

**UNITED STATES DEPARTMENT OF
COMMERCE
NEWS**
WASHINGTON, DC 20230

**ECONOMICS
AND
STATISTICS
ADMINISTRATION**

U.S. CENSUS BUREAU

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M3-1(03)-01

For Release 8:30 A.M. EST
February 27, 2003
CB-03-43

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

(Figures in text are in seasonally adjusted current dollars. All figures **exclude data for semiconductor manufacturing**)

● **NEW ORDERS** for manufactured durable goods in January increased \$5.5 billion or 3.3 percent to \$174.8 billion, the Department of Commerce, U.S. Census Bureau reported today. This followed a 0.4 percent December decrease. Excluding transportation, new orders increased 2.5 percent. Excluding defense, new orders increased 3.6 percent.

Transportation equipment had the largest increase, \$2.5 billion or 5.1 percent to \$51.2 billion, due to motor vehicles and parts, which increased by \$3.7 billion. Machinery increased \$1.1 billion or 5.3 percent to \$22.9 billion. Computers and electronic products increased \$0.8 billion or 3.2 percent to \$27.1 billion, due to communications equipment, which increased by \$2.0 billion. Computers and electronic products are at the highest level since June 2001.

● **SHIPMENTS** of manufactured durable goods in January increased \$6.0 billion or 3.5 percent to \$175.8 billion. This followed a 2.0 percent December decrease.

Transportation equipment had the largest increase, \$3.6 billion or 7.5 percent to \$51.9 billion, due to motor vehicles and parts, which increased by \$3.8 billion. Transportation equipment had the largest percent increase since May 2001. Computers and electronic products increased \$1.5 billion or 6.0 percent to \$27.3 billion, which was the largest percent increase since January 2000.

● **UNFILLED ORDERS** for manufactured durable goods in January, down five consecutive months, decreased \$1.0 billion or 0.2 percent to \$476.4 billion and were at the lowest level since September 1996. This followed a 0.1 percent December decrease.

Transportation equipment had the largest decrease, \$0.7 billion or 0.3 percent to \$247.3 billion, the lowest level since May 2000.

● **INVENTORIES** of manufactured durable goods in January decreased \$0.4 billion or 0.1 percent to \$264.6 billion. This was the twenty-third decrease over the past twenty-four months. This followed a 0.9 percent December increase.

Computers and electronic products, at the lowest level since July 1994, had the largest decrease, \$0.4 billion or 0.9 percent to \$41.7 billion, led by computers and related products, which decreased by \$0.2 billion.

● **CAPITAL GOODS INDUSTRIES, DEFENSE** New orders in January decreased \$0.2 billion or 2.3 percent to \$6.8 billion. Shipments increased \$1.0 billion or 15.4 percent to \$7.2 billion, which was the largest percent increase since the current series began in 1992. Unfilled orders decreased \$0.4 billion or 0.4 percent to \$123.0 billion. Inventories decreased \$0.4 billion or 2.0 percent to \$18.6 billion.

● **CAPITAL GOODS INDUSTRIES, NONDEFENSE** New orders in January increased \$1.2 billion or 2.1 percent to \$57.0 billion. Shipments increased \$1.1 billion or 2.0 percent to \$56.4 billion. Unfilled orders increased \$0.6 billion or 0.3 percent to \$209.6 billion. Inventories decreased \$0.3 billion or 0.3 percent to \$112.3 billion.

● **REVISED December DATA** Revised seasonally adjusted December figures for all manufacturing industries are: new orders, \$320.3 billion (revised from \$320.6 billion); shipments, \$320.9 billion (revised from \$321.0 billion); unfilled orders, \$477.4 billion (revised from \$477.6 billion); and total inventories, \$430.4 billion (revised from \$430.2 billion).

Effective with this press release, there are some minor changes. Table 1 will now 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			Year to Date		Percent Change 2003/2002
	Jan 2003 ²	Dec 2002 ¹	Nov 2002	Dec - Jan ²	Nov - Dec ¹	Oct - Nov	Jan 2003 ²	Dec 2002 ¹	Jan 2002	2003	2002	
DURABLE GOODS												
Total: ⁴												
Shipments.....	175,801	169,838	173,331	3.5	-2.0	-1.7	156,132	167,134	152,973	156,132	152,973	2.1
New Orders.....	174,784	169,245	169,895	3.3	-0.4	-1.2	161,848	170,266	154,241	161,848	154,241	4.9
Excluding transportation: ⁴												
Shipments.....	123,873	121,520	122,063	1.9	-0.4	-0.4	108,915	121,384	105,912	108,915	105,912	2.8
New Orders.....	123,562	120,523	119,382	2.5	1.0	-1.9	112,802	120,635	107,354	112,802	107,354	5.1
Excluding defense: ⁴												
Shipments.....	167,294	162,292	164,948	3.1	-1.6	-2.1	149,191	158,227	146,681	149,191	146,681	1.7
New Orders.....	167,066	161,297	162,581	3.6	-0.8	-2.3	153,882	156,627	147,712	153,882	147,712	4.2
Manufacturing with unfilled orders: ⁴												
Shipments.....	122,239	117,905	121,356	3.7	-2.8	-1.1	107,614	119,331	106,441	107,614	106,441	1.1
New Orders.....	121,222	117,312	117,920	3.3	-0.5	-0.4	113,330	122,463	107,709	113,330	107,709	5.2
Primary metals:												
Shipments.....	11,430	11,188	11,158	2.2	0.3	-2.0	11,085	9,604	10,544	11,085	10,544	5.1
New Orders.....	11,349	10,893	10,612	4.2	2.6	-5.3	11,608	9,585	10,890	11,608	10,890	6.6
Fabricated metal products:												
Shipments.....	21,020	21,013	21,059	0.0	-0.2	-1.3	19,314	19,166	19,245	19,314	19,245	0.4
New Orders.....	20,862	20,469	20,618	1.9	-0.7	-3.9	19,523	18,331	19,089	19,523	19,089	2.3
Machinery:												
Shipments.....	22,615	22,262	22,689	1.6	-1.9	-0.4	19,608	22,154	19,477	19,608	19,477	0.7
New Orders.....	22,881	21,739	21,957	5.3	-1.0	-2.5	21,002	21,071	19,751	21,002	19,751	6.3
Computers and electronic products: ⁴												
Shipments.....	27,288	25,741	26,085	6.0	-1.3	-1.0	22,018	31,274	21,838	22,018	21,838	0.8
New Orders.....	27,106	26,260	25,279	3.2	3.9	-0.9	23,537	32,938	22,610	23,537	22,610	4.1
Computers and related products:												
Shipments.....	7,737	6,452	6,675	19.9	10.3	-6.1	6,176	8,557	5,228	6,176	5,228	18.1
New Orders.....	7,503	7,391	6,692	1.5	-3.4	-6.2	5,905	9,209	5,173	5,905	5,173	14.2
Communications equipment:												
Shipments.....	6,199	5,053	5,511	22.7	-8.3	6.7	4,577	7,113	4,518	4,577	4,518	1.3
New Orders.....	6,193	4,240	5,033	46.1	-15.8	-5.1	5,359	6,561	5,134	5,359	5,134	4.4
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.....	9,079	8,964	9,104	1.3	-1.5	1.0	7,792	9,118	7,666	7,792	7,666	1.6
New Orders.....	8,955	8,881	8,880	0.8	0.0	-0.9	7,915	8,989	7,522	7,915	7,522	5.2
Transportation equipment:												
Shipments.....	51,928	48,318	51,268	7.5	-5.8	-4.5	47,217	45,750	47,061	47,217	47,061	0.3
New Orders.....	51,222	48,722	50,513	5.1	-3.5	0.7	49,046	49,631	46,887	49,046	46,887	4.6
Motor vehicles and parts:												
Shipments.....	38,339	34,526	36,540	11.0	-5.5	-7.0	36,594	29,274	35,530	36,594	35,530	3.0
New Orders.....	38,245	34,557	36,714	10.7	-5.9	-6.0	37,004	29,734	35,950	37,004	35,950	2.9
Nondefense aircraft and parts:												
Shipments.....	4,770	5,924	6,089	-19.5	-2.7	-3.8	3,620	7,547	5,191	3,620	5,191	-30.3
New Orders.....	5,488	6,839	5,636	-19.8	21.3	21.4	4,742	8,319	3,934	4,742	3,934	20.5
Defense aircraft and parts:												
Shipments.....	3,247	2,553	3,208	27.2	-20.4	10.1	2,565	3,235	2,084	2,565	2,084	23.1
New Orders.....	2,495	2,682	2,922	-7.0	-8.2	11.3	2,911	4,691	3,472	2,911	3,472	-16.2
All other durable goods:												
Shipments.....	32,441	32,352	31,968	0.3	1.2	0.9	29,098	30,068	27,142	29,098	27,142	7.2
New Orders.....	32,409	32,281	32,036	0.4	0.8	-0.1	29,217	29,721	27,492	29,217	27,492	6.3
Capital goods: ³												
Shipments.....	63,640	61,563	63,077	3.4	-2.4	-0.9	53,443	68,766	53,037	53,443	53,037	0.8
New Orders.....	63,814	62,811	60,483	1.6	3.8	1.7	57,020	73,277	51,264	57,020	51,264	11.2
Nondefense capital goods:												
Shipments.....	56,405	55,295	56,031	2.0	-1.3	-1.8	47,439	61,481	47,578	47,439	47,578	-0.3
New Orders.....	57,012	55,846	54,558	2.1	2.4	-1.2	50,220	61,376	46,689	50,220	46,689	7.6
Excluding aircraft:												
Shipments.....	54,678	52,534	53,154	4.1	-1.2	-1.4	46,213	57,725	44,986	46,213	44,986	2.7
New Orders.....	54,439	51,627	51,914	5.4	-0.6	-3.0	48,148	56,162	45,575	48,148	45,575	5.6
Defense capital goods:												
Shipments.....	7,235	6,268	7,046	15.4	-11.0	6.6	6,004	7,285	5,459	6,004	5,459	10.0
New Orders.....	6,802	6,965	5,925	-2.3	17.6	39.0	6,800	11,901	4,575	6,800	4,575	48.6

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 2003/2002
	Jan 2003 ²	Dec 2002 ^r	Nov 2002	Dec - Jan ²	Nov - Dec ^r	Oct - Nov	Jan 2003 ²	Dec 2002 ^r	Jan 2002	
DURABLE GOODS										
Total: ⁴										
Unfilled Orders.....	476,359	477,376	477,969	-0.2	-0.1	-0.7	478,087	472,371	503,226	-5.0
Total Inventories.....	264,590	264,945	262,487	-0.1	0.9	-0.2	263,462	257,796	272,166	-3.2
Excluding transportation: ⁴										
Unfilled Orders.....	229,062	229,373	230,370	-0.1	-0.4	-1.2	229,827	225,940	249,769	-8.0
Total Inventories.....	191,716	192,189	192,359	-0.2	-0.1	0.1	190,959	187,300	198,830	-4.0
Excluding defense: ⁴										
Unfilled Orders.....	333,272	333,500	334,495	-0.1	-0.3	-0.7	333,281	328,590	362,291	-8.0
Total Inventories.....	242,338	242,277	240,645	0.0	0.7	-0.2	241,319	235,745	249,780	-3.4
Manufacturing with unfilled orders: ⁴										
Unfilled Orders.....	476,359	477,376	477,969	-0.2	-0.1	-0.7	478,087	472,371	503,226	-5.0
Total Inventories.....	215,219	215,744	213,345	-0.2	1.1	-0.2	214,180	210,237	223,039	-4.0
Primary metals:										
Unfilled Orders.....	14,851	14,932	15,227	-0.5	-1.9	-3.5	14,828	14,305	16,449	-9.9
Total Inventories.....	18,898	18,742	18,636	0.8	0.6	0.9	19,086	19,000	18,978	0.6
Fabricated metal products:										
Unfilled Orders.....	37,665	37,823	38,367	-0.4	-1.4	-1.1	37,163	36,954	39,653	-6.3
Total Inventories.....	30,679	30,852	30,864	-0.6	0.0	0.0	30,603	30,203	31,499	-2.8
Machinery:										
Unfilled Orders.....	44,862	44,596	45,119	0.6	-1.2	-1.6	45,008	43,614	53,688	-16.2
Total Inventories.....	44,444	44,718	44,440	-0.6	0.6	-0.1	44,302	43,445	46,508	-4.7
Computers and electronic products: ⁴										
Unfilled Orders.....	107,727	107,909	107,390	-0.2	0.5	-0.7	108,916	107,397	114,723	-5.1
Total Inventories.....	41,705	42,063	42,556	-0.9	-1.2	0.3	41,059	40,254	45,479	-9.7
Computers and related products:										
Unfilled Orders.....	7,574	7,808	6,869	-3.0	13.7	0.2	7,432	7,703	6,749	10.1
Total Inventories.....	6,886	7,048	7,095	-2.3	-0.7	1.2	6,665	6,490	7,060	-5.6
Communications equipment:										
Unfilled Orders.....	37,953	37,959	38,772	0.0	-2.1	-1.2	38,452	37,670	42,869	-10.3
Total Inventories.....	8,703	8,806	9,263	-1.2	-4.9	1.9	8,601	8,404	11,375	-24.4
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.....	14,267	14,391	14,474	-0.9	-0.6	-1.5	14,309	14,186	14,732	-2.9
Total Inventories.....	12,371	12,373	12,503	0.0	-1.0	-0.6	12,300	11,903	13,385	-8.1
Transportation equipment:										
Unfilled Orders.....	247,297	248,003	247,599	-0.3	0.2	-0.3	248,260	246,431	253,457	-2.1
Total Inventories.....	72,874	72,756	70,128	0.2	3.7	-1.1	72,503	70,496	73,336	-1.1
Motor vehicles and parts:										
Unfilled Orders.....	12,224	12,318	12,287	-0.8	0.3	1.4	12,653	12,243	12,613	0.3
Total Inventories.....	21,049	20,735	20,563	1.5	0.8	-0.5	20,951	20,297	19,647	6.6
Nondefense Aircraft and parts:										
Unfilled Orders.....	113,876	113,158	112,243	0.6	0.8	-0.4	113,112	111,990	122,086	-7.4
Total Inventories.....	30,075	29,936	28,155	0.5	6.3	-2.0	29,840	28,787	31,688	-5.8
Defense Aircraft and parts:										
Unfilled Orders.....	56,532	57,284	57,155	-1.3	0.2	-0.5	56,645	56,299	52,671	7.5
Total Inventories.....	10,847	11,151	10,736	-2.7	3.9	-0.7	10,794	10,782	10,752	0.4
All other durable goods:										
Unfilled Orders.....	9,690	9,722	9,793	-0.3	-0.7	0.7	9,603	9,484	10,524	-8.8
Total Inventories.....	43,619	43,441	43,360	0.4	0.2	0.1	43,609	42,495	42,981	1.5
Capital goods: ³										
Unfilled Orders.....	332,682	332,508	331,260	0.1	0.4	-0.8	335,194	331,617	353,665	-5.2
Total Inventories.....	130,949	131,625	130,053	-0.5	1.2	-0.3	129,861	127,207	139,507	-6.9
Nondefense capital goods:										
Unfilled Orders.....	209,645	209,038	208,487	0.3	0.3	-0.7	210,153	207,372	229,899	-8.6
Total Inventories.....	112,301	112,588	111,640	-0.3	0.8	-0.3	111,278	108,585	120,669	-7.8
Excluding aircraft:										
Unfilled Orders.....	123,584	123,823	124,730	-0.2	-0.7	-1.0	124,092	122,157	137,496	-9.7
Total Inventories.....	89,228	89,794	89,890	-0.6	-0.1	0.0	88,423	86,734	95,278	-7.2
Defense capital goods:										
Unfilled Orders.....	123,037	123,470	122,773	-0.4	0.6	-0.9	125,041	124,245	123,766	1.0
Total Inventories.....	18,648	19,037	18,413	-2.0	3.4	-0.1	18,583	18,622	18,838	-1.4

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 5,000 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 5,000 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 5,000 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/indicator/www/m3/>.