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U.S. CENSUS BUREAU

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**ADVANCE REPORT ON DURABLE GOODS MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS
October 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 October, up five of the last six months, increased \$5.9 billion or 3.3 percent to \$184.5 billion, the Department of Commerce, U.S. Census Bureau reported today. This followed a 2.1 percent September increase. Excluding transportation, new orders increased 2.4 percent. Excluding defense, new orders increased 2.3 percent. Year-to-date, new orders for 2003 were 1.6 percent above the same period a year ago.

Transportation equipment had the largest increase, \$2.8 billion or 5.5 percent to \$54.2 billion.

● **SHIPMENTS** of manufactured durable goods in October, up five of the last six months, increased \$1.0 billion or 0.6 percent to \$183.3 billion. This followed a 2.9 percent September increase. Year-to-date, shipments for 2003 were 0.2 percent below the same period a year ago.

Computers and electronic products, up five consecutive months, had the largest increase, \$1.0 billion or 2.8 percent to \$36.6 billion, led by semiconductors, which increased by \$0.7 billion.

● **UNFILLED ORDERS** for manufactured durable goods in October, up eight of the last nine months, increased \$7.5 billion or 1.5 percent to \$499.5 billion. This followed a 0.4 percent September increase.

Computers and electronic products, up six consecutive months, had the largest increase, \$3.9 billion or 3.0 percent to \$132.0 billion, led by communications equipment, which increased by \$3.2 billion.

● **INVENTORIES** of manufactured durable goods in October increased \$0.6 billion or 0.2 percent to \$262.4 billion. This followed a 0.5 percent September decrease. October was up following nine consecutive monthly decreases.

Transportation equipment had the largest increase, \$0.4 billion or 0.5 percent to \$67.6 billion. This followed four consecutive monthly decreases.

● **CAPITAL GOODS INDUSTRIES, DEFENSE** New orders in October increased \$1.7 billion or 22.1 percent to \$9.2 billion. Shipments decreased 0.6 percent to \$7.9 billion. Unfilled orders increased \$1.3 billion or 1.0 percent to \$134.9 billion. Inventories increased \$0.4 billion or 2.1 percent to \$19.0 billion.

● **CAPITAL GOODS INDUSTRIES, NONDEFENSE** New orders in October increased \$1.7 billion or 2.8 percent to \$61.8 billion. Shipments increased \$0.2 billion or 0.3 percent to \$58.6 billion. Unfilled orders increased \$3.3 billion or 1.5 percent to \$222.3 billion. Inventories decreased \$0.3 billion or 0.3 percent to \$105.7 billion.

● **REVISED SEPTEMBER DATA** Revised seasonally adjusted September figures for all manufacturing industries are: new orders, \$333.0 billion (revised from \$331.1 billion); shipments, \$336.7 billion (revised from \$336.2 billion); unfilled orders, \$492.0 billion (revised from \$490.8 billion); and total inventories, \$438.1 billion (revised from \$437.8 billion).

SEE BACK PAGE FOR SURVEY DESCRIPTION

Our internet site address is: <http://www.census.gov/m3>

Revised and more detailed estimates plus nondurable goods data will be published December 5, 2003 at 10:00 A.M. EST. The advance report on durable goods for November is scheduled for December 24 at 8:30 A.M. EST

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		
	Oct 2003 ²	Sep 2003 ^r	Aug 2003	Sep - Oct ²	Aug - Sep ^r	Jul - Aug	Oct 2003 ²	Sep 2003 ^r	Oct 2002	2003	2002	Percent Change 03/02
DURABLE GOODS												
Total:												
Shipments.....	183,301	182,274	177,187	0.6	2.9	-2.5	191,932	197,281	185,688	1,781,474	1,785,307	-0.2
New Orders ⁴	184,533	178,589	174,912	3.3	2.1	-0.1	192,378	188,957	174,047	1,734,262	1,707,088	1.6
Excluding transportation:												
Shipments.....	131,041	129,213	127,340	1.4	1.5	-1.0	134,621	140,279	128,350	1,265,848	1,258,258	0.6
New Orders ⁴	130,380	127,267	123,664	2.4	2.9	0.7	134,328	134,528	121,123	1,219,477	1,189,513	2.5
Excluding defense:												
Shipments.....	174,208	172,853	168,026	0.8	2.9	-2.4	182,936	187,056	178,005	1,693,360	1,708,335	-0.9
New Orders ⁴	173,351	169,508	163,178	2.3	3.9	-1.7	182,020	180,274	169,172	1,639,728	1,630,385	0.6
Manufacturing with unfilled orders:												
Shipments.....	123,426	122,991	119,669	0.4	2.8	-3.1	127,473	132,511	125,275	1,205,192	1,226,448	-1.7
New Orders ⁴	130,960	124,917	123,746	4.8	0.9	1.4	134,346	130,663	118,939	1,215,896	1,195,763	1.7
Primary metals:												
Shipments.....	10,939	10,779	10,577	1.5	1.9	-2.3	11,604	11,041	12,137	110,627	115,464	-4.2
New Orders.....	11,562	10,883	11,000	6.2	-1.1	1.1	11,968	10,729	11,609	110,863	114,305	-3.0
Fabricated metal products:												
Shipments.....	20,408	20,406	19,977	0.0	2.1	-4.3	21,821	21,371	22,500	205,947	212,636	-3.1
New Orders.....	20,726	20,710	20,531	0.1	0.9	-0.8	21,943	21,377	22,098	206,016	211,178	-2.4
Machinery:												
Shipments.....	21,492	21,376	21,057	0.5	1.5	-1.0	21,354	22,086	21,121	211,018	215,110	-1.9
New Orders.....	21,632	21,416	21,102	1.0	1.5	-0.4	21,548	21,787	20,736	209,732	205,914	1.9
Computers and electronic products:												
Shipments.....	36,554	35,548	35,343	2.8	0.6	0.6	36,084	41,581	31,812	337,449	320,722	5.2
New Orders ⁴	34,126	32,800	30,663	4.0	7.0	1.9	34,236	36,471	25,431	290,318	264,553	9.7
Computers and related products:												
Shipments.....	8,434	8,046	7,976	4.8	0.9	-7.1	8,584	10,266	6,858	74,799	66,561	12.4
New Orders.....	8,217	8,244	8,297	-0.3	-0.6	1.5	8,317	10,273	6,914	75,241	66,417	13.3
Communications equipment:												
Shipments.....	6,773	6,565	6,530	3.2	0.5	-0.5	6,192	7,798	5,421	61,092	64,810	-5.7
New Orders.....	10,018	8,015	6,979	25.0	14.8	-2.2	9,985	8,704	5,496	69,972	60,543	15.6
Semiconductors:												
Shipments.....	6,302	5,611	6,352	12.3	-11.7	19.9	6,427	6,476	5,305	57,916	47,534	21.8
New Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:												
Shipments.....	8,532	8,463	8,300	0.8	2.0	-2.9	8,571	9,528	8,556	83,801	86,273	-2.9
New Orders.....	8,579	8,594	8,429	-0.2	2.0	1.0	8,802	9,324	8,642	84,037	85,943	-2.2
Transportation equipment:												
Shipments.....	52,260	53,061	49,847	-1.5	6.4	-6.3	57,311	57,002	57,338	515,626	527,049	-2.2
New Orders.....	54,153	51,322	51,248	5.5	0.1	-1.8	58,050	54,429	52,924	514,785	517,575	-0.5
Motor vehicles and parts:												
Shipments.....	37,696	38,054	35,653	-0.9	6.7	-6.5	43,276	40,367	43,837	373,028	384,805	-3.1
New Orders.....	38,114	38,527	35,631	-1.1	8.1	-7.0	43,597	40,615	43,358	373,261	384,105	-2.8
Nondefense aircraft and parts:												
Shipments.....	5,467	5,637	5,332	-3.0	5.7	-9.7	4,902	6,216	5,512	54,439	62,883	-13.4
New Orders.....	5,691	4,663	4,912	22.0	-5.1	-11.6	4,624	5,698	3,427	47,158	51,562	-8.5
Defense aircraft and parts:												
Shipments.....	3,392	3,515	3,413	-3.5	3.0	-1.0	3,375	3,858	2,779	32,446	28,445	14.1
New Orders.....	3,900	3,668	3,537	6.3	3.7	10.7	3,131	3,292	1,736	35,698	32,709	9.1
All other durable goods:												
Shipments.....	33,116	32,641	32,086	1.5	1.7	0.5	35,187	34,672	32,224	317,006	308,053	2.9
New Orders.....	33,755	32,864	31,939	2.7	2.9	0.9	35,831	34,840	32,607	318,511	307,620	3.5
Capital goods:³												
Shipments.....	66,508	66,376	64,267	0.2	3.3	-3.2	65,607	73,670	61,281	633,865	623,762	1.6
New Orders.....	71,084	67,722	67,386	5.0	0.5	2.6	70,274	72,923	57,225	646,407	595,959	8.5
Nondefense capital goods:												
Shipments.....	58,562	58,386	56,487	0.3	3.4	-2.8	57,720	65,157	54,770	558,654	558,789	0.0
New Orders.....	61,836	60,146	57,229	2.8	5.1	-1.6	61,589	65,641	53,083	565,073	534,756	5.7
Excluding aircraft:												
Shipments.....	56,172	55,722	54,085	0.8	3.0	-2.2	55,779	62,357	52,192	534,342	526,875	1.4
New Orders.....	59,093	58,109	54,907	1.7	5.8	-0.2	59,797	63,012	51,975	546,163	512,724	6.5
Defense capital goods:												
Shipments.....	7,946	7,990	7,780	-0.6	2.7	-5.7	7,887	8,513	6,511	75,211	64,973	15.8
New Orders.....	9,248	7,576	10,157	22.1	-25.4	36.0	8,685	7,282	4,142	81,334	61,203	32.9

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 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
	Oct 2003 ²	Sep 2003 ^r	Aug 2003	Sep - Oct ²	Aug - Sep ^r	Jul - Aug	Oct 2003 ²	Sep 2003 ^r	Oct 2002	
DURABLE GOODS										
Total:										
Unfilled Orders ⁴	499,496	491,962	490,036	1.5	0.4	0.8	491,383	484,510	481,835	2.0
Total Inventories.....	262,361	261,739	262,949	0.2	-0.5	-0.6	263,382	260,601	272,118	-3.2
Excluding transportation:										
Unfilled Orders ⁴	251,426	245,785	242,120	2.3	1.5	1.1	247,808	241,674	239,862	3.3
Total Inventories.....	194,774	194,510	195,496	0.1	-0.5	-0.7	194,733	192,890	204,436	-4.7
Excluding defense:										
Unfilled Orders ⁴	344,393	338,948	336,682	1.6	0.7	0.4	340,418	334,907	340,432	0.0
Total Inventories.....	238,921	238,779	240,115	0.1	-0.6	-0.6	239,688	237,397	250,931	-4.5
Manufacturing with unfilled orders:										
Unfilled Orders ⁴	499,496	491,962	490,036	1.5	0.4	0.8	491,383	484,510	481,835	2.0
Total Inventories.....	205,247	204,834	205,891	0.2	-0.5	-0.8	206,283	204,185	214,501	-3.8
Primary metals:										
Unfilled Orders.....	15,286	14,663	14,559	4.2	0.7	3.0	14,695	14,331	15,141	-2.9
Total Inventories.....	17,155	17,382	17,803	-1.3	-2.4	-1.0	17,126	17,374	18,744	-8.6
Fabricated metal products:										
Unfilled Orders.....	37,105	36,787	36,483	0.9	0.8	1.5	36,969	36,847	38,266	-3.4
Total Inventories.....	30,993	30,913	31,058	0.3	-0.5	-0.2	30,839	30,663	31,704	-2.7
Machinery:										
Unfilled Orders.....	41,585	41,445	41,405	0.3	0.1	0.1	41,134	40,940	44,316	-7.2
Total Inventories.....	41,417	41,396	41,485	0.1	-0.2	-1.0	41,517	41,006	43,382	-4.3
Computers and electronic products:										
Unfilled Orders ⁴	132,025	128,151	125,288	3.0	2.3	1.4	129,602	125,023	117,848	10.0
Total Inventories.....	47,148	46,950	46,949	0.4	0.0	-1.2	47,344	46,496	52,397	-9.6
Computers and related products:										
Unfilled Orders.....	8,704	8,921	8,723	-2.4	2.3	3.8	8,566	8,833	7,031	21.8
Total Inventories.....	6,086	6,173	6,192	-1.4	-0.3	1.7	6,107	6,145	6,471	-5.6
Communications equipment:										
Unfilled Orders.....	54,844	51,599	50,149	6.3	2.9	0.9	53,627	49,834	45,692	17.4
Total Inventories.....	10,941	11,042	10,951	-0.9	0.8	-1.9	10,965	11,007	13,561	-19.1
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.....	14,100	14,053	13,922	0.3	0.9	0.9	14,028	13,797	14,122	-0.7
Total Inventories.....	12,241	12,283	12,364	-0.3	-0.7	-0.3	12,126	11,934	12,857	-5.7
Transportation equipment:										
Unfilled Orders.....	248,070	246,177	247,916	0.8	-0.7	0.6	243,575	242,836	241,973	0.7
Total Inventories.....	67,587	67,229	67,453	0.5	-0.3	-0.4	68,649	67,711	67,682	1.4
Motor vehicles and parts:										
Unfilled Orders.....	12,937	12,519	12,046	3.3	3.9	-0.2	12,366	12,045	11,386	8.6
Total Inventories.....	19,959	20,010	20,366	-0.3	-1.7	0.4	20,176	20,266	21,003	-3.9
Nondefense Aircraft and parts:										
Unfilled Orders.....	104,916	104,692	105,666	0.2	-0.9	-0.4	104,213	104,491	111,477	-6.5
Total Inventories.....	24,957	25,050	24,988	-0.4	0.2	-0.3	25,524	25,086	26,172	-2.5
Defense Aircraft and parts:										
Unfilled Orders.....	61,080	60,572	60,419	0.8	0.3	0.2	59,216	59,460	55,268	7.1
Total Inventories.....	11,017	10,846	10,627	1.6	2.1	-2.3	11,190	10,971	9,811	14.1
All other durable goods:										
Unfilled Orders.....	11,325	10,686	10,463	6.0	2.1	-1.4	11,380	10,736	10,169	11.9
Total Inventories.....	45,820	45,586	45,837	0.5	-0.5	-0.4	45,781	45,417	45,352	0.9
Capital goods:³										
Unfilled Orders.....	357,143	352,567	351,221	1.3	0.4	0.9	351,253	346,586	336,798	4.3
Total Inventories.....	124,639	124,541	124,707	0.1	-0.1	-0.5	125,584	124,064	131,381	-4.4
Nondefense capital goods:										
Unfilled Orders.....	222,293	219,019	217,259	1.5	0.8	0.3	219,821	215,952	214,698	2.4
Total Inventories.....	105,684	105,978	106,178	-0.3	-0.2	-0.4	106,524	105,364	113,804	-6.4
Excluding aircraft:										
Unfilled Orders.....	141,861	138,940	136,553	2.1	1.7	0.6	140,092	136,074	130,791	7.1
Total Inventories.....	87,999	88,195	88,445	-0.2	-0.3	-0.5	88,325	87,490	94,194	-6.2
Defense capital goods:										
Unfilled Orders.....	134,850	133,548	133,962	1.0	-0.3	1.8	131,432	130,634	122,100	7.6
Total Inventories.....	18,955	18,563	18,529	2.1	0.2	-0.8	19,060	18,700	17,577	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/>.