic products since April 2001.

● **UNFILLED ORDERS** for manufactured durable goods in February, down six consecutive months, decreased \$1.3 billion or 0.3 percent to \$474.2 billion and were at the lowest level since August 1996. This followed a 0.4 percent January decrease.

Transportation equipment had the largest decrease, \$1.2 billion or 0.5 percent to \$245.7 billion, the lowest level since May 2000.

● **INVENTORIES** of manufactured durable goods in February decreased \$0.3 billion or 0.1 percent to \$264.4 billion. This was the twenty-fourth decrease over the past twenty-five months. This followed a 0.2 percent January decrease.

Computers and electronic products, at the lowest level since May 1994, had the largest decrease, \$0.4 billion or 0.9 percent to \$41.3 billion, led by communications equipment, which decreased by \$0.2 billion.

● **CAPITAL GOODS INDUSTRIES, DEFENSE** New orders in February increased \$1.9 billion or 28.0 percent to \$8.6 billion. Shipments increased 0.3 percent to \$7.3 billion. Unfilled orders increased \$1.3 billion or 1.1 percent to \$124.3 billion. Inventories increased \$0.3 billion or 1.6 percent to \$19.0 billion.

● **CAPITAL GOODS INDUSTRIES, NONDEFENSE** New orders in February decreased \$2.9 billion or 5.2 percent to \$53.5 billion. Shipments decreased \$0.5 billion or 0.9 percent to \$55.5 billion. Unfilled orders decreased \$2.1 billion or 1.0 percent to \$207.4 billion. Inventories decreased \$1.3 billion or 1.1 percent to \$110.8 billion.

● **REVISED January DATA** Revised seasonally adjusted January figures for all manufacturing industries are: new orders, \$325.9 billion (revised from \$327.1 billion); shipments, \$327.9 billion (revised from \$328.1 billion); unfilled orders, \$475.4 billion (revised from \$476.4 billion); and total inventories, \$431.0 billion (revised from \$430.8 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					Percent Change 2003/2002
	Monthly			Percent Change			Monthly			Year to Date		
	Feb 2003 ²	Jan 2003 ¹	Dec 2002	Jan - Feb ²	Dec - Jan ¹	Nov - Dec	Feb 2003 ²	Jan 2003 ¹	Feb 2002	2003	2002	
DURABLE GOODS												
Total: ⁴												
Shipments.....	171,492	174,318	169,712	-1.6	2.7	-2.1	164,842	155,993	164,691	320,835	317,664	1.0
New Orders.....	170,236	172,340	169,161	-1.2	1.9	-0.4	166,452	161,070	168,813	327,522	323,054	1.4
Excluding transportation:⁴												
Shipments.....	119,365	122,746	121,408	-2.8	1.1	-0.5	113,302	108,541	113,535	221,843	219,447	1.1
New Orders.....	119,349	121,910	120,421	-2.1	1.2	0.9	115,433	111,826	113,802	227,259	221,156	2.8
Excluding defense:⁴												
Shipments.....	162,824	165,779	162,156	-1.8	2.2	-1.7	156,799	149,017	157,869	305,816	304,550	0.4
New Orders.....	160,331	164,714	161,212	-2.7	2.2	-0.8	156,603	153,168	159,103	309,771	306,815	1.0
Manufacturing with unfilled orders:⁴												
Shipments.....	119,488	120,957	117,822	-1.2	2.7	-2.9	114,839	107,346	116,001	222,185	222,442	-0.1
New Orders.....	118,232	118,979	117,271	-0.6	1.5	-0.6	116,449	112,423	120,123	228,872	227,832	0.5
Primary metals:												
Shipments.....	11,006	11,357	11,181	-3.1	1.6	0.2	10,750	11,092	10,605	21,842	21,149	3.3
New Orders.....	10,938	11,190	10,885	-2.3	2.8	2.6	11,105	11,516	11,104	22,621	21,994	2.9
Fabricated metal products:												
Shipments.....	20,613	20,869	20,968	-1.2	-0.5	-0.4	19,923	19,238	20,006	39,161	39,251	-0.2
New Orders.....	20,170	20,594	20,401	-2.1	0.9	-1.1	19,818	19,334	19,988	39,152	39,077	0.2
Machinery:												
Shipments.....	22,097	22,422	22,243	-1.4	0.8	-2.0	21,384	19,476	21,796	40,860	41,273	-1.0
New Orders.....	21,877	22,448	21,705	-2.5	3.4	-1.1	21,606	20,588	21,140	42,194	40,891	3.2
Computers and electronic products:⁴												
Shipments.....	25,712	26,952	25,692	-4.6	4.9	-1.5	23,494	22,075	24,048	45,569	45,886	-0.7
New Orders.....	26,036	26,804	26,242	-2.9	2.1	3.8	24,560	23,598	24,236	48,158	46,846	2.8
Computers and related products:												
Shipments.....	6,699	7,709	6,423	-13.1	20.0	-3.8	5,570	6,189	5,646	11,759	10,874	8.1
New Orders.....	6,530	7,447	7,362	-12.3	1.2	10.0	5,591	5,918	5,964	11,509	11,137	3.3
Communications equipment:												
Shipments.....	5,480	5,642	5,154	-2.9	9.5	-6.5	4,873	4,357	5,320	9,230	9,838	-6.2
New Orders.....	5,552	5,810	4,383	-4.4	32.6	-12.9	5,185	5,361	5,719	10,546	10,853	-2.8
Semiconductors:⁵												
Shipments.....	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
New Orders.....	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:												
Shipments.....	8,598	8,947	8,952	-3.9	-0.1	-1.7	8,178	7,726	8,555	15,904	16,221	-2.0
New Orders.....	8,544	8,713	8,889	-1.9	-2.0	0.1	8,355	7,735	8,958	16,090	16,480	-2.4
Transportation equipment:												
Shipments.....	52,127	51,572	48,304	1.1	6.8	-5.8	51,540	47,452	51,156	98,992	98,217	0.8
New Orders.....	50,887	50,430	48,740	0.9	3.5	-3.5	51,019	49,244	55,011	100,263	101,898	-1.6
Motor vehicles and parts:												
Shipments.....	37,203	38,010	34,511	-2.1	10.1	-5.6	37,407	36,858	36,926	74,265	72,456	2.5
New Orders.....	37,393	37,978	34,542	-1.5	9.9	-5.9	37,789	37,285	37,110	75,074	73,060	2.8
Nondefense aircraft and parts:												
Shipments.....	6,036	4,744	5,924	27.2	-19.9	-2.7	5,942	3,591	7,186	9,533	12,377	-23.0
New Orders.....	3,804	5,166	6,839	-26.4	-24.5	21.3	3,840	4,745	6,357	8,585	10,291	-16.6
Defense aircraft and parts:												
Shipments.....	3,226	3,237	2,553	-0.3	26.8	-20.4	2,810	2,578	2,434	5,388	4,518	19.3
New Orders.....	2,518	2,360	2,682	6.7	-12.0	-8.2	2,808	2,914	4,076	5,722	7,548	-24.2
All other durable goods:												
Shipments.....	31,339	32,199	32,372	-2.7	-0.5	1.3	29,573	28,934	28,525	58,507	55,667	5.1
New Orders.....	31,784	32,161	32,299	-1.2	-0.4	0.8	29,989	29,055	28,376	59,044	55,868	5.7
Capital goods:³												
Shipments.....	62,788	63,278	61,507	-0.8	2.9	-2.5	59,110	53,574	58,854	112,684	111,891	0.7
New Orders.....	62,071	63,133	62,808	-1.7	0.5	3.8	59,925	56,828	60,466	116,753	111,730	4.5
Nondefense capital goods:												
Shipments.....	55,520	56,031	55,229	-0.9	1.5	-1.4	52,283	47,548	53,112	99,831	100,690	-0.9
New Orders.....	53,454	56,402	55,842	-5.2	1.0	2.4	51,447	50,095	52,624	101,542	99,313	2.2
Excluding aircraft:												
Shipments.....	52,672	54,306	52,468	-3.0	3.5	-1.3	49,595	46,322	49,597	95,917	94,583	1.4
New Orders.....	52,313	53,831	51,623	-2.8	4.3	-0.6	50,466	48,023	50,697	98,489	96,272	2.3
Defense capital goods:												
Shipments.....	7,268	7,247	6,278	0.3	15.4	-10.9	6,827	6,026	5,742	12,853	11,201	14.7
New Orders.....	8,617	6,731	6,966	28.0	-3.4	17.6	8,478	6,733	7,842	15,211	12,417	22.5

NA Not Available ¹ Revised¹ 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 2003/2002
	Feb 2003 ²	Jan 2003 ^r	Dec 2002	Jan - Feb ²	Dec - Jan ^r	Nov - Dec	Feb 2003 ²	Jan 2003 ^r	Feb 2002	
DURABLE GOODS										
Total: ⁴										
Unfilled Orders.....	474,184	475,440	477,418	-0.3	-0.4	-0.1	479,092	477,482	507,348	-5.6
Total Inventories.....	264,412	264,686	265,242	-0.1	-0.2	1.0	266,238	263,450	273,538	-2.7
Excluding transportation: ⁴										
Unfilled Orders.....	228,531	228,547	229,383	0.0	-0.4	-0.4	231,357	229,226	250,036	-7.5
Total Inventories.....	191,208	191,747	192,473	-0.3	-0.4	0.1	192,958	191,014	199,539	-3.3
Excluding defense: ⁴										
Unfilled Orders.....	329,993	332,486	333,551	-0.7	-0.3	-0.3	332,579	332,775	363,525	-8.5
Total Inventories.....	241,493	242,363	242,575	-0.4	-0.1	0.8	243,137	241,293	250,942	-3.1
Manufacturing with unfilled orders: ⁴										
Unfilled Orders.....	474,184	475,440	477,418	-0.3	-0.4	-0.1	479,092	477,482	507,348	-5.6
Total Inventories.....	214,718	215,168	216,005	-0.2	-0.4	1.2	215,935	214,109	224,053	-3.6
Primary metals:										
Unfilled Orders.....	14,696	14,764	14,931	-0.5	-1.1	-1.9	15,084	14,729	16,948	-11.0
Total Inventories.....	19,127	18,934	18,742	1.0	1.0	0.6	19,133	19,096	18,643	2.6
Fabricated metal products:										
Unfilled Orders.....	37,082	37,525	37,800	-1.2	-0.7	-1.5	36,933	37,038	39,635	-6.8
Total Inventories.....	30,723	30,784	30,856	-0.2	-0.2	0.0	30,923	30,728	31,550	-2.0
Machinery:										
Unfilled Orders.....	44,387	44,607	44,581	-0.5	0.1	-1.2	44,948	44,726	53,032	-15.2
Total Inventories.....	44,060	44,303	44,729	-0.5	-1.0	0.7	44,724	44,143	47,110	-5.1
Computers and electronic products: ⁴										
Unfilled Orders.....	108,116	107,792	107,940	0.3	-0.1	0.5	109,986	108,920	114,911	-4.3
Total Inventories.....	41,271	41,650	42,272	-0.9	-1.5	-0.7	41,469	41,076	45,386	-8.6
Computers and related products:										
Unfilled Orders.....	7,377	7,546	7,808	-2.2	-3.4	13.7	7,453	7,432	7,067	5.5
Total Inventories.....	6,794	6,883	7,067	-1.3	-2.6	-0.4	6,969	6,676	7,278	-4.2
Communications equipment:										
Unfilled Orders.....	38,241	38,169	38,001	0.2	0.4	-2.0	38,986	38,674	43,268	-9.9
Total Inventories.....	8,419	8,610	8,793	-2.2	-2.1	-5.1	8,467	8,531	11,097	-23.7
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.....	14,123	14,177	14,411	-0.4	-1.6	-0.4	14,385	14,208	15,135	-5.0
Total Inventories.....	12,302	12,429	12,397	-1.0	0.3	-0.8	12,590	12,381	13,664	-7.9
Transportation equipment:										
Unfilled Orders.....	245,653	246,893	248,035	-0.5	-0.5	0.2	247,735	248,256	257,312	-3.7
Total Inventories.....	73,204	72,939	72,769	0.4	0.2	3.8	73,280	72,436	73,999	-1.0
Motor vehicles and parts:										
Unfilled Orders.....	12,476	12,286	12,318	1.5	-0.3	0.3	13,052	12,670	12,797	2.0
Total Inventories.....	21,141	21,009	20,741	0.6	1.3	0.9	21,040	20,857	19,532	7.7
Nondefense Aircraft and parts:										
Unfilled Orders.....	111,348	113,580	113,158	-2.0	0.4	0.8	111,042	113,144	121,257	-8.4
Total Inventories.....	29,670	30,107	29,936	-1.5	0.6	6.3	29,574	29,851	32,131	-8.0
Defense Aircraft and parts:										
Unfilled Orders.....	55,699	56,407	57,284	-1.3	-1.5	0.2	56,633	56,635	54,313	4.3
Total Inventories.....	11,160	10,900	11,151	2.4	-2.3	3.9	11,416	10,818	10,935	4.4
All other durable goods:										
Unfilled Orders.....	10,127	9,682	9,720	4.6	-0.4	-0.7	10,021	9,605	10,375	-3.4
Total Inventories.....	43,725	43,647	43,477	0.2	0.4	0.3	44,119	43,590	43,186	2.2
Capital goods: ³										
Unfilled Orders.....	331,699	332,416	332,561	-0.2	0.0	0.4	335,726	334,911	355,277	-5.5
Total Inventories.....	129,747	130,719	131,846	-0.7	-0.9	1.4	130,592	129,729	140,730	-7.2
Nondefense capital goods:										
Unfilled Orders.....	207,405	209,471	209,100	-1.0	0.2	0.3	209,123	209,959	229,411	-8.8
Total Inventories.....	110,775	112,052	112,810	-1.1	-0.7	1.0	111,626	111,156	121,749	-8.3
Excluding aircraft:										
Unfilled Orders.....	123,051	123,410	123,885	-0.3	-0.4	-0.7	124,769	123,898	138,596	-10.0
Total Inventories.....	88,222	89,023	90,016	-0.9	-1.1	0.1	89,131	88,301	95,996	-7.2
Defense capital goods:										
Unfilled Orders.....	124,294	122,945	123,461	1.1	-0.4	0.6	126,603	124,952	125,866	0.6
Total Inventories.....	18,972	18,667	19,036	1.6	-1.9	3.4	18,966	18,573	18,981	-0.1

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/>.