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**ADVANCE REPORT ON DURABLE GOODS MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS
May 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 May, at the lowest level since June 2002, decreased \$0.5 billion or 0.3 percent to \$168.3 billion, the Department of Commerce, U.S. Census Bureau reported today. This followed a 2.4 percent April decrease. Excluding transportation, new orders increased 0.2 percent. Excluding defense, new orders increased 0.3 percent. Year-to-date, new orders for 2003 were 0.3 percent below the same period a year ago.

Transportation equipment had the largest decrease, \$0.8 billion or 1.6 percent to \$49.2 billion.

• **SHIPMENTS** of manufactured durable goods in May, at the lowest level since September 2001, decreased \$0.5 billion or 0.3 percent to \$169.0 billion. This followed a 1.1 percent April decrease. Year-to-date, shipments for 2003 were 1.6 percent below the same period a year ago.

Computers and electronic products had the largest decrease, \$0.5 billion or 1.9 percent to \$26.4 billion, due to computers and related products, which decreased by \$0.6 billion.

• **UNFILLED ORDERS** for manufactured durable goods in May, down seven of the past nine months, decreased \$0.6 billion or 0.1 percent to \$476.8 billion. This followed a 0.1 percent April decrease.

Machinery, down thirty of the past thirty-two months and at the lowest level since February 1994, had the largest decrease, \$1.0 billion or 2.2 percent to \$43.5 billion.

• **INVENTORIES** of manufactured durable goods in May, down twenty-seven of the past twenty-eight months, decreased \$0.5 billion or 0.2 percent to \$262.7 billion. This followed a 0.1 percent April decrease.

Computers and electronic products, down six consecutive months and at the lowest level since the current series began in January 1992, had the largest decrease, \$0.4 billion or 1.0 percent to \$39.7 billion.

• **CAPITAL GOODS INDUSTRIES, DEFENSE** New orders in May decreased \$1.2 billion or 13.8 percent to \$7.8 billion. Shipments decreased \$0.1 billion or 1.6 percent to \$7.3 billion. Unfilled orders, at the highest level since August 1993, increased \$0.4 billion or 0.3 percent to \$130.7 billion. Inventories decreased \$0.2 billion or 0.8 percent to \$19.1 billion.

• **CAPITAL GOODS INDUSTRIES, NONDEFENSE** New orders in May decreased \$0.5 billion or 0.9 percent to \$55.4 billion. Shipments decreased \$0.2 billion or 0.4 percent to \$55.6 billion. Unfilled orders decreased \$0.3 billion or 0.1 percent to \$209.1 billion. Inventories increased \$0.1 billion or 0.1 percent to \$109.5 billion.

• **REVISED APRIL DATA** Revised seasonally adjusted April figures for all manufacturing industries are: new orders, \$319.4 billion (revised from \$320.0 billion); shipments, \$320.0 billion (revised from \$320.6 billion); unfilled orders, \$477.5 billion (revised from \$477.4 billion); and total inventories, \$432.3 billion (revised from \$432.6 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		Percent Change 03/02
	May 2003 ²	Apr 2003 ¹	Mar 2003	Apr - May ²	Mar - Apr ¹	Feb - Mar	May 2003 ²	Apr 2003 ¹	May 2002	2003	2002	
DURABLE GOODS												
Total: ⁴												
Shipments.....	168,960	169,467	171,385	-0.3	-1.1	0.4	173,481	167,102	182,576	845,689	859,411	-1.6
New Orders.....	168,326	168,869	173,066	-0.3	-2.4	1.3	171,990	167,973	176,051	856,665	858,938	-0.3
Excluding transportation: ⁴												
Shipments.....	119,522	119,964	120,229	-0.4	-0.2	1.3	120,643	117,740	125,442	588,109	594,015	-1.0
New Orders.....	119,157	118,898	120,656	0.2	-1.5	1.0	120,077	117,730	124,469	594,651	592,241	0.4
Excluding defense: ⁴												
Shipments.....	160,282	160,590	162,881	-0.2	-1.4	0.6	164,875	158,905	175,125	804,342	823,295	-2.3
New Orders.....	159,108	158,561	161,272	0.3	-1.7	0.6	163,732	157,792	173,150	805,874	817,907	-1.5
Manufacturing with unfilled orders ⁴												
Shipments.....	118,033	118,153	119,189	-0.1	-0.9	0.2	120,040	115,773	126,180	586,813	600,970	-2.4
New Orders.....	117,399	117,555	120,870	-0.1	-2.7	1.5	118,549	116,644	121,655	597,789	600,497	-0.5
Primary metals:												
Shipments.....	10,698	10,723	10,957	-0.2	-2.1	-0.3	11,204	11,080	12,062	55,465	56,344	-1.6
New Orders.....	10,531	10,580	10,364	-0.5	2.1	-4.7	10,940	10,860	12,034	55,231	56,847	-2.8
Fabricated metal products:												
Shipments.....	20,203	20,163	20,552	0.2	-1.9	-0.3	20,685	20,202	22,005	100,965	103,689	-2.6
New Orders.....	20,090	19,595	20,390	2.5	-3.9	0.7	21,014	19,794	22,656	100,881	104,394	-3.4
Machinery:												
Shipments.....	22,283	22,032	22,246	1.1	-1.0	1.6	23,227	22,800	24,373	111,442	113,928	-2.2
New Orders.....	21,320	21,524	22,739	-0.9	-5.3	4.1	22,024	22,878	23,413	112,103	111,297	0.7
Computers and electronic products: ⁴												
Shipments.....	26,436	26,936	26,052	-1.9	3.4	2.2	24,890	23,779	24,884	124,385	124,942	-0.4
New Orders.....	27,359	27,029	26,802	1.2	0.8	2.4	25,497	24,132	24,231	129,584	124,722	3.9
Computers and related products:												
Shipments.....	7,031	7,626	6,227	-7.8	22.5	-5.8	6,081	6,358	5,533	32,069	30,018	6.8
New Orders.....	7,516	7,601	6,397	-1.1	18.8	-0.8	7,042	6,145	5,909	32,729	30,277	8.1
Communications equipment:												
Shipments.....	5,301	5,304	5,581	-0.1	-5.0	1.5	5,077	4,642	5,428	25,488	27,320	-6.7
New Orders.....	5,785	6,104	6,391	-5.2	-4.5	0.3	5,385	5,687	5,386	30,400	27,832	9.2
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.....	8,541	8,601	8,644	-0.7	-0.5	0.9	8,669	8,400	9,345	42,261	44,324	-4.7
New Orders.....	8,454	8,641	8,841	-2.2	-2.3	3.1	8,490	8,400	9,421	42,414	44,277	-4.2
Transportation equipment:												
Shipments.....	49,438	49,503	51,156	-0.1	-3.2	-1.6	52,838	49,362	57,134	257,580	265,396	-2.9
New Orders.....	49,169	49,971	52,410	-1.6	-4.7	2.1	51,913	50,243	53,582	262,014	266,697	-1.8
Motor vehicles and parts:												
Shipments.....	35,137	35,286	36,641	-0.4	-3.7	-1.0	38,614	36,414	42,956	188,880	194,739	-3.0
New Orders.....	35,192	35,221	36,511	-0.1	-3.5	-1.6	38,419	36,186	42,826	188,997	195,274	-3.2
Nondefense aircraft and parts:												
Shipments.....	5,424	5,301	5,980	2.3	-11.4	-1.5	5,223	4,838	6,417	26,707	33,389	-20.0
New Orders.....	4,455	4,487	2,980	-0.7	50.6	-16.9	4,248	4,192	5,411	21,382	27,042	-20.9
Defense aircraft and parts:												
Shipments.....	3,218	3,360	3,299	-4.2	1.8	1.5	3,140	2,899	2,818	15,109	12,995	16.3
New Orders.....	4,311	4,601	5,823	-6.3	-21.0	137.8	4,502	4,707	1,780	21,365	18,437	15.9
All other durable goods:												
Shipments.....	31,361	31,509	31,778	-0.5	-0.8	2.1	31,968	31,479	32,773	153,591	150,788	1.9
New Orders.....	31,403	31,529	31,520	-0.4	0.0	-0.8	32,112	31,666	32,714	154,438	150,704	2.5
Capital goods: ³												
Shipments.....	62,978	63,304	62,903	-0.5	0.6	0.9	62,355	59,924	63,056	305,652	306,712	-0.3
New Orders.....	63,109	64,862	66,705	-2.7	-2.8	5.2	61,897	62,522	59,439	318,322	300,315	6.0
Nondefense capital goods:												
Shipments.....	55,641	55,851	55,723	-0.4	0.2	1.3	55,052	52,911	56,765	270,458	276,071	-2.0
New Orders.....	55,352	55,860	55,842	-0.9	0.0	3.2	54,908	53,691	55,269	274,356	266,581	2.9
Excluding aircraft:												
Shipments.....	53,322	53,776	53,061	-0.8	1.3	1.7	52,604	51,099	53,324	258,872	258,463	0.2
New Orders.....	53,801	54,094	55,557	-0.5	-2.6	4.8	53,228	52,188	52,634	267,128	256,874	4.0
Defense capital goods:												
Shipments.....	7,337	7,453	7,180	-1.6	3.8	-1.5	7,303	7,013	6,291	35,194	30,641	14.9
New Orders.....	7,757	9,002	10,863	-13.8	-17.1	16.4	6,989	8,831	4,170	43,966	33,734	30.3

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
	May 2003 ²	Apr 2003 ^r	Mar 2003	Apr - May ²	Mar - Apr ^r	Feb - Mar	May 2003 ²	Apr 2003 ^r	May 2002	
DURABLE GOODS										
Total:⁴										
Unfilled Orders.....	476,818	477,452	478,035	-0.1	-0.1	0.4	483,381	484,872	501,485	-3.6
Total Inventories.....	262,666	263,173	263,501	-0.2	-0.1	-0.4	264,461	263,837	268,295	-1.4
Excluding transportation:⁴										
Unfilled Orders.....	229,097	229,462	230,528	-0.2	-0.5	0.2	232,483	233,049	246,553	-5.7
Total Inventories.....	188,945	189,604	190,393	-0.3	-0.4	-0.5	190,667	190,572	196,338	-2.9
Excluding defense:⁴										
Unfilled Orders.....	326,715	327,889	329,903	-0.4	-0.6	-0.5	330,156	331,299	355,872	-7.2
Total Inventories.....	239,086	239,225	239,889	-0.1	-0.3	-0.7	240,827	239,986	246,302	-2.2
Manufacturing with unfilled orders:⁴										
Unfilled Orders.....	476,818	477,452	478,035	-0.1	-0.1	0.4	483,381	484,872	501,485	-3.6
Total Inventories.....	213,069	213,546	213,932	-0.2	-0.2	-0.5	214,438	213,971	218,766	-2.0
Primary metals:										
Unfilled Orders.....	13,746	13,913	14,056	-1.2	-1.0	-4.0	14,071	14,335	16,606	-15.3
Total Inventories.....	18,756	18,931	19,039	-0.9	-0.6	-0.3	18,557	18,775	17,991	3.1
Fabricated metal products:										
Unfilled Orders.....	36,323	36,436	37,004	-0.3	-1.5	-0.4	36,858	36,529	40,514	-9.0
Total Inventories.....	30,537	30,506	30,736	0.1	-0.7	-0.1	30,758	30,783	30,965	-0.7
Machinery:										
Unfilled Orders.....	43,529	44,492	45,000	-2.2	-1.1	1.1	44,275	45,478	50,783	-12.8
Total Inventories.....	43,644	43,673	43,629	-0.1	0.1	-1.1	43,939	43,985	45,853	-4.2
Computers and electronic products:⁴										
Unfilled Orders.....	110,947	110,024	109,931	0.8	0.1	0.7	112,596	111,989	113,731	-1.0
Total Inventories.....	39,664	40,081	40,524	-1.0	-1.1	-1.9	40,428	40,114	44,809	-9.8
Computers and related products:										
Unfilled Orders.....	8,019	7,534	7,559	6.4	-0.3	2.3	8,363	7,402	7,063	18.4
Total Inventories.....	6,727	6,674	6,888	0.8	-3.1	0.4	7,152	6,734	7,558	-5.4
Communications equipment:										
Unfilled Orders.....	41,701	41,217	40,417	1.2	2.0	2.0	42,582	42,274	42,765	-0.4
Total Inventories.....	7,925	7,991	8,130	-0.8	-1.7	-2.4	8,058	7,970	10,571	-23.8
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.....	14,342	14,429	14,389	-0.6	0.3	1.4	14,352	14,531	14,829	-3.2
Total Inventories.....	12,355	12,361	12,382	0.0	-0.2	0.0	12,698	12,670	13,444	-5.5
Transportation equipment:										
Unfilled Orders.....	247,721	247,990	247,507	-0.1	0.2	0.5	250,898	251,823	254,932	-1.6
Total Inventories.....	73,721	73,569	73,108	0.2	0.6	-0.2	73,794	73,265	71,957	2.6
Motor vehicles and parts:										
Unfilled Orders.....	12,248	12,193	12,263	0.5	-0.6	-1.0	12,360	12,555	12,728	-2.9
Total Inventories.....	20,631	20,700	20,678	-0.3	0.1	-2.3	20,591	20,710	20,184	2.0
Nondefense Aircraft and parts:										
Unfilled Orders.....	106,334	107,303	108,097	-0.9	-0.7	-2.7	106,665	107,640	116,996	-8.8
Total Inventories.....	30,040	29,700	29,315	1.1	1.3	-0.8	30,059	29,436	30,067	0.0
Defense Aircraft and parts:										
Unfilled Orders.....	60,473	59,380	58,139	1.8	2.1	4.5	62,555	61,193	56,725	10.3
Total Inventories.....	11,729	11,784	11,626	-0.5	1.4	2.9	11,689	11,642	10,561	10.7
All other durable goods:										
Unfilled Orders.....	10,210	10,168	10,148	0.4	0.2	-2.5	10,331	10,187	10,090	2.4
Total Inventories.....	43,989	44,052	44,083	-0.1	-0.1	0.7	44,287	44,245	43,276	2.3
Capital goods:³										
Unfilled Orders.....	339,745	339,614	338,056	0.0	0.5	1.1	344,327	344,785	349,041	-1.4
Total Inventories.....	128,628	128,665	129,299	0.0	-0.5	-0.4	129,870	128,972	136,363	-4.8
Nondefense capital goods:										
Unfilled Orders.....	209,060	209,349	209,340	-0.1	0.0	0.1	211,310	211,454	221,298	-4.5
Total Inventories.....	109,489	109,368	110,223	0.1	-0.8	-0.7	110,539	109,600	117,574	-6.0
Excluding aircraft:										
Unfilled Orders.....	128,203	127,724	127,406	0.4	0.2	2.0	130,453	129,829	135,318	-3.6
Total Inventories.....	86,861	86,838	87,724	0.0	-1.0	-0.8	88,158	87,361	94,298	-6.5
Defense capital goods:										
Unfilled Orders.....	130,685	130,265	128,716	0.3	1.2	2.9	133,017	133,331	127,743	4.1
Total Inventories.....	19,139	19,297	19,076	-0.8	1.2	0.9	19,331	19,372	18,789	2.9

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/>.