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U.S. CENSUS BUREAU

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**ADVANCE REPORT ON DURABLE GOODS MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS
July 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 July increased \$1.7 billion or 1.0 percent to \$174.0 billion, the Department of Commerce, U.S. Census Bureau reported today. This was the third consecutive increase and followed a 2.6 percent June increase. Excluding transportation, new orders increased 1.7 percent. Excluding defense, new orders increased 1.4 percent. Year-to-date, new orders for 2003 were 0.1 percent below the same period a year ago.

Computers and electronic products, up three consecutive months, had the largest increase, \$0.5 billion or 1.9 percent to \$29.9 billion, led by communications equipment, which increased by \$0.7 billion.

● **SHIPMENTS** of manufactured durable goods in July increased \$4.7 billion or 2.6 percent to \$181.4 billion. This was the third consecutive increase and followed a 1.7 percent June increase. Year-to-date, shipments for 2003 were 1.0 percent below the same period a year ago.

Transportation equipment, up three consecutive months, had the largest increase, \$2.0 billion or 4.0 percent to \$53.0 billion, led by motor vehicles and parts, which increased by \$1.8 billion.

● **UNFILLED ORDERS** for manufactured durable goods in July decreased \$1.9 billion or 0.4 percent to \$485.5 billion. This followed five consecutive increases, including a 0.3 percent June increase.

Transportation equipment had the largest decrease, \$1.1 billion or 0.5 percent to \$246.4 billion, led by nondefense aircraft and parts, which decreased by \$0.4 billion.

● **INVENTORIES** of manufactured durable goods in July, down twenty-nine of the past thirty months, decreased \$2.4 billion or 0.9 percent to \$263.9 billion. This followed a 0.8 percent June decrease.

Transportation equipment had the largest decrease, \$1.1 billion or 1.6 percent to \$67.1 billion, led by nondefense aircraft and parts, which decreased by \$1.3 billion.

● **CAPITAL GOODS INDUSTRIES, DEFENSE** New orders in July decreased \$1.0 billion or 12.2 percent to \$7.4 billion. Shipments increased \$0.8 billion or 10.8 percent to \$8.2 billion. Unfilled orders decreased \$0.9 billion or 0.7 percent to \$131.5 billion. Inventories decreased \$0.2 billion or 1.0 percent to \$18.7 billion.

● **CAPITAL GOODS INDUSTRIES, NONDEFENSE** New orders in July increased \$0.7 billion or 1.2 percent to \$58.2 billion. Shipments increased \$1.5 billion or 2.6 percent to \$58.4 billion. Unfilled orders decreased \$0.2 billion or 0.1 percent to \$216.3 billion. Inventories decreased \$2.0 billion or 1.9 percent to \$105.8 billion.

● **REVISED JUNE DATA** Revised seasonally adjusted June figures for all manufacturing industries are: new orders, \$323.5 billion (revised from \$323.0 billion); shipments, \$327.9 billion (revised from \$327.5 billion); unfilled orders, \$487.5 billion (revised from \$487.6 billion); and total inventories, \$442.7 billion (revised from \$443.4 billion).

With the cooperation of the Semiconductor Industry Association and many of its member companies, the Census Bureau is again able to publish shipments data on this important sector of our economy. The Census Bureau will not publish orders data and will only publish inventory data at higher level aggregates. Historic benchmark revisions included in this report were released August 19, 2003 and are available on the M3 website.

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		
	Jul 2003 ²	Jun 2003 ^r	May 2003 ^r	Jun - Jul ²	May - Jun ^r	Apr - May ^r	Jul 2003 ²	Jun 2003 ^r	Jul 2002 ^r	2003	2002	Percent 2003/2002
DURABLE GOODS												
Total:												
Shipments.....	181,431	176,781	173,783	2.6	1.7	0.2	157,771	192,542	155,915	1,214,741	1,227,011	-1.0
New Orders ⁴	173,979	172,318	168,007	1.0	2.6	0.0	150,222	183,172	151,916	1,181,601	1,182,614	-0.1
Excluding transportation:												
Shipments.....	128,402	125,801	124,292	2.1	1.2	0.1	119,284	137,337	117,376	864,060	867,809	-0.4
New Orders ⁴	122,095	120,016	118,225	1.7	1.5	1.0	114,456	128,513	112,033	829,578	826,939	0.3
Excluding defense:												
Shipments.....	171,909	167,988	165,033	2.3	1.8	0.3	149,384	182,735	149,000	1,154,813	1,174,243	-1.7
New Orders ⁴	165,059	162,754	158,502	1.4	2.7	0.5	144,594	173,841	144,357	1,115,717	1,126,159	-0.9
Manufacturing with unfilled orders:												
Shipments.....	123,153	119,589	118,159	3.0	1.2	-0.1	108,734	130,130	108,681	825,616	846,025	-2.4
New Orders ⁴	121,207	121,228	118,454	0.0	2.3	-0.1	105,756	127,458	108,778	831,496	833,114	-0.2
Primary metals:												
Shipments.....	10,827	10,488	10,825	3.2	-3.1	-0.1	10,101	10,938	10,793	77,172	79,738	-3.2
New Orders.....	10,788	10,598	10,649	1.8	-0.5	-0.7	10,060	11,031	10,555	76,990	79,778	-3.5
Fabricated metal products:												
Shipments.....	20,631	20,174	20,222	2.3	-0.2	0.6	19,816	21,093	20,308	141,861	145,728	-2.7
New Orders.....	20,401	19,940	20,186	2.3	-1.2	2.5	20,175	20,665	21,002	141,784	146,456	-3.2
Machinery:												
Shipments.....	21,290	20,841	20,861	2.2	-0.1	1.1	19,737	23,086	19,715	147,180	150,692	-2.3
New Orders.....	20,917	20,554	19,971	1.8	2.9	-0.6	19,503	21,841	19,507	145,887	144,168	1.2
Computers and electronic products:												
Shipments.....	35,368	34,898	33,261	1.3	4.9	-1.8	30,503	39,922	28,463	226,794	219,949	3.1
New Orders ⁴	29,865	29,317	28,291	1.9	3.6	1.7	25,209	32,721	22,976	192,470	185,489	3.8
Computers and related products:												
Shipments.....	8,667	7,703	6,997	12.5	10.1	-11.2	7,566	9,312	5,877	49,218	44,842	9.8
New Orders.....	8,159	7,967	7,640	2.4	4.3	-2.0	6,861	9,442	5,445	49,348	44,294	11.4
Communications equipment:												
Shipments.....	6,533	6,635	5,793	-1.5	14.5	-0.6	5,371	7,662	5,462	41,049	45,908	-10.6
New Orders.....	7,110	6,361	6,326	11.8	0.6	-4.7	5,724	6,534	5,121	46,167	45,170	2.2
Semiconductors:												
Shipments.....	5,506	6,102	6,071	-9.8	0.5	3.4	4,571	6,698	4,096	39,020	31,486	23.9
New Orders ⁵	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:												
Shipments.....	8,523	8,289	8,311	2.8	-0.3	0.1	7,704	9,075	7,854	57,467	59,677	-3.7
New Orders.....	8,370	8,355	8,226	0.2	1.6	-0.7	7,831	8,918	7,734	57,572	59,491	-3.2
Transportation equipment:												
Shipments.....	53,029	50,980	49,491	4.0	3.0	0.3	38,487	55,205	38,539	350,681	359,202	-2.4
New Orders.....	51,884	52,302	49,782	-0.8	5.1	-2.3	35,766	54,659	39,883	352,023	355,675	-1.0
Motor vehicles and parts:												
Shipments.....	37,937	36,100	35,153	5.1	2.7	0.0	26,088	38,296	26,652	252,746	260,457	-3.0
New Orders.....	38,082	36,093	34,946	5.5	3.3	-0.6	26,466	38,018	27,083	252,672	261,246	-3.3
Nondefense aircraft and parts:												
Shipments.....	5,941	6,032	5,422	-1.5	11.3	3.4	4,708	7,060	5,026	38,258	45,094	-15.2
New Orders.....	5,511	6,241	4,536	-11.7	37.6	-17.9	3,984	7,024	4,901	32,191	35,014	-8.1
Defense aircraft and parts:												
Shipments.....	3,435	3,315	3,214	3.6	3.1	-3.6	2,911	3,920	2,665	21,848	19,178	13.9
New Orders.....	3,168	3,920	4,624	-19.2	-15.2	5.7	1,853	3,651	5,015	26,765	25,785	3.8
All other durable goods:												
Shipments.....	31,763	31,111	30,812	2.1	1.0	1.3	31,423	33,223	30,243	213,586	212,025	0.7
New Orders.....	31,754	31,252	30,902	1.6	1.1	1.4	31,678	33,337	30,259	214,875	211,557	1.6
Capital goods:³												
Shipments.....	66,622	64,345	62,217	3.5	3.4	-0.4	59,592	72,389	56,544	433,196	432,514	0.2
New Orders.....	65,532	65,842	63,388	-0.5	3.9	-2.3	56,618	70,505	52,735	441,937	412,913	7.0
Nondefense capital goods:												
Shipments.....	58,387	56,914	54,779	2.6	3.9	-0.4	52,258	64,324	50,618	382,126	387,758	-1.5
New Orders.....	58,164	57,448	55,367	1.2	3.8	-0.9	51,909	62,496	49,201	385,022	369,091	4.3
Excluding aircraft:												
Shipments.....	55,509	53,948	52,436	2.9	2.9	-0.9	50,063	60,637	48,113	364,663	364,112	0.2
New Orders.....	55,054	54,825	53,705	0.4	2.1	1.0	49,776	59,397	46,991	372,563	356,297	4.6
Defense capital goods:												
Shipments.....	8,235	7,431	7,438	10.8	-0.1	-0.7	7,334	8,065	5,926	51,070	44,756	14.1
New Orders.....	7,368	8,394	8,021	-12.2	4.7	-11.0	4,709	8,009	3,534	56,915	43,822	29.9

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 Estimates and percent changes for new orders and unfilled orders exclude semiconductor industry data.

⁵ Data on new and unfilled orders are not available for the semiconductor industry.

⁶ 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
	Jul 2003 ²	Jun 2003 ^r	May 2003 ^r	Jun - Jul ²	May - Jun ^r	Apr - May ^r	Jul 2003 ²	Jun 2003 ^r	Jul 2002 ^r	
DURABLE GOODS										
Total:										
Unfilled Orders ⁴	485,522	487,468	485,829	-0.4	0.3	0.1	486,559	489,537	499,609	-2.6
Total Inventories.....	263,859	266,254	268,449	-0.9	-0.8	-0.3	264,964	264,190	274,003	-3.3
Excluding transportation:										
Unfilled Orders ⁴	239,157	239,958	239,641	-0.3	0.1	0.0	240,801	241,058	251,689	-4.3
Total Inventories.....	196,799	198,096	199,799	-0.7	-0.9	-0.4	197,354	196,853	206,744	-4.5
Excluding defense:										
Unfilled Orders ⁴	334,833	336,177	335,309	-0.4	0.3	-0.1	336,058	336,277	354,250	-5.1
Total Inventories.....	240,796	243,209	245,899	-1.0	-1.1	-0.2	241,728	241,138	253,248	-4.5
Manufacturing with unfilled orders:										
Unfilled Orders ⁴	485,522	487,468	485,829	-0.4	0.3	0.1	486,559	489,537	499,609	-2.6
Total Inventories.....	206,649	209,162	211,245	-1.2	-1.0	-0.3	207,465	207,567	216,080	-4.0
Primary metals:										
Unfilled Orders.....	14,038	14,077	13,967	-0.3	0.8	-1.2	14,277	14,318	16,340	-12.6
Total Inventories.....	17,968	18,246	18,931	-1.5	-3.6	-0.8	17,943	18,068	18,485	-2.9
Fabricated metal products:										
Unfilled Orders.....	35,959	36,189	36,423	-0.6	-0.6	-0.1	36,823	36,464	40,452	-9.0
Total Inventories.....	31,192	31,506	31,678	-1.0	-0.5	0.2	31,230	31,417	31,878	-2.0
Machinery:										
Unfilled Orders.....	41,125	41,498	41,785	-0.9	-0.7	-2.1	41,127	41,361	46,988	-12.5
Total Inventories.....	41,851	42,054	42,465	-0.5	-1.0	-0.4	41,609	41,626	43,548	-4.5
Computers and electronic products:										
Unfilled Orders ⁴	123,364	123,361	122,840	0.0	0.4	0.9	123,513	124,236	123,509	0.0
Total Inventories.....	47,359	47,784	48,074	-0.9	-0.6	-1.2	47,979	47,266	54,049	-11.2
Computers and related products:										
Unfilled Orders.....	8,306	8,814	8,550	-5.8	3.1	8.1	8,254	8,959	6,627	24.6
Total Inventories.....	6,032	6,288	6,139	-4.1	2.4	0.0	6,109	6,105	6,661	-8.3
Communications equipment:										
Unfilled Orders.....	49,706	49,129	49,403	1.2	-0.6	1.1	49,865	49,512	49,221	1.3
Total Inventories.....	11,216	11,359	11,628	-1.3	-2.3	-1.1	11,322	11,123	15,330	-26.1
Semiconductors:										
Unfilled Orders ⁵	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Total Inventories ⁶	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:										
Unfilled Orders.....	13,807	13,960	13,894	-1.1	0.5	-0.6	13,897	13,770	14,266	-2.6
Total Inventories.....	12,416	12,531	12,635	-0.9	-0.8	-0.1	12,439	12,502	13,336	-6.7
Transportation equipment:										
Unfilled Orders.....	246,365	247,510	246,188	-0.5	0.5	0.1	245,758	248,479	247,920	-0.9
Total Inventories.....	67,060	68,158	68,650	-1.6	-0.7	0.1	67,610	67,337	67,259	0.5
Motor vehicles and parts:										
Unfilled Orders.....	12,059	11,914	11,921	1.2	-0.1	-1.7	12,059	11,681	12,875	-6.3
Total Inventories.....	20,253	20,375	20,557	-0.6	-0.9	-0.6	20,633	20,052	21,035	-1.9
Nondefense Aircraft and parts:										
Unfilled Orders.....	106,003	106,433	106,224	-0.4	0.2	-0.8	105,427	106,151	112,718	-6.5
Total Inventories.....	24,407	25,673	26,354	-4.9	-2.6	1.3	24,420	25,211	26,100	-6.4
Defense Aircraft and parts:										
Unfilled Orders.....	60,281	60,548	59,943	-0.4	1.0	2.4	60,881	61,939	57,611	5.7
Total Inventories.....	10,933	10,811	10,484	1.1	3.1	-0.7	11,016	10,739	9,539	15.5
All other durable goods:										
Unfilled Orders.....	10,864	10,873	10,732	-0.1	1.3	0.8	11,164	10,909	10,134	10.2
Total Inventories.....	46,013	45,975	46,016	0.1	-0.1	-0.1	46,154	45,974	45,448	1.6
Capital goods:³										
Unfilled Orders.....	347,790	348,880	347,383	-0.3	0.4	0.3	347,452	350,426	345,000	0.7
Total Inventories.....	124,473	126,700	127,327	-1.8	-0.5	-0.2	124,805	125,403	133,565	-6.6
Nondefense capital goods:										
Unfilled Orders.....	216,291	216,514	215,980	-0.1	0.2	0.3	216,298	216,647	220,064	-1.7
Total Inventories.....	105,786	107,833	109,069	-1.9	-1.1	-0.1	106,056	106,585	116,274	-8.8
Excluding aircraft:										
Unfilled Orders.....	135,588	136,043	135,166	-0.3	0.6	0.9	136,171	136,458	137,127	-0.7
Total Inventories.....	88,703	89,368	89,933	-0.7	-0.6	-0.2	89,004	88,524	96,627	-7.9
Defense capital goods:										
Unfilled Orders.....	131,499	132,366	131,403	-0.7	0.7	0.4	131,154	133,779	124,936	5.0
Total Inventories.....	18,687	18,867	18,258	-1.0	3.3	-1.0	18,749	18,818	17,291	8.4

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 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/>.