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**ADVANCE REPORT ON DURABLE GOODS MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS**  
**June 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 June increased \$3.6 billion or 2.1 percent to \$172.5 billion, the Department of Commerce, U.S. Census Bureau reported today. This followed a slight May increase. Excluding transportation, new orders increased 1.4 percent. Excluding defense, new orders increased 1.7 percent. Year-to-date, new orders for 2003 were 0.7 percent above the same period a year ago.

Transportation equipment had the largest increase, \$1.9 billion or 3.9 percent to \$50.8 billion, led by nondefense aircraft and parts, which increased by \$1.0 billion. This was the largest percent increase since July 2002.

● **SHIPMENTS** of manufactured durable goods in June increased \$2.2 billion or 1.3 percent to \$171.9 billion. This followed a 0.1 percent May increase. Year-to-date, shipments for 2003 were 1.3 percent below the same period a year ago.

Transportation equipment had the largest increase, \$1.3 billion or 2.7 percent to \$50.8 billion, led by nondefense aircraft and parts, which increased by \$0.7 billion.

● **UNFILLED ORDERS** for manufactured durable goods in June increased \$0.6 billion or 0.1 percent to \$477.2 billion. This followed a 0.2 percent May decrease.

Computers and electronic products, up seven consecutive months, had the largest increase, \$0.3 billion or 0.3 percent to \$111.1 billion.

● **INVENTORIES** of manufactured durable goods in June, down twenty-eight of the past twenty-nine months, decreased \$1.5 billion or 0.6 percent to \$261.0 billion. This followed a 0.3 percent May decrease. This was the largest percent decrease since March 2002.

Transportation equipment had the largest decrease, \$0.7 billion or 0.9 percent to \$73.0 billion, led by nondefense aircraft and parts, which decreased by \$0.8 billion.

● **CAPITAL GOODS INDUSTRIES, DEFENSE** New orders in June increased \$1.1 billion or 15.5 percent to \$8.1 billion. Shipments decreased \$0.1 billion or 1.3 percent to \$7.3 billion. Unfilled orders, at the highest level since August 1993, increased \$0.9 billion or 0.7 percent to \$130.9 billion. Inventories increased \$0.5 billion or 2.5 percent to \$19.7 billion.

● **CAPITAL GOODS INDUSTRIES, NONDEFENSE** New orders in June increased \$1.1 billion or 2.0 percent to \$57.0 billion. Shipments increased \$1.4 billion or 2.5 percent to \$57.3 billion. Unfilled orders decreased \$0.3 billion or 0.1 percent to \$209.0 billion. Inventories decreased \$0.9 billion or 0.8 percent to \$108.4 billion.

● **REVISED May DATA** Revised seasonally adjusted May figures for all manufacturing industries are: new orders, \$321.7 billion (revised from \$320.6 billion); shipments, \$322.5 billion (revised from \$321.4 billion); unfilled orders, \$476.7 billion (revised from \$476.6 billion); and total inventories, \$432.7 billion (revised from \$431.7 billion).

**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 <sup>1</sup>					
	Monthly			Percent Change			Monthly			Year to Date		Percent 2003/ 2002
	Jun 2003 <sup>2</sup>	May 2003 <sup>1</sup>	Apr 2003	May - Jun <sup>2</sup>	Apr - May <sup>1</sup>	Mar - Apr	Jun 2003 <sup>2</sup>	May 2003 <sup>1</sup>	Jun 2002	2003	2002	
<b>DURABLE GOODS</b>												
<b>Total:<sup>4</sup></b>												
Shipments.....	171,898	169,649	169,509	1.3	0.1	-1.1	188,180	173,875	188,012	1,034,276	1,047,423	-1.3
New Orders.....	172,495	168,897	168,876	2.1	0.0	-2.4	185,026	172,551	176,075	1,042,203	1,035,013	0.7
<b>Excluding transportation:<sup>4</sup></b>												
Shipments.....	121,076	120,165	120,003	0.8	0.1	-0.2	132,925	121,072	132,305	721,480	726,320	-0.7
New Orders.....	121,672	119,970	118,908	1.4	0.9	-1.4	130,997	120,647	126,629	726,173	718,870	1.0
<b>Excluding defense:<sup>4</sup></b>												
Shipments.....	163,231	160,954	160,632	1.4	0.2	-1.4	178,549	165,264	179,053	983,293	1,002,348	-1.9
New Orders.....	163,213	160,425	158,557	1.7	1.2	-1.7	176,068	164,463	168,920	982,624	986,827	-0.4
<b>Manufacturing with unfilled orders<sup>4</sup></b>												
Shipments.....	119,257	118,241	118,165	0.9	0.1	-0.9	130,504	120,039	132,049	717,339	733,019	-2.1
New Orders.....	119,854	117,489	117,532	2.0	0.0	-2.8	127,350	118,715	120,112	725,266	720,609	0.6
<b>Primary metals:</b>												
Shipments.....	10,592	10,661	10,725	-0.6	-0.6	-2.1	11,062	11,187	11,605	66,510	67,949	-2.1
New Orders.....	10,818	10,566	10,571	2.4	0.0	2.0	11,245	10,926	11,404	66,462	68,251	-2.6
<b>Fabricated metal products:</b>												
Shipments.....	20,135	20,266	20,159	-0.6	0.5	-1.9	21,126	20,848	21,918	122,250	125,607	-2.7
New Orders.....	20,201	20,290	19,603	-0.4	3.5	-3.9	20,915	21,295	21,230	122,063	125,624	-2.8
<b>Machinery:</b>												
Shipments.....	22,410	22,223	22,044	0.8	0.8	-0.9	24,860	23,136	25,427	136,241	139,355	-2.2
New Orders.....	22,234	21,292	21,488	4.4	-0.9	-5.5	23,747	22,025	22,570	135,826	133,867	1.5
<b>Computers and electronic products:<sup>4</sup></b>												
Shipments.....	27,159	26,630	26,948	2.0	-1.2	3.4	31,856	24,805	30,324	156,173	155,266	0.6
New Orders.....	27,438	27,420	27,053	0.1	1.4	0.9	31,095	25,325	28,814	160,524	153,536	4.6
<b>Computers and related products:</b>												
Shipments.....	7,415	7,086	7,624	4.6	-7.1	22.4	9,102	6,064	8,029	41,154	38,047	8.2
New Orders.....	7,674	7,612	7,599	0.8	0.2	18.8	9,191	7,025	7,660	41,903	37,937	10.5
<b>Communications equipment:</b>												
Shipments.....	5,585	5,385	5,304	3.7	1.5	-5.0	6,834	5,043	6,664	32,288	33,984	-5.0
New Orders.....	5,189	5,739	6,105	-9.6	-6.0	-4.5	5,579	5,433	5,452	36,027	33,284	8.2
<b>Semiconductors:<sup>5</sup></b>												
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)
<b>Electrical equipment, appliances, and components:</b>												
Shipments.....	8,662	8,572	8,600	1.0	-0.3	-0.5	9,497	8,691	9,792	51,776	54,116	-4.3
New Orders.....	8,834	8,507	8,631	3.8	-1.4	-2.4	9,451	8,509	9,758	51,869	54,035	-4.0
<b>Transportation equipment:</b>												
Shipments.....	50,822	49,484	49,506	2.7	0.0	-3.2	55,255	52,803	55,707	312,796	321,103	-2.6
New Orders.....	50,823	48,927	49,968	3.9	-2.1	-4.7	54,029	51,904	49,446	316,030	316,143	0.0
<b>Motor vehicles and parts:</b>												
Shipments.....	35,837	35,160	35,289	1.9	-0.4	-3.7	38,352	38,575	39,388	227,189	234,127	-3.0
New Orders.....	35,760	34,989	35,198	2.2	-0.6	-3.6	38,052	38,122	39,215	226,748	234,489	-3.3
<b>Nondefense aircraft and parts:</b>												
Shipments.....	6,169	5,440	5,301	13.4	2.6	-11.4	7,122	5,228	7,023	33,834	40,412	-16.3
New Orders.....	5,710	4,760	4,507	20.0	5.6	51.2	7,012	4,252	3,415	28,398	30,457	-6.8
<b>Defense aircraft and parts:</b>												
Shipments.....	3,398	3,223	3,360	5.4	-4.1	1.8	3,965	3,138	3,650	19,072	16,645	14.6
New Orders.....	3,830	3,737	4,601	2.5	-18.8	-21.0	3,583	4,503	2,493	24,949	20,930	19.2
<b>All other durable goods:</b>												
Shipments.....	32,118	31,813	31,527	1.0	0.9	-0.8	34,524	32,405	33,239	188,530	184,027	2.4
New Orders.....	32,147	31,895	31,562	0.8	1.1	0.1	34,544	32,567	32,853	189,429	183,557	3.2
<b>Capital goods:<sup>3</sup></b>												
Shipments.....	64,540	63,223	63,300	2.1	-0.1	0.6	73,096	62,315	71,213	378,714	377,925	0.2
New Orders.....	65,163	62,943	64,806	3.5	-2.9	-2.8	70,610	62,139	62,400	389,100	362,715	7.3
<b>Nondefense capital goods:</b>												
Shipments.....	57,286	55,875	55,847	2.5	0.1	0.2	65,229	55,005	63,919	335,646	339,990	-1.3
New Orders.....	57,021	55,891	55,793	2.0	0.2	-0.1	62,990	55,321	56,698	337,685	323,279	4.5
<b>Excluding aircraft:</b>												
Shipments.....	54,251	53,531	53,772	1.3	-0.4	1.3	61,540	52,556	60,357	320,370	318,820	0.5
New Orders.....	54,630	54,315	54,027	0.6	0.5	-2.8	59,945	53,640	55,802	327,411	312,676	4.7
<b>Defense capital goods:</b>												
Shipments.....	7,254	7,348	7,453	-1.3	-1.4	3.8	7,867	7,310	7,294	43,068	37,935	13.5
New Orders.....	8,142	7,052	9,013	15.5	-21.8	-17.0	7,620	6,818	5,702	51,415	39,436	30.4

NA Not Available <sup>1</sup> Revised

<sup>1</sup> 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.

<sup>2</sup> 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."

<sup>3</sup> 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

<sup>4</sup> 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.

<sup>5</sup> 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 <sup>1</sup>			
	Monthly			Percent Change			Monthly			Percent Change 2003/2002
	Jun 2003 <sup>2</sup>	May 2003 <sup>r</sup>	Apr 2003	May - Jun <sup>2</sup>	Apr - May <sup>r</sup>	Mar - Apr	Jun 2003 <sup>2</sup>	May 2003 <sup>r</sup>	Jun 2002	
<b>DURABLE GOODS</b>										
<b>Total:<sup>4</sup></b>										
Unfilled Orders.....	477,247	476,650	477,402	0.1	-0.2	-0.1	480,332	483,486	489,548	-1.9
Total Inventories.....	260,959	262,429	263,209	-0.6	-0.3	-0.1	258,916	264,400	263,471	-1.7
<b>Excluding transportation:<sup>4</sup></b>										
Unfilled Orders.....	229,834	229,238	229,433	0.3	-0.1	-0.5	230,634	232,562	240,877	-4.3
Total Inventories.....	187,972	188,767	189,655	-0.4	-0.5	-0.4	186,780	190,631	192,151	-2.8
<b>Excluding defense:<sup>4</sup></b>										
Unfilled Orders.....	327,281	327,299	327,828	0.0	-0.2	-0.6	327,955	330,436	345,739	-5.1
Total Inventories.....	236,965	238,761	239,261	-0.8	-0.2	-0.3	234,859	240,779	241,144	-2.6
<b>Manufacturing with unfilled orders:<sup>4</sup></b>										
Unfilled Orders.....	477,247	476,650	477,402	0.1	-0.2	-0.1	480,332	483,486	489,548	-1.9
Total Inventories.....	211,750	212,852	213,565	-0.5	-0.3	-0.2	210,073	214,281	214,744	-2.2
<b>Primary metals:</b>										
Unfilled Orders.....	14,033	13,807	13,902	1.6	-0.7	-1.1	14,257	14,074	16,405	-13.1
Total Inventories.....	18,817	18,786	18,931	0.2	-0.8	-0.6	18,555	18,569	18,106	2.5
<b>Fabricated metal products:</b>										
Unfilled Orders.....	36,538	36,472	36,448	0.2	0.1	-1.5	36,755	36,966	39,826	-7.7
Total Inventories.....	30,335	30,496	30,490	-0.5	0.0	-0.8	30,377	30,725	30,624	-0.8
<b>Machinery:</b>										
Unfilled Orders.....	43,337	43,513	44,444	-0.4	-2.1	-1.2	43,199	44,312	47,926	-9.9
Total Inventories.....	43,442	43,524	43,658	-0.2	-0.3	0.1	42,929	43,829	44,581	-3.7
<b>Computers and electronic products:<sup>4</sup></b>										
Unfilled Orders.....	111,105	110,826	110,036	0.3	0.7	0.1	111,748	112,509	112,221	-0.4
Total Inventories.....	39,248	39,615	40,162	-0.9	-1.4	-0.9	38,827	40,460	42,734	-9.1
<b>Computers and related products:</b>										
Unfilled Orders.....	8,319	8,060	7,534	3.2	7.0	-0.3	8,452	8,363	6,694	26.3
Total Inventories.....	6,861	6,763	6,674	1.4	1.3	-3.1	6,685	7,154	6,899	-3.1
<b>Communications equipment:</b>										
Unfilled Orders.....	41,176	41,572	41,218	-1.0	0.9	2.0	41,409	42,664	41,553	-0.3
Total Inventories.....	7,763	7,869	7,991	-1.3	-1.5	-1.7	7,654	8,019	9,917	-22.8
<b>Semiconductors:<sup>5</sup></b>										
Unfilled Orders.....	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Total Inventories.....	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
<b>Electrical equipment, appliances, and components:</b>										
Unfilled Orders.....	14,527	14,355	14,420	1.2	-0.5	0.2	14,292	14,338	14,795	-3.4
Total Inventories.....	12,289	12,344	12,356	-0.4	-0.1	-0.2	12,241	12,690	12,980	-5.7
<b>Transportation equipment:</b>										
Unfilled Orders.....	247,413	247,412	247,969	0.0	-0.2	0.2	249,698	250,924	248,671	0.4
Total Inventories.....	72,987	73,662	73,554	-0.9	0.1	0.6	72,136	73,769	71,320	1.1
<b>Motor vehicles and parts:</b>										
Unfilled Orders.....	11,924	12,001	12,172	-0.6	-1.4	-0.7	11,802	12,102	12,555	-6.0
Total Inventories.....	20,427	20,594	20,685	-0.8	-0.4	0.0	20,160	20,576	20,117	0.2
<b>Nondefense Aircraft and parts:</b>										
Unfilled Orders.....	106,164	106,623	107,303	-0.4	-0.6	-0.7	106,554	106,664	113,388	-6.0
Total Inventories.....	29,101	29,927	29,700	-2.8	0.8	1.3	28,548	30,037	29,442	-3.0
<b>Defense Aircraft and parts:</b>										
Unfilled Orders.....	60,326	59,894	59,380	0.7	0.9	2.1	62,176	62,558	55,568	11.9
Total Inventories.....	11,943	11,812	11,784	1.1	0.2	1.4	11,967	11,689	10,796	10.8
<b>All other durable goods:</b>										
Unfilled Orders.....	10,294	10,265	10,183	0.3	0.8	0.3	10,383	10,363	9,704	7.0
Total Inventories.....	43,841	44,002	44,058	-0.4	-0.1	-0.1	43,851	44,358	43,126	1.7
<b>Capital goods:<sup>3</sup></b>										
Unfilled Orders.....	339,905	339,282	339,562	0.2	-0.1	0.4	342,043	344,529	340,228	0.5
Total Inventories.....	128,096	128,490	128,625	-0.3	-0.1	-0.5	126,759	129,702	132,931	-4.6
<b>Nondefense capital goods:</b>										
Unfilled Orders.....	209,037	209,302	209,286	-0.1	0.0	0.0	209,451	211,690	214,077	-2.2
Total Inventories.....	108,372	109,243	109,328	-0.8	-0.1	-0.8	107,028	110,384	114,145	-6.2
<b>Excluding aircraft:</b>										
Unfilled Orders.....	128,824	128,445	127,661	0.3	0.6	0.2	129,238	130,833	130,763	-1.2
Total Inventories.....	86,603	86,702	86,798	-0.1	-0.1	-1.1	85,772	88,003	91,046	-5.8
<b>Defense capital goods:</b>										
Unfilled Orders.....	130,868	129,980	130,276	0.7	-0.2	1.2	132,592	132,839	126,151	5.1
Total Inventories.....	19,724	19,247	19,297	2.5	-0.3	1.2	19,731	19,318	18,786	5.0

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 4,000 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 4,000 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 4,000 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/m3/>.

### NOTICE

Revised historical data for Manufacturers' Shipments, Inventories, and Orders will be issued on August 19, 2003. The revisions to the historical data are the result of:

- benchmarking the shipments and inventory data to the 2000 and 2001 Annual Survey of Manufactures (ASM) data;
- adjusting new and unfilled orders to be consistent with the benchmarked shipments and inventory data;
- newly introduced data for semiconductor manufacturing from March 2002 forward;
- correcting monthly data for late receipts, reclassifications of reported data, and revisions to previously reported data; and
- updating the seasonal adjustment factors for all series.

The publication will include data from 1992 through 2002. An accompanying press release will include the revised 2003 January through June data. Please call Dan Sansbury on (301)763-4832 with questions.