

UNITED STATES DEPARTMENT OF
COMMERCE
NEWS
WASHINGTON, DC 20230

ECONOMICS
AND
STATISTICS
ADMINISTRATION

U.S. CENSUS BUREAU

U.S. Census Bureau
For Data - (301) 763-4673
For Questions - Dan Sansbury or Derrick Roy (301) 763-4832
M3-1(03)-11

For Release 8:30 A.M. EST
December 24, 2003
CB-03-199

ADVANCE REPORT ON DURABLE GOODS MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS
November 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 November decreased \$5.7 billion or 3.1 percent to \$180.1 billion, the Department of Commerce, U.S. Census Bureau reported today. This was the largest percent decline since September 2002. This followed a 4.0 percent October increase. Excluding transportation, new orders decreased 3.7 percent. Excluding defense, new orders decreased 2.9 percent. Year-to-date, new orders for 2003 were 2.0 percent above the same period a year ago.

Computers and electronic products had the largest decrease, \$3.7 billion or 10.8 percent to \$30.1 billion, due to communications equipment, which decreased by \$3.8 billion. This was the largest percent decline in computers and electronic products since July 2000.

● **SHIPMENTS** of manufactured durable goods in November, up six of the last seven months, increased \$0.1 billion or 0.1 percent to \$184.1 billion. This followed a 0.9 percent October increase. Year-to-date, shipments for 2003 were 0.1 percent above the same period a year ago.

Transportation equipment, up five of the last seven months, had the largest increase, \$0.9 billion or 1.7 percent to \$53.3 billion.

● **UNFILLED ORDERS** for manufactured durable goods in November, up four consecutive months, increased \$2.2 billion or 0.4 percent to \$502.3 billion. This followed a 1.6 percent October increase.

Machinery, up four consecutive months, had the largest increase, \$0.6 billion or 1.5 percent to \$42.3 billion. Primary metals, up six consecutive months, also increased \$0.6 billion.

● **INVENTORIES** of manufactured durable goods in November, down thirty-two of the last thirty-four months, decreased \$0.3 billion or 0.1 percent to \$262.1 billion. This followed a 0.3 percent October increase.

Transportation equipment, down five of last six months, had the largest decrease, \$0.6 billion or 0.9 percent to \$67.0 billion.

● **CAPITAL GOODS INDUSTRIES, DEFENSE** New orders in November decreased \$0.4 billion or 4.7 percent to \$8.8 billion. Shipments decreased \$0.4 billion or 4.8 percent to \$7.5 billion. Unfilled orders increased \$1.3 billion or 1.0 percent to \$136.2 billion. Inventories increased \$0.3 billion or 1.4 percent to \$19.1 billion.

● **CAPITAL GOODS INDUSTRIES, NONDEFENSE** New orders in November decreased \$4.0 billion or 6.4 percent to \$57.8 billion. Shipments increased \$0.2 billion or 0.4 percent to \$58.9 billion. Unfilled orders decreased \$1.1 billion or 0.5 percent to \$221.0 billion. Inventories decreased \$0.6 billion or 0.6 percent to \$105.1 billion.

● **REVISED October DATA** Revised seasonally adjusted October figures for all manufacturing industries are: new orders, \$342.3 billion (revised from \$341.2 billion); shipments, \$340.5 billion (revised from \$339.9 billion); unfilled orders, \$500.1 billion (revised from \$499.6 billion); and total inventories, \$438.6 billion (revised from \$438.5 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 ¹					
	Monthly			Percent Change			Monthly			Year to Date		
	Nov 2003 ²	Oct 2003 ^r	Sep 2003	Oct - Nov ²	Sep - Oct ^r	Aug - Sep	Nov 2003 ²	Oct 2003 ^r	Nov 2002	2003	2002	Percent Change 03/02
DURABLE GOODS												
Total:												
Shipments.....	184,102	183,989	182,379	0.1	0.9	2.9	179,417	192,797	174,969	1,961,888	1,960,276	0.1
New Orders ⁴	180,065	185,812	178,738	-3.1	4.0	2.2	174,891	193,493	164,968	1,910,386	1,872,056	2.0
Excluding transportation:												
Shipments.....	130,793	131,586	129,313	-0.6	1.8	1.5	127,156	135,256	123,574	1,393,771	1,381,832	0.9
New Orders ⁴	126,301	131,175	127,404	-3.7	3.0	3.0	122,609	135,008	114,895	1,342,884	1,304,408	2.9
Excluding defense:												
Shipments.....	175,315	174,976	172,956	0.2	1.2	2.9	170,288	183,873	166,181	1,864,715	1,874,516	-0.5
New Orders ⁴	169,661	174,650	169,655	-2.9	2.9	4.0	164,738	183,385	157,827	1,805,948	1,788,212	1.0
Manufacturing with unfilled orders:												
Shipments.....	124,292	123,915	123,057	0.3	0.7	2.8	121,521	127,902	119,872	1,327,240	1,346,320	-1.4
New Orders ⁴	126,490	131,996	125,027	-4.2	5.6	1.0	123,488	135,003	115,663	1,340,125	1,311,426	2.2
Primary metals:												
Shipments.....	10,991	10,964	10,782	0.2	1.7	1.9	10,367	11,628	10,744	121,018	126,208	-4.1
New Orders.....	11,611	11,919	10,885	-2.6	9.5	-1.0	10,913	12,200	10,078	122,008	124,383	-1.9
Fabricated metal products:												
Shipments.....	20,408	20,461	20,424	-0.3	0.2	2.2	19,768	21,928	20,457	225,839	233,093	-3.1
New Orders.....	20,668	20,888	20,755	-1.1	0.6	1.1	19,949	22,131	19,938	226,168	231,116	-2.1
Machinery:												
Shipments.....	21,239	21,866	21,375	-2.9	2.3	1.5	19,760	21,825	19,926	231,251	235,036	-1.6
New Orders.....	21,878	22,075	21,411	-0.9	3.1	1.5	20,417	22,090	19,107	230,671	225,021	2.5
Computers and electronic products:												
Shipments.....	36,351	36,521	35,614	-0.5	2.5	0.8	36,260	35,959	33,356	373,685	354,078	5.5
New Orders ⁴	30,089	33,741	32,878	-10.8	2.6	7.2	30,045	33,724	26,826	319,962	291,379	9.8
Computers and related products:												
Shipments.....	8,251	8,450	8,077	-2.4	4.6	1.3	7,514	8,612	6,302	82,392	72,863	13.1
New Orders.....	8,188	8,209	8,279	-0.3	-0.8	-0.2	7,829	8,340	6,707	83,147	73,124	13.7
Communications equipment:												
Shipments.....	6,679	6,771	6,565	-1.4	3.1	0.5	6,846	6,121	6,780	67,867	71,590	-5.2
New Orders.....	5,764	9,600	8,039	-40.0	19.4	15.2	6,008	9,670	6,512	75,683	67,055	12.9
Semiconductors:												
Shipments.....	6,235	6,258	5,611	-0.4	11.5	-11.7	6,493	6,405	5,792	64,387	53,326	20.7
New Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:												
Shipments.....	8,554	8,561	8,463	-0.1	1.2	2.0	8,451	8,583	8,623	92,264	94,896	-2.8
New Orders.....	8,442	8,663	8,598	-2.6	0.8	2.0	8,308	8,877	8,409	92,423	94,352	-2.0
Transportation equipment:												
Shipments.....	53,309	52,403	53,066	1.7	-1.2	6.5	52,261	57,541	51,395	568,117	578,444	-1.8
New Orders.....	53,764	54,637	51,334	-1.6	6.4	0.2	52,282	58,485	50,073	567,502	567,648	0.0
Motor vehicles and parts:												
Shipments.....	37,655	37,846	38,059	-0.5	-0.6	6.7	35,828	43,550	36,164	409,130	420,969	-2.8
New Orders.....	37,907	38,349	38,539	-1.2	-0.5	8.2	36,328	43,912	36,458	409,904	420,563	-2.5
Nondefense aircraft and parts:												
Shipments.....	5,867	5,486	5,637	6.9	-2.7	5.7	6,274	4,904	6,223	60,715	69,106	-12.1
New Orders.....	4,841	5,625	4,663	-13.9	20.6	-5.1	5,094	4,635	5,458	52,263	57,020	-8.3
Defense aircraft and parts:												
Shipments.....	3,017	3,380	3,515	-10.7	-3.8	3.0	3,265	3,375	3,470	35,711	31,915	11.9
New Orders.....	3,575	3,931	3,668	-9.1	7.2	3.7	3,134	3,131	2,713	38,832	35,422	9.6
All other durable goods:												
Shipments.....	33,250	33,213	32,655	0.1	1.7	1.8	32,550	35,333	30,468	349,714	338,521	3.3
New Orders.....	33,613	33,889	32,877	-0.8	3.1	2.9	32,977	35,986	30,537	351,652	338,157	4.0
Capital goods:³												
Shipments.....	66,381	66,522	66,430	-0.2	0.1	3.4	64,381	65,613	61,339	698,353	685,101	1.9
New Orders.....	66,553	70,953	67,803	-6.2	4.6	0.6	64,373	70,082	58,802	710,701	654,761	8.5
Nondefense capital goods:												
Shipments.....	58,894	58,660	58,438	0.4	0.4	3.5	56,633	57,798	53,881	615,464	612,670	0.5
New Orders.....	57,777	61,749	60,225	-6.4	2.5	5.2	55,727	61,647	52,810	620,970	587,566	5.7
Excluding aircraft:												
Shipments.....	56,021	56,253	55,774	-0.4	0.9	3.1	53,501	55,858	50,876	588,021	577,751	1.8
New Orders.....	55,588	59,079	58,188	-5.9	1.5	6.0	53,433	59,852	50,038	599,763	562,762	6.6
Defense capital goods:												
Shipments.....	7,487	7,862	7,992	-4.8	-1.6	2.7	7,748	7,815	7,458	82,889	72,431	14.4
New Orders.....	8,776	9,204	7,578	-4.7	21.5	-25.4	8,646	8,435	5,992	89,731	67,195	33.5

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 Data on new and unfilled orders are not available for the semiconductor industry. Estimates and percent changes for new orders and unfilled orders exclude semiconductor industry data. 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
	Nov 2003 ²	Oct 2003 ^r	Sep 2003	Oct - Nov ²	Sep - Oct ^r	Aug - Sep	Nov 2003 ²	Oct 2003 ^r	Nov 2002	
DURABLE GOODS										
Total:										
Unfilled Orders ⁴	502,285	500,087	492,006	0.4	1.6	0.4	493,564	491,597	477,626	3.3
Total Inventories.....	262,128	262,410	261,678	-0.1	0.3	-0.5	263,141	263,307	271,153	-3.0
Excluding transportation:										
Unfilled Orders ⁴	253,412	251,669	245,822	0.7	2.4	1.5	249,763	247,817	236,975	5.4
Total Inventories.....	195,154	194,856	194,455	0.2	0.2	-0.5	195,541	194,663	204,689	-4.5
Excluding defense:										
Unfilled Orders ⁴	345,505	344,924	338,992	0.2	1.7	0.7	341,754	340,811	337,870	1.1
Total Inventories.....	238,755	239,175	238,719	-0.2	0.2	-0.6	239,651	239,846	250,182	-4.2
Manufacturing with unfilled orders:										
Unfilled Orders ⁴	502,285	500,087	492,006	0.4	1.6	0.4	493,564	491,597	477,626	3.3
Total Inventories.....	204,918	205,327	204,769	-0.2	0.3	-0.5	205,896	206,301	213,962	-3.8
Primary metals:										
Unfilled Orders.....	16,237	15,617	14,662	4.0	6.5	0.7	15,449	14,903	14,475	6.7
Total Inventories.....	17,291	17,144	17,382	0.9	-1.4	-2.4	17,332	17,101	18,961	-8.6
Fabricated metal products:										
Unfilled Orders.....	37,501	37,241	36,814	0.7	1.2	0.9	37,229	37,048	37,747	-1.4
Total Inventories.....	30,969	30,801	30,900	0.5	-0.3	-0.5	30,730	30,604	31,631	-2.8
Machinery:										
Unfilled Orders.....	42,289	41,650	41,441	1.5	0.5	0.1	41,840	41,183	43,497	-3.8
Total Inventories.....	41,595	41,687	41,381	-0.2	0.7	-0.3	41,978	41,789	43,523	-3.5
Computers and electronic products:										
Unfilled Orders ⁴	131,614	131,641	128,163	0.0	2.7	2.3	129,481	129,203	117,110	10.6
Total Inventories.....	47,115	47,172	46,937	-0.1	0.5	0.0	47,638	47,345	52,604	-9.4
Computers and related products:										
Unfilled Orders.....	8,621	8,684	8,925	-0.7	-2.7	2.3	8,879	8,564	7,436	19.4
Total Inventories.....	5,954	6,068	6,166	-1.9	-1.6	-0.4	6,275	6,128	6,801	-7.7
Communications equipment:										
Unfilled Orders.....	53,537	54,452	51,623	-1.7	5.5	2.9	52,563	53,401	45,424	15.7
Total Inventories.....	11,119	11,000	11,043	1.1	-0.4	0.8	11,286	10,948	14,006	-19.4
Semiconductors:										
Unfilled Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Total Inventories ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:										
Unfilled Orders.....	14,047	14,159	14,057	-0.8	0.7	1.0	13,951	14,094	13,908	0.3
Total Inventories.....	12,318	12,284	12,284	0.3	0.0	-0.6	12,215	12,164	12,790	-4.5
Transportation equipment:										
Unfilled Orders.....	248,873	248,418	246,184	0.2	0.9	-0.7	243,801	243,780	240,651	1.3
Total Inventories.....	66,974	67,554	67,223	-0.9	0.5	-0.3	67,600	68,644	66,464	1.7
Motor vehicles and parts:										
Unfilled Orders.....	13,281	13,029	12,526	1.9	4.0	4.0	12,907	12,407	11,680	10.5
Total Inventories.....	20,115	20,023	20,002	0.5	0.1	-1.8	20,181	20,154	20,695	-2.5
Nondefense Aircraft and parts:										
Unfilled Orders.....	103,805	104,831	104,692	-1.0	0.1	-0.9	103,042	104,222	110,712	-6.9
Total Inventories.....	24,221	24,822	25,050	-2.4	-0.9	0.2	24,654	25,525	25,511	-3.4
Defense Aircraft and parts:										
Unfilled Orders.....	61,681	61,123	60,572	0.9	0.9	0.3	59,085	59,216	54,511	8.4
Total Inventories.....	11,042	11,029	10,846	0.1	1.7	2.1	11,137	11,190	9,659	15.3
All other durable goods:										
Unfilled Orders.....	11,724	11,361	10,685	3.2	6.3	2.1	11,813	11,386	10,238	15.4
Total Inventories.....	45,866	45,768	45,571	0.2	0.4	-0.6	45,648	45,660	45,180	1.0
Capital goods:³										
Unfilled Orders.....	357,197	357,025	352,594	0.0	1.3	0.4	351,059	351,067	334,261	5.0
Total Inventories.....	124,175	124,533	124,497	-0.3	0.0	-0.2	125,638	125,461	131,478	-4.4
Nondefense capital goods:										
Unfilled Orders.....	221,018	222,135	219,046	-0.5	1.4	0.8	218,908	219,814	213,627	2.5
Total Inventories.....	105,120	105,750	105,935	-0.6	-0.2	-0.2	106,552	106,634	114,024	-6.6
Excluding aircraft:										
Unfilled Orders.....	141,360	141,793	138,967	-0.3	2.0	1.8	140,013	140,081	129,953	7.7
Total Inventories.....	88,042	88,167	88,152	-0.1	0.0	-0.3	89,004	88,435	94,810	-6.1
Defense capital goods:										
Unfilled Orders.....	136,179	134,890	133,548	1.0	1.0	-0.3	132,151	131,253	120,634	9.5
Total Inventories.....	19,055	18,783	18,562	1.4	1.2	0.2	19,086	18,827	17,454	9.4

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/>.