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**ADVANCE REPORT ON DURABLE GOODS MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS
September 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 September, up four of the last five months, increased \$1.4 billion or 0.8 percent to \$176.3 billion, the Department of Commerce, U.S. Census Bureau reported today. This followed a 0.1 percent August decrease. Excluding transportation, new orders increased 1.2 percent. Excluding defense, new orders increased 2.6 percent. Year-to-date, new orders for 2003 were 0.5 percent above the same period a year ago.

Computers and electronic products, up five consecutive months, had the largest increase, \$0.8 billion or 2.6 percent to \$31.5 billion, led by electromedical, measuring, and control instruments.

● **SHIPMENTS** of manufactured durable goods in September, up four of the last five months, increased \$4.5 billion or 2.5 percent to \$181.6 billion. This followed a 2.6 percent August decrease. Year-to-date, shipments for 2003 were 0.7 percent below the same period a year ago.

Transportation equipment, up four of the last five months, had the largest increase, \$3.0 billion or 6.0 percent to \$52.8 billion, led by motor vehicles and parts, which increased by \$2.3 billion.

● **UNFILLED ORDERS** for manufactured durable goods in September, up seven of the last eight months, increased \$0.6 billion or 0.1 percent to \$490.7 billion. This followed a 0.8 percent August increase.

Computers and electronic products, up five consecutive months, had the largest increase, \$1.7 billion or 1.3 percent to \$127.0 billion, led by communications equipment, which increased by \$0.9 billion.

● **INVENTORIES** of manufactured durable goods in September, down thirty-one of the past thirty-two months, decreased \$1.7 billion or 0.7 percent to \$261.3 billion. This followed a 0.6 percent August decrease.

All major industry groups decreased. Primary metals had the largest decrease, \$0.4 billion or 2.4 percent to \$17.4 billion, led by iron and steel mills.

● **CAPITAL GOODS INDUSTRIES, DEFENSE** New orders in September decreased \$2.7 billion or 26.7 percent to \$7.4 billion. Shipments increased \$0.2 billion or 2.4 percent to \$8.0 billion. Unfilled orders decreased \$0.5 billion or 0.4 percent to \$133.4 billion. Inventories decreased 0.1 percent to \$18.5 billion.

● **CAPITAL GOODS INDUSTRIES, NONDEFENSE** New orders in September increased \$2.0 billion or 3.4 percent to \$59.2 billion. Shipments increased \$1.6 billion or 2.9 percent to \$58.1 billion. Unfilled orders increased \$1.1 billion or 0.5 percent to \$218.4 billion. Inventories decreased \$0.3 billion or 0.3 percent to \$105.9 billion.

● **REVISED AUGUST DATA** Revised seasonally adjusted August figures for all manufacturing industries are: new orders, \$329.3 billion (revised from \$327.8 billion); shipments, \$331.6 billion (revised from \$331.3 billion); unfilled orders, \$490.1 billion (revised from \$488.9 billion); and total inventories, \$439.5 billion (revised from \$439.7 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		
	Sep 2003 ²	Aug 2003 ^r	Jul 2003	Aug - Sep ²	Jul - Aug ^r	Jun - Jul	Sep 2003 ²	Aug 2003 ^r	Sep 2002	2003	2002	Percent Change 03/02
DURABLE GOODS												
Total:												
Shipments.....	181,560	177,095	181,761	2.5	-2.6	2.8	196,851	177,176	190,546	1,589,145	1,599,619	-0.7
New Orders ⁴	176,255	174,875	175,064	0.8	-0.1	1.6	188,295	170,744	174,517	1,541,241	1,533,041	0.5
Excluding transportation:												
Shipments.....	128,790	127,297	128,567	1.2	-1.0	2.2	140,059	126,794	135,267	1,131,040	1,129,908	0.1
New Orders ⁴	125,119	123,674	122,864	1.2	0.7	2.4	133,737	120,794	124,686	1,084,377	1,068,390	1.5
Excluding defense:												
Shipments.....	172,141	167,933	172,219	2.5	-2.5	2.5	186,607	168,279	181,564	1,510,008	1,530,330	-1.3
New Orders ⁴	167,458	163,147	166,030	2.6	-1.7	2.1	179,601	161,198	165,688	1,457,054	1,461,213	-0.3
Manufacturing with unfilled orders:												
Shipments.....	122,155	119,581	123,463	2.2	-3.1	3.2	131,900	119,192	131,599	1,077,143	1,101,173	-2.2
New Orders ⁴	122,736	123,711	122,062	-0.8	1.4	0.7	130,057	118,941	121,596	1,080,965	1,076,824	0.4
Primary metals:												
Shipments.....	10,696	10,576	10,826	1.1	-2.3	3.2	11,006	10,758	11,640	98,988	103,327	-4.2
New Orders.....	10,632	11,006	10,885	-3.4	1.1	2.7	10,666	11,107	11,145	98,832	102,696	-3.8
Fabricated metal products:												
Shipments.....	20,250	19,965	20,883	1.4	-4.4	3.5	21,188	20,848	21,987	183,943	190,136	-3.3
New Orders.....	20,486	20,511	20,695	-0.1	-0.9	4.1	21,183	20,926	21,169	183,879	189,080	-2.8
Machinery:												
Shipments.....	21,318	21,102	21,264	1.0	-0.8	2.0	22,094	20,345	22,454	189,713	193,989	-2.2
New Orders.....	21,368	21,156	21,191	1.0	-0.2	3.4	21,824	20,285	21,211	188,266	185,178	1.7
Computers and electronic products:												
Shipments.....	35,683	35,301	35,125	1.1	0.5	0.7	41,750	33,241	38,158	301,534	288,910	4.4
New Orders ⁴	31,471	30,673	30,085	2.6	2.0	2.6	36,053	27,155	30,106	255,664	239,122	6.9
Computers and related products:												
Shipments.....	8,012	7,934	8,583	1.0	-7.6	12.5	10,126	6,962	8,642	66,075	59,703	10.7
New Orders.....	8,224	8,254	8,171	-0.4	1.0	3.5	10,130	7,528	8,994	66,781	59,503	12.2
Communications equipment:												
Shipments.....	6,439	6,531	6,564	-1.4	-0.5	-1.4	7,793	5,998	7,630	54,895	59,389	-7.6
New Orders.....	7,387	6,980	7,135	5.8	-2.2	11.8	8,734	5,062	5,400	60,017	55,047	9.0
Semiconductors:												
Shipments.....	5,886	6,350	5,296	-7.3	19.9	-12.8	6,713	6,181	6,026	51,726	42,229	22.5
New Orders ⁴	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Electrical equipment, appliances, and components:												
Shipments.....	8,403	8,282	8,546	1.5	-3.1	3.1	9,457	8,190	9,467	75,161	77,717	-3.3
New Orders.....	8,532	8,416	8,342	1.4	0.9	-0.6	9,317	8,273	9,310	75,228	77,301	-2.7
Transportation equipment:												
Shipments.....	52,770	49,798	53,194	6.0	-6.4	4.3	56,792	50,382	55,279	458,105	469,711	-2.5
New Orders.....	51,136	51,201	52,200	-0.1	-1.9	-0.2	54,558	49,950	49,831	456,864	464,651	-1.7
Motor vehicles and parts:												
Shipments.....	37,885	35,617	38,149	6.4	-6.6	5.7	40,275	36,471	38,900	329,660	340,968	-3.3
New Orders.....	38,309	35,596	38,303	7.6	-7.1	6.1	40,537	36,176	38,490	329,586	340,747	-3.3
Nondefense aircraft and parts:												
Shipments.....	5,640	5,332	5,902	5.8	-9.7	-2.2	6,219	5,048	6,961	49,540	57,371	-13.6
New Orders.....	4,721	4,912	5,555	-3.9	-11.6	-11.0	5,786	4,628	4,274	42,622	48,135	-11.5
Defense aircraft and parts:												
Shipments.....	3,521	3,413	3,448	3.2	-1.0	4.0	3,861	3,358	3,593	29,074	25,666	13.3
New Orders.....	3,593	3,537	3,196	1.6	10.7	-18.5	3,288	2,511	2,923	32,563	30,973	5.1
All other durable goods:												
Shipments.....	32,440	32,071	31,923	1.2	0.5	2.6	34,564	33,412	31,561	281,701	275,829	2.1
New Orders.....	32,630	31,912	31,666	2.2	0.8	1.4	34,694	33,048	31,745	282,508	275,013	2.7
Capital goods:³												
Shipments.....	66,104	64,270	66,381	2.9	-3.2	3.2	73,491	61,613	69,578	568,122	562,481	1.0
New Orders.....	66,685	67,445	65,656	-1.1	2.7	-0.2	72,821	61,471	64,936	576,077	538,734	6.9
Nondefense capital goods:												
Shipments.....	58,133	56,489	58,133	2.9	-2.8	2.2	64,962	53,933	62,190	500,782	504,019	-0.6
New Orders.....	59,245	57,294	58,188	3.4	-1.5	1.5	65,524	53,085	57,329	503,413	481,673	4.5
Excluding aircraft:												
Shipments.....	55,448	54,087	55,277	2.5	-2.2	2.5	62,158	51,824	58,912	478,407	474,683	0.8
New Orders.....	57,132	54,972	55,017	3.9	-0.1	0.5	62,806	51,056	55,157	486,206	460,749	5.5
Defense capital goods:												
Shipments.....	7,971	7,781	8,248	2.4	-5.7	10.6	8,529	7,680	7,388	67,340	58,462	15.2
New Orders.....	7,440	10,151	7,468	-26.7	35.9	-11.3	7,297	8,386	7,607	72,664	57,061	27.3

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
	Sep 2003 ²	Aug 2003 ^r	Jul 2003	Aug - Sep ²	Jul - Aug ^r	Jun - Jul	Sep 2003 ²	Aug 2003 ^r	Sep 2002	
DURABLE GOODS										
Total:										
Unfilled Orders ⁴	490,670	490,089	485,959	0.1	0.8	-0.3	484,501	486,344	488,171	-0.8
Total Inventories.....	261,285	263,014	264,638	-0.7	-0.6	-0.6	260,399	265,550	270,641	-3.8
Excluding transportation:										
Unfilled Orders ⁴	244,386	242,171	239,444	0.9	1.1	-0.2	241,326	240,935	241,784	-0.2
Total Inventories.....	194,073	195,555	196,921	-0.8	-0.7	-0.5	192,656	197,036	203,681	-5.4
Excluding defense:										
Unfilled Orders ⁴	337,945	336,742	335,178	0.4	0.5	-0.3	334,906	335,199	343,960	-2.6
Total Inventories.....	238,401	240,179	241,592	-0.7	-0.6	-0.6	237,197	242,149	249,272	-4.8
Manufacturing with unfilled orders:										
Unfilled Orders ⁴	490,670	490,089	485,959	0.1	0.8	-0.3	484,501	486,344	488,171	-0.8
Total Inventories.....	204,563	205,946	207,478	-0.7	-0.7	-0.8	204,047	207,975	212,913	-4.2
Primary metals:										
Unfilled Orders.....	14,502	14,566	14,136	-0.4	3.0	0.4	14,303	14,643	15,669	-8.7
Total Inventories.....	17,374	17,801	17,989	-2.4	-1.0	-1.3	17,335	17,782	18,650	-7.1
Fabricated metal products:										
Unfilled Orders.....	36,711	36,475	35,929	0.6	1.5	-0.5	36,836	36,841	38,668	-4.7
Total Inventories.....	30,861	31,066	31,115	-0.7	-0.2	-1.2	30,700	31,051	31,783	-3.4
Machinery:										
Unfilled Orders.....	41,464	41,414	41,360	0.1	0.1	-0.2	40,973	41,243	44,701	-8.3
Total Inventories.....	41,298	41,498	41,897	-0.5	-1.0	-0.3	40,972	41,668	43,066	-4.9
Computers and electronic products:										
Unfilled Orders ⁴	127,012	125,338	123,616	1.3	1.4	0.2	124,673	123,657	118,924	4.8
Total Inventories.....	46,863	46,978	47,496	-0.2	-1.1	-0.6	46,407	48,132	52,014	-10.8
Computers and related products:										
Unfilled Orders.....	8,934	8,722	8,402	2.4	3.8	-4.7	8,830	8,826	6,975	26.6
Total Inventories.....	6,257	6,230	6,088	0.4	2.3	-3.2	6,214	6,528	6,486	-4.2
Communications equipment:										
Unfilled Orders.....	51,097	50,149	49,700	1.9	0.9	1.2	49,869	48,928	45,617	9.3
Total Inventories.....	11,007	10,951	11,164	0.5	-1.9	-1.7	10,965	11,115	13,657	-19.7
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.....	14,056	13,927	13,793	0.9	1.0	-1.5	13,859	13,999	14,036	-1.3
Total Inventories.....	12,213	12,366	12,400	-1.2	-0.3	-1.0	11,884	12,306	12,747	-6.8
Transportation equipment:										
Unfilled Orders.....	246,284	247,918	246,515	-0.7	0.6	-0.4	243,175	245,409	246,387	-1.3
Total Inventories.....	67,212	67,459	67,717	-0.4	-0.4	-0.7	67,743	68,514	66,960	1.2
Motor vehicles and parts:										
Unfilled Orders.....	12,471	12,047	12,068	3.5	-0.2	1.3	12,059	11,797	11,865	1.6
Total Inventories.....	20,054	20,370	20,290	-1.6	0.4	-0.4	20,279	20,624	21,014	-3.5
Nondefense Aircraft and parts:										
Unfilled Orders.....	104,747	105,666	106,086	-0.9	-0.4	-0.3	104,576	105,009	113,562	-7.9
Total Inventories.....	25,045	24,988	25,065	0.2	-0.3	-2.4	25,097	25,242	25,509	-1.6
Defense Aircraft and parts:										
Unfilled Orders.....	60,491	60,419	60,295	0.1	0.2	-0.4	59,453	60,026	56,311	5.6
Total Inventories.....	10,803	10,627	10,875	1.7	-2.3	0.6	10,970	11,008	9,818	11.7
All other durable goods:										
Unfilled Orders.....	10,641	10,451	10,610	1.8	-1.5	-2.4	10,682	10,552	9,786	9.2
Total Inventories.....	45,464	45,846	46,024	-0.8	-0.4	0.2	45,358	46,097	45,421	-0.1
Capital goods:³										
Unfilled Orders.....	351,858	351,277	348,102	0.2	0.9	-0.2	346,666	347,336	340,854	1.7
Total Inventories.....	124,390	124,752	125,278	-0.3	-0.4	-1.1	123,991	126,468	130,759	-5.2
Nondefense capital goods:										
Unfilled Orders.....	218,434	217,322	216,517	0.5	0.4	0.0	216,033	215,471	216,385	-0.2
Total Inventories.....	105,883	106,222	106,594	-0.3	-0.3	-1.2	105,292	107,519	112,981	-6.8
Excluding aircraft:										
Unfilled Orders.....	138,300	136,616	135,731	1.2	0.7	-0.2	136,070	135,422	131,008	3.9
Total Inventories.....	88,101	88,489	88,853	-0.4	-0.4	-0.6	87,407	89,604	93,702	-6.7
Defense capital goods:										
Unfilled Orders.....	133,424	133,955	131,585	-0.4	1.8	-0.6	130,633	131,865	124,469	5.0
Total Inventories.....	18,507	18,530	18,684	-0.1	-0.8	-1.0	18,699	18,949	17,778	5.2

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/>.